

# ANNUAL BUDGET OF BUFFALO CITY METROPOLITAN MUNICIPALITY



## 2017/2018 TO 2019/20 DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET 29 MARCH 2017

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## ABBREVIATIONS AND ACRONYMS

<b>AMR</b>	Automated Meter Reading	<b>Km</b>	Kilometre
<b>ASGISA</b>	Accelerated and Shared Growth Initiative South Africa	<b>KPA</b>	Key Performance Area
<b>BCMM</b>	Buffalo City Metropolitan Municipality	<b>KPI</b>	Key Performance Indicator
<b>BCDA</b>	Buffalo City Development Agency	<b>kWh</b>	Kilowatt hour
<b>BSC</b>	Budget Steering Committee	<b>ℓ</b>	litre
<b>CBD</b>	Central Business District	<b>LED</b>	Local Economic Development
<b>CFO</b>	Chief Financial Officer	<b>MBRR</b>	Municipal Budgeting and Reporting Regulations
<b>CM</b>	City Manager	<b>MDGS</b>	Metro Growth and Development Strategy
<b>CoGTA</b>	Cooperative Government & Traditional Affairs	<b>MEC</b>	Member of the Executive Committee
<b>CPI</b>	Consumer Price Index	<b>MFMA</b>	Municipal Finance Management Act
<b>CRRF</b>	Capital Replacement Reserve Fund	<b>MIG</b>	Municipal Infrastructure Grant
<b>DBSA</b>	Development Bank South Africa	<b>MMC</b>	Member of Mayoral Committee
<b>DoRA</b>	Division of Revenue Act	<b>MPRA</b>	Municipal Property Rates Act
<b>DWA</b>	Department of Water Affairs	<b>MSA</b>	Municipal Systems Act
<b>EE</b>	Employment Equity	<b>MTEF</b>	Medium-term Expenditure Framework
<b>EEDSM</b>	Energy Efficiency Demand Side Management	<b>MTREF</b>	Medium-term Revenue and Expenditure Framework
<b>EM</b>	Executive Mayor	<b>NDPG</b>	Neighbourhood Development Partnership Grant
<b>EPWP</b>	Expanded Public Works Programme	<b>NERSA</b>	National Electricity Regulator South Africa
<b>FBS</b>	Free Basic Services	<b>NGO</b>	Non-Governmental Organisations
<b>FMG</b>	Finance Management Grant	<b>NKPIs</b>	National Key Performance Indicators
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice	<b>OP</b>	Operational Plan
<b>GDP</b>	Gross Domestic Product	<b>PMS</b>	Performance Management System
<b>GFS</b>	Government Financial Statistics	<b>PPE</b>	Property, Plant and Equipment
<b>GRAP</b>	Generally Recognized Accounting Practice	<b>PPP</b>	Public Private Partnership
<b>HR</b>	Human Resources	<b>PTIS</b>	Public Transport Infrastructure System
<b>HSDG</b>	Human Settlement Development Grant	<b>SALGA</b>	South African Local Government Association
<b>HSRC</b>	Human Science Research Council	<b>SDBIP</b>	Service Delivery Budget Implementation Plan
<b>IDP</b>	Integrated Development Plan	<b>SMME</b>	Small Micro and Medium Enterprises
<b>ELIDZ</b>	East London Industrial Development Zone	<b>USDG</b>	Urban Settlement Development Grant
<b>INEP</b>	Integrated National Electrification Programme	<b>VAT</b>	Value Added Tax
<b>IT</b>	Information Technology	<b>WSA</b>	Waster Services Authority
<b>kℓ</b>	Kilolitre	<b>WSDP</b>	Water Services Development Plan

## **PART 1 – ANNUAL BUDGET**

### **1.1 EXECUTIVE MAYOR'S REPORT**

The Honourable Minister of Finance in his budget speech of 22 February 2017 reminded South Africans about the following realities that the country is facing:

- Income growth that has been uneven - the bottom 20 per cent have benefited from social grants and better access to services, the top 20 per cent have benefited from the rising demand for skills and pay increases. Those in the middle have been left behind.
- Wealth remains highly concentrated – 95 per cent of wealth is in the hands of 10 percent of the population.
- 35 per cent of the labour force are unemployed or have given up hope of finding work.
- Despite our progress in education, over half of all children in Grade 5 cannot yet read adequately in any language.
- More than half of all school-leavers each year enter the labour market without a senior certificate pass. 75 per cent of these will still be unemployed five years later.
- Our towns and cities remain divided and poverty is concentrated in townships and rural areas.
- Our growth has been too slow – just 1 per cent a year in real per capita terms over the past 25 years, well below that of countries such as Brazil, Turkey, Indonesia, India or China.

The speech also indicated that the above problems are not unique to South Africa as they mirror the stresses of poverty and vulnerability in many developing countries, and the inequality between rich and poor throughout the world. It further state that even in the developed world, there are serious faultiness and uncertainty:

- Citizens lack of trust in elites
- Growing inequality
- Globalisation benefitting a few
- Stagnant and falling incomes of the middle class.

All the above are contributing negatively to the world's performance on economic growth.

On global economic outlook the speech suggest that after several years of tentative economic growth, there are signs that a more sustainable recovery might be under way:

- Growth in the United States and Europe is steady, although at low levels.
- India and China remain comparatively buoyant, and economies such as Russia and Brazil are set to recover from recessions.
- The International Monetary Fund projects that the world economy will grow by 3.4 per cent in 2017 and 3.6 per cent in 2018.

Coming to South Africa, the Honourable Minister highlighted that moderate GDP growth recovery is anticipated as GDP growth is expected to increase from 0.5 per cent last year to 1.3 per cent in 2017, and will continue to improve moderately over the medium term. The Honourable Minister, however cautioned that, the projected rate of growth is not sufficient to reduce unemployment or impact significantly on poverty and inequality. It falls well short of our NDP goals. He further outlined the following several specific imperatives that are required in order to boost investment in the short term:

- Finalising legislation relating to mining development and land redistribution.
- Implementing the transition from analogue to digital television, which will release spectrum for broadband services.
- Continuing our independent power producer programme, both in renewables and to take advantage of gas investment opportunities.
- Further strengthening of economic regulatory functions and streamlining investment approval processes.
- Production-friendly industrial relations and prompt resolution of disputes.
- An enabling environment for small enterprises and support through leveraging both public and private sector procurement budgets.
- Focused support on labour-intensive sectors, including agriculture, agro-processing and tourism-related services.
- Strengthening regional ties and trade links.
- Safeguarding South Africa's investment-grade credit rating



In concurrence with the above, the Honourable Member of Executive Council (MEC) of the Eastern Cape for Finance in his budget speech of 02 March 2017 indicated that, while the global economic environment remains undefined, indications are that we have entered a period of recovery. The speech further indicated that the weak global and domestic economic environment has had a knock-on effect on the levels of economic activity in our province. The Honourable MEC also state that without economic growth we will not be able to generate the levels of revenue required to sustain our infrastructure investments and social programmes.

In response to the above challenges the Honourable MEC tabled the following mitigating measures against budget cuts:

- Fiscal Sustainability
- Strict implementation of cost containment measures
- Containment of the Provincial Wage Bill
- Increase in Own Revenue Generation; and
- Rationalisation of Public Entities

The Buffalo City Metropolitan Municipality understands that it is not immune to the economic challenges that are experienced globally, by South Africa and most closely, the province of the Eastern Cape. Therefore, BCMM has taken and continued to follow conservative approach in the manner in which it approaches this MTREF budget. This approach includes giving consideration in the budget to the cost containment measures suggested by National Treasury. These measures are being implemented in an attempt to ensure the future viability of the institution and to focus on reducing the negative impact on the residents within our boundaries. Continuing from prior year cost containment measures, the following cost containment measures have been applied in the 2017/18 MTREF budget:

- Filling of vacant funded posts has been frozen with the exception of few critical posts.
- Scarce skills allowance and additional responsibility allowance not to be implemented going forward.
- General Expenditure budget has been reduced by 8% in the 2017/18 financial year.

- Measures have been put in place to reduce overtime by 50% in the 2017/18 financial year.
- No inflationary increase has been factored on contracted services for the 2017/18 financial year.
- The exercise of scrutinising cost drivers within our value chain to identify areas for efficiency improvement is still on-going.

It gives me great pleasure to announce that our total budget (operating and capital) for the MTREF period is growing from R7.89 billion in the 2017/18 to R8.85 billion in the 2018/19 financial year, it further grows to R9.36 billion in the 2019/20 financial year of which consistently over R1.5 billion per annum has been allocated for infrastructure investment.

Our commitment to respond to our people's legitimate demand for a better life is reflected in a budget in which the **key priorities are Water and Sanitation, Roads and Storm water, Human Settlements development, Transport Planning, Electricity** and related **critical infrastructure and maintenance**. In a continued effort to create jobs for the communities of Buffalo City and to encourage private sector investment the capital budget is being focused on a mix social and economic infrastructure investments. This is our contribution in trying to turn the corner from the economic hardships that our country experienced in the past few years since the global recession. As part of the City's long term plan on human capital development, the city has allocated funding for internship programmes, especially in the areas of finance and engineering as well as the EPWP Programme. The City further continues to allocate funding for bursaries to its employees as well as communities of BCMM. This is in line with, and reflects our commitment to the priorities of the National Development Plan and Provincial Development plan while of course reflecting our own Constitutional role as a local actor on the national stage. The budget allocation is based on the priorities that have been identified through the City's IDP reviews process. It also seek to works towards achieving the goals that are set in the recently adopted Metro Growth and Development Strategy.

In total, the budget for our **capital and operating projects** amounts to about **R7.1 billion over the MTREF period** (2017/18: R1.9 billion, 2018/19: R2.5 billion and 2019/20: R2.7 billion). The municipality has recognised the economic adversities that is currently being

experienced by its citizens and in an attempt to relieve the growing poverty it has taken a decision to strive to keep its tariff increases at the most minimal feasible levels. This has resulted in the Metro increasing its tariffs a single digit percentage increase on Property Rates and all the services.

On Property Rates the increase has been set at 9.6% for 2017/18 financial year, the increase is decreased to 8.5% in 2018/19 financial year and it is further reduced to 8% in the 2019/20 financial year. Refuse Removal has been to increase by 9.8% for 2017/18 financial year, the projected increase is decreased to 8.7% and 8.6% in the two outer years respectively. Water and Electricity losses remain a concern. For the Water Service, the tariff increases are projected at 9%, 8.1%, and 8% over the 2017/18 MTREF period respectively. On Electricity, an increase of 1.93% is proposed for the 2017/18 financial year, followed by an increase of 1.76% in the 2018/19 financial year and 1.73% in the 2019/20 financial year. The City has followed the proposed NERSA increase calculation guideline using the MFMA Circular 86 projected CPI. The Sewerage tariff increase has also been kept below double digit percentage increase, it is projected to increase 9.8% for the 2017/18 financial year, this increase is reduced to 8.7% and 8.6% in the two outer years respectively.

The preparation of the General Valuation Roll as required by the Municipal Property Rates Act was undertaken and was implemented on 1 July 2014. Supplementary Valuations will continue being regularly conducted throughout the year. The City is currently in the process of undertaking the preparation of the next General Valuation Roll for implementation on 01 July 2018.

In a continued effort to ensure future financial viability of the city continuous review of the operational cost base is being undertaken in an attempt to identify inefficiencies. This has yielded positive results hence the institution has been able project reduced tariff increases. The institution will continue focusing on the operational budget in the 2017/18 financial year in order to reduce further any inefficiency and thereby reduce the impact on Buffalo City Metropolitan Municipality residents. The City strives to ensure that the tariffs are cost reflective of the services that have been provided. It is however important to mention the fact that the City's revenue base is not at the required levels due to high rural areas that are

part of the Metro. This required creative and innovative ways of ensuring efficiency in whatever activities that are undertaken. We shall continue to strive for equal service levels for all our communities in the Metro.

We have been mindful that inflation leads to more pain for the poor than any other group. I am happy therefore to propose that the **8.85% increase** of the basic welfare package for households that qualify in terms of our policy, which means that the indigents of Buffalo City will continue to have a **safety net of free basic services**, translating in the new year to a basket of services to the value of **R623.11 per household per month**.

In support of our local economy, the Directorate of **Economic Development & Agencies** is running programmes in an effort to reduce unemployment and indigent rate in our Metro. The Directorate has been allocated a capital budget of R156 million (R43 million, R59 million and R50 million) over the MTREF period

In the coming year our engineers will continue with the process of eradicating backlogs in **water supply infrastructure whilst also attending to aging infrastructure**. We will continue to meet our pressing **sanitation challenges** in rural areas and informal settlements, as well as expanding the capacity of infrastructure **in our urban area to accommodate and open opportunities for further developments**.

Our **Water Services** benefit to a total capital budget of **R670 million over the MTREF** period (2017/18: R155 million, 2018/19: R200 million and 2019/20: R315 million) to expand our water infrastructure, to augment water treatment capacity and to eradicate backlogs in access to potable water supply. This includes the amount of R200 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF. It also include an amount of R290 million from loan funding to be utilised on Umzonyana Dam Upgrade project,

For **Wastewater Treatment infrastructure**, a total capital budget of **R1.4 billion over the MTREF period** has been allocated to this trading service (2017/18: R319 million, 2018/19: R589 million and 2019/20: R497 million). This includes an amount of R322 million from own

funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF period. It also include an amount of R434 million from borrowings to be utilised over the MTREF period fund the Sewer Diversion Tunnel project.

An amount of **R838 million** (2017/18: R272 million, 2018/19: R261 million and 2019/20: R304 million) has been set aside over the next three (3) years for the construction and refurbishment of **Roads and Storm Water infrastructure** across the City. The City is also continuing with the process of fleet renewal and procuring its own specialized vehicles for the maintenance and construction of rural roads. A total allocation of **R60 million** has been provided for this over the MTREF.

**Electricity Trading Service** has been allocated **R499 million over the MTREF period** (2017/18: R148 million, 2018/19: R152 million and 2019/20: R199 million) for **bulk infrastructure, electrification and upgrading of informal areas**. This includes the amount of R300 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the urban core that has been provided in the MTREF (R100 million each year). BCMM is still proceeding with investigating potential alternative sources of energy to ensure a more sustainable energy mix by 2030. The BCM State of Energy Report (2008) highlighted some issues and opportunities associated with sustainable energy in BCMM. These are outlined here below:-

- Energy not necessarily used efficiently or sustainably - Energy demand is increasing, the focus has been on increasing supply, rather than managing demand;
- Lack of incentive to use energy efficiently;
- There are a number renewable energy, energy efficiency and carbon trading opportunities in BCMM;

A number of sustainable energy initiatives have been planned for implementation by the municipality. Energy-efficient municipal operations provide a way to cut running costs while reducing negative impact on the natural capital.

Our Municipal Services Directorate is scheduled to spend a capital budget amounting to **R540 million** in the forthcoming MTREF period of which R120 million that is from own funds will be spent over the MTREF period (R40 million per year) on **Construction and Refurbishment of Waste Cells at Landfill Sites; Cemeteries** as well as a range of **public amenities** including community halls, sports facilities, etc. Each year the City's cemeteries are being brought under increasing pressure as a result of the **elevated mortality rate** in Buffalo City. This requires our **Environmental Services Department** annually to identify potential new sites for **cemetery development** that meet the rigorous requirements of environmental legislation, while being close enough to our settlements to be practically useful. An amount of R30 million over the MTREF period has been provided for development and upgrading cemeteries in the Metro.

From the **Health, Public Safety and Emergency Services perspective**, an amount of R52 million has been allocated over the MTREF period. The City has allocated R35 million in the MTREF period towards fire engines, fire equipment and disaster management vehicles & equipment to ensure that we are able to swiftly respond to fire and disaster emergency calls. An amount of R11 million has been set aside in the MTREF period for the KWT Traffic Building. A further R6 million has been provided over the MTREF period for installation of Closed Circuit Television Network in order to improve safety in the Metro.

**Transport Planning** continues to be a focus area for the institution considering the higher traffic volumes on our roads. In order to ensure that we are alleviating congestion and protecting our inhabitants an amount of **R723 million** (2017/18: R134 million, 2018/19: R289 million and 2019/20: R301 million) has been allocated in the MTREF period for the implementation of integrated transport plan. This includes the establishment and refurbishment of transport facilities.

On **Spatial Planning and Development**, the City will be spending **R201 million** (2017/18: R62 million, 2018/19: R86 million and 2019/20 R53 million) over the MTREF period towards achieving spatial transformation and integration.

The municipality's only entity, Buffalo City Metro Development Agency (BCMDA) whose mandate is to drive Buffalo City Metropolitan Municipality's development has started to operate. Appointment of Board members and administrative staff was done and the Agency is expected to start with the implementation of some developmental projects in the MTREF period within the City in line with its mandate. This is an attempt to grow the local economy through encouraging private sector investment. To allow the agency to realise its mandate, the City has set aside an amount of R23.1 million for 17/18 financial year as an operational grant to the agency. This amount will be escalated with CPI increase for the two outer years to R24.4 million and R25.8 million respectively. The above figure are vat inclusive.

BCMM, a City growing with you has a story to tell, I would like to believe, that this is a metro that is moving progressively towards being more productive, more sustainable, more responsive, more developmental and indeed more people-centred than we have been in the past.

## 1.2 COUNCIL RESOLUTIONS

On 29 March 2017 the Council of Buffalo City Metropolitan Municipality convenes to consider the draft 2017/18 Integrated Development Plan (IDP) Review, Medium Term Revenue and Expenditure Framework (MTREF) and Built Environment Performance Plan (BEPP). It is recommended that the Council approves and adopts the following resolutions:

1. The Council of Buffalo City Metropolitan Municipality, acting in terms of Section 34 of the Municipal Systems Act, 32 of 2000 approves and adopts the revised 2017/18 Integrated Development Plan (IDP).
2. The Council of Buffalo City Metropolitan Municipality, acting in terms of DoRA, 2017 approves and adopts the 2017/18 Built Environment Performance Plan (BEPP)
3. The Council of Buffalo City Metropolitan Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 3.1. The annual budget of the parent municipality (BCMM) for the 2017/18 MTREF and the multi-year and single-year capital appropriations as set out in the following tables:
    - 3.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained on **{Table 20}**;
    - 3.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained on **{Table 21}**;
    - 3.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on **{Table 22}**; and
    - 3.1.4. Multi-year and single-year capital appropriations by municipal vote and function classification and associated funding by source as contained on **{Table 23}**.



- 3.1.5. Budgeted Financial Position as contained on **{Table 24}**;
  - 3.1.6. Budgeted Cash Flows as contained on **{Table 25}**;
  - 3.1.7. Reserves and accumulated surplus reconciliation as contained on **{Table 26}**;
  - 3.1.8. Asset management as contained on **{Table 27}**; and
  - 3.1.9. Basic service delivery measurement as contained on **{Table 28}**.
- 3.2. The annual budget of the municipal entity (BCMDA) for the 2017/18 MTREF as set out in the following tables:
- 3.2.1. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on **{Table 68}**;
  - 3.2.2. Budgeted Financial Position as contained on **{Table 70}**;
  - 3.2.3. Budgeted Cash Flows as contained on **{Table 71}**;
  - 3.2.4. Budgeted Capital by Vote and Funding as contained on **{Table 69}**
- 3.3. The consolidated annual budget of the municipality the 2017/18 MTREF as set out in the following tables:
- 3.3.1. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on **{Table 30}**;
  - 3.3.2. Budgeted Financial Position as contained on **{Table 31}**;
  - 3.3.3. Budgeted Cash Flows as contained on **{Table 32}**;
  - 3.3.4. Reserves and accumulated surplus reconciliation as contained on **{Table 33}**;
4. The Council of Buffalo City Metropolitan Municipality Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts tariffs (percentage increase contained on **{Table 3}**) effective from 1 July 2017:
- 4.1. property rates – as set out in Annexure E
  - 4.2. electricity – as set out in Annexure E
  - 4.3. water – as set out in Annexure E
  - 4.4. sanitation services – as set out in Annexure E
  - 4.5. solid waste services – as set out in Annexure E
  - 4.6. other services as set out in Annexure E

5. To give proper effect to the municipality's draft annual budget, the Council of Buffalo City Metropolitan Municipality approves:
  - 5.1. That an indigent subsidy be granted to registered indigents in terms of Council's Indigent Policy.
  - 5.2. That an indigent consumer be given a maximum subsidy on his/her account of R623.11 per month, which includes a maximum of 50kwh for electricity and 6kl for water.
  - 5.3. That free basic electricity be granted for a registered indigent consumer of 50KWh per month.
  - 5.4. That free basic water be granted to a registered indigent of 6Kl per month.
6. The Buffalo City Metropolitan Municipality Council, approves and adopts the new as well as the revised budget related policies as set out in Annexures F, G, I, J, K, L, and M:
  - 6.1. Tariff Policy (Revised)
  - 6.2. Budget Virement Policy (Revised)
  - 6.3. Credit Control Policy (Revised)
  - 6.4. Indigent Policy (Revised)
  - 6.5. Immovable Asset Management policy (New)
  - 6.6. Movable Asset policy (New)
  - 6.7. Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy (New)
7. That Council note the budget-related policies adopted in the previous financial years and where no amendments have been made after review, as listed in Section 1.3.8.2 of this report and are available on BCMM's website at [www.buffalocitymetro.gov.za](http://www.buffalocitymetro.gov.za) .
8. That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 **{Table 41}** be approved.

9. That in terms of Section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 2003, the amendments to the Integrated Development Plan as set out in the Budget Chapter 17 be approved.
10. Council notes that the 2017/18 MTREF Budget tabled for adoption is structured in terms of the then Buffalo City Metropolitan Municipality votes and functions.
11. MFMA Circular 85 and 86 Municipal Budget Circular for the 2017/18 MTREF attached as Annexure N to be noted by Council.

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**X. PAKATI**  
**EXECUTIVE MAYOR**

### 1.3 EXECUTIVE SUMMARY

Buffalo City Metropolitan Municipality adopted the Metro Growth and Development Strategy in November 2015. The MGDS serves as the blueprint for social and economic development in the Metro towards the year 2030. The IDPs to be implemented in the next 15 years will be informed by the vision of the MGDS.

#### 1.3.1 Metro Growth and Development Strategy

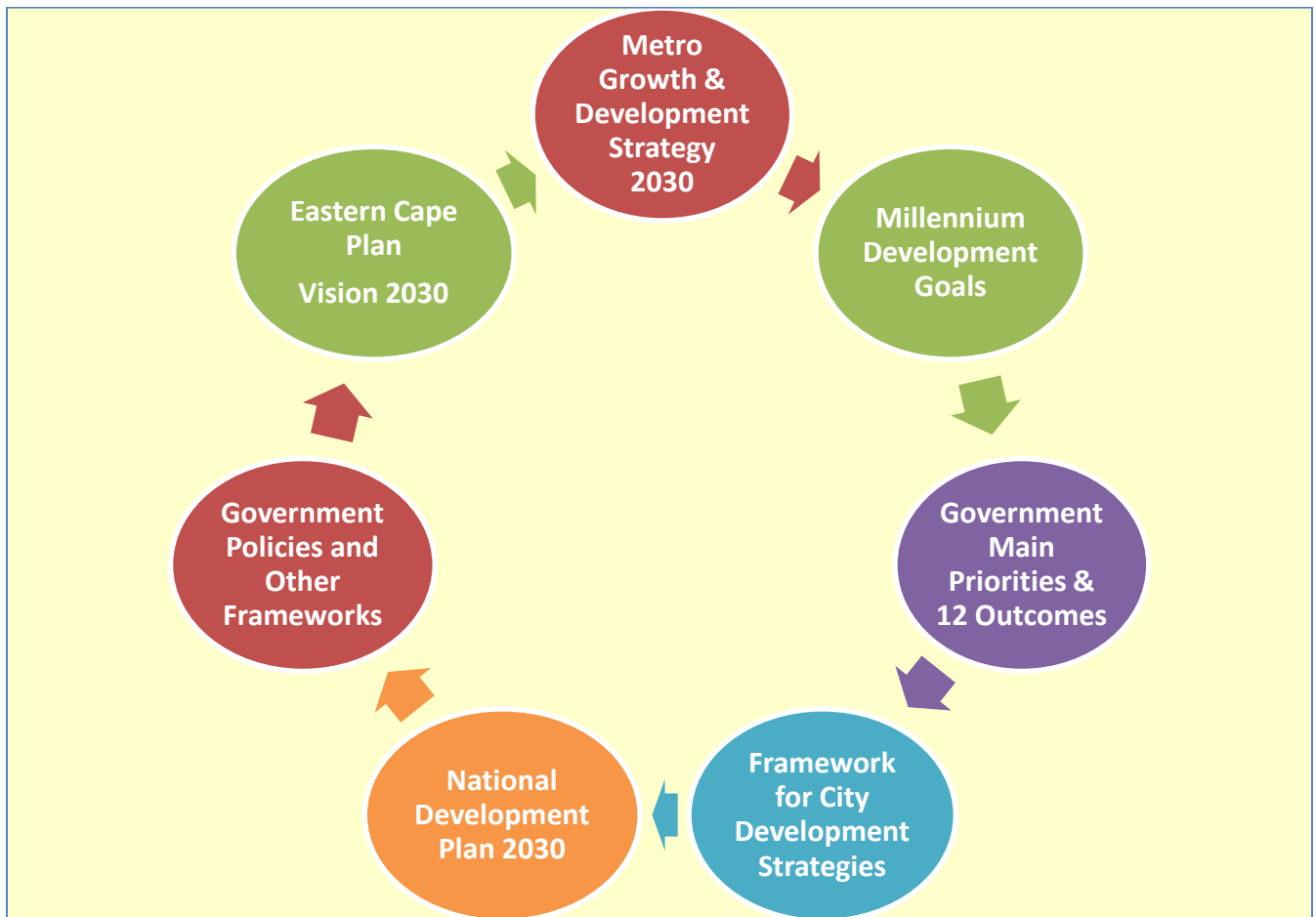


Figure 1: Cycle of Metro Growth and Development Strategy

### 1.3.1.1 Key Objectives of MDGS

- A strategy is a journey towards a common destination;
- Providing a liveable environment for the next generation;
- The Metro need to be competitive and find its **niche** in its region and amongst other secondary cities; and
- The city as a well governed city that is driven by insight and vision; and
- A Metro Growth and Development Strategy is a long term vision and goes beyond the IDP as a metro's 2030 vision.

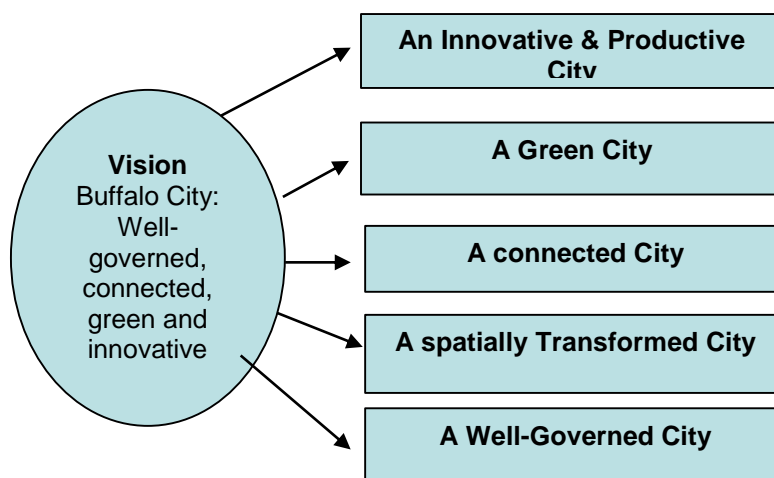


Figure 2: Strategic Framework

### 1.3.2 Scoping the Landscape

BCMM continues to take a more conservative approach in the manner in which it approaches the budgeting including the mid-year adjustment budget. This approach includes giving consideration in the budget to the cost containment measures suggested by National Treasury. These measures are being implemented in an attempt to ensure the future viability of the institution and to focus on reducing the impact on the residents within our boundaries.

Electricity losses remain a challenge, let alone the fact that keeps on reducing the benefit that has been realised from Electricity Trading Service as the highest contributor to the City's internally generated funds. In an effort to curb this challenge, the City is progressing with the programme of electrifying informal dwellings and has budgeted R70 million over

the 2017/18 MTREF period (R10 million for each of the first two years and R50 million for the last year) towards this programme. Regarding Water Service, it continues to be of concern that indigent residents continue to utilise water in excess of what is allocated in term of the approved subsidy. This is cause for concern in that water needs to be considered a scarce resource requiring focused demand and supply management. The demand management needs to be focused surrounding penalising individuals for excessive usage through either punitive tariffs or restricting use through engineering techniques. Supply management requires forward planning and allocating budget to meet and undertake infrastructure expansion to meet those demands. The staged tariff is used on water tariff as part of an effort to manage demand. Water losses are still significant and continues to be one of the focus areas for reduction in the MTREF budget whereby an amount of R200m of own funds over the 2017/18 MTREF period has been budgeted for replacement of old infrastructure. A further amount of R290 million has been budgeted over the MTREF period for the upgrade of Umzonyana Dam to be funded by a loan funding. The upgrade of this dam is crucial as it is envisaged to lower the cost of water to the consumer as the City will have more capacity to produce its own water and have insignificant need if any to procure expensive water from Amatola Water.

The key liquidity metrics are deemed to be currently adequate however to ensure future viability the institution needs to determine creative ways in which it can commence planning to fund the infrastructure replacement which is expected to occur over the medium to long term. This will require the institution to budget surpluses to allow for adequate funding of historical shortfall of depreciation on existing infrastructure assets as well as the creation of own funded new assets.

In the short term the Urban Settlement Development Grant (USDG) will be used to create new infrastructure in the previously disadvantaged areas and to replace existing infrastructure in those areas where infrastructure is nearing or has exceeded its useful life. This is required to ensure the continued economic growth of the city and to allow for business confidence.

The institution has historically undertaken capital projects with the view of expansion of the City. It is however recognised that capital expansion cannot occur indefinitely without corresponding economic growth else the cost of replacement of infrastructure, through the depreciation impact on operational budgets, will outweigh the affordability of the local economy. It is with this in mind that there needs to be strategic shift of focus towards creating infrastructure with the express purpose of job creation and creating an environment which is conducive to private sector investment in certain key industry points.

### **1.3.3 The National Development Plan**

The National Development Plan which was adopted at the ANC's 53<sup>rd</sup> National Conference in Mangaung identifies 5 pillars for the economy to grow to a level to which we can create sustainable jobs, these are;

- *Creating an environment for sustainable employment and economic growth;*
- *Promotion of employment in labour-absorbing industries;*
- *Promoting exports and competitiveness; strengthening the capacity of government to implement its economic policy, and*
- *Demonstrating strategic leadership among the stakeholders to mobilise around the national vision.*

These pillars continue to be the cornerstone of the strategy which the country would like to follow into the future. It would therefore appear appropriate to discuss which infrastructure projects are currently in progress. In the context of the National Development Plan, as Buffalo City Metropolitan Municipality, we see our primary task as developing and maintaining our infrastructure in order to ensure that private sectors partners see the potential to keep increasing their investment in our City, while creating more jobs for our residents.

### **1.3.4 Local Economic Development**

One of the key objectives of local government in carrying out its developmental mandate is creating a conducive environment for economic development. This relates to a number of areas ranging from a conducive, business-friendly regulatory environment, competitive

costs of doing business, ensuring the provision of economic infrastructure, swift and predictable turn-around times for approval processes, etc.

Buffalo City Metropolitan Municipality is faced with a myriad of economic challenges, including amongst others the stubborn levels of high unemployment, especially amongst the youth, poverty, stagnant economic growth, dis-investment followed by job-shedding in certain instances, skills flight, low levels of entrepreneurial activity.

On the contrary, the city is full of potential in areas that require significant levels of public sector investment through infrastructure to leverage private sector participation. This ranges from tourism, agriculture and agro-processing, maritime sector, renewable energy, aquaculture, information and communication technology, to name a few.

In addressing the issues that challenge the prosperity of its citizens and the city's sustainability in terms of its ability to increase its revenue base, Buffalo City has put a number of mechanisms and institutions to stimulate economic growth, accelerate entrepreneurship, facilitate job creation, improved positioning of the city as an investment and tourism destination of choice.

#### **1.3.4.1 Buffalo City Metro Development Agency (BCMDA)**

The city has taken huge strides in re-establishing this entity, which, amongst others, will drive tourism infrastructure and real estate investment. This in the backdrop of the somehow strong performance of the tourism sector in the city, its strategic location, rich heritage and cultural assets, scenic beauty and unspoilt beaches.

#### **1.3.4.2 East London Industrial Development Zone (EL IDZ)**

The East London IDZ's key mandate is to ensure that jobs are created by attracting foreign direct investment. As a shareholder, BCMM is playing its part to ensure an enabling environment for the IDZ to operate in conditions that allow them to realize their strategic goals by making available 870 hectares of land in the Berlin area. This area, in particular, is an existing industrial area and has been earmarked as the Renewable



Energy Hub. It is envisaged that a cluster of activities covering the entire value chain including other complementary industries will be developed in this area. The EL IDZ will tap into its existing Renewable Energy Training Centre for skills.

There is currently a process underway to renegotiate the incentives which would be applicable to the IDZ over the medium term. The next three years will also see the implementation of the various co-operation agreements dealing with matters of mutual interest and broader community benefit such as waste to energy initiatives, aquaculture incubation, research and development as well as innovation through the Science and Technology Park (STP).

#### **1.3.4.3 Invest Buffalo City**

The Metro has partnered with organized business and a number of key institutions in endeavour to join forces to intensify and coordinate its investment promotion efforts. There is an Advisory Board which steers and directs the work of Invest Buffalo City. The Metro has made financial contribution towards this cause over the next three years and the partners will provide technical expertise, research, marketing and other in-kind support. A full-time resource has been appointed to coordinate, lobby further support and assess impact of the efforts.

#### **1.3.4.4 Priority Sectors**

- ***Automotive Sector***

As a metro we are working hard to ensure that we support our auto sector by developing and maintaining our infrastructure in order for this sector to operate efficiently. We are very keen to maintain our niche in the auto sector by leveraging on the opportunities presented by the planned expansion of the Mercedes Benz South Africa (MBSA) and introduction of new models. We trust that this opportunity will lead to creation of new SMMEs on the supplier development front.

Further to the manufacturing side, the city is also supporting the after-market. The city will continue its support to the Auto Incubator in Mdantsane and subsequently contribute towards reviving the township economy.

- ***Manufacturing Sector***

The manufacturing sector is a vital sector for the city and the prosperity of the services sector is dependent upon a strong manufacturing base. Currently the non-automotive sector has experienced challenges which have led to de-industrialisation and job losses. BCMM is determined to play a positive role to assist the non-automotive sector to be a thriving economic role player and major employer. BCMM will also look at implementing incentives for the non-automotive sector as a stimulus package, working closely with the department of trade and industry (*the dti*). Electricity incentives will be the base line for interventions as it the main cost of production to the sector. BCMM is fully determined to play its role in an effort to reindustrialise the City and create sustainable jobs.

- ***Marine Sector***

Some scoping and investigations are currently being undertaken with DEDEAT, EL IDZ, BCMM, Transnet and other key players to package opportunities for ship building and repairs. There are also several ocean economy opportunities that are being investigated to ensure the city optimises its coastal location and enable investment, skills and job creation.

- ***Tourism Sector***

The city will review its tourism strategy and amongst others will re-inforce the heritage, arts, culture, infrastructure and events pillars. Significant efforts will also be redirected towards marketing which will be done domestically and internationally in conjunction with key players such as South African Tourism (SAT), Eastern Cape Parks and Tourism and Agencies (ECPTA) and tourism industry.

- ***Township Economy***

The Township Economy has been identified as a major development priority. Businesses in the township are marginalised from the mainstream economy. BCMM is fully committed to revive the township economy by focusing on SMME development. The City will partner with the Department of Small Business Development and DTI to turn township from mainly areas of consumption to areas of productivity. This will best be achieved by intervention in the value chain of production to ensure products are produced and sold in the townships, infrastructure development will act as an enable to reviving the township economy

- ***Central Business District Revitalization***

It is recognised that the metro needs to create an environment which is conducive for private business investment. This environment needs to have stability in terms of various transport options as well as quick decision making capabilities.

A potential “game changer” which has occurred in the 2014/15 financial year is the successful completion of a property transaction for the purchase of land called “The Sleeper Site” which is situated in the centre of the central business district. This land was purchased from Transnet at a market related value. The institution is currently requesting interested parties to undertake a planning exercise to assess the most appropriate design for the land to assist in the economic growth of the city as well as encouraging development, which will assist in the revitalization of the CBD.

#### **1.3.4.5 Revitalization Of Industrial Areas**

The institution has identified a further 5 specific existing areas which it considers as business development nodes and, as such, areas which it considers as having huge benefits to potential investors. These areas are:

- 1) West Bank
- 2) Wilsonia
- 3) Fort Jackson
- 4) Berlin

## 5) Dimbaza

All these areas have existing infrastructure which, with minimal investment, could yield significant benefits for the local economy and contribute to the GDP of the country. It further needs to be recognised that these are effectively business nodes which could be developed to be closer to areas of labour resulting in reduced travelling costs for the labour force.

A fully-fledged business case has been developed for Dimbaza championed by the Eastern Cape Development Corporation (ECDC) as the landlord, supported by the dti, Department of Rural Development and Land Reform (DRDLR). BCMM has pledged its support for this initiative, which is envisaged to be executed over a 10-year period.

### **1.3.4.6 Skills Development, Employment Readiness And Research Collaboration**

The focus needs to be on more permanent job creation, reducing dependence on social grants in the form of indigent subsidies. This will allow individuals to pay for the services they are receiving and allow for the reallocation of funds to other areas of focus.

This intervention will be coupled by institutions of higher learning partnering with the City in conducting research to find new value adding industries.

Over the next three years, the city will refocus its public employment programmes to ensure that those involved acquire new skills and are able to graduate into entrepreneurs or improve chances of employability.

### **1.3.5 Charting the Way Forward**

The Honourable Minister of Finance of South African in his budget speech that he delivered on the 22 February 2017 charted the way by highlighting several specific imperatives that are required in order to boost investment in the short term:

Finalising legislation relating to mining development and land redistribution.

- Implementing the transition from analogue to digital television, which will release spectrum for broadband services.
- Continuing our independent power producer programme, both in renewables and to take advantage of gas investment opportunities.
- Further strengthening of economic regulatory functions and streamlining investment approval processes.
- Production-friendly industrial relations and prompt resolution of disputes.
- An enabling environment for small enterprises and support through leveraging both public and private sector procurement budgets.
- Focused support on labour-intensive sectors, including agriculture, agro-processing and tourism-related services.
- Strengthening regional ties and trade links.
- Safeguarding South Africa's investment-grade credit rating.

National Treasury have recognised the importance of total urban settlement development and, in support thereof, has created the Built Environment Performance Plan (BEPP). This plan is to ensure infrastructure projects are focused on economic corridors to have maximum benefit for the inhabitants of the city.

The Honourable MEC of the Eastern Cape for Finance in his budget speech of 02 March 2017 stated that, we must as a province, across all sectors and among all stakeholders, become seized with the responsibility of growing our investment and output. He further stated that, we need to work hand in hand with the private sector to reduce costs of doing business and address constraints to business expansion.

In concurrence with the above the City compiled this budget with the intention of keeping the cost of business within BCMM jurisdiction low and also to create a City that is investors friendly. Although it is recognised that there is an onus on the City to provide social support to its dwellers that are financially challenged, this is not considered the most beneficial for the individuals or the local economy. As such, focus needs to be on the creation of sustainable jobs through encouraging private sector investment in the City.

This strategy will identify certain economic zones where there is existing significant capital investment, and offer incentives to business over a period of time to invest in those areas. This will allow individuals who may have been financially challenged to become active members of the local economy.

The institution has undertaken an exercise to analyse the capital infrastructure investment between social and economic investment with a target being placed of 60% economic investment and 40% social investment. Although the institution has not managed to achieve these target levels for all years in the MTREF period, it will continue attempting to achieve these targets going into the future in line with the strategic focus being given in the National Development Framework. It needs to be recognised that there have been a significant number of housing projects which entered their implementation phase resulting in pressure being placed on the MTREF budget.

Funding for the 2017/18 and 2018/19 infrastructure projects have been allocated in an attempt to ensure projects which are currently underway are completed and implemented for the benefits of the community to which they relate. The current capital work in progress continues to be a focus area to ensure the infrastructure assets are completed and brought into use.

The institution has taken a further strategic decision to invest funding to replace existing infrastructure. The investment is to be focused on the urban core which will allow for the upgrading of infrastructure to enable a regeneration of the central business area thereby encouraging private sector investment and job creation. The City is working on improving public transport network for easy accessibility and traffic flow within the CBD. This is a further effort to encourage private sector investment into the urban core.

Currently the City is in a fortunate financial position in that it has a low gearing ratio together with its “A” Long Term Rating (Global Credit Rating) thus allowing the city to obtain additional long term borrowings. A strategic decision has been taken that acquiring borrowings, these funds would be utilized on assets that are expected to generate a

return. However, the City continues to be cautious in accessing these borrowing facilities in an effort to ensure that they are kept at a fordable level due to insufficient operating surpluses allowing for capital repayments. Projects need to be assessed in terms of additional revenue that can be generated for the City in order to determine the potential ability of the institution to repay the loan.

MFMA Circular 85 and 86 were taken into consideration in the preparation of the 2017/18 MTREF Budget. The BCMM consolidated budget for the 2017/18 MTREF period is R7.89 billion (2017/18), R8.85 billion (2018/19) and R9.36 billion (2019/20) with the table below summarising the consolidated overview of the 2017/18 MTREF Budget.

**Table 1: Consolidated Overview of the 2016/17 MTREF Budget**

<b>OPERATING AND CAPITAL BUDGET EXPENDITURE</b>	<b>2016/2017 ADOPTED BUDGET YR1</b>	<b>2016/2017 MID-YEAR ADJ BUDGET</b>	<b>2017/2018 DRAFT BUDGET</b>	<b>2018/2019 DRAFT BUDGET</b>	<b>2019/2020 DRAFT BUDGET</b>
Total Operating Revenue	(5 906 770 453)	(5 943 456 598)	(6 252 305 465)	(6 688 974 644)	(7 082 517 015)
Total Operating Expenditure	5 905 692 358	5 942 378 503	6 251 378 978	6 686 928 180	7 079 913 342
Total Capital Expenditure	1 558 133 958	1 491 447 975	1 638 180 112	2 166 018 192	2 281 392 450
Total Opex & Capex Budget	7 463 826 316	7 433 826 478	7 889 559 090	8 852 946 373	9 361 305 792

The City's revenue has increased by 5% whilst the expenditure increase is also 5% from 2016/17 revised budget to the 2017/18 budget. The capital budget has increase by 10% resulting in the overall total budget increase of 6% from the 2016/17 revised budget to the 2017/18 budget. The operating revenue increase is mainly attributable to tariff increase as well as slight growth in revenue base e.g. new connections, supplementary valuation to include new developments and rezoning. The operating expenditure increase is mainly attributable to annual increase that is linked to CPI and additional repairs and maintenance provision to respond to the aging infrastructure. The increase in capital expenditure is in respond to service delivery needs to address backlogs and renew aging infrastructure.

### **1.3.5.1 Revenue & Expenditure Strategy**

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

- Efficient revenue management, which aims to ensure not less than 92.5% annual collection rate over the medium term for property rates and other key service charges.
- Though conservative approach was used in compiling this budget, based on revenue collection of 92.5%, the institutional set target for revenue collection is 92.5% for 2017/18 financial year, 93% for 2018/19 and 93.5% for 2019/20 financial year.
- Achievement of full cost recovery of specific user charges especially in relation to trading services.
- The City is striving to ensure that all its trading services are financially self-sustainable.
- Move from a flat-rate billing system to all consumers billed according to consumption.
- Implementation of an automated billing system as opposed to a manual meter reading process.
- Regular Supplementary Valuations performed. The policy is for a minimum of 2 Supplementary Valuations per year, the City is however implementing monthly Supplementary Valuations.
- The successful implementation of a General Valuation on 1 July 2014 and then every four years thereafter in terms of the Municipal Property Rates Act.
- Creating a conducive environment to attract potential investors.
- Review of the Spatial Development Plan to allow for human capital resources to be closer to economic and job opportunities.

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

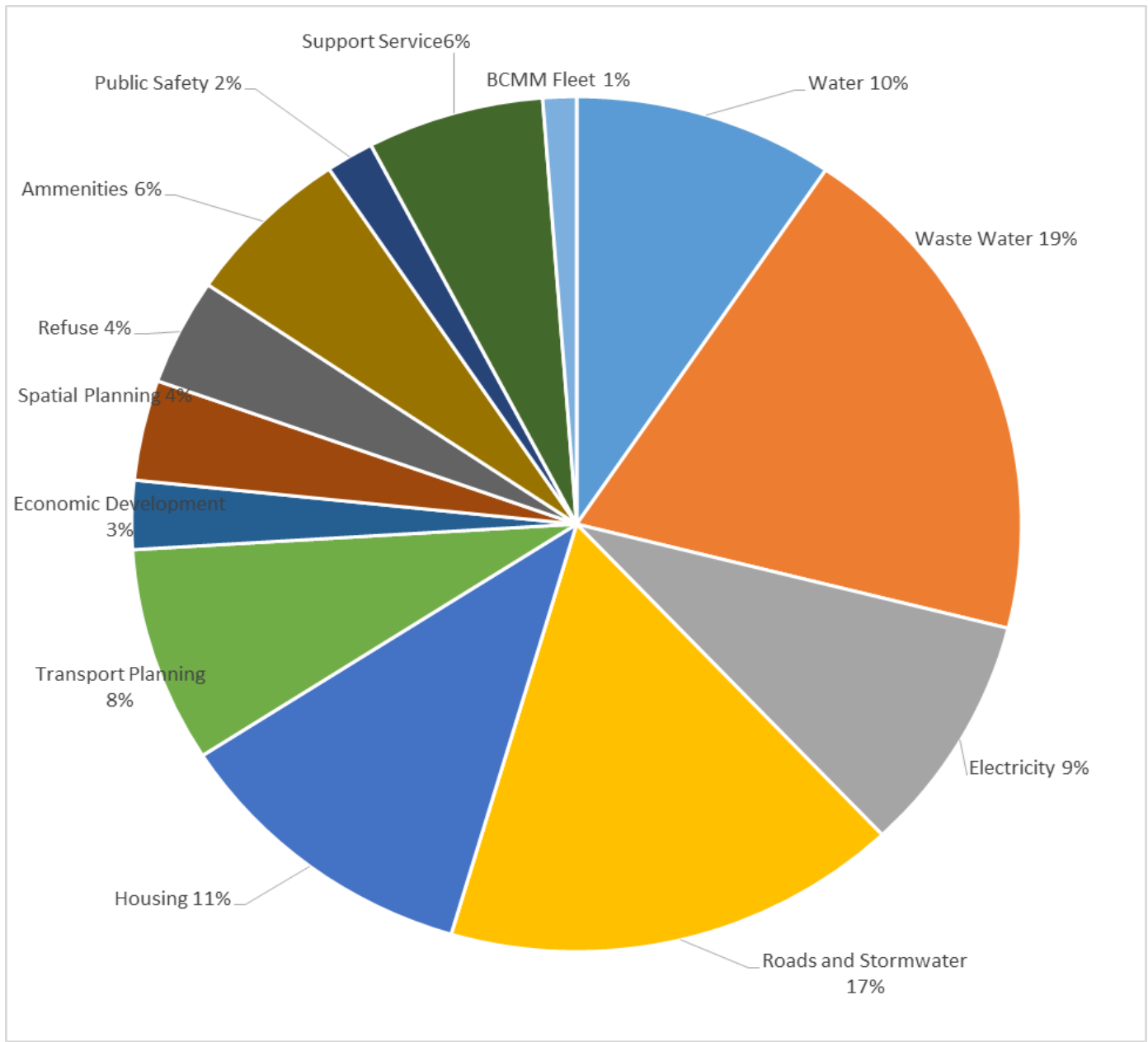
- Ensuring that capital expenditure is incurred in line with the requirements detailed in the Spatial Development Plan to ensure maximum return to the municipality.
- Re-prioritisation of expenditure to ensure any inefficiencies are eliminated in an effort to contain costs, inter alia:
  - Vacant funded posts have been frozen with the exception of few critical funded posts.
  - No inflationary increase has been allocated on Contracted Services in 2017/18 financial year.



- General Expenses have been reduced by 8% in 2017/18 financial year.
- Reduction of overtime by 50%.
- Scarce skills allowance and additional responsibility allowance not to be implemented going forward
- Additional funding allocation to the maintenance (Repairs and Maintenance budget has been increase by 10%) as well as renewal of existing infrastructure.
- Funding of own funded operating projects is depressed, encouraging in-house implementation of projects through normal operating budget.
- The capital expenditure of the municipality is guided community priorities as contained in the IDP. The asset management plans are also informing the asset renewal programme that is funded through capital budget. The City is also striving to have a good balance between social and economic infrastructure investment. The table below reflects the Capital Budget for services for the 2017/18 MTREF period.

**Table 2: 2017/18 – 2019/20 Capital Budget Per Service**

<b>2017/2018 CAPITAL BUDGET PER SERVICE</b>			
<b>Services</b>	<b><u>2017/2018</u> <u>Capital</u> <u>Budget</u></b>	<b><u>2018/2019</u> <u>Capital</u> <u>Budget</u></b>	<b><u>2019/2020</u> <u>Capital</u> <u>Budget</u></b>
Water	155 000 000	200 000 000	315 000 000
Waste Water	318 698 323	589 075 093	497 348 450
Electricity	148 000 000	152 000 000	198 500 000
Roads and Storm water	271 956 000	261 457 000	304 099 000
Housing	185 855 000	107 504 640	129 965 000
Transport Planning	133 517 000	288 732 000	301 030 000
Local Economic Development	42 600 000	59 000 000	50 000 000
Spatial Planning	62 100 000	86 200 000	53 000 000
Waste Management / Refuse	65 821 640	79 452 360	125 000 000
Amenities	100 777 149	106 877 100	62 000 000
Public Safety	28 505 000	13 120 000	10 150 000
Support Services	105 350 000	202 600 000	215 300 000
Other - BCM Fleet	20 000 000	20 000 000	20 000 000
<b>TOTAL PER SERVICE</b>	<b>1 638 180 112</b>	<b>2 166 018 192</b>	<b>2 281 392 450</b>



**Figure 3: 2017/18 Capital Budget Per Service**

A major portion of the capital budget in the 2017/18 MTREF period has been allocated to the major infrastructure services (Waste Water: 19%, Roads and Storm Water: 17%). Although these services are not all revenue generating the budget expenditure is in terms of the City’s socio-economic development mandate. They are also crucial in unlocking the economic growth of the City. There is however a drive to channel more funding towards economic infrastructure in order to stimulate economic growth in the Metro.

### 1.3.6 Summary of Rates and Service Charge Tariff implications to the 2017/18 MTREF Budget

**Table 3: Average Tariff increases for 2016/17 to 2019/20**

Description	2016/2017	2017/2018	2018/2019	2019/2020
Rates	7.60%	9.60%	8.50%	8,00%
Refuse	7.80%	9.80%	8.70%	8,60%
Sewerage	7.80%	9.80%	8.70%	8,60%
Electricity	7.64%	1.93%	1.76%	1.73%
Water	8.00%	9,50%	8,10%	8,00%
Fire Levy	7.60%	9.20%	8.00%	7,90%
Sundry Income	7.60%	9.20%	8.00%	7,90%

#### 1.3.6.1 Overall Summary of Year-on-Year Increases

On average, tariff associated revenue is expected to increase year on year in 2017/18 by approximately 9%. The City strives to project increases that are not above the CPI, the proposed increases are however slightly above CPI due to a combination of increases in input costs associated with providing the service as well as an ongoing attempt to ensure each service produces revenue sufficient to cover the costs of providing the service.

There is an ongoing focus area in the MTREF budget to ensure that work-in-progress which is detailed in the Annual Financial Statements reaches completion stage and is implemented in various areas to improve the perception of service delivery. The impact of this which needs to be considered is that once implemented these projects will require additional operating budget through maintenance budget as well as depreciation funding to allow for the estimated useful life to be achieved and to allow for the replacement of the infrastructure assets in the future.

The ongoing expansion of the City through budget infrastructure spending without the corresponding economic growth is placing additional pressure on the BCMM local

consumer to fund the replacement of the assets which is impacting on the operational budget through the increasing depreciation charge. Furthermore, there is an additional impact on the consumer debt book.

### **1.3.6.2 Rates**

The Municipality has successfully undertaken a General Valuation exercise in terms of the Municipal Property Rates Act and the new values were implemented from 1 July 2014. An increase on rate tariffs of 9.6% in the 2017/18 financial year (2018/19: 8.5%, 2019/20: 8.0%) has been planned.

### **1.3.6.3 Electricity**

In terms of the guidelines provided by the National Energy Regulator of South Africa (NERSA), they have published that they expect the cost of bulk electricity purchases to municipality to increase by a budgeted 0.31%. Following due consideration being given to the NERSA guidelines a decision has been made to increase electricity tariffs by 1.93% in 2017/18 (1.76% in 2018/19 and 1.73% in 2019/20) in line with the recommended calculation guideline using MFMA Circular 86 CPI. There continues to be ongoing concern with electricity in that:

- The diminishing gross profit generated by electricity over the prior financial years is a concern. This is associated with illegal connections and material distribution losses. The City is however working on reducing these losses and the electrification of informal settlement is one of the efforts that is being undertaken.
- The ongoing high increases in electricity bulk purchases that have been experienced in the past few years has resulted in decrease in demand as some consumer have moved to alternative sources of energy.

The following corrective action is being undertaken to minimize the above concerns:

- An allocation of capital funding amounting to R498.5 million over the MTREF period (2017/18: R148 million, 2018/19: R152 million and 2019/20: R198.5 million) has been allocated to the electricity service department for electricity infrastructure investment. This includes the amount of R300 million from own funds specifically

for the replacement and refurbishment of existing infrastructure within the urban core that has been provided in the MTREF (R100 million each year).

- The City has embarked on a programme to electrify informal dwellings and has budgeted R70 million over the 2017/18 MTREF period. This is intended to reduce the risk of illegal connections.
- The revenue protection unit is in place and it continuously identify and rectify the disconnection and reconnection of illegal electricity connections across the city, amongst its activities.

#### **1.3.6.4 Water**

Water tariffs have been increased by 9.5% in the 2017/18 financial year. In line with guidance which was received from National Treasury regarding each service delivery being able to generate revenue that is at least equal to the cost of the service, an analysis was undertaken to determine what tariff requirements would be needed to achieve a break even position. The affordability of consumers' needs to further be taken into consideration in order to limit a significant annual impact. This analysis suggests an impact of 9.5% in 2017/18 financial year, 8.1% in 2018/19 and 8.0% in 2019/20 financial year will reduce the deficit being experienced in water. It needs to further be recognised that the institution purchases untreated water from the Amatola Water Board. The increase associated with this water is 10% adding further pressure on the breakeven analysis for the institution. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

There continues to be ongoing concern with water in that:

- Water losses continue to be high. The reason for this is because of aging infrastructure, areas of flat-rated charges, financially challenged consumers using water in excess of that allowed for in the indigent policy.
- An analysis of the Amatola Water Board costs suggest the majority are salary related which the Municipality is funding in duplicate through direct costs of individuals employed by the City and then through the tariff paid by consumers.

This is considered inefficient and the impact on our consumers could be reduced should we be allowed to manage our own water resources. It should further be noted that Buffalo City Metropolitan Municipality is the only Metro that does not manage its own water resources which in itself causes concern from a planning and development perspective.

- The fact that BCMM is having high number of rural areas is having negative impact to the water service as no revenue is generated on water supplied to rural areas.

The following corrective action is being undertaken to minimize the above concerns:

- A total capital budget allocation of R670 million has been made over the MTREF period (2017/18: R155 million; 2018/19: R200 million and 2019/20: R315 million) to expand our water infrastructure, to augment water treatment capacity and to eradicate backlogs in access to potable water supply.
- This includes the amount of R200 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated over the MTREF.
- As part of the above programme the city will replace standpipes and non-metered areas with new meters. This will reduce the risk of water losses.
- It also include an amount of R290 million from loan funding that is allocated for Umzonyana Dam upgrade which is meant to reduce the level procuring expensive water from Amatola Water
- The demand management needs to be focused surrounding penalising individuals for excessive usage through either punitive tariffs or restricting use through engineering techniques.
- Consider managing our own water resources to allow for adequate future supply planning as well as reducing costs by eliminating duplicated functions.

### **1.3.6.5 Sanitation**

The proposed sanitation tariff increase is 9.8% in the 2017/18 financial year; 8.7% and 8.6% in the outer years respectively. There continues to be ongoing concern surrounding the ageing sanitation infrastructure and the impact this has on the operational budget through increasing maintenance costs as well as ensuring the financial sustainability of the service in line with guidance provided by National Treasury.

The impact of the ageing infrastructure is expected to have additional impact on the amount of maintenance expenditure required. It should further be noted that the input costs associated with salaries are expected to increase by 7.4% in line with CPI for the 2016/17 financial year. A total capital budget allocation of R1.4 billion has been allocated to the City's sanitation programme over the MTREF period (2017/18: R318 million; 2018/19: R589 million and 2019/20: R497 million). This include an allocation of capital budget amounting to R322 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF period (2017/18: R74 million, 2018/19: R143 million and 2019/20: R105 million). It also include a loan funding of R434 million (2017/18: R69 million, 2018/19: R189 million and 2019/20: R176 million) for the Sanitation Tunnel Project that will unlock development in the Amalinda junction, Wilsonia and Reeston areas.

It should be noted that the expansion of the city through continued investment in new infrastructure for future demand places additional pressure on the existing customer base in order to allow for the replacement of the infrastructure in the future. It is therefore imperative that expansion needs to be adequately planned to allow for maximum connection of new customers and allow for the reduced impacts on tariffs in the long run.

In summary, the tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.



#### **1.3.6.6 Refuse**

The proposed Solid Waste tariff increase is 9.8% in the 2017/18 financial year, 8.7% and 8.6% in the two outer years respectively. The Solid Waste tariffs are levied to recover amongst others costs of services provided directly to customers and include refuse collection fees, disposal fees, weighbridge fees and other ad hoc services. In an attempt to improve the refuse collection service, capital budget allocation of R270 million over the MTREF has been allocated to the solid waste department to improve waste management and refuse collection (2017/18: R66 million; 2018/19: R79 million and 2019/20: R125 million). The above include own funding of R120 million that has been allocated over the MTREF period for the Refurbishment of Existing Waste Cells and Construction of additional new ones in an effort to improve environmental compliance and waste management in the City's Landfill sites.

### **1.3.7 Summary of Financial Position, Medium Term Revenue and Expenditure Strategy**

#### **1.3.7.1 Cash & Cash Equivalents**

BCMM is projecting a favourable cash position, which is projected to be R2.7 billion at 30 June 2018 and is projected to be R2.8 billion at 30 June 2019 (2020: R3.1 billion).

#### **1.3.7.2 Cost Coverage**

The projected cost coverage, including conditional grants is projected to be 7.3 months at 30 June 2018 and is projected to remain around 7 months over the MTREF period. This is in line with the norm of maintaining a cost coverage that is not less than 3 months.

#### **1.3.7.3 Debt Impairment**

Debt Impairment is budgeted at 7.5% of the projected billable revenue over the medium term and amounts to R323 million in 2017/18. It is projected to decrease to 7% which amount to R318 million in 2018/19. It is anticipated to further decrease to 6.5% (R311) in 2019/20. This is based on the average projected collection rate of 92.5%, 93% and 93.5% respectively over the MTREF period

#### **1.3.7.4 Borrowings**

In the 2017/18 MTREF budget, it is projected that the Sanitation Tunnel project will be funded from borrowings amounting R434 million (2017/18: R69 million; 2018/19: R189 million and 2019/20: R176 million). It is also projected that a second loan funding amounting to R290 million (2017/18: R60 million; 2018/19: R60 million and 2019/20: R170 million) will be secured in the MTREF period to fund the upgrade of Umzonyana Dam. The institution continues its focus on improving the financing mix of the capital investment programme. In this regard an in depth analysis is being undertaken to determine what kind of project can be funded through borrowings what would be the Return on Investment. The National Treasury Guidance Norms for Capital Cost (Interest Paid and Redemption) as a percentage of total operating expenditure which is between 6 to 8% and the norm for Debt (Total Borrowings) as a percentage of revenue is 45% is not to be surpassed. The City is considering additional projects that would contribute towards increasing its revenue base which it can fund through borrowings.

#### **1.3.7.5 Asset Management**

The institution has assessed its infrastructure asset categories and has noted with concern a continuing trend suggesting an infrastructure asset base showing a declining remaining useful life. This is particularly concerning in relation to the wastewater network which suggests that only about 8 years remain of the useful life. The institution therefore needs to focus the resources into replacing existing infrastructure in order to increase the average remaining useful life of asset categories and, in so doing, improve efficiencies in the system. It is by taking this strategy into consideration that additional resources will be focused on replacing infrastructure in areas by applying a focused approach. This approach focuses funding into areas that have an economic benefit for the city or in areas that have the oldest infrastructure assets in most need of replacement. This approach is expected to yield benefits through reduced water and electricity losses. Funding will be allocated based on submitted and approved business plans.

### **1.3.7.6 Built Environment Performance Plan (BEPP)**

The Buffalo City Metropolitan Municipality's Built Environment Performance Plan 2016/2017 (BEPP), is submitted in accordance of the Division of Revenue Act (DoRA) requirements in respect of the various grants related to the built environment and secondly in partial fulfilment of the requirements of the Integrated City Development Grant (ICDG). The Buffalo City Built Environment Performance Plan (BEPP) is a brief, strategic overview of the built environment aimed at improving the performance of metropolitan built environment. It is a city-level plan formulated and approved by the metro, and it complements existing statutory plans and compliance with legal requirements.

The core objective of the BEPP is that it provides (i) a strategic overview of the built environment; (ii) programmes and targets with an outcomes focus; (iii) basis for infrastructure grant submissions and grant alignment. The BEPP indicates how a metro will apply its capital financing, including grant resources and all other sources of finance, fiscal and regulatory instruments and incentives and what it intends to achieve with these resources and instruments in respect of the local, provincial and national priorities of improving the performance of our built environments and transforming the spatial urban form. (Refer to Annexure R)

### **1.3.8 BCMM's Priorities and Linkages to the IDP**

Community consultation on the draft IDP 2017/18 Review and MTREF Budget is due to take place from 11 April – 4 May 2017. All BCMM 50 wards will be visited during the public consultation process, the municipality will be reporting progress towards the implementation of their key priorities.

During the last Executive Mayoral Imbizo which was held on 12, 14, 16 and 17 October 2016, BCMM's wards identified the following priority issues:

Key issues raised from rural wards:

- Rural housing development
- Construction and fencing of dipping tanks
- Fencing of grazing fields

- Fencing of ploughing fields and irrigation systems
- Assistance with agricultural implements ( Tractors etc)
- Fencing along the main roads to control stray animals
- Silting and construction of new dams
- Bridges to connect villages
- Support for co-operatives
- Rural sanitation programme (toilets)
- Electrification of villages and new extensions
- Regular maintenance of gravel roads
- Maintenance / upgrading of water reservoirs / boreholes
- Sports fields and facilities
- Fencing of graveyards
- Maintenance and construction of community halls
- Community based income generating projects e.g. removal of alien vegetation
- Support for local economic development initiatives (e.g. sand and stone mining)

Key issues raised from urban wards:

- Provision of RDP housing and rectification of defective houses
- Completion of incomplete housing projects
- Land for housing development
- Title deeds
- Requests for clean drinking water
- Requests for toilets
- Maintenance of the sewerage system
- Upgrading of roads
- Patching of potholes
- Requests for upgrading and construction of new bridges
- Requests for storm water drainage systems
- Street names and signage
- Re-gravelling of roads

- Installation of speed humps
- Maintenance of roads
- Electrification of informal settlements
- Requests for high mast and street lights and maintenance of existing ones
- Installation of solar geysers
- Construction and maintenance of community halls
- New cemeteries and fencing of existing ones
- New sports fields and maintenance of existing ones
- Bush clearing and grass cutting
- Recreational parks
- Roll-out of wheelie bins
- Regular and consistent refuse removal service
- Youth development programmes
- Support for co-operatives
- Inconsistent meter reading and billing challenges

The Executive Mayoral Lekgotla held from the 21 – 23 October 2016 identified ten (10) priorities of the BCM Metro as follows:

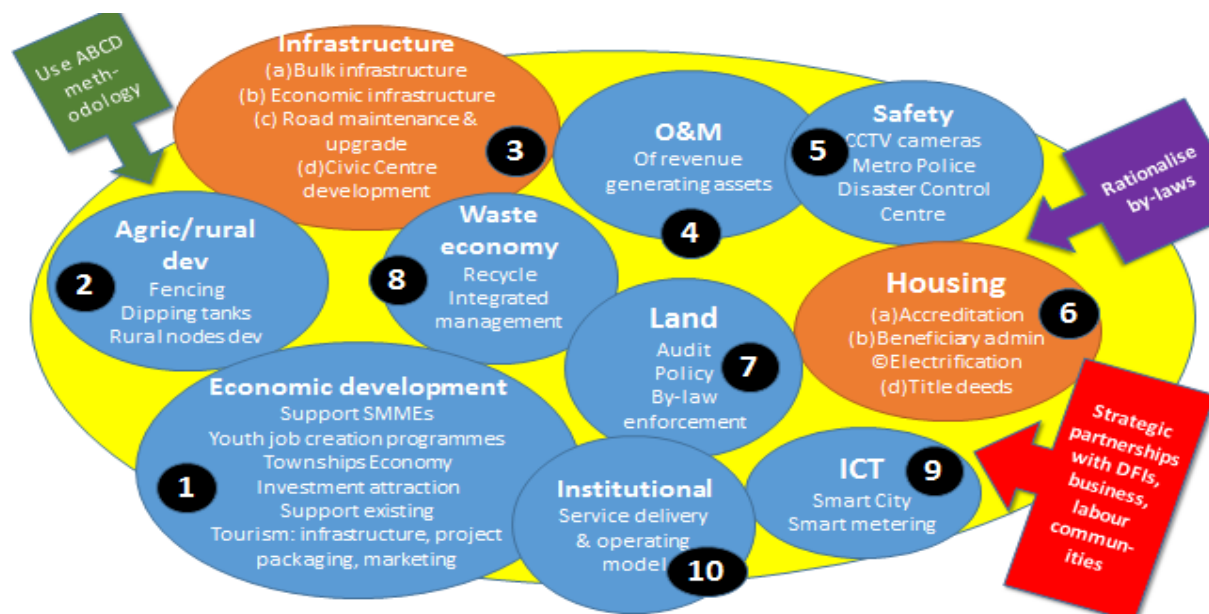


Figure 4: Mayoral Lekgotla Priorities

### **1.3.8.1 Key Amendments to the IDP**

The review process towards 2017/18 Integrated Development Plan was undertaken within the framework of the Metro Growth and Development Strategy thus ensuring that implementation of the MGDS is executed in line with the Integrated Development Plan.

### **1.3.8.2 Key amendments to the budget related policies**

No amendments were made to the following existing BCMM budget-related policies on this financial year's annual review.

- Capital Infrastructure Investment Policy
- Funding and Reserves Policy
- Policy on Long-Term Financial Planning
- Rates Policy
- Investment and Cash Management Policy
- Long-Term Borrowing Policy
- Budget Policy
- Supply Chain Management Policy (review in progress)

The following policies have been reviewed and amended accordingly:

- Tariff Policy
- Budget Virement Policy
- Credit Control Policy
- Indigent Policy

The following new policies have been developed and are proposed for adoption and implementation:

- Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy
- Immovable Asset Management policy
- Movable Asset policy

### **1.3.8.3 Municipal Entity**

The parent municipality Buffalo City Metropolitan Municipality has constituted the board members for Buffalo City Metro Development Agency (BCMDA). The administration staff have also been appointed. The agency is expected to start with the implementation of some developmental projects in the MTREF period within the City in line with its mandate. This is an attempt to grow the local economy through encouraging private sector investment. To allow the agency to realise its mandate, the City has set aside an amount of R23.1 million for 17/18 financial year as an operational grant to the agency. This amount will be escalated with CPI increase for the two outer years to R24.4 million and R25.8 million respectively. The above figures are vat inclusive.

#### **1.4 OPERATING REVENUE FRAMEWORK**

For BCMM to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that the City is faced with development backlogs and increasing rate of unemployment. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues to be collected. The City had to also join the national call of cost containment measures in an effort to achieve operational efficiency and avoid budget deficit. As part of cost containment measure:

- Feeling of vacant funded posts have been frozen in the 2017/18 financial year with the exception of identified critical posts.
- Scarce skills allowance and additional responsibility allowance to be re-looked in order to improve efficiency on policy review and implementation which is envisaged to save some costs.
- General expenditure budget has been decreased by 8% in the 2017/18 financial year.
- Measures have been put in place to reduce overtime by 50% in the 2017/18 financial year.
- No inflationary increase has been allocated for Contracted Services in the 2017/18 financial year.



The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

**Table 4: Summary revenue classified by revenue source**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	672 957	794 519	865 235	1 122 920	1 122 920	1 122 920	1 122 920	1 230 720	1 335 332	1 442 158
Service charges - electricity revenue	2	1 383 884	1 465 814	1 694 297	1 815 256	1 815 256	1 815 256	1 815 256	1 850 291	1 882 856	1 915 429
Service charges - water revenue	2	325 360	394 282	425 276	444 291	444 291	444 291	444 291	486 499	525 905	567 978
Service charges - sanitation revenue	2	248 673	278 832	298 552	339 107	339 107	339 107	339 107	372 340	404 733	439 540
Service charges - refuse revenue	2	228 895	261 807	287 400	308 375	308 375	308 375	308 375	338 596	368 054	399 707
Service charges - other		12 149	24 018	44 122	21 580	21 580	21 580	21 580	23 566	25 451	27 461
Rental of facilities and equipment		15 018	17 430	16 583	20 045	20 045	20 045	20 045	21 889	23 640	25 508
Interest earned - external investments		96 522	124 222	154 775	143 775	143 775	143 775	143 775	157 002	169 563	182 958
Interest earned - outstanding debtors		27 178	34 999	32 661	34 651	34 651	34 651	34 651	36 841	38 937	41 117
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 572	5 500	5 594	8 385	8 385	8 385	8 385	9 157	9 889	10 671
Licences and permits		14 161	14 034	12 612	13 958	13 958	13 958	13 958	15 242	16 462	17 762
Agency services				-							
Transfers and subsidies		812 167	948 513	963 670	1 319 728	1 356 414	1 356 414	1 356 414	1 366 513	1 517 011	1 611 766
Other revenue	2	642 030	593 520	646 513	314 698	314 698	314 698	314 698	343 650	371 142	400 462
Gains on disposal of PPE		12 084		500	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>4 498 647</b>	<b>4 957 490</b>	<b>5 447 791</b>	<b>5 906 770</b>	<b>5 943 457</b>	<b>5 943 457</b>	<b>5 943 457</b>	<b>6 252 305</b>	<b>6 688 975</b>	<b>7 082 517</b>

The following graph gives a breakdown of the main revenue categories for the 2017/18 financial year:

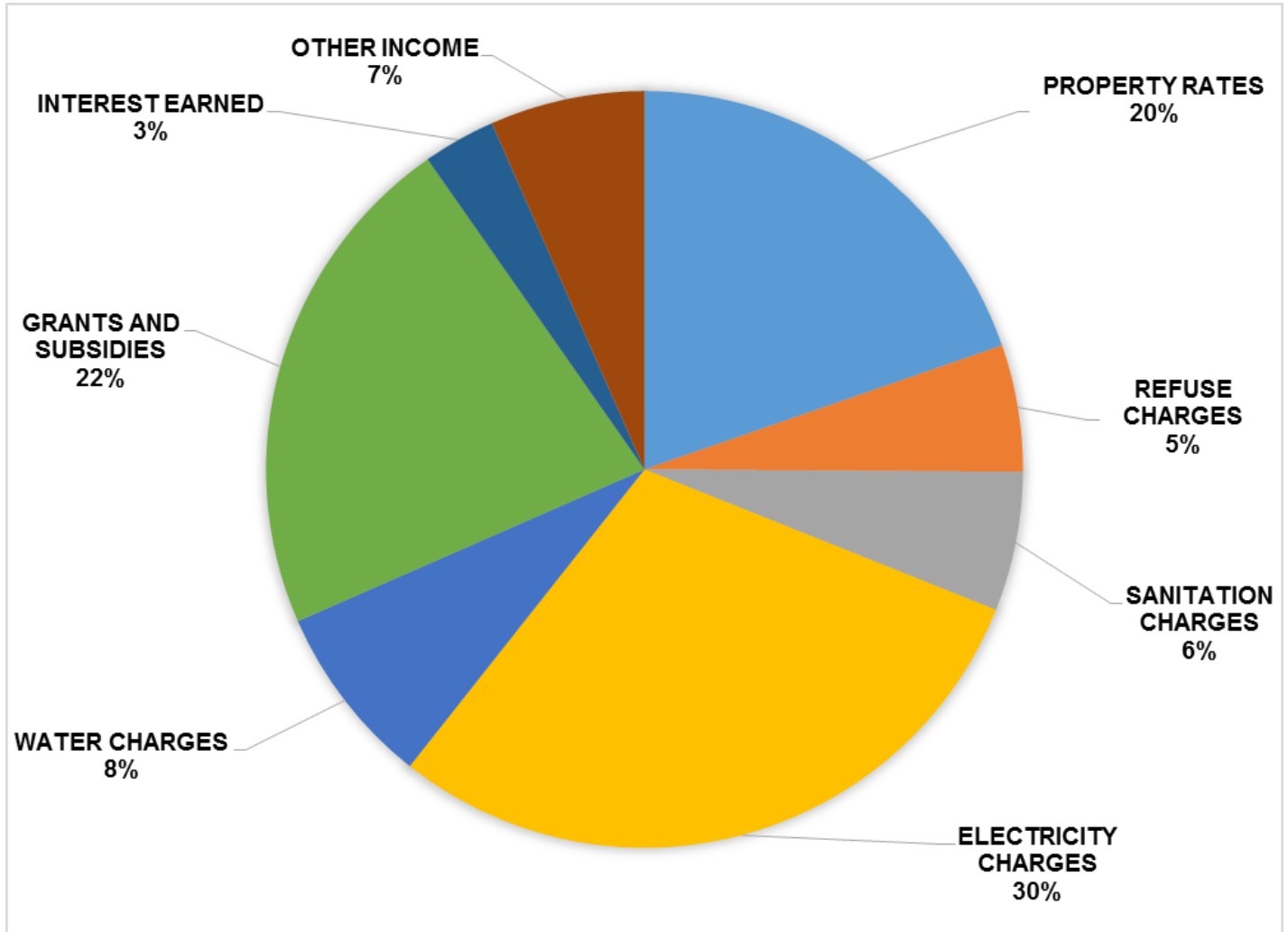


Figure 5: Main Operating Revenue categories for the 2017/18 financial year

The following table is a summary of the 2016/17 MTREF percentage growth in revenue by main revenue source:

**Table 5: Table A4 %age growth in revenue by main revenue source**

2017/2018 MTREF BUDGET REVENUE FRAMEWORK	2016/2017	2016/2017	2017/2018	2017/2018	2018/2019	2018/2019	2019/2020	2019/2020
	ADOPTED	MID-YEAR	DRAFT	%AGE	DRAFT	%AGE	DRAFT	%AGE
	BUDGET YR1	ADJ BUDGET	BUDGET	INCREASE	BUDGET	INCREASE	BUDGET	INCREASE
<b><u>Revenue Per Source</u></b>								
Property Rates	1 122 920 106	1 122 920 106	1 230 720 436	9,60%	1 335 331 673	8,50%	1 442 158 207	8,00%
Electricity Charges	1 815 256 137	1 815 256 137	1 850 290 580	1,93%	1 882 855 695	1,76%	1 915 429 098	1,73%
Water Charges	444 291 186	444 291 186	486 498 848	9,50%	525 905 255	8,10%	567 977 675	8,00%
Sanitation Charges	339 107 134	339 107 134	372 339 633	9,80%	404 733 181	8,70%	439 540 235	8,60%
Refuse Charges	308 375 397	308 375 397	338 596 186	9,80%	368 054 054	8,70%	399 706 703	8,60%
Other Service Charges	21 580 186	21 580 186	23 565 563	9,20%	25 450 808	8,00%	27 461 422	7,90%
Rental of facilities and equipment	20 045 086	20 045 086	21 889 234	9,20%	23 640 372	8,00%	25 507 962	7,90%
Interest earned - external investments	143 775 020	143 775 020	157 002 322	9,20%	169 562 508	8,00%	182 957 946	7,90%
Interest earned - outstanding debtors	34 650 686	34 650 686	36 840 849	6,32%	38 937 497	5,69%	41 117 389	5,60%
Fines	8 385 278	8 385 278	9 156 724	9,20%	9 889 262	8,00%	10 670 513	7,90%
Licences and permits	13 958 268	13 958 268	15 242 429	9,20%	16 461 823	8,00%	17 762 307	7,90%
Transfers recognised - operational	1 319 728 331	1 356 414 476	1 366 512 840	0,74%	1 517 010 710	11,01%	1 611 765 550	6,25%
Other revenue	314 697 638	314 697 638	343 649 820	9,20%	371 141 806	8,00%	400 462 009	7,90%
Gains on disposal of PPE	0	0	0		0		0	
<b><u>Total Revenue Excluding Capital Transfers</u></b>	<b>5 906 770 453</b>	<b>5 943 456 598</b>	<b>6 252 305 465</b>	<b>100%</b>	<b>6 688 974 644</b>	<b>100%</b>	<b>7 082 517 015</b>	<b>100%</b>
<b><u>Total Revenue from Rates and Service Charges</u></b>	<b>4 051 530 146</b>	<b>4 051 530 146</b>	<b>4 302 011 247</b>	<b>69%</b>	<b>4 542 330 666</b>	<b>68%</b>	<b>4 792 273 340</b>	<b>68%</b>

In 2017/18 the City's own revenue generated property rates and service charges is 69% of the total revenue totalling to R6.3 billion and decrease slightly to 68% which is R4.5 billion in 2018/19 and remain stagnant at 68% which is R4.8 billion in the 2019/20 financial year. This is mainly attributed to the electricity service contribution to the total revenue mix (inclusive of conditional and unconditional grants) which is 31% in the 2017/18 financial year.

Electricity revenue is increasing from R1.82 billion to R1.85 billion in 2017/18, it further increase to R1.88 billion and R1.92 billion respectively in two outer years of the 2017/18 MTREF period. Property rates are the second largest own revenue source with 17% contribution over the 2016/17 financial year.

The table below reflect Operating Transfers and Grants that the municipality will be receiving in the MTREF period.

**Table 6: Table SA18 - Operating Transfers and Grant Receipts**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		<b>1 050 285</b>	<b>1 059 417</b>	<b>1 084 537</b>	<b>1 174 961</b>	<b>1 193 311</b>	<b>1 193 311</b>	<b>1 260 713</b>	<b>1 396 741</b>	<b>1 493 557</b>
Local Government Equitable Share		653 660	654 723	655 141	678 197	678 197	678 197	705 277	779 473	841 980
Urban Settlement Development Grant		43 508	34 265	33 348	75 445	88 745	88 745	63 044	87 706	80 572
Finance Management		1 300	1 500	1 180	1 200	1 250	1 250	1 200	900	900
EPWP Incentive		2 705	1 890	1 149	1 188	1 188	1 188	4 952	-	-
Infrastructure Skills Development Grant		5 700	5 400	8 400	8 900	8 900	8 900	10 560	11 800	13 517
Integrated City Development Grant		-	-	5 605	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant		-	-	9 253	-	-	-	-	-	-
Public Transport Network Grant		-	-	-	-	5 000	5 000	7 702	10 500	10 000
General Fuel Levy		343 412	361 639	370 461	410 031	410 031	410 031	467 978	506 362	546 588
Other transfers/grants [insert description]										
<b>Provincial Government:</b>		<b>103 141</b>	<b>106 798</b>	<b>100 414</b>	<b>141 272</b>	<b>162 289</b>	<b>162 289</b>	<b>105 800</b>	<b>120 270</b>	<b>118 209</b>
Department of Water Affairs		2 627	-	-	-	-	-	-	-	-
DSRAC - Library Subsidy		7 276	-	9 638	15 000	15 000	15 000	15 000	15 870	16 759
Department of Public Works		-	-	-	2 470	2 470	2 470	-	-	-
Human Settlement Development Grant		93 238	106 798	90 776	123 802	144 819	144 819	90 800	104 400	101 450
<b>District Municipality:</b>		<b>1 288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Health Subsidy - Environmental Health		1 288	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		<b>3 475</b>	<b>2 911</b>	<b>3 026</b>	<b>3 496</b>	<b>815</b>	<b>815</b>	<b>-</b>	<b>-</b>	<b>-</b>
SETA - Skills Development		3 130	2 264	2 309	-	-	-	-	-	-
Donor Funding - Leiden & Galve		345	648	-	-	229	229	-	-	-
Salaida		-	-	222	-	-	-	-	-	-
Transnet		-	-	-	3 000	-	-	-	-	-
City of Oldenburg		-	-	496	496	496	496	-	-	-
Glasgow		-	-	-	-	90	90	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>5</b>	<b>1 158 190</b>	<b>1 169 126</b>	<b>1 187 977</b>	<b>1 319 728</b>	<b>1 356 414</b>	<b>1 356 414</b>	<b>1 366 513</b>	<b>1 517 011</b>	<b>1 611 766</b>

### **1.4.1 Property Rates and Service Charges and Impact of Tariff Increases**

The proposed revisions to the tariffs have been formulated in accordance with the BCMM's policies and comply with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

In terms of section 75A of the Local Government Municipal Systems Act, any fees, charges or tariffs which a municipality may wish to levy and recover in respect of any function or service of the municipality, must be approved by a resolution passed by the municipal council with a supporting vote of a majority of its members.

#### **1.4.1.1 Property Rates**

Property rates are a major source of revenue income for the City and contribute to cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the BCMM's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the differential rate ratio for public service infrastructure, public benefit organisation and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was effected in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- 100% rebate will be granted to registered indigents in terms of the municipality's Indigent Policy where the value of the indigent property is to a maximum of R120,000 as determined for a RDP house;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 40% will be granted to owners of rate-able property if the total gross income of

the applicant and/or his/her spouse, if any, does not exceed R5000 per month. In this regard the following stipulations are relevant:

- The rateable property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100% grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2017/18 financial year based on a 9.6% percent tariff increase from 1 July 2017 is contained below:

**Table 7: Comparison of proposed rates to be levied for the 2017/18 financial year**

	Existing tariff	New tariff
	(from 1 July 2016)	(from 1 July 2017)
	C	C
Residential Property (incl farms or smallholdings used for Residential purposes)	0,009726	0,010660
Agricultural Property (used for Bona-fide Farming)	0,002431	0,002665
Public Service Infrastructure	0,002431	0,002665
Business, Commercial & Industrial Property (incl farms used for Game- / Eco Tourism)	0,024315	0,026649
Educational Institutions	0,006808	0,007462
Municipal Owned Property (Rateable, used for Residential purposes)	0,009726	0,010660
Municipal Owned Property (Rateable, used for Non-Residential purposes)	0,024315	0,026649
Municipal Owned Property (Non - Rateable)	0,000000	0,000000
Mining / Quarry Property	0,024315	0,026649
Government Property (Correctional Services Facilities, Offices & Hospitals)	0,024315	0,026649
Vacant Land	0,029178	0,031979
Religious or Places of Worship and Special Property (e.g. Museums, Libraries)	0,000000	0,000000
Public Benefit Organisations	0,002431	0,002665
Rural Communal Land	0,000000	0,000000

The Municipality has successfully undertaken a General Valuation exercise in terms of the Municipal Property Rates Act and the new values were implemented from 1 July 2014. An increase on rate tariffs of 9.6% in the 2017/18 financial year (2018/19: 8.5%, 2019/20: 8.0%) has been planned.



#### **1.4.1.2 Sale of Water and Impact of Tariff Increases**

The water tariff structure of the 2017/18 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R34.2713 per kilolitre for consumption in excess of 30kℓ per 30 day period.

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. The drought that is currently experienced by the country is negatively affecting the cost of providing water service. National Treasury has always been encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

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

In addition National Treasury has urged all municipalities to ensure that water tariff structures are fully cost reflective by 2014. Although the institution is attempting to comply with this request, the annual impact on consumers in terms of affordability needs to be considered.

The institution is currently concerned about the high level of water losses which have been historically incurred. The City is implementing the following projects to reduce water losses:

- Meter replacement and pipe replacement programme are implemented to reduce water losses that are due to ageing infrastructure, which frequently bursts.
- Installation of bulk water meters on communal standpipes, ablution blocks, reservoir supply zone, flat rated areas to account for all the water that is provided free of charge, non-metering of this water is often construed as physical water losses.

- Installation of pressure reducing valves helps to reduce the number of pipe bursts and the volume of water lost when there is a break down
- Installation of data loggers is used for monitor night flows, which is an indicator of water leaks in a particular supply zone.
- Water loss awareness campaigns is done in order to educate communities about water saving and helps to reduce vandalism of water infrastructure.

An amount of R40 million has been allocated in the first financial year of the MTREF budget to cater for this plan. A further amount of R80 million per year is budgeted for the two outer years. It is envisaged that this will reduce the water losses being incurred to a level which is comparable to the peers of the institution. Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Amatola Water has proposed to increase its bulk water tariffs by 10% from 1 July 2017. There is some concern surrounding the determination of this tariff as a large portion relates to employee costs which, it could be argued, the Municipality is already incurring through the individuals we have working directly. A tariff increase of 9.5% from 1 July 2017 for water is proposed. This is based on input cost assumptions of 10% increase in the cost of bulk water (Amatola Water), and the service progressing to becoming self-sufficient with at least a break-even position. In addition 6 kℓ water per 30-day period will again be granted free of charge to all indigent residents. There is also water service that is provided to rural areas which are not billed for water consumption.

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

**Table 8: Water Tariffs**

CATEGORY	CURRENT TARIFFS	NEW TARIFFS
	2016/17 Rand per kℓ	2017/18 Rand per kℓ
<b>RESIDENTIAL</b>		
(i) 0 to 6 kℓ per 30-day period (Indigent)	0,0000	0,0000
(ii) 0 to 6 kℓ per 30-day period (Non-Indigent)	13,5860	14,8767
(iii) 7 to 10 kℓ per 30-day period	13,8524	15,1684
(iv) 11 to 20 kℓ per 30-day period	19,2392	21,0669
(v) 21 to 30 kℓ per 30-day period	24,9397	27,3090
(vi) More than 30 kℓ per 30-day period:	31,2980	34,2713
<b>NON-RESIDENTIAL</b>		
(i) From the 1 <sup>st</sup> kℓ per 30-day period	19,0487	20,8583

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

**Table 9: Comparison between current water charges and increases (Domestic)**

Monthly Consumption kℓ	Current amount Payable R	New amount payable R	Difference (Increase) R	% change
10	136,93	149,93	13,01	9,50%
20	329,32	360,60	31,29	9,50%
30	578,72	633,69	54,98	9,50%
50	1 204,67	1 319,12	114,44	9,50%
75	1 987,12	2 175,90	188,78	9,50%
100	2 769,57	3 032,68	263,11	9,50%

### **1.4.1.3 Sale of Electricity and Impact of Tariff Increases**

For purposes of the MTREF Budget, the electricity tariff structure has been left unchanged. The City is however still in the process of investigation the inclined block tariffs. The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the City. Most of the suburbs and inner city reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the City's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

On 23 February 2017 NERSA issued a guideline to all municipalities detailing the expected increase of bulk purchases and proposed tariff increase that the municipalities must apply which is to be effective from 1 July 2017 and.

The expected increase as communicated in the guidance is 0.31% for bulk purchases. It is envisaged that the municipality will increase its tariff by 1.93% in the 2017/18 (2018/19: 1.76% and 2019/20: 1.73%) financial year across all categories in order to recover the increased bulk purchase cost as well as capital infrastructure costs for the electrification of informal settlements. The increase is based on NERSA guide calculation using MFMA Circular 86 CPI. It should be noted that given the magnitude of the tariff increases in the recent past, it is expected that the depressed growth in electricity consumption, which is having a negative impact on the municipality's revenue from electricity, will continue for the foreseeable future.

Registered indigents will again be subsidized for the first 50 kWh per 30-day period free of charge, while the discounted Life-Line tariff for the second 50 kWh per 30-day period is available to all registered indigents and pensioners.

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

An allocation of R498.5 million over the MTREF period has been made to the electricity trading service. This includes an amount of R192 million that is allocated over the MTREF period electrification programme. Within the electrification programme, an amount of R70 million over the MTREF period is allocated for electrification of informal settlements. As part of the 2017/18 medium-term capital programme, own funding has been allocated to electricity infrastructure to the tune of R370 million over the MTREF period. This funding level is budgeted within the MTREF period with the express purposes of upgrading existing infrastructure assets with the goal of maintaining consistent supply that is within the control of the Municipality.

**Table 10: Comparison between current electricity charges and increases (Domestic)**

<b>Monthly Consumption kWh</b>	<b>Current amount Payable R</b>	<b>New amount payable R</b>	<b>Difference (Increase) R</b>	<b>% change</b>
<b>100</b>	191,72	195,42	3,70	1,93%
<b>250</b>	479,30	488,55	9,25	1,93%
<b>500</b>	958,60	977,10	18,50	1,93%
<b>750</b>	1 437,90	1 465,65	27,75	1,93%
<b>1 000</b>	1 917,20	1 954,20	37,00	1,93%
<b>2 000</b>	3 834,41	3 908,41	74,00	1,93%

#### 1.4.1.4 Sanitation and Impact of Tariff Increases

A tariff increase of 9.8 % for sanitation from 1 July 2017 is proposed. Currently sanitation charges are calculated according to the relative size of the erf on which the property is located. It is envisaged that future sanitation charges will be based on a percentage of water consumption, but first the large volumes of water losses will have to be brought under control.

The following table shows the impact of the proposed increases in annual tariffs on the sanitation charges for a single dwelling residence:

**Table 11: Comparison between current sanitation charges and increases, single dwelling- residence (per annum)**

Category	Current amount	New amount	Difference	%
	Payable	payable	(Increase)	Change
	R	R	R	
Erf : 0 – 300m <sup>2</sup>	902,00	990,00	88,00	9,80%
Erf : 301 – 400m <sup>2</sup>	1 433,00	1 573,00	140,00	9,80%
Flat : Complex	2 271,00	2 494,00	223,00	9,80%
Flat : Ordinary	2 509,00	2 755,00	246,00	9,80%
Flat : Semi	2 509,00	2 755,00	246,00	9,80%
Cluster/Town Houses	3 105,00	3 409,00	304,00	9,80%
Erf : 401 – 800m <sup>2</sup>	3 730,00	4 096,00	366,00	9,80%
Erf : 801 – 1200m <sup>2</sup>	4 026,00	4 421,00	395,00	9,80%
Erf : > 1200m <sup>2</sup>	4 387,00	4 817,00	430,00	9,80%

#### **1.4.1.5 Refuse Removal and Impact of Tariff Increases**

It is widely accepted that the rendering of this service should at least break even, which continues to prove difficult to achieve considering affordability for the consumers. The City needs to implement the solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. Efficiencies of staff performing the function continue to be a contributing factor as there is an increase in the cost of remuneration however this does not appear to be converting to refuse collection efficiencies. The on-going increase on repairs and maintenance for refuse trucks and increases in general expenditure such as fuel and hired plant. There will be more added focus by management over the MTREF period in an attempt to improve staff management and create efficiencies in this process. There is further investigation to create a transfer station to reduce the costs of running the transport fleet. It needs to be noted that the institution has embarked on the purchase of wheelie bins for BCMM consumers and it is envisaged that this will improve the efficiencies of employees. These plans are currently at various stages of implementation. The City is in the process of constructing an additional landfill waste site and the rehabilitation of the existing landfill sites and this project is progressing well.

An increase of 9.8% in the refuse removal tariff is proposed from 1 July 2017. A further increase of 8.7% and 8.6% for the two outer years respectively are proposed.

The following table compares current and proposed amounts payable from 1 July 2017:

**Table 12: Comparison between current refuse removal fees and increases**

Category	Current amount	New amount	Difference	%
	Payable	Payable	(Increase)	Change
	R	R	R	
85ℓ Bins – Twice weekly	475,00	522,00	47,00	9,80%
240ℓ Bins – Once weekly	669,00	735,00	66,00	9,80%
240ℓ Bins – Twice weekly	1 339,00	1 470,00	131,00	9,80%
420ℓ Bins – Once weekly	1 170,00	1 285,00	115,00	9,80%
420ℓ Bins – Twice weekly	2 338,00	2 567,00	229,00	9,80%
1.1m <sup>3</sup> Sprico – Once weekly	802,00	881,00	79,00	9,80%
1.1m <sup>3</sup> Sprico – Twice weekly	1 599,00	1 756,00	157,00	9,80%
1.1m <sup>3</sup> Sprico – Three x a week	2 403,00	2 638,00	235,00	9,80%
1.1m <sup>3</sup> Sprico – Four x a week	3 197,00	3 510,00	313,00	9,80%
1.1m <sup>3</sup> Sprico – Five x a week	3 997,00	4 389,00	392,00	9,80%



#### **1.4.2 Overall impact of tariff increases on households**

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

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at an average of about 9% (CPI + 3%).

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2017/18 financial year based on a 9.60% increase from 1 July 2017 is contained below:

**Table 13: SA14 – Household bills**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		588,25	479,79	527,29	567,37	567,37	567,37	9,6%	621,84	674,69	728,67
Electricity : Basic levy		-	-	-	-	-	0	-	-	-	-
Electricity : Consumption		1 297,11	992,40	1 113,47	1 198,54	1 198,54	1 198,54	1,9%	1 221,67	1 243,17	1 264,68
Water: Basic levy		-	-	-	-	-	0	-	-	-	-
Water: Consumption		368,39	298,24	331,04	357,53	357,53	357,53	9,5%	391,50	423,21	457,06
Sanitation		225,66	249,34	273,03	294,33	294,33	294,33	9,8%	323,17	351,29	381,50
Refuse removal		138,60	156,14	170,97	184,31	184,31	184,31	9,8%	202,37	219,98	238,90
Other		30,70	33,33	36,63	39,41	39,41	39,41	9,2%	43,04	46,48	50,15
<b>sub-total</b>		<b>2 648,70</b>	<b>2 209,24</b>	<b>2 452,43</b>	<b>2 641,49</b>	<b>2 641,49</b>	<b>2 641,49</b>	<b>6,1%</b>	<b>2 803,59</b>	<b>2 958,82</b>	<b>3 120,96</b>
VAT on Services											
<b>Total large household bill:</b>		<b>2 648,70</b>	<b>2 209,24</b>	<b>2 452,43</b>	<b>2 641,49</b>	<b>2 641,49</b>	<b>2 641,49</b>	<b>6,1%</b>	<b>2 803,59</b>	<b>2 958,82</b>	<b>3 120,96</b>
<b>% increase/-decrease</b>			<b>(16,6%)</b>	<b>11,0%</b>	<b>7,7%</b>	<b>-</b>	<b>-</b>			<b>5,5%</b>	<b>5,5%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		92,97	342,71	376,64	405,26	405,26	405,26	9,6%	444,16	481,92	520,47
Electricity : Basic levy		-	-	-	-	-	0	-	-	-	-
Electricity : Consumption		645,96	496,20	556,74	599,27	599,27	599,27	1,9%	610,84	621,59	632,34
Water: Basic levy		-	-	-	-	-	0	-	-	-	-
Water: Consumption		289,01	248,53	275,87	297,94	297,94	297,94	9,5%	326,24	352,67	380,88
Sanitation		80,34	88,74	97,17	104,74	104,74	104,74	9,8%	115,00	125,01	135,76
Refuse removal		138,60	156,14	170,97	184,30	184,30	184,30	9,8%	202,36	219,97	238,88
Other		30,70	33,33	36,63	39,41	39,41	39,41	9,2%	43,04	46,48	50,15
<b>sub-total</b>		<b>1 277,58</b>	<b>1 365,65</b>	<b>1 514,02</b>	<b>1 630,92</b>	<b>1 630,92</b>	<b>1 630,92</b>	<b>6,8%</b>	<b>1 741,65</b>	<b>1 847,63</b>	<b>1 958,49</b>
VAT on Services											
<b>Total small household bill:</b>		<b>1 277,58</b>	<b>1 365,65</b>	<b>1 514,02</b>	<b>1 630,92</b>	<b>1 630,92</b>	<b>1 630,92</b>	<b>6,8%</b>	<b>1 741,65</b>	<b>1 847,63</b>	<b>1 958,49</b>
<b>% increase/-decrease</b>			<b>6,9%</b>	<b>10,9%</b>	<b>7,7%</b>	<b>-</b>	<b>-</b>			<b>6,1%</b>	<b>6,0%</b>
				0,58	-0,29	-1,00	-				
<b>Monthly Account for Household - 'Indigent' Household receiving</b>	3										
<b>Rates and services charges:</b>											
Property rates		92,97	102,81	112,99	121,57	121,57	121,57	9,6%	133,24	144,57	156,13
Electricity : Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity : Consumption		47,04	49,62	55,67	59,92	59,92	59,92	1,9%	61,08	62,15	63,23
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		51,89	59,65	66,21	71,50	71,50	71,50	9,5%	78,29	84,63	91,40
Sanitation		73,27	80,97	88,77	95,69	95,69	95,69	9,8%	105,07	114,21	124,03
Refuse removal		138,60	156,14	170,97	184,31	184,31	184,31	9,8%	202,37	219,98	238,90
Other		30,70	33,33	36,63	39,41	39,41	39,41	9,2%	43,04	46,48	50,15
<b>sub-total</b>		<b>434,47</b>	<b>482,52</b>	<b>531,24</b>	<b>572,40</b>	<b>572,40</b>	<b>572,40</b>	<b>8,9%</b>	<b>623,09</b>	<b>672,02</b>	<b>723,84</b>
VAT on Services											
<b>Total small household bill:</b>		<b>434,47</b>	<b>482,52</b>	<b>531,24</b>	<b>572,40</b>	<b>572,40</b>	<b>572,40</b>	<b>8,9%</b>	<b>623,09</b>	<b>672,02</b>	<b>723,84</b>
<b>% increase/-decrease</b>			<b>11,1%</b>	<b>10,1%</b>	<b>7,7%</b>	<b>-</b>	<b>-</b>			<b>7,9%</b>	<b>7,7%</b>

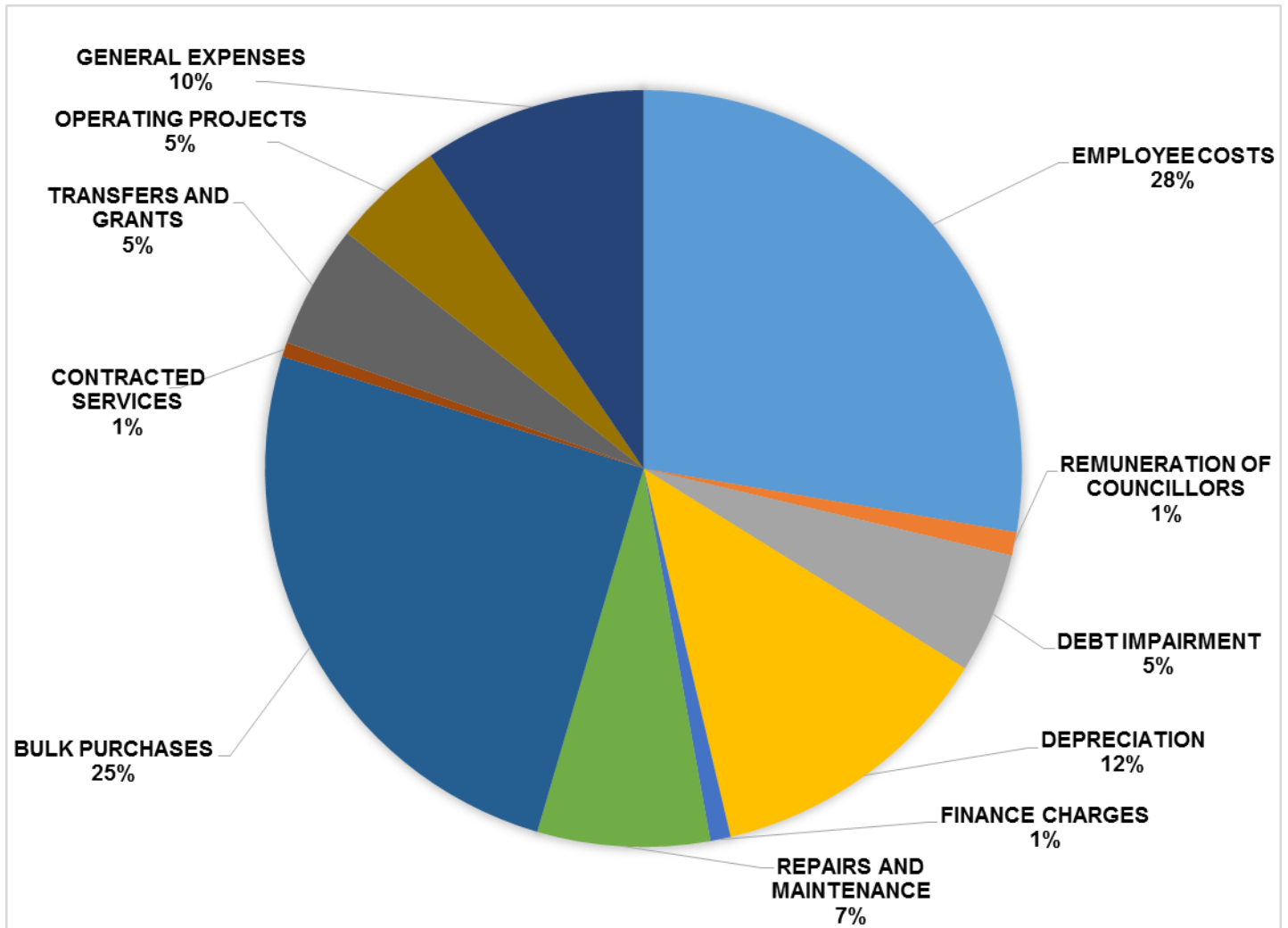
## 1.5 OPERATING EXPENDITURE FRAMEWORK

The City's expenditure framework for the 2016/17 budget and MTREF is informed by Section 18 and 19 of the MFMA. The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

**Table 14: Table A4 - Summary of operating expenditure classification by type**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Expenditure By Type</b>											
Employee related costs	2	1 134 596	1 233 305	1 352 201	1 531 068	1 506 068	1 506 068	1 506 068	1 731 217	1 917 209	2 063 745
Remuneration of councillors		45 088	48 360	54 375	58 099	58 099	58 099	58 099	62 398	66 579	70 973
Debt impairment	3	241 011	365 110	210 111	303 865	303 865	303 865	303 865	322 651	317 963	311 498
Depreciation & asset impairment	2	629 728	685 336	789 811	748 339	748 339	748 339	748 339	778 273	828 860	893 511
Finance charges		65 775	60 674	54 878	57 105	52 105	52 105	52 105	54 318	68 639	77 365
Bulk purchases	2	1 110 464	1 213 642	1 427 318	1 521 587	1 526 587	1 526 587	1 526 587	1 578 167	1 604 890	1 633 880
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		9 743	14 607	-	22 486	38 960	38 960	38 960	38 960	41 181	43 487
Transfers and subsidies		145 871	234 151	237 321	288 468	306 068	306 068	306 068	330 413	349 218	368 768
Other expenditure	4, 5	1 246 682	1 337 880	1 338 420	1 374 675	1 402 287	1 402 287	1 402 287	1 354 982	1 492 390	1 616 687
Loss on disposal of PPE			32 772		-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>4 628 959</b>	<b>5 225 837</b>	<b>5 464 435</b>	<b>5 905 692</b>	<b>5 942 379</b>	<b>5 942 379</b>	<b>5 942 379</b>	<b>6 251 379</b>	<b>6 686 928</b>	<b>7 079 913</b>

The following figure gives a breakdown of the main expenditure categories for the 2017/18 financial year:



**Figure 6: Main operational expenditure categories for the 2017/18 financial year**

**Employee Costs** equates to 28% of the total operating costs. Though this percentage is within the norm of 25% to 40% as per MFMA Circular 71 guideline, the fact that it's showing an upward trend when compared to last year (25%) is a cause for concern. Salaries have been increased by 7.4% in the 2016/17 financial year in line with SALGA's guideline. The budget allocation to fund unfunded posts has been put on hold up until the City's revenue base can reflect improvement.

**Remuneration of councillors** is determined by the Minister of Cooperative 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 City's budget.

The **provision of debt impairment** has been determined based on an annual collection rate of 92.5%, 93% and 93.5% respectively in the MTREF. For the 2017/18 financial year this amounts to R323 million, it decreases to R318 million in 2018/19, it further decreases to R311 million in the 2019/20 financial year. 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** is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R778 million for the 2017/18 financial year and equates to 12% of the total operating expenditure. Infrastructure assets are by far the most significant value of the Statement of Financial Position of the institution and is where the most significant amount of the institutions resources is expended. As such the institution has made a strategic decision to actively manage its infrastructure assets by ensuring all new infrastructure commitments are made in line with the Metro Growth and Development Strategy.

It needs to be recognised that the institution has adopted the revaluation accounting approach for roads infrastructure assets. The main reason for the decision is to ensure the future viability of the institution by allowing for the future replacement of these significant long term assets.

**Finance charges** consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1% (R54 million) of operating expenditure excluding annual redemption for 2017/18.

**Bulk purchases** (equates to 25% of total operating expenditure) are directly informed by the purchase of electricity from Eskom and water from Amatola. The annual price

increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other expenditure comprises of various line items relating to the daily operations of the municipality. In order to comply with the provisions of circular 85 and 86 guiding principles as issued by National Treasury, the institution undertook a line by line analysis of expenditure in an attempt to improve efficiencies. As a result no annual increase has been allocated to contracted services and the budget allocation for general expenses has been reduced by 8% in the 2017/18 financial year. In the prior year (2016/17) the annual increase was capped at 4%.

### **1.5.1 Repairs and Maintenance**

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2017/18 budget and MTREF provide for extensive growth in the asset maintenance area as informed the City's asset renewal strategy and repairs & maintenance plan.

Repairs and maintenance budget is currently 7.4% of the total Operating Expenditure Budget. The City is striving towards a 10% repairs and maintenance of its total operating budget owing to the aging of the City's infrastructure and historic deferred maintenance. As a results the City has budgeted an annual increase that is above the projected CPI in the MTREF (10%). The City has embarked on a programme to replace existing infrastructure assets which have almost reached and/or exceeded their useful lives and will be funded from own funds. The institution has identified a historical funding shortfall associated with the replacement of existing infrastructure assets and in an attempt to alleviate the shortfall, some of the USDG funding will be utilized to replace existing infrastructure. Furthermore, the institution will ensure that surplus budgets are prepared beyond the MTREF period to fund both existing infrastructure replacement as well as new infrastructure expansion.

**Table 15: Table SA34c – Repairs and Maintenance expenditure by asset type**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>236 217</b>	<b>254 627</b>	<b>293 613</b>	<b>351 434</b>	<b>355 249</b>	<b>355 249</b>	<b>390 774</b>	<b>429 851</b>	<b>472 837</b>
Roads Infrastructure		56 120	75 418	98 350	118 807	118 807	118 807	130 688	143 756	158 132
<i>Roads</i>		56 120	75 418	98 350	118 807	118 807	118 807	130 688	143 756	158 132
Storm water Infrastructure		6 644	8 619	8 493	–	–	–	–	–	–
<i>Drainage Collection</i>		–	–	–						
<i>Storm water Conveyance</i>		6 644	8 619	8 493						
<i>Attenuation</i>		–	–	–						
Electrical Infrastructure		103 884	94 200	92 819	126 469	126 469	126 469	139 116	153 027	168 330
<i>Power Plants</i>		103 884	94 200	92 819	126 469	126 469	126 469	139 116	153 027	168 330
Water Supply Infrastructure		30 866	34 412	43 011	47 615	47 615	47 615	52 376	57 614	63 375
<i>Dams and Weirs</i>		932	1 013	–						
<i>Water Treatment Works</i>		29 933	33 398	43 011	47 615	47 615	47 615	52 376	57 614	63 375
Sanitation Infrastructure		23 221	24 862	28 972	33 027	36 845	36 845	40 530	44 583	49 041
<i>Waste Water Treatment Works</i>		23 221	24 862	28 972	33 027	36 845	36 845	40 530	44 583	49 041
Solid Waste Infrastructure		15 483	17 116	21 968	25 517	25 513	25 513	28 064	30 871	33 958
<i>Landfill Sites</i>		15 483	17 116	21 968	25 517	25 513	25 513	28 064	30 871	33 958
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Community Assets</b>		<b>23 667</b>	<b>13 174</b>	<b>19 967</b>	<b>17 837</b>	<b>17 837</b>	<b>17 837</b>	<b>19 620</b>	<b>21 582</b>	<b>23 741</b>
Community Facilities		21 084	10 260	15 637	14 153	14 153	14 153	15 568	17 125	18 838
<i>Halls</i>		405	526	4 710	577	577	577	635	698	768
<i>Clinics/Care Centres</i>		21	–	–	931	931	931	1 024	1 126	1 239
<i>Fire/Ambulance Stations</i>		1 394	1 507	1 568	2 049	2 049	2 049	2 254	2 480	2 728
<i>Testing Stations</i>		–	–	–						
<i>Museums</i>		14	10	71	256	256	256	282	310	341
<i>Libraries</i>		126	128	219	279	279	279	307	338	372
<i>Cemeteries/Crematoria</i>		158	250	405	448	448	448	493	543	597
<i>Police</i>		1 995	1 144	2 102	2 917	2 917	2 917	3 209	3 530	3 883
<i>Nature Reserves</i>		11 248	1 818	–	5 569	5 569	5 569	6 126	6 738	7 412
<i>Public Ablution Facilities</i>		–	–	–						
<i>Markets</i>		721	679	771	1 126	1 126	1 126	1 238	1 362	1 498
<i>Taxi Ranks/Bus Terminals</i>		394	118	536						
<i>Capital Spares</i>		4 609	4 079	5 254						
Sport and Recreation Facilities		2 583	2 914	4 329	3 683	3 683	3 683	4 052	4 457	4 903
<i>Indoor Facilities</i>		2 285	2 579	3 772	2 414	2 414	2 414	2 656	2 921	3 213
<i>Outdoor Facilities</i>		298	335	557	1 269	1 269	1 269	1 396	1 536	1 689
<i>Capital Spares</i>		–	–	–						

**MBRR Table SA34c – Repairs and maintenance expenditure by asset class (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Heritage assets</b>		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Other assets</b>		<b>24 258</b>	<b>17 897</b>	<b>35 398</b>	<b>33 689</b>	<b>33 689</b>	<b>33 689</b>	<b>37 058</b>	<b>40 764</b>	<b>44 840</b>
Operational Buildings		24 258	17 897	35 398	33 689	33 689	33 689	37 058	40 764	44 840
Municipal Offices		8 852	5 031	24 793	21 683	21 683	21 683	23 852	26 237	28 860
Pay/Enquiry Points		–	–	–	693	693	693	762	838	922
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	2 073	2 073	2 073	2 280	2 508	2 759
Capital Spares		15 406	12 865	10 605	9 240	9 240	9 240	10 164	11 180	12 298
Housing		–	–	–	–	–	–	–	–	–
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		–	–	–	993	993	993	1 092	1 201	1 321
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	993	993	993	1 092	1 201	1 321
Computer Software and Applications		–	–	–	993	993	993	1 092	1 201	1 321
<b>Computer Equipment</b>		604	671	118	1 188	1 188	1 188	1 307	1 437	1 581
Computer Equipment		604	671	118	1 188	1 188	1 188	1 307	1 437	1 581
<b>Furniture and Office Equipment</b>		0	2	1	187	191	191	210	231	254
Furniture and Office Equipment		0	2	1	187	191	191	210	231	254
<b>Machinery and Equipment</b>		–	–	–	5 381	5 381	5 381	5 919	6 511	7 162
Machinery and Equipment		–	–	–	5 381	5 381	5 381	5 919	6 511	7 162
<b>Transport Assets</b>		940	1 022	1 008	2 975	2 975	2 975	3 272	3 600	3 959
Transport Assets		940	1 022	1 008	2 975	2 975	2 975	3 272	3 600	3 959
<b>Libraries</b>		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	1 107	1 107	1 107	1 218	1 340	1 474
Zoo's, Marine and Non-biological Animals		–	–	–	1 107	1 107	1 107	1 218	1 340	1 474
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>285 686</b>	<b>287 393</b>	<b>350 106</b>	<b>414 791</b>	<b>418 609</b>	<b>418 609</b>	<b>460 470</b>	<b>506 517</b>	<b>557 169</b>
<b>R&amp;M as a % of PPE</b>		2,4%	2,3%	2,7%	3,1%	3,1%	3,1%	3,4%	3,5%	3,5%
<b>R&amp;M as % Operating Expenditure</b>		6,2%	5,5%	6,4%	7,0%	7,0%	7,0%	7,7%	8,1%	8,3%



### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the City's Indigent Policy. The target is to register an average of at least the following indigent households by the end of 2017/18 financial year, this process is reviewed annually: Rates and Fire Levy – 42 150; Refuse and Sanitation – 61 252; Electricity 79,540; Water – 77 185 rural and 61 250 urban.

It should however be noted that although this is a goal from a social perspective, it is an indicator of the overall strategic direction of the institution not being achieved. The institution is attempting to steer in the direction of economic growth and job creation. This target is contrary to that focus area. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The following table provide a breakdown of the current and proposed total poor relief package per indigent household:

**Table 16: Basic social services package per indigent household**

	<b>Total Per Household 2016/2017</b>	<b>Total Per Household 2017/2018</b>	<b>Total Per Household 2018/2019</b>	<b>Total Per Household 2019/2020</b>
Rates	121,58	133,25	144,58	157,30
Refuse	184,31	202,37	219,98	239,78
Sewerage	95,69	105,07	114,21	124,49
Fire Levy	39,41	43,04	46,48	50,57
<b><u>Total Monthly Subsidy</u></b>	<b>440,99</b>	<b>483,73</b>	<b>525,25</b>	<b>572,14</b>
Electricity - 50kwh p.m.	59,93	61,08	62,16	63,23
Water - 6kl p.m.	71,51	78,30	84,56	91,75
<b><u>Total Poor Relief</u></b>	<b>572,42</b>	<b>623,11</b>	<b>671,97</b>	<b>727,12</b>

## 1.6 CAPITAL EXPENDITURE FRAMEWORK

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

**Table 17: Table A5 2016/17 Medium-term capital budget per vote, standard classification and funding**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Directorate - Executive Support Services		558	1 321	777	5 500	6 578	6 578	6 578	500	500	500
Vote 2 - Directorate - Municipal Manager		29 974	9 663	-	17 522	78 822	78 822	78 822	22 250	16 500	12 500
Vote 3 - Directorate - Human Settlement		58 744	144 783	73	202 441	140 779	140 779	140 779	186 355	108 005	130 465
Vote 4 - Directorate - Chief Financial Officer		3 544	3 282	362	10 600	18 798	18 798	18 798	34 100	92 100	122 100
Vote 5 - Directorate - Corporate Services		2 232	652	20 975	7 100	4 534	4 534	4 534	6 000	5 500	500
Vote 6 - Directorate - Infrastructure Services		636 990	671 827	1 110 248	887 671	870 932	870 932	870 932	914 154	1 223 532	1 336 147
Vote 7 - Directorate - Spatial Planning and Development		22 663	36 097	-	230 290	191 432	191 432	191 432	236 117	460 932	430 530
Vote 8 - Directorate - Health / Public Safety & Emergency Services		6 744	3 751	326	30 032	29 765	29 765	29 765	29 005	13 620	11 150
Vote 9 - Directorate - Municipal Services		67 420	57 333	35 698	122 478	96 045	96 045	96 045	166 599	186 329	187 000
Vote 10 - Directorate - Economic Development & Agencies		5 768	1 341	17 870	44 500	53 764	53 764	53 764	43 100	59 500	50 500
<b>Capital multi-year expenditure sub-total</b>	7	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 518</b>	<b>2 281 392</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Directorate - Executive Support Services		-	-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Directorate - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 4 - Directorate - Chief Financial Officer		-	-	-	-	-	-	-	-	-	-
Vote 5 - Directorate - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Directorate - Infrastructure Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Directorate - Spatial Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Directorate - Health / Public Safety & Emergency Services		-	-	-	-	-	-	-	-	-	-
Vote 9 - Directorate - Municipal Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Directorate - Economic Development & Agencies		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Vote</b>		<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 518</b>	<b>2 281 392</b>

**Table A5 2016/17 Medium-term capital budget per vote, standard classification and funding (Continued)**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		33 780	14 918	22 113	40 722	108 731	108 731	108 731	62 850	114 600	135 600
Executive and council		1 731	6 773	777	23 022	85 400	85 400	85 400	22 750	17 000	13 000
Finance and administration		1 369	3 282	362	10 600	18 798	18 798	18 798	34 100	92 100	122 100
Internal audit		30 680	4 863	20 975	7 100	4 534	4 534	4 534	6 000	5 500	500
<b>Community and public safety</b>		134 713	165 241	431	276 498	222 422	222 422	222 422	316 137	228 502	203 615
Community and social services		67 627	11 918	33	23 300	30 226	30 226	30 226	44 250	51 750	48 000
Sport and recreation		–	4 788	–	20 725	21 651	21 651	21 651	56 527	55 127	14 000
Public safety		8 386	3 751	326	30 032	29 765	29 765	29 765	29 005	13 620	11 150
Housing		58 700	144 783	73	202 441	140 779	140 779	140 779	186 355	108 005	130 465
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		312 120	369 799	285 401	541 969	524 795	524 795	524 795	551 173	781 389	785 129
Planning and development		28 419	37 437	17 870	274 790	245 196	245 196	245 196	279 217	519 932	481 030
Road transport		283 701	322 624	261 228	267 179	279 599	279 599	279 599	271 956	261 457	304 099
Environmental protection		–	9 738	6 304	–	–	–	–	–	–	–
<b>Trading services</b>		348 551	379 734	878 382	680 946	602 738	602 738	602 738	688 020	1 021 527	1 137 048
Energy sources		104 373	150 386	137 712	143 000	154 613	154 613	154 613	148 000	152 000	198 500
Water management		71 663	91 521	702 173	87 500	155 541	155 541	155 541	185 000	220 000	315 000
Waste water management		172 515	106 938	9 135	371 992	248 417	248 417	248 417	289 198	570 075	498 548
Waste management		–	30 889	29 362	78 454	44 168	44 168	44 168	65 822	79 452	125 000
<b>Other</b>		5 475	358	–	18 000	32 762	32 762	32 762	20 000	20 000	20 000
<b>Total Capital Expenditure - Functional</b>	3	834 638	930 050	1 186 327	1 558 134	1 491 448	1 491 448	1 491 448	1 638 180	2 166 018	2 281 392
<b>Funded by:</b>											
National Government		722 854	565 914	670 394	741 969	715 886	715 886	715 886	795 307	931 440	999 542
Provincial Government		11 649	49 578	–	106 300	14 592	14 592	14 592	–	–	–
District Municipality		–	–	–	–	(229)	(229)	(229)	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	4	734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
<b>Public contributions &amp; donations</b>	5	–	–	–	–	–	–	–	–	–	–
<b>Borrowing</b>	6	–	–	–	69 582	(0)	(0)	(0)	159 000	329 000	426 000
<b>Internally generated funds</b>		100 136	314 558	515 933	640 283	761 199	761 199	761 199	683 873	905 578	855 850
<b>Total Capital Funding</b>	7	834 638	930 050	1 186 327	1 558 134	1 491 448	1 491 448	1 491 448	1 638 180	2 166 018	2 281 392

The above table reflect that the budget for capital programme is R1.68 billion in the 2017/18 financial year, R2.17 billion and R2.28 billion in the 2018/19 and 2019/20 financial years respectively.

It is pleasing to note the BCMM's capital budget has increased by 11% compared to the 2016/17 adopted budget. It is also showing an increasing trend from 2017/18 to 2019/20 financial year. Further breakdown per service of the capital budget is detailed in the table below. It depicts that for the 2017/18 financial year an amount of R319 million has been appropriated for the Waste Water infrastructure, R272 million for Roads and Storm Water, R155 million for Water, R134 million for Transport Planning, R186 million for Housing and R148 million for Electricity. These services represent 74% of the total capital budget for the 2017/18 financial year.

**Table 18: List of Key Projects Per Service**

<b>2017/2018 CAPITAL BUDGET PER SERVICE</b>			
<b>Services</b>	<b><u>2017/2018</u> <u>Capital</u> <u>Budget</u></b>	<b><u>2018/2019</u> <u>Capital</u> <u>Budget</u></b>	<b><u>2019/2020</u> <u>Capital</u> <u>Budget</u></b>
Water	155 000 000	200 000 000	315 000 000
Waste Water	318 698 323	589 075 093	497 348 450
Electricity	148 000 000	152 000 000	198 500 000
Roads and Storm water	271 956 000	261 457 000	304 099 000
Housing	185 855 000	107 504 640	129 965 000
Transport Planning	133 517 000	288 732 000	301 030 000
Local Economic Development	42 600 000	59 000 000	50 000 000
Spatial Planning	62 100 000	86 200 000	53 000 000
Waste Management / Refuse	65 821 640	79 452 360	125 000 000
Amenities	100 777 149	106 877 100	62 000 000
Public Safety	28 505 000	13 120 000	10 150 000
Support Services	105 350 000	202 600 000	215 300 000
Other - BCM Fleet	20 000 000	20 000 000	20 000 000
<b>TOTAL PER SERVICE</b>	<b>1 638 180 112</b>	<b>2 166 018 192</b>	<b>2 281 392 450</b>

Renewal of existing assets represent 50.9% (R833 million) of the total capital budget while new assets acquisition equates to 49.1% (R805 million) in the 2017/18 financial year. Further detail relating to asset classes and proposed capital expenditure is contained in MBRR Table A9, MBRR Tables SA34a and SA34b provides a detailed breakdown of the capital programme relating to new asset construction and capital asset renewal. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- **Electricity**

Bulk electricity infrastructure upgrade for the entire BCMM area to improve reliability of supply of the BCMM network for both domestic and commercial consumers is one of the priority areas. To contribute towards fulfilment of this priority, an allocation of R370 million over the MTREF period has been made from own funding. This allocation include R70 million that has been allocated over the MTREF for electrification of informal dwellings whilst the remainder of the funding (R300 million) is allocated for infrastructure upgrade. An amount of R139 million has been allocated over the MTREF period for electrification, street lighting and high mast within BCMM area of supply. A further amount of R122 million from grants has been allocated for electrification programme including street lights and highmasts.

- **Sanitation / Waste Water**

The project, Phase 2 of the Zwelitsha Waste Water Treatment Works Upgrade is continuing and is budgeted for R233 million over the MTREF period. This plant will provide a centralized regional treatment facility for the Inland Region which will service the domestic and business community from Bhisho, Breidbach, Zwelitsha, Phakamisa, Schornville, Ginsberg, etc. The provision of Sewer Tunnel for diversion of sewer from Central Plant to Reeston Plant is allocated a budget of R434 million over the MTREF period funded from borrowings. An allocation of R322 million from own funds has been made available over the MTREF period for renewal of existing infrastructure, including Eastern Beach Gravity Sewer Upgrade (R132 million).

- **Water**

The programme, Bulk Water Provision Replacement of Existing Infrastructure is progressing and it has been allocated an amount of R200 million from own funds in the MTREF period (R40 million, R80 million and R80 million respectively). The Bulk Water Provision is also progressing and has been allocated R180 million over the MTREF period (R55 million, R60 million and R65 million respectively). The project Umzonyana Dam Upgrade is allocated a total of R230 million over the MTREF period. This project is crucial as it will increase the City's capacity in supplying its own water and decrease the need for purchase of water from Amatola Water.

- **Roads**

The Upgrading of Mdantsane Roads is continuing and has been allocated a budget of R270 million over the MTREF period. The Quenera Beacon Bay Link Road is also continuing and has been allocated a budget of R50 million over the MTREF period. Fleet Street upgrade is also progressing and an amount of R50 million has been allocated in the 2017/18 financial year. KWT roads upgrade have been allocated R65 million over the MTREF. An amount of R70 million has been set aside for Rural roads over the MTREF period. An allocation of R260 million from own funds has been made available for upgrading various existing roads.

- **Transport Planning**

An allocation of R397 million has been allocated over the MTREF period for the implementation of Integrated Transport Programme. The above include Phase 7 of Qumza Highway Upgrading that has been allocated an amount of R253 million over the MTREF period. For the upgrading of KWT Transport Facilities, an amount of R120 million has been allocated over the MTREF period. The Needs Camp Potsdam Bridge has been allocated R50 million over the MTREF period and KwaTshatshu Pedestrian Bridge has been allocated R18 million over the MTREF period.

## **1.7 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 BCMM's 2017/18 budget and MTREF for approval by the Council.

The municipality's only entity, Buffalo City Metro Development Agency (BCMDA) whose mandate is to drive Buffalo City Metropolitan Municipality's development has started to operate. Appointment of Board members and administrative staff was done and the Agency is expected to start with the implementation of some developmental projects in the MTREF period within the City in line with its mandate. This is an attempt to grow the local economy through encouraging private sector investment. To allow the agency to realise its mandate, the City has set aside an amount of (inclusive of vat) R23.1 million for 2017/18 financial year as an operational grant to the agency. This amount will be escalated with CPI increase for the two outer years to R24.4 million and R25.8 million respectively. The above figures are vat inclusive. Due to the fact that BCMDA is still at the forming stage, it anticipate to receive funding mainly from the parent municipality (BCMM) for its operations and has not yet projected any capital expenditure other than for furniture requirements and computer hardware & software. Therefore there is minimal effect on consolidated budget table. The affected consolidated main budget tables are also presented below as required by the MBRR.

**Table 19: MBRR Table A1 – Budget Summary**

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b><u>Financial Performance</u></b>										
Property rates	672 957	794 519	865 235	1 122 920	1 122 920	1 122 920	1 122 920	1 230 720	1 335 332	1 442 158
Service charges	2 198 960	2 424 753	2 749 648	2 928 610	2 928 610	2 928 610	2 928 610	3 071 291	3 206 999	3 350 115
Investment revenue	96 522	124 222	154 775	143 775	143 775	143 775	143 775	157 002	169 563	182 958
Transfers recognised - operational	812 167	948 513	963 670	1 319 728	1 356 414	1 356 414	1 356 414	1 366 513	1 517 011	1 611 766
Other own revenue	718 042	665 483	714 463	391 737	391 737	391 737	391 737	426 779	460 071	495 520
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 498 647</b>	<b>4 957 490</b>	<b>5 447 791</b>	<b>5 906 770</b>	<b>5 943 457</b>	<b>5 943 457</b>	<b>5 943 457</b>	<b>6 252 305</b>	<b>6 688 975</b>	<b>7 082 517</b>
Employee costs	1 134 596	1 233 305	1 352 201	1 531 068	1 506 068	1 506 068	1 506 068	1 731 217	1 917 209	2 063 745
Remuneration of councillors	45 088	48 360	54 375	58 099	58 099	58 099	58 099	62 398	66 579	70 973
Depreciation & asset impairment	629 728	685 336	789 811	748 339	748 339	748 339	748 339	778 273	828 860	893 511
Finance charges	65 775	60 674	54 878	57 105	52 105	52 105	52 105	54 318	68 639	77 365
Materials and bulk purchases	1 110 464	1 213 642	1 427 318	1 521 587	1 526 587	1 526 587	1 526 587	1 578 167	1 604 890	1 633 880
Transfers and grants	145 871	234 151	237 321	288 468	306 068	306 068	306 068	330 413	349 218	368 768
Other expenditure	1 497 436	1 750 369	1 548 531	1 701 026	1 745 112	1 745 112	1 745 112	1 716 593	1 851 534	1 971 672
<b>Total Expenditure</b>	<b>4 628 959</b>	<b>5 225 837</b>	<b>5 464 435</b>	<b>5 905 692</b>	<b>5 942 379</b>	<b>5 942 379</b>	<b>5 942 379</b>	<b>6 251 379</b>	<b>6 686 928</b>	<b>7 079 913</b>
<b>Surplus/(Deficit)</b>	<b>(130 311)</b>	<b>(268 346)</b>	<b>(16 644)</b>	<b>1 078</b>	<b>1 078</b>	<b>1 078</b>	<b>1 078</b>	<b>926</b>	<b>2 046</b>	<b>2 604</b>
Transfers and subsidies - capital (monetary allocation)	734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>604 192</b>	<b>347 146</b>	<b>653 750</b>	<b>849 347</b>	<b>731 327</b>	<b>731 327</b>	<b>731 327</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
Share of surplus/ (deficit) of associate	54 223	22 359	30 383	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>658 414</b>	<b>369 505</b>	<b>684 133</b>	<b>849 347</b>	<b>731 327</b>	<b>731 327</b>	<b>731 327</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
<b><u>Capital expenditure &amp; funds sources</u></b>										
<b>Capital expenditure</b>	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 018</b>	<b>2 281 392</b>
Transfers recognised - capital	734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	69 582	(0)	(0)	(0)	159 000	329 000	426 000
Internally generated funds	100 136	314 558	515 933	640 283	761 199	761 199	761 199	683 873	905 578	855 850
<b>Total sources of capital funds</b>	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 018</b>	<b>2 281 392</b>



**MBRR Table A1 – Budget Summary (Continued)**

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b><u>Financial position</u></b>										
Total current assets	2 860 143	3 023 705	3 571 175	3 526 080	3 526 080	3 526 080	3 690 874	3 805 862	3 984 323	4 298 483
Total non current assets	12 434 158	13 053 034	13 495 258	14 131 021	14 064 335	14 064 335	14 312 752	15 240 786	16 653 124	18 123 704
Total current liabilities	1 099 052	1 075 115	1 440 812	1 131 155	1 131 155	1 131 155	1 131 155	1 243 622	1 386 304	1 557 882
Total non current liabilities	1 003 150	995 534	944 139	1 177 274	1 107 692	1 107 692	1 107 692	1 220 991	1 518 210	1 861 677
Community wealth/Equity	13 192 099	14 006 089	14 681 482	15 348 672	15 351 568	15 351 568	15 764 778	16 582 035	17 732 933	19 002 628
<b><u>Cash flows</u></b>										
Net cash from (used) operating	957 735	1 013 447	1 395 072	1 648 938	1 452 884	1 452 884	1 452 884	1 897 261	2 111 447	2 269 950
Net cash from (used) investing	(586 864)	(923 670)	(1 175 532)	(1 558 134)	(1 491 448)	(1 491 448)	(1 491 448)	(1 638 180)	(2 166 018)	(2 281 392)
Net cash from (used) financing	(49 753)	(53 669)	(44 499)	17 757	(51 825)	(51 825)	(51 825)	102 642	248 685	304 707
<b>Cash/cash equivalents at the year end</b>	<b>2 164 433</b>	<b>2 200 541</b>	<b>2 375 582</b>	<b>2 490 747</b>	<b>2 291 798</b>	<b>2 291 798</b>	<b>2 291 798</b>	<b>2 653 520</b>	<b>2 847 635</b>	<b>3 140 900</b>
<b><u>Cash backing/surplus reconciliation</u></b>										
Cash and investments available	2 164 433	2 200 541	2 375 582	2 490 886	2 490 886	2 490 886	2 490 886	2 654 610	2 849 727	3 143 948
Application of cash and investments	440 787	326 100	358 168	277 294	277 309	277 309	126 064	293 525	438 830	563 977
<b>Balance - surplus (shortfall)</b>	<b>1 723 646</b>	<b>1 874 441</b>	<b>2 017 413</b>	<b>2 213 591</b>	<b>2 213 576</b>	<b>2 213 576</b>	<b>2 364 821</b>	<b>2 361 084</b>	<b>2 410 897</b>	<b>2 579 971</b>
<b><u>Asset management</u></b>										
Asset register summary (WDV)	12 260 666	12 413 643	13 264 264	13 959 087	13 894 360	13 894 360	15 051 773	15 051 773	16 445 414	17 895 304
Depreciation	629 728	685 336	789 811	748 339	748 339	748 339	778 273	778 273	828 860	893 511
Renewal of Existing Assets	83 260	502 299	702 173	594 300	474 339	474 339	474 339	623 348	915 864	896 348
Repairs and Maintenance	285 686	287 393	350 106	414 791	418 609	418 609	460 470	460 470	506 517	557 169
<b><u>Free services</u></b>										
Cost of Free Basic Services provided	-	-	-	249 453	-	-	-	-	-	-
Revenue cost of free services provided	26 216	23 198	33 739	38 246	40 400	40 400	44 278	44 278	48 042	51 885
<b><u>Households below minimum service level</u></b>										
Water:	4	3	2	2	2	2	6	6	2	1
Sanitation/sew erage:	48	39	32	31	31	31	30	30	29	28
Energy :	45	44	42	40	40	40	39	39	38	37
Refuse:	2	2	2	2	2	2	2	2	2	2

## **Explanatory notes to MBRR Table A1 – Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the City'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 operating surplus/deficit (after Total Expenditure) is positive over the MTREF.
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget.
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The municipality's budget is fully funded and cash-backed and will be generating a surplus in the two outer years of the MTREF period to ensure a more balanced funding mix for capital projects.

5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 20: MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by function classification)**

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>1 805 029</b>	<b>1 894 261</b>	<b>2 029 240</b>	<b>2 268 639</b>	<b>2 241 366</b>	<b>2 241 366</b>	<b>2 466 225</b>	<b>2 655 881</b>	<b>2 867 046</b>
Executive and council		21 185	28 536	23 255	31 065	25 610	25 610	44 963	24 569	25 964
Finance and administration		1 783 844	1 865 725	2 005 985	2 237 574	2 215 755	2 215 755	2 421 262	2 631 312	2 841 082
Internal audit		–	–	–	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		<b>321 081</b>	<b>281 284</b>	<b>299 414</b>	<b>118 726</b>	<b>409 021</b>	<b>409 021</b>	<b>405 008</b>	<b>350 585</b>	<b>380 707</b>
Community and social services		64 143	9 404	20 861	19 511	30 208	30 208	31 607	33 806	36 111
Sport and recreation		4 976	3 346	3 780	6 161	9 822	9 822	5 909	6 381	6 885
Public safety		76 521	74 105	82 152	90 256	83 766	83 766	90 699	98 344	106 133
Housing		173 882	193 400	192 193	–	285 203	285 203	276 769	212 028	231 548
Health		1 559	1 029	428	2 797	22	22	24	26	28
<i><b>Economic and environmental services</b></i>		<b>389 516</b>	<b>84 824</b>	<b>67 308</b>	<b>108 723</b>	<b>389 822</b>	<b>389 822</b>	<b>432 207</b>	<b>545 031</b>	<b>578 794</b>
Planning and development		47 958	25 472	22 073	26 543	35 004	35 004	45 006	46 989	61 818
Road transport		340 283	55 495	45 070	81 757	354 405	354 405	386 748	497 554	516 449
Environmental protection		1 275	3 857	165	423	414	414	452	488	527
<i><b>Trading services</b></i>		<b>2 752 896</b>	<b>2 701 728</b>	<b>3 018 173</b>	<b>3 384 579</b>	<b>3 610 408</b>	<b>3 610 408</b>	<b>3 732 971</b>	<b>4 038 858</b>	<b>4 223 078</b>
Energy sources		1 509 239	1 534 229	1 751 891	1 931 170	1 947 625	1 947 625	1 970 251	2 014 585	2 060 811
Water management		454 907	461 672	505 016	541 296	579 336	579 336	663 150	706 875	742 028
Waste water management		469 987	369 759	384 179	446 227	669 718	669 718	645 557	801 930	815 125
Waste management		318 764	336 068	377 087	465 885	413 729	413 729	454 013	515 468	605 115
<i><b>Other</b></i>	4	<b>18 850</b>	<b>633 245</b>	<b>734 434</b>	<b>874 641</b>	<b>25 797</b>	<b>25 797</b>	<b>28 170</b>	<b>30 424</b>	<b>32 827</b>
<b>Total Revenue - Functional</b>	2	<b>5 287 373</b>	<b>5 595 342</b>	<b>6 148 568</b>	<b>6 755 308</b>	<b>6 676 413</b>	<b>6 676 413</b>	<b>7 064 580</b>	<b>7 620 778</b>	<b>8 082 451</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>1 006 914</b>	<b>1 076 249</b>	<b>967 780</b>	<b>1 189 292</b>	<b>1 041 546</b>	<b>1 041 546</b>	<b>1 154 798</b>	<b>1 235 181</b>	<b>1 328 832</b>
Executive and council		113 452	155 233	250 586	209 314	269 577	269 577	303 581	301 906	320 828
Finance and administration		893 462	921 016	717 194	979 978	758 653	758 653	837 325	918 193	991 885
Internal audit		–	–	–	–	13 315	13 315	13 892	15 082	16 118
<i><b>Community and public safety</b></i>		<b>389 272</b>	<b>477 476</b>	<b>533 394</b>	<b>602 115</b>	<b>518 651</b>	<b>518 651</b>	<b>500 121</b>	<b>553 996</b>	<b>585 066</b>
Community and social services		82 725	88 098	131 649	94 309	121 080	121 080	129 437	142 447	153 023
Sport and recreation		84 128	78 789	74 197	77 113	68 111	68 111	74 236	81 617	87 796
Public safety		66 309	74 773	79 990	87 884	105 918	105 918	120 740	133 162	142 946
Housing		128 197	207 474	216 633	280 019	188 415	188 415	136 025	153 703	154 361
Health		27 913	28 342	30 925	62 789	35 127	35 127	39 684	43 067	46 939
<i><b>Economic and environmental services</b></i>		<b>847 511</b>	<b>910 341</b>	<b>1 019 020</b>	<b>1 055 655</b>	<b>1 133 695</b>	<b>1 133 695</b>	<b>1 240 480</b>	<b>1 350 918</b>	<b>1 454 495</b>
Planning and development		192 670	221 953	192 695	270 451	281 050	281 050	313 934	340 487	362 761
Road transport		559 227	589 178	718 697	679 395	742 990	742 990	805 102	876 700	947 884
Environmental protection		95 615	99 210	107 629	105 809	109 655	109 655	121 444	133 731	143 850
<i><b>Trading services</b></i>		<b>2 371 377</b>	<b>2 748 261</b>	<b>2 928 376</b>	<b>3 041 214</b>	<b>3 221 360</b>	<b>3 221 360</b>	<b>3 342 642</b>	<b>3 514 082</b>	<b>3 676 441</b>
Energy sources		1 314 438	1 489 700	1 575 891	1 725 555	1 796 346	1 796 346	1 865 062	1 903 825	1 941 455
Water management		461 736	586 655	647 217	531 791	588 368	588 368	643 256	692 850	742 604
Waste water management		317 803	371 722	368 775	467 437	458 985	458 985	482 745	539 673	564 661
Waste management		277 399	300 184	336 495	316 432	377 662	377 662	351 579	377 734	427 721
<i><b>Other</b></i>	4	<b>13 885</b>	<b>13 509</b>	<b>15 865</b>	<b>17 685</b>	<b>26 950</b>	<b>26 950</b>	<b>29 216</b>	<b>32 111</b>	<b>34 516</b>
<b>Total Expenditure - Functional</b>	3	<b>4 628 959</b>	<b>5 225 837</b>	<b>5 464 435</b>	<b>5 905 961</b>	<b>5 942 201</b>	<b>5 942 201</b>	<b>6 267 257</b>	<b>6 686 288</b>	<b>7 079 350</b>
<b>Surplus/(Deficit) for the year</b>		<b>658 414</b>	<b>369 505</b>	<b>684 133</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>797 323</b>	<b>934 490</b>	<b>1 003 102</b>

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Total Revenue on this table includes capital revenues (Transfers recognised – capital).
3. As a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Waste Water Management and Waste Management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.

**Table 21: MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Directorate - Executive Support Services		251	733	383	414	3 256	3 256	16 967	363	392
Vote 2 - Directorate - Municipal Manager		21 135	28 536	22 871	52 588	22 354	22 354	27 996	24 206	25 572
Vote 3 - Directorate - Human Settlement		174 742	196 494	192 193	362 572	285 203	285 203	276 769	212 028	231 548
Vote 4 - Directorate - Chief Financial Officer		1 694 703	2 468 832	2 610 019	2 947 365	2 206 638	2 206 638	2 410 464	2 619 255	2 827 288
Vote 5 - Directorate - Corporate Services		7 270	7 832	6 667	13 036	9 001	9 001	10 561	11 801	13 518
Vote 6 - Directorate - Infrastructure Services		2 798 198	2 369 496	2 744 983	2 744 633	3 376 530	3 376 530	3 465 411	3 701 464	3 823 807
Vote 7 - Directorate - Spatial Planning and Development		44 912	23 415	22 646	34 695	127 214	127 214	148 279	277 257	263 717
Vote 8 - Directorate - Health / Public Safety & Emergency Services		132 865	126 175	126 995	162 440	156 248	156 248	177 983	180 838	195 145
Vote 9 - Directorate - Municipal Services		389 158	352 676	401 893	408 195	454 173	454 173	491 980	556 142	648 638
Vote 10 - Directorate - Economic Development & Agencies		24 093	21 153	19 917	29 372	35 797	35 797	38 170	37 424	52 827
<b>Total Revenue by Vote</b>	2	<b>5 287 328</b>	<b>5 595 342</b>	<b>6 148 568</b>	<b>6 755 308</b>	<b>6 676 413</b>	<b>6 676 413</b>	<b>7 064 580</b>	<b>7 620 778</b>	<b>8 082 451</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Directorate - Executive Support Services		150 857	159 161	177 703	211 628	203 534	203 534	239 807	240 185	255 189
Vote 2 - Directorate - Municipal Manager		76 810	79 494	72 883	89 675	97 988	97 988	159 429	163 846	175 271
Vote 3 - Directorate - Human Settlement		135 916	218 348	216 633	166 498	188 415	188 415	136 025	153 703	154 361
Vote 4 - Directorate - Chief Financial Officer		465 404	622 904	452 161	480 938	471 839	471 839	504 035	559 562	610 528
Vote 5 - Directorate - Corporate Services		106 354	123 906	137 998	192 894	203 902	203 902	171 390	183 222	192 531
Vote 6 - Directorate - Infrastructure Services		2 645 397	2 929 285	3 230 074	3 439 636	3 405 480	3 405 480	3 602 369	3 800 008	3 967 676
Vote 7 - Directorate - Spatial Planning and Development		189 566	192 940	173 858	260 420	264 136	264 136	287 859	309 885	332 973
Vote 8 - Directorate - Health / Public Safety & Emergency Services		243 319	264 371	297 183	356 605	343 771	343 771	393 555	433 069	466 146
Vote 9 - Directorate - Municipal Services		566 536	573 172	649 970	622 591	676 507	676 507	676 696	735 529	812 390
Vote 10 - Directorate - Economic Development & Agencies		48 754	62 256	55 972	85 077	86 628	86 628	96 093	107 281	112 286
<b>Total Expenditure by Vote</b>	2	<b>4 628 913</b>	<b>5 225 837</b>	<b>5 464 435</b>	<b>5 905 961</b>	<b>5 942 201</b>	<b>5 942 201</b>	<b>6 267 257</b>	<b>6 686 288</b>	<b>7 079 350</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>658 414</b>	<b>369 505</b>	<b>684 133</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>797 323</b>	<b>934 490</b>	<b>1 003 102</b>

**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 City. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

**Table 22: MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure by source and type)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	672 957	794 519	865 235	1 122 920	1 122 920	1 122 920	1 122 920	1 230 720	1 335 332	1 442 158
Service charges - electricity revenue	2	1 383 884	1 465 814	1 694 297	1 815 256	1 815 256	1 815 256	1 815 256	1 850 291	1 882 856	1 915 429
Service charges - water revenue	2	325 360	394 282	425 276	444 291	444 291	444 291	444 291	486 499	525 905	567 978
Service charges - sanitation revenue	2	248 673	278 832	298 552	339 107	339 107	339 107	339 107	372 340	404 733	439 540
Service charges - refuse revenue	2	228 895	261 807	287 400	308 375	308 375	308 375	308 375	338 596	368 054	399 707
Service charges - other		12 149	24 018	44 122	21 580	21 580	21 580	21 580	23 566	25 451	27 461
Rental of facilities and equipment		15 018	17 430	16 583	20 045	20 045	20 045	20 045	21 889	23 640	25 508
Interest earned - external investments		96 522	124 222	154 775	143 844	143 974	143 974	143 974	157 319	169 911	183 334
Interest earned - outstanding debtors		27 178	34 999	32 661	34 651	34 651	34 651	34 651	36 841	38 937	41 117
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 572	5 500	5 594	8 385	8 385	8 385	8 385	9 157	9 889	10 671
Licences and permits		14 161	14 034	12 612	13 958	13 958	13 958	13 958	15 242	16 462	17 762
Agency services				-	200	375	375	375	4 738	-	-
Transfers and subsidies		812 167	948 513	963 670	1 319 728	1 356 414	1 356 414	1 356 414	1 366 513	1 517 011	1 611 766
Other revenue	2	642 030	593 520	646 513	314 698	316 832	316 832	316 832	355 563	371 156	400 478
Gains on disposal of PPE		12 084		500	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>4 498 647</b>	<b>4 957 490</b>	<b>5 447 791</b>	<b>5 907 039</b>	<b>5 946 165</b>	<b>5 946 165</b>	<b>5 946 165</b>	<b>6 269 273</b>	<b>6 689 338</b>	<b>7 082 909</b>

**MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure) (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Expenditure By Type</b>											
Employee related costs	2	1 134 596	1 233 305	1 352 201	1 543 294	1 515 714	1 515 714	1 515 714	1 746 409	1 933 913	2 081 718
Remuneration of councillors		45 088	48 360	54 375	58 665	58 660	58 660	58 660	63 248	67 471	71 910
Debt impairment	3	241 011	365 110	210 111	303 865	303 865	303 865	303 865	322 651	317 963	311 498
Depreciation & asset impairment	2	629 728	685 336	789 811	748 732	748 732	748 732	748 732	779 351	830 003	894 711
Finance charges		65 775	60 674	54 878	57 113	52 108	52 108	52 108	54 321	68 642	77 368
Bulk purchases	2	1 110 464	1 213 642	1 427 318	1 521 587	1 526 587	1 526 587	1 526 587	1 578 167	1 604 890	1 633 880
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		9 743	14 607	–	22 486	38 960	38 960	38 960	38 960	41 181	43 487
Transfers and subsidies		145 871	234 151	237 321	270 352	287 952	287 952	287 952	307 313	324 801	342 984
Other expenditure	4, 5	1 246 682	1 337 880	1 338 420	1 379 867	1 409 623	1 409 623	1 409 623	1 376 838	1 497 424	1 621 794
Loss on disposal of PPE			32 772		–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>4 628 959</b>	<b>5 225 837</b>	<b>5 464 435</b>	<b>5 905 961</b>	<b>5 942 201</b>	<b>5 942 201</b>	<b>5 942 201</b>	<b>6 267 257</b>	<b>6 686 288</b>	<b>7 079 350</b>
<b>Surplus/(Deficit)</b>		<b>(130 311)</b>	<b>(268 346)</b>	<b>(16 644)</b>	<b>1 078</b>	<b>3 963</b>	<b>3 963</b>	<b>3 963</b>	<b>2 016</b>	<b>3 050</b>	<b>3 559</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>604 192</b>	<b>347 146</b>	<b>653 750</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>797 323</b>	<b>934 490</b>	<b>1 003 102</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>604 192</b>	<b>347 146</b>	<b>653 750</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>797 323</b>	<b>934 490</b>	<b>1 003 102</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>604 192</b>	<b>347 146</b>	<b>653 750</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>797 323</b>	<b>934 490</b>	<b>1 003 102</b>
Share of surplus/ (deficit) of associate	7	54 223	22 359	30 383							
<b>Surplus/(Deficit) for the year</b>		<b>658 414</b>	<b>369 505</b>	<b>684 133</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>797 323</b>	<b>934 490</b>	<b>1 003 102</b>



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

1. Total operating revenue is R6.3 billion in 2017/18 and escalates to R6.7 billion and R7.1 billion by 2018/19 and 2019/20 respectively. This represents a year-on-year increase of 5% for 2017/18 financial year, 7% for 2018/19 financial year and 6% for the 2019/20 financial year.
2. Revenue to be generated from property rates is R1.2 billion in the 2017/18 financial year and increases to R1.3 billion in 2018/19 and further increase to 1.4 billion in 2019/20. The property rates represents 20% of the operating revenue base of the City and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 9.6%, 8.5% and 8% for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R3 billion for the 2017/18 financial year and increasing to R3.3 billion by 2019/20. For the 2017/18 financial year services charges amount to 49% of the total revenue base. It slightly decrease to 48% in 2018/19 financial year and further slightly decrease to 47% in the 2019/20 financial year. Transfers recognised – operating includes the local government equitable share, fuel levy and other operating grants from national and provincial government. It needs to be noted that the grant receipts from national government increased by 1% from 2017/18 to 2018/19 financial year, it further increase by 6.3% from 2018/19 to 2019/20 financial year.
4. Bulk Purchases have increased from 2016/17 financial year as a result of annual increase. The amount has also increased over the 2017/18 to 2019/20 period escalating from R1.58 billion to R1.63 billion. The increases of 4% from 2017/18 to 2019/20 can be attributed to the increase in the cost of bulk electricity from Eskom and water from Amatola Water which supplies about 40% of BCMM water.
5. The Employee Related Costs depicts an increase from R1.73 billion in the 2017/18 financial year to R2.1 billion in the 2019/20 financial year due to annual increase projection of CPI plus one. The other contributing factor to the increase is the implementation of the wage curve benchmarking exercise.

6. Employee Related Costs and Bulk Purchases are the main cost drivers within the municipality. The institution has attempted to identify operational efficiencies in other expenditure items by undertaking a line by line analysis to determine where budgeted expenditure can be reduced. This has yielded beneficial results in that General Expenditure has been reduced by 8% and no inflationary annual increase has been allocated to Contracted Services in the 2017/18 financial year. Ongoing operational gains and efficiencies are continuously identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 23: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Directorate - Executive Support Services		558	1 321	777	5 500	6 578	6 578	6 578	500	500	500
Vote 2 - Directorate - Municipal Manager		29 974	9 663	–	17 522	78 822	78 822	78 822	22 250	16 500	12 500
Vote 3 - Directorate - Human Settlement		58 744	144 783	73	202 441	140 779	140 779	140 779	186 355	108 005	130 465
Vote 4 - Directorate - Chief Financial Officer		3 544	3 282	362	10 600	18 798	18 798	18 798	34 100	92 100	122 100
Vote 5 - Directorate - Corporate Services		2 232	652	20 975	7 100	4 534	4 534	4 534	6 000	5 500	500
Vote 6 - Directorate - Infrastructure Services		636 990	671 827	1 110 248	887 671	870 932	870 932	870 932	914 154	1 223 532	1 336 147
Vote 7 - Directorate - Spatial Planning and Development		22 663	36 097	–	230 290	191 432	191 432	191 432	236 117	460 932	430 530
Vote 8 - Directorate - Health / Public Safety & Emergency Services		6 744	3 751	326	30 032	29 765	29 765	29 765	29 005	13 620	11 150
Vote 9 - Directorate - Municipal Services		67 420	57 333	35 698	122 478	96 045	96 045	96 045	166 599	186 329	187 000
Vote 10 - Directorate - Economic Development & Agencies		5 768	1 341	17 870	44 500	53 764	53 764	53 764	43 100	59 500	50 500
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 518</b>	<b>2 281 392</b>
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
<b>Capital single-year expenditure sub-total</b>		–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Vote</b>		<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 518</b>	<b>2 281 392</b>
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		<b>33 780</b>	<b>14 918</b>	<b>22 113</b>	<b>40 722</b>	<b>108 731</b>	<b>108 731</b>	<b>108 731</b>	<b>62 850</b>	<b>114 600</b>	<b>135 600</b>
Executive and council		1 731	6 773	777	23 022	85 400	85 400	85 400	22 750	17 000	13 000
Finance and administration		1 369	3 282	362	10 600	18 798	18 798	18 798	34 100	92 100	122 100
Internal audit		30 680	4 863	20 975	7 100	4 534	4 534	4 534	6 000	5 500	500
<b>Community and public safety</b>		<b>134 713</b>	<b>165 241</b>	<b>431</b>	<b>276 498</b>	<b>222 422</b>	<b>222 422</b>	<b>222 422</b>	<b>316 137</b>	<b>228 502</b>	<b>203 615</b>
Community and social services		67 627	11 918	33	23 300	30 226	30 226	30 226	44 250	51 750	48 000
Sport and recreation		–	4 788	–	20 725	21 651	21 651	21 651	56 527	55 127	14 000
Public safety		8 386	3 751	326	30 032	29 765	29 765	29 765	29 005	13 620	11 150
Housing		58 700	144 783	73	202 441	140 779	140 779	140 779	186 355	108 005	130 465
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>312 120</b>	<b>369 799</b>	<b>285 401</b>	<b>541 969</b>	<b>524 795</b>	<b>524 795</b>	<b>524 795</b>	<b>551 173</b>	<b>781 389</b>	<b>785 129</b>
Planning and development		28 419	37 437	17 870	274 790	245 196	245 196	245 196	279 217	519 932	481 030
Road transport		283 701	322 624	261 228	267 179	279 599	279 599	279 599	271 956	261 457	304 099
Environmental protection		–	9 738	6 304	–	–	–	–	–	–	–
<b>Trading services</b>		<b>348 551</b>	<b>379 734</b>	<b>878 382</b>	<b>680 946</b>	<b>602 738</b>	<b>602 738</b>	<b>602 738</b>	<b>688 020</b>	<b>1 021 527</b>	<b>1 137 048</b>
Energy sources		104 373	150 386	137 712	143 000	154 613	154 613	154 613	148 000	152 000	198 500
Water management		71 663	91 521	702 173	87 500	155 541	155 541	155 541	185 000	220 000	315 000
Waste water management		172 515	106 938	9 135	371 992	248 417	248 417	248 417	289 198	570 075	498 548
Waste management		–	30 889	29 362	78 454	44 168	44 168	44 168	65 822	79 452	125 000
<b>Other</b>		<b>5 475</b>	<b>358</b>	<b>–</b>	<b>18 000</b>	<b>32 762</b>	<b>32 762</b>	<b>32 762</b>	<b>20 000</b>	<b>20 000</b>	<b>20 000</b>
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 018</b>	<b>2 281 392</b>
<b>Funded by:</b>											
National Government		722 854	565 914	670 394	741 969	715 886	715 886	715 886	795 307	931 440	999 542
Provincial Government		11 649	49 578	–	106 300	14 592	14 592	14 592	–	–	–
District Municipality		–	–	–	–	(229)	(229)	(229)	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>4</b>	<b>734 503</b>	<b>615 492</b>	<b>670 394</b>	<b>848 269</b>	<b>730 249</b>	<b>730 249</b>	<b>730 249</b>	<b>795 307</b>	<b>931 440</b>	<b>999 542</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	–	–	–	–	–	–	–	–	–	–
<b>Borrowing</b>	<b>6</b>	–	–	–	69 582	(0)	(0)	(0)	159 000	329 000	426 000
<b>Internally generated funds</b>		<b>100 136</b>	<b>314 558</b>	<b>515 933</b>	<b>640 283</b>	<b>761 199</b>	<b>761 199</b>	<b>761 199</b>	<b>683 873</b>	<b>905 578</b>	<b>855 850</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 018</b>	<b>2 281 392</b>

**Explanatory notes to MBRR 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. In relation to multi-year appropriations, for 2017/18 R1.64 billion has been allocated. This allocation increases to R2.17 billion in 2018/19 and further increases to R2.28 billion in 2019/20.
3. The capital programme is funded from National and Provincial Grants (Capital Transfers), Internally Generated Funds from prior and current year surpluses and Long-Term-Borrowings. For 2017/18, Capital transfers totals R795 million (49%) and increases to 1 billion in rand term whilst it decreases in percentage terms to 44% by 2019/20.
4. It needs to be noted that the institution has made a strategic decision to utilize own funds to mainly replace existing infrastructure assets in the urban core of the City. The total amount of own funding is R684 million in 2017/18, it increases to R906 million in the 2018/19 financial year and decreases to R856 million in 2019/20 financial year.
5. New long-term-borrowing has been provided for the 2017/18 financial year at R159 million, increasing to R329 million in 2018/19 and further increasing to R426 million in the 2019/20 financial year.

**Table 24: MBRR Table A6 - Budgeted Financial Position**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		198 064	63 353	223 091	80 644	80 644	80 644	80 644	80 000	80 000	80 000
Call investment deposits	1	1 966 369	2 137 189	2 152 490	2 410 242	2 410 242	2 410 242	2 410 242	2 574 610	2 769 727	3 063 948
Consumer debtors	1	577 370	692 676	1 059 785	820 635	820 635	820 635	985 429	915 237	874 979	868 957
Other debtors		67 726	85 592	99 778	108 064	108 064	108 064	108 064	118 870	130 757	143 833
Current portion of long-term receivables		16	18	–	15	15	15	15	17	19	20
Inventory	2	50 598	44 878	36 030	106 480	106 480	106 480	106 480	117 128	128 841	141 725
<b>Total current assets</b>		<b>2 860 143</b>	<b>3 023 705</b>	<b>3 571 175</b>	<b>3 526 080</b>	<b>3 526 080</b>	<b>3 526 080</b>	<b>3 690 874</b>	<b>3 805 862</b>	<b>3 984 323</b>	<b>4 298 483</b>
<b>Non current assets</b>											
Long-term receivables		27	9	–	66	66	66	66	73	80	88
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		333 211	328 302	342 030	485 540	485 540	485 540	485 540	534 094	587 503	646 254
Investment in Associate		59 549	81 908	112 292	90 099	90 099	90 099	90 099	99 109	109 020	119 922
Property, plant and equipment	3	11 878 209	12 481 255	12 885 962	13 447 560	13 380 874	13 380 874	13 629 291	14 488 978	15 826 136	17 214 017
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		98 875	95 115	85 956	25 080	25 080	25 080	25 080	27 588	30 347	33 381
Other non-current assets		64 286	66 444	69 018	82 676	82 676	82 676	82 676	90 944	100 038	110 042
<b>Total non current assets</b>		<b>12 434 158</b>	<b>13 053 034</b>	<b>13 495 258</b>	<b>14 131 021</b>	<b>14 064 335</b>	<b>14 064 335</b>	<b>14 312 752</b>	<b>15 240 786</b>	<b>16 653 124</b>	<b>18 123 704</b>
<b>TOTAL ASSETS</b>		<b>15 294 301</b>	<b>16 076 739</b>	<b>17 066 433</b>	<b>17 657 101</b>	<b>17 590 415</b>	<b>17 590 415</b>	<b>18 003 626</b>	<b>19 046 648</b>	<b>20 637 447</b>	<b>22 422 188</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	57 416	48 835	50 709	51 825	51 825	51 825	51 825	56 358	80 315	121 293
Consumer deposits		44 838	48 505	53 708	59 455	59 455	59 455	59 455	65 401	71 941	79 135
Trade and other payables	4	855 385	811 540	1 161 504	852 917	852 917	852 917	852 917	938 209	1 032 030	1 135 233
Provisions		141 413	166 235	174 891	166 958	166 958	166 958	166 958	183 654	202 019	222 221
<b>Total current liabilities</b>		<b>1 099 052</b>	<b>1 075 115</b>	<b>1 440 812</b>	<b>1 131 155</b>	<b>1 131 155</b>	<b>1 131 155</b>	<b>1 131 155</b>	<b>1 243 622</b>	<b>1 386 304</b>	<b>1 557 882</b>
<b>Non current liabilities</b>											
Borrowing		545 999	497 244	445 768	518 175	448 593	448 593	448 593	495 992	720 721	984 450
Provisions		457 151	498 291	498 372	659 099	659 099	659 099	659 099	724 999	797 489	877 228
<b>Total non current liabilities</b>		<b>1 003 150</b>	<b>995 534</b>	<b>944 139</b>	<b>1 177 274</b>	<b>1 107 692</b>	<b>1 107 692</b>	<b>1 107 692</b>	<b>1 220 991</b>	<b>1 518 210</b>	<b>1 861 677</b>
<b>TOTAL LIABILITIES</b>		<b>2 102 202</b>	<b>2 070 650</b>	<b>2 384 951</b>	<b>2 308 429</b>	<b>2 238 847</b>	<b>2 238 847</b>	<b>2 238 847</b>	<b>2 464 613</b>	<b>2 904 514</b>	<b>3 419 559</b>
<b>NET ASSETS</b>	5	<b>13 192 099</b>	<b>14 006 089</b>	<b>14 681 482</b>	<b>15 348 672</b>	<b>15 351 568</b>	<b>15 351 568</b>	<b>15 764 778</b>	<b>16 582 035</b>	<b>17 732 933</b>	<b>19 002 628</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		9 006 244	9 383 408	10 067 541	12 256 811	12 259 707	12 259 707	12 672 917	13 180 988	13 991 781	14 887 361
Reserves	4	4 185 855	4 622 681	4 613 941	3 091 861	3 091 861	3 091 861	3 091 861	3 401 047	3 741 152	4 115 267
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>13 192 099</b>	<b>14 006 089</b>	<b>14 681 482</b>	<b>15 348 672</b>	<b>15 351 568</b>	<b>15 351 568</b>	<b>15 764 778</b>	<b>16 582 035</b>	<b>17 732 933</b>	<b>19 002 628</b>

## **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.

**Table 25: MBRR Table A7 - Budgeted Cash Flow Statement**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		672 957	794 519	865 235	1 038 701	1 038 701	1 038 701	1 038 701	1 138 416	1 241 858	1 348 418
Service charges		2 198 960	2 424 753	2 749 648	2 708 964	2 708 964	2 708 964	2 708 964	2 840 944	2 982 509	3 132 358
Other revenue		447 934	84 777	73 095	330 374	330 305	330 305	330 305	360 693	391 654	424 867
Government - operating	1	812 186	948 263	963 670	1 319 728	1 356 414	1 356 414	1 356 414	1 366 513	1 517 011	1 611 766
Government - capital	1	734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Interest		123 654	159 221	187 436	178 495	178 426	178 426	178 426	193 843	208 500	224 075
Dividends		-	-	-	-	-	-	-	0	-	-
<b>Payments</b>											
Suppliers and employees		(3 821 719)	(3 718 728)	(3 822 207)	(4 430 013)	(4 534 446)	(4 534 446)	(4 534 446)	(4 677 215)	(5 024 329)	(5 323 410)
Finance charges		(65 777)	(60 674)	(54 878)	(57 113)	(52 105)	(52 105)	(52 105)	(54 318)	(68 639)	(77 365)
Transfers and Grants	1	(144 964)	(234 175)	(237 321)	(288 468)	(303 624)	(303 624)	(303 624)	(65 833)	(67 554)	(69 345)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>957 735</b>	<b>1 013 447</b>	<b>1 395 072</b>	<b>1 648 938</b>	<b>1 452 884</b>	<b>1 452 884</b>	<b>1 452 884</b>	<b>1 898 350</b>	<b>2 112 450</b>	<b>2 270 906</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		766	6 364	10 841	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		14	16	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		892	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(588 536)	(930 050)	(1 186 373)	(1 558 134)	(1 491 448)	(1 491 448)	(1 491 448)	(1 638 180)	(2 166 018)	(2 281 392)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(586 864)</b>	<b>(923 670)</b>	<b>(1 175 532)</b>	<b>(1 558 134)</b>	<b>(1 491 448)</b>	<b>(1 491 448)</b>	<b>(1 491 448)</b>	<b>(1 638 180)</b>	<b>(2 166 018)</b>	<b>(2 281 392)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	69 582	-	-	-	159 000	329 000	426 000
Increase (decrease) in consumer deposits		(681)	3 667	5 203	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(49 072)	(57 336)	(49 702)	(51 825)	(51 825)	(51 825)	(51 825)	(56 358)	(80 315)	(121 293)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(49 753)</b>	<b>(53 669)</b>	<b>(44 499)</b>	<b>17 757</b>	<b>(51 825)</b>	<b>(51 825)</b>	<b>(51 825)</b>	<b>102 642</b>	<b>248 685</b>	<b>304 707</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>321 118</b>	<b>36 108</b>	<b>175 041</b>	<b>108 561</b>	<b>(90 389)</b>	<b>(90 389)</b>	<b>(90 389)</b>	<b>362 812</b>	<b>195 117</b>	<b>294 221</b>
Cash/cash equivalents at the year begin:	2	1 843 315	2 164 433	2 200 541	2 382 186	2 382 186	2 382 186	2 382 186	2 291 798	2 654 610	2 849 727
Cash/cash equivalents at the year end:	2	2 164 433	2 200 541	2 375 582	2 490 747	2 291 798	2 291 798	2 291 798	2 654 610	2 849 727	3 143 948

### **Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the City grew significantly over the prior financial periods.
4. The cash and cash equivalents increases from R2.3 billion in the 2016/17 period escalating to R2.7 billion in the 2017/18 financial year and culminating in R3.1 billion in the 2019/20 financial year. The increase can be attributed to the depreciation that is cash-backed and the City will release this funding in the near future when its capacity to spend has achieved its desired level.



**Table 26: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	2 164 433	2 200 541	2 375 582	2 490 747	2 291 798	2 291 798	2 291 798	2 654 610	2 849 727	3 143 948
Other current investments > 90 days		-	0	(0)	139	199 088	199 088	199 088	0	(0)	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2 164 433</b>	<b>2 200 541</b>	<b>2 375 582</b>	<b>2 490 886</b>	<b>2 490 886</b>	<b>2 490 886</b>	<b>2 490 886</b>	<b>2 654 610</b>	<b>2 849 727</b>	<b>3 143 948</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		213 718	191 539	211 266	124 080	124 080	124 080	124 080	136 488	150 137	165 150
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	42 927	(42 107)	(38 183)	(123 547)	(123 090)	(123 090)	(274 250)	(144 112)	(46 233)	30 409
Other provisions		184 142	176 668	185 085	276 800	276 800	276 800	276 800	304 480	334 928	368 421
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>440 787</b>	<b>326 100</b>	<b>358 168</b>	<b>277 333</b>	<b>277 790</b>	<b>277 790</b>	<b>126 630</b>	<b>296 856</b>	<b>438 832</b>	<b>563 980</b>
<b>Surplus(shortfall)</b>		<b>1 723 646</b>	<b>1 874 441</b>	<b>2 017 413</b>	<b>2 213 552</b>	<b>2 213 095</b>	<b>2 213 095</b>	<b>2 364 255</b>	<b>2 357 753</b>	<b>2 410 895</b>	<b>2 579 968</b>

## **Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2017/18 to 2019/20 the surplus improves from R2.4 billion to R2.6 billion.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2017/18 MTREF is funded with a slight surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

**Table 27: MBRR Table A9 – Asset Management**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	751 379	427 751	484 154	723 834	704 647	704 647	774 832	930 154	1 035 044
<i>Roads Infrastructure</i>		282 801	116 893	261 228	106 080	106 080	106 080	103 956	56 457	42 099
<i>Electrical Infrastructure</i>		103 228	38 944	137 712	43 000	54 613	54 613	48 000	52 000	98 500
<i>Sanitation Infrastructure</i>		177 056	–	9 135	–	–	–	–	–	–
<i>Solid Waste Infrastructure</i>		2 037	30 727	29 362	78 454	13 637	13 637	65 822	79 452	125 000
<i>Information and Communication Infrastructure</i>		5 768	1 341	17 870	–	–	–	22 600	39 000	30 000
<b>Infrastructure</b>		<b>570 890</b>	<b>187 905</b>	<b>455 306</b>	<b>227 534</b>	<b>174 329</b>	<b>174 329</b>	<b>240 378</b>	<b>226 909</b>	<b>295 599</b>
Community Facilities		78 512	50 846	6 304	180 289	178 041	178 041	157 017	312 232	307 530
Sport and Recreation Facilities		–	–	–	500	1 426	1 426	7 540	3 000	–
<b>Community Assets</b>		<b>78 512</b>	<b>50 846</b>	<b>6 304</b>	<b>180 789</b>	<b>179 467</b>	<b>179 467</b>	<b>164 557</b>	<b>315 232</b>	<b>307 530</b>
<b>Heritage Assets</b>		–	–	–	–	–	–	–	–	–
Non-revenue Generating		58 680	145 316	73	201 941	140 279	140 279	185 855	107 505	129 965
<b>Investment properties</b>		<b>58 680</b>	<b>145 316</b>	<b>73</b>	<b>201 941</b>	<b>140 279</b>	<b>140 279</b>	<b>185 855</b>	<b>107 505</b>	<b>129 965</b>
Operational Buildings		10 412	5 983	–	5 286	5 229	5 229	65 900	105 000	106 000
<b>Other Assets</b>		<b>10 412</b>	<b>5 983</b>	<b>–</b>	<b>5 286</b>	<b>5 229</b>	<b>5 229</b>	<b>65 900</b>	<b>105 000</b>	<b>106 000</b>
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		–	–	–	–	–	–	–	–	–
Computer Equipment		–	1 718	20 975	20 700	79 600	79 600	48 100	82 600	103 600
Furniture and Office Equipment		21 568	10 178	1 171	23 972	35 143	35 143	8 850	26 600	27 700
Machinery and Equipment		2 230	688	326	34 412	18 514	18 514	32 193	38 808	35 650
Transport Assets		9 085	25 117	–	29 200	72 084	72 084	29 000	27 500	29 000
<b>Total Renewal of Existing Assets</b>	2	<b>83 260</b>	<b>502 299</b>	<b>702 173</b>	<b>594 300</b>	<b>474 339</b>	<b>474 339</b>	<b>623 348</b>	<b>915 864</b>	<b>896 348</b>
<i>Roads Infrastructure</i>		–	212 002	–	81 099	71 099	71 099	88 000	125 000	142 000
<i>Electrical Infrastructure</i>		–	79 994	–	60 000	60 000	60 000	60 000	60 000	60 000
<i>Water Supply Infrastructure</i>		68 763	90 752	702 173	47 500	47 500	47 500	145 000	140 000	235 000
<i>Sanitation Infrastructure</i>		11 762	107 707	–	331 492	225 917	225 917	248 698	489 075	427 348
<b>Infrastructure</b>		<b>80 525</b>	<b>490 455</b>	<b>702 173</b>	<b>520 091</b>	<b>404 515</b>	<b>404 515</b>	<b>541 698</b>	<b>814 075</b>	<b>864 348</b>
Community Facilities		1	293	–	7 355	7 374	7 374	19 752	24 907	6 000
Sport and Recreation Facilities		2 343	4 495	–	2 500	8 431	8 431	16 615	14 400	–
<b>Community Assets</b>		<b>2 345</b>	<b>4 788</b>	<b>–</b>	<b>9 855</b>	<b>15 805</b>	<b>15 805</b>	<b>36 367</b>	<b>39 307</b>	<b>6 000</b>
<b>Heritage Assets</b>		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Operational Buildings		390	7 056	–	63 655	52 962	52 962	45 282	62 482	26 000
<b>Other Assets</b>		<b>390</b>	<b>7 056</b>	<b>–</b>	<b>63 655</b>	<b>52 962</b>	<b>52 962</b>	<b>45 282</b>	<b>62 482</b>	<b>26 000</b>
<b>Machinery and Equipment</b>		–	–	–	700	1 057	1 057	–	–	–

**MBRR Table A9 – Asset Management (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CAPITAL EXPENDITURE</b>										
<b>Total Upgrading of Existing Assets</b>	6	–	–	–	240 000	312 462	312 462	240 000	320 000	350 000
<i>Roads Infrastructure</i>		–	–	–	80 000	102 421	102 421	80 000	80 000	120 000
<i>Electrical Infrastructure</i>		–	–	–	40 000	40 000	40 000	40 000	40 000	40 000
<i>Water Supply Infrastructure</i>		–	–	–	40 000	108 041	108 041	40 000	80 000	80 000
<i>Sanitation Infrastructure</i>		–	–	–	40 000	22 000	22 000	40 000	80 000	70 000
<i>Information and Communication Infrastructure</i>		–	–	–	10 000	10 000	10 000	10 000	10 000	10 000
<b>Infrastructure</b>		–	–	–	210 000	282 462	282 462	210 000	290 000	320 000
Community Facilities		–	–	–	20 000	20 000	20 000	20 000	20 000	20 000
Sport and Recreation Facilities		–	–	–	10 000	10 000	10 000	10 000	10 000	10 000
<b>Community Assets</b>		–	–	–	30 000	30 000	30 000	30 000	30 000	30 000
<b>Total Capital Expenditure</b>	4									
<i>Roads Infrastructure</i>		282 801	328 894	261 228	267 179	279 599	279 599	271 956	261 457	304 099
<i>Electrical Infrastructure</i>		103 228	118 938	137 712	143 000	154 613	154 613	148 000	152 000	198 500
<i>Water Supply Infrastructure</i>		68 763	90 752	702 173	87 500	155 541	155 541	185 000	220 000	315 000
<i>Sanitation Infrastructure</i>		188 819	107 707	9 135	371 492	247 917	247 917	288 698	569 075	497 348
<i>Solid Waste Infrastructure</i>		2 037	30 727	29 362	78 454	13 637	13 637	65 822	79 452	125 000
<i>Information and Communication Infrastructure</i>		5 768	1 341	17 870	10 000	10 000	10 000	32 600	49 000	40 000
<b>Infrastructure</b>		<b>651 416</b>	<b>678 360</b>	<b>1 157 479</b>	<b>957 624</b>	<b>861 307</b>	<b>861 307</b>	<b>992 076</b>	<b>1 330 984</b>	<b>1 479 947</b>
Community Facilities		78 514	51 139	6 304	207 644	205 415	205 415	196 769	357 139	333 530
Sport and Recreation Facilities		2 343	4 495	–	13 000	19 858	19 858	34 155	27 400	10 000
<b>Community Assets</b>		<b>80 857</b>	<b>55 635</b>	<b>6 304</b>	<b>220 644</b>	<b>225 273</b>	<b>225 273</b>	<b>230 924</b>	<b>384 539</b>	<b>343 530</b>
Non-revenue Generating		58 680	145 316	73	201 941	140 279	140 279	185 855	107 505	129 965
<b>Investment properties</b>		<b>58 680</b>	<b>145 316</b>	<b>73</b>	<b>201 941</b>	<b>140 279</b>	<b>140 279</b>	<b>185 855</b>	<b>107 505</b>	<b>129 965</b>
Operational Buildings		10 802	13 039	–	68 941	58 191	58 191	111 182	167 482	132 000
<b>Other Assets</b>		<b>10 802</b>	<b>13 039</b>	<b>–</b>	<b>68 941</b>	<b>58 191</b>	<b>58 191</b>	<b>111 182</b>	<b>167 482</b>	<b>132 000</b>
Computer Equipment		–	1 718	20 975	20 700	79 600	79 600	48 100	82 600	103 600
Furniture and Office Equipment		21 568	10 178	1 171	23 972	35 143	35 143	8 850	26 600	27 700
Machinery and Equipment		2 230	688	326	35 112	19 571	19 571	32 193	38 808	35 650
Transport Assets		9 085	25 117	–	29 200	72 084	72 084	29 000	27 500	29 000
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 018</b>	<b>2 281 392</b>

**MBRR Table A9 – Asset Management (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
<i>Roads Infrastructure</i>		3 843 298	4 429 858	4 127 291	4 394 469	4 602 687	4 602 687	4 678 846	4 940 303	5 244 402
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>		1 666 848	1 785 115	2 228 884	2 571 884	2 383 496	2 383 496	2 531 496	2 683 496	2 881 996
<i>Water Supply Infrastructure</i>		2 069 259	2 112 739	2 305 340	2 592 840	2 478 882	2 478 882	2 663 882	2 883 882	3 198 882
<i>Sanitation Infrastructure</i>		1 495 827	1 641 539	2 262 850	2 634 842	2 493 267	2 493 267	2 782 465	3 352 540	3 851 089
<i>Solid Waste Infrastructure</i>		1 413 555	593 364	302 797	569 897	445 100	445 100	936 649	955 228	935 933
<i>Information and Communication Infrastructure</i>					15 700	77 600	77 600	97 600	112 600	123 600
<b>Infrastructure</b>		<b>10 488 787</b>	<b>10 562 614</b>	<b>11 227 162</b>	<b>12 779 632</b>	<b>12 481 031</b>	<b>12 481 031</b>	<b>13 690 938</b>	<b>14 928 049</b>	<b>16 235 901</b>
Community Facilities		498 196	482 721	467 554	20 500	20 500	20 500	51 500	81 000	103 000
Sport and Recreation Facilities		198 932	183 774	166 757	20 105	20 725	20 725	45 903	68 017	76 241
<b>Community Assets</b>		<b>697 127</b>	<b>666 495</b>	<b>634 310</b>	<b>40 605</b>	<b>41 225</b>	<b>41 225</b>	<b>97 403</b>	<b>149 017</b>	<b>179 241</b>
<b>Heritage Assets</b>		<b>49 633</b>	<b>49 633</b>	<b>49 633</b>	<b>49 633</b>	<b>49 633</b>	<b>49 633</b>	<b>49 633</b>	<b>49 633</b>	<b>49 633</b>
Non-revenue Generating		333 211	328 302	342 030	627 845	893 645	893 645	893 645	1 022 947	1 122 347
<b>Investment properties</b>		<b>333 211</b>	<b>328 302</b>	<b>342 030</b>	<b>627 845</b>	<b>893 645</b>	<b>893 645</b>	<b>893 645</b>	<b>1 022 947</b>	<b>1 122 347</b>
Operational Buildings		409 828	499 540	684 567				60 400	130 000	96 000
Housing					202 441	140 779	140 779	188 855	110 505	130 965
<b>Other Assets</b>		<b>409 828</b>	<b>499 540</b>	<b>684 567</b>	<b>202 441</b>	<b>140 779</b>	<b>140 779</b>	<b>249 255</b>	<b>240 505</b>	<b>226 965</b>
<b>Biological or Cultivated Assets</b>										
Servitudes		98 875	98 374	71 374	-	-	-	-	-	-
Licences and Rights				14 574	-	-	-	21 500	61 500	91 500
<b>Intangible Assets</b>		<b>98 875</b>	<b>98 374</b>	<b>85 948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 500</b>	<b>61 500</b>	<b>91 500</b>
Computer Equipment		17 198	17 687	13 518	1 000	1 000	1 000	1 000	1 000	1 000
Furniture and Office Equipment		22 216	23 965	24 530	5 250	5 594	5 594	6 257	6 007	6 700
Machinery and Equipment		29 942	27 814	38 765	6 532	10 375	10 375	5 525	2 640	2 650
Transport Assets		163 481	188 851	213 434	295 032	319 794	319 794	84 000	32 500	29 000
Zoo's, Marine and Non-biological Animals					750	917	917	2 250	1 250	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>12 260 666</b>	<b>12 413 643</b>	<b>13 264 264</b>	<b>13 959 087</b>	<b>13 894 360</b>	<b>13 894 360</b>	<b>15 051 773</b>	<b>16 445 414</b>	<b>17 895 304</b>

**MBRR Table A9 – Asset Management (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
<b>EXPENDITURE OTHER ITEMS</b>										
Depreciation	7	629 728	685 336	789 811	748 339	748 339	748 339	778 273	828 860	893 511
<b>Repairs and Maintenance by Asset Class</b>	3	<b>285 686</b>	<b>287 393</b>	<b>350 106</b>	<b>414 791</b>	<b>418 609</b>	<b>418 609</b>	<b>460 470</b>	<b>506 517</b>	<b>557 169</b>
Roads Infrastructure		56 120	75 418	98 350	118 807	118 807	118 807	130 688	143 756	158 132
Storm water Infrastructure		6 644	8 619	8 493	–	–	–	–	–	–
Electrical Infrastructure		103 884	94 200	92 819	126 469	126 469	126 469	139 116	153 027	168 330
Water Supply Infrastructure		30 866	34 412	43 011	47 615	47 615	47 615	52 376	57 614	63 375
Sanitation Infrastructure		23 221	24 862	28 972	33 027	36 845	36 845	40 530	44 583	49 041
Solid Waste Infrastructure		15 483	17 116	21 968	25 517	25 513	25 513	28 064	30 871	33 958
<b>Infrastructure</b>		<b>236 217</b>	<b>254 627</b>	<b>293 613</b>	<b>351 434</b>	<b>355 249</b>	<b>355 249</b>	<b>390 774</b>	<b>429 851</b>	<b>472 837</b>
Community Facilities		21 084	10 260	15 637	14 153	14 153	14 153	15 568	17 125	18 838
Sport and Recreation Facilities		2 583	2 914	4 329	3 683	3 683	3 683	4 052	4 457	4 903
<b>Community Assets</b>		<b>23 667</b>	<b>13 174</b>	<b>19 967</b>	<b>17 837</b>	<b>17 837</b>	<b>17 837</b>	<b>19 620</b>	<b>21 582</b>	<b>23 741</b>
<b>Heritage Assets</b>		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Operational Buildings		24 258	17 897	35 398	33 689	33 689	33 689	37 058	40 764	44 840
Housing		–	–	–	–	–	–	–	–	–
<b>Other Assets</b>		<b>24 258</b>	<b>17 897</b>	<b>35 398</b>	<b>33 689</b>	<b>33 689</b>	<b>33 689</b>	<b>37 058</b>	<b>40 764</b>	<b>44 840</b>
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	993	993	993	1 092	1 201	1 321
<b>Intangible Assets</b>		–	–	–	<b>993</b>	<b>993</b>	<b>993</b>	<b>1 092</b>	<b>1 201</b>	<b>1 321</b>
<b>Computer Equipment</b>		<b>604</b>	<b>671</b>	<b>118</b>	<b>1 188</b>	<b>1 188</b>	<b>1 188</b>	<b>1 307</b>	<b>1 437</b>	<b>1 581</b>
<b>Furniture and Office Equipment</b>		<b>0</b>	<b>2</b>	<b>1</b>	<b>187</b>	<b>191</b>	<b>191</b>	<b>210</b>	<b>231</b>	<b>254</b>
<b>Machinery and Equipment</b>		–	–	–	<b>5 381</b>	<b>5 381</b>	<b>5 381</b>	<b>5 919</b>	<b>6 511</b>	<b>7 162</b>
<b>Transport Assets</b>		<b>940</b>	<b>1 022</b>	<b>1 008</b>	<b>2 975</b>	<b>2 975</b>	<b>2 975</b>	<b>3 272</b>	<b>3 600</b>	<b>3 959</b>
<b>Libraries</b>		–	–	–	–	–	–	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	<b>1 107</b>	<b>1 107</b>	<b>1 107</b>	<b>1 218</b>	<b>1 340</b>	<b>1 474</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>915 414</b>	<b>972 728</b>	<b>1 139 917</b>	<b>1 163 130</b>	<b>1 166 948</b>	<b>1 166 948</b>	<b>1 238 743</b>	<b>1 335 377</b>	<b>1 450 680</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		10,0%	54,0%	59,2%	53,5%	52,8%	52,8%	52,7%	57,1%	54,6%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		13,2%	73,3%	88,9%	111,5%	105,1%	105,1%	110,9%	149,1%	139,5%
<i>R&amp;M as a % of PPE</i>		2,4%	2,3%	2,7%	3,1%	3,1%	3,1%	3,2%	3,2%	3,2%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>		3,0%	6,0%	8,0%	9,0%	9,0%	9,0%	9,0%	11,0%	10,0%

### **Explanatory notes to Table A9 – Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. In the 2017/18 financial year BCMM has allocated 52.8 % of its capital budget towards asset upgrading and renewal and 3.2% for Repairs and Maintenance as a percentage of PPE, which is at current replacement.
3. National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. It should be borne in mind that Buffalo City Metropolitan Municipality budgets has valued certain of its assets on the revaluation model and therefore the above percentage allocations should be adjusted accordingly to reflect the increase in asset values due to different valuation methodologies. The City has taken a strategic decision to move in the direction of allocating 60% of its capital budget to replacing and/or refurbishment of existing infrastructure.

**Table 28: MBRR Table A10 – Basic Service Delivery Measurement**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		103 000	118 000	118 000	118 000	118 000	118 000	121 683	122 000	122 000
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	120 000	103 000	104 000	104 000	104 000	104 000	120 254	123 437	124 437
Other water supply (at least min.service level)	4	5 093	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		228 093	221 000	222 000	222 000	222 000	222 000	241 937	245 437	246 437
Using public tap (< min.service level)	3	1 000	1 000	1 000	1 000	1 000	1 000	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		3 000	2 000	1 000	1 000	1 000	1 000	5 822	2 322	1 322
<i>Below Minimum Service Level sub-total</i>		4 000	3 000	2 000	2 000	2 000	2 000	5 822	2 322	1 322
<b>Total number of households</b>	5	<b>232 093</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>247 759</b>	<b>247 759</b>	<b>247 759</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		154 387	155 034	156 336	156 836	156 836	156 836	157 336	157 836	158 336
Flush toilet (with septic tank)		5 428	5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437
Chemical toilet		3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544
Pit toilet (ventilated)		11 882	20 440	26 639	27 139	27 139	27 139	27 639	28 139	28 639
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		175 241	184 455	191 956	192 956	192 956	192 956	193 956	194 956	195 956
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		24 953	25 789	26 027	26 027	26 027	26 027	26 027	26 027	26 027
No toilet provisions		23 374	13 324	5 585	4 585	4 585	4 585	3 585	2 585	1 585
<i>Below Minimum Service Level sub-total</i>		48 327	39 113	31 612	30 612	30 612	30 612	29 612	28 612	27 612
<b>Total number of households</b>	5	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>
<b>Energy:</b>										
Electricity (at least min.service level)		8 449	7 298	7 463	5 973	5 973	5 873	5 973	5 973	5 973
Electricity - prepaid (min.service level)		108 082	119 832	122 090	118 628	118 628	118 628	–	–	–
<i>Minimum Service Level and Above sub-total</i>		116 531	127 130	129 553	124 601	124 601	124 501	5 973	5 973	5 973
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		45 000	43 702	41 915	40 241	40 241	40 147	39 147	38 147	37 147
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		45 000	43 702	41 915	40 241	40 241	40 147	39 147	38 147	37 147
<b>Total number of households</b>	5	<b>161 531</b>	<b>170 832</b>	<b>171 468</b>	<b>164 842</b>	<b>164 842</b>	<b>164 648</b>	<b>45 120</b>	<b>44 120</b>	<b>43 120</b>
<b>Refuse:</b>										
Removed at least once a week		–	–	–	130 000	130 000	130 000	247 500	247 500	247 500
<i>Minimum Service Level and Above sub-total</i>		–	–	–	130 000	130 000	130 000	247 500	247 500	247 500
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		1 980	1 980	1 980	1 980	1 980	1 980	1 980	2 178	2 178
Using own refuse dump		2	2	2	2	2	2	2	2	3
Other rubbish disposal		1	1	1	3	3	3	1	1	1
No rubbish disposal		3	3	3	3	3	3	5	6	6
<i>Below Minimum Service Level sub-total</i>		1 986	1 986	1 986	1 988	1 988	1 988	1 988	2 187	2 188
<b>Total number of households</b>	5	<b>1 986</b>	<b>1 986</b>	<b>1 986</b>	<b>131 988</b>	<b>131 988</b>	<b>131 988</b>	<b>249 488</b>	<b>249 687</b>	<b>249 688</b>



**MBRR Table A10 – Basic Service Delivery Measurement - Continue**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		44 214	58 797	65 536	60 572	3 320	57 252	61 252	65 252	69 252
Sanitation (free minimum level service)		44 214	58 797	65 536	60 572	3 320	57 252	61 252	65 252	69 252
Electricity/other energy (50kwh per household per month)		61 960	76 891	73 750	78 750	3 210	75 540	79 540	83 540	87 540
Refuse (removed at least once a week)		44 214	58 797	65 536	60 572	3 320	57 252	61 252	65 252	69 252
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	67 664	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	68 023	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	46 248	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	67 518	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		-	-	-	<b>249 453</b>	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		73	81	89	97	97	97	107	116	126
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		170	170	170	170	170	170	170	170	170
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		26 216	23 198	33 739	38 246	40 400	40 400	44 278	48 042	51 885
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other	6	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		<b>26 216</b>	<b>23 198</b>	<b>33 739</b>	<b>38 246</b>	<b>40 400</b>	<b>40 400</b>	<b>44 278</b>	<b>48 042</b>	<b>51 885</b>

**Table 29: MBRR Table A1 – Consolidated Budget Summary**

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	672 957	794 519	865 235	1 122 920	1 122 920	1 122 920	1 122 920	1 230 720	1 335 332	1 442 158
Service charges	2 198 960	2 424 753	2 749 648	2 928 610	2 928 610	2 928 610	2 928 610	3 071 291	3 206 999	3 350 115
Investment revenue	96 522	124 222	154 775	143 844	143 974	143 974	143 974	157 319	169 911	183 334
Transfers recognised - operational	812 167	948 513	963 670	1 319 728	1 356 414	1 356 414	1 356 414	1 366 513	1 517 011	1 611 766
Other own revenue	718 042	665 483	714 463	391 937	394 246	394 246	394 246	443 430	460 085	495 536
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 498 647</b>	<b>4 957 490</b>	<b>5 447 791</b>	<b>5 907 039</b>	<b>5 946 165</b>	<b>5 946 165</b>	<b>5 946 165</b>	<b>6 269 273</b>	<b>6 689 338</b>	<b>7 082 909</b>
Employee costs	1 134 596	1 233 305	1 352 201	1 543 294	1 515 714	1 515 714	1 515 714	1 746 409	1 933 913	2 081 718
Remuneration of councillors	45 088	48 360	54 375	58 665	58 660	58 660	58 660	63 248	67 471	71 910
Depreciation & asset impairment	629 728	685 336	789 811	748 732	748 732	748 732	748 732	779 351	830 003	894 711
Finance charges	65 775	60 674	54 878	57 113	52 108	52 108	52 108	54 321	68 642	77 368
Materials and bulk purchases	1 110 464	1 213 642	1 427 318	1 521 587	1 526 587	1 526 587	1 526 587	1 578 167	1 604 890	1 633 880
Transfers and grants	145 871	234 151	237 321	270 352	287 952	287 952	287 952	308 403	325 804	343 940
Other expenditure	1 497 436	1 750 369	1 548 531	1 706 218	1 752 448	1 752 448	1 752 448	1 738 448	1 856 568	1 976 778
<b>Total Expenditure</b>	<b>4 628 959</b>	<b>5 225 837</b>	<b>5 464 435</b>	<b>5 905 961</b>	<b>5 942 201</b>	<b>5 942 201</b>	<b>5 942 201</b>	<b>6 268 346</b>	<b>6 687 291</b>	<b>7 080 305</b>
<b>Surplus/(Deficit)</b>	<b>(130 311)</b>	<b>(268 346)</b>	<b>(16 644)</b>	<b>1 078</b>	<b>3 963</b>	<b>3 963</b>	<b>3 963</b>	<b>926</b>	<b>2 046</b>	<b>2 604</b>
Transfers and subsidies - capital (monetary allocated)	734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>604 192</b>	<b>347 146</b>	<b>653 750</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
Share of surplus/ (deficit) of associate	54 223	22 359	30 383	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>658 414</b>	<b>369 505</b>	<b>684 133</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 494 206</b>	<b>1 494 206</b>	<b>1 494 206</b>	<b>1 639 269</b>	<b>2 167 021</b>	<b>2 282 348</b>
Transfers recognised - capital	734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	69 582	(0)	(0)	(0)	159 000	329 000	426 000
Internally generated funds	100 136	314 558	515 933	640 283	763 958	763 958	763 958	684 962	906 581	856 806
<b>Total sources of capital funds</b>	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 494 206</b>	<b>1 494 206</b>	<b>1 494 206</b>	<b>1 639 269</b>	<b>2 167 021</b>	<b>2 282 348</b>

**MBRR Table A1 – Consolidated Budget Summary (Continued)**

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b><u>Financial position</u></b>										
Total current assets	2 860 997	3 023 598	3 572 154	3 509 866	3 310 919	3 310 919	3 475 712	3 790 269	3 970 143	4 285 679
Total non current assets	12 434 158	13 053 034	13 495 258	14 131 929	14 067 201	14 067 201	14 314 639	15 241 899	16 654 552	18 125 357
Total current liabilities	1 099 052	1 075 115	1 440 812	1 132 443	1 133 633	1 133 633	1 133 633	1 245 614	1 388 685	1 560 368
Total non current liabilities	1 003 150	995 534	944 139	1 177 274	1 107 692	1 107 692	1 107 692	1 220 991	1 518 210	1 861 677
Community wealth/Equity	13 192 954	14 005 982	14 682 461	15 332 079	15 136 794	15 136 794	15 549 027	16 565 563	17 717 799	18 988 991
<b><u>Cash flows</u></b>										
Net cash from (used) operating	956 966	1 011 647	1 394 363	1 631 091	1 438 333	1 438 333	1 438 333	1 898 269	2 113 424	2 272 048
Net cash from (used) investing	(586 864)	(923 670)	(1 175 587)	(1 558 134)	(1 494 206)	(1 494 206)	(1 494 206)	(1 639 269)	(2 167 021)	(2 282 348)
Net cash from (used) financing	(49 753)	(53 669)	(44 499)	17 757	(52 333)	(52 333)	(52 333)	102 116	248 121	303 985
<b>Cash/cash equivalents at the year end</b>	<b>2 165 287</b>	<b>2 200 434</b>	<b>2 376 561</b>	<b>2 474 644</b>	<b>2 275 724</b>	<b>2 275 724</b>	<b>2 275 724</b>	<b>2 654 536</b>	<b>2 849 060</b>	<b>3 142 745</b>
<b><u>Cash backing/surplus reconciliation</u></b>										
Cash and investments available	2 165 287	2 200 434	2 376 561	2 474 644	2 275 724	2 275 724	2 275 724	2 639 017	2 835 547	3 131 143
Application of cash and investments	440 787	326 100	358 168	278 454	279 744	279 744	128 491	294 422	439 830	564 977
<b>Balance - surplus (shortfall)</b>	<b>1 724 501</b>	<b>1 874 334</b>	<b>2 018 393</b>	<b>2 196 191</b>	<b>1 995 980</b>	<b>1 995 980</b>	<b>2 147 233</b>	<b>2 344 595</b>	<b>2 395 717</b>	<b>2 566 166</b>
<b><u>Asset management</u></b>										
Asset register summary (WDV)	12 260 666	12 413 643	13 264 264	13 959 087	13 894 360	13 894 360	15 051 773	15 051 773	16 445 414	17 895 304
Depreciation	629 728	685 336	789 811	748 732	748 732	748 732	779 351	779 351	830 003	894 711
Renewal of Existing Assets	83 260	502 299	702 173	594 300	474 339	474 339	474 339	623 348	915 864	896 348
Repairs and Maintenance	285 686	287 393	350 106	414 791	418 609	418 609	460 470	460 470	506 517	557 169
<b><u>Free services</u></b>										
Cost of Free Basic Services provided	-	-	-	249 453	-	-	-	-	-	-
Revenue cost of free services provided	26 216	23 198	33 739	38 246	40 400	40 400	44 278	44 278	48 042	51 885
<b><u>Households below minimum service level</u></b>										
Water:	4	3	2	2	2	2	6	6	2	1
Sanitation/sew erage:	48	39	32	31	31	31	30	30	29	28
Energy:	45	44	42	40	40	40	39	39	38	37
Refuse:	2	2	2	2	2	2	2	2	2	2

**Table 30: MBRR Table A4 – Consolidated Budgeted Financial Performance (Revenue and Expenditure)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	672 957	794 519	865 235	1 122 920	1 122 920	1 122 920	1 122 920	1 230 720	1 335 332	1 442 158
Service charges - electricity revenue	2	1 383 884	1 465 814	1 694 297	1 815 256	1 815 256	1 815 256	1 815 256	1 850 291	1 882 856	1 915 429
Service charges - water revenue	2	325 360	394 282	425 276	444 291	444 291	444 291	444 291	486 499	525 905	567 978
Service charges - sanitation revenue	2	248 673	278 832	298 552	339 107	339 107	339 107	339 107	372 340	404 733	439 540
Service charges - refuse revenue	2	228 895	261 807	287 400	308 375	308 375	308 375	308 375	338 596	368 054	399 707
Service charges - other		12 149	24 018	44 122	21 580	21 580	21 580	21 580	23 566	25 451	27 461
Rental of facilities and equipment		15 018	17 430	16 583	20 045	20 045	20 045	20 045	21 889	23 640	25 508
Interest earned - external investments		96 522	124 222	154 775	143 844	143 974	143 974	143 974	157 319	169 911	183 334
Interest earned - outstanding debtors		27 178	34 999	32 661	34 651	34 651	34 651	34 651	36 841	38 937	41 117
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 572	5 500	5 594	8 385	8 385	8 385	8 385	9 157	9 889	10 671
Licences and permits		14 161	14 034	12 612	13 958	13 958	13 958	13 958	15 242	16 462	17 762
Agency services				-	200	375	375	375	4 738	-	-
Transfers and subsidies		812 167	948 513	963 670	1 319 728	1 356 414	1 356 414	1 356 414	1 366 513	1 517 011	1 611 766
Other revenue	2	642 030	593 520	646 513	314 698	316 832	316 832	316 832	355 563	371 156	400 478
Gains on disposal of PPE		12 084		500	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>4 498 647</b>	<b>4 957 490</b>	<b>5 447 791</b>	<b>5 907 039</b>	<b>5 946 165</b>	<b>5 946 165</b>	<b>5 946 165</b>	<b>6 269 273</b>	<b>6 689 338</b>	<b>7 082 909</b>

**MBRR Table A4 – Consolidated Budgeted Financial Performance (Revenue and Expenditure) (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1										
<b>Expenditure By Type</b>											
Employee related costs	2	1 134 596	1 233 305	1 352 201	1 543 294	1 515 714	1 515 714	1 515 714	1 746 409	1 933 913	2 081 718
Remuneration of councillors		45 088	48 360	54 375	58 665	58 660	58 660	58 660	63 248	67 471	71 910
Debt impairment	3	241 011	365 110	210 111	303 865	303 865	303 865	303 865	322 651	317 963	311 498
Depreciation & asset impairment	2	629 728	685 336	789 811	748 732	748 732	748 732	748 732	779 351	830 003	894 711
Finance charges		65 775	60 674	54 878	57 113	52 108	52 108	52 108	54 321	68 642	77 368
Bulk purchases	2	1 110 464	1 213 642	1 427 318	1 521 587	1 526 587	1 526 587	1 526 587	1 578 167	1 604 890	1 633 880
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		9 743	14 607	–	22 486	38 960	38 960	38 960	38 960	41 181	43 487
Transfers and subsidies		145 871	234 151	237 321	270 352	287 952	287 952	287 952	308 403	325 804	343 940
Other expenditure	4, 5	1 246 682	1 337 880	1 338 420	1 379 867	1 409 623	1 409 623	1 409 623	1 376 838	1 497 424	1 621 794
Loss on disposal of PPE		–	32 772	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>4 628 959</b>	<b>5 225 837</b>	<b>5 464 435</b>	<b>5 905 961</b>	<b>5 942 201</b>	<b>5 942 201</b>	<b>5 942 201</b>	<b>6 268 346</b>	<b>6 687 291</b>	<b>7 080 305</b>
<b>Surplus/(Deficit)</b>		<b>(130 311)</b>	<b>(268 346)</b>	<b>(16 644)</b>	<b>1 078</b>	<b>3 963</b>	<b>3 963</b>	<b>3 963</b>	<b>926</b>	<b>2 046</b>	<b>2 604</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>604 192</b>	<b>347 146</b>	<b>653 750</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
Taxation		–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>		<b>604 192</b>	<b>347 146</b>	<b>653 750</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>		<b>604 192</b>	<b>347 146</b>	<b>653 750</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
Share of surplus/ (deficit) of associate	7	54 223	22 359	30 383	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>		<b>658 414</b>	<b>369 505</b>	<b>684 133</b>	<b>849 347</b>	<b>734 212</b>	<b>734 212</b>	<b>734 212</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>

**Table 31: MBRR Table A6 – Consolidated Budgeted Financial Position**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		198 545	63 833	223 571	80 644	80 644	80 644	80 644	80 713	80 770	80 832
Call investment deposits	1	1 966 743	2 136 602	2 152 990	2 394 001	2 195 081	2 195 081	2 195 081	2 558 304	2 754 777	3 050 311
Consumer debtors	1	577 370	692 676	1 059 785	820 635	820 635	820 635	985 429	915 237	874 979	868 957
Other debtors		67 726	85 592	99 778	108 091	108 064	108 064	108 064	118 870	130 757	143 833
Current portion of long-term receivables		16	18	–	15	15	15	15	17	19	20
Inventory	2	50 598	44 878	36 030	106 480	106 480	106 480	106 480	117 128	128 841	141 725
<b>Total current assets</b>		<b>2 860 997</b>	<b>3 023 598</b>	<b>3 572 154</b>	<b>3 509 866</b>	<b>3 310 919</b>	<b>3 310 919</b>	<b>3 475 712</b>	<b>3 790 269</b>	<b>3 970 143</b>	<b>4 285 679</b>
<b>Non current assets</b>											
Long-term receivables		27	9	–	66	66	66	66	73	80	88
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		333 211	328 302	342 030	485 540	485 540	485 540	485 540	534 094	587 503	646 254
Investment in Associate		59 549	81 908	112 292	90 099	90 099	90 099	90 099	99 109	109 020	119 922
Property, plant and equipment	3	11 878 209	12 481 255	12 885 962	13 447 999	13 381 852	13 381 852	13 629 291	14 489 464	15 826 500	17 214 173
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		98 875	95 115	85 956	25 549	26 967	26 967	26 967	28 216	31 410	34 879
Other non-current assets		64 286	66 444	69 018	82 676	82 676	82 676	82 676	90 944	100 038	110 042
<b>Total non current assets</b>		<b>12 434 158</b>	<b>13 053 034</b>	<b>13 495 258</b>	<b>14 131 929</b>	<b>14 067 201</b>	<b>14 067 201</b>	<b>14 314 639</b>	<b>15 241 899</b>	<b>16 654 552</b>	<b>18 125 357</b>
<b>TOTAL ASSETS</b>		<b>15 295 155</b>	<b>16 076 632</b>	<b>17 067 412</b>	<b>17 641 795</b>	<b>17 378 120</b>	<b>17 378 120</b>	<b>17 790 352</b>	<b>19 032 168</b>	<b>20 624 695</b>	<b>22 411 036</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	57 416	48 835	50 709	51 825	51 825	51 825	51 825	56 358	80 315	121 293
Consumer deposits		44 838	48 505	53 708	59 555	59 455	59 455	59 455	65 401	71 941	79 135
Trade and other payables	4	855 385	811 540	1 161 504	854 105	855 395	855 395	855 395	939 209	1 033 030	1 136 233
Provisions		141 413	166 235	174 891	166 958	166 958	166 958	166 958	184 646	203 400	223 707
<b>Total current liabilities</b>		<b>1 099 052</b>	<b>1 075 115</b>	<b>1 440 812</b>	<b>1 132 443</b>	<b>1 133 633</b>	<b>1 133 633</b>	<b>1 133 633</b>	<b>1 245 614</b>	<b>1 388 685</b>	<b>1 560 368</b>
<b>Non current liabilities</b>											
Borrowing		545 999	497 244	445 768	518 175	448 593	448 593	448 593	495 992	720 721	984 450
Provisions		457 151	498 291	498 372	659 099	659 099	659 099	659 099	724 999	797 489	877 228
<b>Total non current liabilities</b>		<b>1 003 150</b>	<b>995 534</b>	<b>944 139</b>	<b>1 177 274</b>	<b>1 107 692</b>	<b>1 107 692</b>	<b>1 107 692</b>	<b>1 220 991</b>	<b>1 518 210</b>	<b>1 861 677</b>
<b>TOTAL LIABILITIES</b>		<b>2 102 202</b>	<b>2 070 650</b>	<b>2 384 951</b>	<b>2 309 716</b>	<b>2 241 325</b>	<b>2 241 325</b>	<b>2 241 325</b>	<b>2 466 605</b>	<b>2 906 895</b>	<b>3 422 045</b>
<b>NET ASSETS</b>	5	<b>13 192 954</b>	<b>14 005 982</b>	<b>14 682 461</b>	<b>15 332 079</b>	<b>15 136 794</b>	<b>15 136 794</b>	<b>15 549 027</b>	<b>16 565 563</b>	<b>17 717 799</b>	<b>18 988 991</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		9 007 099	9 383 301	10 068 520	12 240 217	12 044 933	12 044 933	12 457 165	13 164 516	13 976 647	14 873 723
Reserves	4	4 185 855	4 622 681	4 613 941	3 091 861	3 091 861	3 091 861	3 091 861	3 401 047	3 741 152	4 115 267
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>13 192 954</b>	<b>14 005 982</b>	<b>14 682 461</b>	<b>15 332 079</b>	<b>15 136 794</b>	<b>15 136 794</b>	<b>15 549 027</b>	<b>16 565 563</b>	<b>17 717 799</b>	<b>18 988 991</b>

**Table 32: MBRR Table A7 – Consolidated Budgeted Cash Flows**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		672 957	794 519	865 235	1 038 701	1 038 701	1 038 701	1 038 701	1 138 416	1 241 858	1 348 418
Service charges		2 198 960	2 424 753	2 749 648	2 708 964	2 708 964	2 708 964	2 708 964	2 840 944	2 982 509	3 132 358
Other revenue		447 934	84 777	73 095	330 574	332 814	332 814	332 814	376 446	391 667	424 881
Government - operating	1	812 186	948 263	963 670	1 319 728	1 356 414	1 356 414	1 356 414	1 366 513	1 517 011	1 611 766
Government - capital	1	734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Interest		123 699	159 277	187 436	178 564	178 625	178 625	178 625	194 160	208 848	224 452
Dividends		-	-	-	-	-	-	-	0	-	-
<b>Payments</b>											
Suppliers and employees		(3 822 531)	(3 720 581)	(3 822 916)	(4 448 121)	(4 551 702)	(4 551 702)	(4 551 702)	(4 714 286)	(5 046 125)	(5 346 529)
Finance charges		(65 778)	(60 678)	(54 878)	(57 120)	(52 108)	(52 108)	(52 108)	(54 321)	(68 642)	(77 368)
Transfers and Grants	1	(144 964)	(234 175)	(237 321)	(288 468)	(303 624)	(303 624)	(303 624)	(44 911)	(45 144)	(45 472)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>956 966</b>	<b>1 011 647</b>	<b>1 394 363</b>	<b>1 631 091</b>	<b>1 438 333</b>	<b>1 438 333</b>	<b>1 438 333</b>	<b>1 898 269</b>	<b>2 113 424</b>	<b>2 272 048</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		766	6 364	10 841	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		14	16	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		892	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(588 536)	(930 050)	(1 186 428)	(1 558 134)	(1 494 206)	(1 494 206)	(1 494 206)	(1 639 269)	(2 167 021)	(2 282 348)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(586 864)</b>	<b>(923 670)</b>	<b>(1 175 587)</b>	<b>(1 558 134)</b>	<b>(1 494 206)</b>	<b>(1 494 206)</b>	<b>(1 494 206)</b>	<b>(1 639 269)</b>	<b>(2 167 021)</b>	<b>(2 282 348)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	69 582	-	-	-	159 000	329 000	426 000
Increase (decrease) in consumer deposits		(681)	3 667	5 203	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(49 072)	(57 336)	(49 702)	(51 825)	(52 333)	(52 333)	(52 333)	(56 884)	(80 879)	(122 015)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(49 753)</b>	<b>(53 669)</b>	<b>(44 499)</b>	<b>17 757</b>	<b>(52 333)</b>	<b>(52 333)</b>	<b>(52 333)</b>	<b>102 116</b>	<b>248 121</b>	<b>303 985</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>320 350</b>	<b>34 308</b>	<b>174 276</b>	<b>90 714</b>	<b>(108 206)</b>	<b>(108 206)</b>	<b>(108 206)</b>	<b>361 115</b>	<b>194 524</b>	<b>293 685</b>
Cash/cash equivalents at the year begin:	2	1 844 938	2 166 126	2 202 285	2 383 930	2 383 930	2 383 930	2 383 930	2 293 421	2 654 536	2 849 060
Cash/cash equivalents at the year end:	2	2 165 287	2 200 434	2 376 561	2 474 644	2 275 724	2 275 724	2 275 724	2 654 536	2 849 060	3 142 745

**Table 33: MBRR Table A8 – Consolidated Cash Backed Reserves / Accumulated Surplus Reconciliation**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	2 165 287	2 200 434	2 376 561	2 474 644	2 275 724	2 275 724	2 275 724	2 654 536	2 849 060	3 142 745
Other current investments > 90 days		-	-	-	0	0	0	0	(15 519)	(13 513)	(11 601)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2 165 287</b>	<b>2 200 434</b>	<b>2 376 561</b>	<b>2 474 644</b>	<b>2 275 724</b>	<b>2 275 724</b>	<b>2 275 724</b>	<b>2 639 017</b>	<b>2 835 547</b>	<b>3 131 143</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		213 718	191 539	211 266	124 080	124 080	124 080	124 080	136 488	150 137	165 150
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	42 927	(42 107)	(38 183)	(122 426)	(121 136)	(121 136)	(272 389)	(146 546)	(45 235)	31 406
Other provisions		184 142	176 668	185 085	276 800	276 800	276 800	276 800	304 480	334 928	368 421
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>440 787</b>	<b>326 100</b>	<b>358 168</b>	<b>278 454</b>	<b>279 744</b>	<b>279 744</b>	<b>128 491</b>	<b>294 422</b>	<b>439 830</b>	<b>564 977</b>
<b>Surplus(shortfall)</b>		<b>1 724 501</b>	<b>1 874 334</b>	<b>2 018 393</b>	<b>2 196 191</b>	<b>1 995 980</b>	<b>1 995 980</b>	<b>2 147 233</b>	<b>2 344 595</b>	<b>2 395 717</b>	<b>2 566 166</b>



## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 OVERVIEW OF ANNUAL BUDGET PROCESS**

The Budget Steering Committee has been established in terms Section 53 of the MFMA and Municipal Budget Reporting Regulations.

The Budget Steering Committee consists of the City Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance. The Portfolio MMC for Municipal Services, MMC for Infrastructure Services, MMC for Spatial Planning & Development and MMC for Corporate Services are also member of the Budget Steering Committee meetings as appointed by the Executive Mayor.

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

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

#### **2.1.1 IDP/Budget Process Overview**

In terms of Section 30 of the Municipal Systems Act no 32 of 2000, *the Executive Mayor of a municipality must in accordance with S29-*

*“(c) submit the draft plan to the municipal council for adoption ,further*

*Section 53 of the Municipal Finance Management Act no 56 of 2003 subsection 1 (b) The Mayor of the Municipality must coordinate the annual revision of the IDP in terms of S34 of the MSA and the preparation of the annual budget and determine how the IDP is to be taken into account/ or revised for the purposes of the budget.*

The budget process is governed by the Municipal Finance Management Act 56 of 2003 and the Municipal Systems Act 32 of 2000. The objective process is to ensure good governance and accountability and enables the municipality to involve residents and other stakeholders in the budgeting process.

In terms of Section 16 of the Municipal Finance Management Act (MFMA) No 56, 2003:

- (1) *“The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year”.*
- (2) *“In order for a municipality to comply with subsection (1), the mayor of the municipality must table an annual budget at a council meeting at least 90 days before the start of the budget year”.*

Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Executive Mayor has established a Budget Steering Committee, which consists of the Portfolio Head for Finance (Chairperson), Portfolio Head for Municipal Services, Portfolio Head for Infrastructure Services, Portfolio Head for Spatial Planning & Development, Portfolio Head for Corporate Services and Senior Managers.

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

Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, drafting, adoption and review of its integrated development plan. In compliance with this requirement Buffalo City Metropolitan Municipality adopted the plan on 31 August 2016.

**Table 34: Key activities in the review of the 2016/17 IDP and MTREF Budget**

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>June 2016</b>				
Advertise adoption of the approved 2016-21 IDP and 2016/17 to 2018/19 MTREF Budget (local newspaper, BCMM website and notice boards)	IDP/ BUDGET	MSA 25(4)(a)(b)	7 June 2016	Yes
Special Top Management Meeting <ul style="list-style-type: none"> <li>• Draft SDBIP 2016/17</li> <li>• Demand Management Plans</li> <li>• Presentation of the final State of the Metro inputs</li> </ul>	IDP & FINANCE Office of the Executive Mayor	MFMA	8 June 2016	Yes
Submit approved IDP and MTREF Budget to MEC for Local Government and Traditional Affairs, Provincial Treasury and National Treasury (in both electronic and printed formats) <ul style="list-style-type: none"> <li>• Make public a copy of the tariff book and resolutions for public inspection at municipal offices</li> </ul>	BUDGET	MFMA 24(3) and MBRR 20	8 June 2016	Yes
City Manager submits draft SDBIP 16/17 to Executive Mayor 14 days after the approval of budget	IDP/BUDGET/COMM	MFMA 69(3)(a)(b)	10 June 2016	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
Top Management Meeting: <ul style="list-style-type: none"> <li>• Tabling of IDP/Budget/PMS Process Plan for 2016/17 IDP Review</li> </ul>	IDP/PMS	MSA/MFMA	13 June 2016	Yes
Accounting Officer Submit to the Executive Mayor draft SDBIP	IDP/PMS	MSA/MFMA	14 June 2016	Yes
Submission of Specifications to the Bid Specifications Committee	Finance	MFMA	17 June 2016	Yes
State of the Metro Address	Office of the Executive Mayor	MSA/MFMA	22 June 2016	Yes
Assessment of section 56 Managers	Office of the Executive Mayor	MSA/Municipal Planning and Performance Management Regulations 2006	23-24 June 2016.	Yes
Executive Mayor approves SDBIP 16/17 & section 56 Performance Agreements 28 days after the adoption of IDP & Budget	IDP/PMS	MFMA (53)(1)(c)(ii)	On or before 28 June 2016	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
Technical IGR Discuss the Masiphathisane and B2B 10 point plan (integrated planning approaches)	IDP/IGR	IGR Act 13 of 2005	30 June 2016	Yes
Deadline for the submission of the fourth Quarter SDBIP	IDP/PMS and Finance	MFMA	8 July 2016	Yes
Circulate the 2016/17 IDP/Budget Process Plan Annual Report Process Plan	IDP/PMS	MFMA circular 62	11 July 2016 (Top Management)	Yes
Annual Built Environment Plan (BEPP) Evaluation	Enterprise Project Management Office (EPMO)	Division of Revenue Act (DORA)	13 July 2016	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>July 2016</b>				
IDP and Organisational Performance Management Portfolio Committee: <ul style="list-style-type: none"> <li>• Tabling of IDP/Budget/PMS Process Plan for 2016-17 Review</li> </ul>	IDP/PMS	MSA/MFMA	14 July 2016	Yes, however meeting did not quorate.
Municipal entities submit draft Annual Reports to the Municipal Manager	CEO of Municipal entity [where applicable].	MFMA Circular No 63 MSA 46 MFMA 121	20 July 2016	Yes
Submission of the Business Plans for consideration by Top Management for the rollover adjustment budget (excluding Conditional Grant Funded Projects) of 2015/16.	IDP/PMS/Budget & Treasury	MFMA Budget Guiding circulars	25 July 2016	Yes
Submission of 4 <sup>th</sup> Quarter SDBIP	IDP/PMS	MFMA 52(d), 54(i) and Budget Regulations Sec 11(i)	27 July 2016	Yes
Publication of 2017/18 BEPP Guidelines	National Treasury	Division of Revenue Act (DORA)	29 July 2016	Yes
Special Top Management Meeting: <ul style="list-style-type: none"> <li>• Consideration of 2015/16 roll over adjustment budget (excluding Conditional Grant Funded Projects)</li> </ul>	IDP/PMS/Budget & Treasury	MFMA	29 July 2016	Yes
Consolidate inputs for the 2015/16 Annual Report	IDP/PMS	MSA	July/August 2016	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>August 2016</b>				
Section 56/57 Annual Performance Assessments	IDP/PMS	MSA	August 2016	No. To be finalised after audit.
BEPP Internal Preparations and Workshops	Enterprise Project Management Office (EPMO)	Division of Revenue Act (DORA)	1 August – 31 October 2016	Ongoing
2016 Local Government Elections	Independent Electoral Commission (IEC)	Municipal Electoral Act 27 of 2000	3 August 2016	Yes
Publicize draft process plan on BCMM website, local newspaper and notice boards	IDP/PMS	MSA (28)(2)(3)	12 August 2016	Yes
Budget Steering Committee Meeting: <ul style="list-style-type: none"> <li>Consideration of 2015/16 roll over adjustment budget (excluding Conditional Grant Funded Projects). With potential impact on 2016/17.</li> </ul>	IDP/PMS/Budget & Treasury	MFMA 28 & MBRR 23	12 August 2016	No, New Council had not been constituted yet

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
Review and registration of BCMM stakeholders for participation in the IDP review processes: <ul style="list-style-type: none"> <li>• Advertise and invite new stakeholders to register on BCMM database</li> </ul>	IDP/PMS	MSA	15 August 2016	Yes
Inaugural Council Meeting	Office of the City Manager	Municipal Structures Act	18 August 2016	Yes



Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>August 2016</b>				
IDP/Budget/PMS workshop (All Cllrs, Heads of Directorates and General Managers) <ul style="list-style-type: none"> <li>• Presentation of 2016-21 IDP and MTREF Budget</li> <li>• Presentation of draft IDP Review Process Plan 2016/17</li> </ul>	IDP/PMS, Finance, Office of the Executive Mayor and Office of the Speaker	MSA/MFMA	22-24 August 2016	Yes. Workshop was combined with the Cllrs induction session
Submit Annual Performance Report including annual financial statements to the Combined Audit / Performance Committee	Chief Financial Officer and Accounting Officer	MFMA Circular No 63 MSA 46 MFMA 121	25 August 2016	Yes
IDP Representative Forum: <ul style="list-style-type: none"> <li>• Report 15/16 Annual Performance Report</li> <li>• Presentation of draft IDP Review Process Plan 2016/17</li> </ul>	IDP /PMS  Budget & Treasury	MSA 16 (a)(i)  MFMA	26 August 2016	Yes
Council meeting: <ul style="list-style-type: none"> <li>-Adoption of IDP/Budget/PMS process plan for 2016/17 IDP Review</li> <li>-Submission of 2016/17 SDBIP and performance plans to Council for <b>NOTING</b></li> <li>-Adoption of Approval of 2015/16 roll over adjustment budget (excluding Conditional Grant Funded Projects)</li> <li>-Tabling of unaudited annual report</li> </ul>	IDP/PMS/Budget & Treasury	MSA Sec 28(1)/MFMA Sec 21(1)  MSA Sec 28(1)/MFMA Sec 21(1)  MSA 21(b), MFMA 28(7) & MBRR 24, 26 & 27(2) (b).	31 August 2016	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
Workshop to present Delegations Framework as well as IDP & Budget related policies & By-laws	Budget & Treasury	MFMA	29-31 August 2016	No. Postponed due to non availability of suitable dates
Completion and submission of Budget Evaluation Checklist to National Treasury	Budget & Treasury	MFMA	31 August 2016	Yes
Submit to National Treasury 2015/16 Roll-Over Adjustment Budget in terms of National Treasury Reporting requirements	Budget and Treasury	MSA 21(b), MFMA 28(7) & MBRR 24, 26 & 27(2) (b).	31 August 2016	Yes
Submit draft Annual Performance Report and evidence to Internal Auditors including annual financial statements and financial and non-financial information. [Note that the annual performance report and the annual financial statements form part of an Annual Report.]	Chief Financial Officer [Annual Financial Statements] and HOD: Executive Support Services [Performance Report	MFMA Circular No 63 MSA 46 MFMA 121	31 August 2016	Yes

## SITUATIONAL ANALYSIS PHASE

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>September 2016</b>				
-Advertise 2015/16 Roll-Over Adjustment Budget for public comment -Place 2015/16 Roll-Over Adjustment Budget on BCMM website	Budget and Treasury	MSA 21(b), MFMA 28(7) & MBRR 24, 26 & 27(2) (b).	02 September 2016	Yes
Advertise adopted IDP/Budget/PMS Process Plan -Publication of process plan on BCMM website, local newspaper and notice boards	IDP/PMS	MSA 21, 28(3)	5 September 2016	Yes
Submit adopted process plan to MEC for Local Government and Traditional Affairs	IDP/PMS	MSA 31 (a)(b)(c)(d)	5 September 2016	Yes
Publication of 16/17 SDBIP <ul style="list-style-type: none"> <li>• Advertise</li> <li>• Place on website</li> <li>• Distribute in libraries</li> </ul>	IDP/PMS	MFMA 53 (3)(a)(b), Budget Regulations Chapter 2, Part 3, 15(3)	5 September 2016	Yes
<ul style="list-style-type: none"> <li>• Review of ward needs and priorities</li> <li>• Solicit external stakeholders needs and priorities</li> </ul>	IDP/PMS	MSA	5-30 September 2016	Yes
IDP Technical Steering Committee Meeting	IDP/PMS	MSA	5 September 2016	No. Postponed to 19 September due a clash with National Treasury Workshop on BEPP

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
Technical Cluster Meetings <ul style="list-style-type: none"> <li>• Commencement of situation analysis phase</li> </ul>	IDP/PMS	MSA	8-9 September 2016	No. Postponed to 22-23 September 2016
BCMM Technical IGR Forum Meeting: <ul style="list-style-type: none"> <li>• Process plan and expectations</li> <li>• Progress report on programmes and projects</li> </ul>	IDP/PMS	MSA / IGR Framework Act	14 September 2016	No. Postponed
Executive Mayoral Imbizo <ul style="list-style-type: none"> <li>• Executive Mayor interacts with ward communities to listen to needs and concerns</li> <li>• Executive Mayor provides feedback on approved programmes and projects</li> </ul>	Office of the Executive Mayor	MSA	20-23 September 2016	Postponed to 12, 14, 16 and 17 October 2016

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>September 2016</b>				
Submit adopted 2016/17 SDBIP to National Treasury and MEC Local Government and Traditional Affairs	IDP/PMS	MFMA 53(3)(a)(b), Budget Regulations Chapter 2, Part 3, 15(3)	30 September 2016	Yes
BCMM Political IGR Forum Meeting: <ul style="list-style-type: none"> <li>Process plan and expectations</li> <li>Progress report on programmes and projects</li> </ul>	IDP/PMS	MSA / IGR Framework Act	30 September 2016	No. Postponed
Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>October 2016</b>				
IDP Technical Cluster Meetings <ul style="list-style-type: none"> <li>Progress on situational analysis</li> </ul>	IDP/PMS	MSA	3-4 October 2016	No. Postponed due to Imbizo preparations
Submission of the Business Plans for consideration by Top Management for the rollover adjustment budget (Conditional Grant Funded Projects) of 2015/16.	IDP/PMS/Budget & Treasury	MFMA Budget Guiding circulars	04 October 2016	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
Auditor-General audits the unaudited Annual Report and submit an audit report to the accounting officer for the municipality / municipal entity. [The Auditor-General's reports are issued during the period of Oct / Nov. Once the AG audit reports have been issued no further changes are allowed as the audit process is completed.]	Auditor General.	MFMA Circular No 63 MSA 46 MFMA 121	5 October 2016	Yes
IDP and Organisational Performance Management Portfolio Committee <ul style="list-style-type: none"> <li>Table progress report on IDP Review Process</li> </ul>	IDP/PMS	MSA/MFMA	5 October 2016	Yes
Top Management Meeting: <ul style="list-style-type: none"> <li>Consideration of 2015/16 roll over adjustment budget for Conditional Grant Funded Projects</li> </ul>	IDP/PMS/Budget & Treasury	MFMA	10 October 2016	Yes
Mayoral Imbizo Programme	Office of the Executive Mayor	MSA / MFMA	12, 14, 16 & 17 October 2016	Yes
IDP/PMS Portfolio Committee Meeting Table progress report on IDP Review Process	IDP/PMS	MSA	18 October 2016	No. Meeting did not quorate

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
Mayoral Lekgotla Session: <ul style="list-style-type: none"> <li>Review of strategic objectives for service delivery and development</li> </ul>	Office of the Executive Mayor	MSA / MFMA	21-23 October 2016	Yes
Council Meeting <ul style="list-style-type: none"> <li>Table 2016/17 SDBIP/ 1<sup>st</sup> quarter report to Council</li> <li>Approval of 2015/16 Roll-over Adjustment Budget for Conditional Grant Funded Projects</li> </ul>	IDP/PMS/ Budget and Treasury	MSA/MFMA Sec 52(d)	26 October 2016	Yes
Submission of 2014/15 annual DoRA reports to Transferring National Departments & National Treasury	IDP/PMS/ Budget and Treasury	DoRA	28 October 2016	Yes
IDP Steering Committee Meeting <ul style="list-style-type: none"> <li>Presentation of draft situational analysis report</li> </ul>	IDP/PMS	MSA/MFMA	31 October 2016	No. Cancelled due to clash with SALGA Conference

## STRATEGIES PHASE

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>November 2016</b>				
Submission of the draft 2017/18 BEPP to National Treasury	EPMO	DORA section 9.2(a), 9.3,10.9 & 14.1 & 14.2	3 November 2016	No. Pending finalisation of guidelines
BEPP Task Team Meeting <ul style="list-style-type: none"> <li>• Review of the First Draft BEPP</li> <li>• Inputs on Catalytic Projects</li> </ul>	EPMO	DoRA	3 November 2016	Yes
Feedback Session on Outcomes of the Mayoral Lekgotla	IDP/PMS, Office of the Speaker & Office of the Executive Mayor	MSA/MFMA	8-9 November 2016	Yes
Submit to National Treasury 2015/16 Roll-over Adjustment Budget for Conditional Grant Funded Projects	Budget and Treasury	MFMA	10 November 2016	No.
-Advertise 2015/16 Roll-over Adjustment Budget for Conditional Grant Funded Projects for public comment -Place Adjustment Budget on BCMM website	Budget and Treasury	MFMA	10 November 2016	No. Response from National Treasury received after the October Council Meeting
Budget Workshops – with all Directorates	Budget and Treasury	MFMA	14 - 18 November 2016	Yes
IDP Technical Work Stream Meetings	IDP/PMS	MSA 34(a)(i)(ii)	15-16 November 2016	Yes. Moved to 22 November and only finance and good governance work stream met



Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>November 2016</b>				
IDP Political Work Stream Meetings •Consider draft situational analysis report •Confirmation of cluster priorities	Office of the Executive Mayor	MSA / MFMA	22-23 November 2016	No. Cancelled as political champs were appointed on 6 December
Top Management Strategic Planning Session	Office of the City Manager	MSA / MFMA	24-25 November 2016	No. Postponed to 17-19 Jan 2017
Council Meeting	Office of the Speaker	MSA / MFMA	30 November 2016	No. Meeting was cancelled

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>December 2016</b>				
IDP Political Steering Committee Meeting	IDP/PMS	MSA/MFMA	2 December 2016	No. Political champs only appointed on 6 December
IDP Representative Forum: -Presentation of BCMM Situational Analysis report -Presentation of draft reviewed IDP objectives and strategies	IDP/PMS	MSA/MFMA	6 December 2016	No. Postponed to 31 Jan 2017. Content to be informed by outcome of top management planning session
Council Meeting	Office of the Speaker	MSA / MFMA	14 December 2016	Yes.

## PROJECTS PHASE

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>January 2017</b>				
BEPP Task Team Meeting <ul style="list-style-type: none"> <li>Review of the Second draft BEPP</li> </ul>	Enterprise Project Management Office	DoRA	17 January 2017	Yes
Top Management Technical Planning Session to consider: <ul style="list-style-type: none"> <li>Mid-year adjustment budget and service delivery targets</li> <li>Draft IDP Objectives, Strategies and Projects</li> </ul>	IDP/PMS	MSA	17-19 January 2017	Yes
IDP Technical work stream Meetings: •Confirmation of draft reviewed IDP Objectives, Strategies and Projects	IDP/PMS	MSA	21-22 January 2017	No. Meetings were postponed to 2-10 February 2017
Submission of 2016/17 SDBIP 2 <sup>nd</sup> quarter report to Council	IDP/PMS/Budget and Treasury	MFMA Sec 72 & 51(a), Budget Regulation Part 5 (32) & PM Regulations 2001 (2)(a)	25 January 2017	No. Council meeting was postponed to 31 January 2017

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
Council Meeting: <ul style="list-style-type: none"> <li>Consider 2016/17 SDBIP 2<sup>nd</sup> quarter reports (Mid - year report)</li> <li>Draft Annual Report 2015/16</li> </ul>	IDP/PMS/Budget and Treasury	MFMA Sec 52(d) & 51(a), Sec 72, Budget Regulation Part 5 (32) & PM Regulations 2001 (2)(a)	25 January 2017	No. Council meeting postponed to 31 January 2017
Mayor tables audited Annual Report and financial statements to Council	Executive Mayor	MFMA Circular No 63 MSA 46 MFMA 121	25 January 2017	No. Council meeting postponed to 31 January 2017
Submission of the 2016/17 MID Year Report to both National and Provincial Treasury	IDP/PMS/Budget and Treasury	MFMA Sec 52(d) & 51(a), Sec 72, Budget Regulation Part 5 (35) & PM Regulations 2001 (2)(a)	27 January 2017	No. Due to postponement of the Council meeting scheduled for 25 January 2017
Performance Assessment of the City Manager and Section 57 Managers	IDP/PMS	MFMA, 72(1), PM Regulations 2006	30 January 2017	No. Assessment Panel not yet established
Submission of the Business Plans for consideration by Top Management for the 2017/18 to 2019/20 MTREF budget.	IDP/PMS/Budget & Treasury	MFMA Budget Guiding circulars	30 January 2017	Yes
Publication of the 2016/17 MID Year Assessment Reports and SDBIP	IDP/PMS/Budget and Treasury/ Communication	MFMA Sec 52(d) & 51(a), Sec 72, Budget Regulation Part 5 (34) & PM Regulations 2001 (2)(a)	31 January 2017	No. No. Due to postponement of the Council meeting scheduled for 25 January 2017

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>February 2017</b>				
Audited Annual Report is made public, e.g. posted on municipality's website.	IDP/PMS	MFMA Circular No 63 MSA 46 MFMA 121	10 February 2017	Yes
National Treasury Mid-year Budget and Performance Assessment Review	IDP/PMS/Finance/ Compliance Office	MFMA	13 -14 February 2017	Yes
IDP Political Steering Committee Meeting	IDP/PMS	MSA/MFMA	15 February 2016	Yes
IDP Political Work Stream Meetings	IDP/PMS	MSA/MFMA	16 February 2017	Yes
Budget Steering Committee Meeting: <ul style="list-style-type: none"> <li>Consideration of 2016/17 Mid-year adjustment budget</li> </ul>	IDP/PMS/Budget & Treasury	MFMA	17 February 2017  (To be confirmed as the Committee has not yet been established)	
Council considers and approve the 2016/17 Mid- Year Adjustment Budget, IDP, BEPP and SDBIP	IDP/PMS/Budget & Treasury	MFMA 28, 54(1)(c) and MBRR 23	24 February 2017	Yes

## CONSOLIDATION PHASE

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
<b>March 2017</b>				
Council Workshop (all Cllrs, HODs and GMs) <ul style="list-style-type: none"> <li>Review and confirm draft 2017/18- IDP, BEPP and MTREF Budget</li> <li>Review of budget related policies</li> </ul>	IDP/PMS/Finance	MSA/MFMA	6-7 March 2017	No. Postponed to 24-26 March 2017
<ul style="list-style-type: none"> <li>Submits to National Treasury 2016/2017 Mid-Year Adjustment Budget in terms of the National Treasury Reporting Requirements</li> <li>Advertise 2016/2017 Mid-Year Adjustment Budget for public comment</li> <li>Place 2016/2017 Mid-Year Adjustment Budget on BCMM website</li> </ul>	IDP/PMS/Budget and Treasury	MSA/MFMA	10 March 2017	Yes
BCMM Technical IGR Forum Meeting:	IR and Development Corporation	MSA / IGR Framework Act	10 March 2017	No. Meeting cancelled due to clash with Troika meeting
BEPP Task Team Meeting	Enterprise Project Management Office	DoRA	23 March 2017	Forthcoming
Council Meeting: <ul style="list-style-type: none"> <li>Approve 2017/18 Draft IDP review and MTREF Budget</li> <li>Approve draft BEPP</li> </ul>	Budget and Treasury	MFMA MSA	29 March 2017	Forthcoming

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
IDP/Budget/PMS External Representative Forum Meeting: <ul style="list-style-type: none"> <li>• Presentation of draft 2017/18 IDP review and MTREF</li> </ul>	IDP/Budget & Treasury	MSA Sec 16(1)(a) / MFMA	30 March 2017	Forthcoming
Oversight committee assessment on Annual Report.	Chairperson of MPAC	MFMA Circular No 63 MSA 46 MFMA 121	31 March 2017	Forthcoming

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The review of the 2017/2018 Integrated Development Plan commenced in September 2016 after the adoption of the IDP/Budget Process Plan by Council and the Budget Time Schedule for the 2017/18 MTREF.

The Metro's IDP is the principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly informs the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2017/18 MTREF, based on the approved 2016/17 MTREF, Mid-year Performance Assessment and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2017/18 MTREF, each function/directorate had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2016/17 Service Delivery and Budget Implementation Plan. Business planning responds to the Metro's priority needs, reviewed strategic objectives and informs the detail operating budget appropriations and three-year capital programme.

The Draft Service Delivery and Budget Implementation Plan (SDBIP) with Draft Performance Agreements will be submitted to the Executive Mayor after the approval of the IDP and Budget; and the final SDBIP will be tabled to Council for approval with the Performance Agreements before 30 June 2017.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2017/18 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2017/18 MTREF:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2015/15 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 85, and 86 has been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The draft 2017/18 Integrated Development Plan review and MTREF Budget as well as BEPP will be tabled at Council on 29 March 2017. Thereafter the draft documents will be made available for community consultation on the municipality's website, and hard copies were made available at customer care offices and municipal libraries.

IDP/Budget road shows to present the draft IDP and Budget are scheduled to take place from 11 April – 4 May 2017.



**Table 35: Proposed Schedule of IDP/Budget Road Shows**

**DAY 1: TUESDAY, 11 APRIL 2017**

DAY	WARD	VENUE & TIME
(A)	34	Polar Park Community Hall - 5.00 Pm
(B)	35	War Memorial Community Hall - 5.00 Pm
(C)	43	Skenjana Roji Community Hall - 5.00 Pm
(D)	33	Welcomewood Community Hall - 12.00 Pm
(E)	37	Schornville Community Hall - 5.00 Pm

**DAY 2: WEDNESDAY, 12 APRIL 2017**

DAY	WARD	VENUE & TIME
(A)	8	Qaqamba High School - 5.00 Pm
(B)	39	Kwalini Hall - 2.00 Pm
(C)	1	Gompo Hall - 5.00 Pm
(D)	10	Billy Francis Hall - 5.00 Pm
(E)	17	Eluxolweni Community Hall - 3.00 Pm

**DAY 3: THURSDAY, 13 APRIL 2017**

DAY	WARD	VENUE & TIME
(A)	36	Mzintshane Community Hall -10.00 Am
(B)	49	Ndevana Community Hall - 3.00 Pm
(C)	13	Reeston (Tent) - 5.00 Pm
(D)	45	Ilitha Community Hall - 3.00 Pm
(E)	42	Indoor Sport Centre - 5.00 Pm

**DAY 4: TUESDAY, 18 APRIL 2017.**

DAY	WARD	VENUE & TIME
(A)	9	Clements Kadalie Hall - 5.00 Pm
(B)	14	Tent (Nu 3 Rent Office, Next To Ntsikana Shop) 5.00 Pm
(C)	12	John Knox Bokwe School - 4.00 Pm
(D)	16	Amalinda Stadium(Tent) - 5.00 Pm
(E)	6	Gompo Hall - 5.00 Pm

**DAY 5: WEDNESDAY, 19 APRIL 2017**

DAY	WARD	VENUE & TIME
(A)	2	Gompo Hall - 5.00 Pm
(B)	46	Robbie De Lange Hall - 5.00 Pm
(C)	27	Mzamomhle Hall - 5.00 Pm
(D)	28	Carnegie Hall -5.00 Pm
(E)	47	City Hall - 5.00 Pm

**DAY 6: THURSDAY, 20 APRIL 2017**

DAY	WARD	VENUE & TIME
(A)	38	Dikidikana Community Hall - 3.00 Pm
(B)	40	Tshabo 2 Community Hall - 3.00 Pm
(C)	24	Mbekweni Primary School - 2.00 Pm
(D)	31	Kidd's Beach Hall - 5.00 Pm
(E)	32	Xhamini Community Hall - 10.00 Am

**DAY 7: FRIDAY, 21 APRIL 2017**

DAY	WARD	VENUE & TIME
(A)	21	N. U. 15 Community Hall - 5.00 Pm
(B)	20	Nu 7 Community Hall - 5.00 Pm
(C)	25	Phakamisa Community Hall - 3.00pm
(E)	15	Ducats Community Hall - 5.00 Pm
(D)	11	N.U. 5 Rent Office (Tent) - 2.00 Pm

**DAY 8: MONDAY, 24 APRIL 2017**

DAY	WARD	VENUE & TIME
(A)	44	Sweetwaters Community Hall - 5.00 Pm
(B)	41	Nolizwe Mnyaka Community Hall - 5.00 Pm
(C)	30	Nu 10 Hall - 5.00 Pm
(D)	50	Nyameko High School - 4.00 Pm
(E)	22	Loyiso High School

**DAY 11: WEDNESDAY, 3 MAY 2017**

DAY	WARD	VENUE & TIME
(A)	19	Parkside Hall - 5.00 Pm
(B)	7	Breidbach Community Hall - 5.00 Pm
(C)	29	Carnegie Hall - 5.00 Pm
(D)	48	N.U.12 Community Hall - 5.00 Pm
(E)	5	Scenery Park Community Hall - 5.00 Pm

## DAY 12: THURSDAY, 4 MAY 2017

DAY	WARD	VENUE & TIME
(A)	18	Drake Road Clinic - 5.00 Pm;
(B)	4	Beacon Bay Library - 5.00 Pm
(C)	3	East London High School - 5.00 Pm

### 2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The IDP review process was undertaken within the framework of National, Provincial and District policies and legislation. Some of the key informants that guide the review and refinement of IDP objectives and strategies include the following:

- National Development Plan;
- Sustainable Development Goals (SDGs);
  - 12 Outcomes adopted by National Cabinet in January 2010;
    - BCMM Ward priorities;
    - Priorities from the Mayoral Lekgotla held on 21 –23 October 2016;

The following table highlights the IDP's five strategic outcomes for the 2016/17 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 36: IDP'S Five Strategic Objectives**

<b>Strategic Objective 1:</b>	<b>An innovative and productive city</b>
<b>Strategic Objective 2:</b>	<b>A green city</b>
<b>Strategic Objective 3:</b>	<b>A connected city</b>
<b>Strategic Objective 4:</b>	<b>A spatially-integrated city</b>
<b>Strategic Objective 5:</b>	<b>A well-governed city</b>

The national sphere of government develops and promulgates legislation, policies and strategies which all spheres have to implement. In developing their own plans and policies, other spheres of government, particularly the local government sphere has to ensure that there is alignment with both National and Provincial plans. Key plans and policies include the National Development Plan, Provincial Development Plan –EC Vision 2030, Sustainable Development Goals and the 12 Outcomes of Government. These are aligned below:

**Table 37: Alignment of BCMM Strategic Objectives with National and Provincial Priorities**

BCMM Strategic Objective	12 Outcomes	Provincial Development Plan	National Development Plan	Sustainable Development Goals	National 10 Point Plan
An innovative and productive city.	<p>Decent employment through inclusive economic growth</p> <p>A skilled and capable workforce to support inclusive growth</p> <p>An efficient, competitive and responsive economic infrastructure network.</p>	<p>A growing, inclusive and equitable economy.</p> <p>Vibrant and equitably enabled communities.</p>	<p>Unemployment rate should fall from 27% in 2011 to 14% by 2020 and to 6% by 2030.</p> <p>Total employment should rise from 13 million to 24 million.</p>	<p>Ensure access to affordable, reliable, sustainable economic growth, full and productive employment and decent work for all.</p>	<p>Unlocking the potential of SMMEs, cooperatives, township and rural enterprises.</p> <p>Operation Phakisa aimed growing the ocean economy and other sectors</p> <p>Encouraging private sector investment.</p>
A green city.	<p>Protection and enhancement of environmental assets and natural resources.</p>	<p>A growing, inclusive and equitable economy.</p>	<p>Achieve the peak, plateau and decline trajectory for greenhouse gas emissions, with the peak being achieved around 2025</p> <p>By 2030, an economy-wide carbon price should be entrenched.</p>	<p>Take urgent action to combat climate change and its impacts.</p>	<p>Resolving the energy challenge.</p> <p>Revitalizing agriculture and the agro-processing value chain</p>
A well-governed city.	<p>Improve the quality of basic education.</p>	<p>An educated, empowered, and</p>	<p>All children should have at least two years of pre-school</p>	<p>Ensure inclusive and equitable quality</p>	<p>N/A</p>

BCMM Strategic Objective	12 Outcomes	Provincial Development Plan	National Development Plan	Sustainable Development Goals	National 10 Point Plan
		innovative citizenry.	<p>education. This implies about 2 million places</p> <p>About 80% of schools and learners achieve 50% and above in literacy, mathematics and science in grades 3, 6, 9.</p> <p>At least 80% of students should complete 12 years of schooling.</p>	education and promote lifelong learning opportunities for all.	
A spatially-integrated city.	<p>Improve health and life expectancy.</p> <p>Sustainable human settlements and improved quality of household life</p>	<p>A healthy population.</p> <p>Vibrant and equitably enabled communities (Universal access to social infrastructure).</p>	<p>By 2030, life expectancy should reach at least 70 for both men and women.</p> <p>Infant mortality rate should decline from 43 to 20 per 1000 live births and the under-five mortality rate should be less than 30 per 1000, from 104 today.</p> <p>The proportion of people with access to electricity should rise from 70% in 2010 to 95% by 2030, with no grid options available for the rest.</p>	<p>Ensure healthy lives and promote well-being for all at all ages.</p> <p>Ensure availability and sustainable management of water and sanitation for all.</p>	<p>N/A</p> <p>State reform and boosting the role of state owned companies, ICT infrastructure or broadband roll out, water, sanitation and transport infrastructure as well as.</p>

BCMM Strategic Objective	12 Outcomes	Provincial Development Plan	National Development Plan	Sustainable Development Goals	National 10 Point Plan
			Ensure that all people have access to clean, potable water and that there is enough water for agriculture and industry.		
A well-governed city.	A development-orientated public service and inclusive citizenship.	An educated, empowered and innovative citizenry.	A capable and effective state, able to enhance economic opportunities, support the development of capabilities and intervene to ensure a rising floor of social rights for the poor.	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Moderating workplace conflict.

During the development process an effort was made to ensure that the IDP is fully aligned with the Metro Growth and Development Strategy. Over the next five year term the City will concentrate on the 5 strategic outcomes to be achieved by the year 2030:

**Strategic Objective 1: An innovative and productive city:** with rapid and inclusive economic growth, and falling unemployment

**Strategic Objective 2: A green city:** environmentally sustainable with optimal benefits from our natural assets. A clean and healthy city of subtropical gardens.

**Strategic Objective 3: A connected city:** high-quality (and competitively priced) connections to ICT, electricity and transport networks (inside the city and to the outside world).

**Strategic Objective 4: A spatially-integrated city:** the spatial divisions and fragmentation of the apartheid past are progressively overcome and township economies have become more productive.

**Strategic Objective 5: A well-governed city:** a smart and responsive municipality (working with other levels of government) that plans and efficiently delivers high quality services and cost effective infrastructure, without maladministration and political disruptions



The 2017/18 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 38: MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Innovative and Productive City	KPA 2: Service Delivery and Basic Infrastructure						156 461	156 461	156 461	170 078	184 073	198 635
	KPA 3: Local Economic Development											
A green city	KPA 2: Service Delivery and Basic Infrastructure						419 909	433 209	433 209	451 029	491 448	532 951
	KPA 3: Local Economic Development											
A connected city	KPA 1: Municipal Transformation and organisational Development						23 881	23 619	23 619	67 623	67 963	75 968
	KPA 2: Service Delivery and Basic Infrastructure											
A spatially Transformed city	KPA 2: Service Delivery and Basic Infrastructure						3 089 360	3 114 360	3 114 360	3 142 658	3 314 534	3 434 256
A well governed city	KPA 2: Service Delivery and Basic Infrastructure						2 215 528	2 215 807	2 215 807	2 420 925	2 630 956	2 840 706
	KPA 4: Municipal Financial Viability and Management											
	KPA 5: Good Governance and Public Participation											
<b>Allocations to other priorities</b>			2									
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	-	-	-	5 905 139	5 943 457	5 943 457	6 252 313	6 688 975	7 082 517

**Table 39: MBRR Table SA5 - Reconciliation between the IDP Strategic Objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
Innovative and Productive City	KPA 2: Service Delivery and Basic Infrastructure						485 867	477 744	477 744	520 147	573 589	614 399	
	KPA 3: Local Economic Development												
A green city	KPA 2: Service Delivery and Basic Infrastructure						367 123	402 410	402 410	400 464	431 843	485 698	
	KPA 3: Local Economic Development												
A connected city	KPA 1: Municipal Transformation and organisational Development						768 962	780 160	780 160	1 074 443	1 158 661	1 251 288	
	KPA 2: Service Delivery and Basic Infrastructure												
A spatially Transformed city	KPA 2: Service Delivery and Basic Infrastructure						3 470 390	3 486 135	3 486 135	3 343 079	3 524 144	3 653 598	
A well governed city	KPA 2: Service Delivery and Basic Infrastructure						813 351	795 930	795 930	913 246	998 691	1 074 929	
	KPA 4: Municipal Financial Viability and Management												
	KPA 5: Good Governance and Public Participation												
<b>Allocations to other priorities</b>													
<b>Total Expenditure</b>				1	-	-	-	5 905 692	5 942 379	5 942 379	6 251 379	6 686 928	7 079 913

**Table 40: MBRR Table SA6 – Reconciliation between the IDP Strategic Objectives and budgeted Capital Expenditure**

Strategic Objective	Goal	Goal Code	Re	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>												
Innovative and Productive City	KPA 2: Service Delivery and Basic Infrastructure	A					499 300	419 718	419 718	478 948	792 575	814 548
	KPA 3: Local Economic Development											
A green city	KPA 2: Service Delivery and Basic Infrastructure						99 002	25 825	25 825	105 784	120 779	139 500
	KPA 3: Local Economic Development											
A connected city	KPA 1: Municipal Transformation and organisational Development						455 934	474 396	474 396	423 017	565 732	621 030
	KPA 2: Service Delivery and Basic Infrastructure											
A spatially Transformed city	KPA 2: Service Delivery and Basic Infrastructure						564 055	510 342	510 342	481 726	432 212	445 564
A well governed city	KPA 2: Service Delivery and Basic Infrastructure						74 865	61 167	61 167	148 705	254 720	260 750
	KPA 4: Municipal Financial Viability and Management											
	KPA 5: Good Governance and Public Participation											
<b>Allocations to other priorities</b>			3									
<b>Total Capital Expenditure</b>			1	-	-	-	1 693 155	1 491 448	1 491 448	1 638 180	2 166 018	2 281 392

### **2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**

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

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

**Table 41: MBRR Table SA7 - Measurable performance objectives**

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Vote 1 - Infrastructure Services</b>										
<b>Function 1 - Water and Sanitation</b>										
<b>Sub-function 1 - Water Services</b>										
To ensure that households within BCMM have access to basic level of water	% of households with access to basic level of water supply	1526 units	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%
	Number of kilo-litres reduced (physical water losses in terms of system losses)	37,0%	3 274 573 kl	41,0%	1 200ml	1 200ml	1 200ml	1 200ml	1 200ml	1 200ml
	% Compliance of water treatment works with SANS 241 requirements				95,0%					
<b>Sub-function 2 - Sanitation services</b>										
To ensure that households Within BCMM have access to basic level of sanitation	% of households with access to basic level of sanitation	94,0%	98,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%
	% Compliance with effluent quality standards (weighted cumulative)	N/A	N/A	>70%	>70%	>70%	>70%	>70%	>70%	>70%
	Number of bridges rehabilitated									
	Km of sidewalks constructed	2.5km	5.3km	10.3km	3km	3km	3km	4km	4km	5km
	Km of gravel roads rehabilitated (regravelled)				120	60	60	50	50	75
<b>Sub-function 3 - Roads and stormwater</b>										
Extensive investment and development of infrastructure networks	Km of roads maintained				700	700	700	700	700	700
<b>Function 2 - Energy and electricity</b>										
<b>Sub-function 1 - Electricity</b>										
Address energy backlogs and invest in human capital	% of households with access to a basic level of electricity within BCMM area of supply	98,0%	98,0%	98,0%	98,0%	98,0%	98,0%	98,0%	98,0%	98,0%
	Number of informal dwellings provided with a basic electricity service (45000)	2,9%(1298)	6,9% (1298+1787)	10,8% (1298+1787 +1768)	12,9% 1298+1787 +1768+950)	13% (1298+1787 +1768+1000)	13% (1298+1787 +1768+1000)	15,0%	17,0%	19,0%
	Number of new highmast lights installed(not a %, a figure)				5	3	3	5	5	5

**MBRR Table SA7 - Measurable performance objectives (Continued)**

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Entity 1 - (name of entity)</b>										
<i>mSCOA Implementation</i>	Compliant Financial	-	-	-	-	1 600	1 600	330	350	371
<i>Implementation of the performance</i>	Signed performance	-	-	-	-	-	-	1 406	1 682	1 817
	agreements signed by all	-	-	-	-	-	-	-	-	-
	staff members and	-	-	-	-	-	-	-	-	-
	performance evaluations	-	-	-	-	-	-	-	-	-
	all staff members to be	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<i>Beachfront development</i>	Precinct Plans	-	-	-	-	1 200	1 200	4 377		
	Construction	-	-	-	-	-	-			
		-	-	-	-	-	-			
<i>Effective and Efficient Information</i>	Procurement of the DMS	-	-	-	-	-	-	500	500	500
<i>Establishment of city improvement district</i>	Security and Safety	-	-	-	-	-	-	1 000	1 500	2 000
		-	-	-	-	-	-			
<b>Entity 2 - (name of entity)</b>										
<i>To ensure that households Within BCMM</i>										
<b>Entity 3 - (name of entity)</b>										
<i>To ensure that households Within BCMM</i>										
<b>And so on for the rest of the Entities</b>										

**Table 42: MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b><u>Borrowing Management</u></b>											
Credit Rating		A1-/A	A1-/A	A1-/A	A1-/A	A1-/A	A1-/A	A1-/A			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2,5%	2,3%	1,9%	1,8%	1,7%	1,7%	1,7%	1,8%	2,2%	2,8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3,1%	2,9%	2,3%	2,4%	2,3%	2,3%	2,3%	2,3%	2,9%	3,6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	9,8%	0,0%	0,0%	0,0%	18,8%	26,6%	33,2%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	13,0%	10,8%	9,7%	16,8%	14,5%	14,5%	14,5%	14,6%	19,3%	23,9%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	2,6	2,8	2,5	3,1	3,1	3,1	3,3	3,1	2,9	2,8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,6	2,8	1,9	2,3	2,3	2,3	2,4	2,2	2,0	1,9
Liquidity Ratio	Monetary Assets/Current Liabilities	2,0	2,0	1,6	2,2	2,2	2,2	2,2	2,1	2,1	2,0
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100,0%	100,0%	100,0%	92,5%	92,5%	92,5%	92,5%	92,5%	93,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100,0%	100,0%	100,0%	92,5%	92,5%	92,5%	92,5%	92,5%	93,0%	93,5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14,3%	15,7%	21,3%	15,7%	15,6%	15,6%	18,4%	16,5%	15,0%	14,3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	11,9%	10,1%	10,1%	10,1%	10,1%	10,1%	10,1%	9,5%	8,3%	7,2%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Creditors to Cash and Investments		29,6%	28,2%	40,0%	29,3%	31,8%	31,8%	31,8%	30,2%	30,9%	30,9%

**MBRR Table SA8 - Performance indicators and benchmarks (continued)**

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	232 150	233 606	215 005	164 891	164 891	164 891	164 891	271 621	229 581	215 764
	Total Cost of Losses (Rand '000)	150 122	162 812	180 455	140 157	140 157	140 157	140 157	249 891	218 102	220 079
	% Volume (units purchased and generated less units sold)/units purchased and generated	15,8%	15,8%	14,5%	11,0%	11,0%	11,0%	11,0%	17,9%	15,0%	14,0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	25 888	22 982	27 328	23 329	23 329	23 329	23 329	19 996	19 996	19 996
	Total Cost of Losses (Rand '000)	89 924	99 329	116 720	84 967	84 967	84 967	84 967	85 405	85 405	85 405
	% Volume (units purchased and generated less units sold)/units purchased and generated	39,5%	34,4%	41,0%	25,0%	25,0%	25,0%	25,0%	30,0%	30,0%	30,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	25,2%	24,9%	24,8%	26,1%	25,5%	25,5%	25,5%	27,9%	28,9%	29,4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0,0%	0,0%	0,0%	27,1%	26,5%	26,5%	26,5%	28,9%	29,9%	30,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6,4%	5,8%	6,4%	7,0%	7,0%	7,0%	7,0%	7,3%	7,6%	7,9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15,5%	15,0%	15,5%	13,6%	13,5%	13,5%	13,5%	13,3%	13,4%	13,7%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17,0	16,9	19,5	19,9	19,9	19,9	19,9	17,0	15,0	15,8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	22,3%	24,0%	31,9%	22,8%	22,8%	22,8%	22,8%	23,9%	22,0%	21,0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	8,5	7,7	7,9	7,4	6,8	6,8	6,8	7,3	7,4	7,9



### **2.3.1.1 Borrowing management**

The City has a credit rating of A1 (Short Term) and A (Long Term) together with a low gearing ratio thus enabling the city to borrow capital to fund its revenue generating infrastructure.

However, the city adopts a conservative approach in its ability to borrow due to repayment constraints associated with operational surpluses.

The following financial performance indicators have formed part of the compilation of the 2017/18 MTREF budget:

*Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steadily increasing from 1.8% in 2017/18 to 2.8% in 2019/20. This increase can be attributed to new loan funding being sourced during 2016/17 MTREF period.

### **2.3.1.2 Safety of capital**

*The debt-to-equity ratio* over the MTREF period increases from 14.6% in the 2017/18 period to 23.9% in the 2019/20 period. The ratio indicates the taking up of new loan funding.

### **2.3.1.3 Liquidity**

*Current ratio* for the 2017/18 financial year is 3.1:1 and slightly decrease to 2.8:1 in the 2019/20 financial year. The city is in a position to repay its current liabilities and thus strives to maintain this ratio above the public sector norm. Included in the current assets is the city's debt book which has a collection ratio of 92.5% and the recoverability of this is considered to be obtainable. The current ration adjusted for aged debtors is 2.2:1 in the 2017/18 financial year, it decreases to 1.9:1 in the 2019/20 financial year.

*The liquid ratio* for the 2017/18 financial is 2.1:1, it also slightly decrease to 2:1 in the 2019/20 period. The city aims to maintain a consistent stock level over the MTREF period to adequately respond to emergency situations relating to service delivery considerations.

#### **2.3.1.4 Revenue Management**

The city has adopted an aggressive Revenue Enhancement Strategy, which includes revenue generation, accuracy of meter reading, regular supplementary valuations, and ensuring all residents receive a correct bill that the city has rendered thereby contributing to the confidence of the consumers. The current collection rate of 87% as at 28 February 2017 is expected to improve to 92.5%, 93% and 93.5% respectively over the MTREF period.

#### **2.3.1.5 Creditors Management**

The City has managed to ensure that creditors are settled within the legislated 30 days of statement, except for those that are under dispute. SMME's are paid bi-monthly. By applying daily cash flow management the municipality has managed to ensure a 100% compliance.

#### **2.3.1.6 Other Indicators**

- Employee costs as a percentage of operating revenue is 28% in the 2017/18 financial year and slightly increases to 29% in the 2019/20 financial year. Though this rate is still within the norm, the increasing trend is a concern that require close monitoring.
- The Electricity distribution losses was 14.53% as at 30 June 2016, this continues to an area of focus to reduce electricity losses. There is a program that is undertaken by the City to electrify informal dwellings which would also assist in reducing illegal connects.
- The City has established a Revenue Protection Unit, the main aim of this unit is to reduce the losses; however there is a limit to what can be done with limited resources in the short term and the extent to which losses can be limited.
- The overall average of non-revenue water amounts to 40.98% at 30 June 2016.
- BCMM has developed a Water Conservation and Water Demand Management (WC/WDM) Strategy, which focuses primarily on reducing the level of non-revenue water to enhance both the financial viability of and water supply sustainability to BCMM.

- The goals set in terms of this Strategy, are the following:
  - Reduction of non-revenue water:
  - Increased billed metered consumption:
  - Reduction of raw water treatment losses:
  - Ability to undertake detailed water balances:
  - Promotion of water use efficiency
- Repairs and maintenance as a percentage of total operating revenue is on average 7.4% over the 2017/18 MTREF period.

### **2.3.2 Free Basic Services: Basic Social Services Package for Indigent Households**

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

The target is to register an average of at least the following indigent households by the end of 2017/18 financial year, this process is reviewed annually: Rates and Fire Levy – 42 500; Refuse and Sanitation – 61 252; Electricity 79 540; Water – 77 185 rural and 61 252 urban. In terms of the Municipality’s indigent policy registered households are entitled to 6kℓ free water (R78.30), and 50 kwh of electricity (R61.08).

Registered indigents are also to receive the following monthly rebates in the 2017/18 financial year:

- Property Rates – R133.25 (based on a property value of R120 000)
- Refuse Removal – R202.37
- Sewerage Charges - R105.07
- Fire Levy – R43.04

### **2.3.3 Providing Clean Water and Managing Waste Water**

The BCMM is the Water Services Authority and has the executive authority to provide water services within its area of jurisdiction in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorisations made in terms of this Act.

The primary responsibility for Water Services Authority includes:

- **Ensuring access:** To ensure the realisation of the right of access to water services, particularly basic water services (subject to available resources) by seeing that appropriate investments in water services infrastructure are made.
- **Planning:** To prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.
- **Regulation:** To regulate water services provision and Water Services Providers within the jurisdiction of the municipality and within the policy and regulatory frameworks set by DWAF through the enactment of by-laws and the regulation of contracts.
- **Provision:** To ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external Water Services Providers.

BCMM provides approximately 60% of bulk potable water through Umzonyana Water Treatment Works and KWT Water Treatment Works, 40% is provided by Amatola Water as Water Services Provider.

#### **2.3.3.1 Blue Drop Status**

Buffalo City Metropolitan Municipality is achieved 72.9% on Blue Drop Score as it was audited by Department of Water and Sanitation in 2014. The BCMM achieved 98% compliance with SANS 241 drinking water quality standards in 2015/16.

### **2.3.3.2 Green Drop Status**

The BCMM had 15 of wastewater collector and treatment systems audited. From the 2013 Green Drop Audit BCMM obtained a Green Drop status for the East Bank WWTW and an overall Green Drop Score of 80.94%.

Currently the BCMM is faced with the following water service challenges:

- Capacity of the existing treatment works is inadequate to cater for current and future water demands
- Aging water infrastructure
- High rate of non-revenue water, which is approximately 40%
- Total required funding to build new Water Treatment Works (Kei Road) and bulk pipe lines to Bhishe and Berlin to meet housing backlogs, new developments and Bhishe Precinct and demand is R500 million

## **2.4 OVERVIEW OF BUDGET-RELATED POLICIES**

### **2.4.1 Tariff Policy**

In terms of Section 74(1) of the Municipal Systems Act No 32 of 2000, as amended, Council adopted the draft tariffs policy on 29 March 2017. The amended policy is attached as annexure F (amendments are highlighted in the policy for easy reference).

### **2.4.2 Rates Policy**

In terms of Section 3 of the Municipal Property Rates Act No. 6 of 2004, the municipality has adopted a rates policy. The policy was approved by Council on 28 May 2014. No amendments have been made to the policy.

### **2.4.3 Credit Control Policy**

The Credit Control and Debt Collection Policy was adopted by Council on 28 May 2014. Council to adopt the draft Credit Control and Debt Collection Policy on 29 March 2017. The amended policy is attached as annexure I (amendments are highlighted in the policy for easy reference).

### **2.4.4 Indigent Policy**

The Indigent policy was adopted by Council on 28 May 2014. Council to adopt the draft Indigent Support Policy on 29 March 2017. The amended policy is attached as annexure J (amendments are highlighted in the policy for easy reference).

### **2.4.5 Investment and Cash Management Policy**

In terms of Section 13(2) of the Municipal Finance Management Act No. 56 of 2003, the municipality has adopted an investment and cash management policy. The policy was approved by Council on 31 May 2016. No amendments have been made to the policy.

#### **2.4.6 Long-Term Borrowings Policy**

A long-term borrowings policy has been developed in compliance with the Municipal Finance and Management Act No. 56 of 2003 and the Municipal Budget and Reporting Regulations on Debt Disclosure. Council adopted the long-term borrowing policy on 31 May 2016. No amendments have been made to the policy.

#### **2.4.7 Supply Chain Management Policy**

In terms of Section 111 of the Municipal Finance and Management Act No. 56 of 2003 the municipality must adopt a Supply Chain Management policy. The reviewed policy was approved by Council on 30 September 2015. The annual review of the policy is in progress and will be tabled at Council together with the final budget document in May. The current policy is attached as annexure H.

#### **2.4.8 Asset Management Policy**

The Asset Management policy was adopted on 29 May 2013 and provides guidance on the management of immovable assets (infrastructure, community facilities, public amenities, investment property and associated land and intangible assets). Council adopted the revised asset management policy on 29 May 2015. This policy is replaced by the Immoveable Asset Management policy and the Movable Asset policy. Council to adopt the draft Movable Asset policy and the draft Immoveable Asset Management policy on 29 March 2017. The policies are attached as annexure K and L respectively.

#### **2.4.9 Capital Infrastructure Investment Policy**

The Capital Infrastructure Investment Policy was adopted on 29 May 2014 and the objective is the adequate maintenance of assets so as to provide a return on the City's investment. No amendments have been made to the policy.

#### **2.4.10 Funding and Reserves Policy**

The Funding and Reserves policy was adopted by Council on 29 May 2013 and is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to

achieve its long term objectives through the implementation of the medium term operating and capital budgets. No amendments have been made to the policy.

#### **2.4.11 Policy on Long-Term Financial Planning**

The Policy on Long Term Financial Planning was adopted by Council on 29 May 2013 and encompasses the development, implementation and evaluation of a plan for the provision of basic municipal services and capital assets.

#### **2.4.12 Budget Implementation & Management Policy (Budget Virement Policy)**

The Budget Implementation & Management Policy (Budget Virement Policy) was adopted by Council on 31 May 2016 and is to effectively and efficiently manage the budget transfers to ensure optimum service delivery. Council to adopt the draft Supply Chain Management Policy on 29 March 2017. The amended policy is attached as annexure G (amendments are highlighted in the policy for easy reference).

#### **2.4.13 Budget Policy**

The Budget was adopted by Council the year 2007 and is to provide the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget, and adjustment budgets. Council adopted the revised budget policy on 31 May 2016. No amendments have been made to the policy.

#### **2.4.14 Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy**

This is a new policy and it has been formulated in terms of the provisions of section 29 and section 32 of the Local Government Municipal Finance Management Act (MFMA), 56 of 2003. Council to adopt the Unauthorised, Irregular, Fruitless and Wasteful Policy on 29 March 2017. The policy is attached as annexure M.

All the above policies are available and can be viewed on Buffalo City Metropolitan Municipality's Website: [www.buffalocitymetro.gov.za](http://www.buffalocitymetro.gov.za).



## 2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The 2017/18 – 2019/20 annual budget and MTREF was prepared using 2015/16 financial year's audit outcome and lessons learned from the 2016/17 budget and adjustment budget as a base. The guidelines and assumptions as outlined in the MFMA Circulars (85 and 86), National and Provincial Government priorities, including making reference to the Municipal Reporting and Budget Regulations;

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

- Efficient revenue management, which aims to ensure a 93.5% annual collection rate over the medium term for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Move from a flat-rate billing system to all consumers billed according to consumption;
- Implementation of an automated billing system as opposed to a manual meter reading process;
- Regular Supplementary Valuations performed.
- Implementation of a General Valuation every four years in terms of the Municipal Property Rates Act.
- Creating a conducive environment to attract potential investors.
- Review of the Spatial Development Plan to allow for human capital resources to be closer to economic and job opportunities.

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

- Our expenditure strategy is ensuring that capital expenditure is incurred in line with the requirements detailed in the Spatial Development Plan to ensure maximum return to the municipality.
- Re-prioritisation of expenditure to ensure any inefficiencies are eliminated to allow for own-funded capital programme.
- Additional funding to be allocated to the maintenance of the infrastructure.

### **2.5.1 Depreciation**

Buffalo City Metropolitan Municipality is attempting to comply with the guidelines provided by National Treasury in relation to future financial sustainability and has therefore implemented a revaluation policy relating to the roads infrastructure assets. It needs to be recognised that the whole reason for depreciation is to adequately allocate the cost of providing services against the revenue being generated. It further needs to be recognised within the Local Government environment that the resources being accumulated are to allow for the replacement of the asset which was originally created. Considering that the replacement of an asset that has reached its useful life will be the responsibility of Government through the various spheres including Local Government or, failing which, will become the responsibility of National Government. The determining factor would be then how much risk is borne by Local Government versus the risk borne by National Government. In order to adequately allow for the replacement of long term assets in the future, and to reduce the risk being placed on National Government to allow for the replacement, Buffalo City Metropolitan Municipality has implemented the revaluation policy for long term infrastructure assets. This does have the effect of increasing the monthly tariff to the local consumer, however it will allow for resources to be available to replace infrastructure assets that have reached the end of their useful lives.

As depreciation is an expenditure item which does not result in an outflow of cash, the effect would be to increase the cash resources that exist at a Local Government level. The main purpose of the increase in the cash resources is to allow for the replacement of infrastructure assets in the future. There is a further risk that a perception could be created with increasing cash resources that these are available for current use. Should these resources be utilised in an attempt to expand the city through the creation of additional infrastructure expansion it could have a severe adverse effect on the operations of the institutions in that any expansion will result in an additional depreciation charge as part of the budgeting process and, furthermore, there will be no funding available at a local government level to allow for the replacement of infrastructure assets which is currently in operation. This would place further risk on National Government to fund the replacement of these infrastructure assets.

It does need to be recognised that, even with the revaluation policy, to replace the asset will still require grants from National Government, however the grant assistance would be less than the amount required assuming the cost basis.

In the case of Buffalo City Metropolitan Municipality, there is a potential to increase the loan funding available to the institution to allow for the replacement of infrastructure assets as the institution has low gearing. It is recognised that this would be part of a solution to adequately fund the replacement of the infrastructure assets going into the future however this cannot be viewed as the complete solution. It needs to be recognised that there is a cost associated with borrowing funds together with the requirement to repay the capital associated with the loan. If not adequately planned, this could further burden the consumers and also result in asset stripping.

Buffalo City Metropolitan Municipality has recognised the requirement to replace the institutions infrastructure in the future and, together with the guidance being provided by National Treasury to achieve a sustainable institution, is attempting to implement policies which will achieve these goals. The revaluation of long tenure infrastructure assets is an attempt to correctly allocate the use of infrastructure assets against the income being generated thereby allowing for additional resources to be generated at a local government level to be accumulated to prevent the deterioration of services being offered to the consumers. The adverse effect of this policy is that a slightly higher monthly bill is expected to be paid by the consumers in relation to its peers, however this policy is specifically implemented in an attempt to allow for the replacement of infrastructure assets in the future. The institution does recognise that this is not a complete solution to the problem however through a mix of local government resources, budgeted surpluses, long term funding and grants from National Government, all of which are strategically planned for, the institution can allow for the replacement of existing aging infrastructure assets in the future.

## **2.5.2 General inflation outlook and its impact on the municipal activities**

There following are the key factors that have been taken into consideration in the compilation of the 2017/18 MTREF:

- National Government macro-economic targets for inflation is set to be 6.4% for the 2017/18 financial year.
- Salaries are set to increase by CPI plus one (7.4% in 2017) as guided by SALGA.
- Water bulk purchases are set to increase by 10% as negotiated with Amatola Water Board.
- Electricity bulk purchases are set to increase by 0.31% as per the guidelines received from NERSA.
- The City has adopted an aggressive approach with regards to budget on General Expenses and Contracted Services where cost containment measures have been put in place. General Expenses have been reduced by 8%, no annual increase has been allocated to Contracted Services.
- Repairs and maintenance has been increased by 10% and constitute 7.4% of the total operating expenditure. The City has recognized the target to be reached is 10%, however cognizance should be given to the impact on tariffs in this regard.
- The City approved an Asset Management Policy in the 2012/13 financial year. It was felt that in preparing this policy that the most appropriate valuation model for our roads and storm-water infrastructure as well as municipal properties would be the revaluation approach. The reason for this approach being used was specifically to allow for additional funding to be accumulated to replace and/or refurbish these infrastructure assets in the future. It needs to be recognized that if this approach was not followed there would be significant risk to the national fiscus and by implication National Treasury to be able to allow for significant additional funding for the replacement of these assets in the future. It is further emphasized that this approach is in line with National Treasury guidelines to ensure the institution remains financially viable. The resulting impact of this policy is a significant increase in depreciation being charged on an annual basis which is placing pressure on our operational budget and by inference our tariffs. An attempt

has however been made in the 2017/18 MTREF budget to keep tariff increases at affordable levels.

The table below indicate the budget assumptions that were used in preparing the 2017/18 MTREF budget:

**Table 43: 2016/2017 to 2019/2020 Budget Assumptions**

DESCRIPTION	2016/2017	2017/2018	2018/2019	2019/2020
National Treasury Headline Inflation Forecasts	6.60%	6.40%	5.70%	5.60%
Salaries	6.00%	7.40%	6.70%	6.60%
Electricity Purchases	7.86%	0.31%	0.31%	0.31%
Water Purchases	10.00%	10.00%	10.00%	10.00%
Free Basic Electricity	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.
Free Basic Water	6 kl p.m.	6 kl p.m.	6 kl p.m.	6 kl p.m.
Basic Welfare Package	R 572,42	R 623,11	R 671,97	R 727,12
Equitable Share Allocation	R 678 197 000	R 705 277 000	R 779 473 000	R 841 980 000
Bad Debt Provision	7,50%	7,50%	7,00%	6,50%
Property Rates	7.60%	9.60%	8.50%	0,08
Refuse Tariff	7.80%	9.80%	8.70%	0,086
Sewerage Tariff	7.80%	9.80%	8.70%	0,086
Electricity Tariff	7.64%	1.93%	1.76%	1.73%
Water Tariff	8.00%	9,50%	8,10%	8,00%
Fire Levy	7.60%	9.20%	8.00%	7,90%
Sundry Income	7.60%	9.20%	8.00%	7,90%

The City has continued to offer the indigents the free basic subsidy package as indicated below:

**Table 44: Indigent Subsidy Package**

	<b>Total Per Household 2016/2017</b>	<b>Total Per Household 2017/2018</b>	<b>Total Per Household 2018/2019</b>	<b>Total Per Household 2019/2020</b>
Rates	121,58	133,25	144,58	157,30
Refuse	184,31	202,37	219,98	239,78
Sewerage	95,69	105,07	114,21	124,49
Fire Levy	39,41	43,04	46,48	50,57
<b><u>Total Monthly Subsidy</u></b>	<b>440,99</b>	<b>483,73</b>	<b>525,25</b>	<b>572,14</b>
Electricity - 50kwh p.m.	59,93	61,08	62,16	63,23
Water - 6kl p.m.	71,51	78,30	84,56	91,75
<b><u>Total Poor Relief</u></b>	<b>572,42</b>	<b>623,11</b>	<b>671,97</b>	<b>727,12</b>

The guidance received from National Treasury in respect of DoRA and fuel levy has been included in the 2017/18 MTREF budget. .

**Table 45: Tariff increases over the medium-term**

<b>Description</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Rates	7.60%	9.60%	8.50%	8,00%
Refuse	7.80%	9.80%	8.70%	8,60%
Sewerage	7.80%	9.80%	8.70%	8,60%
Electricity	7.64%	1.93%	1.76%	1.73%
Water	8.00%	9,50%	8,10%	8,00%
Fire Levy	7.60%	9.20%	8.00%	7,90%
Sundry Income	7.60%	9.20%	8.00%	7,90%

### 2.5.3 Credit rating outlook

Table 46: Credit rating outlook

Security class	Currency	Rating	Annual rating 2015/16	Previous Rating
Short term	Rand	A1	June 2016	A1-
Long-term	Rand	A	June 2016	A
Outlook	Rand	Stable	June 2016	Positive

The rating definitions are:

- Short term: A1: Defined as, very high certainty of timely payment relative to other issuers or obligations in the same country. Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.
- Long-term: A: Defined as high credit quality relative to other issuers or obligations in the same country. Protection factors are good. However, risk factors are more variable and greater in periods of economic stress.

The City's last credit rating reflected a positive financially stable environment.

### 2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in financing arrangements to minimise its interest rate costs and risk. The average interest rate for borrowings is currently 10.17%. The municipality is has budgeted R54 million in the 2017/18 financial year, R68 million and R77 million in the two outer years respectively in respect of its existing long term borrowings and the new loan that is being sought by the City. The City is investing its cash reserves on various investing institution in line with the MFMA. The interest rate is currently 6.5% on primary bank account and 6.5% on investment call accounts. An amount of R157 million has been projected in the 2017/18 financial year, R170 million in the 2018/19 financial year and R183 million in the 2019/20 financial year.

### **2.5.5 Collection rate for revenue services**

The rate of revenue collection is currently at 87% (28 February 2017) of annual billings and arrear debt. Stricter control measures of the Credit Control Policy are being enforced, the collection of arrear debt will be utilised as a source of additional cash in-flow for funding future capital infrastructure projects. An amount of R323 million contribution towards bad debts has been provided for the 2017/18 financial year and is based on projected average collection ratio of 92.5% at the 30 June 2017.

### **2.5.6 Growth in the tax base of the municipality**

Revenue from own sources is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

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

### **2.5.7 Salary and Wage increases**

The guidance provided on MFMA Circular 86 as well as SALGA guideline has been followed in projecting salary and wage increases of CPI plus one. This is in line with the existing Salary and Wage Collective Agreement regarding salaries/wages.

### **2.5.8 Impact of National, Provincial and Local policies**

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



- Accelerate Public Infrastructure Investment;
- Support for special economic zones and manufacturing incentives;
- Further expansion of public works programmes
- Investment in renewable energy
- Overhaul procurement and supply chain management
- Creating jobs and reduce poverty
- Skill development;
- Rural development and agriculture; and
- Fighting crime and corruption.

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

#### **2.5.9 Ensuring maintenance of existing assets**

Repairs and maintenance has been budgeted at 7.4% of the total operating expenditure. The city has recognised the target to be reached is 10%, however cognizance should be given to the impact on tariffs in this regard. Substantial budget allocation has been made for renewal of existing assets as detailed in the capital program section.

#### **2.5.10 Ability of the municipality to spend and deliver on the programmes**

The establishment of the Enterprise Project Management Office (EPMO) Office has assisted capital spending of the City. It is anticipated that the spending pattern will continue to improve in the MTREF period.

## 2.6 OVERVIEW OF BUDGET FUNDING

The 2017/18 MTREF budget is fully funded utilising receipts from the following funding sources:

- Own Funds (Internally Generated Funds and Borrowing)
- Division of Revenue Act (National Revenue Fund) including Equitable Share
- Provincial Government
- Fuel levy
- Other Grants and subsidies

### 2.6.1 Tariff Increases over the Medium-term

Consideration of bad economic climate that is affecting the City's consumers was taken into consideration when determining the tariff increases. Ensuring that tariffs are fully recovering the costs of running the service was also given high consideration in determining the tariff increases.

The table below reflects the proposed tariffs for the 2017/2018 MTREF period.

**Table 47: Tariff increases 2016/17 to 2019/20**

Description	2016/2017	2017/2018	2018/2019	2019/2020
Rates	7.60%	9.60%	8.50%	8,00%
Refuse	7.80%	9.80%	8.70%	8,60%
Sewerage	7.80%	9.80%	8.70%	8,60%
Electricity	7.64%	1.93%	1.76%	1.73%
Water	8.00%	9,50%	8,10%	8,00%
Fire Levy	7.60%	9.20%	8.00%	7,90%
Sundry Income	7.60%	9.20%	8.00%	7,90%

## 2.6.2 Detailed Investment

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

**Table 48: MBRR Table SA15 – Detail Investment Information**

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		1 966 369	2 137 189	2 152 490	2 410 242	2 410 242	2 410 242	2 574 610	2 769 727	3 063 948
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Municipality sub-total</b>	1	<b>1 966 369</b>	<b>2 137 189</b>	<b>2 152 490</b>	<b>2 410 242</b>	<b>2 410 242</b>	<b>2 410 242</b>	<b>2 574 610</b>	<b>2 769 727</b>	<b>3 063 948</b>
<b>Entities</b>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		1 213	1 264	-	1 369	1 398	1 398	1 473		
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
<b>Entities sub-total</b>		<b>1 213</b>	<b>1 264</b>	<b>-</b>	<b>1 369</b>	<b>1 398</b>	<b>1 398</b>	<b>1 473</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>1 967 582</b>	<b>2 138 453</b>	<b>2 152 490</b>	<b>2 411 611</b>	<b>2 411 640</b>	<b>2 411 640</b>	<b>2 576 083</b>	<b>2 769 727</b>	<b>3 063 948</b>

**Table 49: MBRR Table SA16 – Investment particulars by maturity**

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<b>Parent municipality</b>														
RMB		Various	Short Term / Call	No	Variable	0,065	0	0	Various	602 560	39 251	1 841	-	643 652
Standard Bank		Various	Short Term / Call	No	Variable	0,065	0	0	Various	301 280	19 625	921	-	321 826
Stanlib		Various	Short Term / Call	No	Variable	0,0769	0	0	Various	301 280	19 625	921	-	321 826
ABSA		Various	Short Term / Call	No	Variable	0,065	0	0	Various	602 560	39 251	1 841	-	643 652
Nedbank		Various	Short Term / Call	No	Variable	0,065	0	0	Various	602 560	39 251	1 841	-	643 652
														-
														-
<b>Municipality sub-total</b>										<b>2 410 242</b>		<b>7 366</b>	<b>-</b>	<b>2 574 610</b>
<b>Entities</b>														
First National Bank - 62098719358		N/A	Commercial Money Market		Variable	5,40%	-	-	Ongoing	1 398	75	-	-	1 473
														-
														-
														-
														-
														-
<b>Entities sub-total</b>										<b>1 398</b>		<b>-</b>	<b>-</b>	<b>1 473</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>1</b>									<b>2 411 640</b>		<b>7 366</b>	<b>-</b>	<b>2 576 083</b>

### 2.6.3 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital programme:

**Table 50: MBRR Table A5 - Sources of capital revenue over the MTREF**

Vote Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funded by:</b>										
National Government	722 854	565 914	670 394	741 969	715 886	715 886	715 886	795 307	931 440	999 542
Provincial Government	11 649	49 578	-	106 300	14 592	14 592	14 592	-	-	-
District Municipality	-	-	-	-	(229)	(229)	(229)	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>734 503</b>	<b>615 492</b>	<b>670 394</b>	<b>848 269</b>	<b>730 249</b>	<b>730 249</b>	<b>730 249</b>	<b>795 307</b>	<b>931 440</b>	<b>999 542</b>
<b>Public contributions &amp; donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69 582</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>159 000</b>	<b>329 000</b>	<b>426 000</b>
<b>Internally generated funds</b>	<b>100 136</b>	<b>314 558</b>	<b>515 933</b>	<b>640 283</b>	<b>761 199</b>	<b>761 199</b>	<b>761 199</b>	<b>683 873</b>	<b>905 578</b>	<b>855 850</b>
<b>Total Capital Funding</b>	<b>834 638</b>	<b>930 050</b>	<b>1 186 327</b>	<b>1 558 134</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 491 448</b>	<b>1 638 180</b>	<b>2 166 018</b>	<b>2 281 392</b>

## 2.6.4 Details of Borrowings

The repayment of capital and interest (debt services costs) has substantially increased over the past three years. The City will be acquiring additional loan in the 2017/18 MTREF period amounting to approximately R434 million to fund the Sewer Diversion Tunnel Project. This project is critical in unlocking development in the Amalinda Junction, Wilsonia, Fort Jackson and Reeston area. The development would contribute to the revenue base of the City. A further loan of R290 million will be acquired for Umzonyana Dam Upgrade which is a crucial project for improving the City's capacity in water supply at affordable tariffs.

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

**Table 51: MBRR Table SA17 - Details of borrowings**

Borrowing - Categorised by type R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Parent municipality</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		542 574	496 477	445 768	514 234	444 652	444 652	492 051	716 780	980 509
Local registered stock										
Instalment Credit										
Financial Leases		3 425	767	-	3 941	3 941	3 941	3 941	3 941	3 941
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	<b>545 999</b>	<b>497 244</b>	<b>445 768</b>	<b>518 175</b>	<b>448 593</b>	<b>448 593</b>	<b>495 992</b>	<b>720 721</b>	<b>984 450</b>
<b>Entities</b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	1	<b>545 999</b>	<b>497 244</b>	<b>445 768</b>	<b>518 175</b>	<b>448 593</b>	<b>448 593</b>	<b>495 992</b>	<b>720 721</b>	<b>984 450</b>

## 2.6.5 Capital Transfers and Grant Receipts

**Table 52: MBRR Table SA 18 - Capital transfers and grant receipts**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>RECEIPTS:</b>	1, 2									
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		619 676	664 712	714 004	741 969	715 886	715 886	795 307	931 440	999 542
Urban Settlement Development Grant		569 797	639 025	679 784	656 054	642 754	642 754	705 084	719 151	771 813
Infrastructure Skills Development Grant		100	100	100	100	100	100			
Energy Efficiency and Demand Management		4 579	–	4 000	–	–	–	–	–	–
Public Transport Network Grant		20 000	–	–	35 289	30 289	30 289	48 167	150 732	160 530
Neighbourhood Development Partnership		–	5 000	–	19 346	–	–	10 000	20 000	25 000
Integrated National Electrification Programme		25 000	20 587	30 000	25 000	36 613	36 613	25 000	30 000	30 000
Finance Management Grant		200	–	120	100	50	50	100	100	100
Integrated City Development Grant		–	–	–	6 080	6 080	6 080	6 956	11 457	12 099
Municipal Human Settlement Capacity Grant		–	–	–						
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		29 025	–	–	106 300	13 647	13 647	–	–	–
Human Settlement Development Grant		29 025	–	–	106 300	–	–			
Dept Sport, Recreation, Arts and Culture (DSRAC)		–	–	–	–	4 411	4 411			
Dept of Local Government and Traditional Affairs		–	–	–	–	9 036	9 036			
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		–	–	–	–	199	199			
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–			
<b>Other grant providers:</b>		1 050	102	41	–	716	716	–	–	–
Public Funding		340	102	–	–	–	–			
European Commission		–	–	–	–	–	–			
BCMET Funding		710	–	–	–	487	487			
Gavle		–	–	41	–	229	229			
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	649 751	664 813	714 045	848 269	730 249	730 249	795 307	931 440	999 542
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		1 807 941	1 833 939	1 902 022	2 167 997	2 086 663	2 086 663	2 161 820	2 448 451	2 611 308

## 2.6.6 Cash Flow Management

BCMM is projecting a favourable cash position of R2.7 billion at 30 June 2018 and it is projected to be R2.8 billion at 30 June 2019 (2020: R3 billion).

**Table 53: MBRR Table A7 – Budgeted cash flow**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		672 957	794 519	865 235	1 038 701	1 038 701	1 038 701	1 038 701	1 138 416	1 241 858	1 348 418
Service charges		2 198 960	2 424 753	2 749 648	2 708 964	2 708 964	2 708 964	2 708 964	2 840 944	2 982 509	3 132 358
Other revenue		447 934	84 777	73 095	330 374	330 305	330 305	330 305	360 693	391 654	424 867
Government - operating	1	812 186	948 263	963 670	1 319 728	1 356 414	1 356 414	1 356 414	1 366 513	1 517 011	1 611 766
Government - capital	1	734 503	615 492	670 394	848 269	730 249	730 249	730 249	795 307	931 440	999 542
Interest		123 654	159 221	187 436	178 495	178 426	178 426	178 426	193 843	208 500	224 075
Dividends		-	-	-	-	-	-	-	0	-	-
<b>Payments</b>											
Suppliers and employees		(3 821 719)	(3 718 728)	(3 822 207)	(4 430 013)	(4 534 446)	(4 534 446)	(4 534 446)	(4 677 215)	(5 024 329)	(5 323 410)
Finance charges		(65 777)	(60 674)	(54 878)	(57 113)	(52 105)	(52 105)	(52 105)	(54 318)	(68 639)	(77 365)
Transfers and Grants	1	(144 964)	(234 175)	(237 321)	(288 468)	(303 624)	(303 624)	(303 624)	(65 833)	(67 554)	(69 345)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>957 735</b>	<b>1 013 447</b>	<b>1 395 072</b>	<b>1 648 938</b>	<b>1 452 884</b>	<b>1 452 884</b>	<b>1 452 884</b>	<b>1 898 350</b>	<b>2 112 450</b>	<b>2 270 906</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		766	6 364	10 841	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		14	16	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		892	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(588 536)	(930 050)	(1 186 373)	(1 558 134)	(1 491 448)	(1 491 448)	(1 491 448)	(1 638 180)	(2 166 018)	(2 281 392)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(586 864)</b>	<b>(923 670)</b>	<b>(1 175 532)</b>	<b>(1 558 134)</b>	<b>(1 491 448)</b>	<b>(1 491 448)</b>	<b>(1 491 448)</b>	<b>(1 638 180)</b>	<b>(2 166 018)</b>	<b>(2 281 392)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	69 582	-	-	-	159 000	329 000	426 000
Increase (decrease) in consumer deposits		(681)	3 667	5 203	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		(49 072)	(57 336)	(49 702)	(51 825)	(51 825)	(51 825)	(51 825)	(56 358)	(80 315)	(121 293)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(49 753)</b>	<b>(53 669)</b>	<b>(44 499)</b>	<b>17 757</b>	<b>(51 825)</b>	<b>(51 825)</b>	<b>(51 825)</b>	<b>102 642</b>	<b>248 685</b>	<b>304 707</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>321 118</b>	<b>36 108</b>	<b>175 041</b>	<b>108 561</b>	<b>(90 389)</b>	<b>(90 389)</b>	<b>(90 389)</b>	<b>362 812</b>	<b>195 117</b>	<b>294 221</b>
Cash/cash equivalents at the year begin:	2	1 843 315	2 164 433	2 200 541	2 382 186	2 382 186	2 382 186	2 382 186	2 291 798	2 654 610	2 849 727
Cash/cash equivalents at the year end:	2	2 164 433	2 200 541	2 375 582	2 490 747	2 291 798	2 291 798	2 291 798	2 654 610	2 849 727	3 143 948



### 2.6.6.1 Cash Backed Reserves/Accumulated Surplus Reconciliation

The table below indicates the cash and investments available after some provisions which increases from R2.4 billion in the 2017/18 financial year to R2.6 billion in the 2019/20 financial year. With the introduction of GRAP the institution was required to account for all assets, including those which had been implemented historically by both pre and post 1994 Governments. This resulted in a significant increase in the accumulated surplus associated with the take on of assets. Furthermore, the institution has implemented the revaluation model for accounting for roads and storm water as well as municipal properties which has contributed further to additional surpluses. In analysing the accumulated depreciation associated with the identified infrastructure assets and comparing that to the net asset position of the institution it has been determined that there is currently a funding deficit of over R10 billion required for the future replacement of infrastructure assets.

**Table 54: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	2 164 433	2 200 541	2 375 582	2 490 747	2 291 798	2 291 798	2 291 798	2 654 610	2 849 727	3 143 948
Other current investments > 90 days		-	0	(0)	139	199 088	199 088	199 088	0	(0)	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>2 164 433</b>	<b>2 200 541</b>	<b>2 375 582</b>	<b>2 490 886</b>	<b>2 490 886</b>	<b>2 490 886</b>	<b>2 490 886</b>	<b>2 654 610</b>	<b>2 849 727</b>	<b>3 143 948</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		213 718	191 539	211 266	124 080	124 080	124 080	124 080	136 488	150 137	165 150
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	42 927	(42 107)	(38 183)	(123 547)	(123 090)	(123 090)	(274 250)	(144 112)	(46 233)	30 409
Other provisions		184 142	176 668	185 085	276 800	276 800	276 800	276 800	304 480	334 928	368 421
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>440 787</b>	<b>326 100</b>	<b>358 168</b>	<b>277 333</b>	<b>277 790</b>	<b>277 790</b>	<b>126 630</b>	<b>296 856</b>	<b>438 832</b>	<b>563 980</b>
<b>Surplus(shortfall)</b>		<b>1 723 646</b>	<b>1 874 441</b>	<b>2 017 413</b>	<b>2 213 552</b>	<b>2 213 095</b>	<b>2 213 095</b>	<b>2 364 255</b>	<b>2 357 753</b>	<b>2 410 895</b>	<b>2 579 968</b>

## 2.6.6.2 Funding compliance measurement

From a cash flow perspective (cash outflow versus cash inflow) the budget is fully funded and is therefore credible. The challenge for the City will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

**Table 55: MBRR Table SA10 – Funding compliance measurement**

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	2 164 433	2 200 541	2 375 582	2 490 747	2 291 798	2 291 798	2 291 798	2 654 610	2 849 727	3 143 948
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 723 646	1 874 441	2 017 413	2 213 552	2 213 095	2 213 095	2 364 255	2 357 753	2 410 895	2 579 968
Cash year end/monthly employee/supplier payments	18(1)b	3	8,5	7,7	7,9	7,4	6,8	6,8	6,8	7,3	7,4	7,9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	604 192	347 146	653 750	849 347	734 212	734 212	734 212	797 323	934 490	1 003 102
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	6,1%	6,3%	6,1%	(6,0%)	(6,0%)	(6,0%)	0,2%	(0,4%)	(0,5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	92,8%	85,1%	85,2%	91,8%	91,7%	91,7%	91,7%	91,5%	92,3%	92,8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	8,4%	11,3%	5,8%	7,5%	7,5%	7,5%	7,5%	7,5%	7,0%	6,5%
Capital payments % of capital expenditure	18(1)c;19	8	70,5%	100,0%	100,0%	100,0%	99,8%	99,8%	99,8%	99,9%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	9,8%	0,0%	0,0%	0,0%	18,8%	26,6%	33,2%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	20,6%	49,0%	(19,9%)	0,0%	0,0%	17,7%	11,4%	(2,7%)	0,7%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(65,0%)	(100,0%)	0,0%	0,0%	0,0%	0,0%	10,0%	10,0%	10,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2,4%	2,3%	2,7%	3,1%	3,1%	3,1%	3,4%	3,2%	3,2%	3,2%
Asset renewal % of capital budget	20(1)(vi)	14	10,0%	54,0%	59,2%	38,1%	31,7%	31,7%	0,0%	38,0%	42,3%	39,3%

### **2.6.6.3 Cash/cash equivalent position**

BCMM is also projecting a favourable cash position, which currently projected to be R2.3 billion at 30 June 2017 and is projected to be R2.7 billion at 30 June 2018 (2019: R2.8 billion and 2020: R3.1 billion).

### **2.6.6.4 Cost Coverage**

The projected cost coverage, including conditional grants is projected to be 7.3 months at 30 June 2018 and is projected to remain around 7 months over the MTREF period. This is within the norm of maintaining a cost coverage that is not less than 3 months.

### **2.6.6.5 Surplus/deficit**

The City has adopted the approach to cash back its depreciation on a year-to-year basis in order to renew and/or refurbish its existing infrastructure assets. The projected surplus for the 2017/18 financial year is R0.9 million (2018/19: R2 million and 2019/20 R2.6 million).

### **2.6.6.6 Property Rates/service charge revenue as a percentage increase less macro inflation target**

In order for the trading services to breakeven and/or generate a surplus the revenue income percentage increase is set slightly above inflation. This trend will have to be carefully monitored and managed with the implementation of the budget.

### **2.6.6.7 Cash receipts as a percentage of ratepayer and other revenue**

The rate of revenue collection is currently at 87% (28 February 2017) of annual billings and arrear debt. Stricter control measures of the Credit Control Policy are being enforced, the collection of arrear debt will be utilised as a source of additional cash in-flow for funding future capital infrastructure projects. It is projected that the average collection rate at 30 June 2017 will be 92.5%.

#### **2.6.6.8 Debt impairment expense as a percentage of billable revenue**

An amount of R323 million contribution towards bad debts has been provided for in the 2017/18 financial year of the MTREF and is based on an average collection ratio of 92.5%.

#### **2.6.6.9 Repairs and maintenance expenditure level**

The City is having a consistent trend of spending above 90% of its repairs and maintenance budget. The allocation of repairs and maintenance is 7.4% of operating expenditure budget in the MTREF. Substantial own funding has been allocated to renew existing assets. Budget details are contained in SA34C.

#### **2.6.6.10 Asset renewal/rehabilitation expenditure level**

Details of the City's strategy pertaining to asset management and repairs and maintenance is contained in SA34B.

## 2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 56: MBRR Table SA19 - Expenditure on transfers and grant programmes

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>683 033</b>	<b>743 481</b>	<b>763 536</b>	<b>1 174 961</b>	<b>1 193 311</b>	<b>1 193 311</b>	<b>1 260 713</b>	<b>1 396 741</b>	<b>1 493 557</b>
Local Government Equitable Share		653 660	656 949	655 141	678 197	678 197	678 197	705 277	779 473	841 980
Urban Settlement Development Grant		20 855	78 087	98 783	75 445	88 745	88 745	63 044	87 706	80 572
Finance Management		1 294	1 474	1 194	1 200	1 250	1 250	1 200	900	900
EPWP Incentive		3 278	1 596	1 034	1 188	1 188	1 188	4 952	-	-
Infrastructure Skills Development Grant		3 946	5 376	4 186	8 900	8 900	8 900	10 560	11 800	13 517
Water Services Operating Subsidy		-	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant		-	-	3 198	-	-	-	-	-	-
Public Transport Network Grant		-	-	-	-	5 000	5 000	7 702	10 500	10 000
General Fuel Levy		-	-	-	410 031	410 031	410 031	467 978	506 362	546 588
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		<b>124 596</b>	<b>200 665</b>	<b>197 334</b>	<b>141 272</b>	<b>162 289</b>	<b>162 289</b>	<b>105 800</b>	<b>120 270</b>	<b>118 209</b>
Department of Water Affairs		2 313	-	-	-	-	-	-	-	-
DSRAC - Library Subsidy		7 276	-	9 638	15 000	15 000	15 000	15 000	15 870	16 759
Department of Public Works		-	-	-	2 470	2 470	2 470	-	-	-
Human Settlement Development Grant		114 162	191 535	183 810	123 802	144 819	144 819	90 800	104 400	101 450
Dept of Economic Development, Environmental Affairs and		-	3 462	-	-	-	-	-	-	-
Local Government & Traditional Affairs		526	5 587	3 130	-	-	-	-	-	-
Dept Sport, Recreation, Arts and Culture (DSRAC)		-	-	30	-	-	-	-	-	-
Department of Land Affairs		318	82	727	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		<b>1 200</b>	<b>1 004</b>	<b>376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Health Subsidy - Environmental Health		1 200	1 004	376	-	-	-	-	-	-
<b>Other grant providers:</b>		<b>3 338</b>	<b>3 363</b>	<b>2 424</b>	<b>3 496</b>	<b>815</b>	<b>815</b>	<b>-</b>	<b>-</b>	<b>-</b>
SETA - Skills Development		3 130	2 324	2 309	-	-	-	-	-	-
Donor Funding - Leiden & Galve		46	41	-	-	229	229	-	-	-
Salaida		162	-	-	-	-	-	-	-	-
Transnet		-	-	-	3 000	-	-	-	-	-
Trust Funds		-	-	-	496	496	496	-	-	-
Umsobomvu Youth Fund		-	-	-	-	90	90	-	-	-
BCMET Funding		-	522	-	-	-	-	-	-	-
Donor Funding - European Commission		-	467	116	-	-	-	-	-	-
City of Oldenburg		-	9	-	-	-	-	-	-	-
Vuna Awards		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>812 167</b>	<b>948 513</b>	<b>963 670</b>	<b>1 319 728</b>	<b>1 356 414</b>	<b>1 356 414</b>	<b>1 366 513</b>	<b>1 517 011</b>	<b>1 611 766</b>

**MBRR Table SA19 - Expenditure on transfers and grant programmes (continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>EXPENDITURE:</b>	1									
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>722 854</b>	<b>565 914</b>	<b>596 567</b>	<b>741 969</b>	<b>715 886</b>	<b>715 886</b>	<b>795 307</b>	<b>931 440</b>	<b>999 542</b>
Urban Settlement Development Grant		693 162	540 452	576 870	656 054	642 754	642 754	705 084	719 151	771 813
Infrastructure Skills Development Grant		23	-	88	100	100	100	-	-	-
Energy Efficiency and Demand Management		4 578	-	3 998	-	-	-	-	-	-
Public Transport Network Grant		-	-	-	35 289	30 289	30 289	48 167	150 732	160 530
Neighbourhood Development Partnership		-	4 885	-	19 346	-	-	10 000	20 000	25 000
Integrated National Electrification Programme		24 997	20 577	10 517	25 000	36 613	36 613	25 000	30 000	30 000
Finance Management		94	-	102	100	50	50	100	100	100
Integrated City Development Grant		-	-	4 908	6 080	6 080	6 080	6 956	11 457	12 099
Municipal Human Settlement Capacity Grant		-	-	83	-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
<b>Provincial Government:</b>		<b>10 506</b>	<b>49 322</b>	<b>73 827</b>	<b>106 300</b>	<b>13 647</b>	<b>13 647</b>	<b>-</b>	<b>-</b>	<b>-</b>
Human Settlement Development Grant		9 460	47 829	70 224	106 300	-	-	-	-	-
Dept Sport, Recreation, Arts and Culture (DSRAC)		1 046	1 377	3 603	-	4 411	4 411	-	-	-
Dept of Local Government and Traditional Affairs		-	-	-	-	9 036	9 036	-	-	-
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		-	117	-	-	199	199	-	-	-
Other capital transfers/grants [insert description]										
<b>District Municipality:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Health Subsidy - Environmental Health</i>										
<b>Other grant providers:</b>		<b>1 143</b>	<b>256</b>	<b>-</b>	<b>-</b>	<b>716</b>	<b>716</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Public Funding</i>		-	-	-	-	-	-	-	-	-
<i>European Commission</i>		-	-	-	-	-	-	-	-	-
<i>BCMETS Funding</i>		1 143	256	-	-	487	487	-	-	-
<i>Gavle</i>		-	-	-	-	229	229	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>734 503</b>	<b>615 492</b>	<b>670 394</b>	<b>848 269</b>	<b>730 249</b>	<b>730 249</b>	<b>795 307</b>	<b>931 440</b>	<b>999 542</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>1 546 670</b>	<b>1 564 006</b>	<b>1 634 064</b>	<b>2 167 997</b>	<b>2 086 663</b>	<b>2 086 663</b>	<b>2 161 820</b>	<b>2 448 451</b>	<b>2 611 308</b>

**Table 57: MBRR Table SA20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		–	45 704	49 460				–	–	–
Current year receipts		706 873	697 778	714 076	1 174 961	1 193 311	1 193 311	1 260 713	1 396 741	1 493 557
<b>Conditions met - transferred to revenue</b>		<b>683 033</b>	<b>743 481</b>	<b>763 536</b>	<b>1 174 961</b>	<b>1 193 311</b>	<b>1 193 311</b>	<b>1 260 713</b>	<b>1 396 741</b>	<b>1 493 557</b>
Conditions still to be met - transferred to liabilities		23 841	–	–				–	–	–
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		21 454	93 867	96 920				–	–	–
Current year receipts		103 141	106 798	100 414	141 272	162 289	162 289	105 800	120 270	118 209
<b>Conditions met - transferred to revenue</b>		<b>124 596</b>	<b>200 665</b>	<b>197 334</b>	<b>141 272</b>	<b>162 289</b>	<b>162 289</b>	<b>105 800</b>	<b>120 270</b>	<b>118 209</b>
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year		–	–	–				–	–	–
Current year receipts		1 288	1 004	376	–	–	–	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>1 200</b>	<b>1 004</b>	<b>376</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		88	–	–						
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		162	451	116				–	–	–
Current year receipts		3 475	2 911	3 026	3 496	815	815	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>3 338</b>	<b>3 363</b>	<b>2 424</b>	<b>3 496</b>	<b>815</b>	<b>815</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities		299	–	718						
<b>Total operating transfers and grants revenue</b>		<b>812 167</b>	<b>948 513</b>	<b>963 670</b>	<b>1 319 728</b>	<b>1 356 414</b>	<b>1 356 414</b>	<b>1 366 513</b>	<b>1 517 011</b>	<b>1 611 766</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>24 228</b>	<b>–</b>	<b>718</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**MBRR Table SA20 - Reconciliation between of transfers, grant receipts and unspent funds (continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		112 078	8 900	2 242	11 613	11 613	11 613	-	-	-
Current year receipts		619 676	655 590	714 004	741 969	715 886	715 886	795 307	931 440	999 542
<b>Conditions met - transferred to revenue</b>		<b>722 854</b>	<b>565 914</b>	<b>596 567</b>	<b>741 969</b>	<b>715 886</b>	<b>715 886</b>	<b>795 307</b>	<b>931 440</b>	<b>999 542</b>
Conditions still to be met - transferred to liabilities		8 900	98 577	119 679	11 613	11 613	11 613	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		16 687	74 009	73 827	-	13 647	13 647	-	-	-
Current year receipts		29 025	-	-	106 300	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>10 506</b>	<b>49 322</b>	<b>73 827</b>	<b>106 300</b>	<b>13 647</b>	<b>13 647</b>	-	-	-
Conditions still to be met - transferred to liabilities		35 207	24 687	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		1 979	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		1 979	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		18	256	-	-	716	716	-	-	-
Current year receipts		340	102	41	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>1 143</b>	<b>256</b>	<b>-</b>	<b>-</b>	<b>716</b>	<b>716</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		(785)	102	41	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		<b>734 503</b>	<b>615 492</b>	<b>670 394</b>	<b>848 269</b>	<b>730 249</b>	<b>730 249</b>	<b>795 307</b>	<b>931 440</b>	<b>999 542</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>45 301</b>	<b>123 365</b>	<b>119 720</b>	<b>11 613</b>	<b>11 613</b>	<b>11 613</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>1 546 670</b>	<b>1 564 006</b>	<b>1 634 064</b>	<b>2 167 997</b>	<b>2 086 663</b>	<b>2 086 663</b>	<b>2 161 820</b>	<b>2 448 451</b>	<b>2 611 308</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>69 528</b>	<b>123 365</b>	<b>120 438</b>	<b>11 613</b>	<b>11 613</b>	<b>11 613</b>	<b>-</b>	<b>-</b>	<b>-</b>



## 2.8 COUNCILLOR AND EMPLOYEE BENEFITS

**Table 58: MBRR Table SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages					33 999	33 999	33 999	36 515	38 961	41 533
Pension and UIF Contributions					3 495	3 495	3 495	3 754	4 005	4 270
Medical Aid Contributions					1 987	1 987	1 987	2 134	2 277	2 427
Motor Vehicle Allowance					13 412	13 412	13 412	14 405	15 370	16 384
Cellphone Allowance					2 279	2 279	2 279	2 447	2 611	2 784
Housing Allowances					2 927	2 927	2 927	3 144	3 355	3 576
Other benefits and allowances					-	-	-	-	-	-
<b>Sub Total - Councillors</b>					<b>58 099</b>	<b>58 099</b>	<b>58 099</b>	<b>62 398</b>	<b>66 579</b>	<b>70 973</b>
<b>% increase</b>	4				-	-	-	<b>7,4%</b>	<b>6,7%</b>	<b>6,6%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages					12 192	12 192	12 192	13 917	15 412	16 590
Pension and UIF Contributions					2 216	2 216	2 216	2 568	2 844	3 061
Medical Aid Contributions					262	262	262	255	282	304
Overtime					-	-	-	-	-	-
Performance Bonus					-	-	-	-	-	-
Motor Vehicle Allowance	3				2 630	2 630	2 630	2 974	3 293	3 545
Cellphone Allowance	3				414	414	414	-	-	-
Housing Allowances	3				-	-	-	469	519	559
Other benefits and allowances	3				2 202	2 202	2 202	2 468	2 733	2 942
Payments in lieu of leave					-	-	-	-	-	-
Long service awards					-	-	-	-	-	-
Post-retirement benefit obligations	6				-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>					<b>19 916</b>	<b>19 916</b>	<b>19 916</b>	<b>22 650</b>	<b>25 084</b>	<b>27 001</b>
<b>% increase</b>	4				-	-	-	<b>13,7%</b>	<b>10,7%</b>	<b>7,6%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages					913 258	888 258	888 258	1 038 340	1 149 893	1 237 782
Pension and UIF Contributions					174 823	174 823	174 823	198 381	219 694	236 486
Medical Aid Contributions					81 759	81 759	81 759	93 096	103 097	110 977
Overtime					72 218	72 218	72 218	73 819	81 750	87 998
Performance Bonus					-	-	-	-	-	-
Motor Vehicle Allowance	3				30 051	30 051	30 051	33 980	37 631	40 507
Cellphone Allowance	3				3 884	3 884	3 884	4 392	4 864	5 235
Housing Allowances	3				14 767	14 767	14 767	16 980	18 804	20 241
Other benefits and allowances	3				179 077	179 077	179 077	202 711	224 489	241 647
Payments in lieu of leave					16 209	16 209	16 209	18 327	20 296	21 848
Long service awards					18 925	18 925	18 925	21 399	23 697	25 509
Post-retirement benefit obligations	6				6 181	6 181	6 181	7 143	7 910	8 515
<b>Sub Total - Other Municipal Staff</b>					<b>1 511 153</b>	<b>1 486 153</b>	<b>1 486 153</b>	<b>1 708 567</b>	<b>1 892 125</b>	<b>2 036 744</b>
<b>% increase</b>	4				-	<b>(1,7%)</b>	-	<b>15,0%</b>	<b>10,7%</b>	<b>7,6%</b>
<b>Total Parent Municipality</b>					<b>1 589 167</b>	<b>1 564 167</b>	<b>1 564 167</b>	<b>1 793 615</b>	<b>1 983 788</b>	<b>2 134 718</b>
					-	<b>(1,6%)</b>	-	<b>14,7%</b>	<b>10,6%</b>	<b>7,6%</b>

**MBRR Table SA22 - Summary of councillor and staff benefits (Continued)**

Summary of Employee and Councillor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand		A	B	C	D	E	F	G	H	I
<b>Board Members of Entities</b>	1									
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		174	665	-	566	561	561	850	901	955
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		<b>174</b>	<b>665</b>	<b>-</b>	<b>566</b>	<b>561</b>	<b>561</b>	<b>850</b>	<b>901</b>	<b>955</b>
<b>% increase</b>	4		<b>283,4%</b>	<b>(100,0%)</b>	<b>-</b>	<b>(0,9%)</b>	<b>-</b>	<b>51,5%</b>	<b>6,0%</b>	<b>6,0%</b>
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		-	-	-	5 580	4 801	4 801	4 758	5 150	5 573
Pension and UIF Contributions		-	-	-	-	602	602	684	755	811
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	135	-	-	528	568	611
Motor Vehicle Allowance	3	-	-	-	-	-	-	408	408	408
Cellphone Allowance	3	-	-	-	74	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5 790</b>	<b>5 402</b>	<b>5 402</b>	<b>6 377</b>	<b>6 881</b>	<b>7 402</b>
<b>% increase</b>	4		<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,7%)</b>	<b>-</b>	<b>18,0%</b>	<b>7,9%</b>	<b>7,6%</b>
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	6 322	3 984	3 984	6 748	7 270	7 832
Pension and UIF Contributions		-	-	-	-	386	386	732	788	847
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	22	-	-	465	813	875
Motor Vehicle Allowance	3	-	-	-	-	-	-	126	126	126
Cellphone Allowance	3	-	-	-	91	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>6 435</b>	<b>4 370</b>	<b>4 370</b>	<b>8 071</b>	<b>8 997</b>	<b>9 681</b>
<b>% increase</b>	4		<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,1%)</b>	<b>-</b>	<b>84,7%</b>	<b>11,5%</b>	<b>7,6%</b>
<b>Total Municipal Entities</b>		<b>174</b>	<b>665</b>	<b>-</b>	<b>12 791</b>	<b>10 333</b>	<b>10 333</b>	<b>15 298</b>	<b>16 779</b>	<b>18 039</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>174</b>	<b>665</b>	<b>-</b>	<b>1 601 959</b>	<b>1 574 501</b>	<b>1 574 501</b>	<b>1 808 913</b>	<b>2 000 567</b>	<b>2 152 756</b>
<b>% increase</b>	4		<b>283,4%</b>	<b>(100,0%)</b>	<b>-</b>	<b>(1,7%)</b>	<b>-</b>	<b>14,9%</b>	<b>10,6%</b>	<b>7,6%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 543 294</b>	<b>1 515 841</b>	<b>1 515 841</b>	<b>1 745 665</b>	<b>1 933 087</b>	<b>2 080 828</b>

**Table 59: MBRR Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4	1	685 382	118 447	386 084			1 189 913
Chief Whip		1	642 544	130 972	321 147			1 094 664
Executive Mayor		1	848 645	37 107	576 267			1 462 018
Deputy Executive Mayor		1	685 382	43 246	461 284			1 189 911
Executive Committee		1	5 782 901	838 547	3 654 096			10 275 544
Total for all other councillors		11	27 869 873	4 719 195	14 596 997			47 186 064
<b>Total Councillors</b>	8	16	36 514 726	5 887 513	19 995 875			62 398 114
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 402 068	438 518	552 147			2 392 732
Chief Finance Officer			1 168 390	355 459	576 626			2 100 475
Director of Engineering Services			1 158 363	335 154	606 350			2 099 867
Director of Public Safety and Health			1 158 363	361 810	597 587			2 117 760
Director Of Municipal Services			1 158 363	361 810	597 587			2 117 760
Director Of Humman Settlement			1 158 363	361 810	597 587			2 117 760
<i>List of each official with packages &gt;= senior manager</i>								
Director Of Corporate Services			1 158 363	361 810	597 587			2 117 760
Director Of Executive Support Services			1 158 363	361 810	621 579			2 141 751
Director Of Development and Spatial Planning			1 158 363	337 174	570 638			2 066 175
Director Of Economic Development and Agency			1 158 363	361 810	597 587			2 117 760
								-
<b>Total Senior Managers of the Municipality</b>	8,10	-	11 837 360	3 637 165	5 915 277	-		21 389 801
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								
Mr T Bonakele			205 170		-			205 170
Mr S Kondlo			128 966		-			128 966
Mr C Sangqu			128 966		-			128 966
Mr J Badernhost			128 966		-			128 966
Mrs Petela Ngcanga			128 966		-			128 966
Mrs Pango			128 966		-			128 966
								-
<b>Total for municipal entities</b>	8,10	-	850 000	-	-	-		850 000
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	16	49 202 086	9 524 678	25 911 151	-		84 637 915

**Table 60: MBRR Table SA24 – summary of personnel numbers**

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
		Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		119	–	119	119	–	119			
Board Members of municipal entities	4	–	–	–	–	–	–			
<b>Municipal employees</b>	5	–	–	–	–	–	–			
Municipal Manager and Senior Managers	3	12	11	1	12	11	1			
Other Managers	7	40	23	17	40	23	17			
Professionals		160	160	–	160	160	–	–	–	–
<i>Finance</i>		65	65	–	65	65	–			
<i>Spatial/town planning</i>		10	10	–	10	10	–			
<i>Information Technology</i>		3	3	–	3	3	–			
<i>Roads</i>		3	3	–	3	3	–			
<i>Electricity</i>		8	8	–	8	8	–			
<i>Water</i>		5	5	–	5	5	–			
<i>Sanitation</i>		4	4	–	4	4	–			
<i>Refuse</i>		1	1	–	1	1	–			
<i>Other</i>		61	61	–	61	61	–			
Technicians		285	285	–	285	285	–	–	–	–
<i>Finance</i>		9	9	–	9	9	–			
<i>Spatial/town planning</i>		15	15	–	15	15	–			
<i>Information Technology</i>		13	13	–	13	13	–			
<i>Roads</i>		6	6	–	6	6	–			
<i>Electricity</i>		10	10	–	10	10	–			
<i>Water</i>		27	27	–	27	27	–			
<i>Sanitation</i>		16	16	–	16	16	–			
<i>Refuse</i>		7	7	–	7	7	–			
<i>Other</i>		182	182	–	182	182	–			
Clerks (Clerical and administrative)		1 204	1 172	32	1 204	1 172	32			
Service and sales workers		1 276	1 264	12	1 276	1 264	12			
Skilled agricultural and fishery workers		212	212	–	212	212	–			
Craft and related trades		381	381	–	381	381	–			
Plant and Machine Operators		750	750	–	750	750	–			
Elementary Occupations		1 408	1 408	–	1 408	1 408	–			
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>5 847</b>	<b>5 666</b>	<b>181</b>	<b>5 847</b>	<b>5 666</b>	<b>181</b>	–	–	–
<b>% increase</b>					–	–	–	(100,0%)	(100,0%)	(100,0%)
<b>Total municipal employees headcount</b>	6, 10	<b>5 728</b>	<b>5 666</b>	<b>62</b>	<b>5 728</b>	<b>5 666</b>	<b>62</b>			
Finance personnel headcount	8, 10	<b>745</b>	<b>733</b>	<b>12</b>	<b>745</b>	<b>733</b>	<b>12</b>			
Human Resources personnel headcount	8, 10	<b>216</b>	<b>212</b>	<b>4</b>	<b>216</b>	<b>212</b>	<b>4</b>			

## 2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

**Table 61: MBRR Table SA25 - Budgeted monthly Revenue and expenditure (Source and Type)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>																
Property rates		56 034	90 815	82 177	83 433	81 430	81 738	87 158	100 567	107 271	113 976	127 385	218 736	1 230 720	1 335 332	1 442 158
Service charges - electricity revenue		5 399	273 333	10 655	147 829	126 020	109 138	148 088	170 871	182 262	191 423	216 436	268 836	1 850 291	1 882 856	1 915 429
Service charges - water revenue		50 882	36 946	31 824	36 587	43 166	32 522	31 474	36 316	38 737	43 348	46 000	58 696	486 499	525 905	567 978
Service charges - sanitation revenue		26 765	37 320	32 191	34 200	26 844	31 892	28 989	30 571	32 527	30 950	29 610	30 482	372 340	404 733	439 540
Service charges - refuse revenue		24 267	23 794	22 030	24 115	24 057	24 119	25 178	29 051	30 988	32 925	36 798	41 274	338 596	368 054	399 707
Service charges - other		1 694	2 362	2 037	2 165	1 699	2 018	1 835	1 935	2 059	1 959	1 874	1 929	23 566	25 451	27 461
Rental of facilities and equipment		827	1 686	163	1 135	969	971	1 897	2 189	2 335	2 481	2 772	4 464	21 889	23 640	25 508
Interest earned - external investments		11 786	19 467	11 198	10 297	10 025	9 383	12 464	14 381	15 340	16 299	18 216	8 147	157 002	169 563	182 958
Interest earned - outstanding debtors		2 642	2 724	2 134	3 024	3 081	3 195	2 541	2 932	3 128	3 323	3 714	4 401	36 841	38 937	41 117
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		161	684	50	245	343	284	1 231	1 421	642	1 610	1 800	685	9 157	9 889	10 671
Licences and permits		940	1 581	384	1 331	1 094	1 022	1 272	1 636	1 818	2 000	1 272	892	15 242	16 462	17 762
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		72 911	101 664	87 691	16 521	17 284	237 279	94 287	108 793	219 317	88 875	103 381	218 511	1 366 513	1 517 011	1 611 766
Other revenue		19 581	36 757	2 283	15 137	7 447	41 566	49 758	35 573	50 320	32 308	39 963	12 959	343 650	371 142	400 462
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>273 889</b>	<b>629 133</b>	<b>284 816</b>	<b>376 020</b>	<b>343 459</b>	<b>575 127</b>	<b>486 172</b>	<b>536 235</b>	<b>686 744</b>	<b>561 475</b>	<b>629 222</b>	<b>870 014</b>	<b>6 252 305</b>	<b>6 688 975</b>	<b>7 082 517</b>
<b>Expenditure By Type</b>																
Employee related costs		148 848	148 848	148 848	148 848	138 848	148 848	143 848	143 848	143 848	143 848	138 549	134 191	1 731 217	1 917 209	2 063 745
Remuneration of councillors		5 278	5 278	5 278	5 278	5 278	5 278	5 278	5 278	5 278	5 278	5 278	4 336	62 398	66 579	70 973
Debt impairment		26 992	26 992	26 992	26 992	26 992	26 992	26 992	26 992	26 992	26 992	26 992	25 739	322 651	317 963	311 498
Depreciation & asset impairment		64 856	64 856	64 856	64 856	64 856	64 856	64 856	64 856	64 856	64 856	64 856	64 856	778 273	828 860	893 511
Finance charges		4 961	5 212	5 525	5 003	2 445	4 127	4 605	5 691	3 918	3 918	3 918	4 995	54 318	68 639	77 365
Bulk purchases		144 522	143 489	124 364	131 083	122 296	140 387	139 870	138 320	121 779	122 813	137 803	111 441	1 578 167	1 604 890	1 633 880
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		914	1 224	996	1 014	1 049	1 874	1 374	3 374	3 417	3 074	3 194	17 457	38 960	41 181	43 487
Transfers and subsidies		25 951	25 951	25 951	25 951	25 951	25 951	25 951	25 951	25 951	25 951	25 951	44 954	330 413	349 218	368 768
Other expenditure		99 429	102 911	90 104	89 766	112 911	132 911	132 911	122 911	102 911	129 750	102 911	135 557	1 354 982	1 492 390	1 616 687
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>521 751</b>	<b>524 760</b>	<b>492 913</b>	<b>498 792</b>	<b>500 626</b>	<b>551 224</b>	<b>545 685</b>	<b>537 220</b>	<b>498 950</b>	<b>526 480</b>	<b>509 452</b>	<b>543 526</b>	<b>6 251 379</b>	<b>6 686 928</b>	<b>7 079 913</b>
<b>Surplus/(Deficit)</b>		<b>(247 862)</b>	<b>104 373</b>	<b>(208 097)</b>	<b>(122 772)</b>	<b>(157 167)</b>	<b>23 903</b>	<b>(59 513)</b>	<b>(985)</b>	<b>187 793</b>	<b>34 996</b>	<b>119 770</b>	<b>326 487</b>	<b>926</b>	<b>2 046</b>	<b>2 604</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		5 000	50 000	65 000	80 000	70 000	80 000	65 000	70 000	50 000	70 000	80 000	110 307	795 307	931 440	999 542
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(242 862)</b>	<b>154 373</b>	<b>(143 097)</b>	<b>(42 772)</b>	<b>(87 167)</b>	<b>103 903</b>	<b>5 487</b>	<b>69 015</b>	<b>237 793</b>	<b>104 996</b>	<b>199 770</b>	<b>436 794</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(242 862)</b>	<b>154 373</b>	<b>(143 097)</b>	<b>(42 772)</b>	<b>(87 167)</b>	<b>103 903</b>	<b>5 487</b>	<b>69 015</b>	<b>237 793</b>	<b>104 996</b>	<b>199 770</b>	<b>436 794</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>

**Table 62: MBRR Table SA26 - Budgeted monthly Revenue and expenditure (Municipal Vote)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue by Vote</b>																
Vote 1 - Directorate - Executive Support Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - Municipal Manager		1 115	3 015	-	4 418	3 274	3 028	4 406	3 086	676	956	3 185	836	27 996	24 206	25 572
Vote 3 - Directorate - Human Settlement		267	22 243	14	13 140	13 170	13 076	26 524	51 126	32 574	53 837	32 022	18 777	276 769	212 028	231 548
Vote 4 - Directorate - Chief Financial Officer		114 052	318 238	290 279	92 711	97 359	473 577	184 843	157 874	289 852	109 087	126 685	155 907	2 410 464	2 619 255	2 827 288
Vote 5 - Directorate - Corporate Services		212	577	-	750	1 176	561	2 935	546	-	641	1 159	2 003	10 561	11 801	13 518
Vote 6 - Directorate - Infrastructure Services		127 479	269 954	24 180	299 222	262 654	97 220	278 481	332 947	346 247	407 524	473 339	546 164	3 465 411	3 701 464	3 823 807
Vote 7 - Directorate - Spatial Planning and Development		1 558	5 470	2 831	2 606	4 728	3 113	4 530	2 893	1 840	14 477	6 566	97 666	148 279	277 257	263 717
Vote 8 - Directorate - Health / Public Safety & Emergency Services		7 265	23 629	9 826	14 037	2 496	18 279	9 560	15 210	21 681	5 381	22 324	28 296	177 983	180 838	195 145
Vote 9 - Directorate - Municipal Services		26 608	34 838	22 080	28 580	27 580	45 607	38 923	41 934	43 479	36 475	42 536	103 329	491 980	556 142	648 638
Vote 10 - Directorate - Economic Development & Agriculture		333	1 170	606	557	1 011	666	969	619	394	3 097	1 405	27 342	38 170	37 424	52 827
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>278 889</b>	<b>679 133</b>	<b>349 816</b>	<b>456 020</b>	<b>413 459</b>	<b>655 127</b>	<b>551 172</b>	<b>606 235</b>	<b>736 744</b>	<b>631 475</b>	<b>709 222</b>	<b>980 321</b>	<b>7 047 613</b>	<b>7 620 415</b>	<b>8 082 059</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Directorate - Executive Support Services		13 984	11 960	20 517	14 525	15 188	19 068	31 411	20 065	15 039	17 539	19 595	25 039	223 929	240 825	255 752
Vote 2 - Directorate - Municipal Manager		32 969	8 064	10 692	10 740	10 870	10 727	13 396	11 474	12 203	8 932	9 807	19 556	159 429	163 846	175 271
Vote 3 - Directorate - Human Settlement		2 066	14 930	10 793	9 919	14 502	16 707	2 663	8 393	11 811	12 490	11 777	19 982	136 025	153 703	154 361
Vote 4 - Directorate - Chief Financial Officer		34 198	42 135	28 760	37 544	40 456	37 197	39 477	65 252	33 605	56 923	40 151	48 338	504 035	559 562	610 528
Vote 5 - Directorate - Corporate Services		8 570	13 702	8 997	9 140	9 984	13 753	14 428	13 918	12 053	12 452	14 326	40 066	171 390	183 222	192 531
Vote 6 - Directorate - Infrastructure Services		324 038	333 663	324 417	306 712	276 928	340 726	323 401	286 361	290 472	296 018	295 286	204 348	3 602 369	3 800 008	3 967 676
Vote 7 - Directorate - Spatial Planning and Development		21 676	19 537	22 592	24 044	25 251	27 042	23 978	22 215	24 074	23 109	22 768	31 574	287 859	309 885	332 973
Vote 8 - Directorate - Health / Public Safety & Emergency Services		27 804	25 115	27 553	24 006	44 349	28 152	41 525	32 908	30 878	31 602	32 199	47 466	393 555	433 069	466 146
Vote 9 - Directorate - Municipal Services		49 354	49 253	31 190	54 284	54 824	49 423	47 429	69 789	61 359	59 721	55 961	94 109	676 696	735 529	812 390
Vote 10 - Directorate - Economic Development & Agriculture		7 103	6 402	7 403	7 879	8 274	8 428	7 979	6 846	7 456	7 694	7 582	13 048	96 093	107 281	112 286
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>521 751</b>	<b>524 760</b>	<b>492 913</b>	<b>498 792</b>	<b>500 626</b>	<b>551 224</b>	<b>545 685</b>	<b>537 220</b>	<b>498 950</b>	<b>526 480</b>	<b>509 452</b>	<b>543 526</b>	<b>6 251 379</b>	<b>6 686 928</b>	<b>7 079 913</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>(242 862)</b>	<b>154 373</b>	<b>(143 097)</b>	<b>(42 772)</b>	<b>(87 167)</b>	<b>103 903</b>	<b>5 487</b>	<b>69 015</b>	<b>237 793</b>	<b>104 996</b>	<b>199 770</b>	<b>436 794</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(242 862)</b>	<b>154 373</b>	<b>(143 097)</b>	<b>(42 772)</b>	<b>(87 167)</b>	<b>103 903</b>	<b>5 487</b>	<b>69 015</b>	<b>237 793</b>	<b>104 996</b>	<b>199 770</b>	<b>436 794</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>

**Table 63: MBRR Table SA26 - Budgeted monthly Revenue and expenditure (Municipal Vote)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
<b>Revenue - Functional</b>																	
<i>Governance and administration</i>		115 611	320 752	290 154	97 732	101 010	480 620	188 879	161 620	292 426	127 176	130 113	143 164	2 449 257	2 655 518	2 866 654	
Executive and council		1 107	2 955	1	4 337	3 214	2 986	4 312	3 039	660	933	3 123	1 328	27 996	24 206	25 572	
Finance and administration		114 504	317 796	290 154	93 395	97 795	477 635	184 567	158 582	291 766	126 243	126 990	141 836	2 421 262	2 631 312	2 841 082	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		5 919	36 840	6 641	22 388	16 464	25 735	34 249	61 951	46 811	59 252	46 517	42 242	405 008	350 585	380 707	
Community and social services		1 642	2 150	1 363	1 764	1 703	2 815	2 403	2 588	2 684	2 251	2 626	7 617	31 607	33 806	36 111	
Sport and recreation		307	402	255	330	318	526	449	484	502	421	491	1 424	5 909	6 381	6 885	
Public safety		3 702	12 041	5 007	7 153	1 272	9 315	4 872	7 751	11 049	2 742	11 376	14 419	90 699	98 344	106 133	
Housing		267	22 243	14	13 140	13 170	13 076	26 524	51 126	32 574	53 837	32 022	18 777	276 769	212 028	231 548	
Health		1	3	1	2	0	2	1	2	3	1	3	5	24	26	28	
<i>Economic and environmental services</i>		15 883	24 907	25 641	27 732	31 631	29 624	34 886	22 833	33 974	40 482	46 629	97 985	432 207	545 031	578 794	
Planning and development		281	986	510	470	852	561	816	521	332	2 609	1 183	35 887	45 006	46 989	61 818	
Road transport		15 578	23 891	25 111	27 237	30 755	29 023	34 035	22 274	33 604	37 841	45 409	61 990	386 748	497 554	516 449	
Environmental protection		23	31	19	25	24	40	34	37	38	32	38	109	452	488	527	
<i>Trading services</i>		141 135	295 436	26 760	307 597	263 318	118 465	292 166	359 198	363 130	401 394	484 523	679 848	3 732 971	4 038 858	4 223 078	
Energy sources		70 241	150 776	14 514	163 810	145 649	59 769	154 047	183 702	188 481	215 720	261 157	362 387	1 970 251	2 014 585	2 060 811	
Water management		23 783	51 053	4 914	56 466	47 019	20 238	52 160	56 908	63 820	73 043	88 428	126 318	663 150	706 875	742 028	
Waste water management		23 152	49 698	4 784	53 995	45 772	19 701	50 777	55 398	62 126	71 105	86 082	122 966	645 557	801 930	815 125	
Waste management		23 959	43 909	2 549	34 326	24 878	18 757	35 183	63 189	48 703	41 526	48 856	68 178	454 013	515 468	605 115	
<i>Other</i>		341	1 198	620	571	1 036	682	993	634	403	3 172	1 439	17 081	28 170	30 424	32 827	
<b>Total Revenue - Functional</b>		<b>278 889</b>	<b>679 133</b>	<b>349 816</b>	<b>456 020</b>	<b>413 459</b>	<b>655 127</b>	<b>551 172</b>	<b>606 235</b>	<b>736 744</b>	<b>631 475</b>	<b>709 222</b>	<b>980 321</b>	<b>7 047 613</b>	<b>7 620 415</b>	<b>8 082 059</b>	
<b>Expenditure - Functional</b>																	
<i>Governance and administration</i>		88 997	86 267	72 610	82 045	87 606	85 796	101 913	107 113	77 053	86 445	90 671	172 405	1 138 920	1 235 821	1 329 395	
Executive and council		31 454	15 101	24 065	18 895	19 546	22 829	35 101	24 132	20 199	20 450	22 747	33 184	287 703	302 547	321 392	
Finance and administration		56 812	69 996	47 777	62 370	67 207	61 793	65 581	81 793	55 825	64 932	66 701	136 539	837 325	918 193	991 885	
Internal audit		731	1 170	768	780	852	1 174	1 232	1 188	1 029	1 063	1 223	2 682	13 892	15 082	16 118	
<i>Community and public safety</i>		29 384	41 136	32 109	37 313	50 315	44 200	34 925	44 440	44 293	44 732	43 037	54 238	500 121	553 996	585 066	
Community and social services		10 207	10 186	6 450	11 226	11 338	10 221	9 809	14 433	12 690	12 351	11 573	8 953	129 437	142 447	153 023	
Sport and recreation		5 854	5 842	3 699	6 439	6 503	5 862	5 626	8 278	7 278	7 084	6 638	5 135	74 236	81 617	87 796	
Public safety		8 565	7 737	8 488	7 395	13 662	8 672	12 792	10 137	9 512	9 735	9 919	14 126	120 740	133 162	142 946	
Housing		2 056	14 930	10 793	9 919	14 502	16 707	2 663	8 393	11 811	12 490	11 777	19 982	136 025	153 703	154 361	
Health		2 703	2 441	2 678	2 334	4 311	2 737	4 036	3 199	3 002	3 072	3 130	6 042	39 684	43 067	46 939	
<i>Economic and environmental services</i>		95 649	95 174	107 854	123 789	105 827	103 575	110 510	100 870	100 041	109 061	101 695	86 433	1 240 480	1 350 918	1 454 495	
Planning and development		24 213	21 823	25 236	26 857	28 206	30 206	26 784	24 814	26 891	25 813	25 432	27 659	313 934	340 487	362 761	
Road transport		61 859	63 794	76 567	86 399	66 983	63 779	74 524	62 514	61 244	71 660	65 405	50 374	805 102	876 700	947 884	
Environmental protection		9 576	9 557	6 052	10 533	10 638	9 590	9 203	13 542	11 906	11 588	10 859	8 400	121 444	133 731	143 850	
<i>Trading services</i>		305 441	300 129	277 964	253 116	254 222	314 810	295 816	282 462	275 032	283 812	271 655	228 183	3 342 642	3 514 082	3 676 441	
Energy sources		174 064	166 684	157 033	133 148	139 730	191 304	164 512	160 917	159 173	157 154	152 711	108 633	1 865 062	1 903 825	1 941 455	
Water management		61 035	70 889	55 124	47 541	49 960	50 877	50 173	49 868	49 019	54 783	52 174	51 812	643 256	692 850	742 604	
Waste water management		46 551	38 813	34 416	46 259	38 104	38 804	48 267	38 034	37 261	38 732	39 793	37 712	482 745	539 673	564 661	
Waste management		23 792	23 743	31 392	26 168	26 429	33 825	32 864	33 642	29 579	33 144	26 977	30 026	351 579	377 734	427 721	
<i>Other</i>		2 279	2 054	2 376	2 528	2 655	2 843	2 521	2 336	2 531	2 430	2 394	2 267	29 216	32 111	34 516	
<b>Total Expenditure - Functional</b>		<b>521 751</b>	<b>524 760</b>	<b>492 913</b>	<b>498 792</b>	<b>500 626</b>	<b>551 224</b>	<b>545 685</b>	<b>537 220</b>	<b>498 950</b>	<b>526 480</b>	<b>509 452</b>	<b>543 526</b>	<b>6 251 379</b>	<b>6 686 928</b>	<b>7 079 913</b>	
<b>Surplus/(Deficit) before assoc.</b>		<b>(242 862)</b>	<b>154 373</b>	<b>(143 097)</b>	<b>(42 772)</b>	<b>(87 167)</b>	<b>103 903</b>	<b>5 487</b>	<b>69 015</b>	<b>237 793</b>	<b>104 996</b>	<b>199 770</b>	<b>436 794</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>	
Share of surplus / (deficit) of associate																	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(242 862)</b>	<b>154 373</b>	<b>(143 097)</b>	<b>(42 772)</b>	<b>(87 167)</b>	<b>103 903</b>	<b>5 487</b>	<b>69 015</b>	<b>237 793</b>	<b>104 996</b>	<b>199 770</b>	<b>436 794</b>	<b>796 234</b>	<b>933 487</b>	<b>1 002 146</b>	

**Table 64: MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		R thousand														
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Directorate - Executive Support Services		–	5	38	56	35	12	97	79	10	10	91	67	500	500	500
Vote 2 - Directorate - Municipal Manager		–	28	17	500	4 000	3 000	–	6 005	2 008	3 038	2 519	1 136	22 250	16 500	12 500
Vote 3 - Directorate - Human Settlement		–	6 904	2 225	3 922	2 213	5 176	10 384	20 998	42 667	54 012	26 123	11 731	186 355	108 005	130 465
Vote 4 - Directorate - Chief Financial Officer		6	377	389	1 049	679	1 136	1 783	1 878	1 849	1 188	3 064	20 701	34 100	92 100	122 100
Vote 5 - Directorate - Corporate Services		–	13	210	1 178	85	978	461	240	307	388	669	1 470	6 000	5 500	500
Vote 6 - Directorate - Infrastructure Services		2 930	3 678	38 323	55 008	81 608	87 980	97 168	85 068	99 361	98 961	102 991	161 077	914 154	1 223 532	1 336 147
Vote 7 - Directorate - Spatial Planning and Development		128	1 610	3 192	2 964	6 213	28 508	2 338	5 325	5 417	38 413	89 666	52 343	236 117	460 932	430 530
Vote 8 - Directorate - Health / Public Safety & Emergency Services		120	1 942	3 114	2 027	1 723	2 891	2 814	1 573	1 708	1 115	8 198	1 780	29 005	13 620	11 150
Vote 9 - Directorate - Municipal Services		75	883	299	25 565	899	1 937	101	25 171	26 158	41 079	21 897	22 535	166 599	186 329	187 000
Vote 10 - Directorate - Economic Development & Agencies		0	1 500	501	1 501	1 501	16 005	10 201	903	1 003	3 001	4 004	2 980	43 100	59 500	50 500
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
<b>Capital multi-year expenditure sub-total</b>	2	<b>3 260</b>	<b>16 938</b>	<b>48 307</b>	<b>93 769</b>	<b>98 957</b>	<b>147 624</b>	<b>125 346</b>	<b>147 241</b>	<b>180 489</b>	<b>241 206</b>	<b>259 223</b>	<b>275 820</b>	<b>1 638 180</b>	<b>2 166 518</b>	<b>2 281 392</b>
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Directorate - Executive Support Services													–	–	–	–
Vote 2 - Directorate - Municipal Manager													–	–	–	–
Vote 3 - Directorate - Human Settlement													–	–	–	–
Vote 4 - Directorate - Chief Financial Officer													–	–	–	–
Vote 5 - Directorate - Corporate Services													–	–	–	–
Vote 6 - Directorate - Infrastructure Services													–	–	–	–
Vote 7 - Directorate - Spatial Planning and Development													–	–	–	–
Vote 8 - Directorate - Health / Public Safety & Emergency Services													–	–	–	–
Vote 9 - Directorate - Municipal Services													–	–	–	–
Vote 10 - Directorate - Economic Development & Agencies													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
<b>Capital single-year expenditure sub-total</b>	2	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure</b>	2	<b>3 260</b>	<b>16 938</b>	<b>48 307</b>	<b>93 769</b>	<b>98 957</b>	<b>147 624</b>	<b>125 346</b>	<b>147 241</b>	<b>180 489</b>	<b>241 206</b>	<b>259 223</b>	<b>275 820</b>	<b>1 638 180</b>	<b>2 166 518</b>	<b>2 281 392</b>



**Table 65: MBRR Table SA29 - Budgeted monthly capital expenditure (Functional classification)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		6	994	1 537	3 183	1 000	1 326	1 040	3 198	3 668	4 586	16 225	26 088	62 850	114 600	135 600
Executive and council		-	605	938	956	235	212	297	1 079	1 510	3 010	12 491	1 417	22 750	17 000	13 000
Finance and administration		6	377	389	1 049	679	136	283	1 878	1 849	1 188	3 064	23 201	34 100	92 100	122 100
Internal audit		-	13	210	1 178	85	978	461	240	308	388	669	1 469	6 000	5 500	500
<b>Community and public safety</b>		126	5 292	3 921	7 447	48 845	32 058	39 106	4 846	36 851	22 933	32 980	81 733	316 137	228 502	203 615
Community and social services		-	1 098	1 608	2 433	839	3 265	1 868	1 421	3 546	2 336	4 147	21 689	44 250	51 750	48 000
Sport and recreation		119	507	253	81	154	1 141	1 626	1 547	394	15 601	21 184	13 920	56 527	55 127	14 000
Public safety		-	1 381	730	535	838	2 709	224	866	176	977	1 507	19 061	29 005	13 620	11 150
Housing		7	2 305	1 330	4 397	47 013	24 944	35 387	1 013	32 735	4 018	6 141	27 065	186 355	108 005	130 465
Health		0	0	0	0	0	(0)	0	(0)	(0)	0	0	(2)	-	-	-
<b>Economic and environmental services</b>		658	5 168	36 120	22 099	23 363	77 763	58 823	55 449	48 176	114 448	82 616	26 490	551 173	781 389	785 129
Planning and development		197	1 623	3 151	2 969	6 048	28 754	2 285	30 867	26 233	88 527	68 836	19 727	279 217	519 932	481 030
Road transport		460	3 545	32 969	19 130	17 315	49 010	56 538	24 582	21 944	25 920	13 780	6 763	271 956	261 457	304 099
Environmental protection		-	(0)	0	(0)	(0)	0	(0)	(0)	0	0	0	(0)	-	-	-
<b>Trading services</b>		2 470	5 469	6 600	59 420	25 454	36 393	24 623	83 536	90 986	92 897	124 939	135 234	688 020	1 021 527	1 137 048
Energy sources		36	120	570	8 751	5 656	12 222	7 377	9 113	5 952	40 973	9 504	47 724	148 000	152 000	198 500
Water management		1 745	2 520	2 658	1 885	4 342	14 607	6 196	8 508	39 938	21 317	9 635	71 648	185 000	220 000	315 000
Waste water management		688	2 695	2 412	48 304	14 541	7 362	10 333	65 324	34 463	29 989	65 750	7 336	289 198	570 075	498 548
Waste management		-	134	960	480	914	2 203	716	591	10 633	618	40 049	8 525	65 822	79 452	125 000
<b>Other</b>		-	15	129	1 621	295	83	1 754	213	808	6 342	2 463	6 276	20 000	20 000	20 000
<b>Total Capital Expenditure - Functional</b>	2	3 260	16 938	48 307	93 769	98 957	147 624	125 346	147 241	180 489	241 206	259 223	275 820	1 638 180	2 166 018	2 281 392
<b>Funded by:</b>																
National Government													795 307	795 307	931 440	999 542
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
<b>Transfers recognised - capital</b>		-	-	-	-	-	-	-	-	-	-	-	795 307	795 307	931 440	999 542
<b>Public contributions &amp; donations</b>													-	-	-	-
<b>Borrowing</b>													159 000	159 000	329 000	426 000
<b>Internally generated funds</b>													683 873	683 873	905 578	855 850
<b>Total Capital Funding</b>		-	-	-	-	-	-	-	-	-	-	-	1 638 180	1 638 180	2 166 018	2 281 392

**Table 66: MBRR Table SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19
<b>Cash Receipts By Source</b>													1		
Property rates	106 257	70 474	64 323	74 835	83 101	68 118	65 902	124 766	99 226	105 428	117 831	158 156	1 138 416	1 241 858	1 348 418
Service charges - electricity revenue	80 279	70 216	124 799	117 033	125 280	264 997	115 282	178 712	168 593	177 066	200 204	89 059	1 711 519	1 751 056	1 790 926
Service charges - water revenue	26 845	7 639	41 574	37 875	32 291	69 513	22 323	55 830	35 832	40 097	42 550	37 643	450 011	489 092	531 059
Service charges - sanitation revenue	24 020	24 488	23 611	24 440	24 937	24 321	25 804	39 283	30 087	28 628	27 389	47 406	344 414	376 402	410 970
Service charges - refuse revenue	17 362	25 034	23 180	23 968	24 131	24 067	22 898	35 000	28 664	30 455	34 038	24 403	313 201	342 290	373 726
Service charges - other	-	-	-	-	-	-	-	-	1 904	1 812	1 733	16 349	21 798	23 669	25 676
Rental of facilities and equipment	633	1 315	954	1 026	1 057	999	1 399	1 547	2 160	2 295	2 564	4 299	20 248	21 986	23 850
Interest earned - external investments	11 485	15 586	13 767	12 511	11 657	10 533	1 249	21 811	13 890	14 758	14 517	15 238	157 002	169 563	182 958
Interest earned - outstanding debtors	2 619	3 175	3 253	3 326	3 435	3 475	3 545	3 591	2 337	2 483	2 775	2 828	36 841	38 937	41 117
Dividends received	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-
Fines, penalties and forfeits	66	524	964	617	732	403	359	946	534	1 339	1 496	491	8 470	9 197	9 977
Licences and permits	288	1 380	1 042	859	1 162	1 050	944	1 508	1 682	1 850	1 176	1 157	14 099	15 309	16 608
Agency services	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-
Transfer receipts - operational	284 686	138 556	15 956	12 873	12 827	392 787	33 955	13 960	116 046	123 298	137 804	83 766	1 366 513	1 517 011	1 611 766
Other revenue	14 412	16 065	18 121	17 171	19 194	6 879	23 479	26 930	46 546	29 885	36 966	62 228	317 876	345 162	374 432
<b>Cash Receipts by Source</b>	<b>568 951</b>	<b>374 452</b>	<b>331 543</b>	<b>326 534</b>	<b>339 806</b>	<b>867 140</b>	<b>317 139</b>	<b>503 884</b>	<b>547 499</b>	<b>559 393</b>	<b>621 045</b>	<b>543 023</b>	<b>5 900 409</b>	<b>6 341 532</b>	<b>6 741 483</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	189 110	-	73	5 458	219 396	-	5 458	161 270	51 925	51 925	51 925	58 768	795 307	931 440	999 542
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	7 950	19 080	25 440	31 800	42 930	31 800	159 000	329 000	426 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>758 061</b>	<b>374 452</b>	<b>331 617</b>	<b>331 992</b>	<b>559 202</b>	<b>867 140</b>	<b>330 547</b>	<b>684 234</b>	<b>624 864</b>	<b>643 118</b>	<b>715 899</b>	<b>633 591</b>	<b>6 854 717</b>	<b>7 601 972</b>	<b>8 167 026</b>

**MBRR Table SA30 - Budgeted monthly cash flow (Continued)**

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash Payments by Type</b>																
Employee related costs	112 359	146 383	144 356	129 138	132 653	128 196	137 098	133 342	134 151	135 787	134 772	176 421	1 644 657	1 821 349	1 960 558	
Remuneration of councillors	4 847	4 465	4 823	4 849	4 896	4 799	4 810	5 981	5 294	5 175	5 327	7 132	62 398	66 579	70 973	
Finance charges	4 245	4 245	4 245	4 659	4 666	10 825	(8 430)	4 061	6 525	3 918	4 961	10 399	54 318	68 639	77 365	
Bulk purchases - Electricity	176 330	160 759	111 060	110 534	101 461	99 902	118 084	92 419	93 708	94 683	102 128	91 798	1 352 869	1 357 063	1 361 270	
Bulk purchases - Water & Sewer	16 988	19 852	20 679	18 655	17 520	18 454	17 425	18 694	18 548	20 722	19 092	18 668	225 297	247 827	272 610	
Other materials	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	
Contracted services	86	1 782	2 311	2 435	5 582	1 862	85	1 287	3 051	2 745	2 852	12 933	37 012	39 122	41 312	
Transfers and grants - other municipalities	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	
Transfers and grants - other	892	1 019	9 524	10 802	447	4 954	7 757	6 048	5 513	1 251	5 972	11 656	65 833	67 554	69 345	
Other expenditure	25 654	104 605	108 402	81 462	118 230	139 209	70 472	80 798	102 732	109 559	102 732	311 128	1 354 982	1 492 390	1 616 687	
<b>Cash Payments by Type</b>	<b>341 399</b>	<b>443 110</b>	<b>405 400</b>	<b>362 534</b>	<b>385 455</b>	<b>408 202</b>	<b>347 302</b>	<b>342 630</b>	<b>369 522</b>	<b>373 840</b>	<b>377 836</b>	<b>640 135</b>	<b>4 797 366</b>	<b>5 160 522</b>	<b>5 470 120</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	1 770	43 062	94 827	86 222	136 561	177 388	29 100	76 974	142 619	142 619	142 619	564 419	1 638 180	2 166 018	2 281 392	
Repayment of borrowing	-	-	9 754	-	-	17 601	-	-	10 203	-	-	18 800	56 358	80 315	121 293	
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Cash Payments by Type</b>	<b>343 169</b>	<b>486 173</b>	<b>509 981</b>	<b>448 755</b>	<b>522 016</b>	<b>603 190</b>	<b>376 402</b>	<b>419 605</b>	<b>522 344</b>	<b>516 459</b>	<b>520 455</b>	<b>1 223 355</b>	<b>6 491 905</b>	<b>7 406 855</b>	<b>7 872 805</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>414 892</b>	<b>(111 721)</b>	<b>(178 365)</b>	<b>(116 764)</b>	<b>37 186</b>	<b>263 950</b>	<b>(45 855)</b>	<b>264 629</b>	<b>102 519</b>	<b>126 659</b>	<b>195 444</b>	<b>(589 764)</b>	<b>362 812</b>	<b>195 117</b>	<b>294 221</b>	
Cash/cash equivalents at the month/year begin:	2 291 798	2 706 690	2 594 969	2 416 604	2 299 840	2 337 026	2 600 976	2 555 122	2 819 751	2 922 270	3 048 929	3 244 373	2 291 798	2 654 610	2 849 727	
Cash/cash equivalents at the month/year end:	2 706 690	2 594 969	2 416 604	2 299 840	2 337 026	2 600 976	2 555 122	2 819 751	2 922 270	3 048 929	3 244 373	2 654 610	2 654 610	2 849 727	3 143 948	

## **2.10 ANNUAL BUDGET AND SDBIP'S – INTERNAL DEPARTMENTS**

In terms of Section 53(1)(c)(ii) the Mayor of a Municipality must take all reasonable steps to ensure that the municipality's Service Delivery and Budget Implementation Plan is approved by the Mayor within 28 days after the approval of the budget. Once the budget has been approved by Council on 29 March 2017, the Service Delivery Budget and Implementation Plan will be submitted to the Mayor for consideration and approval by Council.

## **2.11 ANNUAL BUDGET AND SDBIPS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS**

The Buffalo City Metropolitan Municipality entity being Buffalo City Metro Development Agency (BCMDA) has been resuscitated after it was not operational for some time. The Board of Directors have been appointed and core staff has also been appointed. The entity's (BCMDA) budget summary table (D1) for the MTREF period as presented below reflects that, the entity has budgeted a balanced budget for the MTREF period. Its revenue and expenditure is projected to be R39 million in 2017/18, R24 million in 2018/19 and R25 million in the 2019/20 financial year. Its cash and cash equivalent is projected to be R2.6 million as at 30 June 2018, increasing R3.2 million at 30 June 2019 and further increase to R3.7 million at 30 June 2020. The financial position of the entity reflect that its Community Wealth is R0.387m in the 2017/18 financial year, it increases to R1.2 million in the 2018/19 financial year and further increase to R2.2 million in the 2019/20 financial year. The entity does not have capital projects as yet except capital budget for furniture and computer hardware & software as yet as it is still at formation stage. The capital budget is R1.09 million, R1 million and R0.96 million for the MTREF respectively. The other relevant D budget table are presented below as required by the MBRR.

**Table 67: MBRR Table D1 – Budget Summary – (BCMDA)**

Description	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	45	56	-	69	199	199	317	348	376
Transfers recognised - operational	907	1 647	764	18 116	15 357	15 357	22 011	23 414	24 828
Other own revenue	-	-	-	200	2 509	2 509	16 651	15	16
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>953</b>	<b>1 703</b>	<b>764</b>	<b>18 385</b>	<b>18 065</b>	<b>18 065</b>	<b>38 978</b>	<b>23 777</b>	<b>25 220</b>
Employee costs	-	-	760	12 225	9 773	9 773	15 192	16 704	17 974
Remuneration of Board Members	174	665	156	566	561	561	850	893	937
Depreciation & asset impairment	3	-	-	-	-	-	-	-	-
Finance charges	2	4	-	8	3	3	3	3	3
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	346	1 015	278	5 586	7 729	7 729	22 934	6 177	6 307
<b>Total Expenditure</b>	<b>524</b>	<b>1 684</b>	<b>1 194</b>	<b>18 385</b>	<b>18 065</b>	<b>18 065</b>	<b>38 978</b>	<b>23 777</b>	<b>25 220</b>
<b>Surplus/(Deficit)</b>	<b>429</b>	<b>19</b>	<b>(430)</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
Transfers recognised - capital	-	-	-	-	2 758	2 758	1 089	1 003	956
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>429</b>	<b>19</b>	<b>(430)</b>	<b>-</b>	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>
Taxation	121	18	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>308</b>	<b>2</b>	<b>(430)</b>	<b>-</b>	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>
Transfers recognised - capital	-	-	-	-	2 758	2 758	1 089	1 003	956
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>
<b>Financial position</b>									
Total current assets	1 889	1 771	-	2 040	2 042	2 042	2 595	3 173	3 651
Total non current assets	-	-	52	688	2 377	2 377	1 113	1 427	1 652
Total current liabilities	612	466	482	1 287	3 053	3 053	2 518	2 945	3 208
Total non current liabilities	100	100	-	-	85	85	1 391	722	-
Community wealth/Equity	1 177	1 205	(430)	1 441	1 280	1 280	387	1 197	2 157
<b>Cash flows</b>									
Net cash from (used) operating	70	50	55	269	3 565	3 565	2 167	2 146	2 155
Net cash from (used) investing	-	-	(55)	-	(2 758)	(2 758)	(1 089)	(1 003)	(956)
Net cash from (used) financing	-	-	-	-	(508)	(508)	(526)	(564)	(722)
<b>Cash/cash equivalents at the year end</b>	<b>1 693</b>	<b>1 744</b>	<b>1 744</b>	<b>2 013</b>	<b>2 042</b>	<b>2 042</b>	<b>2 595</b>	<b>3 173</b>	<b>3 651</b>

**Table 68: MBRR Table D2 – Budgeted Financial Performance (revenue and expenditure) – (BCMDA)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Revenue by Source</b>	1									
Property rates		-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-
Interest earned - external investments		45	56	-	69	199	199	317	348	376
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	-	-	200	375	375	4 738	-	-
Transfers recognised - operational		907	1 647	764	18 116	15 357	15 357	22 011	23 414	24 828
Other revenue		-	-	-	-	2 134	2 134	11 913	15	16
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>953</b>	<b>1 703</b>	<b>764</b>	<b>18 385</b>	<b>18 065</b>	<b>18 065</b>	<b>38 978</b>	<b>23 777</b>	<b>25 220</b>
<b>Expenditure By Type</b>										
Employee related costs		-	-	760	12 225	9 773	9 773	15 192	16 704	17 974
Remuneration of Directors		174	665	156	566	561	561	850	893	937
Debt impairment	4	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		3	-	3	393	393	393	1 078	1 143	1 200
Finance charges		2	4	-	8	3	3	3	3	3
Bulk purchases	2	-	-	-	-	-	-	-	-	-
Other materials	5	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure	3	346	1 015	276	5 192	7 336	7 336	21 856	5 034	5 107
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>524</b>	<b>1 684</b>	<b>1 194</b>	<b>18 385</b>	<b>18 065</b>	<b>18 065</b>	<b>38 978</b>	<b>23 777</b>	<b>25 220</b>
<b>Surplus/(Deficit)</b>		<b>429</b>	<b>19</b>	<b>(430)</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>
Transfers recognised - capital		-	-	-	-	2 758	2 758	1 089	1 003	956
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
<b>contributions</b>		<b>429</b>	<b>19</b>	<b>(430)</b>	<b>-</b>	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>
Taxation		121	18	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>308</b>	<b>2</b>	<b>(430)</b>	<b>-</b>	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>

**Table 69: MBRR Table D3 – Capital Budget by vote and funding – (BCMDA)**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>	1									
<b>Capital expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	611	611	226	120	48
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	511	511	139	60	28
Furniture and other office equipment		-	-	-	-	100	100	87	60	20
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	2 147	2 147	863	883	908
Computers - software & programming		-	-	-	-	1 983	1 983	830	847	867
Total Other		-	-	-	-	164	164	33	37	40
<b>Total capital expenditure on assets</b>	1	-	-	-	-	2 758	2 758	1 089	1 003	956
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
<b>Funded by:</b>										
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-
Parent Municipality		-	-	-	-	2 758	2 758	1 089	1 003	956
District Municipality		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	-	-	-	2 758	2 758	1 089	1 003	956
<b>Public contributions &amp; donations</b>	6	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	3	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	4	-	-	-	-	2 758	2 758	1 089	1 003	956

**Table 70: MBRR Table D4 – Budgeted Financial Position – (BCMDA)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>ASSETS</b>										
<b>Current assets</b>										
Cash		480	480	-	644	644	644	713	770	832
Call investment deposits		1 213	1 264	-	1 369	1 398	1 398	1 881	2 403	2 819
Consumer debtors		196	-	-	-	-	-	-	-	-
Other debtors		-	27	-	27	-	-	-	-	-
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-
Inventory		-	-	-	-	-	-	-	-	-
<b>Total current assets</b>		<b>1 889</b>	<b>1 771</b>	<b>-</b>	<b>2 040</b>	<b>2 042</b>	<b>2 042</b>	<b>2 595</b>	<b>3 173</b>	<b>3 651</b>
<b>Non current assets</b>										
Long-term receivables	3	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	-	-	44	220	489	489	485	363	155
Agricultural		-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-
Intangible		-	-	9	469	1 887	1 887	628	1 064	1 497
Other non-current assets		-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>-</b>	<b>-</b>	<b>52</b>	<b>688</b>	<b>2 377</b>	<b>2 377</b>	<b>1 113</b>	<b>1 427</b>	<b>1 652</b>
<b>TOTAL ASSETS</b>		<b>1 889</b>	<b>1 771</b>	<b>52</b>	<b>2 728</b>	<b>4 418</b>	<b>4 418</b>	<b>3 708</b>	<b>4 600</b>	<b>5 303</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft		-	-	0	-	-	-	-	-	-
Borrowing		-	-	93	-	575	575	526	564	722
Consumer deposits		-	-	-	100	-	-	-	-	-
Trade and other payables		612	466	389	1 187	2 478	2 478	1 000	1 000	1 000
Provisions	3	-	-	-	-	-	-	992	1 381	1 486
<b>Total current liabilities</b>		<b>612</b>	<b>466</b>	<b>482</b>	<b>1 287</b>	<b>3 053</b>	<b>3 053</b>	<b>2 518</b>	<b>2 945</b>	<b>3 208</b>
<b>Non current liabilities</b>										
Borrowing		-	-	-	-	85	85	1 391	722	-
Provisions	3	100	100	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>85</b>	<b>1 391</b>	<b>722</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>712</b>	<b>566</b>	<b>482</b>	<b>1 287</b>	<b>3 138</b>	<b>3 138</b>	<b>3 909</b>	<b>3 667</b>	<b>3 208</b>
<b>NET ASSETS</b>	2	<b>1 177</b>	<b>1 205</b>	<b>(430)</b>	<b>1 441</b>	<b>1 280</b>	<b>1 280</b>	<b>(201)</b>	<b>933</b>	<b>2 095</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)		1 177	1 205	(430)	1 441	1 280	1 280	387	1 197	2 157
Reserves		-	-	-	-	-	-	-	-	-
Share capital		-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 177</b>	<b>1 205</b>	<b>(430)</b>	<b>1 441</b>	<b>1 280</b>	<b>1 280</b>	<b>387</b>	<b>1 197</b>	<b>2 157</b>



**Table 71: MBRR Table D5 – Budgeted Cash Flow – (BCMDA)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	200	2 509	2 509	16 651	15	16
Government - operating		839	1 851	764	18 116	18 116	18 116	22 011	23 414	24 828
Government - capital		-	-	-	-	-	-	1 089	1 003	956
Interest		45	56	-	69	199	199	317	348	376
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees	2	(812)	(1 853)	(709)	(18 108)	(17 256)	(17 256)	(37 897)	(22 631)	(24 018)
Finance charges		(2)	(4)	-	(8)	(3)	(3)	(3)	(3)	(3)
Dividends paid		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>70</b>	<b>50</b>	<b>55</b>	<b>269</b>	<b>3 565</b>	<b>3 565</b>	<b>2 167</b>	<b>2 146</b>	<b>2 155</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		-	-	(55)	-	(2 758)	(2 758)	(1 089)	(1 003)	(956)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>(55)</b>	<b>-</b>	<b>(2 758)</b>	<b>(2 758)</b>	<b>(1 089)</b>	<b>(1 003)</b>	<b>(956)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	(508)	(508)	(526)	(564)	(722)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(508)</b>	<b>(508)</b>	<b>(526)</b>	<b>(564)</b>	<b>(722)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	1	<b>70</b>	<b>50</b>	<b>(0)</b>	<b>269</b>	<b>298</b>	<b>298</b>	<b>552</b>	<b>578</b>	<b>478</b>
Cash/cash equivalents at the year begin:	2	1 623	1 693	1 744	1 744	1 744	1 744	2 042	2 595	3 173
Cash/cash equivalents at the year end:	2	1 693	1 744	1 744	2 013	2 042	2 042	2 595	3 173	3 651

**Table 72: MBRR Table SD1 – Measurable Performance Targets (BCMDA)**

Performance target description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
mSCOA Implementation	Compliant Financial	-	-	-	-	1 600	1 600	330	350	371
Implementation of the performance management system	Signed performance agreements signed by all staff members and	-	-	-	-	-	-	1 406	1 682	1 817
	performance evaluations all staff members to be	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Beachfront development	Precinct Plans	-	-	-	-	1 200	1 200	4 377		
	Construction	-	-	-	-	-	-			
Effective and Efficient Information Technology and knowledge management service	Procurement of the DMS	-	-	-	-	-	-	500	500	500
Establishment of city improvement district	Security and Safety rendered	-	-	-	-	-	-	1 000	1 500	2 000

**Table 73: MBRR Table SD2 – Financial and Non-Financial Indicators (BCMDA)**

Description of indicator	Basis of calculation	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b><u>Borrowing Management</u></b>											
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0,0%	0,0%	0,0%	0,0%	1,9%	1,9%	37,5%	15,7%	0,0%
Capital Charges to Operating Expenditure	Finance charges & Depreciation / Operating Expenditure		0%	0%	0%	0%	0%	0%	0%	0%	0%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b><u>Safety of Capital</u></b>											
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision / Funds & Reserves		0,0%	50,8%	-130,1%	82,4%	245,2%	245,2%	753,6%	191,0%	79,8%
Gearing	Long Term Borrowing / Funds & Reserves		0%	0%	0%	0%	7%	7%	359%	60%	0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets / current liabilities		3,09	3,80	0,00	1,58	0,67	0,67	1,03	1,08	1,14
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		3,09	3,80	0,00	1,58	0,67	0,67	1,03	1,08	1,14
Liquidity Ratio	Monetary Assets / Current Liabilities		2,77	3,74	0,00	1,56	0,67	0,67	1,03	1,08	1,14
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts / Last 12 Mths Billing			0%	0%	0%	0%	0%	0%	0%	0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		21%	2%	0%	0%	0%	0%	0%	0%	0%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered / Total Debtors > 12 Months Old		0%	0%	0%	0%	0%	0%	0%	0%	0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		0%	0%	0%	100%	100%	100%	100%	100%	100%
<b><u>Funding of Provisions</u></b>											
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions										
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated	1	0%	0%	0%	0%	0%	0%	0%	0%	0%
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source	2	0%	0%	0%	0%	0%	0%	0%	0%	0%
Employee costs	Employee costs/Total Revenue - capital revenue		0,0%	0,0%	99,4%	66%	54%	54%	39%	70%	71%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0,0%	0,0%	0,0%	0%	0%	0%	0%	0%	0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		0,2%	0,2%	0,0%	0%	0%	0%	0%	0%	0%
<b><u>Financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		12,9	-	-	0,5	5,3	5,1	29,9	0,5	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0%	0,0%	0,0%	0%	0%	0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		539%	1,7	-0,0	0,2	0,2	0,2	0,1	0,2	0,2

**Table 74: MBRR Table SD3 – Budgeted Investment Portfolio (BCMDA)**

Investments by maturity Name of institution & investment ID  R thousands	Ref	Budget Year 2017/18						
		Period of investment	Type of investment	Expiry date of investment	Market value		Interest	
		Months			Begin	End	Fully accrued	Yield %
First National Bank - 62098719358		N/A	Commercial Money Market	Ongoing	1 398	14 733	75	0
	1				1 398	14 733	75	

**Table 75: MBRR Table SD4 – Board member allowances and staff benefits (BCMDA)**

Summary of Employee and Board Member remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>R thousands</b>										
<b>Remuneration</b>										
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		174	665	-	566	561	561	850	893	937
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		<b>174</b>	<b>665</b>	<b>-</b>	<b>566</b>	<b>561</b>	<b>561</b>	<b>850</b>	<b>893</b>	<b>937</b>
<b>% increase</b>			<b>0</b>		<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>5,0%</b>
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		-	-	-	5 580	4 801	4 801	4 758	5 150	5 573
Pension and UIF Contributions		-	-	-	-	475	475	511	550	591
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	135	-	-	528	568	611
Motor Vehicle Allowance		-	-	-	-	-	-	408	408	408
Cellphone Allowance		-	-	-	74	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	173	205	220
Payments in lieu of leave		-	-	-	-	-	-	216	259	279
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5 790</b>	<b>5 275</b>	<b>5 275</b>	<b>6 593</b>	<b>7 139</b>	<b>7 682</b>
<b>% increase</b>					<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>7,6%</b>
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	6 322	3 984	3 984	7 275	7 838	8 443
Pension and UIF Contributions		-	-	-	-	386	386	732	788	847
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	22	-	-	465	813	875
Motor Vehicle Allowance		-	-	-	-	-	-	126	126	126
Cellphone Allowance		-	-	-	91	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>6 435</b>	<b>4 370</b>	<b>4 370</b>	<b>8 598</b>	<b>9 565</b>	<b>10 292</b>
<b>% increase</b>					<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>0</b>	<b>0</b>	<b>7,6%</b>
<b>Total Municipal Entities remuneration</b>		<b>174</b>	<b>665</b>	<b>-</b>	<b>12 791</b>	<b>10 207</b>	<b>10 207</b>	<b>16 042</b>	<b>17 597</b>	<b>18 911</b>

**Table 76: MBRR Table SD5 – Summary of personnel numbers (BCMDA)**

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
		1	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)			-	-	-	-	-	-	-	-
Board Members of municipal entities	3		5	-	5	6	-	6	6	6
<b>Municipal entity employees</b>	4		-	-	-	-	-	-	-	-
CEO and Senior Managers	2		4	-	4	4	-	4	4	4
Other Managers	6		7	-	7	6	2	4	7	2
Professionals			-	-	-	-	-	-	-	-
<i>Finance</i>			-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>			-	-	-	-	-	-	-	-
<i>Information Technology</i>			-	-	-	-	-	-	-	-
<i>Roads</i>			-	-	-	-	-	-	-	-
<i>Electricity</i>			-	-	-	-	-	-	-	-
<i>Water</i>			-	-	-	-	-	-	-	-
<i>Sanitation</i>			-	-	-	-	-	-	-	-
<i>Refuse</i>			-	-	-	-	-	-	-	-
<i>Other</i>			-	-	-	-	-	-	-	-
Technicians			-	-	-	-	-	-	-	-
<i>Finance</i>			-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>			-	-	-	-	-	-	-	-
<i>Information Technology</i>			-	-	-	-	-	-	-	-
<i>Roads</i>			-	-	-	-	-	-	-	-
<i>Electricity</i>			-	-	-	-	-	-	-	-
<i>Water</i>			-	-	-	-	-	-	-	-
<i>Sanitation</i>			-	-	-	-	-	-	-	-
<i>Refuse</i>			-	-	-	-	-	-	-	-
<i>Other</i>			-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)			2	-	2	5	4	1	6	5
Service and sales workers			-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers			-	-	-	-	-	-	-	-
Craft and related trades			-	-	-	-	-	-	-	-
Plant and Machine Operators			-	-	-	-	-	-	-	-
Elementary Occupations			-	-	-	-	-	-	-	-
<b>Total Personnel Numbers</b>			18	-	18	21	6	15	23	7
<b>% increase</b>				(100,0%)	-	16,7%	(66,7%)	(16,7%)	53,3%	(69,6%)
<b>Total entity employees headcount</b>	5		-	-	-	-	-	-	-	-
Finance personnel headcount	7		-	-	-	4	1	3	4	1
Human Resources personnel headcount	7		-	-	-	1	-	1	3	2

**Table 77: MBRR Table SD6 – Budget Monthly Cash and Revenue/Expenditure - (BCMDA)**

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>															
<b>Revenue By Source</b>															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	26	26	26	26	26	26	26	26	26	26	26	26	317	348	376
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	1 213	-	-	1 175	-	-	1 175	-	-	1 175	-	-	4 738	-	-
Transfers recognised - operational	5 503	-	-	5 503	-	-	5 503	-	-	5 503	-	-	22 011	23 414	24 828
Other revenue	3 504	1	-	3 503	-	4	3 500	2	-	1 400	-	-	11 913	15	16
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>10 245</b>	<b>28</b>	<b>26</b>	<b>10 207</b>	<b>26</b>	<b>30</b>	<b>10 204</b>	<b>28</b>	<b>26</b>	<b>8 104</b>	<b>26</b>	<b>26</b>	<b>38 978</b>	<b>23 777</b>	<b>25 220</b>
<b>Expenditure By Type</b>															
Employee related costs	1 183	1 183	2 176	1 183	1 183	1 183	1 183	1 183	1 183	1 183	1 183	1 183	15 192	16 704	17 974
Remuneration of Board Members	-	75	138	-	75	138	-	75	138	-	138	75	850	893	937
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	90	90	90	90	90	90	90	90	90	90	90	90	1 078	1 143	1 200
Finance charges	-	-	-	1	-	-	1	-	1	-	1	-	3	3	3
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	1 945	2 287	2 269	2 241	2 241	1 535	1 535	1 535	1 535	1 535	1 535	1 664	21 856	5 034	5 107
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>3 218</b>	<b>3 635</b>	<b>4 672</b>	<b>3 515</b>	<b>3 589</b>	<b>2 945</b>	<b>2 809</b>	<b>2 883</b>	<b>2 946</b>	<b>2 808</b>	<b>2 946</b>	<b>3 012</b>	<b>38 978</b>	<b>23 777</b>	<b>25 220</b>

**MBRR Table SD6 – Budget Monthly Cash and Revenue/Expenditure - (BCMDA) (Continued)**

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>															
<b>Capital expenditure</b>															
Capital assets	-	272	-	-	272	-	-	272	-	-	272	0	1 089	1 003	956
<b>Total capital expenditure</b>	<b>-</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>272</b>	<b>0</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>
<b>Cash flow</b>															
Ratepayers and other	3 504	1	-	3 503	-	4	3 500	2	-	1 400	-	4 738	16 651	15	16
Grants	5 775	-	-	5 775	-	-	5 775	-	-	5 775	-	-	23 100	24 417	25 784
Interest	26	26	26	26	26	26	26	26	26	26	26	26	317	348	376
Suppliers, employees and other	(3 218)	(3 560)	(4 535)	(3 514)	(3 514)	(2 808)	(2 808)	(2 808)	(2 808)	(2 808)	(2 808)	(2 709)	(37 897)	(22 631)	(24 018)
Finance charges	-	-	-	(1)	-	-	(1)	-	(1)	-	(1)	-	(3)	(3)	(3)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>6 087</b>	<b>(3 533)</b>	<b>(4 508)</b>	<b>5 790</b>	<b>(3 488)</b>	<b>(2 778)</b>	<b>6 493</b>	<b>(2 780)</b>	<b>(2 782)</b>	<b>4 394</b>	<b>(2 782)</b>	<b>2 055</b>	<b>2 167</b>	<b>2 146</b>	<b>2 155</b>
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets	-	(272)	-	-	(272)	-	-	(272)	-	-	(273)	(0)	(1 089)	(1 003)	(956)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(272)</b>	<b>-</b>	<b>-</b>	<b>(272)</b>	<b>-</b>	<b>-</b>	<b>(272)</b>	<b>-</b>	<b>-</b>	<b>(273)</b>	<b>(0)</b>	<b>(1 089)</b>	<b>(1 003)</b>	<b>(956)</b>
Borrowing long term/refinancing/short term	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(25)	(526)	(564)	(722)
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(45)</b>	<b>(25)</b>	<b>(526)</b>	<b>(564)</b>	<b>(722)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>6 042</b>	<b>(3 850)</b>	<b>(4 554)</b>	<b>5 744</b>	<b>(3 805)</b>	<b>(2 823)</b>	<b>6 447</b>	<b>(3 097)</b>	<b>(2 828)</b>	<b>4 348</b>	<b>(3 101)</b>	<b>2 029</b>	<b>552</b>	<b>578</b>	<b>478</b>



**Table 78: MBRR Table SD7a – Capital Expenditure on New Assets by Asset Class - (BCMDA)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	611	611	226	120	48
Computers - hardware/equipment		-	-	-	-	511	511	139	60	28
Furniture and other office equipment		-	-	-	-	100	100	87	60	20
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>Total</i>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>Total</i>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	2 147	2 147	863	883	908
Computers - software & programming		-	-	-	-	1 983	1 983	830	847	867
Total Other		-	-	-	-	164	164	33	37	40
<b>Total capital expenditure on new assets</b>	<b>1</b>	-	-	-	-	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
<b>Funded by:</b>										
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-
Parent Municipality		-	-	-	-	2 758	2 758	1 089	1 003	956
District Municipality		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	-	-	-	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>
<b>Public contributions &amp; donations</b>	<b>6</b>	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	<b>3</b>	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>	<b>4</b>	-	-	-	-	<b>2 758</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>

**Table 79: MBRR Table SD8 – Future Financial Implications on the Capital Expenditure Budget - (BCMDA)**

Vote Description	Ref	Medium Term Revenue and Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
<b>R thousands</b>								
<b>Capital expenditure</b>								
<i>mSCOA Implementation</i>	1	330	350	371	-	-	-	-
<i>Community Recreational Facilities</i>		-	-	-	-	-	-	-
<i>Intangible Assets (Other Software &amp; Programming)</i>		533	536	540	-	-	-	-
<i>Computer Equipment and Hardware</i>		139	60	28	-	-	-	-
<i>Furniture &amp; Equipment</i>		87	60	20	-	-	-	-
		-	-	-	-	-	-	-
<b>Total capital expenditure</b>		<b>1 089</b>	<b>1 006</b>	<b>959</b>	-	-	-	-
<b>Future operational costs by vote</b>								
<i>Summarise future operational costs by program</i>	2	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
<b>Total future operational costs</b>		-	-	-	-	-	-	-
<b>Future revenue by source</b>								
<i>Transfers from parent municipality: BCMM</i>	3	1 089	1 006	959	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
<b>Total future revenue</b>		<b>1 089</b>	<b>1 006</b>	<b>959</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>0</b>	<b>0</b>	<b>(0)</b>	-	-	-	-

**Table 80: MBRR Table SD9 – Detailed Capital Budget - (BCMDA)**

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal Code 3	Asset Class 2	Asset Sub-Class 2	Total Project Estimate	2016/17		Medium Term Revenue and Expenditure Framework			Project information	
								Audited Outcome	Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousands														
<i>Summarise capital projects grouped by program</i>														
<b>Beachfront Development</b>														
		Esplanade and Court Crescent					-	-	-	-	-			
		Water World			Capital Expenditure: Community	Recreational Facilities	-	-	-	-	-			
		Open Space Mangement					-	-	-	-	-			
Furniture and Office equipment		Procurement of furniture and office equipment for personnel			Other Assets	Furniture & Office equipment	267	-	100	87	60	20		New
Computer Hardware and Equipment		Procurement of computers for personnel			Other Assets	Computer - hardware and equipment	738	-	511	139	60	28		New
Intangible Assets					Intangible Assets	Computers - software & programming	4 534	-	1 983	830	850	871		New
Intangible Assets					Intangible Assets	Other: Emails & Website Services	274	-	164	33	37	40		
<b>Total Capital expenditure</b>	1						<b>5 813</b>	<b>-</b>	<b>2 758</b>	<b>1 089</b>	<b>1 006</b>	<b>959</b>		

## **2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years) unless MFMA Section 33 has been complied with. In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Chief Financial Officer.

**Table 81: MBRR Table SA33 – Contracts having future budgetary implications**

Description	Ref	Preceding Years	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3	Total	Original Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Parent Municipality:</b>														
<b>Revenue Obligation By Contract</b>	2													
<i>Burmeister and Company</i>		1 296	171	192	216	216	244	274	308	347	390	439	439	4 533
<i>PF Properties(adjacent to aquarium)</i>		3 642	499	562	632	711	800	900	1 013	1 139	1 281	1 442	1 622	14 243
<i>FERRUCCI BROTHERS CC</i>		1 349	190	214	240	271	304	342	385	433	488	548	617	5 382
<i>Jet Stores 28261</i>		3 129	365	401	442	486	391							5 213
<i>Jet Stores 23161</i>		4 499	274	287	302	317	246							5 924
<i>Winter Rose Rugby F.C.</i>		23	3	4	4	5	5	6	7	2				58
<i>Gonubie Sports Club</i>		32	5	5	6	7	7	8	9	11	12	3		105
<i>Hamilton Club</i>		0	0	0	0	0	0	0						1
<i>Typos Bowling Club</i>		22	3	3	4	4	5	5	4					51
<i>Border Cricket Board</i>		25	4	4	5	5	6	3						52
<i>Buffalo Club</i>		0	0	0	0	0	0	0						1
<i>Stirling High School</i>		16	2	2	3	3	4	4	4	5	6	4		53
<i>Masibambane Home Based Care</i>		8	4	4	5	5	6	7	8	2				49
<i>Cambridge Sports Club</i>		84	12	13	15	17	19	10						169
<i>KINVEST (Pty) Ltd</i>		12	4	4	5	5	6	2						37
<i>EASTERN CAPE SOFTBALL FEDERATION</i>		7	4	5	5	1								22
<b>Total Operating Revenue Implication</b>		<b>14 145</b>	<b>1 539</b>	<b>1 702</b>	<b>1 883</b>	<b>2 053</b>	<b>2 043</b>	<b>1 561</b>	<b>1 738</b>	<b>1 939</b>	<b>2 177</b>	<b>2 436</b>	<b>2 678</b>	<b>35 893</b>

**MBRR Table SA33 – Contracts having future budgetary implications (Continued)**

Description	Ref	Preceding Years	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3	Total	Original Budget											Estimate
<b>Expenditure Obligation By Contract</b>	2													
<i>ABSA Bank</i>														-
<i>Morgan Creek Properties</i>		7 443	2 757	2 338	2 448	2 619	219							17 824
<i>IDZ</i>		79	111	120	130	176								616
<b>Total Operating Expenditure Implication</b>		7 522	2 868	2 458	2 578	2 795	219	-	-	-	-	-	-	18 440
<b>Capital Expenditure Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>		7 522	2 868	2 458	2 578	2 795	219	-	-	-	-	-	-	18 440
<b>Entities:</b>														
<b>Revenue Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<b>Total Operating Revenue Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<b>Total Operating Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Expenditure Obligation By Contract</b>	2													
<i>Contract 1</i>														-
<b>Total Capital Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>		-	-	-	-	-	-	-	-	-	-	-	-	-

**Table 82: MBRR Table SA35 – Future financial implications of the capital budget**

Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Directorate - Executive Support Services		500	500	500				
Vote 2 - Directorate - Municipal Manager		22 250	16 500	12 500				
Vote 3 - Directorate - Human Settlement		186 355	108 005	130 465				
Vote 4 - Directorate - Chief Financial Officer		34 100	92 100	122 100				
Vote 5 - Directorate - Corporate Services		6 000	5 500	500				
Vote 6 - Directorate - Infrastructure Services		914 154	1 223 532	1 336 147				
Vote 7 - Directorate - Spatial Planning and Development		236 117	460 932	430 530				
Vote 8 - Directorate - Health / Public Safety & Emergency Services		29 005	13 620	11 150				
Vote 9 - Directorate - Municipal Services		166 599	186 329	187 000				
Vote 10 - Directorate - Economic Development & Agriculture		43 100	59 500	50 500				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>1 638 180</b>	<b>2 166 518</b>	<b>2 281 392</b>	-	-	-	-

## **2.13 CAPITAL EXPENDITURE DETAILS**

The following seven tables present details of the City's capital expenditure programme, firstly on new assets, then the renewal of assets, upgrading of assets, repair and maintenance of assets, depreciation of assets, detailed capital programme and delayed capital projects.



**Table 83: MBRR Table SA34a – Capital expenditure on new assets by asset class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>570 890</b>	<b>187 905</b>	<b>455 306</b>	<b>227 534</b>	<b>174 329</b>	<b>174 329</b>	<b>250 378</b>	<b>236 909</b>	<b>305 599</b>
Roads Infrastructure		282 801	116 893	261 228	106 080	106 080	106 080	103 956	56 457	42 099
<i>Roads</i>		282 801	116 893	261 228	106 080	106 080	106 080	103 956	56 457	42 099
Electrical Infrastructure		103 228	38 944	137 712	43 000	54 613	54 613	48 000	52 000	98 500
<i>Power Plants</i>		103 228	38 944	137 712	43 000	54 613	54 613	48 000	52 000	98 500
Sanitation Infrastructure		177 056	–	9 135	–	–	–	–	–	–
<i>Waste Water Treatment Works</i>		177 056	–	9 135	–	–	–	–	–	–
Solid Waste Infrastructure		2 037	30 727	29 362	78 454	13 637	13 637	65 822	79 452	125 000
<i>Waste Transfer Stations</i>		2 037	30 727	29 362	78 454	13 637	13 637	65 822	79 452	125 000
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		5 768	1 341	17 870	–	–	–	32 600	49 000	40 000
<i>Capital Spares</i>		5 768	1 341	17 870	–	–	–	32 600	49 000	40 000
<b>Community Assets</b>		<b>78 512</b>	<b>50 846</b>	<b>6 304</b>	<b>210 789</b>	<b>209 467</b>	<b>209 467</b>	<b>184 557</b>	<b>335 232</b>	<b>329 530</b>
Community Facilities		78 512	50 846	6 304	210 289	208 041	208 041	177 017	332 232	329 530
<i>Halls</i>		5 807	10 968	–	10 000	10 000	10 000	10 000	10 000	–
<i>Cemeteries/Crematoria</i>		–	9 738	6 304	10 000	10 000	10 000	10 000	10 000	10 000
<i>Public Open Space</i>		–	–	–	500	500	500	7 500	8 000	8 500
<i>Markets</i>		–	–	–	–	–	–	10 000	10 000	10 000
<i>Taxi Ranks/Bus Terminals</i>		22 513	25 256	–	145 789	134 276	134 276	139 517	294 232	301 030
<i>Capital Spares</i>		50 193	4 885	–	44 000	53 264	53 264	–	–	–
Sport and Recreation Facilities		–	–	–	500	1 426	1 426	7 540	3 000	–
<i>Outdoor Facilities</i>		–	–	–	500	1 426	1 426	7 540	3 000	–
<b>Heritage assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**MBRR Table SA34a – Capital expenditure on new assets by asset class (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Investment properties</b>		58 680	145 316	73	201 941	140 279	140 279	185 855	107 505	129 965
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		58 680	145 316	73	201 941	140 279	140 279	185 855	107 505	129 965
<i>Improved Property</i>		58 680	145 316	73	201 941	140 279	140 279	185 855	107 505	129 965
<b>Other assets</b>		10 412	5 983	–	5 286	5 229	5 229	65 900	105 000	106 000
Operational Buildings		10 412	5 983	–	5 286	5 229	5 229	65 900	105 000	106 000
<i>Municipal Offices</i>		10 412	5 983	–	5 286	5 229	5 229	65 900	105 000	106 000
Housing		–	–	–	–	–	–	–	–	–
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
<b>Computer Equipment</b>		–	1 718	20 975	20 700	79 600	79 600	48 100	82 600	103 600
Computer Equipment		–	1 718	20 975	20 700	79 600	79 600	48 100	82 600	103 600
<b>Furniture and Office Equipment</b>		21 568	10 178	1 171	23 972	35 143	35 143	8 850	26 600	27 700
Furniture and Office Equipment		21 568	10 178	1 171	23 972	35 143	35 143	8 850	26 600	27 700
<b>Machinery and Equipment</b>		2 230	688	326	34 412	18 514	18 514	32 193	38 808	35 650
Machinery and Equipment		2 230	688	326	34 412	18 514	18 514	32 193	38 808	35 650
<b>Transport Assets</b>		9 085	25 117	–	29 200	72 084	72 084	29 000	27 500	29 000
Transport Assets		9 085	25 117	–	29 200	72 084	72 084	29 000	27 500	29 000
<b>Libraries</b>		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>751 379</b>	<b>427 751</b>	<b>484 154</b>	<b>753 834</b>	<b>734 646</b>	<b>734 646</b>	<b>804 832</b>	<b>960 154</b>	<b>1 067 044</b>

**Table 84: MBRR Table SA34b – Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		80 525	490 455	702 173	520 091	404 515	404 515	541 698	814 075	864 348
Roads Infrastructure		-	212 002	-	81 099	71 099	71 099	88 000	125 000	142 000
<i>Roads</i>		-	212 002	-	81 099	71 099	71 099	88 000	125 000	142 000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	79 994	-	60 000	60 000	60 000	60 000	60 000	60 000
<i>Power Plants</i>		-	79 994	-	60 000	60 000	60 000	60 000	60 000	60 000
Water Supply Infrastructure		68 763	90 752	702 173	47 500	47 500	47 500	145 000	140 000	235 000
<i>Water Treatment Works</i>		68 763	90 752	702 173	47 500	47 500	47 500	145 000	140 000	235 000
Sanitation Infrastructure		11 762	107 707	-	331 492	225 917	225 917	248 698	489 075	427 348
<i>Waste Water Treatment Works</i>		11 762	107 707	-	331 492	225 917	225 917	248 698	489 075	427 348
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		2 345	4 788	-	9 855	15 805	15 805	36 367	39 307	6 000
Community Facilities		1	293	-	7 355	7 374	7 374	19 752	24 907	6 000
<i>Nature Reserves</i>		-	293	-	7 355	7 374	7 374	19 752	24 907	6 000
Sport and Recreation Facilities		2 343	4 495	-	2 500	8 431	8 431	16 615	14 400	-
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		2 343	4 495	-	2 500	8 431	8 431	16 615	14 400	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-

**MBRR Table SA34b – Capital expenditure on the renewal of existing assets by asset class (continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		<b>390</b>	<b>7 056</b>	-	<b>63 655</b>	<b>52 962</b>	<b>52 962</b>	<b>45 282</b>	<b>62 482</b>	<b>26 000</b>
Operational Buildings		390	7 056	-	63 655	52 962	52 962	45 282	62 482	26 000
<i>Municipal Offices</i>		390	7 056	-	63 655	52 962	52 962	45 282	62 482	26 000
Housing		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	700	1 057	1 057	-	-	-
Machinery and Equipment		-	-	-	700	1 057	1 057	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing</b>	<b>1</b>	<b>83 260</b>	<b>502 299</b>	<b>702 173</b>	<b>594 300</b>	<b>474 339</b>	<b>474 339</b>	<b>623 348</b>	<b>915 864</b>	<b>896 348</b>
<b>Renewal of Existing Assets as % of total capex</b>		<i>0,0%</i>	<i>54,0%</i>	<i>59,2%</i>	<i>38,1%</i>	<i>31,8%</i>	<i>31,8%</i>	<i>38,1%</i>	<i>42,3%</i>	<i>39,3%</i>
<b>Renewal of Existing Assets as % of deprecn"</b>		<i>13,2%</i>	<i>73,3%</i>	<i>88,9%</i>	<i>79,4%</i>	<i>63,4%</i>	<i>63,4%</i>	<i>80,1%</i>	<i>110,5%</i>	<i>100,3%</i>

**Table 85: MBRR Table SA34e – Capital expenditure on the upgrading of existing assets by asset class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		–	–	–	210 000	282 462	282 462	210 000	290 000	320 000
Roads Infrastructure		–	–	–	80 000	102 421	102 421	80 000	80 000	120 000
<i>Roads</i>					80 000	102 421	102 421	80 000	80 000	120 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	40 000	40 000	40 000	40 000	40 000	40 000
<i>Power Plants</i>					40 000	40 000	40 000	40 000	40 000	40 000
Water Supply Infrastructure		–	–	–	40 000	108 041	108 041	40 000	80 000	80 000
<i>Water Treatment Works</i>					40 000	108 041	108 041	40 000	80 000	80 000
Sanitation Infrastructure		–	–	–	40 000	22 000	22 000	40 000	80 000	70 000
<i>Waste Water Treatment Works</i>					40 000	22 000	22 000	40 000	80 000	70 000
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	10 000	10 000	10 000	10 000	10 000	10 000
<i>Capital Spares</i>					10 000	10 000	10 000	10 000	10 000	10 000
<b>Community Assets</b>		–	–	–	30 000	30 000	30 000	30 000	30 000	30 000
Community Facilities		–	–	–	20 000	20 000	20 000	20 000	20 000	20 000
<i>Halls</i>					10 000	10 000	10 000	10 000	10 000	10 000
<i>Cemeteries/Crematoria</i>					10 000	10 000	10 000	10 000	10 000	10 000
Sport and Recreation Facilities		–	–	–	10 000	10 000	10 000	10 000	10 000	10 000
<i>Outdoor Facilities</i>					10 000	10 000	10 000	10 000	10 000	10 000
<b>Heritage assets</b>		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–

**MBRR Table SA34b – Capital expenditure on the upgrading of existing assets by asset class (continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240 000</b>	<b>312 462</b>	<b>312 462</b>	<b>240 000</b>	<b>320 000</b>	<b>350 000</b>
<b>Upgrading of Existing Assets as % of total capex</b>		<i>0,0%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>15,4%</i>	<i>21,0%</i>	<i>21,0%</i>	<i>14,7%</i>	<i>14,8%</i>	<i>15,3%</i>
<b>Upgrading of Existing Assets as % of deprecn"</b>		<i>0,0%</i>	<i>0,0%</i>	<i>0,0%</i>	<i>32,1%</i>	<i>41,8%</i>	<i>41,8%</i>	<i>30,8%</i>	<i>38,6%</i>	<i>39,2%</i>

**Table 86: MBRR Table SA34c – Repairs and maintenance expenditure by asset class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>236 217</b>	<b>254 627</b>	<b>293 613</b>	<b>351 434</b>	<b>355 249</b>	<b>355 249</b>	<b>390 774</b>	<b>429 851</b>	<b>472 837</b>
Roads Infrastructure		56 120	75 418	98 350	118 807	118 807	118 807	130 688	143 756	158 132
<i>Roads</i>		56 120	75 418	98 350	118 807	118 807	118 807	130 688	143 756	158 132
Storm water Infrastructure		6 644	8 619	8 493	–	–	–	–	–	–
<i>Drainage Collection</i>		–	–	–						
<i>Storm water Conveyance</i>		6 644	8 619	8 493						
<i>Attenuation</i>		–	–	–						
Electrical Infrastructure		103 884	94 200	92 819	126 469	126 469	126 469	139 116	153 027	168 330
<i>Power Plants</i>		103 884	94 200	92 819	126 469	126 469	126 469	139 116	153 027	168 330
Water Supply Infrastructure		30 866	34 412	43 011	47 615	47 615	47 615	52 376	57 614	63 375
<i>Dams and Weirs</i>		932	1 013	–						
<i>Water Treatment Works</i>		29 933	33 398	43 011	47 615	47 615	47 615	52 376	57 614	63 375
Sanitation Infrastructure		23 221	24 862	28 972	33 027	36 845	36 845	40 530	44 583	49 041
<i>Waste Water Treatment Works</i>		23 221	24 862	28 972	33 027	36 845	36 845	40 530	44 583	49 041
Solid Waste Infrastructure		15 483	17 116	21 968	25 517	25 513	25 513	28 064	30 871	33 958
<i>Landfill Sites</i>		15 483	17 116	21 968	25 517	25 513	25 513	28 064	30 871	33 958
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Community Assets</b>		<b>23 667</b>	<b>13 174</b>	<b>19 967</b>	<b>17 837</b>	<b>17 837</b>	<b>17 837</b>	<b>19 620</b>	<b>21 582</b>	<b>23 741</b>
Community Facilities		21 084	10 260	15 637	14 153	14 153	14 153	15 568	17 125	18 838
<i>Halls</i>		405	526	4 710	577	577	577	635	698	768
<i>Clinics/Care Centres</i>		21	–	–	931	931	931	1 024	1 126	1 239
<i>Fire/Ambulance Stations</i>		1 394	1 507	1 568	2 049	2 049	2 049	2 254	2 480	2 728
<i>Testing Stations</i>		–	–	–						
<i>Museums</i>		14	10	71	256	256	256	282	310	341
<i>Libraries</i>		126	128	219	279	279	279	307	338	372
<i>Cemeteries/Crematoria</i>		158	250	405	448	448	448	493	543	597
<i>Police</i>		1 995	1 144	2 102	2 917	2 917	2 917	3 209	3 530	3 883
<i>Nature Reserves</i>		11 248	1 818	–	5 569	5 569	5 569	6 126	6 738	7 412
<i>Public Ablution Facilities</i>		–	–	–						
<i>Markets</i>		721	679	771	1 126	1 126	1 126	1 238	1 362	1 498
<i>Taxi Ranks/Bus Terminals</i>		394	118	536						
<i>Capital Spares</i>		4 609	4 079	5 254						
Sport and Recreation Facilities		2 583	2 914	4 329	3 683	3 683	3 683	4 052	4 457	4 903
<i>Indoor Facilities</i>		2 285	2 579	3 772	2 414	2 414	2 414	2 656	2 921	3 213
<i>Outdoor Facilities</i>		298	335	557	1 269	1 269	1 269	1 396	1 536	1 689
<i>Capital Spares</i>		–	–	–						

**MBRR Table SA34c – Repairs and maintenance expenditure by asset class (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Heritage assets</b>		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Other assets</b>		<b>24 258</b>	<b>17 897</b>	<b>35 398</b>	<b>33 689</b>	<b>33 689</b>	<b>33 689</b>	<b>37 058</b>	<b>40 764</b>	<b>44 840</b>
Operational Buildings		24 258	17 897	35 398	33 689	33 689	33 689	37 058	40 764	44 840
Municipal Offices		8 852	5 031	24 793	21 683	21 683	21 683	23 852	26 237	28 860
Pay/Enquiry Points		–	–	–	693	693	693	762	838	922
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	2 073	2 073	2 073	2 280	2 508	2 759
Capital Spares		15 406	12 865	10 605	9 240	9 240	9 240	10 164	11 180	12 298
Housing		–	–	–	–	–	–	–	–	–
<b>Biological or Cultivated Assets</b>		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		–	–	–	993	993	993	1 092	1 201	1 321
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	993	993	993	1 092	1 201	1 321
Computer Software and Applications		–	–	–	993	993	993	1 092	1 201	1 321
<b>Computer Equipment</b>		604	671	118	1 188	1 188	1 188	1 307	1 437	1 581
Computer Equipment		604	671	118	1 188	1 188	1 188	1 307	1 437	1 581
<b>Furniture and Office Equipment</b>		0	2	1	187	191	191	210	231	254
Furniture and Office Equipment		0	2	1	187	191	191	210	231	254
<b>Machinery and Equipment</b>		–	–	–	5 381	5 381	5 381	5 919	6 511	7 162
Machinery and Equipment		–	–	–	5 381	5 381	5 381	5 919	6 511	7 162
<b>Transport Assets</b>		940	1 022	1 008	2 975	2 975	2 975	3 272	3 600	3 959
Transport Assets		940	1 022	1 008	2 975	2 975	2 975	3 272	3 600	3 959
<b>Libraries</b>		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>		–	–	–	1 107	1 107	1 107	1 218	1 340	1 474
Zoo's, Marine and Non-biological Animals		–	–	–	1 107	1 107	1 107	1 218	1 340	1 474
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>285 686</b>	<b>287 393</b>	<b>350 106</b>	<b>414 791</b>	<b>418 609</b>	<b>418 609</b>	<b>460 470</b>	<b>506 517</b>	<b>557 169</b>
<b>R&amp;M as a % of PPE</b>		2,4%	2,3%	2,7%	3,1%	3,1%	3,1%	3,4%	3,5%	3,5%
<b>R&amp;M as % Operating Expenditure</b>		6,2%	5,5%	6,4%	7,0%	7,0%	7,0%	7,7%	8,1%	8,3%



**Table 87: MBRR Table SA34d – Depreciation by Asset Class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>526 709</b>	<b>571 222</b>	<b>649 708</b>	<b>593 914</b>	<b>593 914</b>	<b>593 914</b>	<b>617 671</b>	<b>657 819</b>	<b>709 129</b>
Roads Infrastructure		182 857	211 202	265 881	297 232	297 232	297 232	309 121	329 214	354 893
<i>Roads</i>		182 857	211 202	265 881	297 028	297 028	297 028	308 909	328 988	354 649
<i>Road Structures</i>		–	–	–	204	204	204	212	226	244
Storm water Infrastructure		17 191	22 821	24 823	–	–	–	–	–	–
<i>Drainage Collection</i>		–	–	–	–	–	–	–	–	–
<i>Storm water Conveyance</i>		17 191	22 821	24 823	–	–	–	–	–	–
<i>Attenuation</i>		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		90 122	106 450	110 808	85 663	85 663	85 663	89 089	94 880	102 281
<i>Power Plants</i>		90 122	106 450	110 808	85 663	85 663	85 663	89 089	94 880	102 281
Water Supply Infrastructure		87 105	140 312	141 255	72 267	72 267	72 267	75 158	80 043	86 287
<i>Dams and Weirs</i>		3 074	26 485	26 560	–	–	–	–	–	–
<i>Water Treatment Works</i>		84 031	113 828	114 695	72 267	72 267	72 267	75 158	80 043	86 287
Sanitation Infrastructure		149 434	90 437	106 940	133 006	133 006	133 006	138 326	147 318	158 808
<i>Waste Water Treatment Works</i>		149 434	90 437	106 940	133 006	133 006	133 006	138 326	147 318	158 808
Solid Waste Infrastructure		–	–	–	5 746	5 746	5 746	5 976	6 364	6 860
<i>Landfill Sites</i>		–	–	–	5 746	5 746	5 746	5 976	6 364	6 860
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<b>Community Assets</b>		<b>15 097</b>	<b>57 584</b>	<b>57 376</b>	<b>23 016</b>	<b>23 016</b>	<b>23 016</b>	<b>23 937</b>	<b>25 493</b>	<b>27 481</b>
Community Facilities		11 308	40 299	40 960	11 797	11 797	11 797	12 269	13 066	14 086
<i>Halls</i>		6 564	14 672	15 117	959	959	959	997	1 062	1 145
<i>Clinics/Care Centres</i>		1 859	2 341	2 306	882	882	882	917	976	1 053
<i>Fire/Ambulance Stations</i>		325	2 937	2 757	2 666	2 666	2 666	2 773	2 953	3 184
<i>Testing Stations</i>		–	–	–	–	–	–	–	–	–
<i>Museums</i>		188	–	–	628	628	628	653	695	750
<i>Libraries</i>		1 525	2 641	2 635	171	171	171	178	190	205
<i>Cemeteries/Crematoria</i>		666	3 516	3 795	2 264	2 264	2 264	2 355	2 508	2 703
<i>Police</i>		–	–	–	2 456	2 456	2 456	2 554	2 720	2 933
<i>Nature Reserves</i>		174	1 373	1 585	1 338	1 338	1 338	1 392	1 482	1 598
<i>Markets</i>		–	–	–	432	432	432	449	479	516
<i>Capital Spares</i>		7	12 819	12 765	–	–	–	–	–	–
Sport and Recreation Facilities		3 789	17 284	16 415	11 219	11 219	11 219	11 668	12 427	13 396
<i>Indoor Facilities</i>		2 517	1 011	–	374	374	374	389	414	447
<i>Outdoor Facilities</i>		1 272	16 273	16 415	2 377	2 377	2 377	2 472	2 633	2 838
<i>Capital Spares</i>		–	–	–	8 468	8 468	8 468	8 807	9 379	10 111

**MBRR Table SA34d – Depreciation by Asset Class (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b><u>Depreciation by Asset Class/Sub-class</u></b>										
<b><u>Heritage assets</u></b>		–	–	–	–	–	–	–	–	–
<b><u>Investment properties</u></b>		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b><u>Other assets</u></b>		<b>30 838</b>	<b>31 713</b>	<b>29 941</b>	<b>88 618</b>	<b>88 618</b>	<b>88 618</b>	<b>92 162</b>	<b>98 153</b>	<b>105 809</b>
Operational Buildings		30 838	31 713	29 941	84 885	84 885	84 885	88 281	94 019	101 352
Municipal Offices		22 105	31 713	29 941	31 459	31 459	31 459	32 718	34 844	37 562
Building Plan Offices		–	–	–	41 981	41 981	41 981	43 660	46 498	50 125
Workshops		–	–	–	4 693	4 693	4 693	4 880	5 198	5 603
Capital Spares		8 733	–	–	6 752	6 752	6 752	7 022	7 479	8 062
Housing		–	–	–	3 732	3 732	3 732	3 882	4 134	4 456
Social Housing		–	–	–	3 732	3 732	3 732	3 882	4 134	4 456
<b><u>Biological or Cultivated Assets</u></b>		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
<b><u>Intangible Assets</u></b>		13 355	391	9 167	6 222	6 222	6 222	6 471	6 892	7 429
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		13 355	391	9 167	6 222	6 222	6 222	6 471	6 892	7 429
Computer Software and Applications		13 355	391	9 167	6 011	6 011	6 011	6 252	6 658	7 177
Unspecified		–	–	–	211	211	211	219	234	252
<b><u>Computer Equipment</u></b>		8 173	2 514	9 139	–	–	–	–	–	–
Computer Equipment		8 173	2 514	9 139	–	–	–	–	–	–
<b><u>Furniture and Office Equipment</u></b>		5 067	3 158	12 078	17 076	17 076	17 076	17 759	18 913	20 389
Furniture and Office Equipment		5 067	3 158	12 078	17 076	17 076	17 076	17 759	18 913	20 389
<b><u>Machinery and Equipment</u></b>		13 696	8 616	9 358	11 699	11 699	11 699	12 167	12 958	13 969
Machinery and Equipment		13 696	8 616	9 358	11 699	11 699	11 699	12 167	12 958	13 969
<b><u>Transport Assets</u></b>		16 793	10 139	13 045	7 295	7 295	7 295	7 587	8 080	8 710
Transport Assets		16 793	10 139	13 045	7 295	7 295	7 295	7 587	8 080	8 710
<b><u>Libraries</u></b>		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
<b><u>Zoo's, Marine and Non-biological Animals</u></b>		–	–	–	499	499	499	519	552	595
Zoo's, Marine and Non-biological Animals		–	–	–	499	499	499	519	552	595
<b>Total Depreciation</b>	<b>1</b>	<b>629 728</b>	<b>685 336</b>	<b>789 811</b>	<b>748 339</b>	<b>748 339</b>	<b>748 339</b>	<b>778 273</b>	<b>828 860</b>	<b>893 511</b>

**Table 88: MBRR Table SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
					Approved (Yes/No)					Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4			2	6	3	3	5								
<b>Parent municipality:</b>																
<i>List all capital projects grouped by Municipal Vote</i>																
Vote 1 - Executive Support Services		Office Equipment	Various			Buildings	Buildings(Councillors Offices)	32.9879 , 27.8789 -33.0158, 27.	-	777	500	500	500	500	Various	New
		Other Assets	Various			Other Assets	Office Equipment	27.903766 -33.013943	1 321		6 078				Various	
		Other Assets	Various			Other Assets	Other Assets	27.903766 -33.013944	-						Various	
Vote 2 - Municipal Manager's Office		Office Furniture & Equipment	Various			Other Assets	Office Equipment	27.903766 -33.013944	-						Various	
		Computer Equipment	Various			Other Assets	Computer Software and Applications	018527.90486 -33.015127.886	4 211	-	77 600	21 750	16 000	12 000	Various	
		Other	Various			Other Assets	Other Assets	27.903766 -33.013944	5 452	-	1 222	500	500	500	Various	
Vote 3 - Human Settlement		Housing	Various			Housing	Housing	2327.874642 -33.0069927.8458	144 650	73	131 243	185 855	107 505	129 965	Various	
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	27.90387 -33.0139	133	-	9 536	500	500	500	Various	
Vote 4 - Directorate of Finance		Computer Equipment	Various			Other Assets	Computer Software and Applications	018711 27.90546 -33.018527.38	-	-	100	1 500	1 500	1 500	Various	
		Building Upgrade	Various			Other Assets	Municipal Offices	018711 27.90546 -33.018527.38	-	-	-	2 000	20 000	20 000	Various	
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	018711 27.90546 -33.018527.38	343	362	598	600	600	600	Various	
		Asset Replacements	Various			Other Assets	Other Assets	018711 27.90546 -33.018527.38	2 939	-	18 100	30 000	70 000	100 000	Various	
Vote 5 - Directorate of Corporate Services		Computer Equipment	Various			Other Assets	Computers	018527.90486 -33.015127.886	-	-	717	500	500	500	Various	
		Office Furniture & Equipment	Various			Other Assets	Computer Software and Applications	018527.90486 -33.015127.886	652	20 975	3 816	5 500	5 000	-	Various	
Vote 6 - Directorate of Infrastructure Services		Roads	Various			Infrastructure	Roads	-32.92444827.875525 -33.0036	322 624	261 228	279 599	271 456	260 457	302 899	Various	
		Sewerage	Various			Infrastructure	Sewerage	-32.92423727.900472 -33.01724	107 707	9 135	230 417	289 198	570 075	498 548	Various	
		Electricity	Various			Infrastructure	Electricity reticulation	585 -33.0053227.875995 -33.00	119 307	137 712	154 613	148 000	152 000	198 500	Various	
		Street Lighting	Various			Infrastructure	Street Lighting	585 -33.0053227.875995 -33.00	6 270						Various	
		Water	Various			Infrastructure	Water reticulation	35 -32.84439327.426884 -32.85	90 752	702 173	173 541	185 000	220 000	315 000	Various	
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	04 -32.937827.88826 -33.005827	358	-	-	500	1 000	1 200	Various	
		BCMM Fleet	Various			Vehicles	Vehicles	04 -32.937827.88826 -33.005827	24 809	-	32 762	20 000	20 000	20 000	Various	

### MBRR Table SA36 - Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4			2	6	3	3	5								
<b>Parent municipality:</b>																
<i>List all capital projects grouped by Municipal Vote</i>																
Vote 7 - Directorate of Spatial Planning and Development		Land	Various			Infrastructure	Land	27.951105 -32.944939	-		11 255	15 000	20 000	30 000	Various	
		Transportation Infrastructure	Various			Infrastructure	Car Parks, Bus terminals & Taxi ranks	6227.890158 -33.00576827.640	25 256	-	128 276	173 517	373 732	377 030	Various	
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	27.90476 -33.0187	218	-	500	500	500	500	Various	
		Other	Various			Other Assets	City Hall and Payments Hall	2.940827.435 -32.851827.73924	-			4 000			Various	
		Other	Various			Other Assets	Buildings		10 622	-	51 400	43 100	66 200	23 000	Various	
Vote 8 - Directorate of Health & Public Safety		Land & Buildings	Various			Other Assets	Land & Buildings/ Fire Stations	527.898957,-32.97489927.740	384	-	-	-	-	-	Various	
		Clinics	Various			Community	Clinics		-	-	1 057	800	900	-	Various	
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	527.898957,-32.97489927.740	-	326	500	500	500	1 000	Various	
		Disaster Management	Various			Other Assets	Plant & Equipment	527.898957,-32.97489927.740	-	-	90	800	1 200		Various	
		Other	Various			Other Assets	Other Assets	527.898957,-32.97489927.740	3 367	-	17 272	17 800	3 400	1 000	Various	
	Specialised Vehicles	Various			Other Assets	Vehicles(Fire Engines)	527.898957,-32.97489927.740	-	-	10 847	9 105	7 620	9 150	Various		
Vote 9 - Directorate of Municipal Services		Solid Waste	Various			Community	Waste Management	9561 -33.006927.89759 -33.015	30 951	29 362	44 168	65 822	79 452	125 000	Various	
		Amenities	Various			Community	Amenities	89759 -33.015127.89762 -33.01	-	-	11 235	3 000	1 000	3 000	Various	
		Sportsfields	Various			Community	Sportsfields	27.905681 -33.007034	4 495	-	17 510	24 465	21 800	8 000	Various	
		Halls	Various			Community	Community halls	89759 -33.015127.89762 -33.01	8 118	-	10 300	10 000	10 000	-	Various	
		Office Furniture & Equipment	Various			Other Assets	Office Equipment	89759 -33.015127.89762 -33.01	-	33	500	11 000	21 000	26 000	Various	
		Plant & equipment	Various			Other Assets	Cemeteries	89759 -33.015127.89762 -33.01	9 738	6 304	12 332	10 000	10 000	10 000	Various	
		Sportsfields	Various			Community	Swimming Pool	89759 -33.015127.89762 -33.01	162	-	-	10 790	6 400	-	Various	
		Parks	Various			Community	Parks	89759 -33.015127.89762 -33.01	-	-		8 000	8 500	9 000	Various	
		Asset Replacements	Various			Other Assets	Plant & equipment	89759 -33.015127.89762 -33.01	3 576						Various	
		Zoo	Various			Other Assets	Plant & equipment	89759 -33.015127.89762 -33.01	293			4 595	3 095	-	Various	
		Aquarium	Various			Community	Plant & equipment	89759 -33.015127.89762 -33.01	-			3 927	4 582	-	Various	
		Beaches	Various			Community	Plant & equipment	89759 -33.015127.89762 -33.01	-			6 500	6 500	-	Various	
	Resorts	Various			Community	Building	89759 -33.015127.89762 -33.01	-			8 500	14 000	6 000	Various		
Vote 10 - Directorate of Economic Development		Markets	Various			Other Assets	Buildings	91588 -33.008827.94812 -32.98	-						Various	
		LED	Various			Other Assets	LED	27.90476 -33.0187	1 341	17 870	53 764	43 100	59 500	50 500	Various	
<b>Parent Capital expenditure</b>	1									<b>1 186 327</b>	<b>1 491 447</b>	<b>1 638 180</b>	<b>2 166 018</b>	<b>2 281 392</b>		
<b>Entity Capital expenditure</b>		<b>Office Furniture and Computer Hardware &amp; Software</b>								<b>-</b>	<b>2 758</b>	<b>1 089</b>	<b>1 003</b>	<b>956</b>		
<b>Total Capital expenditure</b>										<b>1 186 327</b>	<b>1 494 205</b>	<b>1 639 269</b>	<b>2 167 021</b>	<b>2 282 348</b>		

**Table 89: MBRR Table SA37 – Projects delayed from the previous financial year**

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>												
<b>Parent municipality:</b>												
<i>List all capital projects grouped by Municipal Vote</i>												
				<i>Examples</i>	<i>Examples</i>							
<b>Vote 3 - Directorate of Human Settlement</b>												
		Reeston Phase 3 Stage 2 -P1 & P3	-	Housing	Housing development	27.7799 -32.965061		28 810				
		Mdantsane Zone 18 CC Phase 2 - P1 & P3	-	Housing	Housing development	27.7799 -32.965061		9 251	3 722			
		Manyano & Thembehlhle Phase 2 - P1 & P3	-	Housing	Housing development	27.7799 -32.965061						
		Second Creek (Turn Key) - P1 & P3	-	Housing	Housing development	27.7799 -32.965061						
		Block Yard TRA - P 1& P3	-	Housing	Housing development	27.7799 -32.965061			500			
						27.764872 -32.971407						
		DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	-	Housing	Housing development	27.679964 -32.913959			748			
						27.679002 -32.914403						
		Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3	-	Housing	Housing development	27.764872 -32.971407		8 898	62 490			
						27.679964 -32.913959						
		<b>Reeston Phase 3 Stage 3 (CAPEX)</b>		Housing	Housing development			28 810				
		Water (10%)								250		
		Roads (12.8%)								320		
		Stormwater (8.2%)								205		
		Sanitation(69%)								1 725		
		<b>Reeston Phase 3 Stage 3 (OPEX)</b>						10 000	3 500	3 000		
		<b>Potsdam Ikhwezi Block 1 (CAPEX)</b>		Housing	Housing development			11 453				
		Water (10%)								2 500	916	
		Roads (12.8%)								3 200	1 173	
		Stormwater (8.2%)								2 050	751	
		Sanitation(69%)								17 250	6 323	
		<b>Potsdam Ikhwezi Block 1 - P5 (OPEX)</b>								3 000	3 000	1 500
		<b>Potsdam Ikhwezi Block 2 (CAPEX)</b>		Housing	Housing development			176				
		Water (10%)									1 833	500
		Roads (12.8%)									2 346	640
		Stormwater (8.2%)									1 503	410
		Sanitation(69%)									12 647	3 450

**MBRR Table SA37 – Projects delayed from the previous financial year (Continued)**

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>												
<b>Parent municipality:</b>												
<i>List all capital projects grouped by Municipal Vote</i>												
				<i>Examples</i>	<i>Examples</i>							
<b>Vote 3 - Directorate of Human Settlement</b>												
		<b>Potsdam Ikhwezi Block 2- P5 (OPEX)</b>	-							500	3 000	1 500
		<b>Potsdam North Kanana (CAPEX)</b>		Housing	Housing development			176	185			
		Water (10%)								2 500	916	2 000
		Roads (12.8%)								3 200	1 173	2 560
		Stormwater (8.2%)								2 050	751	1 640
		Sanitation(69%)								12 250	6 323	13 800
		<b>Potsdam North Kanana - P5 (OPEX)</b>								2 500	5 000	5 000
		<b>Ilitha North 177 Units (CAPEX)</b>		Housing	Housing development			5 991	2 241			
		Water (10%)								700	500	500
		Roads (12.8%)								1 470	1 050	1 050
		Stormwater (8.2%)								574	410	410
		Sanitation(69%)								4 830	3 450	3 450
		<b>Ilitha North - 177 Units P5 (OPEX)</b>								3 000	5 000	8 000
		<b>Duncan Village Proper (CAPEX)</b>		Housing	Housing development			18 300				
		Water (10%)								50	50	50
		Roads (12.8%)								64	64	64
		Stormwater (8.2%)								41	41	41
		Sanitation(69%)								345	345	345
		<b>Amalinda Co- Op (CAPEX)</b>		Housing	Housing development			88	1 241			
		Water (10%)								800	800	800
		Roads (12.8%)								1 024	1 024	1 024
		Stormwater (8.2%)								656	656	656
		Sanitation(69%)								3 520	5 520	5 520
		<b>Amalinda Co- Op (OPEX)</b>								4 000	1 000	1 000
		<b>Amalinda Fairlands (CAPEX)</b>		Housing	Housing development			441				
		Water (10%)								700	900	500
		Roads (12.8%)								896	1 152	640
		Stormwater (8.2%)								574	738	410
		Sanitation(69%)								3 830	6 210	3 450
		<b>Amalinda Fairlands P5 (OPEX)</b>								100		

**MBRR Table SA37 – Projects delayed from the previous financial year (Continued)**

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>												
<b>Parent municipality:</b>												
<i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
<b>Vote 3 - Directorate of Human Settlement</b>												
		<b>Cluster 1 (Masibambane; Masibulele; Velwano; Ilinge and Dacawa)</b>		<i>Housing</i>	<i>Housing development</i>			13 739	23 751			
		Water (10%)								1 100	500	500
		Roads (12.8%)								1 408	640	640
		Stormwater (8.2%)								902	410	410
		Sanitation(69%)								7 590	3 450	3 450
		<b>Cluster 1 (Masibambane; Masibulele; Velwano; Ilinge and Dacawa) P5 (CAPEX)</b>						23 802	8 500	4 000		4 000
		<b>Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe)</b>		<i>Housing</i>	<i>Housing development</i>			14 505	4 353			
		Water (10%)								1 500	1 500	1 500
		Roads (12.8%)								1 920	1 920	1 920
		Stormwater (8.2%)								1 230	1 230	1 230
		Sanitation(69%)								8 350	10 350	10 350
		<b>Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe) P5 (Name Change) (OPEX)</b>						20 000	19 550	8 000		
		<b>Duncan Village Composite Site (CAPEX)</b>		<i>Housing</i>	<i>Housing development</i>							
		Water (10%)								200	200	200
		Roads (12.8%)								256	256	256
		Stormwater (8.2%)								164	164	164
		Sanitation(69%)								1 380	1 380	1 380
		<b>Duncan Village Competition Site - DVRI (CAPEX)</b>								1 000		
		<b>Braelyn ext 10 (CAPEX)</b>		<i>Housing</i>	<i>Housing development</i>			20 000				
		Water (10%)								300	300	300
		Roads (12.8%)								384	384	384
		Stormwater (8.2%)								246	246	246
		Sanitation(69%)								2 070	2 070	2 070
		<b>Tyutyu Phase 3 (CAPEX)</b>		<i>Housing</i>	<i>Housing development</i>			88	238			
		Water (10%)								1 000	300	300
		Roads (12.8%)								1 280	384	384
		Stormwater (8.2%)								820	246	246
		Sanitation(69%)								5 900	2 070	2 070

**MBRR Table SA37 – Projects delayed from the previous financial year (Continued)**

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework			
								Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand								Year					
<b>Parent municipality:</b>													
<i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>								
<b>Vote 3 - Directorate of Human Settlement</b>													
		Tyutyu Phase 3 (CAPEX)	-								3 000	5 000	8 500
		Westbank Restitution (CAPEX)		Housing	Housing development			13 215					
		Water (10%)									500	988	300
		Roads (12.8%)									640	384	384
		Stormwater (8.2%)									410	246	246
		Sanitation(69%)									2 450	2 070	2 070
		Sunny South 540 units (CAPEX)								3 652			
		Sunny South 540 units (OPEX)								5			
<b>Vote 6 - Directorate of Infrastructure Services</b>													
		West Bank Restitution	Various	Roads	Roads	27.914219 -33.017366							
		Bufferstrip Sanitation	Various	Waste Water	Waste Water	27.441562 -32.932372		1 000	1 000				
		Eastern Beach Sewers	Various	Waste Water	Waste Water	27.441562 -32.932372		50 000	10 000		33 881	62 881	35 000
		E.L Sewer Diversion Centre	Various	Waste Water	Waste Water	27.441562 -32.932372		69 582	1 500		69 000	189 000	176 000
		Reeston Phase 3 Bulk Service Sewer	Various	Waste Water	Waste Water	27.441562 -32.932372		50 000	44 000		35 000		
		Waste Water Treatment Capacity Zwelitsha	Various	Waste Water	Waste Water	27.441562 -32.932372		135 000	135 000		77 818	88 294	67 348
<b>Entities:</b>													
<i>List all capital projects grouped by Municipal Entity</i>													
<b>Entity Name</b>													
<i>Project name</i>													



**Table 90: MBRR Table SA37 – Consolidated detailed operational projects**

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	4				6										
<b>Parent municipality:</b>															
<i>List all operational projects grouped by Municipal Vote</i>															
<b>Vote 1 - Executive Support Services</b>															
<b>SPECIAL PROJECTS:</b>															
		Coastal Management Program	Various		Yes							600	300	300	All Wards
		Review of IEMP& CZMP	Various		Yes							250	250	250	All Wards
		BCMM Master Plans Water Development Plan and Health Master Plan	Various		Yes							1 400	2 000	3 000	All Wards
		Communication, Media, Marketing and Branding Strategy	Various		Yes							250	1 500	1 000	All Wards
		African/Asian Partnership Exploration to Support the MGDS	Various		Yes							300	500	300	All Wards
		GIS Internet Service	Various		Yes							350	-	-	All Wards
		Civic Education Project	Various		Yes							250	280	300	All Wards
		Ward Committee Empowerment Programme	Various		Yes							240	180	200	All Wards
		Repairs and Maintenance										500	500	500	All Wards
		Municipal Running costs										3 559	3 915	4 307	
												216 230	231 400	245 596	
<b>Vote 2 - Municipal Manager's Office</b>															
<b>SPECIAL PROJECTS:</b>															
		Project Management Funding - EPMD Unit Salaries	Various		Yes							23 044	24 206	25 572	All Wards
		Innovative Strategy	Various		Yes							1 095	-	-	All Wards
		Expanded Public Works Programme	Various		Yes							4 952	-	-	All Wards
		Share Point	Various		Yes							6 000	5 000	2 000	All Wards
		System Integration	Various		Yes							7 000	5 000	4 000	All Wards
		Establishment of Municipal Courts	Various		Yes							4 000	4 000	5 000	All Wards
		Implementation of Fraud Hotline	Various		Yes							700	700	700	All Wards
		Repairs and Maintenance										6 682	7 350	8 085	
		Municipal Running costs										105 956	117 590	129 914	
<b>Vote 3 - Human Settlement</b>															
<b>SPECIAL PROJECTS:</b>															
		Housing	Various		Yes							91 300	104 900	101 950	All Wards
		Repairs and Maintenance										119	131	144	
		Municipal Running costs										44 605	48 671	52 267	

**MBRR Table SA37 – Consolidated detailed operational projects (Continued)**

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location
Parent municipality:															
<i>List all operational projects grouped by Municipal Vote</i>															
Vote 4 - Directorate of Finance	4	<b>SPECIAL PROJECTS:</b>													
		Audit Improvement Plan	Various		Yes							2 500	2 500	2 500	All Wards
		mSCOA Implementation	Various		Yes							10 000	8 000	5 000	All Wards
		Budget Reforms	Various		Yes							1 200	1 900	2 900	All Wards
		E-procurement contracts	Various		Yes							5 000	9 000	25 000	All Wards
		Capacitation of SCM unit	Various		Yes							-	2 500	1 500	All Wards
		Improvement and monitoring of internal SCM controls (AIP)	Various		Yes							2 500	2 500	2 500	All Wards
		Financial Systems - Revenue	Various		Yes							3 500	7 500	5 000	All Wards
		Smart Metering System Implementation	Various		Yes							2 750	10 150	10 260	All Wards
		Revenue Enhancement Strategy	Various		Yes							3 000	12 000	20 000	All Wards
		Business Meter Audit	Various		Yes							3 000	3 000	3 000	All Wards
		Debt Collection Project	Various		Yes							-	1 531	2 500	All Wards
		IVR System	Various		Yes							-	2 000	3 300	All Wards
		Mobile Communication Services for Meters	Various		Yes							-	1 000	1 000	All Wards
		Implement Cost Effective Tariff Structure	Various		Yes							2 500	2 000	3 000	All Wards
		General Valuations Roll 2017	Various		Yes							12 000	2 000	-	All Wards
		Repairs and Maintenance										3 601	3 961	4 357	
		Municipal Running costs										452 484	488 020	518 710	
Vote 5 - Directorate of Corporate Services		<b>SPECIAL PROJECTS:</b>													
		Infrastructure Skills Development	Various		Yes							10 560	11 800	13 517	All Wards
		Implementation of Job Evaluation	Various		Yes							2 000	2 000	2 000	All Wards
		Repairs and Maintenance										661	727	799	
		Municipal Running costs										158 169	168 696	176 215	
Vote 6 - Directorate of Engineering Services		<b>SPECIAL PROJECTS:</b>													
		BCMM Fleet Management System - Lease	Various		Yes							2 500	2 000	2 000	All Wards
		Rural Sanitation Backlog	Various		Yes							40 000	63 500	55 000	All Wards
		Repairs and Maintenance										365 174	401 691	441 860	
		Municipal Running costs										3 194 695	3 332 817	3 468 816	

### MBRR Table SA37 – Consolidated detailed operational projects (Continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information Ward location
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
<b>Parent municipality:</b>															
<i>List all operational projects grouped by Municipal Vote</i>															
Vote 7 - Directorate of Development Planning	4	<b>SPECIAL PROJECTS:</b>	Various		Yes										
		Signage Removal	Various		Yes							500	500	2 000	All Wards
		Outdoor Advertising	Various		Yes							600	600	-	All Wards
		Municipal Planning Tribunal in terms of SPLUMA	Various		Yes							350	400	-	All Wards
		Operational & Business Plan	Various		Yes							5 202	5 500	-	All Wards
		Transport Register	Various		Yes							2 500	-	-	All Wards
		Industry Transition Plan	Various		Yes							-	3 000	5 000	All Wards
		Public Transport Plan	Various		Yes							-	2 000	5 000	All Wards
		Aerial and Oblique Photography	Various		Yes							4 104	-	-	All Wards
		Repairs and Maintenance										31 193	34 312	37 743	
		Municipal Running costs										243 410	263 573	283 229	
Vote 8 - Directorate of Health & Public Safety		<b>SPECIAL PROJECTS:</b>	Various		Yes							-	-	-	All Wards
		Community Based Risk Reduction	Various		Yes							45	20	20	All Wards
		1.) Training	Various		Yes							5	7	5	All Wards
		2.) Printing & Publications	Various		Yes							1	2	1	All Wards
		3.) Stationery	Various		Yes							10	15	10	All Wards
		4.) Hire of Transport	Various		Yes							100	110	105	All Wards
		5.) Stipend	Various		Yes							10	12	10	All Wards
		6.) Tools & Equipment	Various		Yes							10	15	10	All Wards
		7.) Catering	Various		Yes							9	9	9	All Wards
		8.) Venue Hire	Various		Yes							-	-	-	All Wards
		Disaster Management: Education, Training and Awareness	Various		Yes							50	70	80	All Wards
		1.) Consultant	Various		Yes							10	10	13	All Wards
		2.) Printing & Publications	Various		Yes							5	5	7	All Wards
		3.) Stationery	Various		Yes							35	35	40	All Wards
		4.) Catering	Various		Yes							-	-	-	All Wards
		Disaster Management Structures	Various		Yes							35	45	45	All Wards
		1.) Venue Hire	Various		Yes							5	10	10	All Wards
		2.) Printing & Publications	Various		Yes							-	60	60	All Wards
		3.) Stationery	Various		Yes							10	35	35	All Wards
		4.) Catering	Various		Yes										All Wards

### MBRR Table SA37 – Consolidated detailed operational projects (Continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	4				6			5							
<b>Parent municipality:</b>															
<i>List all operational projects grouped by Municipal Vote</i>															
Vote 8 - Directorate of Health & Public Safety															
<b>SPECIAL PROJECTS:</b>															
		Event Safety Capacity Building	Various		Yes							-	-	-	All Wards
		1.) Venue Hire	Various		Yes							5	15	20	All Wards
		2.) Printing & Publications	Various		Yes							40	50	50	All Wards
		3.) Stationery	Various		Yes							5	15	20	All Wards
		4.) Catering	Various		Yes							30	40	50	All Wards
		Community Safety Forums	Various		Yes							-	-	-	All Wards
		1.) Venue Hire	Various		Yes							5	15	15	All Wards
		2.) Printing & Publications	Various		Yes							3	5	5	All Wards
		3.) Stationery	Various		Yes							2	3	3	All Wards
		4.) Catering	Various		Yes							10	30	30	All Wards
		MHS: Environmental Health Education Training & Awareness	Various		Yes							-	-	-	All Wards
		1.) Venue Hire	Various		Yes							-	-	-	All Wards
		2.) Printing & Publications	Various		Yes							50	55	65	All Wards
		3.) Stationery	Various		Yes							30	35	45	All Wards
		4.) Catering	Various		Yes							100	115	130	All Wards
		5.) Transportation	Various		Yes							25	30	40	All Wards
		6.) Stipend	Various		Yes							45	65	70	All Wards
		Review of Air Quality Management Plan	Various		Yes							-	-	-	All Wards
		1.) Consultant	Various		Yes							585	-	585	All Wards
		2.) Printing & Publications	Various		Yes							2	-	2	All Wards
		3.) Stationery	Various		Yes							1	-	1	All Wards
		4.) Catering	Various		Yes							7	-	7	All Wards
		5.) Venue Hire	Various		Yes							5	-	5	All Wards
		Review of Traffic Safety Plan	Various		Yes							-	-	-	All Wards
		1.) Consultant	Various		Yes							450	-	-	All Wards
		Disaster Management Sector Plans	Various		Yes							-	-	-	All Wards
		1.) Consultant	Various		Yes							90	220	100	All Wards
		2.) Printing & Publications	Various		Yes							5	15	5	All Wards
		3.) Stationery	Various		Yes							5	15	5	All Wards
		4.) Catering	Various		Yes							15	40	25	All Wards
		5.) Venue Hire	Various		Yes							5	10	5	All Wards
		Repairs and Maintenance										6 815	7 497	8 246	
		Municipal Running costs										384 880	424 340	456 157	

### MBRR Table SA37 – Consolidated detailed operational projects (Continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand	4			2	6			5							
<b>Parent municipality:</b>															
<i>List all operational projects grouped by Municipal Vote</i>															
<b>Vote 9 - Directorate of Community Services</b>															
<b>SPECIAL PROJECTS:</b>															
		Environmental Enhancement: Parks and Cemeteries	Various		Yes							200	200	200	All Wards
		Carry out EIA's for Cemeteries - (Identification of Suitable Land)	Various		Yes							100	100	100	All Wards
		Aesthetics of Towns and Cities - (Beautification of Towns and Township Entrances)	Various		Yes							350	350	350	All Wards
		Develop and Implement of a Cemetery Management Plan for BCMM - All Wards	Various		Yes							200	300	250	All Wards
		Train Communities in Horticultural Skills (Composting, Vegetable Gardens, Planting of Trees)	Various		Yes							500	500	500	All Wards
		17800 X240 Litre Wheelie Bins	Various		Yes							1 000	1 000	2 000	All Wards
		Street Litter Bins	Various		Yes							300	300	-	All Wards
		Construction and Rehabilitation of Waste Cells - Landfill Operations	Various		Yes							8 000	8 000	33 000	All Wards
		Assessment prior Rehabilitation of Unlicensed Disposal Sites/WMMP	Various		Yes							500	500	500	All Wards
		Pilot Project - co-Operatives for Solid Waste Department / Greening/BCMM @ Work project	Various		Yes							500	500	500	All Wards
		Waste Minimisation, Recycling, Awareness and Waste Separation Programmes	Various		Yes							500	500	1 000	All Wards
		Repairs and Maintenance										41 368	45 505	50 055	
		Municipal Running costs										623 178	677 774	723 934	
<b>Vote 10 - Directorate of Economic Development</b>															
<b>SPECIAL PROJECTS:</b>															
		Local Economic Development Programme - LED - (Export Support, Trade Promotion & Franchise Expo)	Various		Yes							-	-	-	
		Franchise Expo	Various		Yes							1 500	1 500	1 500	All Wards
		Supplier Development	Various		Yes							400	600	100	All Wards
		SMME Capacity Building	Various		Yes							1 000	1 500	2 000	All Wards
		Youth Work Readiness & Skills Development Support	Various		Yes							2 000	2 000	3 000	All Wards
		Business Centres Operations - (Mdantsane One Stop Shop, DV Business Hives, KWT; Automotive and Incubation & Dimbaza)	Various		Yes							3 000	3 000	5 000	All Wards
		Strategy Development and Reviewal / Policies and By-laws / Feasibility Studies	Various		Yes							1 000	1 000	-	All Wards

### MBRR Table SA37 – Consolidated detailed operational projects (Continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information						
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location						
R thousand	4				6																
<b>Parent municipality:</b>																					
<i>List all operational projects grouped by Municipal Vote</i>																					
Vote 10 - Directorate of Economic Development		<b>SPECIAL PROJECTS:</b>																			
		Trade and Investment Programmes	Various		Yes																All Wards
		Export Development Support	Various		Yes							1 000	1 500	1 500							All Wards
		Invest Buffalo City Initiative	Various		Yes							1 228	500	500							All Wards
		Review of Cost of Doing Business	Various		Yes							300	200	200							All Wards
		Status Review and Needs Assessment ( West Bank, Wilsonia, Zwelitsha, Mdantsane)	Various		Yes							500									All Wards
		Agriculture and rural development support Programme - Cropping Programme & Organic Farming	Various		Yes																All Wards
		Production Inputs (Maize)	Various		Yes							1 000	2 500	2 500							All Wards
		Production Inputs ( Vegetables and Poultry )	Various		Yes							250	350	500							All Wards
		Livestock Improvement	Various		Yes							500	1 000	2 200							All Wards
		Farmer Seminars	Various		Yes							100	300	500							All Wards
		Hosting of BCM Agricultural show , Participating in Provincial. National Agricultural shows & Farmer Seminars	Various		Yes							500	1 000	1 000							All Wards
		Tractor and Implements Maintenance	Various		Yes							150	850	800							All Wards
		Art, Culture and Heritage Soft Development Programme - Reburials, Film Industry & Artist Development	Various		Yes								500								All Wards
		Heritage Development and Promotion	Various		Yes							2 500	2 500	3 000							All Wards
		Arts and Culture	Various		Yes							1 500	2 000	3 000							All Wards
		Tourism Niche Product Development	Various		Yes							500	1 000								All Wards
		Tourism Awareness	Various		Yes							500	500								All Wards
		Tourism Support and Capacity Building (Including Home Stays)	Various		Yes							1 500	3 500	1 500							All Wards
		The Fresh Produce Market Awareness	Various		Yes							250	250	250							All Wards
		Dipping Tanks	Various		Yes							2 000	2 000	1 500							All Wards
		Irrigation Scheme	Various		Yes							2 600	2 000	2 000							All Wards
		Piggery and Poultry Infrastructure	Various		Yes							1 200	1 200	1 500							All Wards
		Repairs and Maintenance										1 299	1 429	1 571							
		Municipal Running costs										67 817	72 602	76 664							
<b>Parent operational expenditure</b>	<b>1</b>											<b>6 251 379</b>	<b>6 686 928</b>	<b>7 079 913</b>							
<b>Entities:</b>																					
<i>List all operational projects grouped by Entity</i>																					
<b>Buffalo City Metropolitan Development Agency</b>		Entity Running Costs										<b>38 978</b>	<b>23 777</b>	<b>25 220</b>							
<b>Entity B</b>		Electricity project B																			
<b>Entity Operational expenditure</b>												<b>-</b>	<b>-</b>	<b>38 978</b>	<b>23 777</b>	<b>25 220</b>					
<b>Total Operational expenditure</b>												<b>-</b>	<b>-</b>	<b>6 290 357</b>	<b>6 710 705</b>	<b>7 105 134</b>					

## **2.14 LEGISLATION COMPLIANCE STATUS**

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

### **1. In year reporting**

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.

### **2. Internship programme**

The City is participating in the Municipal Financial Management Internship programme and has been continuously training interns. There are currently nine interns that are undertaking the programme, all have been enrolled to the Municipal Finance and Supply Chain Management Programme that is prescribes as a minimum competency for middle management. An additional intake of four interns will be recruited soon for commencement in the new financial year

### **3. Budget and Treasury Office**

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

### **4. Audit Committee**

An Audit Committee has been established and is fully functional.

### **5. Service Delivery and Implementation Plan**

The detail draft SDBIP document has been prepared as part of the 2017/18 IDP review and MTREF budget preparation in compliance with MFMA, Section 53(1)(c).

## **6. Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements. The Annual report for 2015/16 financial year was prepared in line with MFMA Circular 63 guideline and tabled at Council on 31 January 2017.

## **7. National Treasury Competency Programme**

BCMM senior management have already undergone training as required in the National Treasury Competency Programme and has now ventured into cascading this programme down to junior managerial levels of staff.

## **8. Policies**

Policies are available on the BCMM website at [www.buffalocitymetro.gov.za](http://www.buffalocitymetro.gov.za)

## **9. Councillors Remuneration**

Remuneration of Councillors is determined by the Minister of Cooperative 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 City's budget.



**Table 91: MBRR Table SA1 – Supporting detail to budgeted financial performance**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>	6										
Total Property Rates		699 173	817 717	898 974	1 161 166	1 163 320	1 163 320	1 163 320	1 274 999	1 383 374	1 494 044
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		26 216	23 198	33 739	38 246	40 400	40 400	40 400	44 278	48 042	51 885
<b>Net Property Rates</b>		<b>672 957</b>	<b>794 519</b>	<b>865 235</b>	<b>1 122 920</b>	<b>1 122 920</b>	<b>1 122 920</b>	<b>1 122 920</b>	<b>1 230 720</b>	<b>1 335 332</b>	<b>1 442 158</b>
<b>Service charges - electricity revenue</b>	6										
Total Service charges - electricity revenue		1 383 884	1 465 814	1 694 297	1 861 504	1 815 256	1 815 256	1 815 256	1 850 291	1 882 856	1 915 429
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>											
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>					46 248						
<b>Net Service charges - electricity revenue</b>		<b>1 383 884</b>	<b>1 465 814</b>	<b>1 694 297</b>	<b>1 815 256</b>	<b>1 815 256</b>	<b>1 815 256</b>	<b>1 815 256</b>	<b>1 850 291</b>	<b>1 882 856</b>	<b>1 915 429</b>
<b>Service charges - water revenue</b>	6										
Total Service charges - water revenue		325 360	394 282	425 276	511 955	444 291	444 291	444 291	486 499	525 905	567 978
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>					67 664						
<b>Net Service charges - water revenue</b>		<b>325 360</b>	<b>394 282</b>	<b>425 276</b>	<b>444 291</b>	<b>444 291</b>	<b>444 291</b>	<b>444 291</b>	<b>486 499</b>	<b>525 905</b>	<b>567 978</b>
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue		248 673	278 832	298 552	407 131	339 107	339 107	339 107	372 340	404 733	439 540
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>					68 023						
<b>Net Service charges - sanitation revenue</b>		<b>248 673</b>	<b>278 832</b>	<b>298 552</b>	<b>339 107</b>	<b>339 107</b>	<b>339 107</b>	<b>339 107</b>	<b>372 340</b>	<b>404 733</b>	<b>439 540</b>
<b>Service charges - refuse revenue</b>	6										
Total refuse removal revenue		228 895	261 807	287 400	375 893	308 375	308 375	308 375	338 596	368 054	399 707
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>					67 518						
<b>Net Service charges - refuse revenue</b>		<b>228 895</b>	<b>261 807</b>	<b>287 400</b>	<b>308 375</b>	<b>308 375</b>	<b>308 375</b>	<b>308 375</b>	<b>338 596</b>	<b>368 054</b>	<b>399 707</b>
<b>Other Revenue by source</b>											
Fuel Levy		343 412	361 639	370 461							
Commission		17 176	18 084	20 488	23 247	23 247	23 247	23 247			
Fire levy charges		52 485	58 358	68 231	68 667	68 667	68 667	68 667	74 984	80 983	87 381
Plan approval fees		7 247	6 174	7 292	10 585	10 585	10 585	10 585	11 559	12 484	13 470
Reconnection fees		14 261	14 822		14 853	14 853	14 853	14 853	16 219	17 517	18 901
Electricity service connection fees		28 869	22 848	30 094	10 760	10 760	10 760	10 760	11 750	12 690	13 692
Vehicle registration		32 939	31 342	25 327	45 571	45 571	45 571	45 571	49 763	53 744	57 990
Other revenue		145 639	80 253	124 521	141 014	141 014	141 014	141 014	179 374	193 724	209 028
Internal transfers - Recoveries											
BCMDA				100		2 134	2 134	2 134	11 913	15	16
	3										
<b>Total 'Other' Revenue</b>	1	<b>642 030</b>	<b>593 520</b>	<b>646 513</b>	<b>314 698</b>	<b>316 832</b>	<b>316 832</b>	<b>316 832</b>	<b>355 563</b>	<b>371 156</b>	<b>400 478</b>

**MBRR Table SA1 – Supporting detail to budgeted financial performance (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	657 585	750 662	796 427	939 870	911 752	911 752	911 752	1 064 290	1 178 293	1 268 387
Pension and UIF Contributions		127 627	135 383	147 452	175 926	176 787	176 787	176 787	202 192	223 875	240 986
Medical Aid Contributions		46 872	52 913	60 381	84 290	84 290	84 290	84 290	93 350	103 379	111 281
Overtime		80 707	107 200	132 481	71 801	71 801	71 801	71 801	73 819	81 750	87 998
Performance Bonus		–	–	–	157	–	–	–	992	1 381	1 486
Motor Vehicle Allowance		18 631	20 473	22 134	32 334	32 334	32 334	32 334	37 488	41 458	44 586
Cellphone Allowance		–	–	–	4 442	4 276	4 276	4 276	4 392	4 864	5 235
Housing Allowances		3 219	3 508	11 859	13 739	13 739	13 739	13 739	17 488	19 323	20 800
Other benefits and allowances		163 021	117 667	128 639	179 633	179 633	179 633	179 633	205 312	227 428	244 809
Payments in lieu of leave		22 094	29 230	34 714	16 121	16 121	16 121	16 121	18 544	20 555	22 127
Long service awards		14 840	16 270	18 113	18 831	18 831	18 831	18 831	21 399	23 697	25 509
Post-retirement benefit obligations	4	–	–	–	6 148	6 148	6 148	6 148	7 143	7 910	8 515
<b>sub-total</b>	5	<b>1 134 596</b>	<b>1 233 305</b>	<b>1 352 201</b>	<b>1 543 294</b>	<b>1 515 714</b>	<b>1 515 714</b>	<b>1 515 714</b>	<b>1 746 409</b>	<b>1 933 913</b>	<b>2 081 718</b>
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
<b>Total Employee related costs</b>	1	<b>1 134 596</b>	<b>1 233 305</b>	<b>1 352 201</b>	<b>1 543 294</b>	<b>1 515 714</b>	<b>1 515 714</b>	<b>1 515 714</b>	<b>1 746 409</b>	<b>1 933 913</b>	<b>2 081 718</b>
<b>Contributions recognised - capital</b>											
<i>List contributions by contract</i>											
<b>Total Contributions recognised - capital</b>		–	–	–	–	–	–	–	–	–	–
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		629 728	685 336	789 811	748 732	748 732	748 732	748 732	779 351	830 003	894 711
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment		–	–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	10	–	–	–	–	–	–	–	–	–	–
<b>Total Depreciation &amp; asset impairment</b>	1	<b>629 728</b>	<b>685 336</b>	<b>789 811</b>	<b>748 732</b>	<b>748 732</b>	<b>748 732</b>	<b>748 732</b>	<b>779 351</b>	<b>830 003</b>	<b>894 711</b>
<b>Bulk purchases</b>											
Electricity Bulk Purchases		952 084	1 043 186	1 241 905	1 316 772	1 316 772	1 316 772	1 316 772	1 352 869	1 357 063	1 361 270
Water Bulk Purchases		158 380	170 456	185 413	204 816	209 816	209 816	209 816	225 297	247 827	272 610
<b>Total bulk purchases</b>	1	<b>1 110 464</b>	<b>1 213 642</b>	<b>1 427 318</b>	<b>1 521 587</b>	<b>1 526 587</b>	<b>1 526 587</b>	<b>1 526 587</b>	<b>1 578 167</b>	<b>1 604 890</b>	<b>1 633 880</b>
<b>Transfers and grants</b>											
Cash transfers and grants		13 946	27 586	19 953	20 899	38 499	38 499	38 499	38 659	38 814	38 975
Non-cash transfers and grants		131 925	206 565	217 368	249 453	249 453	249 453	249 453	268 655	285 987	304 009
<b>Total transfers and grants</b>	1	<b>145 871</b>	<b>234 151</b>	<b>237 321</b>	<b>270 352</b>	<b>287 952</b>	<b>287 952</b>	<b>287 952</b>	<b>307 313</b>	<b>324 801</b>	<b>342 984</b>
<b>Contracted services</b>											
<i>List services provided by contract</i>											
Contractor Payments		3 003	2	–	3 698	6 140	6 140	6 140	5 821	6 153	6 497
Co-Operatives Contracts		–	–	–	–	–	–	–	–	–	–
Grass mowing		2 757	2 969	–	3 395	4 316	4 316	4 316	4 316	4 562	4 817
Landfill Contractor		–	–	–	–	–	–	–	–	–	–
One-man contracts		3 984	11 636	–	15 178	12 350	12 350	12 350	12 350	13 054	13 785
Refuse Removal Contracts		–	–	–	–	6 300	6 300	6 300	6 300	6 659	7 032
Transfer Contract		–	–	–	214	208	208	208	–	–	–
Hiring of labour		–	–	–	–	6 277	6 277	6 277	6 805	7 193	7 595
Traffic Fines Management - TCS		–	–	–	–	3 369	3 369	3 369	3 369	3 561	3 760
<b>sub-total</b>	1	<b>9 743</b>	<b>14 607</b>	<b>–</b>	<b>22 486</b>	<b>38 960</b>	<b>38 960</b>	<b>38 960</b>	<b>38 960</b>	<b>41 181</b>	<b>43 487</b>
<b>Allocations to organs of state:</b>											
<b>Total contracted services</b>		<b>9 743</b>	<b>14 607</b>	<b>–</b>	<b>22 486</b>	<b>38 960</b>	<b>38 960</b>	<b>38 960</b>	<b>38 960</b>	<b>41 181</b>	<b>43 487</b>

**MBRR Table SA1 – Supporting detail to budgeted financial performance (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>EXPENDITURE ITEMS:</b>											
<b>Other Expenditure By Type</b>											
Collection costs		24 492	17 030	18 825	33 996	37 800	37 800	37 800	36 174	38 357	40 627
Contributions to 'other' provisions		–	–	–	–	–	–	–	–	–	–
Consultant fees		28 267	26 791	27 364	18 813	18 813	18 813	18 813	16 640	17 645	18 689
Audit fees		11 692	12 868	13 148	11 084	11 084	11 084	11 084	12 240	12 979	13 747
General expenses	3	428 704	410 383	290 196	316 526	302 981	302 981	302 981	267 263	282 581	298 970
<i>List Other Expenditure by Type</i>											
Repairs and Maintenance		285 686	287 393	350 106	414 791	418 609	418 609	418 609	460 470	506 517	557 169
Chemicals and disinfectants		10 988	12 279	13 214	14 335	14 335	14 335	14 335	16 236	17 216	18 235
Departmental electricity costs		50 668	52 861	70 129	52 813	52 813	52 813	52 813	50 033	53 053	56 192
Essential user costs		14 396	16 932	20 203	0	0	0	0	–	–	–
Diesel fuel oil and petrol		39 856	38 274	35 011	58 759	58 759	58 759	58 759	48 688	51 627	54 682
Hired plant		31 848	3 147	423	18 973	44 620	44 620	44 620	57 162	60 613	64 199
Insurance		16 112	20 850	19 649	28 714	28 714	28 714	28 714	21 070	22 342	23 664
Levies - SALGA		10 400	11 096	11 903	12 434	12 434	12 434	12 434	17 312	19 172	20 637
Levies - Skills development		10 451	10 987	17 293	14 355	14 355	14 355	14 355	–	–	–
Poor relief		7	–	–	3 120	3 120	3 120	3 120	–	–	–
Departmental refuse removal costs		1 943	11 116	15 865	1 913	1 913	1 913	1 913	1 830	1 941	2 056
Rental - Offices (Trust Bank)		8 126	10 343	11 865	10 391	10 391	10 391	10 391	12 604	13 365	14 155
Departmental sanitary costs		5 002	–	901	6 873	6 873	6 873	6 873	6 342	6 725	7 122
Telephones		21 957	23 029	19 385	14 940	14 940	14 940	14 940	13 876	14 713	15 584
Travel and subsistence allowances		11 035	11 331	12 283	5 183	5 183	5 183	5 183	10 184	10 798	11 437
Departmental water costs		7 550	12 376	20 998	7 638	7 638	7 638	7 638	7 372	7 817	8 280
Housing Projects		116 475	194 288	183 810	126 302	146 970	146 970	146 970	91 300	104 900	101 950
Operating Projects		110 983	145 993	182 056	202 718	189 940	189 940	189 940	208 185	250 029	289 292
RDP housing		45	–	–	–	–	–	–	–	–	–
Computer licences		–	8 515	3 794	–	–	–	–	–	–	–
BCMDA		–	–	–	5 192	7 336	7 336	7 336	21 856	5 034	5 107
<b>Total 'Other' Expenditure</b>	<b>1</b>	<b>1 246 682</b>	<b>1 337 880</b>	<b>1 338 420</b>	<b>1 379 867</b>	<b>1 409 623</b>	<b>1 409 623</b>	<b>1 409 623</b>	<b>1 376 838</b>	<b>1 497 424</b>	<b>1 621 794</b>
<b>Repairs and Maintenance</b>											
Employee related costs	8										
Other materials											
Contracted Services											
Other Expenditure		285 686	287 393	350 106	414 791	418 609	418 609	418 609	460 470	506 517	557 169
<b>Total Repairs and Maintenance Expenditure</b>	<b>9</b>	<b>285 686</b>	<b>287 393</b>	<b>350 106</b>	<b>414 791</b>	<b>418 609</b>	<b>418 609</b>	<b>418 609</b>	<b>460 470</b>	<b>506 517</b>	<b>557 169</b>

**Table 92: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Description	Ref	Vote 1 - Directorate - Executive Support Services	Vote 2 - Directorate - Municipal Manager	Vote 3 - Directorate - Human Settlement	Vote 4 - Directorate - Chief Financial Officer	Vote 5 - Directorate - Corporate Services	Vote 6 - Directorate - Infrastructur e Services	Vote 7 - Directorate - Spatial Planning and Development	Vote 8 - Directorate - Health / Public Safety & Emergency Services	Vote 9 - Directorate - Municipal Services	Vote 10 - Directorate - Economic Development & Agencies	Total
<b>R thousand</b>	1											
<b>Revenue By Source</b>												
Property rates		-	-	-	1 230 720	-	-	-	-	-	-	1 230 720
Service charges - electricity revenue		-	-	-	-	-	1 850 291	-	-	-	-	1 850 291
Service charges - water revenue		-	-	-	-	-	486 499	-	-	-	-	486 499
Service charges - sanitation revenue		-	-	-	-	-	372 340	-	-	-	-	372 340
Service charges - refuse revenue		-	-	-	-	-	-	-	-	338 596	-	338 596
Service charges - other		-	-	-	961	-	22 604	-	-	-	-	23 566
Rental of facilities and equipment		-	-	114	-	-	-	13 256	-	7 630	888	21 889
Interest earned - external investments		-	-	-	157 002	-	-	-	-	-	-	157 002
Interest earned - outstanding debtors		-	-	-	36 841	-	-	-	-	-	-	36 841
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	8 902	255	-	9 157
Licences and permits		-	-	-	-	-	-	-	15 073	169	-	15 242
Agency services		-	-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	114 512	1	29 231	23 804	127 667	21 154	27 282	343 650
Transfers and subsidies		-	27 996	90 800	870 328	10 560	250 673	7 702	15 441	93 013	-	1 366 513
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	27 996	90 914	2 410 364	10 561	3 011 638	44 762	167 083	460 818	28 170	6 252 305

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

Description	Ref	Vote 1 - Directorate - Executive Support Services	Vote 2 - Directorate - Municipal Manager	Vote 3 - Directorate - Human Settlement	Vote 4 - Directorate - Chief Financial Officer	Vote 5 - Directorate - Corporate Services	Vote 6 - Directorate - Infrastructur e Services	Vote 7 - Directorate - Spatial Planning and Development	Vote 8 - Directorate - Health / Public Safety & Emergency Services	Vote 9 - Directorate - Municipal Services	Vote 10 - Directorate - Economic Development & Agencies	Total
<b>R thousand</b>	1											
<b>Expenditure By Type</b>												
Employee related costs		61 270	29 874	28 326	225 789	100 147	434 685	101 516	332 574	386 116	30 920	1 731 217
Remuneration of councillors		62 398	-	-	-	-	-	-	-	-	-	62 398
Debt impairment		-	-	-	36 363	-	258 962	-	903	26 423	-	322 651
Depreciation & asset impairment		2 192	10 165	8 692	2 165	10 711	616 689	101 057	6 692	14 931	4 980	778 273
Finance charges		-	-	-	-	-	46 899	1 094	2 730	2 239	1 357	54 318
Bulk purchases		-	-	-	-	-	1 578 167	-	-	-	-	1 578 167
Other materials		-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	12 417	-	3 577	22 966	-	38 960
Transfers and subsidies		48 009	-	-	73 373	-	95 554	-	15 804	80 073	17 600	330 413
Other expenditure		50 060	119 390	99 007	166 346	60 532	558 995	84 193	31 274	143 949	41 236	1 354 982
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>223 929</b>	<b>159 429</b>	<b>136 025</b>	<b>504 035</b>	<b>171 390</b>	<b>3 602 369</b>	<b>287 859</b>	<b>393 555</b>	<b>676 696</b>	<b>96 093</b>	<b>6 251 379</b>
<b>Surplus/(Deficit)</b>		<b>(223 929)</b>	<b>(131 433)</b>	<b>(45 110)</b>	<b>1 906 329</b>	<b>(160 829)</b>	<b>(590 731)</b>	<b>(243 097)</b>	<b>(226 473)</b>	<b>(215 877)</b>	<b>(67 923)</b>	<b>926</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	185 855	100	-	453 774	103 517	10 900	31 162	10 000	795 307
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)												-
Transfers and subsidies - capital (in-kind - all)												-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(223 929)</b>	<b>(131 433)</b>	<b>140 745</b>	<b>1 906 429</b>	<b>(160 829)</b>	<b>(136 957)</b>	<b>(139 580)</b>	<b>(215 573)</b>	<b>(184 715)</b>	<b>(57 923)</b>	<b>796 234</b>

**Table 93: MBRR Table SA3 – Supporting detail to Statement of Financial Position**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits		1 966 369	2 137 189	2 152 490	2 408 873	2 408 873	2 408 873	2 408 873	2 574 610	2 769 727	3 063 948
Other current investments		–	–	–	1 369	1 369	1 369	1 369	–	–	–
<b>Total Call investment deposits</b>	2	<b>1 966 369</b>	<b>2 137 189</b>	<b>2 152 490</b>	<b>2 410 242</b>	<b>2 410 242</b>	<b>2 410 242</b>	<b>2 410 242</b>	<b>2 574 610</b>	<b>2 769 727</b>	<b>3 063 948</b>
<b>Consumer debtors</b>											
Consumer debtors		1 263 496	1 592 421	2 157 097	1 929 405	1 929 405	1 929 405	2 372 807	2 610 087	2 871 096	3 158 206
Less: Provision for debt impairment		(686 126)	(899 745)	(1 097 312)	(1 108 770)	(1 108 770)	(1 108 770)	(1 387 378)	(1 694 850)	(1 996 117)	(2 289 249)
<b>Total Consumer debtors</b>	2	<b>577 370</b>	<b>692 676</b>	<b>1 059 785</b>	<b>820 635</b>	<b>820 635</b>	<b>820 635</b>	<b>985 429</b>	<b>915 237</b>	<b>874 979</b>	<b>868 957</b>
<b>Debt impairment provision</b>											
Balance at the beginning of the year		565 116	686 126	899 745	987 058	987 058	987 058	1 097 312	1 387 378	1 694 850	1 996 117
Contributions to the provision		241 034	365 110	210 111	305 045	305 045	305 045	303 865	322 651	317 963	311 498
Bad debts written off		(120 024)	(151 491)	(12 544)	(183 333)	(183 333)	(183 333)	(13 799)	(15 179)	(16 697)	(18 366)
<b>Balance at end of year</b>		<b>686 126</b>	<b>899 745</b>	<b>1 097 312</b>	<b>1 108 770</b>	<b>1 108 770</b>	<b>1 108 770</b>	<b>1 387 378</b>	<b>1 694 850</b>	<b>1 996 117</b>	<b>2 289 249</b>
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (ex cl. finance leases)		25 988 187	27 926 106	29 052 028	29 717 585	29 650 899	29 650 899	30 543 476	32 181 656	34 347 674	36 629 066
Leases recognised as PPE	3				220	220	220	220			
Less: Accumulated depreciation		14 109 978	15 444 852	16 166 065	16 270 245	16 270 245	16 270 245	16 914 404	17 692 677	18 521 537	19 415 048
<b>Total Property, plant and equipment (PPE)</b>	2	<b>11 878 209</b>	<b>12 481 255</b>	<b>12 885 962</b>	<b>13 447 560</b>	<b>13 380 874</b>	<b>13 380 874</b>	<b>13 629 291</b>	<b>14 488 978</b>	<b>15 826 136</b>	<b>17 214 017</b>
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		57 416	48 835	50 709	51 825	51 825	51 825	51 825	56 358	80 315	121 293
<b>Total Current liabilities - Borrowing</b>		<b>57 416</b>	<b>48 835</b>	<b>50 709</b>	<b>51 825</b>	<b>51 825</b>	<b>51 825</b>	<b>51 825</b>	<b>56 358</b>	<b>80 315</b>	<b>121 293</b>
<b>Trade and other payables</b>											
Trade and other creditors		641 526	619 831	949 711	728 837	728 837	728 837	728 837	801 721	881 893	970 083
Unspent conditional transfers		213 718	191 539	211 266	124 080	124 080	124 080	124 080	136 488	150 137	165 150
VAT		141	170	527	–	–	–	–	–	–	–
<b>Total Trade and other payables</b>	2	<b>855 385</b>	<b>811 540</b>	<b>1 161 504</b>	<b>852 917</b>	<b>852 917</b>	<b>852 917</b>	<b>852 917</b>	<b>938 209</b>	<b>1 032 030</b>	<b>1 135 233</b>
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	542 574	496 477	445 768	514 234	444 652	444 652	444 652	492 051	716 780	980 509
Finance leases (including PPP asset element)		3 425	767	–	3 941	3 941	3 941	3 941	3 941	3 941	3 941
<b>Total Non current liabilities - Borrowing</b>		<b>545 999</b>	<b>497 244</b>	<b>445 768</b>	<b>518 175</b>	<b>448 593</b>	<b>448 593</b>	<b>448 593</b>	<b>495 992</b>	<b>720 721</b>	<b>984 450</b>
<b>Provisions - non-current</b>											
Retirement benefits		399 295	487 757	488 149	549 296	549 296	549 296	549 296	604 226	664 648	731 113
<i>List other major provision items</i>											
Refuse landfill site rehabilitation		57 756	10 433	10 223	109 703	109 703	109 703	109 703	120 673	132 741	146 015
Other		100	100	–	100	100	100	100	100	100	100
<b>Total Provisions - non-current</b>		<b>457 151</b>	<b>498 291</b>	<b>498 372</b>	<b>659 099</b>	<b>659 099</b>	<b>659 099</b>	<b>659 099</b>	<b>724 999</b>	<b>797 489</b>	<b>877 228</b>

**MBRR Table SA3 – Supporting detail to Statement of Financial Position (Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		8 393 972	9 006 244	9 383 408	10 067 542	12 256 811	12 259 707	12 259 707	12 672 774	13 180 988	13 991 781
GRAP adjustments		84 832	2 911								
Restated balance		8 478 803	9 009 155	9 383 408	10 067 542	12 256 811	12 259 707	12 259 707	12 672 774	13 180 988	13 991 781
Surplus/(Deficit)		604 192	347 146	653 750	849 347	731 327	731 327	731 327	796 234	933 487	1 002 146
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments		(76 751)	27 107	30 384	1 339 922	(728 431)	(731 327)	(318 117)	(288 020)	(122 694)	(106 566)
<b>Accumulated Surplus/(Deficit)</b>	1	<b>9 006 244</b>	<b>9 383 408</b>	<b>10 067 542</b>	<b>12 256 811</b>	<b>12 259 707</b>	<b>12 259 707</b>	<b>12 672 917</b>	<b>13 180 988</b>	<b>13 991 781</b>	<b>14 887 361</b>
<b>Reserves</b>											
Housing Development Fund					-						
Capital replacement					-						
Self-insurance					-						
Other reserves											
Revaluation		4 185 855	4 622 681	4 613 941	3 091 861	3 091 861	3 091 861	3 091 861	3 401 047	3 741 152	4 115 267
<b>Total Reserves</b>	2	<b>4 185 855</b>	<b>4 622 681</b>	<b>4 613 941</b>	<b>3 091 861</b>	<b>3 091 861</b>	<b>3 091 861</b>	<b>3 091 861</b>	<b>3 401 047</b>	<b>3 741 152</b>	<b>4 115 267</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>13 192 099</b>	<b>14 006 089</b>	<b>14 681 483</b>	<b>15 348 672</b>	<b>15 351 568</b>	<b>15 351 568</b>	<b>15 764 778</b>	<b>16 582 035</b>	<b>17 732 933</b>	<b>19 002 629</b>
<b>Total capital expenditure includes expenditure on nationally significant priorities:</b>											
Provision of basic services											

**Table 94: MBRR Table SA9 – Social, Economic and Demographic Statistics and Assumptions**

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population			660	702	724	724	724	835	835	835	835	835
Females aged 5 - 14		Statistic SA 2011 Census and Community Survey data used	69	69	65	65	65	87	87	87	87	87
Males aged 5 - 14			68	69	66	66	66	87	87	87	87	87
Females aged 15 - 34			117	141	136	136	136	145	145	145	145	145
Males aged 15 - 34			130	128	146	146	146	143	143	143	143	143
Unemployment			98	158	112	112	112	129	129	129	129	129
<b>Monthly household income (no. of households)</b>												
No income	1, 12				38 023	38 023	38 023	43 833	43 833	43 833	43 833	43 833
R1 - R1 600					11 650	11 650	11 650	13 430	13 430	13 430	13 430	13 430
R1 601 - R3 200					15 660	15 660	15 660	18 053	18 053	18 053	18 053	18 053
R3 201 - R6 400					41 421	41 421	41 421	47 750	47 750	47 750	47 750	47 750
R6 401 - R12 800					38 047	38 047	38 047	43 861	43 861	43 861	43 861	43 861
R12 801 - R25 600		Statistic SA 2011 Census and Community Survey data used	24 916	24 916	24 916	24 916	24 916	28 723	28 723	28 723	28 723	28 723
R25 601 - R51 200			19 986	19 986	19 986	19 986	19 986	23 040	23 040	23 040	23 040	23 040
R52 201 - R102 400			17 765	17 765	17 765	17 765	17 765	20 479	20 479	20 479	20 479	20 479
R102 401 - R204 800			11 058	11 058	11 058	11 058	11 058	12 748	12 748	12 748	12 748	12 748
R204 801 - R409 600			3 448	3 448	3 448	3 448	3 448	3 975	3 975	3 975	3 975	3 975
R409 601 - R819 200			918	918	918	918	918	1 058	1 058	1 058	1 058	1 058
> R819 200				668	668	668	770	770	770	770	770	770
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13				54 240	54240,00	54240,00	83714,00	83823,00	83823,00	83823,00	83823,00
Insert description	2				<R2 400	<R2 400	<R2 400	<2 700	<2 700	<2 700	<2 700	<2 700
<b>Household/demographics (000)</b>												
Number of people in municipal area			659 531	701 889	724 309	755	755	835	835	835	835	835
Number of poor people in municipal area		Community Survey 2016 and Census 2011	174 611	166 874	136 833	189	189	209	209	209	209	209
Number of households in municipal area			155 726	194 065	208 389	224	224	253	253	253	253	253
Number of poor households in municipal area			N/A	N/A	N/A	54	54	84	84	84	84	84
Definition of poor household (R per month)			N/A	N/A	N/A	<R2 400	<R2 400	<2 700	<2 700	<2 700	<2 700	<2 700
<b>Housing statistics</b>												
Formal	3		120 566	156 679	162 310	162 310	162 310	162 310	177 940	177 940	177 940	177 940
Informal			58 090	45 601	49 856	49 856	49 856	49 856	63 116	63 116	63 116	63 116
<b>Total number of households</b>			178 656	202 280	212 166	212 166	212 166	212 166	241 056	241 056	241 056	241 056
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
<b>Total new housing dwellings</b>			-	-	-	-	-	-	-	-	-	-
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6					-1,8%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Interest rate - borrowing						11,7%	11,5%	10,5%	0,0%	0,0%	0,0%	0,0%
Interest rate - investment						0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Remuneration increases						6,4%	8,3%	0,0%	0,0%	0,0%	0,0%	0,0%
Consumption growth (electricity)						0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Consumption growth (water)						0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Collection rates</b>												
Property tax/service charges	7					0,0%	93,0%	93,0%	0,0%	0,0%	0,0%	0,0%
Rental of facilities & equipment						0,0%	101,0%	100,0%	0,0%	0,0%	0,0%	0,0%
Interest - external investments						0,0%	134,0%	100,0%	0,0%	0,0%	0,0%	0,0%
Interest - debtors						0,0%	99,0%	100,0%	0,0%	0,0%	0,0%	0,0%
Revenue from agency services						0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%



## MBRR Table SA9 – Social, Economic and Demographic Statistics and Assumptions (Continued)

Detail on the provision of municipal services for A10											
Total municipal services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		<b>Household service targets (000)</b>									
		<b>Water:</b>									
		Piped water inside dwelling	103 000	118 000	118 000	118 000	118 000	118 000	121 683	122 000	122 000
		Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
	8	Using public tap (at least min.service level)	120 000	103 000	104 000	104 000	104 000	104 000	120 254	123 437	124 437
	10	Other water supply (at least min.service level)	5 093	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	228 093	221 000	222 000	222 000	222 000	222 000	241 937	245 437	246 437
	9	Using public tap (< min.service level)	1 000	1 000	1 000	1 000	1 000	1 000	-	-	-
	10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	3 000	2 000	1 000	1 000	1 000	1 000	5 822	2 322	1 322
		<i>Below Minimum Service Level sub-total</i>	4 000	3 000	2 000	2 000	2 000	2 000	5 822	2 322	1 322
		<b>Total number of households</b>	<b>232 093</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>247 759</b>	<b>247 759</b>	<b>247 759</b>
		<b>Sanitation/sewerage:</b>									
		Flush toilet (connected to sewerage)	154 387	155 034	156 336	156 836	156 836	156 836	157 336	157 836	158 336
		Flush toilet (with septic tank)	5 428	5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437
		Chemical toilet	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544
		Pit toilet (ventilated)	11 882	20 440	26 639	27 139	27 139	27 139	27 639	28 139	28 639
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	175 241	184 455	191 956	192 956	192 956	192 956	193 956	194 956	195 956
		Bucket toilet	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	24 953	25 789	26 027	26 027	26 027	26 027	26 027	26 027	26 027
		No toilet provisions	23 374	13 324	5 585	4 585	4 585	4 585	3 585	2 585	1 585
		<i>Below Minimum Service Level sub-total</i>	48 327	39 113	31 612	30 612	30 612	30 612	29 612	28 612	27 612
		<b>Total number of households</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>
		<b>Energy:</b>									
		Electricity (at least min.service level)	8 449	7 298	7 463	5 973	5 973	5 873	5 973	5 973	5 973
		Electricity - prepaid (min.service level)	108 082	119 832	122 090	118 628	118 628	118 628	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	116 531	127 130	129 553	124 601	124 601	124 501	5 973	5 973	5 973
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	45 000	43 702	41 915	40 241	40 241	40 147	39 147	38 147	37 147
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	45 000	43 702	41 915	40 241	40 241	40 147	39 147	38 147	37 147
		<b>Total number of households</b>	<b>161 531</b>	<b>170 832</b>	<b>171 468</b>	<b>164 842</b>	<b>164 842</b>	<b>164 648</b>	<b>45 120</b>	<b>44 120</b>	<b>43 120</b>
		<b>Refuse:</b>									
		Removed at least once a week	-	-	-	130 000	130 000	130 000	247 500	247 500	247 500
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	130 000	130 000	130 000	247 500	247 500	247 500
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
		Using communal refuse dump	1 980	1 980	1 980	1 980	1 980	1 980	1 980	2 178	2 178
		Using own refuse dump	2	2	2	2	2	2	2	2	3
		Other rubbish disposal	1	1	1	3	3	3	1	1	1
		No rubbish disposal	3	3	3	3	3	3	5	6	6
		<i>Below Minimum Service Level sub-total</i>	1 986	1 986	1 986	1 988	1 988	1 988	1 988	2 187	2 188
		<b>Total number of households</b>	<b>1 986</b>	<b>1 986</b>	<b>1 986</b>	<b>131 988</b>	<b>131 988</b>	<b>131 988</b>	<b>249 488</b>	<b>249 687</b>	<b>249 688</b>

## MBRR Table SA9 – Social, Economic and Demographic Statistics and Assumptions (Continued)

Detail on the provision of municipal services for A10											
Municipal in-house services	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		<b>Household service targets (000)</b>									
		<b>Water:</b>									
		Piped water inside dwelling	103 000	118 000	118 000	118 000	118 000	118 000	121 683	122 000	122 000
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)	120 000	103 000	104 000	104 000	104 000	104 000	120 254	123 437	124 437
	10	Other water supply (at least min.service level)	5 093								
		<i>Minimum Service Level and Above sub-total</i>	228 093	221 000	222 000	222 000	222 000	222 000	241 937	245 437	246 437
	9	Using public tap (< min.service level)	1 000	1 000	1 000	1 000	1 000	1 000			
	10	Other water supply (< min.service level)									
		No water supply	3 000	2 000	1 000	1 000	1 000	1 000	5 822	2 322	1 322
		<i>Below Minimum Service Level sub-total</i>	4 000	3 000	2 000	2 000	2 000	2 000	5 822	2 322	1 322
		<b>Total number of households</b>	<b>232 093</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>224 000</b>	<b>247 759</b>	<b>247 759</b>	<b>247 759</b>
		<b>Sanitation/sewerage:</b>									
		Flush toilet (connected to sewerage)	154 387	155 034	156 336	156 836	156 836	156 836	157 336	157 836	158 336
		Flush toilet (with septic tank)	5 428	5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437
		Chemical toilet	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544
		Pit toilet (v ventilated)	11 882	20 440	26 639	27 139	27 139	27 139	27 639	28 139	28 639
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	175 241	184 455	191 956	192 956	192 956	192 956	193 956	194 956	195 956
		Bucket toilet	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	24 953	25 789	26 027	26 027	26 027	26 027	26 027	26 027	26 027
		No toilet provisions	23 374	13 324	5 585	4 585	4 585	4 585	3 585	2 585	1 585
		<i>Below Minimum Service Level sub-total</i>	48 327	39 113	31 612	30 612	30 612	30 612	29 612	28 612	27 612
		<b>Total number of households</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>	<b>223 568</b>
		<b>Energy:</b>									
		Electricity (at least min.service level)	8 449	7 298	7 463	5 973	5 973	5 873	5 973	5 973	5 973
		Electricity - prepaid (min.service level)	108 082	119 832	122 090	118 628	118 628	118 628			
		<i>Minimum Service Level and Above sub-total</i>	116 531	127 130	129 553	124 601	124 601	124 501	5 973	5 973	5 973
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)	45 000	43 702	41 915	40 241	40 241	40 147	39 147	38 147	37 147
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	45 000	43 702	41 915	40 241	40 241	40 147	39 147	38 147	37 147
		<b>Total number of households</b>	<b>161 531</b>	<b>170 832</b>	<b>171 468</b>	<b>164 842</b>	<b>164 842</b>	<b>164 648</b>	<b>45 120</b>	<b>44 120</b>	<b>43 120</b>
		<b>Refuse:</b>									
		Removed at least once a week				130 000	130 000	130 000	247 500	247 500	247 500
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	130 000	130 000	130 000	247 500	247 500	247 500
		Removed less frequently than once a week									
		Using communal refuse dump	1 980	1 980	1 980	1 980	1 980	1 980	1 980	2 178	2 178
		Using own refuse dump	2	2	2	2	2	2	2	2	3
		Other rubbish disposal	1	1	1	3	3	3	1	1	1
		No rubbish disposal	3	3	3	3	3	3	5	6	6
		<i>Below Minimum Service Level sub-total</i>	1 986	1 986	1 986	1 988	1 988	1 988	1 988	2 187	2 188
		<b>Total number of households</b>	<b>1 986</b>	<b>1 986</b>	<b>1 986</b>	<b>131 988</b>	<b>131 988</b>	<b>131 988</b>	<b>249 488</b>	<b>249 687</b>	<b>249 688</b>

**MBRR Table SA9 – Social, Economic and Demographic Statistics and Assumptions (Continued)**

Detail of Free Basic Services (FBS) provided	Ref.		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Electricity</b>		<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (50 kwh per indigent household per month R'000)				46 247 644					
		Number of HH receiving this type of FBS	61 960	76 891	73 750	78 750	3 210	75 540	79 540	83 540	87 540
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
		<b>Total cost of FBS - Electricity for informal settlements</b>	-	-	-	-	-	-	-	-	-
<b>Water</b>		<u>Location of households for each type of FBS</u>									
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month R'000)				67 664 187					
		Number of HH receiving this type of FBS	44 214	58 797	65 536	60 572	3 320	57 252	61 252	65 252	69 252
		Informal settlements (R'000)									
		Number of HH receiving this type of FBS				73 185	-	73 185	77 185	81 185	85 185
		Informal settlements targeted for upgrading (R'000)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (R'000)									
		Number of HH receiving this type of FBS									
		Other (R'000)									
		Number of HH receiving this type of FBS									
		<b>Total cost of FBS - Water for informal settlements</b>	-	-	-	-	-	-	-	-	-

**MBRR Table SA9 – Social, Economic and Demographic Statistics and Assumptions (Continued)**

Detail of Free Basic Services (FBS) provided			2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Sanitation</b>	Ref.	<u>Location of households for each type of FBS</u>									
List type of FBS service		<b>Formal settlements - (free sanitation service to indigent households)</b>				68 023 452					
		<i>Number of HH receiving this type of FBS</i>	44 214	58 797	65 536	60 572	3 320	57 252	61 252	65 252	69 252
		<b>Informal settlements (R'000)</b>									
		<i>Number of HH receiving this type of FBS</i>									
		<b>Informal settlements targeted for upgrading (R'000)</b>									
		<i>Number of HH receiving this type of FBS</i>									
		<b>Living in informal backyard rental agreement (R'000)</b>									
		<i>Number of HH receiving this type of FBS</i>									
		<b>Other (R'000)</b>									
		<i>Number of HH receiving this type of FBS</i>									
		<b>Total cost of FBS - Sanitation for informal settlements</b>	-	-	-	-	-	-	-	-	-
<b>Refuse Removal</b>	Ref.	<u>Location of households for each type of FBS</u>									
List type of FBS service		<b>Formal settlements - (removed once a week to indigent households)</b>				67 517 988					
		<i>Number of HH receiving this type of FBS</i>	44 214	58 797	65 536	60 572	3 320	57 252	61 252	65 252	69 252
		<b>Informal settlements (R'000)</b>									
		<i>Number of HH receiving this type of FBS</i>									
		<b>Informal settlements targeted for upgrading (R'000)</b>									
		<i>Number of HH receiving this type of FBS</i>									
		<b>Living in informal backyard rental agreement (R'000)</b>									
		<i>Number of HH receiving this type of FBS</i>									
		<b>Other (R'000)</b>									
		<i>Number of HH receiving this type of FBS</i>									
		<b>Total cost of FBS - Refuse Removal for informal settlements</b>	-	-	-	-	-	-	-	-	-

**Table 95: MBRR Table SA32 – List of External Mechanism**

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand

## 2.15 CITY MANAGER'S QUALITY CERTIFICATE

I **Appana Naidoo**, Acting City Manager of Buffalo City Metropolitan 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 \_\_\_\_\_

Acting City Manager of Buffalo City Metropolitan Municipality (BUF)

Signature \_\_\_\_\_

Date \_\_\_\_\_

**ANNEXURES:**

- C: 2017/18 MTREF Capital Projects
- D: 2017/18 MTREF Operating Projects
- E: 2017/18 Tariffs
- F: Tariff Policy
- G: Budget Virement Policy
- H: Supply Chain Management Policy
- I: Credit Control Policy
- J: Indigent Policy
- K: Movable Assets Policy
- L: Immovable Assets Policy
- M: Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy
- N: MFMA Circular 85 and 86
- O: mSCOA Project Plan and Progress to Date
- P: Service Level Standards
- Q: A and D Budget Schedules
- R: 2017/18 Built Environment Performance Plan (BEPP)