

SUMMARY OF PROPOSED CHANGES TO THE 2021/22 TO 2023/24 DRAFT BUDGET AFTER THE TABLING OF THE DRAFT BUDGET TO COUNCIL DATED 31 MARCH 2021

1. Purpose

The purpose of this report is to summarise the changes to the 2021/22 to 2023/24 Draft Budget, which was noted by Council on 31 March 2021.

2. Background

Upon assessment the budget, certain areas had to be revised. The draft budget thus requires reprioritisation to address the following critical areas.

- (i) Budget provision for the Drought related projects, in view of National Treasury rejecting the 2019/20 Rollover application for the Disaster Relief grant in the amount of R183.
- (ii) The need to provide for security related equipment in view of the vandalism of municipal property and infrastructure.
- (iii) Budget provision for Information Technology (IT) Licences, Investment Incentives and the Mandela Bay Development Agency (MBDA), to cover ongoing commitments.
- (iv) Adjusting property rates increase from 6% to 5%, and
- (v) the inclusion of the relevant projects, associated with the Informal Settlement Upgrading Partnership Grant (ISUP) in the amounts of R316 million, R334.9 million and R349.6 million, respectively.

3. Discussion

Upon tabling of the draft budget to Council on 31 March 2021 for noting, the high-level budget summary was as follows: -

R thousands	Original Budget 2020/21	Adjusted Budget 2020/21	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Total Operating Revenue	11,939,659	12,102,045	12,934,769	14,150,118	15,364,009
Fuel Levy allocated for capital expenditure	322,050	276,765	344,197	337,230	304,430
Actual Total Operating Revenue	11,617,609	11,825,280	12,590,572	13,812,888	15,059,579
Total Operating Expenditure	11,691,864	12,054,104	13,336,978	14,683,402	16,258,667
Actual Surplus/(Deficit)	(74,255)	(228,824)	(746,406)	(870,514)	(1,199,088)
Total Capital expenditure	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950

The changes made since the tabling of the draft budget include the following: -

- 3.1. Inclusion of the Informal Settlements Upgrading Partnership Grant for the three financial years.

The Capital and Operating Budgets had to be amended to include the components of the IUSP that relate to either Capital Budget or Operating Budgets as follows: -

DETAILS	2021/22	2022/23	2023/24
Capital Budget – IUSP Amendment (Vat Excl.)	R140 514 160	R24 551 050	R69 863 210
Operating Budget – IUSP Amendment (Vat Excl.)	R134 307 580	R266 645 470	R234 167 220
TOTAL IUSP (Vat Excl.)	R274 821 740	R291 196 520	R304 030 430
TOTAL IUSP (Vat Incl.)	R316 045 000	R334 876 000	R349 635 000

- 3.2. Changes made in the (2021/22 to 2023/24) Capital Budget to accommodate all the required projects

The following Table provides a summary of all the changes made in the Capital Budget, to provide for Drought Disaster projects and Security related equipment: -

DIRECTORATE	2021/22 Capital Budget (at 31 March 2021)	2021/22 Capital Budget (After Changes)	Total Amendments (Tabling vs. After Changes)	2022/23	2023/24
Human Settlements	158,043,850	81,127,300	-	170,089,620	213,728,560
Infrastructure and Engineering - Rates & General	374,781,620	352,010,830	-	396,623,010	431,026,130
Sanitation Services	133,728,850	85,300,000	-	191,750,000	107,750,000
Water Services	361,709,720	517,750,000	156,040,280	224,750,000	157,850,000
Electricity and Energy	208,882,100	242,452,580	33,570,480	182,489,370	103,383,940
Public Health	34,357,500	70,083,630	35,726,130	40,900,000	34,650,000
Safety and Security	39,000,000	59,141,950	20,141,950	34,200,000	26,000,000
Corporate Services	33,755,000	33,495,000	-	17,400,000	19,600,000
Budget and Treasury	5,391,950	3,771,160	-	26,310,650	7,319,210
Economic Development, Tourism and Agriculture (EDTA)	23,008,700	29,374,080	6,365,380	26,086,960	30,434,780
Sports, Recreation, Arts & Culture (SRAC)	34,900,000	37,400,000	2,500,000	65,500,000	44,000,000
TOTAL	1,407,559,290	1,511,906,530	104,347,240	1,376,099,610	1,175,742,620
Add: MBDA	37 989 000	37 989 000	0	40 890 000	43 360 000
TOTAL	1 445 548 000	1 549 895 530		1 416 989 610	1 219 102 620

3.3. Changes made in the 2021/22 to 2023/24 Operating Budget to accommodate all the required projects

The following spreadsheet summarises the changes to the Operating Budget and the resultant net balances anticipated after the approval by Council to implement these changes: -

DETAILS	2021/22 "R"	2022/23 "R"	2023/24 "R"
Total Operating Expenditure – 31 March 2021	13,336,978 000	14,683,402 000	16,258,667 000
Add: Contribution to MBDA (Operating Costs)	9 000 000	9 000 000	9 000 000
Add: Valuation Costs (GV Extension – 0024 6375: Business & Advisory - Valuers) (B&T)	2 330 000	2 230 000	0
Add: Valuation Costs (GV Extension – 0024 0315: Postage & Revenue Stamps) (B&T)	1 400 000	0	0
Add: IT Licences for external systems (0615 0274) (CS)	16 000 000	16 500 000	18 000 000
Add: IT Licences for external systems (1689 0274) (CS)	10 725 000	8 500 000	8 000 000
Investment Incentives (EDTA) (0639 6426)	2 500 000	2 500 000	2 500 000
Security Operating Costs – Graduate or Contract Employees (Safety & Security) (1567 5183)	1 000 000	1 100 000	1 200 000
Security Operating Costs – Training Technical & Operations (Safety & Security) (1567 0375)	700 000	750 000	800 000
Security Operating Costs – Business & Advisory Services (Safety & Security) (1567 6367)	1 000 000	0	0
Security Operating Costs – Repairing & Maintenance of			

Existing Cameras (Safety & Security) (1567 5181)	5 000 000	0	0
Special Projects (SRAC) (0065 1589)	9 000 000	0	0
TOTAL EXPENDITURE (AS AMENDED)	13 395 633 000	14 723 982 000	16 298 167 000
LESS: Total Operating Revenue (As at 31 March 2021)	12 590 572 000	13 812 888 000	15 059 579 000
NET DEFICIT	(805 061 000)	(911 094 000)	(1 238 588 000)

Enclosed as **Annexure “A”** is a report detailing the proposed changes to the Capital Budget.

THE EXECUTIVE MAYOR RECOMMENDS:

That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003: -

- (a) Approves the amendments to the 2021/22 to 2023/24 Draft Operating and Capital Budgets and authorises the Chief Financial Officer to effect the changes prior to submission of the budget to National Treasury.

NOTED CAPITAL BUDGET BY PROJECT PROGRAMMES FOR 2021/22 - 2023/24								
Human Settlements (1191)								
PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Services for Housing Delivery (10074)		81,127,300	-		81,127,300	100,849,940	177,228,560
20120030	Kwanobuhle Area 11 - Roadworks	USDG	-	-		-	-	2,075,320
20170079	Kwanobuhle Area 11 - Stormwater	USDG	-	-		-	-	830,130
20170081	Kwanobuhle Area 11 - Water Reticulation	USDG	-	-		-	-	1,245,190
20170083	Kwanobuhle Area 11 - Sewer Reticulation	USDG	-	-		-	-	4,150,630
20190096	Kwanobuhle Area 11 - Parks	USDG	-	-		-	-	-
20120031	Kwazakhele: Ekhumphumleni - Roadworks	ISUP	9,158,260	-		9,158,260	-	-
20182298	Kwazakhele: Ekhumphumleni - Stormwater	ISUP	3,432,180	-		3,432,180	-	-
20170191	Kwazakhele: Ekhumphumleni - Water Reticulation	ISUP	3,432,180	-		3,432,180	-	-
20170192	Kwazakhele: Ekhumphumleni - Sewer Reticulation	ISUP	6,866,960	-		6,866,960	-	-
20120033	Jagvlagte (Chatty 11-14) - Roadworks	USDG	-	-		-	10,223,800	10,223,800
20170091	Jagvlagte (Chatty 11-14) - Stormwater	USDG	-	-		-	4,811,200	4,811,200
20170093	Jagvlagte (Chatty 11-14) - Water Reticulation	USDG	-	-		-	4,209,800	4,209,800
20170096	Jagvlagte (Chatty 11-14) - Sewer Reticulation	USDG	-	-		-	3,608,400	3,608,400
20190097	Jagvlagte (Chatty 11-14) - Parks	USDG	-	-		-	-	-
20120043	Seaview Housing - Roadworks	USDG	-	-		-	-	5,262,250
20170097	Seaview Housing - Stormwater	USDG	-	-		-	-	2,631,130
20170099	Seaview Housing - Water Reticulation	USDG	-	-		-	-	3,016,190
20170101	Seaview Housing - Sewer Reticulation	USDG	-	-		-	-	7,028,870
20120047	Walmer Development - Roadworks	ISUP	-	-		-	-	-
20170108	Walmer Development - Stormwater	ISUP	-	-		-	-	-
20170109	Walmer Development - Water Reticulation	ISUP	-	-		-	-	-
20170110	Walmer Development - Sewer Reticulation	ISUP	-	-		-	-	-
20210346	Walmer Erf 1948 TRA - Roadworks	ISUP/USDG	5,029,570	-		5,029,570	5,804,180	5,804,180
20210347	Walmer Erf 1948 TRA - Stormwater Reticulation	ISUP/USDG	3,478,260	-		3,478,260	2,173,920	2,173,920
20210348	Walmer Erf 1948 TRA - Water Reticulation	ISUP/USDG	5,556,520	-		5,556,520	2,614,790	2,614,790
20210349	Walmer Erf 1948 TRA - Sewer Reticulation	ISUP/USDG	8,579,130	-		8,579,130	6,711,680	6,798,440
20130040	Nkatha Seyisi - Roadworks	ISUP	3,042,610	-		3,042,610	-	-
20170084	Nkatha/Seyisi - Stormwater	ISUP	1,738,260	-		1,738,260	-	-
20170086	Nkatha/Seyisi - Water Reticulation	ISUP	1,304,350	-		1,304,350	-	-
20170088	Nkatha/Seyisi - Sewer Reticulation	ISUP	2,607,830	-		2,607,830	-	-
20130057	Kleinskool Kliprand - Roadworks	USDG	-	-		-	-	1,500,000
20170095	Kleinskool Kliprand - Stormwater	USDG	-	-		-	-	1,000,000
20170098	Kleinskool Kliprand - Water Reticulation	USDG	-	-		-	-	1,500,000
20170100	Kleinskool Kliprand - Sewer Reticulation	USDG	-	-		-	-	4,000,000
20200277	Uitenhage Infill Sites/ In Situ - Roadworks	ISUP/USDG	3,431,480	-		3,431,480	1,045,910	1,045,910
20200278	Uitenhage Infill Sites/ In Situ - Stormwater	ISUP/USDG	2,573,610	-		2,573,610	836,730	836,730
20200279	Uitenhage Infill Sites/ In Situ - Water Reticulation	ISUP/USDG	2,287,650	-		2,287,650	2,026,460	2,026,460
20200280	Uitenhage Infill Sites/ In Situ - Sewer Reticulation	ISUP/USDG	2,859,570	-		2,859,570	1,778,050	1,778,050
20210148	Mandela Village 71 Sites - Sewer Reticulation	ISUP	1,739,130	-		1,739,130	-	3,361,700
20210147	Mandela Village - Water Reticulation	ISUP	-	-		-	-	2,241,130
20120059	Malabar Ext 6 Phase 2 - Roadworks	USDG	-	-		-	2,232,180	2,232,180
20170067	Malabar Ext 6 Phase 2 - Stormwater	USDG	-	-		-	744,060	744,060
20170068	Malabar Ext 6 Phase 2 - Water Reticulation	USDG	-	-		-	2,904,960	2,904,960
20170071	Malabar Ext 6 Phase 2 - Sewer Reticulation	USDG	-	-		-	9,000,000	9,000,000
20190099	Malabar Ext 6 Phase 2 - Parks	USDG	-	-		-	-	-
20130054	Bethelsdorp Ext 32, 34 & 36 - Roadworks	USDG	-	-		-	4,224,840	4,224,840
20170090	Bethelsdorp Ext 32, 34, & 36 - Stormwater	USDG	-	-		-	3,307,700	3,307,700
20170092	Bethelsdorp Ext 32, 34 & 36 - Water Reticulation	USDG	-	-		-	2,781,480	2,781,480
20170094	Bethelsdorp Ext 32, 34, & 36 - Sewer Reticulation	USDG	-	-		-	3,758,750	3,758,750
20210354	Motherwell NU30 (Erf. 40009 & 40016) - Water Reticulation	ISUP	-	-		-	9,820,610	-
20210355	Motherwell NU30 (Erf. 40009 & 40016) - Sewer Reticulation	ISUP	-	-		-	14,730,440	-
20210356	Vistarus - Water Reticulation	ISUP	-	-		-	-	23,673,920
20210357	Vistarus - Sewer Reticulation	ISUP	-	-		-	-	35,510,870
20210358	Westville - Water Reticulation	ISUP	-	-		-	-	32,060
20210359	Westville - Sewer Reticulation	ISUP	-	-		-	-	48,080
20210360	Ebhongweni - Water Reticulation	ISUP	-	-		-	-	1,294,180
20210361	Ebhongweni - Sewer Reticulation	ISUP	-	-		-	-	1,941,260

20110092	Missionvale - Roadworks	USDG	6,905,850			6,905,850	-	-
20190003	Missionvale - Stormwater	USDG	2,959,650			2,959,650	-	-
20190004	Missionvale - Water Reticulation	USDG	986,550			986,550	-	-
20190005	Missionvale - Sewer Reticulation	USDG	657,700			657,700	-	-
						-		
20190104	Connections and Water Meters	USDG	2,500,000			2,500,000	1,500,000	1,500,000
	Programme: Investment Property (10036)		66,849,190			-	69,239,680	35,000,000
20200281	Land Acquisition	USDG	66,849,190	-66,849,190	To Drought projects	-	69,239,680	35,000,000
		Total	147,976,490	-		81,127,300	170,089,620	213,728,560
Infrastructure & Engineering Unit - Rate and General (0384)								
PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Resurfacing of Major Roads (10018)		31,000,000	-8,307,640		22,692,360	26,000,000	26,000,000
20200051	Resurfacing tar roads	CRR/LEVIES	31,000,000	-8,307,640	To Drought projects	22,692,360	26,000,000	26,000,000
	Programme: Rehabilitation of Minor Tar Roads (10019)		10,000,000	-2,000,000		8,000,000	10,000,000	10,000,000
20200054	Rehabilitation of Roads	LEVIES	10,000,000	-2,000,000	To security upgrades (Safety & Security)	8,000,000	10,000,000	10,000,000
	Programme: Rehabilitation of Minor Concrete Roads (10020)		1,200,000	-		1,200,000	1,200,000	1,200,000
20200050	Rehabilitate concrete roads- Northern Areas	LEVIES	1,200,000	-		1,200,000	1,200,000	1,200,000
	Programme: Buildings, Depots Upgrading & Additions (10009)		2,500,000	-		2,500,000	3,000,000	3,500,000
20200053	Upgrading of depots and offices	LEVIES	1,500,000	-		1,500,000	2,000,000	2,500,000
20200057	Rehabilitation of Workshop Buildings	LEVIES	1,000,000	-		1,000,000	1,000,000	1,000,000
	Programme: Tarring of Gravel Roads (10023)		85,454,600	-37,454,600		48,000,000	95,977,480	94,937,200
20210174	Roads - Peri - urban: Rehabilitation of gravel roads	LEVIES	2,000,000	-		2,000,000	2,000,000	2,000,000
20210370	Construction of Dubula street in New Brighton	USDG	-	-		-	-	3,000,000
20210367	Construction of Mtimka street in New Brighton	USDG	-	-		-	-	7,000,000
20050286	Tarring of Gravel Roads	LEVIES/USDG	83,454,600	-37,454,600	To Drought projects and SRAC Astro turf	46,000,000	93,977,480	82,937,200
	Programme: Stormwater Improvements (10026)		52,000,000	-		50,500,000	68,500,000	44,500,000
20200064	Motherwell Canal Wetlands	CRR	1,000,000	-		1,000,000	1,000,000	1,000,000
20200063	Stormwater Improvements	LEVIES	3,000,000	-500,000	To security upgrades (Safety & Security)	2,500,000	3,000,000	3,000,000
20030475	New Brighton/Kwazakhele: Bulk Stormwater	LEVIES	3,000,000	-500,000	To security upgrades (Safety & Security)	2,500,000	3,000,000	3,000,000
20200062	Flood Risk improvement (All other rivers)	CRR/LEVIES	500,000	-		500,000	500,000	500,000
20060237	Zwide Bulk Stormwater	LEVIES/USDG	6,000,000	-		6,000,000	20,000,000	10,000,000
20060241	Blue Horizon Bay Bulk Stormwater	LEVIES	500,000	-		500,000	500,000	500,000
20200061	Ground water improvements metro wide	LEVIES	2,000,000	-500,000	To security upgrades (Safety & Security)	1,500,000	2,000,000	2,000,000
20080080	Cannonville/Colchester: Stormwater improvements	LEVIES/USDG	4,000,000	-		4,000,000	4,000,000	-
20080081	Greenbushes: Stormwater Improvements	LEVIES/USDG	500,000	-		500,000	500,000	500,000
20090038	Stormwater Improvements: Ikamvelihle	LEVIES	1,500,000	-		1,500,000	1,500,000	1,500,000
20200060	Rehabilitation of Stormwater Ponds	LEVIES	3,000,000	-		3,000,000	3,000,000	3,000,000
20200059	Reconstruction of stormwater system - Uitenhage	LEVIES/USDG	2,000,000	-		2,000,000	2,000,000	2,000,000
20210176	Roads - Provision of Rudimentary Services	LEVIES	2,000,000	-		2,000,000	2,500,000	2,500,000
20200058	Reconstruction of open canals Metro wide	LEVIES	3,000,000	-		3,000,000	5,000,000	5,000,000
20190297	Stormwater Improvements - Stokwe Street, ward 17	LEVIES/USDG	10,000,000	-		10,000,000	10,000,000	5,000,000
20190300	Stormwater Improvements - Simnka Street, ward 17	LEVIES/USDG	10,000,000	-		10,000,000	10,000,000	5,000,000
	Programme: Traffic and Signage Improvements (10031)		9,350,000	-		9,350,000	9,850,000	11,850,000
20200065	New Traffic signals for roads intersections	LEVIES	2,000,000	-		2,000,000	2,000,000	2,000,000
20200068	TM24 Guidance Signs	LEVIES	350,000	-		350,000	350,000	350,000
20200070	Traffic Control Equipment	LEVIES	2,000,000	-		2,000,000	2,000,000	4,000,000
20210173	Road Traffic Calming Measures - 2021	LEVIES	3,000,000	-		3,000,000	3,500,000	3,500,000
20200069	Public Transport Facilities	LEVIES	2,000,000	-		2,000,000	2,000,000	2,000,000
	Programme: Construction of Major Roads (10027)		10,000,000	-2,000,000		8,000,000	10,000,000	10,000,000
20170126	John Tallant Link Road	LEVIES	10,000,000	-2,000,000	To security upgrades (Safety & Security)	8,000,000	10,000,000	10,000,000
	Programme: Rehabilitation of Major Roads (10028)		6,000,000	-		6,000,000	5,000,000	5,000,000
20200073	Upgrade Main Road through Swartkops	LEVIES	2,000,000	-		2,000,000	2,000,000	2,000,000
20200075	Rehabilitation of William Moffett Expressway	LEVIES	2,500,000	-		2,500,000	3,000,000	3,000,000
20182556	Acquisition of Properties - Standford Road	LEVIES	1,500,000	-		1,500,000	-	-

Infrastructure & Engineering Unit - Rate and General (0384) Continued								
PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Improvements to Minor Roads (10022)		10,000,000	-		10,000,000	11,000,000	8,000,000
20200083	Rehabilitation of Verges and Sidewalks -Northern Areas	LEVIES	2,000,000			2,000,000	2,500,000	3,000,000
20162188	Wells Estate - Access Road	LEVIES	3,000,000			3,000,000	3,500,000	4,000,000
20190294	Aluta Continua Access Road - Joe Slovo 41	LEVIES	5,000,000			5,000,000	5,000,000	1,000,000
	Programme: Improvements to Major Roads (10029)		10,000,000	-2,000,000		8,000,000	10,000,000	10,000,000
20200077	Road Upgrades to increase Capacity	CRR	10,000,000	-2,000,000	To security upgrades (Safety & Security)	8,000,000	10,000,000	10,000,000
	Programme: Management Systems (10024)		500,000	-		500,000	500,000	500,000
20210214	Roads: Purchase of Computer and Equipment	LEVIES	500,000			500,000	500,000	500,000
	Programme: Rehabilitation of Bridge Structures (10030)		8,500,000	-1,000,000		7,500,000	9,500,000	10,000,000
20200086	Rehabilitation of Bridge Structures	LEVIES	5,000,000	-1,000,000	To security upgrades (Safety & Security)	4,000,000	5,000,000	5,000,000
20200078	Intersection improvements	LEVIES	2,000,000			2,000,000	2,500,000	3,000,000
20200082	Construction of Footbridges	LEVIES	1,000,000			1,000,000	1,000,000	1,000,000
20162191	Construction of Joe Slovo Bridge – Ward 41	LEVIES	500,000			500,000	1,000,000	1,000,000
	Programme: Non-Motorised Transport Facilities (10032)		10,300,000	-2,000,000		8,300,000	10,300,000	10,300,000
20200076	Facilities for the Disabled	CRR/LEVIES	300,000			300,000	300,000	300,000
20060020	Provision of Sidewalks	LEVIES	10,000,000	-2,000,000	To security upgrades (Safety & Security)	8,000,000	10,000,000	10,000,000
	Programme: Specialised Equipment (10081)		6,000,000	-		6,000,000	5,000,000	5,000,000
20190289	New Laboratory equipment - Scientific Services	LEVIES	3,000,000			3,000,000	3,000,000	2,500,000
20190290	Replacement of Laboratory Equipment - Scientific Services	LEVIES	3,000,000			3,000,000	2,000,000	2,500,000
	Programme: Furniture and Equipment (10073)		2,000,000	-		2,000,000	2,500,000	4,000,000
20190106	Small Plant & Equipment	LEVIES	2,000,000			2,000,000	2,500,000	4,000,000
	Programme: Vehicles (10009)		-	-		-	-	10,000,000
20200055	Replacement vehicle fleet-Automotive Transport	LEVIES	-			-	-	10,000,000
	Programme: IPTS Work Packages (10034)		153,468,470	-		153,468,470	118,295,530	166,238,930
20060229	IPTS - Work Package: Public Transport Facilities	IPTS	24,799,010			24,799,010	-	-
20190053	Pedest	IPTS	1,500,000			1,500,000	-	-
20190054	IPTS - The Development of Cleary Park Depot and Terminal	IPTS	2,000,000			2,000,000	3,000,000	-
20190069	IPTS -OMS APTMS Lite Phase 1	IPTS	500,000			500,000	1,000,000	1,100,000
20190070	IPTS - Procurement of a transport modelling software package	IPTS	1,500,000			1,500,000	-	-
20190075	IPTS - Interim Ticket System	IPTS	-			-	1,500,000	-
20190175	IPTS - Automated Fare Collection (AFC) System	IPTS	9,068,800			9,068,800	5,000,000	5,000,000
20190226	IPTS-Rehabilitation /Surfacing of IPTS Routes	IPTS	30,000,000			30,000,000	13,000,000	13,000,000
20200033	IPTS-Mobile Apps	IPTS	1,000,000			1,000,000	-	-
20200035	IPTS- Installation CCTV Equipment and Fibre for IPTS roll-out	IPTS	10,000,000			10,000,000	2,000,000	2,000,000
20200037	IPTS-Supply and Installation of traffic loops and signals	IPTS	100,000			100,000	300,000	300,000
20200038	IPTS - Construction of bus Ambayments in IPTS Routes	IPTS	15,000,000			15,000,000	-	-
20200213	IPTS-Bus Rapid Transit	IPTS	22,500,660			22,500,660	86,995,530	84,000,000
20200218	IPTS-Route Stations-Njoli	IPTS	-			-	-	26,838,930
20200249	IPTS-Automated Bus Station Door System	IPTS	2,000,000			2,000,000	1,500,000	2,000,000
20200266	IPTS- Uitenhage CBD Depot	IPTS	-			-	-	10,000,000
20200268	IPTS-Construction of Njoli depot	IPTS	-			-	-	10,000,000
20200269	IPTS-Construction of Western Suburbs Depot	IPTS	-			-	-	10,000,000
20200271	Prov of Kerbside Shelters along IPTS Trunk Routes & Feeders	IPTS	500,000			500,000	-	-
20200272	IPTS -Construction of Sidewalks along IPTS trunk and feeders	IPTS	13,500,000			13,500,000	-	-
20200341	IPTS -Reconstruct Old Uitenhage Road (Rensburg Str to Misson Arterial Road)	IPTS	7,000,000			7,000,000	-	-
20200342	IPTS-Reconstruction of Concrete V Channel:Old Uitenhage Road (Between Lawrence Erasmus & Finnis Str)	IPTS	2,000,000			2,000,000	-	-

20210093	IPTS - Widening of section in William Slammert Drive (Between Lawrence Erasmus & Finnis Str)	IPTS	3,000,000			3,000,000	-	-
20210096	IPTS - Improvement of Entrance at Cleary Park Taxi Rank	IPTS	3,000,000			3,000,000	-	-
20210277	IPTS -OMS APTMS Lite Phase 2	IPTS	4,500,000			4,500,000	4,000,000	2,000,000
	Total		408,273,070	-54,762,240		352,010,830	396,623,010	431,026,130
Sanitation - Metro (1411)								
PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Buildings, Depots Upgrading & Additions (10009)		500,000	-		500,000	500,000	500,000
20190251	Sanitation Services : Office Accommodation	LEVIES	500,000			500,000	500,000	500,000
	Programme: Bucket Eradication (10043)		3,000,000	-		3,000,000	1,000,000	1,000,000
20182423	BEP: Supply and install communal ablutions	USDG	3,000,000			3,000,000	1,000,000	1,000,000
	Programme: Reticulation Sewers - Rehabilitation & Refurbishment (10044)		2,000,000	-2,000,000		-	2,000,000	2,000,000
20190254	Sanitation: Rehabilitation of Sewer Pipes	USDG	2,000,000	-2,000,000	To Drought Projects	-	2,000,000	2,000,000
	Programme: Reticulation Sewers - New, Augmentation & Upgrade (10045)		13,000,000	2,500,000		15,500,000	5,500,000	5,500,000
20190252	Sanitation: Improvements to Sewerage System	LOAN	10,000,000	5,000,000	Loan project amended	15,000,000	5,000,000	5,000,000
20190258	Sanitation: Sampling Station Equipment	USDG	3,000,000	-2,500,000	To Drought Projects	500,000	500,000	500,000
	Programme: Bulk Sewers - Rehabilitation & Refurbishment (10046)		2,000,000	-1,500,000		500,000	15,000,000	15,000,000
20190256	Sanitation: Rehabilitation Of Kwazakhele Collector Sewer	USDG	2,000,000	-1,500,000	To Drought Projects	500,000	15,000,000	15,000,000
	Programme: Bulk Sewers - New, Augmentation & Upgrade (10047)		33,500,000	-6,150,000		27,350,000	63,000,000	44,500,000
19980348	Sanitation Services: Paapenkuis Main Sewers Augmentation	USDG	-			-	1,500,000	2,500,000
20110066	Bulk Sewers: Joe Slovo, Mandelaville & Allenridge West UIT	USDG	500,000			500,000	1,000,000	1,000,000
20182411	1411:Driftsands Collector Sewer Augmentation Phase 2	LOAN	22,000,000			22,000,000	500,000	-
20182418	1411:Augment Collector Sewer Walmer Heights & Mount Pleasant	LOAN	4,000,000	-3,500,000	Loan project amended	500,000	-	-
20182425	1411:Lorraine-Bulk Sewer Augmentation/Add Capacity	LOAN	2,000,000	-1,000,000	Loan project amended	1,000,000	5,000,000	-
20182428	1411:Swartskops Low Level Collector Sewer Upgrade	LOAN	1,000,000	-500,000	Loan project amended	500,000	20,000,000	-
20190250	Sanitation: Jagtvlakte Bulk Sewer	USDG	500,000	-400,000	To Drought Projects	100,000	2,500,000	2,500,000
20190253	Sanitation Services: Seaview Bulk Sewerage	USDG	500,000			500,000	500,000	1,000,000
20190255	Sanitation: Sewer Protection for Collector Sewers	USDG	1,000,000	-500,000	To Drought Projects	500,000	2,000,000	2,500,000
20200160	Construction of Florida Heights Bulk Sewer	USDG	500,000			500,000	10,000,000	10,000,000
20200161	Upgrade of Melbrooks Bulk Sewer	USDG	500,000			500,000	10,000,000	15,000,000
New Project	Brieckfields - Fish Water Flats Syphon Upgrade	LOAN	-	500,000	Loan project amended	500,000	-	-
20190260	Sanitation: Motherwell North Bulk Sewerage	USDG	1,000,000	-750,000	To Drought Projects	250,000	10,000,000	10,000,000
	Programme: Sewerage Pump Stations - Rehabilitation & Refurbishment (10048)		7,000,000	-4,000,000		3,000,000	10,000,000	10,000,000
20190257	Sanitation: Rehabilitation of Pump Stations	USDG	7,000,000	-4,000,000	To Drought Projects	3,000,000	10,000,000	10,000,000
	Programme: Sewerage Pump Stations - New, Augmentation & Upgrade (10049)		750,000	-		750,000	5,000,000	5,000,000
20182540	Fitzpatrick New Sewerage Pump Station	USDG	500,000			500,000	5,000,000	5,000,000
20190249	Sanitation: Upgrade of Rocklands WWTW	USDG	250,000			250,000	-	-
	Programme: Waste Water Treatment Works - Rehabilitation & Refurbishment (10050)		22,500,000	-14,500,000		8,000,000	65,500,000	1,000,000
20210244	Sanitation:Security upgrade at Brickfields WWTW	USDG	500,000			500,000	500,000	1,000,000
20190246	Sanitation: Construction of Access Road	USDG	6,000,000	-5,000,000	To Drought Projects	1,000,000	-	-
20200283	Sanitation: Major Waste Water Projects	LOAN	5,000,000	-4,000,000	Loan project amended	1,000,000	60,000,000	-
20190248	Sanitation: Upgrading of Kelvin Jones WWTW	USDG	11,000,000	-5,500,000	To Drought Projects	5,500,000	5,000,000	-
	Programme: Waste Water Treatment Works - New, Augmentation & Upgrade (10051)		45,728,850	-22,278,850		23,450,000	19,000,000	18,000,000
20070144	Sanitation Services: Upgrading of Kwanobuhle WWTW	USDG	1,500,000	-1,000,000	To Drought Projects	500,000	-	-
20190278	Sanitation Services: Upgrading of Fishwater Flats WWTW	USDG	500,000			500,000	1,000,000	2,000,000
20182431	1411:Fishwater Flats WWTW Grit & Sludge Treatment Facility	USDG	1,000,000	-500,000	To Drought Projects	500,000	12,000,000	15,000,000
20200317	Sanitation: Coastal Water Discharge Permit & WULA - FWF WWTW	LEVIES	200,000			200,000	-	-
20190245	Sanitation: Upgrade of Cape Recife WWTW	USDG	10,000,000	-5,000,000	To Drought Projects	5,000,000	5,000,000	-
20200155	Fishwater Flats WWTW - Upgrade of Old Screen House	USDG	5,000,000	-4,000,000	To Drought Projects	1,000,000	-	-
20200156	Fish Water Flats WWTW - Renewal of Mechanical Equipment	USDG	11,000,000	-3,500,000	To Drought Projects	7,500,000	-	-
20200157	System	USDG	328,850	-78,850	To Drought Projects	250,000	-	-
20200158	Upgrading of Mechanical Equipment at Driftsands WWTW	USDG	5,650,000	-1,650,000	To Drought Projects	4,000,000	500,000	500,000
20200159	Renewal of Mechanical Equipment at Driftsands WWTW	USDG	1,550,000	-550,000	To Drought Projects	1,000,000	500,000	500,000
20190247	Sanitation: Upgrading of Despatch Reclamation Works	USDG	9,000,000	-6,000,000	To Drought Projects	3,000,000	-	-
	Programme: Furniture and Equipment (10073)		1,750,000	-		1,750,000	3,250,000	3,250,000
20210243	Sanitation: Purchase of Computer Equipment	LEVIES	250,000			250,000	250,000	250,000
20200319	Sanitation: Purchase of Small Plant & Equipment	LEVIES	500,000			500,000	500,000	500,000
20190259	Sanitation:Purchase of Telemetry Equipment for Pump Station	USDG	1,000,000			1,000,000	2,500,000	2,500,000
	Programme: Vehicles (10009)		2,000,000	-500,000		1,500,000	2,000,000	2,000,000
20190244	Purchase of Vehicles for Sanitation Services	LEVIES	2,000,000	-500,000	To security upgrades (Safety & Security)	1,500,000	2,000,000	2,000,000
	Total		133,728,850	-48,428,850		85,300,000	191,750,000	107,750,000

Metro Water Service (1412)								
PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Vehicles and Plant (10010)		2,000,000	-		2,000,000	2,000,000	2,000,000
20190163	Water Services: Purchase of New Vehicles	LEVIES	2,000,000			2,000,000	2,000,000	2,000,000
	Programme: Dams - Drought Relief Projects		3,000,000	-		3,000,000	-	-
20190159	Water Services: Noolitgedagt Low Level Scheme - Phase 3	USDG	3,000,000			3,000,000	-	-
	Programme: Dams - Rehabilitation & Refurbishment (10061)		500,000	-		500,000	1,000,000	1,000,000
20080094	Water Services: Rehabilitation of Dams	USDG	500,000			500,000	1,000,000	1,000,000
	Programme: Water Treatment Works - New, Augmentation & Upgrade (10063)		10,250,000	-5,750,000		4,500,000	9,500,000	58,000,000
20210274	Upgrade of Linton Grange WTW	USDG	1,000,000	-500,000	To Drought projects	500,000	2,000,000	3,000,000
20182415	1412: Rehabilitation of Loerie Water Treatment Works	USDG	2,500,000	-500,000	To Drought projects	2,000,000	-	-
20210280	Renewal of Elandsjagt Water Treatment Works	USDG	-	1,000,000	Improve Water Quality	1,000,000	2,000,000	2,000,000
20210077	Colchester Development Augmentation - New Water Pipeline	USDG	3,000,000	-3,000,000	To Drought projects	-	-	-
20190238	Works	LEVIES/ USDG	2,000,000	-1,500,000	To Drought projects	500,000	3,000,000	50,000,000.00
20190242	Water Services: Upgrading Groendal Water Treatment Works	USDG	1,750,000	-1,250,000	To Drought projects	500,000	2,500,000	3,000,000
	Programme: Water Pump Stations - Rehabilitation & Refurbishment (10065)		18,459,720	27,540,280		46,000,000	25,000,000	27,000,000
20210078	Upgrade of Kwanobuhle Water Pump Station	LEVIES/ USDG	16,959,720	28,040,280		45,000,000		
20200153	NOOITGEDAGT:NEW PUMP SETS - MWELL + STANFDRD PUMP STATION	USDG	500,000			500,000	25,000,000	27,000,000
20050106	Water Services: Upgrading of Seaview Water Pump Station	USDG	1,000,000	-500,000	To Drought projects	500,000	-	-
	Programme: Supply Pipe Lines - New, Augmentation & Upgrade (10067)		6,500,000	159,000,000		165,500,000	7,000,000	36,500,000
20162356	Water Services: Advanced Meter Infrastructure	LOAN	5,000,000		Funding Swap from USDG to Loan	5,000,000	5,500,000	6,000,000.00
20190243	Water Services: Jagtvlakte: Bulk Water Supply Pipeline	LOAN	500,000		Funding Swap from USDG to Loan	500,000	500,000	500,000
20182414	Groundwater: Drought Intervention: Drilling of Boreholes	LEVIES/ USDG	1,000,000	159,000,000	Drought Relief Project	160,000,000	1,000,000	30,000,000.00
	Programme: Supply Pipe Lines - Rehabilitation & Refurbishment (10068)		97,000,000	-7,500,000		89,500,000	102,000,000	2,000,000
20210245	Renewal Of Water Pipelines, Valves & Hydrants in Walmer	LOAN	1,000,000			1,000,000	500,000	-
20210246	Renewal Of Water Pipelines, Valves & Hydrants in Summerstrand	LOAN	1,000,000			1,000,000	500,000	-
20210247	Renewal Of Water Pipelines, Valves & Hydrants in Central	LOAN	1,000,000			1,000,000	500,000	-
20210248	Park	LOAN	1,000,000			1,000,000	500,000	-
20210249	Renewal Of Water Pipelines, Valves & Hydrants in Algoa Park	LOAN	2,000,000			2,000,000	500,000	-
20210250	Renewal Of Water Pipelines, Valves & Hydrants in Gelvandale	LOAN	1,000,000			1,000,000	500,000	-
20210251	Renewal Of Water Pipelines, Valves & Hydrants in Shauderville	LOAN	1,000,000			1,000,000	500,000	-
20210252	Brighton	LOAN	-			-	500,000	-
20210253	Renewal Of Water Pipelines, Valves & Hydrants in New Kwazakhele	LOAN	-			-	500,000	-
20210254	Renewal Of Water Pipelines, Valves & Hydrants in Zwide	LOAN	-			-	500,000	-
20210255	Renewal Of Water Pipelines, Valves & Hydrants in Bethelsdorp	LOAN	5,000,000			5,000,000	2,500,000	-
20210256	Renewal Of Water Pipelines, Valves & Hydrants in Motherwell	LOAN	7,500,000	-2,500,000	Amending loan project	5,000,000	5,000,000	-
20210257	Renewal Of Water Pipelines, Valves & Hydrants in Uitenhage	LOAN	7,500,000	-2,500,000	Amending loan project	5,000,000	5,000,000	-
20210258	Renewal Of Water Pipelines, Valves & Hydrants in Bloemendal	LOAN	5,000,000	-1,000,000	Amending loan project	4,000,000	5,000,000	-
20210259	Renewal Of Water Pipelines, Valves & Hydrants in Kwanobuhle	LOAN	5,000,000	-1,000,000	Amending loan project	4,000,000	5,000,000	-
20210260	Renewal Of Water Pipelines, Valves & Hydrants in Despatch	LOAN	5,000,000	-1,000,000	Amending loan project	4,000,000	5,000,000	-
20200088	Renewal of Water Pipeline - Airport	LOAN	5,000,000			5,000,000	4,000,000	-
20200089	Renewal of Water Pipeline - Churchill	LOAN	5,000,000			5,000,000	4,000,000	-
20200090	Renewal of Water Pipeline - Kabega	LOAN	-			-	4,000,000	-
20200093	Renewal of Water Pipeline - Swartkops	LOAN	4,000,000			4,000,000	-	-
20200094	Renewal of Water Pipeline - William Moffat	LOAN	2,500,000			2,500,000	-	-
20200151	Renewal of Water Pipelines	LOAN	-			-	45,000,000	-
20210057	Renewal of Water Pipeline - Bloemendal	LOAN	15,000,000	-7,000,000	Amending loan project	8,000,000		-
20210058	Renewal of Water Pipeline - Helenvale	LOAN	2,500,000	7,500,000		10,000,000	1,500,000	-
20210059	Renewal of Water Pipeline - Govan Mbeki, Ibhayi	LOAN	7,500,000			7,500,000	7,500,000	-
20210060	Renewal of Water Pipeline - Ibhayi	LOAN	7,500,000			7,500,000	1,500,000	-
20210061	Renewal of Water Pipeline - Deal Party	LOAN	3,000,000			3,000,000	-	-
20042883	Water Services: Older Dams Pipelines Augmentation	LOAN	2,000,000		Funding Swap from USDG to Loan	2,000,000	2,000,000	2,000,000
	Programme: Reservoirs - New, Augmentation & Upgrade (10070)		161,000,000	-10,500,000		150,500,000	29,000,000	5,000,000
20190236	Construction of Coegakop Water Treatment Works (NON-MDRG)	USDG	160,000,000	-10,000,000	Based on Cashflows - Drought Project	150,000,000	25,000,000	5,000,000
20200147	Water: Upgrade of Reservoir - Struandale	USDG	1,000,000	-500,000	To Drought projects	500,000	-	-
20210279	Upgrade of Malabar Reservoir -Construction of Perimeter Wall	USDG	-			-	4,000,000	-
	Programme: Buildings, Depots Upgrading & Additions (10009)		2,000,000	-500,000		1,500,000	-	-
20190240	Water Services : Office Accommodation	LEVIES	2,000,000	-500,000	To security upgrades (Safety & Security)	1,500,000	-	-
	Programme: Furniture and Equipment (10073)		2,250,000	-		2,250,000	5,250,000	4,350,000

20210229	Construction of new greenhouse at Buxton Road Nursery	LEVIES	-	-	-	500,000	-	-
20210228	Construction of new greenhouse at Peter Gibbs Nursery	LEVIES	-	-	-	-	-	800,000
	Programme: Cemetery Development and Upgrading (10054)		3,815,400	-		3,815,400	7,500,000	2,750,000
20190156	Upgrade and Development of Forest Hill Cemetery	LEVIES	250,000	-	250,000	250,000	500,000	500,000
20190162	Upgrade and Development of Bloemendal Cemetery	LEVIES	500,000	-	500,000	500,000	500,000	500,000
20190168	Upgrade and Development of Matanzima Cemetery	LEVIES	500,000	-	500,000	500,000	500,000	250,000
20190170	Upgrade and Development of Gerald Smith Cemetery	LEVIES	250,000	-	250,000	250,000	500,000	500,000
20190171	Upgrade and Development of Motherwell Cemetery	LEVIES	500,000	-	500,000	500,000	500,000	500,000
20210227	Upgrade and Development of Kabah Cemetery	LEVIES	500,000	-	500,000	500,000	500,000	500,000
20210305	Fencing of Korsten Cemetery	USDG	1,315,400	-	1,315,400	-	-	-
20210282	Fencing of North End Cemetery	LEVIES	-	-	-	5,000,000	-	-
	Programme: Furniture and Equipment (10073)		2,425,000	-		2,425,000	2,200,000	2,200,000
20210219	PH: Purchase of Computer Equipment	CRR	400,000	-	400,000	400,000	400,000	400,000
20200027	Specialised Medical Equipment	LEVIES	125,000	-	125,000	-	-	-
20210233	PH: Purchase of Plant and Equipment	LEVIES	300,000	-	300,000	200,000	200,000	200,000
20210220	PH: Purchase of Office Furniture	CRR	600,000	-	600,000	600,000	600,000	600,000
20170131	Air Pollution Monitoring Equipment	LEVIES	1,000,000	-	1,000,000	1,000,000	1,000,000	1,000,000
	Programme: Specialised Vehicles (1011)		5,017,100	-		5,017,100	3,300,000	3,300,000
20190307	Procurement of Specialised Vehicles - Public Health	LEVIES	5,017,100	-	5,017,100	3,300,000	3,300,000	3,300,000
	Programme: Vehicles and Plant (10010)		1,600,000	-		1,600,000	1,000,000	1,000,000
20210232	Purchase of Secure Boat	LEVIES	800,000	-	800,000	-	-	-
20210231	Non Specialised Vehicles - Public Health	LEVIES	800,000	-	800,000	1,000,000	1,000,000	1,000,000
	Equipment (10055)		36,826,130	-		36,826,130	2,000,000	2,000,000
20210306	Construction of waste drop-off sites - Ekuphumleni	ISUP	3,347,830	-	3,347,830	-	-	-
20210307	Construction of waste drop-off sites - Walmer	ISUP	3,347,830	-	3,347,830	-	-	-
20210309	Construction of waste drop-off sites - Mandela Village	ISUP	3,347,830	-	3,347,830	-	-	-
20210310	Construction of waste drop-off sites - Motherwell NU30	ISUP	3,347,830	-	3,347,830	-	-	-
20210311	Construction of waste drop-off sites - Westville	ISUP	3,347,830	-	3,347,830	-	-	-
20210312	Construction of waste drop-off sites - Jachtvlakte	ISUP	3,347,830	-	3,347,830	-	-	-
20210314	Construction of waste drop-off sites - Joe Slovo Uitenhage	ISUP	3,347,830	-	3,347,830	-	-	-
20210315	Construction of waste drop-off sites - Red Location	ISUP	3,347,830	-	3,347,830	-	-	-
20210316	Construction of waste drop-off sites -Rosedale	ISUP	3,347,830	-	3,347,830	-	-	-
20210317	Construction of waste drop-off sites -Doorenhok	ISUP	3,347,830	-	3,347,830	-	-	-
20210319	Construction of waste drop-off sites -Malabar Phase 2	ISUP	3,347,830	-	3,347,830	-	-	-
20190313	PH: Purchase of Waste Containers	LEVIES	-	-	-	2,000,000	2,000,000	2,000,000
	Total		71,183,630	-1,100,000		70,083,630	40,900,000	34,650,000
	Safety & Security (1195)							
PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)		4,700,000	-		4,700,000	6,700,000	4,100,000
20100060	S&S: Motherwell Fire Station - Rehab and Refurbishment	CRR	1,000,000	-		1,000,000	-	-
20182526	Metro Police: Upgrade of Metro Police Offices - Humewood	LEVIES	-	-		-	800,000	-
20200118	Construction of Disaster Management Offices - Despatch	LEVIES	3,200,000	-		3,200,000	200,000	-
20200138	Traffic: Rehabilitation of Traffic & Licensing Buildings	LEVIES	-	-		-	500,000	1,000,000
20210202	Lift to accommodate Disabled Persons: Sidwell Traffic Centre	LEVIES	-	-		-	-	1,000,000
20210203	Construction of Security Guard House: Sidwell Traffic Centre	LEVIES	-	-		-	200,000	300,000
20210204	Upgrade of Kwanobuhle Fire Station	LEVIES	-	-		-	-	1,000,000
20210205	Replacement of Security Fence at Kwanobuhle Fire Station	LEVIES	-	-		-	1,000,000	-
20210206	Replacement of Roof at Govan Mbeki Fire Station	LEVIES	-	-		-	-	800,000
20210207	Resurfacing of Miramar Fire Station Training Ground	LEVIES	-	-		-	1,000,000	-
20210208	Replacement of Engine Bay doors at Fire Station	LEVIES	-	-		-	1,000,000	-
20210209	Replacement of collapsed wall at Sidwell Fire Station	LEVIES	-	-		-	750,000	-
20210210	Resurfacing of Drill Yard at Sidwell Fire Station	LEVIES	-	-		-	750,000	-
20210278	Traffic: Replacement Gates at Sidwell Traffic Centre	LEVIES	500,000	-		500,000	-	-
20210211	Replacement/Covering of Main Roof at Sidwell Fire Station	LEVIES	-	-		-	500,000	-
	Programme: Specialised Vehicles (1011)		22,000,000	-5,000,000		17,000,000	5,000,000	-
20190141	Purchase of Hydraulic Platform for Fire & Emergency Services	LEVIES	15,000,000	-5,000,000	To security upgrades (Safety & Security)	10,000,000	5,000,000	-
20190232	Purchase of Off-Road Vehicles for Fire & Emergency Services	CRR	3,000,000	-		3,000,000	-	-
20190233	Fire: Purchase of Fire Appliance/Engine	CRR	4,000,000	-		4,000,000	-	-
	Programme: Vehicles and Plant (10010)		7,500,000	-		7,500,000	6,500,000	6,500,000
20140015	Vehicles for Safety and Security (Security Only)	LEVIES	1,000,000	-		1,000,000	1,000,000	-
20170141	Vehicles for Safety and Security - Disaster Management	LEVIES	1,500,000	-		1,500,000	-	-
20170142	S&S: Purchase of Vehicles for Metro Police	LEVIES	2,500,000	-		2,500,000	-	-
20182515	Metro Police: Purchase of Trooper Carrier	LEVIES	-	-		-	-	5,000,000

20210198	Traffic: Purchase of Tow Trucks	LEVIES	-		-	2,000,000	-
20190136	Traffic: Purchase of Vehicles	LEVIES	2,500,000		2,500,000	3,500,000	1,500,000
	Programme: Safety and Security Equipment (10057)		3,000,000	25,141,950	28,141,950	11,400,000	13,500,000
20150047	S&S: Purchase of Plant and Equipment - Fire	CRR/ LEVIES	1,000,000		1,000,000	500,000	-
20170146	Law Enforcement Equipment for Metro Police	LEVIES	500,000		500,000	500,000	500,000
20170154	Purchase of Firefighting Vehicle - Rescue Pump	LEVIES	-		-	5,000,000	5,000,000
New Project	Intelligence Operations Centre (Security Upgrades)	CRR/LEVIES	-	25,141,950	[From various projects due to vandalism of municipal property].	25,141,950	-
20170163	Traffic: In-car Camera for Law Enforcement	LEVIES	-		-	500,000	-
20170161	Security: Purchase of Firearms	LEVIES	-		-	400,000	-
20182535	Metro Police: Purchase of Firearms	LEVIES	500,000		500,000	-	-
20190142	Replacement of Generators at Traffic Services Buildings	LEVIES	1,000,000		1,000,000	1,000,000	-
20190228	Purchase of Radios for Safety and Security Directorate	LEVIES	-		-	-	6,000,000
20210201	Traffic: Purchase of Electronic Information Signs on Trailer	LEVIES	-		-	1,000,000	-
20210212	Purchase of Rescue Water Boat for Fire & Emergency	LEVIES	-		-	500,000	-
20210271	Fire: Renewal of Hydraulic Platform	LEVIES	-		-	2,000,000	-
20190230	Disaster Management: CCTV & Computer Equipment	LEVIES	-		-	-	2,000,000
	Programme: Furniture and Equipment (10073)		1,800,000	-	1,800,000	4,600,000	1,900,000
20170144	Safety and Security - Furniture for Metro Police	LEVIES	-		-	-	800,000
20182532	Disaster Management: Furniture & Office Equipment	LEVIES	-		-	800,000	-
20182533	Disaster Management: Equipment for supply of Solar Energy	LEVIES	-		-	200,000	-
20190122	Purchase of Computer Equipment - Traffic	LEVIES	-		-	300,000	200,000
20190123	Purchase of Computer Equipment - Fire & Emergency	LEVIES	-		-	300,000	-
20190124	Purchase of Computer Equipment - Disaster Management	LEVIES	100,000		100,000	200,000	-
20190125	Purchase of Computer Equipment - Security Services	LEVIES	-		-	400,000	400,000
20190126	Purchase of Computer Equipment - Metro Police	LEVIES	200,000		200,000	300,000	500,000
20200130	Metro Police: Purchase and Installation of Safes	LEVIES	200,000		200,000	-	-
20200134	Traffic: Replacement of Air-conditioners at Traffic Offices	LEVIES	300,000		300,000	-	-
20200163	Purchase of Furniture for Traffic & Licensing	LEVIES	-		-	200,000	-

20210195	Traffic: Rehabilitation of DLTC Test Yards - Korsten	LEVIES	500,000			500,000	-	-
20210196	Traffic: Rehabilitation of DLTC Test Yards - Uitenhage	LEVIES	500,000			500,000	-	-
20210197	Traffic: Law Enforcement Equipment	LEVIES	-			-	400,000	-
20210199	Purchase of Server for South End Fire Station	LEVIES	-			-	500,000	-
20210200	Replacement of Standby Generators at South End Fire Station	LEVIES	-			-	1,000,000	-
	Total		39,000,000	20,141,950		59,141,950	34,200,000	26,000,000

Corporate Services (1197)

PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Upgrading of Computer Systems and Software Enhancement (10037)		13,500,000	-800,000		12,700,000	7,200,000	10,200,000
20170145	Disaster Recovery Center - Information Security	CRR	2,500,000			2,500,000	3,000,000	6,000,000
20182437	Purchase of servers and other IT Related Infrastructure	LEVIES	3,000,000			3,000,000	3,200,000	3,200,000
20200022	Disaster Recovery: Building Works	CRR	2,000,000			2,000,000	-	-
20200023	Disaster Recovery: Installation Of Air Conditioners	CRR	4,000,000	-800,000	To security upgrades (Safety & Security)	3,200,000	-	-
20200025	Disaster Recovery: Backup power and Renewable energy	CRR	2,000,000			2,000,000	1,000,000	1,000,000
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)		20,795,000	-		20,795,000	10,200,000	9,400,000
20182557	Upgrade of Feather Market Centre	LEVIES	3,000,000	-1,800,000	Fire evacuation systems and Upgrade of City Hall	1,200,000	-	-
20190262	Algoa House- Installation of fire/smoke detection system	LEVIES	-			-	-	550,000
20190264	Air Conditioning of Municipal Buildings	LEVIES	1,500,000			1,500,000	1,000,000	1,000,000
20190268	Erection of Ward 34 Councillors office	LEVIES	500,000			500,000	200,000	500,000
20190269	Upgrade of Ward 51 Councillor Office	LEVIES	450,000			450,000	-	-
20200024	Lillian Diedericks Building: Replacement of Garage Doors	LEVIES	500,000			500,000	-	-
20200144	Purchase of chairs and tables for Community Halls	LEVIES	500,000			500,000	-	1,000,000
20200149	Motherwell NU 2 Hall: Installation of Betaview Fencing	LEVIES	1,500,000			1,500,000	-	-
20200242	Colchester Community Hall: Installation of burglar bars	LEVIES	300,000			300,000	-	-
20200250	Office Renovations-13th Floor, Fidelity Building	LEVIES	-			-	-	250,000
20200251	Upgrade to switchboard: 1st Floor, Fidelity Building	LEVIES	800,000			800,000	-	250,000
20200252	Upgrade to HRMS Offices: 1st Floor, Fidelity Building	LEVIES	2,200,000			2,200,000	-	-
20200253	Upgrade to HRMS Offices: 13th Floor, Fidelity Building	LEVIES	900,000			900,000	-	150,000
20200257	Cuyler Depot: Erection of Dining room	LEVIES	150,000			150,000	-	-
20200259	Burchell Depot: Supply and erection of fencing	LEVIES	2,500,000			2,500,000	-	-
20200261	Upgrading of Walmer Gqebera Community Hall	LEVIES	300,000			300,000	-	-
20200327	Upgrading of City Hall	LEVIES		400,000	Completion of the upgrade of City Hall	400,000		
20210179	Procurement of Furniture for HRMS	LEVIES	800,000			800,000	1,000,000	1,000,000
20210180	Lillian Diedericks: Intercom system and Braille Buttons	LEVIES	175,000			175,000	-	-
20210181	Lillian Diedericks Building: Evacuation System	LEVIES	-	200,000	Insurance terms and conditions	200,000	-	1,500,000
20210182	Fidelity Building: Evacuation System	LEVIES	-	200,000	Insurance terms and conditions	200,000	-	1,100,000
20210183	Noninzi Luzipho Building (Pleinhuys): Evacuation System	LEVIES	-	200,000	Insurance terms and conditions	200,000	-	450,000
20210184	City Hall: Evacuation System	LEVIES	-	200,000	Insurance terms and conditions	200,000	-	450,000
20210185	Uitenhage Town Hall: Evacuation System	LEVIES	-	200,000	Insurance terms and conditions	200,000	-	250,000
20210186	Aerodrome: Installation of Fencing	LEVIES	-			-	8,000,000	-
20210187	Ward 22 Councillors office- Installation of Fencing	LEVIES	550,000			550,000	-	-
20210188	Ward 23 Councillors office- Installation of Fencing	LEVIES	700,000			700,000	-	-
20210189	Ward 18 Councillors office- Installation of Fencing	LEVIES	550,000			550,000	-	-
20210190	Ward 24 Councillors office- Installation of Fencing	LEVIES	750,000			750,000	-	-
20210191	Ward 60 Councillors office- Installation of Fencing	LEVIES	750,000			750,000	-	-
20210192	Ward 55 Councillors office- Installation of Fencing	LEVIES	350,000			350,000	-	-
20210194	Mfanasekhaya Gqobose Building: Evacuation System	LEVIES	-	200,000	Insurance terms and conditions	200,000	-	950,000
20210261	Mfanasekhaya Gqobose: Intercom system and Braille Buttons	LEVIES	105,000			105,000	-	-
20210262	City Hall: Intercom system and Braille Buttons	LEVIES	25,000			25,000	-	-
20210263	Algoa House: Intercom system and Braille Buttons	LEVIES	25,000			25,000	-	-
20210264	Feather Market Centre: Intercom system and Braille Buttons	LEVIES	25,000			25,000	-	-
20210265	Fidelity Building: Intercom system and Braille Buttons	LEVIES	105,000			105,000	-	-
20210267	The Campanile: Intercom system and Braille Buttons	LEVIES	25,000			25,000	-	-
20210268	Uitenhage Town Hall: Intercom system and Braille Buttons	LEVIES	25,000			25,000	-	-
20210269	Noninzi Luzipho: Intercom system and Braille Buttons	LEVIES	35,000			35,000	-	-
20210270	Mfanasekhaya Gqobose: Replacement of garage doors	LEVIES	160,000			160,000	-	-
New	Algoa House Fire and evacuation systems	LEVIES	-	200,000	Insurance terms and conditions	200,000		
20182438	Office Furniture - Corporate Admin	CRR	540,000			540,000		
	Total		34,295,000	-800,000		33,495,000	17,400,000	19,600,000

Budget & Treasury (1198)

PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Vehicles & Plant (10010)		850,000	-		850,000	-	-
20190146	Acquisition of Motor Vehicles for Meter Readers	LEVIES	850,000			850,000	-	-
	Programme: Rehabilitation and Upgrading of Halls and Buildings (10038)		3,363,110	-1,741,950		1,621,160	25,010,650	6,519,210
20182605	Construction of new offices at Supply Chain Management	CRR	2,741,950	-1,741,950	To security upgrades (Safety & Security)	1,000,000	21,710,650	4,274,430
20200262	Replacement of Old Laptops and Desktop PC's	LEVIES	500,000			500,000	500,000	544,780
20200264	Procurement of Queue Management Systems	LEVIES	-			-	2,800,000	1,700,000
20182612	B&T Office Renovations - ETB	LEVIES	121,160			121,160	-	-
	Programme: Furniture and Equipment (10073)		1,300,000	-		1,300,000	1,300,000	800,000
20120079	Replacement Handheld Devices - Meter Reading	LEVIES	500,000			500,000	500,000	-
20120080	Replacement of Vending POS Equipment	LEVIES	800,000			800,000	800,000	800,000
	Total		5,513,110	-1,741,950		3,771,160	26,310,650	7,319,210

Economic Development, Tourism & Agriculture (1196)								
PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Buildings, Depots Upgrading & Additions (10009)		29,874,080	-500,000		29,374,080	26,086,960	30,434,780
20182456	EDTA : Informal Trading Infrastructure	CRR	5,000,000	-500,000	To security upgrades (Safety & Security)	4,500,000	-	-
20190169	EDTA: Njoli Square Redevelopment	NDPG	20,608,700			20,608,700	26,086,960	30,434,780
20190087	EDTA: Uitenhage Fresh Produce Market	LEVIES	1,500,000			1,500,000	-	-
20190094	EDTA : IMotherwell Container Retail Boxes	EU	1,865,380			1,865,380	-	-
20210283	EDTA: Fencing of Uitenhage Fresh Produce Market	LEVIES	500,000			500,000	-	-
20210284	EDTA: Purchase of Forklifts	LEVIES	400,000			400,000	-	-
			29,874,080	-500,000		29,374,080	26,086,960	30,434,780
Recreational & Cultural Services (1194)								
PROJECT ID NUMBERS	PROJECT BREAKDOWN PER DIRECTORATE	Funding Source 2021/22	2021/22 Capital Budget (After Tabling on the 31 March 2021) Budget	2021/22 (Changes required to deal with demands relating to Drought / Security issues, etc)	Reasons for Amendments	2021/22 (Final Capital Budget after changes)	2022/23 Noted Capital Budget	2023/24 Noted Capital Budget
	Programme: Rehabilitation and Upgrading of Halls and		11,000,000	3,000,000		14,000,000	24,000,000	29,000,000
20182617	Construction of Multi-Purpose Centre: Ward 17 (New Brighton)	LEVIES	1,000,000			1,000,000	5,000,000	7,000,000
20190432	SRAC: Gelvandale Sportsfield Astro turf	USDG	-	4,000,000	Astroturf completion	4,000,000	-	-
20182618	Construction of Multi-Purpose Centre: Ward 34 (Bethelsdorp)	LEVIES	1,000,000			1,000,000	5,000,000	7,000,000
20182619	Construction of Multi-Purpose Centre: Ward 42 (Kwanobuhle)	LEVIES	4,000,000	-500,000	To security upgrades (Safety & Security)	3,500,000	5,000,000	5,000,000
20190320	Construction of Multi-Purpose Centre: Ward 21 (Kwazakhele)	LEVIES	4,000,000	-500,000	To security upgrades (Safety & Security)	3,500,000	5,000,000	5,000,000
20190321	Construction of Multi-Purpose Centre: Ward 55 (Motherwell)	LEVIES	1,000,000			1,000,000	4,000,000	5,000,000
	Programme: Upgrade/New Libraries		7,200,000	-		7,200,000	24,500,000	2,500,000
20060113	Upgrade and Restoration of Libraries - Main Library	LEVIES	3,000,000			3,000,000	15,000,000	-
20200225	Re-Construction of Kwanobuhle Library	LEVIES	1,000,000			1,000,000	9,500,000	2,500,000
20190157	SRAC: Motherwell library roof replacement	LEVIES	1,500,000			1,500,000	-	-
20210213	SRAC: Zwide library roof replacement	LEVIES	700,000			700,000	-	-
20190160	SRAC: Chatty library roof replacement	LEVIES	1,000,000			1,000,000	-	-
	Programme: Upgrading and Development of Sport and Recreation Facilities (10058)		16,700,000	-500,000		16,200,000	17,000,000	12,500,000
20200228	Upgrade of Walmer change rooms	LEVIES	8,000,000	-500,000	To security upgrades (Safety & Security)	7,500,000	1,000,000	-
20210217	Construction of new lifeguard house at Sardinia bay	LEVIES	3,000,000			3,000,000	1,000,000	1,000,000
20190151	Wells Estate Beach- Upgrade of Infrastructure	LEVIES	1,200,000			1,200,000	2,000,000	1,000,000
20200237	Replacement of cork floor - Uitenhage indoor center	LEVIES	1,000,000			1,000,000	1,000,000	-
20200233	Rehabilitation of Main Pavillion - Uitenhage sportsfields	LEVIES	1,000,000			1,000,000	3,000,000	2,000,000
20210302	Completion of High Street Swimming Pool	LEVIES	1,000,000			1,000,000	-	-
20210301	Construction of Multi-Purpose Center: Ward 45 (Kwanobuhle)	LEVIES	1,000,000			1,000,000	-	-
20190154	Happy Valley - Upgrade of Infrastructure	LEVIES	500,000			500,000	1,000,000	500,000
20162174	Rehabilitation of Red Location Precinct Buildings		-			-	8,000,000	8,000,000
	Total		34,900,000	2,500,000		37,400,000	65,500,000	44,000,000
	Total		1,511,906,530	68,349,190	-	1,511,906,530	1,376,099,610	1,175,742,620
			1,511,906,530			1,511,906,530	1,376,099,610	1,175,742,620
			-			-	-	-



nelson mandela bay

M U N I C I P A L I T Y

PORT ELIZABETH | UITENHAGE | DESPATCH

2021/22 – 2023/24 DRAFT BUDGET

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PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE MAYOR’S FOREWORD – TABLING OF THE 2021/22 TO 2023/24 DRAFT BUDGET FOR NOTING

Section 16(2) of the Municipal Finance Management Act (MFMA), (Act No. 56 of 2003) stipulates that the Mayor must table the budget to Council, at least 90 days before the start of a budget year.

On 24 February 2021, the Minister of Finance tabled the 2021/22 to 2023/24 Budget in Parliament. The budget as tabled includes various grant allocations to municipalities in terms of the requirements of the Division of Revenue Act (DORA). The municipality’s draft budget includes the following grant allocations:

GRANT NAME	2021/22	2022/23 (1st Outer Year Projections)	2023/24 (2nd Outer Year Projections)
OPERATING GRANTS			
Equitable Share	1,143,807,000	1,217,203,000	1,223,200,000
Financial Management Grant	1,000,000	1,000,000	1,000,000
Expanded Public Works Program	7,116,000	0	0
Infrastructure Skills Development Grant	10,500,000	11,500,000	12,000,000
Programme and Project Preparation Support Grant	11,267,000	11,913,000	12,438,000
Fuel Levy Grant	701,573,000	734,029,000	736,757,000
TOTAL - OPERATING GRANTS	1,875,263,000	1,975,645,000	1,985,395,000
CAPITAL GRANTS			
Urban Settlements Development Grant (USDG)	593,145,000	588,945,000	614,902,000
Informal Settlement Upgrading Partnership Grant	316,045,000	334,876,000	349,635,000
Neighbourhood Partnership Development Grant (NDPG)	23,700,000	30,000,000	35,000,000
Public Transport Network Operations Grant	285,087,000	318,543,000	332,128,000
Energy Efficiency and Demand Side Management Grant	0	10,000,000	0
TOTAL - CAPITAL GRANTS	1,217,977,000	1,282,364,000	1,331,665,000
TOTAL GRANTS (OPERATING AND CAPITAL)	3,093,240,000	3,258,009,000	3,317,060,000

In terms of the aforementioned table, the total Operating Grants amount to R1.88 billion, R1.98 billion and R1.99 billion for the three financial years, whilst the total Capital Grants amount to R1.22 billion, R1.28 billion and R1.33 billion over the same period.

A new grant, namely the Informal Settlements Upgrading Partnership Grant, has been gazetted, amounting to R316.05 million, R334.88 million and R349.50 million over the three-year period. This new grant has been created through the reduction of the Urban Settlements Development Grant. The Human Settlements Directorate, in conjunction with the affected Service Delivery Directorates must ensure that all the projects to be funded from this new grant, is finalised as a matter of urgency, to enable final approval by Council in May 2021.

It is important to note the impact of the Covid-19 pandemic, on the country’s economy. This impact is keenly felt in the revenue collection performance. The revenue collection rate, has declined from a projected 88%, as per the 2020/21 Original Budget, to a projected 85%, as per the 2020/21 Adjustments Budget. The average collection rate for the 2020/21 mid-term period, July to December 2020) was 81.1%, hence the collection rate was adjusted in the 2020/21 Adjustment Budget to 85%. Council must note that the projected collection rates that informs the 2021/22 to 2023/24 are at 85%, 86% and 87%, respectively.

Council should note that section 2 of the Municipal Property Rates Act (MPRA), Act No.6 of 2004 gives municipalities the powers to levy property rates, which must be based on the market related values of the properties. Section 32(b)(i) of the MPRA limits the validity period of the valuation roll utilised for the basis of levying property rates to a period of four (4) financial years, in respect of metropolitan

municipalities. Based on the above requirement of the MPRA, it must be noted that with effect from 1 July 2021 a new General Valuation Roll will be implemented. All the required legal processes have already been commenced with in order to comply with the MPRA. Attached to this budget report is the revised Property Rates Policy, which will also be subjected to public participation as required in terms of section 4 of the MPRA, read in conjunction with Chapter 4 of the Municipal Systems Act, Act No.32 of 2000.

The budget is also informed by the consideration of tariff increases for various services, such as, Electricity, Water, Refuse and Sanitation and Property Rates. The proposed increases for Electricity tariffs are entirely dependent on the outcomes of the ESKOM tariff application to NERSA. The proposed electricity tariff increases have been based on the draft NERSA Tariff Guidelines. The draft guidelines indicate the proposed electricity tariff increases as well as the bulk electricity purchases increase. The aforementioned proposed increases, are still subject to final NERSA approval. The proposed tariff increases for Water, Sanitation and Refuse are linked to the projected Consumer Price Index (CPI) increases.

It is to be noted that Salary and Wage Bill is a major cost driver. The current three-year Collective Agreement regarding salary increases for municipal employees comes to an end on 30 June 2021. SALGA and the labour unions are currently engaging regarding a new Collective Agreement, which will come into effect as from 1 July 2021. In the absence of a signed Collective Agreement, to guide salary increases, the projected average CPI at the time of the commencement of the budget processes was taken into account, being 3.35%, to which 3% has been added for notch increases, due to employees at the commencement of each financial year, in terms of their conditions of service. This resulted in budgeted salary increases for the 2021/22 to 2023/24 Draft Budget being 6.35%, 7.35% and 8.35% respectively, whilst awaiting the finalisation of salary negotiations. According to paragraph 6.1 of the National Treasury MFMA Circular 108, municipalities are advised to take into account their financial sustainability when considering salary increases.

Lastly, let me take this opportunity to sincerely thank all role players who assisted in ensuring that the draft budget is submitted to Council for consideration, leading up to the final approval of the budget by the end of May 2021.

I therefore table the draft budget before Council.

Thank You / Enkosi / Baie Dankie!!!

**COUNCILLOR N BHANGA
EXECUTIVE MAYOR**

1.2 COUNCIL RESOLUTIONS

THE EXECUTIVE MAYOR RECOMMENDS TO COUNCIL THAT:

1. The consolidated annual budget of the Nelson Mandela Bay Municipality for the financial year 2021/22 and the indicative allocations for the projected outer years 2022/23 and 2023/24, and the multi-year and single year capital appropriations, be noted for the purpose of complying with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA), read in conjunction with Municipal Budget and Reporting Regulations No.32141 (dated 17 April 2009), as set out in the following tables:
 - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification); [Page 27 to 28];
 - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote); [Page 28 to 29];
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type); [Page 29 to 30];
 - 1.4 and Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source; [Page 30 to 31];
 - 1.5 That the budgeted financial position, budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:
 - 1.6 Budgeted Financial Position; [Page 31 to 32];
 - 1.7 Budgeted Cash Flows; [Page 32 to 33];
 - 1.8 Cash backed reserves and accumulated surplus reconciliation; [Page 33 to 34];
 - 1.9 Asset Management; [Page 34 to 37]; and
 - 1.10 Basic service delivery measurement. [Page 37 to 38].
2. That the consolidated budget that includes the financial impact of the municipal entity (i.e. Mandela Bay Development Agency) as well as Capital and Operating Contributions to the MBDA (including HURP) of R99.1 million (2021/22), R106.0 million (2022/23) and R113.5 million (2023/24) respectively, be noted.
3. That Council notes that transfer of grants to the entity (i.e. MBDA) will be undertaken on a quarterly basis, based on compliance with the required conditions as per the signed service delivery agreement (SDA).
4. That Council notes that the entity will be required to submit reports on a quarterly basis to, amongst others, the Budget and Treasury Standing Committee and any other Council Committee, indicating performance on Operating and Capital Projects, that are incorporated into the approved budget, in order to monitor performance on a continuous basis.
5. That as previously approved by Council, any unspent amount of the grants allocated to the MBDA at financial year-end, be subjected to a Rollover Application process, in order to improve financial oversight by the NMBM.
6. That the MMC: Human Settlements leads a process of ensuring that the breakdown of the projects to be funded from the newly allocated Informal Settlements Upgrading Partnership Grant be finalised, including information, such as the project names, project budgets, relevant services, relevant Wards, and any other information that may be required for inclusion in the budget.
7. That the tariffs be increased as follows with effect from 1 July 2021:

Property rates	-	6.00% (Average increase on the property rates revenue)
Water	-	6.00%

Sanitation	-	6.00%	
Refuse	-	6.00%	
Electricity	-	14.59%	(On average (depending on the various customer categories), subject to NERSA approval).

8. That the indicative tariffs for 2022/23 and 2023/24 be increased as follows (taking into account the external factors impacting on Electricity and Water Services):

	2022/23	2023/24
Property Rates	6.50%	6.50%
Water	6.50%	6.50%
Sanitation	6.50%	6.50%
Refuse	6.50%	6.50%
Electricity	14.59%	14.59%

9. That Council notes the contents of National Treasury MFMA Circulars 107 and 108 (attached to the Budget Report) for guiding the budgeting processes leading up to budget approval by the end of May 2021.
10. That based on approval of the previous recommendation, the Acting City Manager ensures that any Council approved policy requiring revision, is submitted to Council for consideration, in order to comply with the requirements of the National Treasury MFMA Circulars 107 and 108.
11. That in line with the requirements of paragraph 6.4 of National Treasury MFMA Circular 108 relating to allocations or grants by the NMBM to any organisations/bodies referred to in section 67(1) of the MFMA, each affected Directorate ensures that it provides the details of instances where there are agreements/contracts with such bodies/ organisations.
12. That the information as per the previous recommendation include, amongst others, details, such as, their names, approved allocations per financial year (i.e. 2021/22, 2022/23 and 2023/24) and Council resolutions authorising such agreements/contracts.

1.3 EXECUTIVE SUMMARY

The key service delivery priorities, as reflected in the IDP, informed the development of the Budget, including the need to maintain the Municipality's financial sustainability.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are being implemented by the Municipality, albeit during the tough conditions as imposed by the Covid-19 pandemic resulting to the low average Collection Rates and the impact of the pandemic to the unemployment figures. Cost containment measures are also being implemented to further curb costs and to improve operational efficiency, in line with the requirements of the Cost Containment Regulations (Number 42514 dated 7 June 2019).

All National Treasury's MFMA Circulars were used to guide the compilation of the 2021/22 MTREF, including the latest MFMA Circulars 107 and 108.

The Municipality is faced the following significant challenges during the compilation of the 2021/22 MTREF:

- Impact of the COVID-19 pandemic and the declining collection rate;
- Inability to budget for a surplus on the Operating Budget;
- Escalating Employee Related Costs, being greater than 30%, as compared to the total operating budget (after excluding the non-cash items);
- Maintaining revenue collection rates at acceptable levels;
- Ensuring that electricity and water losses are reduced to acceptable levels;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of property rates and tariff increases;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- The implementation of an mSCOA budget as required in terms of the mSCOA Regulations;
- The unfunded/underfunded mandates negatively impacting on the budget;
- Ensuring that the budget responds to BEPP requirements or prioritisation;
- The vandalism to the municipal properties as recently publicised in various media houses;
- The incorporation of Covid-19 expenditure; and
- Ongoing financial impact of previous Council decisions relating to the absorption of 672 (i.e. 460 + 212) private security guards, as per the Council resolutions of November 2017 and December 2018, and other Council decisions, such as a 27% increase in salaries of Ward Councillor Support Staff and a 100% increase in Ward Committee Members' stipends. All these decisions will continue to be a financial burden to the budget of the municipality.

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

- The declining collection rate due to the COVID-19 pandemic.
- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- In accordance with Section 19 of the Municipal Finance Management Act (MFMA), the relevant Acting/Executive Directors must submit comprehensive reports in relation to new projects, inter alia, dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.
- It is also a requirement that new projects in the budgeting process, must be accompanied by a Business Plan, Cash Flows and a Procurement Plan.

In view of the aforementioned, the following table represents a **consolidated overview** (which includes the MBDA or entity budget) of the proposed 2021/22 Medium-term Revenue and Expenditure Framework:

TABLE 1 (CONSOLIDATED OVERVIEW OF THE 2021/22 MTREF)

R thousands	Original Budget 2020/21	Adjusted Budget 2021/22	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Total Operating Revenue	11,939,659	12,102,045	12,934,769	14,150,118	15,364,009
Fuel Levy allocated for capital expenditure	322,050	276,765	344,197	337,230	304,430
Actual Total Operating Revenue	11,617,609	11,825,280	12,590,572	13,812,888	15,059,579
Total Operating Expenditure	11,691,864	12,054,104	13,336,978	14,683,402	16,258,667
Actual Surplus/(Deficit)	(74,255)	(228,824)	(746,406)	(870,514)	(1,199,088)
Total Capital expenditure	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950

Total operating revenue after excluding the Fuel Levy included in the operating revenue that is earmarked to fund the capital budget has increased by 6.47% or R765.292 million for the 2021/22 financial year, compared to the 2020/21 Adjustments Budget. For the two outer years, operational revenue increases by 9.71% and 9.03% respectively, resulting in a total revenue growth of R3.234 billion over the MTREF, when compared to the 2020/21 financial year.

Total operating expenditure for the 2021/22 financial year amounts to R13.337 billion, resulting in a budgeted deficit of R746.406 million. Compared to the 2020/21 Adjustments Budget, operational expenditure increased by 10.64% in the 2021/22 Budget; and increased by 10.10% and 10.73% for each of the respective outer years of the MTREF. The 2021/22 and 2022/23 budgets reflect an operating deficit of R870.51 million and an operating deficit of R1.077 billion respectively.

The major operating expenditure items for 2020/21 are employee related costs (29.38%), bulk electricity purchases (32.16%), Contracted Services (10.36%), Depreciation and Asset Impairment (7.79%) and Debt Impairment (10.36%). No budget has been provided for top structures revenue nor expenditure.

Funding for the 2021/22 Operating Budget is obtained from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection and disposal (55.05%), property rates (20.39%), grants and subsidies received from National and Provincial Governments (16.53%). The Fuel Levy portion provided for capital asset funding has not been included in the calculation.

In order to support the 2021/22 Operating Budget, the following increase in property rates and service charges were proposed with effect from 1 July 2021:

Property rates	-	6% (Average increase on the property rates revenue)
Water	-	6%
Sanitation	-	6%
Refuse	-	6%
Electricity (Average)	-	14.59% (On average depending on various customer categories, subject to NERSA approval).

The capital budget of R1.37 billion for 2021/22 is 5.38% more than the 2020/21 Adjustments Budget. The Capital Budget decreases to R1.38 billion in the 2022/23 financial year and then decreases to R1.08 billion in the 2023/24 financial year. The Capital Budget over the MTREF period will be mainly funded from government grants and subsidies.

1.4 HISTORIC PROPERTY RATES AND TARIFFS INCREASES

The following table illustrates the increases for the various services:

TABLE 2 (HISTORIC PERCENTAGE INCREASES FOR SERVICES)

SERVICES	HISTORIC PERCENTAGE INCREASES FOR SERVICES								
	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
	%	%	%	%	%	%	%	%	%
Electricity	14.59 (average)	6.22 (average)	13.04	5.43 (average)	1.88	7.64	12.2	7.39	7
Water	6	6	7.5	8.5	9	9	13	12	13
Sanitation	6	6	7.5	8.5	9	9	12	12	13
Property Rates	6	6	7.77	5	4.4	9.5	9.5	9.5	19.14
Refuse	6	6	7.5	7.5	9	9	11	12	13

1.5 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is largely dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of critical importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with section 18(1)(a) of the MFMA, expenditure has to be limited to the realistically anticipated revenues.

The Municipality's revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard in terms of the relevant Circulars;
- Tariff Policies;
- The Property Rates Policy;
- The ATTP Policy and provision of free basic services;
- The level of property rates and tariff increases must ensure financially sustainable service delivery;
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services;
- Replenishing the Capital Replacement Reserve (CRR) in order to finance Capital projects;
- Implementing Cost Containment Measures;
- Ensuring fully cost reflective tariffs for trading services;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Water bulk tariff increases as approved by the Department of Water Affairs (DWA);
- Efficient revenue management, targeting the following annual collection rates for property rates and service charges:
 - 2021/22 – 85%
 - 2022/23 – 86%
 - 2023/24 – 87%
- No growth in the revenue base.

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

TABLE 3 (SUMMARY OF MAIN REVENUE SOURCES)

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget			
Revenue By Source								
Property rates	1,999,183	2,127,308	2,363,371	2,486,145	2,488,283	2,637,580	2,809,023	2,991,609
Service charges - electricity revenue	3,484,068	3,687,352	3,715,711	4,359,003	3,954,693	4,530,243	5,189,014	5,945,922
Service charges - water revenue	1,074,105	850,694	1,185,069	1,050,759	1,301,832	1,379,942	1,469,638	1,565,164
Service charges - sanitation revenue	457,476	536,186	650,335	722,107	698,045	739,928	788,023	839,244
Service charges - refuse revenue	170,248	192,754	247,681	264,511	264,511	280,370	298,581	317,988
Rental of facilities and equipment	22,713	33,159	22,974	22,627	28,739	27,867	29,514	30,877
Interest earned - external investments	155,546	208,830	233,799	161,511	161,511	173,680	177,192	178,859
Interest earned - outstanding debtors	224,649	234,618	254,959	265,534	334,541	376,196	398,797	424,086
Dividends received	123							
Fines, penalties and forfeits	230,424	216,027	224,358	224,224	205,224	193,047	203,808	215,186
Licences and permits	19,456	20,665	15,132	22,748	12,104	12,550	13,397	14,327

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Agency services	2,774	3,154	3,546	3,327	3,059	3,242	3,437	3,643
Transfers and subsidies	1,528,723	1,860,136	1,910,644	2,187,776	2,497,826	2,425,431	2,603,895	2,652,644
Other revenue	142,949	132,161	103,308	168,878	151,168	154,184	165,290	183,950
Gains				510	510	510	510	510
Total Revenue (excluding capital transfers and contributions)	9,512,439	10,103,043	10,930,888	11,939,659	12,102,045	12,934,769	14,150,118	15,364,009
Less Fuel Levy funding capital expenditure				322,050	276,765	344,197	337,230	304,430
True Operating Revenue				11,617,609	11,825,280	12,590,572	13,812,888	15,059,579

TABLE 4 (MIX OF MAIN REVENUE SOURCES)

Description	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework					
	Original Budget		Adjusted Budget		Budget Year 2021/22		Budget Year 2022/23		Budget Year 2023/24	
R thousand		%		%		%		%		%
Revenue By Source										
Property rates	2,486,145	21.40%	2,488,283	21.04%	2,637,580	20.95%	2,809,023	20.34%	2,991,609	19.87%
Service charges - electricity revenue	4,359,003	37.52%	3,954,693	33.44%	4,530,243	35.98%	5,189,014	37.57%	5,945,922	39.48%
Service charges - water revenue	1,050,759	9.04%	1,301,832	11.01%	1,379,942	10.96%	1,469,638	10.64%	1,565,164	10.39%
Service charges - sanitation revenue	722,107	6.22%	698,045	5.90%	739,928	5.88%	788,023	5.70%	839,244	5.57%
Service charges - refuse revenue	264,511	2.28%	264,511	2.24%	280,370	2.23%	298,581	2.16%	317,988	2.11%
Rental of facilities and equipment	22,627	0.19%	28,739	0.24%	27,867	0.22%	29,514	0.21%	30,877	0.21%
Interest earned - external investments	161,511	1.39%	161,511	1.37%	173,680	1.38%	177,192	1.28%	178,859	1.19%
Interest earned - outstanding debtors	265,534	2.29%	334,541	2.83%	376,196	2.99%	398,797	2.89%	424,086	2.82%
Fines, penalties and forfeits	224,224	1.93%	205,224	1.74%	193,047	1.53%	203,808	1.48%	215,186	1.43%
Licences and permits	22,748	0.20%	12,104	0.10%	12,550	0.10%	13,397	0.10%	14,327	0.10%
Agency services	3,327	0.03%	3,059	0.03%	3,242	0.03%	3,437	0.02%	3,643	0.02%
Transfers and subsidies	1,865,726	16.06%	2,221,061	18.78%	2,081,234	16.53%	2,266,665	16.41%	2,348,214	15.59%
Other revenue	168,878	1.45%	151,168	1.28%	154,184	1.22%	165,290	1.20%	183,950	1.22%
Gains	510	0.00%	510	0.00%	510	0.00%	510	0.00%	510	0.00%
Total Revenue (excluding capital transfers and contributions)	11,617,609	100.00	11,825,280	100.00	12,590,571	100.00	13,812,888	100.00	15,059,579	100.00

In the 2020/21 financial year, rates and service charges amounted to R8.71 billion or 73.63%. This increases to R9.57 billion, R10.55 billion and R11.66 billion in the 2021/22, 2022/23 and 2023/24 financial years, respectively.

Property rates represent the second largest revenue source, amounting to 20.95% or R2.64 billion in 2021/22 and increasing to 19.87% or R2.99 billion in 2023/24.

Operating grants and transfers (excluding Fuel Levy allocation funding capital projects) amounted to R2.81 billion in the 2021/22 financial year and increases to R2.35 billion in 2023/24.

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

TABLE 5 (OPERATING TRANSFERS AND GRANT RECEIPTS)

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
RECEIPTS:								
Operating Transfers and Grants								
National Government:	1,681,464	1,741,708	1,619,521	2,049,862	2,363,261	2,296,000	2,498,916	2,541,498
Local Government Equitable Share	844,287	939,530	766,246	1,106,936	1,260,840	1,143,807	1,217,203	1,223,200
EPWP Incentive	4,807	6,711	8,950	10,117	10,117	7,116		
Finance Management	1,050	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Infrastructure Skills Development	15,394	11,834	9,500	10,500	10,500	10,500	11,000	12,000
LGSETA	3,436	5,614	5,347	2,000	2,000	2,500		
Integrated Cities Development					5,306			
Urban Settlements Development	198,215			67,362	196,909	253,127	322,023	390,214
Public Transport Networks Operations	68,324	152,470	138,134	144,992	169,634	165,110	201,747	165,889
Fuel Levy	545,218	623,566	690,344	706,955	706,955	701,573	734,029	736,757
Dept. of Public Administration	733	983						

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Programme and Project Support Grant						11,267	11,913	12,438
Provincial Government:	34,918	37,646	22,921	30,766	30,766	30,766	30,766	30,766
Sport and Recreation	15,000	15,870	15,870	15,870	15,870	15,870	15,870	15,870
DRPW (Maintenance of Roads)	9,423	10,580	6,145	14,000	14,000	14,000	14,000	14,000
Marine and Coastal Development	813	650	325	896	896	896	896	896
Human Settlements Development	9,683	3,421	580					
Municipal Emergency Housing		7,125						
District Municipality:	-	-	-	-	-	-	-	-
Other grant providers:	3,150	3,312	2,708	-	-	-	-	-
<i>Other Grants</i>	3,150	3,312	2,708					
Total Operating Transfers and Grants	1,719,532	1,782,666	1,645,150	2,080,628	2,394,027	2,326,766	2,529,682	2,572,264

1.5.1 Property Rates

Property rates fund the costs associated with the provision of general services, such as recreational, library and roads and storm water services, etc. Further to this a new Policy (i.e. Long Term Financial Management Plan Policy) was approved by Council in order to ensure that funding of the budget as required in terms of mSCOA is addressed and future budget circulars to Directorates are explicit on how budget funding for Directorates is split or funded from (i.e. funding sources).

The following provisions 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 Indigent Policy / Assistance to the Poor Policy, as approved by Council.
- Pensioners, physically and mentally disabled property owners of rateable property may on submission of an application be granted a rebate. The rebate will be granted on a sliding scale basis with the income levels and corresponding percentage reductions being determined by Council in its annual budget. In this regard the following stipulations are relevant to the applicant:
 - (a) must be a natural person;
 - (b) be the owner of the property;
 - (c) occupy the property as his or her normal residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement;
 - (d) produce certified copy/ies of owner/s' bar-coded identity document;
 - (e) - *pensioners*: be at least 60 years of age on 1 July of the financial year concerned; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60;
- *disabled*: be in receipt of disability grant / pension and submit proof and nature of disability e.g. letter from doctor with application.
 - (f) be in receipt of a total gross annual income (as defined in Part 2 of the policy), excluding medical aid contributions and child support/grant not exceeding a value as determined by Council in its annual budget; submit pension statements, previous 3 months (or the number of months determined necessary by the Chief Financial Officer (CFO) bank statements from all bank and investment accounts of owner and spouse, and proof of total gross annual income of any other persons living on the property (not just rental received). All documents provided must clearly state who it is for – documents which do not reflect person's name or ID. No. will not be considered;
 - (g) not be in receipt of an indigent subsidy;
 - (h) provide a certified affidavit declaring any assistance from any other sources. Assistance received from family members not residing on property, will not however be included in the calculation of total household income;

- (i) provide a certified affidavit to explain any once-off monies received e.g. gifts, donations, etc; and
 - (j) ensure that his/her accounts are not in arrears (or arrangements made to pay all outstanding amounts) before applying for the rebate and continue to pay the rates account in full until rebate is granted as no interest will be reversed;
 - (k) a usufructuary will be regarded as the owner;
 - (l) the criteria of a natural person may be waived at the sole discretion of the municipality to allow for a property owned by a trust where the total number of beneficiaries meets all of the other requirements of this policy; and provided further that the gross monthly income of all persons residing on that property be added to the gross monthly income of the beneficiaries staying on that property;
 - (m) owners qualify for only one rebate per year, if financial circumstances change they can only apply for future years;
- Sporting organisations, the sole purpose of which is to use the property owned/leased by them for sporting purposes, whether for gain or not, may qualify for a rebate, with amateur bodies being granted 100% and professional bodies 40%. Any profits earned must be invested in the betterment of the organisation and not be for private gain. Audited financial statement must be provided, if however, the sporting body does not have audited financial statement reasons therefore must be provided on the clubs' official letterhead.
 - If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
 - All accounts of the applicant must be up to date or arrangements must be made to pay any outstanding balances before any rebate will be granted. The applicant must continue to pay the rates account in full until the rebate is granted as no interest will be reversed.

An average increase of 6% on the property rates revenue is proposed, with effect from 1 July 2021.

The property rates increase is mainly influenced by the following:

- Employee related costs increases;
- Creating a Provision for Long Service Awards and Long Service Bonuses based on an Actuarial assessment.
- Costs of servicing existing external borrowing to fund roads and storm water infrastructure;
- Providing for debt impairment;
- Operationalisation of the IPTS and Metro Police Services;
- Absorption of about 672 private security guards (Watchmen); and
- TASK implementation, amongst others.

1.5.2 Sale of Water and Impact of Tariff Increases

In accordance with various National Treasury's MFMA Circulars, (e.g. 51, 55, 58, 66, 70, 74, 78, 79, 85, 86, 89, 91, 93, 94, 95, 98, 99, 107 and 108); Municipalities are encouraged to review the level and structure of their water tariffs to ensure the following:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion;
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In terms of paragraph 5.2 of National Treasury Circular 78 municipalities are urged to ensure that water tariffs are fully cost reflective. In this regard in instances where tariffs are not cost recovery based, a phased-in approach must be undertaken to ensure that tariffs are fully cost reflective over the medium

term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to immediately implement it in the 2021/22 MTREF.

A tariff increase of 6% is proposed, effective as from 1 July 2021. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increased by an average of 9.00%;
- Year-to-year increases in the cost of bulk water purchases;
- Costs of servicing existing external borrowing to fund water infrastructure; and
- Providing for debt impairment.

The water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate.

1.5.3 Sale of Electricity and Impact of Tariff Increases

NERSA has indicated that the Eskom bulk electricity tariff to municipalities would increase by 17.8% as from 1 July 2021. Considering the Eskom tariff increase, the Municipality's consumer tariffs have been set at 14.59% on average, whilst awaiting NERSA approval.

The tariff increases are mainly influenced by the following:

- Employee related costs increases;
- The cost of bulk electricity purchases;
- Costs of servicing existing external and new borrowing to fund electricity infrastructure;
- Providing for debt impairment

1.5.4 Sanitation and Impact of Tariff Increases

In accordance with various National Treasury's MFMA Circulars, (e.g. 51, 55, 58, 66, 70, 74, 78, 79, 85, 86, 89, 91, 93, 94, 95, 98, 99, 107 and 108.); Municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion;
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective. In this regard a phased-in approach must be undertaken to ensure that tariffs are fully cost reflective over the medium term, in case of any discrepancies. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2021/22 MTREF.

Sanitation charges are determined based on the volume of water consumed, which is appropriately reduced by the percentage of water discharged into the sewer system.

A tariff increase of 6% is proposed, effective as from 1 July 2021. The proposed tariff increase is mainly influenced by the following:

- Employee related costs increases;
- Costs of servicing existing external and new borrowing to fund sanitation infrastructure;
- Providing for debt impairment.

1.5.5 Refuse Collection and Disposal and Impact of Tariff Increases

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective. The tariffs should take into account the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2021/22 MTREF and a phasing-in approach is recommended.

The refuse collection and disposal service is currently operating on a break even basis. A tariff increase of 6% is proposed for the refuse collection and disposal service, effective as from 1 July 2021.

The tariff increase is mainly influenced by the following:

- Employee related costs increases;
- Costs of servicing existing external borrowing to fund refuse infrastructure;
- Providing for debt impairment.

Overall impact of tariff increases on households

The following tables reflect the anticipated impact of the tariff increases on a middle income and affordable range household, as well as an indigent household receiving free basic services. In respect of an Indigent Household receiving free basic services 3 tables have been provided to illustrate the benefit rendered to the indigent. Table 13 illustrates what would be payable by a non-ATTP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity and 20kl of water per month respectively. Table 14 illustrates what would have been payable by an ATTP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity (using the ATTP electricity tariff structure) and 20kl of water per month respectively. Table 15 illustrates what would be actually payable by an ATTP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity and 20kl of water per month respectively after applying the NMBM ATTP policy.

It is to be noted that the NMBM by far renders the largest benefits to the indigent consumers, compared to the other Metros. It must also be taken into account that only the benefits allowed, which are in accordance with the National Policy may be funded via the Equitable Share.

It is to be noted that the overall impact of the tariff increases on household bills has been maintained at 10.59%, with indigent households also increasing by 10.55%.

The basis used for calculating the municipal accounts for the different categories of households is as follows:

Description	Land Value	Electricity (kwh)	Water (kl)
Household – Middle Income	R700 000	1000 kwh	30kl
Household – Affordable Range	R500 000	500 kwh	25kl
Indigent Household receiving free services	R300 000	350 kwh	20kl

TABLE 6 (TABLE SA14 – HOUSEHOLD BILLS – MIDDLE INCOME RANGE)

Monthly Account for Household - 'Middle Income Range'	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22 % incr.	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Rates and services charges:										
Property rates R700 000	635.28	667.04	718.87	762.00	762.00	762.00	6 %	807.72	860.22	916.14
Electricity: Consumption(1000 Kwh)	1,551.77	1,642.39	1,856.56	1,972.04	1,972.04	1,972.04	14.59%	2,259.76	2,589.46	2,967.26
0 - 350	456.05	482.68	545.62	579.56	579.56	579.56	14.59%	664.12	761.01	872.04

Monthly Account for Household - 'Middle Income Range'	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
							% incr.			
351 – 600	393.13	416.09	470.35	499.61	499.61	499.61	14.59%	572.50	656.03	751.75
601 - 900	521.91	552.39	624.42	663.26	663.26	663.26	14.59%	760.03	870.92	997.98
901 - 1000	180.68	191.23	216.17	229.62	229.62	229.62	14.59%	263.12	301.51	345.50
Water: Basic levy	41.49	45.02	48.40	51.30	51.30	51.30	6%	54.38	57.91	61.77
Water: Consumption (30 Kl)	399.36	433.31	465.81	493.76	493.76	493.76	6%	523.39	557.41	593.64
0 – 24	304.08	329.93	354.67	375.95	375.95	375.95	6%	398.51	424.41	452.00
>24	95.28	103.38	111.13	117.80	117.80	117.80	6%	124.87	132.98	141.63
Sanitation	268.74	291.58	313.45	332.26	332.26	332.26	6%	352.20	375.09	399.47
Sanitation Availability Levy	41.49	45.02	48.40	51.30	51.30	51.30	6%	54.38	57.91	61.77
Refuse removal	102.00	109.65	117.87	124.95	124.95	124.95	6%	132.45	141.06	150.22
Sub-total	3,040.13	3,234.01	3,569.35	3,787.60	3,787.60	3,787.60	10.47	4,184.28	4,639.06	5,150.27
VAT on Services	360.73	385.05	427.57	453.84	453.84	453.84		506.48	566.83	635.12
Total large household bill:	3,400.86	3,619.06	3,996.92	4,241.43	4,241.43	4,241.43	10.59%	4,690.76	5,205.89	5,785.39
% increase/-decrease	5.62%	6.42	10.44%	6.12%	6.12%	6.12%			10.38%	11.13%

TABLE 7 (TABLE SA14 – HOUSEHOLD BILLS – AFFORDABLE RANGE)

Monthly Account for Household - 'Affordable Range'	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	2 nd Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
							% incr.			
Rates and services charges:										
Property rates R500 000	449.80	472.28	508.98	539.51	539.51	539.51	6%	571.88	609.05	648.64
Electricity: Consumption (500 Kwh)	691.93	732.34	827.84	879.33	879.33	879.33	14.59%	1,007.62	1,154.64	1,323.10
0 - 350	456.05	482.68	545.62	579.56	579.56	579.56	14.59%	664.12	761.01	872.04
351 - 500	235.88	249.66	282.22	299.77	299.77	299.77	14.59%	343.51	393.62	451.05
Water: Basic levy	41.49	45.02	48.40	51.30	51.30	51.30	6%	54.38	57.91	61.77
Water: Consumption (25 Kl)	319.96	347.15	373.19	395.58	395.58	395.58	6%	419.30	446.56	475.59
0 – 24	304.08	329.93	354.67	375.95	375.95	375.95	6%	398.51	424.41	452.00
>24	15.88	17.22	18.51	19.62	19.62	19.62	6%	20.80	22.15	23.59
Sanitation	223.95	242.99	261.21	276.89	276.89	276.89	6%	293.50	312.57	332.89
Sanitation Availability Levy	41.49	45.02	48.40	51.30	51.30	51.30	6%	54.38	57.91	61.77
Refuse removal	102.00	109.65	117.87	124.95	124.95	124.95	6%	132.45	141.06	150.22
Sub-total	1,870.62	1,994.45	2,185.88	2,318.85	2,318.85	2,318.85	9.26%	2,533.54	2,779.70	3,053.98
VAT on Services	213.12	228.33	251.54	266.90	266.90	266.90		294.25	325.60	360.80
Total small household bill:	2,083.74	2,222.78	2,437.42	2,585.76	2,585.76	2,585.76	9.36%	2,827.79	3,105.30	3,414.78
% increase/-decrease	6.60%	6.67%	9.66%	6.09%	6.09%	6.09%			9.81%	9.97%

In respect of Indigent Household receiving free basic services 3 tables have been provided to illustrate the benefit rendered to the indigent.

Table 8 illustrates what would be payable by a non-ATTP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity and 20kl of water per month respectively.

TABLE 8 (TABLE SA14 – HOUSEHOLD BILLS – NON-ATTP SMALL RANGE)

Monthly Account for Household - 'Non-Indigent' Household receiving free basic services	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	2 nd Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
							% incr.			
Rates and services charges:										
Property rates R300 000	264.31	277.53	299.09	317.04	317.04	317.04	6%	336.06	357.91	381.17
Electricity: Consumption (350Kwh)	456.05	482.68	545.62	579.56	579.56	579.56	14.59%	664.12	761.01	872.04
0 - 350	456.05	482.68	545.62	579.56	579.56	579.56	14.59%	664.12	761.01	872.04
Water: Basic levy	41.49	45.02	48.40	51.30	51.30	51.30	6%	54.38	57.91	61.68

Monthly Account for Household - 'Non-Indigent' Household receiving free basic services	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	2nd Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
							% incr.			
Water: Consumption (20 KL)	253.40	274.94	295.56	313.29	313.29	313.29	6%	332.09	353.67	376.66
Sanitation	179.16	194.39	208.97	221.51	221.51	221.51	6%	234.80	250.06	266.32
Sanitation Availability Levy	41.49	45.02	48.40	51.30	51.30	51.30	6%	54.38	57.91	61.68
Refuse removal	102.00	109.65	117.87	124.95	124.95	124.95	6%	132.45	141.06	150.22
Sub-total	1,337.90	1,429.23	1,563.91	1,658.95	1,658.95	1,658.95	9.00%	1,808.28	1,979.53	2,169.77
VAT on Services	161.04	172.76	189.72	201.29	201.29	201.29		220.83	243.24	268.29
Total small household bill:	1,498.94	1,601.99	1,753.63	1,860.24	1,860.24	1,860.24	9.08%	2,029.11	2,222.77	2,438.06
% increase/-decrease	7.10%	6.87%	6.87%	6.08%	6.08%	6.08%			9.54%	9.69%

Table 9 illustrates what would have been payable by an ATTP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity (using the ATTP electricity tariff structure) and 20kl of water per month respectively.

TABLE 9 (TABLE SA14 – HOUSEHOLD BILLS – ATTP - SMALL RANGE)

Monthly Account for Household - 'Indigent' Household receiving free basic services prior to free services	2017/18	2018/19	2019/20	Current Year 2020/21			2020/21 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	2nd Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
							% incr.			
Rates and services charges:										
Property rates R300 000	264.31	277.53	299.09	317.04	317.04	317.04	6.00%	336.06	357.91	381.17
Electricity: Consumption (350Kwh)	318.77	337.38	381.37	405.09	405.09	405.09	14.59%	464.19	531.92	609.53
0 - 75	63.43	67.13	75.88	80.60	80.60	80.60	14.59%	92.36	105.83	121.28
75-350	255.34	270.25	305.49	324.49	324.49	324.49	14.59%	371.83	426.08	488.25
Water: Basic levy	41.49	45.02	48.40	51.30	51.30	51.30	6.00%	54.38	57.91	61.68
Water: Consumption (20 KL)	253.40	274.94	295.56	313.29	313.29	313.29	6.00%	332.09	353.67	376.66
Sanitation	179.16	194.39	208.97	221.51	221.51	221.51	6.00%	234.80	250.06	266.32
Sanitation Availability Levy	41.49	45.02	48.40	51.30	51.30	51.30	6.00%	54.38	57.91	61.68
Refuse removal	102.00	109.65	117.87	124.95	124.95	124.95	6.00%	132.45	141.06	150.22
Sub-total	1,200.62	1,283.93	1,399.66	1,484.48	1,484.48	1,484.48	8.34%	1,608.35	1,750.44	1,907.25
VAT on Services	140.45	150.96	165.09	175.12	175.12	175.12		190.84	208.88	228.91
Total small household bill:	1,341.07	1,434.89	1,564.75	1,659.60	1,659.60	1,659.60	8.41%	1,799.19	1,959.32	2,136.16
% increase/-decrease	7.64%	7.00%	9.05%	6.06%	6.06%	6.06%		8.41%	8.90%	9.03%

Table 10 illustrates what would be actually payable by an ATTP qualifying consumer residing at a property with a land value of R300 000, using 350kwh of electricity and 20kl of water per month respectively after applying the NMBM ATTP policy.

TABLE 10 (TABLE SA14 – HOUSEHOLD BILLS – ATTP - SMALL RANGE)

Monthly Account for Household - 'Indigent' Household receiving free basic services – after reduction of funding from E-Share	2017/18	2018/19	2019/20	Current Year 2020/21			2020/21 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	2nd Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
							% incr.			
Rates and services charges:										
Property rates R300 000	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption (350Kwh)	255.34	270.25	305.49	324.49	324.49	324.49	14.59%	371.83	426.08	488.25
0 - 75	-	-	-	-	-	-	-	-	-	-
75-350	255.34	270.25	305.49	324.49	324.49	324.49	14.59%	371.83	426.08	488.25
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption (20 KL) less 8 kl free	152.04	164.96	177.33	187.97	187.97	187.97	6.00%	199.25	212.20	225.99
Sanitation less 11kl free	80.62	87.47	94.03	99.67	99.67	99.67	6.00%	105.65	112.52	119.83
Refuse removal	-	-	-	-	-	-	-	-	-	-
Sub-total	488	522.68	576.85	612.14	612.14	612.14	10.55%	676.73	750.80	834.07
VAT on Services	73.2	78.4	86.53	91.82	91.82	91.82		101.51	112.62	125.11
Total small household bill:	561.2	601.08	663.38	703.96	703.96	703.96	10.55%	778.24	863.42	959.18

% increase/-decrease	6.05%	7.11%	10.36%	6.12%	6.12%	6.12%	10.55%	10.95%	11.09%
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It is important to note that an ATTP qualifying consumer using the above level of services will only pay R778.24 compared to the R2,029.11 to be paid by a consumer using the same level of service, but not qualifying for NMBM ATTP assistance.

TABLE 11 (TABLE SA14 – HOUSEHOLD BILLS – ATTP - SMALL RANGE BASED ON THE NATIONAL TREASURY INDIGENT POLICY)

Monthly Account for Household - 'Indigent' Household receiving NT free basic services – after reduction of funding from E-Share	2017/18	2018/19	2019/20	Current Year 2020/21			2020/21 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	2 nd Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
							% incr.			
Rates and services charges:										
Property rates R300 000	264.31	277.53	299.09	317.04	317.04	317.04	6%	336.06	357.91	381.17
Electricity: Consumption (350Kwh)	278.55	294.82	333.26	353.99	353.99	353.99	14.59%	405.64	464.82	532.64
0 - 50	-	-	-	-	-	-	-	-	-	-
50 -350	278.55	294.82	333.26	353.99	353.99	353.99	14.59%	405.64	464.82	532.64
Water: Basic levy	41.49	45.02	48.4	51.3	51.3	51.3	6%	51.3	55.92	60.67
Water: Consumption (20 KL) less 6 kl free	177.38	192.45	206.89	219.3	219.3	219.3	6%	232.46	247.57	263.66
Sanitation	-	-	-	-	-	-	-	-	-	-
Sanitation Availability	-	-	-	-	-	-	-	-	-	-
Refuse removal	-	-	-	-	-	-	-	-	-	-
Other										
Sub-total	761.73	809.82	887.64	941.63	941.63	941.63	8.90%	1,025.46	1,126.21	1,238.14
VAT on Services	74.61	79.84	88.28	93.69	93.69	93.69		103.41	115.25	128.54
Total small household bill:	836.35	889.67	975.92	1,035.32	1,035.32	1,035.32	9.04%	1,128.87	1,241.46	1,366.68
% increase/-decrease	4.72%	6.38%	9.69%	6.09%	6.09%	6.09%		9.04%	9.97%	10.09%

Table 11 illustrates what an indigent consumer will pay for services delivered should the tariff structure of the Nelson Mandela Bay Municipality be applied to the National Indigent Policy of 6kl free water, 50Kwh free electricity, free sanitation and free refuse collection. For the 2021/22 financial year a resident will be billed in the amount of R778.24 compared to the R1,035.32 if the National Indigent Policy was enforced. Indigent residents of the municipal area receive an additional R257.08 free services than the municipality is required to provide.

1.6 OPERATING EXPENDITURE FRAMEWORK

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

- The funding of the budget over the medium-term is informed by the requirements of Sections 18 and 19 of the MFMA;
- A balanced budget approach by limiting operating expenditure to the operating revenue;
- The asset renewal strategy and the repairs and maintenance plan;
- Considering budget priority / focus areas as included in the IDP document;
- Strict adherence to the principle of “no budget allocations without a business plan, procurement plan and cash flow”.

The following table is a high level summary of the 2020/21 budget and 2021/22 MTREF (classified as per main type of operating expenditure):

TABLE 12 (SUMMARY OF OPERATING EXPENDITURE BY STANDARD CLASSIFICATION ITEM)

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22
R thousand									
Expenditure By Type									
Employee related costs	2,518,374	3,243,639	3,114,785	3,768,245	3,756,172	3,918,556	4,192,768	4,531,044	
Remuneration of councillors	71,265	74,229	76,474	85,283	85,215	88,818	94,733	102,594	
Debt impairment	872,737	759,579	1,217,205	1,084,879	1,284,675	1,418,970	1,457,918	1,492,895	
Depreciation & asset impairment	280,097	989,045	1,174,555	740,575	740,575	1,039,206	1,101,540	1,167,633	
Finance charges	144,138	139,540	124,825	141,084	128,874	119,907	124,774	126,296	
Bulk purchases - electricity	2,892,077	3,101,601	3,387,434	3,709,894	3,641,083	4,289,195	5,052,672	5,952,048	
Inventory consumed	201,081	230,540	272,312	298,352	296,570	300,490	309,985	331,963	
Contracted services	1,100,478	1,017,592	647,260	1,125,323	1,192,883	1,381,366	1,510,190	1,656,576	
Transfers and subsidies	89,467	50,416	32,755	57,746	59,571	53,619	55,839	62,418	
Other expenditure	399,704	515,462	568,021	621,178	809,182	669,172	722,463	771,938	
Losses	53,489	57,134	57,399	59,305	59,305	57,679	60,520	63,262	
Total Expenditure	8,622,907	10,178,776	10,673,025	11,691,864	12,054,104	13,336,978	14,683,402	16,258,667	

The total operating expenditure increased from R12.05 billion in 2020/21 to R16.26 billion in 2023/24.

TABLE 13 (MIX OF MAIN EXPENDITURE TYPES)

Description	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework					
	Original Budget		Adjusted Budget		Budget Year 2021/22		Budget Year 2022/23		Budget Year 2023/24	
R thousand										
Expenditure By Type		%		%		%		%		%
Employee related costs	3,768,245	32.23%	3,756,172	31.16%	3,918,556	29.38%	4,192,768	28.55%	4,531,044	27.87%
Remuneration of councillors	85,283	0.73%	85,215	0.71%	88,818	0.67%	94,733	0.65%	102,594	0.63%
Debt impairment	1,084,879	9.28%	1,284,675	10.66%	1,418,970	10.64%	1,457,918	9.93%	1,492,895	9.18%
Depreciation & asset impairment	740,575	6.33%	740,575	6.14%	1,039,206	7.79%	1,101,540	7.50%	1,167,633	7.18%
Finance charges	141,084	1.21%	128,874	1.07%	119,907	0.90%	124,774	0.85%	126,296	0.78%
Bulk purchases - electricity	3,709,894	31.73%	3,641,083	30.21%	4,289,195	32.16%	5,052,672	34.41%	5,952,048	36.61%
Inventory consumed	298,352	2.55%	296,570	2.46%	300,490	2.25%	309,985	2.11%	331,963	2.04%
Contracted services	1,125,323	9.62%	1,192,883	9.90%	1,381,366	10.36%	1,510,190	10.29%	1,656,576	10.19%
Transfers and subsidies	57,746	0.49%	59,571	0.49%	53,619	0.40%	55,839	0.38%	62,418	0.38%
Other expenditure	621,178	5.31%	809,182	6.71%	669,172	5.02%	722,463	4.92%	771,938	4.75%
Losses	59,305	0.51%	59,305	0.49%	57,679	0.43%	60,520	0.41%	63,262	0.39%
Total Expenditure	11,691,864	100.00	12,054,104	100.00	13,336,978	100.00	14,683,402	100.00	16,258,667	100.00

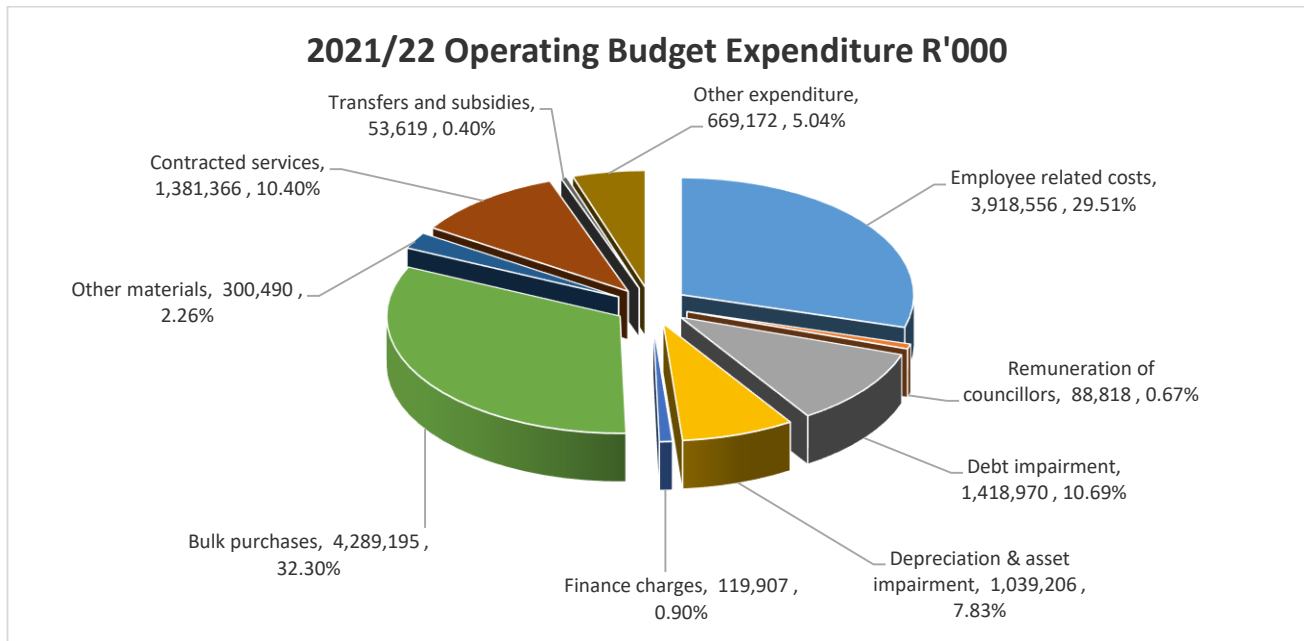


Figure 1: Operating Expenditure for the 2021/22 financial year

Below is a discussion of the main expenditure components.

Employee related costs

The 2021/22 draft budget provides for annual increments, where applicable, and a general increase in line with the Collective Agreement.

Council's target is to restrict personnel costs to below 30% of total expenditure. Personnel costs in the 2021/22 draft Budget represent 29.38% of total operating expenditure. It must also be noted that Council approved the "harmonisation" of the conditions of service for employees as it relates to the "Long Service Bonus". Furthermore, it must be noted that the employee related costs are also influenced by the conversion of contracted security to permanent employees and other Council decisions relating to the absorption of contract employees such as Call Centre Staff and Tourism Board contractual staff members, now incorporated into the Economic Development, Tourism and Agriculture (EDTA) Directorate.

Remuneration of Councillors

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs (COGTA) 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 preparing the budget.

Debt Impairment

The provision for debt impairment was determined based on a targeted annual collection rate of 85%, 86% and 87% for the 2021/22, 2022/23 and 2023/24 respectively, including ATTP subsidies. The Collection Rate is based on billed revenue (i.e. Electricity, Water, Sanitation, Property Rates and Refuse). It must be noted that this category also includes the impairment of Traffic Fines.

TABLE 14 (DEBT IMPAIRMENT)

Debt Impairment	2021/22	2022/23	2023/24
Impairment Loss: Other - Traffic Fines	135,330,790	142,097,330	149,202,190
Impairment Loss: Receivables from Exchange Transactions: Waste Water Management	110,989,130	110,323,200	109,101,770
Impairment Loss: Receivables from Exchange Transactions: Waste Management	42,025,450	41,773,300	41,310,810
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	206,991,230	205,749,280	203,471,350
Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	351,948,930	403,312,870	462,170,810
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	351,948,930	403,312,870	462,170,810
Total Impairment of Receivables	1,283,566,210	1,315,746,980	1,343,615,180
Total Debt Impairment	1,418,897,000	1,457,844,310	1,492,817,370

Depreciation and Asset Impairment

The provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy as well as assessing the trends for prior financial years based on the annual financial statements.

Finance Charges

Finance charges consist primarily of the repayment of interest on existing borrowing and new long-term borrowing (cost of capital) that has recently been taken up in the 2020/2021 financial year.

Bulk Electricity Purchases

The Bulk Electricity Purchases Budget provided for increases in cost of 17.8% for the 2021/22, 2022/23 and 2023/24 financial years, based on the 2020/21 Original budget.

Energy consumption levels are influenced by the following:

- Significant increases in electricity prices;
- Consumer awareness of the need to conserve energy; and
- The implementation of energy conservation measures, including green energy.

Bulk Water Purchases

The following is an analysis of the Bulk Water Purchases.

TABLE 15 (WATER BULK PURCHASES)

Water Bulk Purchases	2020/21 Adjustments Budget	2020/21 Budget	% Increase	2021/22 Budget	% Increase	2022/23 Budget	% Increase
Water purchases	134,784,000	141,191,450	4.75	153,790,020	8.92	168,707,650	9.70

1.6.1 Priority relating to repairs and maintenance

In line with the Municipality's stated intention to preserve and maintain its existing infrastructure, the 2021/22 Budget and MTREF provide for reasonable growth in the asset maintenance budget, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

During the compilation of the 2021/22 MTREF operational repairs and maintenance was identified as a strategic priority in view of the aging infrastructure especially in the service delivery Directorates and certain deferred maintenance. Repairs and maintenance of municipal infrastructure though also depends on the affordability levels of the municipal budget due to direct implication to applicable tariffs.

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

TABLE 16 (REPAIRS AND MAINTENANCE PER ASSET CLASS)

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	252,521	234,138	138,718	242,089	294,878	274,742	287,183	305,171
Roads Infrastructure	20,727	35,469	23,125	33,476	65,448	40,523	42,556	44,691
Roads	9,816	12,205	6,947	16,062	11,325	11,291	11,863	12,464
Road Structures	10,454	18,235	16,052	12,550	49,959	25,300	26,565	27,893
Road Furniture	457	5,029	126	4,864	4,164	3,931	4,128	4,334
Capital Spares								
Storm water Infrastructure	17,829	38,049	10,671	17,347	17,347	12,248	12,709	13,188
Drainage Collection	9,780	19,598	-	16	16	16	16	16
Storm water Conveyance	8,049	18,452	10,671	17,131	17,131	12,082	12,535	13,007
Attenuation				200	200	150	158	165
Electrical Infrastructure	25,366	34,149	4	47,478	45,686	52,945	53,088	56,273
Power Plants	1,871	1,949	4	3,560	2,560	6,752	4,123	4,371
HV Substations			-		32			
HV Switching Station					-			
HV Transmission Conductors					-			

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Repairs and maintenance expenditure by Asset Class/Sub-class								
<i>MV Substations</i>		4,053	–	5,484	5,289	5,606	5,942	6,299
<i>MV Switching Stations</i>	3,605		–		–			
<i>MV Networks</i>	15,437	22,540	–	30,768	30,138	32,476	34,425	36,490
<i>LV Networks</i>	4,453	5,607	–	7,667	7,667	8,111	8,598	9,114
<i>Capital Spares</i>					–			
Water Supply Infrastructure	138,815	66,982	64,820	67,927	95,557	96,787	103,196	110,395
<i>Dams and Weirs</i>	44	9	734	495	1,275	1,532	1,634	1,745
<i>Boreholes</i>					–			
<i>Reservoirs</i>	170	82	8	804	554	825	945	1,077
<i>Pump Stations</i>	11,021	10,329	28,617	16,677	44,807	34,921	37,979	41,194
<i>Water Treatment Works</i>	74,395	30,469	3,367	11,016	10,616	8,630	9,209	9,833
<i>Bulk Mains</i>	4,304	6,983	5,525	10,048	10,048	11,750	12,537	13,387
<i>Distribution</i>	48,881	19,111	26,570	28,886	28,256	39,129	40,891	43,159
<i>Distribution Points</i>								
<i>PRV Stations</i>								
<i>Capital Spares</i>								
Sanitation Infrastructure	48,598	59,229	40,050	72,303	68,283	70,050	73,335	78,209
<i>Pump Station</i>	8,164	7,579	71	8,578	9,073	12,040	12,850	13,650
<i>Reticulation</i>			–		–			
<i>Waste Water Treatment Works</i>	40,105	51,650	39,980	63,725	59,210	58,010	60,485	64,559
<i>Outfall Sewers</i>	329							
<i>Toilet Facilities</i>								
<i>Capital Spares</i>								
Solid Waste Infrastructure	–	–	(47)	–	–	–	–	–
<i>Landfill Sites</i>			(47)					
<i>Waste Transfer Stations</i>								
<i>Waste Processing Facilities</i>								
<i>Waste Drop-off Points</i>								
<i>Waste Separation Facilities</i>								
<i>Electricity Generation Facilities</i>								
<i>Capital Spares</i>								
Rail Infrastructure	1,186	–	95	3,187	2,187	2,190	2,299	2,414
<i>Rail Lines</i>	1,186		95	3,133	2,133	2,133	2,240	2,352
<i>Rail Structures</i>					–			
<i>Rail Furniture</i>				54	54	57	60	63
<i>Drainage Collection</i>								
<i>Storm water Conveyance</i>								
<i>Attenuation</i>								
<i>MV Substations</i>								
<i>LV Networks</i>								
<i>Capital Spares</i>								
Coastal Infrastructure	–	–	–	–	–	–	–	–
<i>Sand Pumps</i>								
<i>Piers</i>								
<i>Revetments</i>								
<i>Promenades</i>								
<i>Capital Spares</i>								
Information and Communication Infrastructure	–	259	–	370	370	–	–	–
<i>Data Centres</i>					–			
<i>Core Layers</i>		259		370	370			
<i>Distribution Layers</i>								
<i>Capital Spares</i>								
Community Assets	20,944	19,719	11,899	22,155	29,309	27,725	36,387	34,591
Community Facilities	12,659	12,106	8,158	14,390	15,270	20,491	28,822	26,354
<i>Halls</i>	2,003	1,827	1,881	3,040	3,290	8,247	15,521	12,018
<i>Centres</i>					–			
<i>Crèches</i>					–			
<i>Clinics/Care Centres</i>					–			
<i>Fire/Ambulance Stations</i>	35				–			
<i>Testing Stations</i>					–			
<i>Museums</i>	554	305	48	254	224	284	295	312
<i>Galleries</i>	315	10	–	24	24	25	26	27
<i>Theatres</i>					–			
<i>Libraries</i>	2,166	2,091	878	2,849	1,089	3,399	3,867	4,228
<i>Cemeteries/Crematoria</i>		1,510	–		–			
<i>Police</i>	63	9	–	111	111	119	127	136

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome					
Repairs and maintenance expenditure by Asset Class/Sub-class								
<i>Parks</i>	57	44	2,799	3,252	3,097	3,280	3,510	3,758
<i>Public Open Space</i>	2,056	1,286	928	2,491	3,141	2,623	2,784	2,993
<i>Nature Reserves</i>	3	1	40	75	70	80	85	91
<i>Public Ablution Facilities</i>	2,159	1,181	210	379	379	385	413	443
<i>Markets</i>	3,248	3,843	1,373	1,915	3,845	2,050	2,194	2,348
<i>Stalls</i>								
<i>Abattoirs</i>								
<i>Airports</i>								
<i>Taxi Ranks/Bus Terminals</i>								
<i>Capital Spares</i>								
<i>Sport and Recreation Facilities</i>	8,284	7,613	3,741	7,764	14,039	7,234	7,565	8,236
<i>Indoor Facilities</i>	7,591	6,949	3,319	6,970	13,244	6,409	6,708	7,330
<i>Outdoor Facilities</i>	693	664	422	795	795	825	857	907
<i>Capital Spares</i>								
	1	1	1	1	1	1	1	1
Heritage assets	477	708	119	961	911	1,016	1,074	1,145
<i>Monuments</i>	161	220	102	358	358	370	384	406
<i>Historic Buildings</i>								
<i>Works of Art</i>								
<i>Conservation Areas</i>	316	488	17	603	553	645	690	739
<i>Other Heritage</i>								
Investment properties	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-
<i>Improved Property</i>								
<i>Unimproved Property</i>								
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-
<i>Improved Property</i>								
<i>Unimproved Property</i>								
Other assets	13,828	17,514	12,437	36,757	38,325	56,249	57,346	63,591
<i>Operational Buildings</i>	13,231	11,999	10,743	33,736	33,704	53,714	54,656	60,735
<i>Municipal Offices</i>	9,027	7,295	7,635	25,067	25,146	42,784	42,744	47,763
<i>Pay/Enquiry Points</i>								
<i>Building Plan Offices</i>								
<i>Workshops</i>	303	248	185	400	400	400	400	400
<i>Yards</i>			55					
<i>Stores</i>								
<i>Laboratories</i>	18	51	8	200	200	100	100	100
<i>Training Centres</i>		13	-	13	30	500	525	600
<i>Manufacturing Plant</i>								
<i>Depots</i>	3,883	4,392	2,861	8,055	7,927	9,930	10,886	11,872
<i>Capital Spares</i>								
<i>Housing</i>	597	5,515	1,693	3,021	4,621	2,535	2,690	2,856
<i>Staff Housing</i>	244	34	9	811	811	445	475	507
<i>Social Housing</i>	353	5,481	1,684	2,211	3,811	2,091	2,216	2,349
<i>Capital Spares</i>								
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>								
Intangible Assets	2,885	3,339	3,134	4,798	4,798	4,939	5,265	5,604
<i>Servitudes</i>								
<i>Licences and Rights</i>	2,885	3,339	3,134	4,798	4,798	4,939	5,265	5,604
<i>Water Rights</i>								
<i>Effluent Licenses</i>								
<i>Solid Waste Licenses</i>								
<i>Computer Software and Applications</i>	2,885	3,339	3,134	4,779	4,779	4,919	5,245	5,581
<i>Load Settlement Software Applications</i>								
<i>Unspecified</i>				18	18	20	21	22
Computer Equipment	2,989	6,244	3,549	7,864	7,156	7,453	8,014	8,569
<i>Computer Equipment</i>	2,989	6,244	3,549	7,864	7,156	7,453	8,014	8,569
Furniture and Office Equipment	727	522	414	3,661	3,439	3,532	3,813	4,134
<i>Furniture and Office Equipment</i>	727	522	414	3,661	3,439	3,532	3,813	4,134

Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Repairs and maintenance expenditure by Asset Class/Sub-class								
Machinery and Equipment	15,816	96,373	74,921	118,484	69,288	84,702	89,695	97,394
Machinery and Equipment	15,816	96,373	74,921	118,484	69,288	84,702	89,695	97,394
Transport Assets	29,225	36,838	33,534	40,844	39,190	42,011	43,537	45,069
Transport Assets	29,225	36,838	33,534	40,844	39,190	42,011	43,537	45,069
Land	-	-	-	-	-	-	-	-
Land								
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals								
Total Repairs and Maintenance Expenditure	339,413	415,394	278,726	477,613	487,294	502,368	532,315	565,267
R&M as a % of PPE	2.0%	2.4%	1.6%	2.4%	2.7%	0.0%	2.9%	3.0%
R&M as % Operating Expenditure	3.9%	4.1%	2.6%	4.1%	4.0%	0.0%	4.0%	3.8%

1.6.2 Free Basic Services: Basic Social Services Package

The social package assists indigent households that have limited financial ability to pay for municipal services. In order to qualify for free services, the households are required to register in terms of the Municipality's Assistance to the Poor / Indigent Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share allocation (an unconditional grant), received in terms of the annual Division of Revenue Act.

1.7 CAPITAL EXPENDITURE

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

TABLE 17 (2021/22 MEDIUM-TERM CAPITAL BUDGET PER VOTE)

Vote Description	2017/18	2018/19	2019/20	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Capital expenditure - Vote								
Vote 1 - Budget & Treasury	5,208	2,391	836	17,180	6,480	5,392	26,311	7,274
Vote 2 - Public Health	87,738	84,365	51,799	43,600	44,857	34,358	40,900	34,650
Vote 3 - Human Settlements	220,989	178,548	42,245	226,155	51,150	158,044	149,087	149,087
Vote 4 - Economic Development, Tourism & Agriculture	2,325	25,238	31,288	63,341	121,906	60,997	66,977	73,795
Vote 5 - Corporate Services	41,446	17,917	18,593	29,600	24,465	33,755	17,400	19,600
Vote 6 - Infrastructure & Engineering Unit - Rate & General	456,532	474,963	221,047	496,040	317,712	374,782	375,583	411,026
Vote 7 - Metro Water Service	256,306	345,111	204,230	324,050	461,950	361,710	250,790	114,850
Vote 8 - Sanitation - Metro	209,647	216,850	133,899	181,370	109,970	133,729	191,750	102,750
Vote 9 - Electricity & Energy	313,748	282,678	125,489	177,964	173,507	208,882	170,456	93,917
Vote 10 - Executive & Council	6,419	3,654	0	9,114	-	-	-	-
Vote 11 - Safety & Security	15,636	13,743	17,445	16,839	9,339	39,000	29,200	26,000
Vote 12 - Mandela Bay Stadium	-	1,533	-	9,000	-	-	-	-
Vote 13 - Special Projects and Programmes	6,662	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	20,802	38,933	11,653	50,500	50,427	34,900	65,500	44,000
Total Capital Expenditure	1,643,457	1,685,925	858,525	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950

TABLE 18 (2020/21 MEDIUM-TERM CAPITAL BUDGET PER VOTE PERCENTAGE ALLOCATION)

Vote Description	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework					
	Original Budget		Adjusted Budget		Budget Year 2021/22		Budget Year 2022/23		Budget Year 2023/24	
Capital expenditure - Vote										
Vote 1 - Budget & Treasury	17,180	1.04%	6,480	0.47%	5,392	0.37%	26,311	1.90%	7,274	0.68%

Vote 2 - Public Health	43,600	2.65%	44,857	3.27%	34,358	2.38%	40,900	2.96%	34,650	3.22%
Vote 3 - Human Settlements	226,155	13.75%	51,150	3.73%	158,044	10.93%	149,087	10.77%	149,087	13.84%
Vote 4 - Economic Development, Tourism & Agriculture	63,341	3.85%	121,906	8.89%	60,997	4.22%	66,977	4.84%	73,795	6.85%
Vote 5 - Corporate Services	29,600	1.80%	24,465	1.78%	33,755	2.34%	17,400	1.26%	19,600	1.82%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	496,040	30.16%	317,712	23.16%	374,782	25.93%	375,583	27.14%	411,026	38.17%
Vote 7 - Metro Water Service	324,050	19.70%	461,950	33.68%	361,710	25.02%	250,790	18.12%	114,850	10.66%
Vote 8 - Sanitation - Metro	181,370	11.03%	109,970	8.02%	133,729	9.25%	191,750	13.86%	102,750	9.54%
Vote 9 - Electricity & Energy	177,964	10.82%	173,507	12.65%	208,882	14.45%	170,456	12.32%	93,917	8.72%
Vote 10 - Executive & Council	9,114	0.55%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Vote 11 - Safety & Security	16,839	1.02%	9,339	0.68%	39,000	2.70%	29,200	2.11%	26,000	2.41%
Vote 12 - Mandela Bay Stadium	9,000	0.55%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Vote 13 - Special Projects and Programmes	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Vote 14 - Recreational & Cultural Services	50,500	3.07%	50,427	3.68%	34,900	2.41%	65,500	4.73%	44,000	4.09%
Total Capital Expenditure	1,644,753	100.00	1,371,763	100.00	1,445,548	100.00	1,383,954	100.00	1,076,950	100.00

1.8 ANNUAL CONSOLIDATED BUDGET TABLES

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations (32141 dated 17 April 2009), are included in this section. These tables set out the Municipality's 2021/22 Budget and MTREF to be considered for approval by Council. Each table is accompanied by *explanatory notes*.

TABLE 19 (TABLE A1 – CONSOLIDATED BUDGET SUMMARY)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousands								
Financial Performance								
Property rates	1,999,183	2,127,308	2,363,371	2,486,145	2,488,283	2,637,580	2,809,023	2,991,609
Service charges	5,185,897	5,266,985	5,798,795	6,396,380	6,219,080	6,930,481	7,745,255	8,668,318
Investment revenue	155,546	208,830	233,799	161,511	161,511	173,680	177,192	178,859
Transfers recognised - operational	1,528,723	1,860,136	1,910,644	2,187,776	2,497,826	2,425,431	2,603,895	2,652,644
Other own revenue	643,089	639,783	624,278	707,846	735,345	767,597	814,753	872,579
Total Revenue (excluding capital transfers and contributions)	9,512,439	10,103,043	10,930,888	11,939,659	12,102,045	12,934,769	14,150,118	15,364,009
Employee costs	2,518,374	3,243,639	3,114,785	3,768,245	3,756,172	3,918,556	4,192,768	4,531,044
Remuneration of councillors	71,265	74,229	76,474	85,283	85,215	88,818	94,733	102,594
Depreciation & asset impairment	280,097	989,045	1,174,555	740,575	740,575	1,039,206	1,101,540	1,167,633
Finance charges	144,138	139,540	124,825	141,084	128,874	119,907	124,774	126,296
Inventory consumed and bulk purchases	3,093,158	3,332,141	3,659,746	4,008,246	3,937,652	4,589,686	5,362,657	6,284,011
Transfers and grants	89,467	50,416	32,755	57,746	59,571	53,619	55,839	62,418
Other expenditure	2,426,408	2,349,767	2,489,885	2,890,685	3,346,045	3,527,186	3,751,090	3,984,671
Total Expenditure	8,622,907	10,178,776	10,673,025	11,691,864	12,054,104	13,336,978	14,683,402	16,258,667
Surplus/(Deficit)	889,532	(75,734)	257,863	247,794	47,941	(402,210)	(533,284)	(894,659)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,200,331	1,222,332	633,075	944,113	658,005	711,076	674,881	696,085
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)	214,595	40,406	103,802	32,897	66,236	40,000	-	-
Surplus/(Deficit) after capital transfers & contributions	2,304,457	1,187,004		1,224,804	772,181	348,866	141,597	(198,573)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2,304,457	1,187,004		1,224,804	772,181	348,866	141,597	(198,573)
Capital expenditure & funds sources								
Capital expenditure	1,643,457	1,685,925	858,525	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950
Transfers recognised - capital	1,357,812	1,262,738	736,878	977,010	725,338	751,076	676,381	696,085
Borrowing	-	(0)	-	214,415	214,415	254,245	281,943	-
Internally generated funds	285,645	423,187	121,647	453,328	432,011	440,228	425,630	380,865
Total sources of capital funds	1,643,457	1,685,925	858,525	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950
Financial position								
Total current assets	4,925,460	5,652,104	6,815,464	5,455,687	6,352,472	6,340,953	6,425,893	6,113,906
Total non-current assets	17,437,670	18,274,955	17,889,069	20,145,655	18,525,559	18,934,770	19,220,197	19,132,361
Total current liabilities	2,897,252	3,059,046	3,215,985	3,274,519	3,133,458	3,322,160	3,478,564	3,664,135
Total non-current liabilities	3,406,317	3,639,345	3,268,891	4,019,526	3,478,761	3,903,755	3,868,956	3,822,193
Community wealth/Equity	16,059,561	17,228,668	18,219,657	18,307,296	18,265,812	18,049,809	18,298,571	17,759,940

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousands								
Cash flows								
Net cash from (used) operating	2,753,215	2,371,493	978,393	1,565,838	1,034,275	1,217,523	1,116,611	825,845
Net cash from (used) investing	(1,683,495)	(1,691,641)	(836,550)	(1,656,051)	(1,077,918)	(1,471,159)	(1,328,784)	(1,166,321)
Net cash from (used) financing	(86,407)	(79,760)	(89,659)	71,430	71,430	62,776	94,143	(187,180)
Cash/cash equivalents at the year end	2,609,521	3,209,612	3,261,797	2,594,827	3,291,997	3,101,137	2,983,107	2,455,451
Cash backing/surplus reconciliation								
Cash and investments available	2,612,388	3,212,811	3,261,797	2,594,827	3,291,997	3,101,137	2,983,107	2,455,451
Application of cash and investments	1,608,647	1,300,498	1,374,873	1,856,809	1,856,270	1,774,953	1,772,026	1,763,469
Balance - surplus (shortfall)	1,003,741	1,912,312	1,886,925	738,018	1,435,727	1,326,184	1,211,082	691,982
Asset management								
Asset register summary (WDV)	17,360,066	18,184,758	17,835,925	20,027,407	18,464,700	18,874,505	19,156,919	19,065,919
Depreciation	280,097	989,045	1,174,555	740,575	740,575	1,039,206	1,101,540	1,167,633
Renewal and Upgrading of Existing Assets	976,254	943,009	523,939	807,125	698,766	628,653	664,285	404,274
Repairs and Maintenance	339,413	415,394	278,726	477,613	487,294	502,368	532,315	565,267
Free services								
Cost of Free Basic Services provided	470,737	410,106	342,630	436,836	495,500	523,619	561,038	603,752
Revenue cost of free services provided	184,944	199,878	182,907	206,535	241,430	127,169	136,884	147,934
Households below minimum service level								
Water:	-	-	-	-	-	-	-	-
Sanitation/sewerage:	24	-	-	5	5	-	-	-
Energy:	-	-	-	-	-	-	-	-
Refuse:	367	-	-	25	25	-	-	-

Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs. The upwards / downwards trends for certain categories of revenue / expenditure has already been previously explained (e.g. changes in Property Rates, etc.).

TABLE 20 (TABLE A2 – CONSOLIDATED BUDGET FINANCIAL PERFORMANCE)

Functional Classification Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand								
Revenue - Functional								
Governance and administration	3,056,934	3,451,844	3,585,879	3,413,132	3,403,350	3,631,146	3,841,905	4,060,628
Executive and council	399	116	828	420	460	740	743	746
Finance and administration	3,056,534	3,451,728	3,585,050	3,412,710	3,402,888	3,630,406	3,841,162	4,059,883
Internal audit	0	-	0	2	2	-	-	-
Community and public safety	608,959	256,463	678,970	1,237,518	1,258,001	990,864	994,546	941,901
Community and social services	40,198	45,768	73,912	32,948	104,006	44,558	46,454	48,032
Sport and recreation	8,946	12,956	5,177	15,370	16,871	4,530	4,794	5,095
Public safety	315,157	398	547,786	817,360	819,891	664,545	699,064	637,374
Housing	242,233	194,946	48,206	369,255	316,257	275,382	241,896	248,775
Health	2,425	2,396	3,889	2,585	977	1,849	2,338	2,625
Economic and environmental services	503,038	971,659	391,151	628,458	539,743	533,297	613,055	633,350
Planning and development	141,223	154,357	184,556	164,745	187,354	154,255	160,557	172,614
Road transport	360,488	815,542	203,190	459,756	348,695	377,465	450,903	459,088
Environmental protection	1,327	1,760	3,404	3,957	3,694	1,577	1,595	1,648
Trading services	6,731,774	6,643,321	6,980,671	7,592,325	7,590,522	8,493,651	9,336,022	10,381,971
Energy sources	3,681,516	3,888,789	3,910,885	4,540,332	4,175,882	4,741,422	5,380,866	6,139,975
Water management	1,757,580	1,389,183	1,584,125	1,500,347	1,930,397	1,969,231	1,999,171	2,113,307
Waste water management	986,731	1,022,316	1,070,311	1,109,933	1,041,465	1,318,534	1,460,407	1,599,107
Waste management	305,947	343,034	415,351	441,713	442,778	464,464	495,578	529,581
Other	26,659	42,494	31,095	45,236	34,669	36,888	39,470	42,244
Total Revenue - Functional	10,927,364	11,365,781	11,667,765	12,916,669	12,826,285	13,685,844	14,824,999	16,060,094

Functional Classification Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Expenditure - Functional								
Governance and administration	1,383,152	2,430,479	2,212,246	2,482,452	2,610,974	2,909,551	3,038,896	3,195,815
Executive and council	155,746	213,582	209,283	246,321	266,889	256,750	273,078	293,665
Finance and administration	1,179,659	2,168,937	1,948,643	2,175,287	2,283,444	2,588,158	2,697,832	2,829,971
Internal audit	47,747	47,960	54,319	60,844	60,641	64,644	67,986	72,178
Community and public safety	1,009,245	1,459,768	1,485,735	1,788,324	1,975,914	1,943,890	2,082,163	2,234,553
Community and social services	172,118	262,550	294,399	310,059	519,426	368,477	400,208	428,030
Sport and recreation	419,348	408,519	422,170	537,570	543,714	601,995	647,217	693,185
Public safety	190,425	571,037	570,988	672,687	644,398	708,888	755,279	811,577
Housing	170,845	145,998	120,313	171,790	170,609	160,726	170,520	182,864
Health	56,509	71,664	77,865	96,218	97,767	103,804	108,939	118,897
Economic and environmental services	907,538	548,738	613,847	756,096	853,716	816,478	855,306	912,136
Planning and development	277,131	207,900	284,126	327,662	365,747	340,099	357,486	376,450
Road transport	590,897	308,860	295,400	381,922	441,048	425,731	444,661	479,146
Environmental protection	39,511	31,978	34,321	46,513	46,921	50,648	53,158	56,540
Trading services	5,288,775	5,686,868	6,319,044	6,596,422	6,545,052	7,601,579	8,637,243	9,842,050
Energy sources	3,457,145	3,784,817	4,104,800	4,761,213	4,625,623	5,406,254	6,267,587	7,282,357
Water management	995,529	980,756	1,175,426	862,234	920,346	971,233	1,030,267	1,095,981
Waste water management	511,827	570,900	636,879	592,440	600,471	813,247	906,738	1,003,858
Waste management	324,275	350,395	401,938	380,535	398,612	410,846	432,651	459,854
Other	34,197	52,924	42,153	68,570	68,447	65,480	69,794	74,114
Total Expenditure - Functional	8,622,907	10,178,777	10,673,025	11,691,864	12,054,104	13,336,978	14,683,402	16,258,667
Surplus/(Deficit) for the year	2,304,457	1,187,004	994,741	1,224,804	772,181	348,866	141,597	(198,573)

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

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. **It should be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.**

TABLE 21 (TABLE A3 – CONSOLIDATED BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE))

Vote Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Revenue by Vote								
Vote 1 - Budget & Treasury	2,883,352	3,333,660	3,461,151	3,308,703	3,289,629	3,535,081	3,746,858	3,961,475
Vote 2 - Public Health	358,656	409,097	461,159	482,580	489,493	500,856	530,824	565,657
Vote 3 - Human Settlements	264,905	217,043	65,902	392,948	343,805	296,494	264,668	273,422
Vote 4 - Economic Development, Tourism & Agriculture	126,314	124,801	165,528	151,952	178,423	158,368	172,204	184,701
Vote 5 - Corporate Services	48,812	20,066	13,064	8,269	25,214	14,394	12,608	12,872
Vote 6 - Infrastructure & Engineering Unit - Rate & General	384,469	399,623	204,651	461,862	350,092	379,058	452,596	460,881
Vote 7 - Metro Water Service	1,520,349	1,417,699	1,600,619	1,500,413	1,930,464	1,969,307	1,999,257	2,113,403
Vote 8 - Sanitation - Metro	955,682	1,016,324	1,070,315	1,109,933	1,041,470	1,318,534	1,460,407	1,599,107
Vote 9 - Electricity & Energy	3,732,740	3,912,788	3,928,161	4,540,332	4,175,882	4,741,422	5,380,866	6,139,975
Vote 10 - Executive & Council	30,958	13,937	56,210	24,954	71,840	9,120	2,095	2,193
Vote 11 - Safety & Security	567,255	441,070	562,057	839,249	831,214	676,452	711,805	651,006
Vote 12 - Mandela Bay Stadium	4,462	19,940	43,472	50,409	50,409	53,136	56,225	59,717
Vote 13 - Special Projects and Programmes	21,043	7,075	13,953	12,484	14,228	11,640	12,228	12,908
Vote 14 - Recreational & Cultural Services	28,368	32,656	21,525	32,582	34,123	21,983	22,359	22,778
Total Revenue by Vote	10,927,364	11,365,781	11,667,765	12,916,669	12,826,285	13,685,844	14,824,999	16,060,094
Expenditure by Vote to be appropriated								
Vote 1 - Budget & Treasury	460,484	884,065	758,424	1,107,853	1,211,307	1,329,218	1,367,445	1,405,421
Vote 2 - Public Health	573,188	657,336	719,270	714,608	730,549	766,868	807,295	860,832
Vote 3 - Human Settlements	220,278	218,278	202,224	264,859	389,018	251,110	267,395	287,539
Vote 4 - Economic Development, Tourism & Agriculture	147,168	198,123	141,626	157,557	179,770	161,962	171,671	175,800
Vote 5 - Corporate Services	349,671	376,193	388,806	417,523	417,835	491,346	529,578	568,853
Vote 6 - Infrastructure & Engineering Unit - Rate & General	393,794	866,881	830,585	882,074	943,874	1,035,180	1,087,970	1,163,276
Vote 7 - Metro Water Service	1,050,694	1,013,923	1,191,513	881,604	945,657	993,032	1,058,081	1,124,847
Vote 8 - Sanitation - Metro	476,042	542,652	617,499	562,406	576,533	790,678	883,020	978,741
Vote 9 - Electricity & Energy	3,469,978	3,781,406	4,101,324	4,757,432	4,622,820	5,404,583	6,265,783	7,280,377
Vote 10 - Executive & Council	239,323	265,131	313,033	329,540	412,391	352,123	366,395	392,717

Vote Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand								
Vote 11 - Safety & Security	818,459	915,118	948,316	1,032,663	1,015,661	1,106,276	1,176,629	1,267,373
Vote 12 - Mandela Bay Stadium	38,559	49,060	64,722	149,607	149,607	191,336	201,522	213,226
Vote 13 - Special Projects and Programmes	7,504	8,806	10,221	10,178	14,228	11,640	12,228	12,908
Vote 14 - Recreational & Cultural Services	377,764	401,804	385,461	423,961	444,853	451,626	488,389	526,757
Total Expenditure by Vote	8,622,907	10,178,777	10,673,025	11,691,864	12,054,104	13,336,978	14,683,402	16,258,667
Surplus/(Deficit) for the year	2,304,457	1,187,004	994,741	1,224,804	772,181	348,866	141,597	(198,573)

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

- The purpose of the format in which the budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the City Manager and Executive Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined in terms of section 1 of the MFMA as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

TABLE 22 (TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE))

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand								
Revenue By Source								
Property rates	1,999,183	2,127,308	2,363,371	2,486,145	2,488,283	2,637,580	2,809,023	2,991,609
Service charges - electricity revenue	3,484,068	3,687,352	3,715,711	4,359,003	3,954,693	4,530,243	5,189,014	5,945,922
Service charges - water revenue	1,074,105	850,694	1,185,069	1,050,759	1,301,832	1,379,942	1,469,638	1,565,164
Service charges - sanitation revenue	457,476	536,186	650,335	722,107	698,045	739,928	788,023	839,244
Service charges - refuse revenue	170,248	192,754	247,681	264,511	264,511	280,370	298,581	317,988
Rental of facilities and equipment	22,713	33,159	22,974	22,627	28,739	27,867	29,514	30,877
Interest earned - external investments	155,546	208,830	233,799	161,511	161,511	173,680	177,192	178,859
Interest earned - outstanding debtors	224,649	234,618	254,959	265,534	334,541	376,196	398,797	424,086
Dividends received	123		-					
Fines, penalties and forfeits	230,424	216,027	224,358	224,224	205,224	193,047	203,808	215,186
Licences and permits	19,456	20,665	15,132	22,748	12,104	12,550	13,397	14,327
Agency services	2,774	3,154	3,546	3,327	3,059	3,242	3,437	3,643
Transfers and subsidies	1,528,723	1,860,136	1,910,644	2,187,776	2,497,826	2,425,431	2,603,895	2,652,644
Other revenue	142,949	132,161	103,308	168,878	151,168	154,184	165,290	183,950
Gains				510	510	510	510	510
Total Revenue (excluding capital transfers and contributions)	9,512,439	10,103,043	10,930,888	11,939,659	12,102,045	12,934,769	14,150,118	15,364,009
Expenditure By Type								
Employee related costs	2,518,374	3,243,639	3,114,785	3,768,245	3,756,172	3,918,556	4,192,768	4,531,044
Remuneration of councillors	71,265	74,229	76,474	85,283	85,215	88,818	94,733	102,594
Debt impairment	872,737	759,579	1,217,205	1,084,879	1,284,675	1,418,970	1,457,918	1,492,895
Depreciation & asset impairment	280,097	989,045	1,174,555	740,575	740,575	1,039,206	1,101,540	1,167,633
Finance charges	144,138	139,540	124,825	141,084	128,874	119,907	124,774	126,296
Bulk purchases - electricity	2,892,077	3,101,601	3,387,434	3,709,894	3,641,083	4,289,195	5,052,672	5,952,048
Inventory consumed	201,081	230,540	272,312	298,352	296,570	300,490	309,985	331,963
Contracted services	1,100,478	1,017,592	647,260	1,125,323	1,192,883	1,381,366	1,510,190	1,656,576
Transfers and subsidies	89,467	50,416	32,755	57,746	59,571	53,619	55,839	62,418
Other expenditure	399,704	515,462	568,021	621,178	809,182	669,172	722,463	771,938
Losses	53,489	57,134	57,399	59,305	59,305	57,679	60,520	63,262
Total Expenditure	8,622,907	10,178,776	10,673,025	11,691,864	12,054,104	13,336,978	14,683,402	16,258,667
Surplus/(Deficit)	889,532	(75,734)	257,863	247,794	47,941	(402,210)	(533,284)	(894,659)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,200,331	1,222,332	633,075	944,113	658,005	711,076	674,881	696,085
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	214,595	40,406	103,802	32,897	66,236	40,000		
Transfers and subsidies - capital (in-kind - all)								
Surplus/(Deficit) after capital transfers & contributions	2,304,457	1,187,004	994,741	1,224,804	772,181	348,866	141,597	(198,573)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand								
Taxation								
Surplus/(Deficit) after taxation	2,304,457	1,187,004	994,741	1,224,804	772,181	348,866	141,597	(198,573)
Attributable to minorities								
Surplus/(Deficit) attributable to municipality	2,304,457	1,187,004	994,741	1,224,804	772,181	348,866	141,597	(198,573)
Share of surplus/ (deficit) of associate								
Surplus/(Deficit) for the year	2,304,457	1,187,004	994,741	1,224,804	772,181	348,866	141,597	(198,573)

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

Revenue

- The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, so as to assess performance.

TABLE 23 (TABLE A5 – CONSOLIDATED BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE)

Vote Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand								
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Budget & Treasury	4,156	1,258	116	13,000	3,350	2,742	24,511	5,974
Vote 2 - Public Health	77,216	73,605	18,118	16,700	17,890	6,800	12,700	11,950
Vote 3 - Human Settlements	220,989	178,548	42,245	151,155	51,150	91,195	79,847	114,087
Vote 4 - Economic Development, Tourism & Agriculture	1,325	25,238	31,288	63,341	116,906	60,097	66,977	73,795
Vote 5 - Corporate Services	41,446	11,405	15,853	15,820	11,276	15,400	4,200	8,500
Vote 6 - Infrastructure & Engineering Unit - Rate & General	447,421	442,625	210,498	422,786	245,809	295,632	261,437	295,376
Vote 7 - Metro Water Service	255,403	324,487	188,570	305,050	455,200	344,210	226,040	96,500
Vote 8 - Sanitation - Metro	209,647	214,906	132,692	172,370	106,970	121,279	188,000	99,000
Vote 9 - Electricity & Energy	301,133	239,114	121,306	163,383	159,725	198,732	154,731	91,417
Vote 10 - Executive & Council	6,419	3,654	0	9,114	-	-	-	-
Vote 11 - Safety & Security	12,181	1,373	243	1,000	1,000	4,200	8,800	14,300
Vote 12 - Mandela Bay Stadium	-	1,389	-	9,000	-	-	-	-
Vote 13 - Special Projects and Programmes	6,662	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	17,258	38,284	10,914	32,000	28,900	31,200	64,500	43,500
Capital multi-year expenditure sub-total	1,601,256	1,555,886	771,843	1,374,718	1,198,175	1,171,486	1,091,743	854,400
Single-year expenditure to be appropriated								
Vote 1 - Budget & Treasury	1,052	1,133	720	4,180	3,130	2,650	1,800	1,300
Vote 2 - Public Health	10,522	10,760	33,682	26,900	26,967	27,558	28,200	22,700
Vote 3 - Human Settlements	-	-	-	75,000	-	66,849	69,240	35,000
Vote 4 - Economic Development, Tourism & Agriculture	1,000	-	-	-	5,000	900	-	-
Vote 5 - Corporate Services	-	6,512	2,741	13,780	13,189	18,355	13,200	11,100
Vote 6 - Infrastructure & Engineering Unit - Rate & General	9,111	32,338	10,549	73,254	71,903	79,150	114,146	115,650
Vote 7 - Metro Water Service	902	20,624	15,660	19,000	6,750	17,500	24,750	18,350
Vote 8 - Sanitation - Metro	-	1,944	1,207	9,000	3,000	12,450	3,750	3,750
Vote 9 - Electricity & Energy	12,615	43,564	4,183	14,582	13,782	10,150	15,726	2,500
Vote 10 - Executive & Council	-	-	-	-	-	-	-	-
Vote 11 - Safety & Security	3,455	12,370	17,203	15,839	8,339	34,800	20,400	11,700
Vote 12 - Mandela Bay Stadium	-	144	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	3,544	649	739	18,500	21,527	3,700	1,000	500
Capital single-year expenditure sub-total	42,201	130,039	86,682	270,034	173,588	274,062	292,211	222,550
Total Capital Expenditure - Vote	1,643,457	1,685,925	858,525	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950
Capital Expenditure - Functional								
Governance and administration	52,022	62,923	47,484	120,537	107,174	106,318	97,441	71,024
Executive and council								
Finance and administration	52,022	62,923	47,484	120,537	107,174	106,318	97,441	71,024
Internal audit								
Community and public safety	258,318	151,088	53,689	180,000	85,115	136,765	186,340	122,200
Community and social services	6,906	39,596	17,261	39,550	29,650	27,325	65,200	44,500
Sport and recreation	13,896	103,377	34,648	54,600	34,395	30,100	27,700	22,700

Vote Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Public safety	15,636	7,853	1,580	10,050	20,270	10,665	22,700	18,500
Housing	220,989	-	-	75,000	-	66,849	69,240	35,000
Health	891	262	201	800	800	1,825	1,500	1,500
Economic and environmental services	534,337	524,980	251,138	550,326	373,565	400,165	371,818	448,318
Planning and development	8,038	24,754	20,927	32,906	103,863	37,989	40,890	43,361
Road transport	458,532	499,079	230,210	517,420	269,702	362,176	330,928	404,957
Environmental protection	67,767	1,146	-	-	-	-	-	-
Trading services	798,780	946,451	506,214	793,889	805,910	800,301	728,356	435,408
Energy sources	313,748	278,844	124,356	172,964	166,007	204,082	168,526	94,217
Water management	256,306	364,673	207,819	343,150	478,350	375,165	260,274	134,995
Waste water management	209,647	292,366	165,444	269,575	153,353	221,054	297,555	204,196
Waste management	19,080	10,568	8,596	8,200	8,200	-	2,000	2,000
Other		483				2,000		
Total Capital Expenditure - Functional	1,643,457	1,685,925	858,525	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950
Funded by:								
National Government	1,114,353	1,222,332	633,075	944,113	658,005	711,076	676,381	696,085
Provincial Government		-	-	-	-			
District Municipality		-	-	-	-			
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	243,458	40,406	103,802	32,897	67,333	40,000		
Transfers recognised - capital	1,357,812	1,262,738	736,878	977,010	725,338	751,076	676,381	696,085
Borrowing		(0)		214,415	214,415	254,245	281,943	-
Internally generated funds	285,645	423,187	121,647	453,328	432,011	440,228	425,630	380,865
Total Capital Funding	1,643,457	1,685,925	858,525	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950

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

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; 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.

TABLE 24 (TABLE A6 – CONSOLIDATED BUDGETED FINANCIAL POSITION)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
ASSETS								
Current assets								
Cash	237,586	200,198	951,894	200,200	200,200	200,200	200,200	200,200
Call investment deposits	2,374,802	3,012,612	2,309,904	2,394,627	3,091,797	2,900,937	2,782,907	2,255,251
Consumer debtors	1,698,627	1,876,235	2,302,157	2,285,500	2,468,340	2,616,440	2,786,509	2,967,632
Other debtors	451,646	430,053	1,097,345	428,722	428,722	450,158	472,666	496,299
Current portion of long-term receivables								
Inventory	162,800	133,005	154,164	146,639	163,414	173,218	183,612	194,524
Total current assets	4,925,460	5,652,104	6,815,464	5,455,687	6,352,472	6,340,953	6,425,893	6,113,906
No- current assets								
Long-term receivables	77,605	90,197	53,144	118,248	57,395	60,265	63,278	66,442
Investments								
Investment property	220,380	216,826	165,088	211,285	159,363	151,328	142,811	133,783
Investment in Associate								
Property, plant and equipment	16,697,035	17,599,268	17,509,627	19,511,032	18,184,978	18,639,716	18,955,693	18,886,862
Biological								
Intangible	442,651	368,665	161,211	305,090	123,822	83,462	58,415	45,275
Other non-current assets								
Total non-current assets	17,437,670	18,274,955	17,889,069	20,145,655	18,525,559	18,934,770	19,220,197	19,132,361
TOTAL ASSETS	22,363,131	23,927,059	24,704,533	25,601,342	24,878,031	25,275,724	25,646,091	25,246,268
LIABILITIES								

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Current liabilities								
Bank overdraft								
Borrowing	79,760	89,659	99,143	156,291	156,291	192,847	192,379	213,799
Consumer deposits	148,632	153,374	156,387	163,347	163,347	168,247	173,294	178,493
Trade and other payables	2,470,909	2,638,816	2,778,353	2,613,507	2,613,507	2,744,534	2,883,318	3,028,542
Provisions	197,951	177,198	182,103	341,375	200,313	216,532	229,572	243,301
Total current liabilities	2,897,252	3,059,046	3,215,985	3,274,519	3,133,458	3,322,160	3,478,564	3,664,135
Non-current liabilities								
Borrowing	1,209,505	1,118,616	1,016,456	1,001,082	1,001,082	1,277,416	1,085,037	871,238
Provisions	2,196,811	2,520,730	2,252,435	3,018,443	2,477,678	2,626,339	2,783,919	2,950,954
Total non-current liabilities	3,406,317	3,639,345	3,268,891	4,019,526	3,478,761	3,903,755	3,868,956	3,822,193
TOTAL LIABILITIES	6,303,569	6,698,391	6,484,876	7,294,045	6,612,218	7,225,915	7,347,520	7,486,328
NET ASSETS	16,059,561	17,228,668	18,219,657	18,307,296	18,265,812	18,049,809	18,298,571	17,759,940
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)	15,611,171	17,082,298	17,398,998	17,436,274	17,394,790	17,164,704	17,399,058	16,845,666
Reserves	448,391	146,370	820,658	871,023	871,023	885,105	899,513	914,274
TOTAL COMMUNITY WEALTH/EQUITY	16,059,561	17,228,668	18,219,657	18,307,296	18,265,812	18,049,809	18,298,571	17,759,940

Explanatory notes to Table A6 - Budgeted Financial Position

1. The table presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.
2. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. 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 directly informed by forecasting the statement of financial position.

TABLE 25 (TABLE A7 – CONSOLIDATED BUDGET CASH FLOW STATEMENT)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	1,763,236	1,890,149	1,856,282	2,187,808	2,115,041	2,241,943	2,415,760	2,602,700
Service charges	4,797,236	5,058,171	4,655,133	5,628,839	5,286,248	5,890,939	6,660,948	7,541,465
Other revenue	102,578	8,492	318,489	256,978	221,520	228,376	244,201	268,458
Transfers and Subsidies - Operational	1,146,349	1,474,221	1,735,767	2,080,628	2,394,027	2,326,766	2,529,682	2,572,264
Transfers and Subsidies - Capital	1,880,409	1,851,735	681,414	1,092,945	807,557	839,740	758,593	775,562
Interest	155,546	208,715	233,149	161,511	161,511	493,447	520,158	547,814
Dividends	123	-				-	-	-
Payments								
Suppliers and employees	(6,875,024)	(7,902,676)	(8,223,059)	(9,658,381)	(9,745,105)	(10,625,675)	(11,838,056)	(13,293,192)
Finance charges	(146,735)	(142,492)	(127,996)	(123,515)	(128,874)	(124,356)	(127,878)	(128,346)
Transfers and Grants	(70,504)	(74,822)	(150,786)	(60,975)	(77,650)	(53,657)	(46,796)	(60,879)
NET CASH FROM/(USED) OPERATING ACTIVITIES	2,753,215	2,371,493	978,393	1,565,838	1,034,275	1,217,523	1,116,611	825,845
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE						-	-	-
Decrease (increase) in non-current receivables				(14,522)	60,852	2,870	3,013	3,164

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Decrease (increase) in non-current investments						-	-	-
Payments								
Capital assets	(1,683,495)	(1,691,641)	(836,550)	(1,641,530)	(1,138,770)	(1,474,028)	(1,331,797)	(1,169,485)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,683,495)	(1,691,641)	(836,550)	(1,656,051)	(1,077,918)	(1,471,159)	(1,328,784)	(1,166,321)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans						-	-	-
Borrowing long term/refinancing				214,415	214,415	254,245	281,943	-
Increase (decrease) in consumer deposits				5,065	5,065	4,900	5,047	5,199
Payments								
Repayment of borrowing	(86,407)	(79,760)	(89,659)	(148,049)	(148,049)	(196,369)	(192,847)	(192,379)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(86,407)	(79,760)	(89,659)	71,430	71,430	62,776	94,143	(187,180)
NET INCREASE/ (DECREASE) IN CASH HELD	983,313	600,091	52,185	(18,783)	27,787	(190,860)	(118,030)	(527,656)
Cash/cash equivalents at the year begin:	1,626,208	2,609,521	3,209,612	2,613,610	3,264,209	3,291,997	3,101,137	2,983,107
Cash/cash equivalents at the year-end:	2,609,521	3,209,612	3,261,797	2,594,827	3,291,997	3,101,137	2,983,107	2,455,451

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
2. It reflects the expected cash in-flows versus cash outflows that is likely to result from the implementation of the budget.

TABLE 26 (TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Cash and investments available								
Cash/cash equivalents at the year end	2,609,521	3,209,612	3,261,797	2,594,827	3,291,997	3,101,137	2,983,107	2,455,451
Other current investments > 90 days	2,867	3,198	0	(0)		-	-	-
Non-current assets - Investments	-	-	-	-	-	-	-	-
Cash and investments available:	2,612,388	3,212,811	3,261,797	2,594,827	3,291,997	3,101,137	2,983,107	2,455,451
Application of cash and investments								
Unspent conditional transfers	155,509	297,805	734,462	54,276	54,276	28,841	28,841	28,841
Unspent borrowing	-	-	-	-	-	-	-	-
Statutory requirements								
Other working capital requirements	417,867	200,388	(794,128)	144,599	144,060	141,023	80,440	11,374
Other provisions	586,881	655,936	613,880	786,911	786,911	719,984	763,231	808,980
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	448,391	146,370	820,658	871,023	871,023	885,105	899,513	914,274
Total Application of cash and investments:	1,608,647	1,300,498	1,374,873	1,856,809	1,856,270	1,774,953	1,772,026	1,763,469
Surplus(shortfall)	1,003,741	1,912,312	1,886,925	738,018	1,435,727	1,326,184	1,211,082	691,982

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. The table assesses 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. As part of the budgeting and planning guidelines that informed the compilation of the 2021/22 MTREF, the end objective of the medium-term framework was to ensure the budget is funded as required in accordance with section 18 of the MFMA.

4. Provisions to be cash backed incorporate all current provisions as well as the provision for the rehabilitation of landfill sites.
5. Reserves to be cash backed incorporate the COIDA, Self-Insurance Fund (SIF) and the Capital Replacement Reserve. Amounts of R885 million, R900 million and R914 million has been provided for the 2021/22, 2022/23 and 2023/24 financial years respectively for the establishment of a cash- backed Capital Replacement Reserve.

TABLE 27 (TABLE A9 - ASSET MANAGEMENT)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
CAPITAL EXPENDITURE								
Total New Assets	667,203	742,915	334,586	837,627	672,998	816,895	719,669	672,676
<i>Roads Infrastructure</i>	261,897	234,699	141,510	254,689	123,974	203,869	141,446	186,622
<i>Storm water Infrastructure</i>	26,962	23,450	4,076	23,450	4,411	15,867	12,325	16,786
<i>Electrical Infrastructure</i>	44,763	33,095	37,000	36,618	66,618	87,799	71,093	46,839
<i>Water Supply Infrastructure</i>	111,946	179,155	77,293	163,220	269,050	244,705	111,734	72,995
<i>Sanitation Infrastructure</i>	42,072	27,598	7,256	38,255	18,950	32,537	56,730	74,910
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	302	-	12,046	6,500	3,000	2,500	3,000	6,000
Infrastructure	487,942	497,998	279,180	522,733	486,003	587,277	396,327	404,152
Community Facilities	14,515	26,387	7,633	55,332	38,046	21,025	41,500	33,300
Sport and Recreation Facilities	7,787	18,187	9,068	24,425	34,765	2,000	-	-
Community Assets	22,302	44,574	16,702	79,756	72,811	23,025	41,500	33,300
Heritage Assets	-	250	862	4,223	6,540	5,316	6,348	4,434
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	24	-	-	-	-	-
Investment properties	-	-	24	-	-	-	-	-
Operational Buildings	29,771	34,411	2,013	31,596	6,543	10,887	31,458	39,174
Housing	-	-	-	-	-	-	-	-
Other Assets	29,771	34,411	2,013	31,596	6,543	10,887	31,458	39,174
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	16,056	47,365	1,640	26,018	15,392	3,479	12,010	8,641
Intangible Assets	16,056	47,365	1,640	26,018	15,392	3,479	12,010	8,641
Computer Equipment	11,363	9,694	5,908	6,780	6,545	7,412	11,400	9,050
Furniture and Office Equipment	1,023	2,563	1,086	4,983	3,282	2,210	3,660	3,564
Machinery and Equipment	65,684	74,614	13,513	42,199	37,078	52,974	43,930	36,561
Transport Assets	33,064	18,499	13,280	42,839	37,301	55,967	103,796	98,800
Land	-	12,947	377	76,500	1,500	68,349	69,240	35,000
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	332,132	280,438	127,172	303,829	352,591	279,416	291,646	174,041
<i>Roads Infrastructure</i>	63,691	71,342	18,145	54,023	64,218	59,061	55,754	53,502
<i>Storm water Infrastructure</i>	4,508	4,594	4,920	10,500	7,700	8,000	10,000	10,000
<i>Electrical Infrastructure</i>	157,409	77,368	7,130	52,100	51,900	59,796	41,532	38,430
<i>Water Supply Infrastructure</i>	76,510	67,509	91,541	155,380	140,550	103,000	109,000	10,000
<i>Sanitation Infrastructure</i>	27,626	52,250	3,719	13,500	26,380	34,550	34,500	30,000
<i>Solid Waste Infrastructure</i>	-	-	-	-	11,726	-	-	-
<i>Rail Infrastructure</i>	-	943	777	11,726	7,394	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-
Infrastructure	329,744	274,006	126,232	297,229	309,868	264,407	250,786	141,932
Community Facilities	1,565	4,057	596	2,700	14,972	4,000	14,500	3,300
Sport and Recreation Facilities	823	1,969	-	200	23,721	9,009	7,974	10,000
Community Assets	2,388	6,027	596	2,900	38,693	13,009	22,474	13,300
Heritage Assets	-	-	-	1,500	2,420	-	14,886	16,809
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	-	405	309	2,200	1,400	2,000	1,500	2,000
Housing	-	-	35	-	210	-	-	-
Other Assets	-	405	344	2,200	1,610	2,000	1,500	2,000
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	2,000	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	644,122	662,572	396,767	503,296	346,175	349,237	372,638	230,233	
Roads Infrastructure	213,100	190,655	70,962	174,935	93,686	88,207	59,087	64,435	
Storm water Infrastructure	43,217	27,828	18,795	31,000	15,600	44,000	58,500	34,500	
Electrical Infrastructure	80,779	114,868	77,951	64,472	29,214	42,195	34,911	3,648	
Water Supply Infrastructure	57,161	72,130	36,240	63,550	68,250	25,710	39,540	48,000	
Sanitation Infrastructure	164,438	155,305	125,474	103,870	76,240	81,900	120,500	33,000	
Solid Waste Infrastructure	6,382	6,779	8,596	2,500	7,800	-	-	-	
Rail Infrastructure	-	-	-	-	-	-	-	-	
Coastal Infrastructure	2,284	2,839	-	-	-	-	-	-	
Information and Communication Infrastructure	-	-	1,870	1,250	1,250	1,250	3,000	3,000	
Infrastructure	567,362	570,404	339,887	441,576	292,040	283,261	315,538	186,583	
Community Facilities	59,713	57,490	43,323	27,370	25,120	31,515	46,800	31,750	
Sport and Recreation Facilities	4,615	14,012	5,897	15,700	10,000	9,800	3,600	1,600	
Community Assets	64,328	71,502	49,220	43,070	35,120	41,315	50,400	33,350	
Heritage Assets	-	-	53	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	
Operational Buildings	5,280	10,849	7,323	15,650	16,965	23,660	5,700	8,800	
Housing	132	4	-	-	-	-	-	-	
Other Assets	5,412	10,853	7,323	15,650	16,965	23,660	5,700	8,800	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	
Licences and Rights	3,085	7,056	(35)	2,000	1,050	-	-	-	
Intangible Assets	3,085	7,056	(35)	2,000	1,050	-	-	-	
Computer Equipment	1,989	1,407	319	1,000	1,000	1,000	1,000	1,500	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	
Machinery and Equipment	1,946	1,350	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	
Total Capital Expenditure	1,643,457	1,685,925	858,525	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950	
Roads Infrastructure	538,688	496,697	230,617	483,647	281,878	351,137	256,287	304,559	
Storm water Infrastructure	74,688	55,872	27,791	64,950	27,711	67,867	80,825	61,286	
Electrical Infrastructure	282,951	225,332	122,081	153,190	147,732	189,789	147,536	88,917	
Water Supply Infrastructure	245,617	318,794	205,074	382,150	477,850	373,415	260,274	130,995	
Sanitation Infrastructure	234,136	235,154	136,449	155,625	121,570	148,987	211,730	137,910	
Solid Waste Infrastructure	6,382	6,779	8,596	2,500	19,526	-	-	-	
Rail Infrastructure	-	943	777	11,726	7,394	-	-	-	
Coastal Infrastructure	2,284	2,839	-	-	-	-	-	-	
Information and Communication Infrastructure	302	-	13,915	7,750	4,250	3,750	6,000	9,000	
Infrastructure	1,385,047	1,342,408	745,300	1,261,538	1,087,912	1,134,945	962,652	732,667	
Community Facilities	75,793	87,934	51,553	85,402	78,138	56,540	102,800	68,350	
Sport and Recreation Facilities	13,224	34,168	14,965	40,325	68,486	20,809	11,574	11,600	
Community Assets	89,018	122,103	66,518	125,726	146,624	77,350	114,374	79,950	
Heritage Assets	-	250	915	5,723	8,960	5,316	21,234	21,244	
Revenue Generating	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	24	-	-	-	-	-	
Investment properties	-	-	24	-	-	-	-	-	
Operational Buildings	35,050	45,665	9,645	49,446	24,908	36,547	38,658	49,974	
Housing	132	4	35	-	210	-	-	-	
Other Assets	35,183	45,669	9,680	49,446	25,118	36,547	38,658	49,974	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	
Licences and Rights	19,141	54,421	1,605	28,018	16,442	3,479	12,010	8,641	
Intangible Assets	19,141	54,421	1,605	28,018	16,442	3,479	12,010	8,641	
Computer Equipment	13,353	11,101	6,227	7,780	7,545	8,412	12,400	10,550	
Furniture and Office Equipment	1,023	2,563	1,086	4,983	3,282	2,210	3,660	3,564	
Machinery and Equipment	67,630	75,963	13,513	42,199	37,078	52,974	45,930	36,561	

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Transport Assets	33,064	18,499	13,280	42,839	37,301	55,967	103,796	98,800
Land	–	12,947	377	76,500	1,500	68,349	69,240	35,000
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	1,643,457	1,685,925	858,525	1,644,753	1,371,763	1,445,548	1,383,954	1,076,950
ASSET REGISTER SUMMARY - PPE (WDV)	17,360,066	18,184,758	17,835,925	20,027,407	18,464,700	18,874,505	19,156,919	19,065,919
Roads Infrastructure	4,483,257	4,221,945	4,335,803	4,926,571	4,398,024	4,411,588	4,318,205	4,246,134
Storm water Infrastructure	–	556,362	541,700	615,509	554,074	600,412	658,416	695,512
Electrical Infrastructure	2,147,794	2,248,872	2,247,861	2,385,225	2,314,888	2,391,392	2,418,846	2,380,476
Water Supply Infrastructure	2,821,548	2,880,802	3,099,063	3,690,841	3,503,661	3,764,254	3,895,537	3,871,001
Sanitation Infrastructure	1,824,793	2,009,829	1,948,905	2,153,496	2,012,496	2,080,100	2,205,564	2,252,032
Solid Waste Infrastructure	338,566	323,026	303,714	390,602	301,596	287,675	272,919	257,277
Rail Infrastructure	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	3,000	69,800	56,919	69,800	69,800	69,800	69,800
Information and Communication Infrastructure	5,476	2,000	1,997	28,905	6,247	9,997	15,997	24,997
Infrastructure	11,621,434	12,245,836	12,548,842	14,248,067	13,160,786	13,615,217	13,855,283	13,797,229
Community Assets	2,541,910	2,699,959	2,512,418	2,484,199	2,455,792	2,314,117	2,204,020	2,042,244
Heritage Assets	229,450	229,450	211,064	216,706	211,064	211,089	211,089	211,089
Investment properties	220,380	220,380	165,088	211,285	165,263	151,328	142,811	133,783
Other Assets	857,653	671,019	818,420	849,635	898,334	942,615	974,802	1,017,623
Biological or Cultivated Assets	–	–	–	–	–	–	–	–
Intangible Assets	442,600	460,571	160,899	305,090	128,908	83,462	58,415	45,275
Computer Equipment	53,964	97,081	69,367	32,743	55,576	44,017	34,372	31,335
Furniture and Office Equipment	37,474	26,442	36,192	35,808	31,086	21,536	12,734	3,088
Machinery and Equipment	–	162,870	47,210	85,103	79,330	125,659	164,548	193,644
Transport Assets	245,572	203,520	149,194	268,944	159,828	178,384	242,524	299,288
Land	1,109,629	1,167,629	1,117,231	1,289,828	1,118,731	1,187,081	1,256,320	1,291,320
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	17,360,066	18,184,758	17,835,925	20,027,407	18,464,700	18,874,505	19,156,919	19,065,919
EXPENDITURE OTHER ITEMS	619,510	1,404,439	1,453,281	1,218,188	1,227,869	1,541,574	1,633,855	1,732,900
Depreciation	280,097	989,045	1,174,555	740,575	740,575	1,039,206	1,101,540	1,167,633
Repairs and Maintenance by Asset Class	339,413	415,394	278,726	477,613	487,294	502,368	532,315	565,267
Roads Infrastructure	20,727	35,469	23,125	33,476	65,448	40,523	42,556	44,691
Storm water Infrastructure	17,829	38,049	10,671	17,347	17,347	12,248	12,709	13,188
Electrical Infrastructure	25,366	34,149	4	47,478	45,686	52,945	53,088	56,273
Water Supply Infrastructure	138,815	66,982	64,820	67,927	95,557	96,787	103,196	110,395
Sanitation Infrastructure	48,598	59,229	40,050	72,303	68,283	70,050	73,335	78,209
Solid Waste Infrastructure	–	–	(47)	–	–	–	–	–
Rail Infrastructure	1,186	–	95	3,187	2,187	2,190	2,299	2,414
Coastal Infrastructure	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	259	–	370	370	–	–	–
Infrastructure	252,521	234,138	138,718	242,089	294,878	274,742	287,183	305,171
Community Facilities	12,659	12,106	8,158	14,390	15,270	20,491	28,822	26,354
Sport and Recreation Facilities	8,284	7,613	3,741	7,764	14,039	7,234	7,565	8,236
Community Assets	20,944	19,719	11,899	22,155	29,309	27,725	36,387	34,591
Heritage Assets	477	708	119	961	911	1,016	1,074	1,145
Revenue Generating	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–
Operational Buildings	13,231	11,999	10,743	33,736	33,704	53,714	54,656	60,735
Housing	597	5,515	1,693	3,021	4,621	2,535	2,690	2,856
Other Assets	13,828	17,514	12,437	36,757	38,325	56,249	57,346	63,591
Biological or Cultivated Assets	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–
Licences and Rights	2,885	3,339	3,134	4,798	4,798	4,939	5,265	5,604
Intangible Assets	2,885	3,339	3,134	4,798	4,798	4,939	5,265	5,604
Computer Equipment	2,989	6,244	3,549	7,864	7,156	7,453	8,014	8,569
Furniture and Office Equipment	727	522	414	3,661	3,439	3,532	3,813	4,134
Machinery and Equipment	15,816	96,373	74,921	118,484	69,288	84,702	89,695	97,394
Transport Assets	29,225	36,838	33,534	40,844	39,190	42,011	43,537	45,069

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand								
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	619,510	1,404,439	1,453,281	1,218,188	1,227,869	1,541,574	1,633,855	1,732,900
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	59.4%	55.9%	61.0%	49.1%	50.9%	43.5%	48.0%	37.5%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	348.5%	95.3%	44.6%	109.0%	94.4%	60.5%	60.3%	34.6%
<i>R&M as a % of PPE</i>	2.0%	2.4%	1.6%	2.4%	2.7%	2.7%	2.8%	3.0%
<i>Renewal and upgrading and R&M as a % of PPE</i>	8.0%	7.0%	5.0%	6.0%	6.0%	6.0%	6.0%	5.0%

Explanatory notes to Table A9 - Asset Management

- The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and also reflects the relevant asset categories. The associated repairs and maintenance and depreciation is also reflected.

It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

- National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE.

TABLE 28 (TABLE A10 – CONSOLIDATED BASIC SERVICE DELIVERY MEASUREMENT)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget
Household service targets								
Water:								
Piped water inside dwelling	342,909	-	-	366,108	366,108	-	-	-
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	35,215	-	-	40,000	40,000	-	-	-
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	378,124	-	-	406,108	406,108	-	-	-
Using public tap (< min.service level)	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
Total number of households	378,124	-	-	406,108	406,108	-	-	-
Sanitation/sewerage:								
Flush toilet (connected to sewerage)	338,968	-	-	362,306	362,306	-	-	-
Flush toilet (with septic tank)	3,568	-	-	3,802	3,802	-	-	-
Chemical toilet	216	-	-	1,700	1,700	-	-	-
Pit toilet (ventilated)	158	-	-	167	167	-	-	-
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	342,910	-	-	367,975	367,975	-	-	-
Bucket toilet	23,758	-	-	5,000	5,000	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	23,758	-	-	5,000	5,000	-	-	-
Total number of households	366,668	-	-	372,975	372,975	-	-	-
Energy:								
Electricity (at least min.service level)	22,062	-	-	22,852	22,852	-	-	-
Electricity - prepaid (min.service level)	240,309	-	-	293,651	293,651	-	-	-
<i>Minimum Service Level and Above sub-total</i>	262,371	-	-	316,503	316,503	-	-	-
Electricity (< min.service level)	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-
Total number of households	262,371	-	-	316,503	316,503	-	-	-
Refuse:								

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Removed at least once a week	302,410	--	--	245,978	245,978	--	--	--
<i>Minimum Service Level and Above sub-total</i>	302,410	--	--	245,978	245,978	--	--	--
Removed less frequently than once a week	302,410	--	--	--	--	--	--	--
Using communal refuse dump	41,268	--	--	12,100	12,100	--	--	--
Using own refuse dump	15,765	--	--	--	--	--	--	--
Other rubbish disposal	6,852	--	--	6,852	6,852	--	--	--
No rubbish disposal	853	--	--	5,731	5,731	--	--	--
<i>Below Minimum Service Level sub-total</i>	367,148	--	--	24,683	24,683	--	--	--
Total number of households	669,558	--	--	270,661	270,661	--	--	--
Households receiving Free Basic Service								
Water (6 kilolitres per household per month)	99,597	--	--	71,873	71,873	68,266	68,266	68,266
Sanitation (free minimum level service)	100,753	--	--	72,198	72,198	69,251	69,251	69,251
Electricity/other energy (50kwh per household per month)	--	--	--	62,463	62,463	53,921	53,921	53,921
Refuse (removed at least once a week)	94,903	--	--	63,043	63,043	59,352	59,352	59,352
Cost of Free Basic Services provided - Formal Settlements (R'000)								
Water (6 kilolitres per indigent household per month)	107,898	102,194	76,019	119,092	146,787	172,500	184,575	198,418
Sanitation (free sanitation service to indigent households)	210,763	196,031	153,437	145,951	171,245	170,000	181,900	195,543
Electricity/other energy (50kwh per indigent household per month)	37,894	333	30,517	36,696	42,370	37,240	40,612	44,295
Refuse (removed once a week for indigent households)	114,183	111,548	82,657	135,097	135,097	143,879	153,950	165,496
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)								
Total cost of FBS provided	470,737	410,106	342,630	436,836	495,500	523,619	561,038	603,752
Highest level of free service provided per household								
Property rates (R value threshold)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)	8	8	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11	11	11
Sanitation (Rand per household per month)	99	99	99	125	125	125	125	125
Electricity (kwh per household per month)	75	75	75	75	75	75	75	75
Refuse (average litres per week)	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)								
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)								
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	112,048	149,380	130,435	129,054	147,360	51,049	55,052	59,647
Water (in excess of 6 kilolitres per indigent household per month)	53,949	50,335	37,442	59,133	72,885	57,500	61,525	66,139
Sanitation (in excess of free sanitation service to indigent households)	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household per month)	18,947	164	15,031	18,348	21,185	18,620	20,306	22,148
Refuse (in excess of one removal a week for indigent households)	--	--	--	--	--	--	--	--
Municipal Housing - rental rebates								
Housing - top structure subsidies								
Other								
Total revenue cost of subsidised services provided	184,944	199,878	182,907	206,535	241,430	127,169	136,884	147,934

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

1.9 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's budget and MTREF to be approved by Council.

TABLE 29 (TABLE A1 – BUDGET SUMMARY)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Financial Performance									
Property rates	1,999,183	2,127,308	2,363,371	2,486,145	2,488,283	2,637,580	2,809,023	2,991,609	
Service charges	5,186,420	5,268,040	5,800,529	6,396,180	6,218,880	6,930,281	7,745,055	8,668,106	
Investment revenue	153,156	206,374	231,784	159,511	159,511	171,180	174,192	176,359	
Transfers recognised - operational	1,521,584	1,857,682	1,883,634	2,187,776	2,497,826	2,425,431	2,603,895	2,652,644	
Other own revenue	638,602	636,925	621,794	707,446	734,945	767,147	814,253	872,079	
Total Revenue (excluding capital transfers and contributions)	9,498,945	10,096,329	10,901,111	11,937,059	12,099,445	12,931,619	14,146,418	15,360,797	
Employee costs	2,497,657	3,213,146	3,078,020	3,727,291	3,712,869	3,874,326	4,145,201	4,487,283	
Remuneration of councillors	71,265	74,229	76,474	83,926	83,926	87,299	93,031	100,688	
Depreciation & asset impairment	279,376	988,313	1,173,442	739,686	739,686	1,038,281	1,100,578	1,166,613	
Finance charges	144,138	139,540	124,825	141,084	128,874	119,907	124,774	126,296	
Inventory consumed and bulk purchases	3,093,158	3,332,141	3,659,746	4,008,246	3,937,652	4,589,686	5,362,657	6,284,011	
Transfers and grants	89,467	162,781	118,743	151,246	153,071	152,729	161,886	175,890	
Other expenditure	2,435,300	2,268,953	2,414,038	2,866,690	3,309,862	3,508,761	3,731,336	3,963,882	
Total Expenditure	8,610,360	10,179,103	10,645,288	11,718,170	12,065,941	13,370,989	14,719,464	16,304,664	
Surplus/(Deficit)	888,586	(82,774)	255,823	218,889	33,504	(439,371)	(573,046)	(943,867)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,200,331	1,222,332	633,075	944,113	658,005	711,076	674,881	696,085	
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)	214,595	40,406	103,802	31,000	32,097	40,000	-	-	
Surplus/(Deficit) after capital transfers & contributions	2,303,511	1,179,964		1,194,002	723,606	311,705	101,834	(247,782)	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	2,303,511	1,179,964		1,194,002	723,606	311,705	101,834	(247,782)	
Capital expenditure & funds sources									
Capital expenditure	1,644,499	1,664,745	837,598	1,611,847	1,267,901	1,407,559	1,343,064	1,033,590	
Transfers recognised - capital	1,414,925	-	736,878	975,113	690,102	751,076	676,381	696,085	
Borrowing	-	-	-	214,415	214,415	254,245	281,943	-	
Internally generated funds	229,574	-	100,720	422,319	363,384	402,239	384,741	337,504	
Total sources of capital funds	1,644,499		837,598	1,611,847	1,267,901	1,407,559	1,343,064	1,033,590	
Financial position									
Total current assets	4,882,575	5,612,362	6,767,110	5,438,158	6,284,476	6,275,638	6,359,543	6,046,458	
Total non-current assets	17,430,449	18,255,833	17,868,142	20,013,753	18,400,609	18,772,757	19,018,256	18,888,396	
Total current liabilities	2,857,824	3,023,331	3,170,140	3,255,319	3,118,458	3,302,960	3,458,064	3,642,610	
Total non-current liabilities	3,404,823	3,637,507	3,268,806	4,019,526	3,478,761	3,903,755	3,868,956	3,822,193	
Community wealth/Equity	16,050,378	17,207,357	18,196,306	18,177,066	18,087,867	17,841,680	18,050,779	17,470,052	
Cash flows									
Net cash from (used) operating	2,772,345	2,392,742	942,081	1,534,078	942,248	1,179,614	1,075,814	781,695	
Net cash from (used) investing	(1,683,141)	(1,684,095)	(833,474)	(1,623,146)	(1,007,452)	(1,433,170)	(1,289,021)	(1,123,268)	
Net cash from (used) financing	(86,407)	(79,760)	(89,659)	71,430	71,430	62,776	94,143	(187,180)	
Cash/cash equivalents at the year end	2,570,128	3,199,015	3,217,963	2,579,898	3,226,601	3,035,822	2,916,757	2,388,003	
Cash backing/surplus reconciliation									
Cash and investments available	2,572,995	3,202,213	3,220,375	2,579,898	3,226,601	3,035,822	2,916,757	2,388,003	
Application of cash and investments	1,574,249	1,296,702	1,346,449	1,844,804	1,844,184	1,755,790	1,751,562	1,741,987	
Balance - surplus (shortfall)	998,746	1,905,511	1,873,926	735,094	1,382,417	1,280,031	1,165,195	646,016	
Asset management									
Asset register summary (WDV)	17,352,845	18,165,636	17,814,999	19,895,505	18,343,213	18,712,492	18,954,977	18,821,954	
Depreciation	279,376	972,493	1,173,442	739,686	739,686	1,038,281	1,100,578	1,166,613	
Renewal and Upgrading of Existing Assets	976,254	937,997	521,017	791,376	627,305	614,283	639,370	376,163	
Repairs and Maintenance	339,413	416,622	278,726	477,613	487,294	502,368	532,315	565,267	
Free services									
Cost of Free Basic Services provided	470,737	410,106	342,630	436,836	495,500	523,619	561,038	603,752	
Revenue cost of free services provided	184,944	199,878	182,907	206,535	241,430	127,169	136,884	147,934	
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	48	-	-	5	5	-	-	-	
Energy:	-	-	-	-	-	-	-	-	

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
Refuse:	734	367	-	392	392	-	-	-

TABLE 30 (TABLE A2 – BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY FUNCTIONAL CLASSIFICATION))

Functional Classification Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
Revenue - Functional								
Governance and administration	3,054,702	3,451,844	3,585,879	3,413,132	3,403,350	3,631,146	3,841,905	4,060,628
Executive and council	399	116	828	420	460	740	743	746
Finance and administration	3,054,303	3,451,728	3,585,050	3,412,710	3,402,888	3,630,406	3,841,162	4,059,883
Internal audit	0	-	0	2	2	-	-	-
Community and public safety	294,043	256,463	678,970	1,237,518	1,258,001	990,864	994,546	941,901
Community and social services	40,198	45,768	73,912	32,948	104,006	44,558	46,454	48,032
Sport and recreation	8,946	12,956	5,177	15,370	16,871	4,530	4,794	5,095
Public safety	241	398	547,786	817,360	819,891	664,545	699,064	637,374
Housing	242,233	194,946	48,206	369,255	316,257	275,382	241,896	248,775
Health	2,425	2,396	3,889	2,585	977	1,849	2,338	2,625
Economic and environmental services	809,570	964,945	361,374	623,962	503,003	530,147	609,355	630,138
Planning and development	132,840	147,643	154,780	160,249	149,517	151,105	156,857	169,402
Road transport	675,404	815,542	203,190	459,756	349,793	377,465	450,903	459,088
Environmental protection	1,327	1,760	3,404	3,957	3,694	1,577	1,595	1,648
Trading services	6,728,896	6,643,321	6,980,671	7,592,325	7,590,524	8,493,651	9,336,022	10,381,971
Energy sources	3,679,652	3,888,789	3,910,885	4,540,332	4,175,882	4,741,422	5,380,866	6,139,975
Water management	1,756,565	1,389,183	1,584,125	1,500,347	1,930,399	1,969,231	1,999,171	2,113,307
Waste water management	986,731	1,022,316	1,070,311	1,109,933	1,041,465	1,318,534	1,460,407	1,599,107
Waste management	305,947	343,034	415,351	441,713	442,778	464,464	495,578	529,581
Other	26,659	42,494	31,095	45,236	34,669	36,888	39,470	42,244
Total Revenue - Functional	10,913,870	11,359,067	11,637,989	12,912,172	12,789,547	13,682,694	14,821,299	16,056,882
Expenditure - Functional								
Governance and administration	1,383,152	2,430,479	2,212,246	2,482,452	2,610,974	2,909,551	3,038,896	3,196,624
Executive and council	155,746	213,582	209,283	246,321	266,889	256,750	273,078	293,665
Finance and administration	1,179,659	2,168,937	1,948,643	2,175,287	2,283,444	2,588,158	2,697,832	2,830,781
Internal audit	47,747	47,960	54,319	60,844	60,641	64,644	67,986	72,178
Community and public safety	1,009,245	1,459,768	1,485,735	1,788,324	1,975,914	1,943,890	2,082,163	2,234,553
Community and social services	172,118	262,550	294,399	310,059	519,426	368,477	400,208	428,030
Sport and recreation	419,348	408,519	422,170	537,570	543,714	601,995	647,217	693,185
Public safety	190,425	571,037	570,988	672,687	644,398	708,888	755,279	811,577
Housing	170,845	145,998	120,313	171,790	170,609	160,726	170,520	182,864
Health	56,509	71,664	77,865	96,218	97,767	103,804	108,939	118,897
Economic and environmental services	894,991	549,064	586,111	782,402	865,553	850,489	891,368	957,323
Planning and development	264,584	208,227	256,390	353,967	377,584	374,110	393,548	421,637
Road transport	590,897	308,860	295,400	381,922	441,048	425,731	444,661	479,146
Environmental protection	39,511	31,978	34,321	46,513	46,921	50,648	53,158	56,540
Trading services	5,288,775	5,686,868	6,319,044	6,596,422	6,545,052	7,601,579	8,637,243	9,842,050
Energy sources	3,457,145	3,784,817	4,104,800	4,761,213	4,625,623	5,406,254	6,267,587	7,282,357
Water management	995,529	980,756	1,175,426	862,234	920,346	971,233	1,030,267	1,095,981
Waste water management	511,827	570,900	636,879	592,440	600,471	813,247	906,738	1,003,858
Waste management	324,275	350,395	401,938	380,535	398,612	410,846	432,651	459,854
Other	34,197	52,924	42,153	68,570	68,447	65,480	69,794	74,114
Total Expenditure - Functional	8,610,360	10,179,103	10,645,288	11,718,170	12,065,941	13,370,989	14,719,464	16,304,664
Surplus/(Deficit) for the year	2,303,511	1,179,964	992,701	1,194,002	723,606	311,705	101,834	(247,782)

TABLE 31 (TABLE A3 BUDGET FINANCIAL PERFORMANCE BY VOTE)

Vote Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
Revenue by Vote								
Vote 1 - Budget & Treasury	2,883,352	3,333,660	3,461,151	3,308,703	3,289,629	3,535,081	3,746,858	3,961,475
Vote 2 - Public Health	358,656	409,097	461,159	482,580	489,493	500,856	530,824	565,657
Vote 3 - Human Settlements	264,905	217,043	65,902	392,948	343,805	296,494	264,668	273,422
Vote 4 - Economic Development, Tourism & Agriculture	112,820	118,087	135,751	147,455	140,587	155,218	168,504	181,489

Vote Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Vote 5 - Corporate Services	48,812	20,066	13,064	8,269	25,214	14,394	12,608	12,872
Vote 6 - Infrastructure & Engineering Unit - Rate & General	384,469	399,623	204,651	461,862	351,189	379,058	452,596	460,881
Vote 7 - Metro Water Service	1,520,349	1,417,699	1,600,619	1,500,413	1,930,464	1,969,307	1,999,257	2,113,403
Vote 8 - Sanitation - Metro	955,682	1,016,324	1,070,315	1,109,933	1,041,470	1,318,534	1,460,407	1,599,107
Vote 9 - Electricity & Energy	3,732,740	3,912,788	3,928,161	4,540,332	4,175,882	4,741,422	5,380,866	6,139,975
Vote 10 - Executive & Council	30,958	13,937	56,210	24,954	71,840	9,120	2,095	2,193
Vote 11 - Safety & Security	567,255	441,070	562,057	839,249	831,214	676,452	711,805	651,006
Vote 12 - Mandela Bay Stadium	4,462	19,940	43,472	50,409	50,409	53,136	56,225	59,717
Vote 13 - Special Projects and Programmes	21,043	7,075	13,953	12,484	14,228	11,640	12,228	12,908
Vote 14 - Recreational & Cultural Services	28,368	32,656	21,525	32,582	34,123	21,983	22,359	22,778
Total Revenue by Vote	10,913,870	11,359,067	11,637,989	12,912,172	12,789,547	13,682,694	14,821,299	16,056,882
Expenditure by Vote to be appropriated								
Vote 1 - Budget & Treasury	460,484	884,065	758,424	1,107,853	1,211,307	1,329,218	1,367,445	1,406,231
Vote 2 - Public Health	573,188	657,336	719,270	716,988	732,928	766,868	807,295	860,832
Vote 3 - Human Settlements	220,278	218,278	202,224	264,859	389,018	251,110	267,395	287,539
Vote 4 - Economic Development, Tourism & Agriculture	134,621	198,450	113,889	183,863	191,607	195,973	207,733	220,987
Vote 5 - Corporate Services	349,671	376,193	388,806	417,523	417,835	491,346	529,578	568,853
Vote 6 - Infrastructure & Engineering Unit - Rate & General	393,794	866,881	830,585	882,074	943,874	1,035,180	1,087,970	1,163,276
Vote 7 - Metro Water Service	1,050,694	1,013,923	1,191,513	879,225	943,278	993,032	1,058,081	1,124,847
Vote 8 - Sanitation - Metro	476,042	542,652	617,499	562,406	576,533	790,678	883,020	978,741
Vote 9 - Electricity & Energy	3,469,978	3,781,406	4,101,324	4,757,432	4,622,820	5,404,583	6,265,783	7,280,377
Vote 10 - Executive & Council	239,323	265,131	313,033	329,540	412,391	352,123	366,395	392,717
Vote 11 - Safety & Security	818,459	915,118	948,316	1,032,663	1,015,661	1,106,276	1,176,629	1,267,373
Vote 12 - Mandela Bay Stadium	38,559	49,060	64,722	149,607	149,607	191,336	201,522	213,226
Vote 13 - Special Projects and Programmes	7,504	8,806	10,221	10,178	14,228	11,640	12,228	12,908
Vote 14 - Recreational & Cultural Services	377,764	401,804	385,461	423,961	444,853	451,626	488,389	526,757
Total Expenditure by Vote	8,610,360	10,179,103	10,645,288	11,718,170	12,065,941	13,370,989	14,719,464	16,304,664
Surplus/(Deficit) for the year	2,303,511	1,179,964	992,701	1,194,002	723,606	311,705	101,834	(247,782)

TABLE 32 (TABLE A4 – BUDGET FINANCIAL PERFORMANCE REVENUE AND EXPENDITURE)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Revenue By Source								
Property rates	1,999,183	2,127,308	2,363,371	2,486,145	2,488,283	2,637,580	2,809,023	2,991,609
Service charges - electricity revenue	3,484,591	3,687,352	3,717,444	4,359,003	3,954,693	4,530,243	5,189,014	5,945,922
Service charges - water revenue	1,074,105	850,694	1,185,069	1,050,759	1,301,832	1,379,942	1,469,638	1,565,164
Service charges - sanitation revenue	457,476	536,186	650,335	722,107	698,045	739,928	788,023	839,244
Service charges - refuse revenue	170,248	193,808	247,681	264,311	264,311	280,170	298,381	317,776
Rental of facilities and equipment	22,713	33,159	22,974	22,227	28,339	27,417	29,014	30,377
Interest earned - external investments	153,156	206,374	231,784	159,511	159,511	171,180	174,192	176,359
Interest earned - outstanding debtors	224,649	234,618	254,959	265,534	334,541	376,196	398,797	424,086
Dividends received	123							
Fines, penalties and forfeits	230,424	216,027	224,358	224,224	205,224	193,047	203,808	215,186
Licences and permits	19,456	20,665	15,132	22,748	12,104	12,550	13,397	14,327
Agency services	2,774	3,154	3,546	3,327	3,059	3,242	3,437	3,643
Transfers and subsidies	1,521,584	1,857,682	1,883,634	2,187,776	2,497,826	2,425,431	2,603,895	2,652,644
Other revenue	138,462	129,303	100,825	168,878	151,168	154,184	165,290	183,950
Gains				510	510	510	510	510
Total Revenue (excluding capital transfers and contributions)	9,498,945	10,096,329	10,901,111	11,937,059	12,099,445	12,931,619	14,146,418	15,360,797
Expenditure By Type								
Employee related costs	2,497,657	3,213,146	3,078,020	3,727,291	3,712,869	3,874,326	4,145,201	4,487,283
Remuneration of councillors	71,265	74,229	76,474	83,926	83,926	87,299	93,031	100,688
Debt impairment	872,682	759,109	1,216,710	1,084,810	1,284,607	1,418,897	1,457,844	1,492,817
Depreciation & asset impairment	279,376	988,313	1,173,442	739,686	739,686	1,038,281	1,100,578	1,166,613
Finance charges	144,138	139,540	124,825	141,084	128,874	119,907	124,774	126,296
Bulk purchases - electricity	2,892,077	3,101,601	3,387,434	3,709,894	3,641,083	4,289,195	5,052,672	5,952,048
Inventory consumed	201,081	230,540	272,312	298,352	296,570	300,490	309,985	331,963
Contracted services	1,083,359	1,005,191	633,605	1,116,151	1,179,111	1,371,544	1,501,709	1,647,587
Transfers and subsidies	89,467	162,781	118,743	151,246	153,071	152,729	161,886	175,890
Other expenditure	425,812	447,521	506,324	606,423	786,840	660,642	711,262	760,215

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22
R thousand									
Losses	53,447	57,132	57,399	59,305	59,305	57,679	60,520	63,262	
Total Expenditure	8,610,360	10,179,103	10,645,288	11,718,170	12,065,941	13,370,989	14,719,464	16,304,664	
Surplus/(Deficit)	888,586	(82,774)	255,823	218,889	33,504	(439,371)	(573,046)	(943,867)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,200,331	1,222,332	633,075	944,113	658,005	711,076	674,881	696,085	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	214,595	40,406	103,802	31,000	32,097	40,000			
Transfers and subsidies - capital (in-kind - all)			-						
Surplus/(Deficit) after capital transfers & contributions	2,303,511	1,179,964	992,701	1,194,002	723,606	311,705	101,834	(247,782)	
Taxation									
Surplus/(Deficit) after taxation	2,303,511	1,179,964	992,701	1,194,002	723,606	311,705	101,834	(247,782)	
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	2,303,511	1,179,964	992,701	1,194,002	723,606	311,705	101,834	(247,782)	
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	2,303,511	1,179,964	992,701	1,194,002	723,606	311,705	101,834	(247,782)	

Kindly take note of the following:

The Surplus (Deficit) as reflected in Table A4 above contains a portion of the Fuel Levy allocation under "Revenue: Transfers and Subsidies" that is committed to fund the capital budget via Internally Generated Funds. The full Fuel Levy must be recognised in the Operating Revenue in terms of the GRAP Framework. It is therefore prudent to reflect the **actual surplus (deficit)** for the Operating Budget for proper understanding and disclosure purposes as reflected in the following table: -

Description	2021/22	2022/23	2023/24
	R'000	R'000	R'000
Surplus (Deficit)	(439,371)	(573,046)	(943,867)
Fuel Levy (funding the capital budget via internal generated funds)	344,197	337,230	304,430
Actual operating surplus / (deficit)	(783,568)	(910,276)	(1,248,297)

TABLE 33 (TABLE A5 – BUDGET CAPITAL EXPENDITURE – STANDARD CLASSIFICATION)

Vote Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand								
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Budget & Treasury	2,292	1,258	116	13,000	3,350	2,742	24,511	5,974
Vote 2 - Public Health	69,601	74,871	18,118	16,700	17,890	6,800	12,700	11,950
Vote 3 - Human Settlements	220,708	179,276	42,245	151,155	51,150	91,195	79,847	114,087
Vote 4 - Economic Development, Tourism & Agriculture	-	483	10,361	30,435	13,043	22,109	26,087	30,435
Vote 5 - Corporate Services	36,395	11,405	15,853	15,820	11,276	15,400	4,200	8,500
Vote 6 - Infrastructure & Engineering Unit - Rate & General	418,222	442,667	210,498	422,786	245,809	295,632	261,437	295,376
Vote 7 - Metro Water Service	205,549	324,487	188,570	305,050	455,200	344,210	226,040	96,500
Vote 8 - Sanitation - Metro	244,046	215,196	132,692	172,370	106,970	121,279	188,000	99,000
Vote 9 - Electricity & Energy	287,993	239,137	121,306	163,383	159,725	198,732	154,731	91,417
Vote 10 - Executive & Council	6,419	3,654	0	9,114	-	-	-	-
Vote 11 - Safety & Security	2,529	1,373	243	1,000	1,000	4,200	8,800	14,300
Vote 12 - Mandela Bay Stadium	-	1,389	-	9,000	-	-	-	-
Vote 13 - Special Projects and Programmes	6,662	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	19,307	38,284	10,914	32,000	28,900	31,200	64,500	43,500
Capital multi-year expenditure sub-total	1,519,724	1,533,481	750,916	1,341,813	1,094,313	1,133,498	1,050,853	811,040
Single-year expenditure to be appropriated								
Vote 1 - Budget & Treasury	1,864	1,133	720	4,180	3,130	2,650	1,800	1,300
Vote 2 - Public Health	18,225	11,971	33,682	26,900	26,967	27,558	28,200	22,700
Vote 3 - Human Settlements	-	-	-	75,000	-	66,849	69,240	35,000
Vote 4 - Economic Development, Tourism & Agriculture	1,000	-	-	-	5,000	900	-	-
Vote 5 - Corporate Services	5,051	6,512	2,741	13,780	13,189	18,355	13,200	11,100
Vote 6 - Infrastructure & Engineering Unit - Rate & General	41,069	32,353	10,549	73,254	71,903	79,150	114,146	115,650
Vote 7 - Metro Water Service	4,605	20,624	15,660	19,000	6,750	17,500	24,750	18,350
Vote 8 - Sanitation - Metro	12,259	1,944	1,207	9,000	3,000	12,450	3,750	3,750
Vote 9 - Electricity & Energy	26,098	43,564	4,183	14,582	13,782	10,150	15,726	2,500
Vote 10 - Executive & Council	-	-	-	-	-	-	-	-

Vote Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Vote 11 - Safety & Security	13,107	12,514	17,203	15,839	8,339	34,800	20,400	11,700
Vote 12 - Mandela Bay Stadium	-	-	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	1,495	649	739	18,500	21,527	3,700	1,000	500
Capital single-year expenditure sub-total	124,775	131,264	86,682	270,034	173,588	274,062	292,211	222,550
Total Capital Expenditure - Vote	1,644,499	1,664,745	837,598	1,611,847	1,267,901	1,407,559	1,343,064	1,033,590
Capital Expenditure - Functional								
Governance and administration	80,257	63,105	47,484	120,537	107,174	106,318	97,441	71,024
Executive and council				-	-	-	-	-
Finance and administration	80,257	63,105	47,484	120,537	107,174	106,318	97,441	71,024
Internal audit				-	-	-	-	-
Community and public safety	97,937	153,565	53,690	180,000	85,115	136,765	186,340	122,200
Community and social services	17,702	39,596	17,262	39,550	29,650	27,325	65,200	44,500
Sport and recreation	56,050	105,854	34,648	54,600	34,395	30,100	27,700	22,700
Public safety	23,294	7,853	1,580	10,050	20,270	10,665	22,700	18,500
Housing	-	-	-	75,000	-	66,849	69,240	35,000
Health	891	262	201	800	800	1,825	1,500	1,500
Economic and environmental services	546,616	500,522	230,210	517,420	269,702	362,176	330,928	404,957
Planning and development	1,000			-	-	-	-	-
Road transport	542,693	499,377	230,210	517,420	269,702	362,176	330,928	404,957
Environmental protection	2,923	1,146		-	-	-	-	-
Trading services	919,689	947,070	506,214	793,889	805,910	800,301	728,356	435,408
Energy sources	315,127	278,867	124,356	172,964	166,007	204,082	168,526	94,217
Water management	279,248	364,855	207,819	343,150	478,350	375,165	260,274	134,995
Waste water management	309,446	292,780	165,444	269,575	153,353	221,054	297,555	204,196
Waste management	15,868	10,568	8,596	8,200	8,200	-	2,000	2,000
Other		483				2,000		
Total Capital Expenditure - Functional	1,644,499	1,664,745	837,598	1,611,847	1,267,901	1,407,559	1,343,064	1,033,590
Funded by:								
National Government	1,200,331		633,075	944,113	658,005	711,076	676,381	696,085
Provincial Government	-		-	-	-			
District Municipality			-	-	-			
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	214,595		103,802	31,000,000	32,097	40,000		
Transfers recognised - capital	1,414,925		736,878	975,113	690,102	751,076	676,381	696,085
	-							
Borrowing				214,415	214,415	254,245	281,943	-
Internally generated funds	229,574		100,720	422,319	363,384	402,239	384,741	337,504
Total Capital Funding	1,644,499		837,598	1,611,847	1,267,901	1,407,559	1,343,064	1,033,590

TABLE 34 (TABLE A6 – BUDGET FINANCIAL POSITION)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
ASSETS								
Current assets								
Cash	198,193	189,601	908,059	200,000	200,000	200,000	200,000	200,000
Call investment deposits	2,374,802	3,012,612	2,312,316	2,379,898	3,026,601	2,835,822	2,716,757	2,188,003
Consumer debtors	1,698,627	1,876,235	2,302,157	2,285,500	2,468,340	2,616,440	2,786,509	2,967,632
Other debtors	448,678	401,069	1,090,563	426,122	426,122	450,158	472,666	496,299
Current portion of long-term receivables								
Inventory	162,276	132,843	154,015	146,638	163,413	173,218	183,611	194,524
Total current assets	4,882,575	5,612,362	6,767,110	5,438,158	6,284,476	6,275,638	6,359,543	6,046,458
Non-current assets								
Long-term receivables	77,605	90,197	53,144	118,248	57,395	60,265	63,278	66,442
Investments								
Investment property	220,380	216,826	165,088	205,385	159,363	151,328	142,811	133,783
Investment in Associate								
Property, plant and equipment	16,689,865	17,580,217	17,489,012	19,393,579	18,063,491	18,481,282	18,757,449	18,646,712
Biological								
Intangible	442,600	368,593	160,899	296,542	120,359	79,881	54,717	41,459
Other non-current assets								

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Total non-current assets	17,430,449	18,255,833	17,868,142	20,013,753	18,400,609	18,772,757	19,018,256	18,888,396
TOTAL ASSETS	22,313,024	23,868,194	24,635,253	25,451,911	24,685,085	25,048,395	25,377,798	24,934,854
LIABILITIES								
Current liabilities								
Bank overdraft								
Borrowing	79,760	89,659	99,143	156,291	156,291	192,847	192,379	213,799
Consumer deposits	148,632	153,374	156,387	163,347	163,347	168,247	173,294	178,493
Trade and other payables	2,431,781	2,604,253	2,733,946	2,598,507	2,598,507	2,729,534	2,867,318	3,011,742
Provisions	197,650	176,046	180,665	337,175	200,313	212,332	225,072	238,576
Total current liabilities	2,857,824	3,023,331	3,170,140	3,255,319	3,118,458	3,302,960	3,458,064	3,642,610
Non-current liabilities								
Borrowing	1,208,011	1,116,777	1,016,372	1,001,082	1,001,082	1,277,416	1,085,037	871,238
Provisions	2,196,811	2,520,730	2,252,435	3,018,443	2,477,678	2,626,339	2,783,919	2,950,954
Total non-current liabilities	3,404,823	3,637,507	3,268,806	4,019,526	3,478,761	3,903,755	3,868,956	3,822,193
TOTAL LIABILITIES	6,262,646	6,660,837	6,438,947	7,274,845	6,597,218	7,206,715	7,327,020	7,464,803
NET ASSETS	16,050,378	17,207,357	18,196,306	18,177,066	18,087,867	17,841,680	18,050,779	17,470,052
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)	15,601,988	17,060,987	17,836,831	17,306,043	17,216,844	16,956,575	17,151,266	16,555,778
Reserves	448,391	146,370	359,475	871,023	871,023	885,105	899,513	914,274
TOTAL COMMUNITY WEALTH/EQUITY	16,050,378	17,207,357	18,196,306	18,177,066	18,087,867	17,841,680	18,050,779	17,470,052

TABLE 35 (TABLE A7 – BUDGETED CASH FLOWS)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	1,763,236	1,890,149	1,856,282	2,187,808	2,115,041	2,241,943	2,415,760	2,602,700
Service charges	4,797,236	5,058,137	4,655,133	5,628,639	5,286,048	5,890,739	6,660,748	7,541,253
Other revenue	94,675	(16,183)	295,220	256,578	221,120	227,926	243,701	267,928
Transfers and Subsidies - Operational	1,143,338	1,461,801	1,655,909	2,080,628	2,394,027	2,326,766	2,529,682	2,572,264
Transfers and Subsidies - Capital	1,880,409	1,848,512	681,414	1,091,048	773,821	839,740	758,593	775,562
Interest	153,156	206,374	231,784	159,511	159,511	490,947	517,158	545,314
Dividends	123	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(6,785,700)	(7,764,330)	(8,154,878)	(9,592,144)	(9,664,400)	(10,561,324)	(11,769,105)	(13,220,629)
Finance charges	(146,735)	(142,492)	(127,996)	(123,515)	(128,874)	(124,356)	(127,878)	(128,346)
Transfers and Grants	(127,394)	(149,225)	(150,786)	(154,475)	(214,047)	(152,767)	(152,844)	(174,350)
NET CASH FROM/(USED) OPERATING ACTIVITIES	2,772,345	2,392,742	942,081	1,534,078	942,248	1,179,614	1,075,814	781,695
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE							-	-
Decrease (increase) in non-current receivables				(14,522)	60,852	2,870	3,013	3,164
Decrease (increase) in non-current investments						-	-	-
Payments								
Capital assets	(1,683,141)	(1,684,095)	(833,474)	(1,608,624)	(1,068,305)	(1,436,040)	(1,292,035)	(1,126,432)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,683,141)	(1,684,095)	(833,474)	(1,623,146)	(1,007,452)	(1,433,170)	(1,289,021)	(1,123,268)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans							-	-
Borrowing long term/refinancing				214,415	214,415	254,245	281,943	-
Increase (decrease) in consumer deposits				5,065	5,065	4,900	5,047	5,199
Payments								
Repayment of borrowing	(86,407)	(79,760)	(89,659)	(148,049)	(148,049)	(196,369)	(192,847)	(192,379)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(86,407)	(79,760)	(89,659)	71,430	71,430	62,776	94,143	(187,180)
NET INCREASE/ (DECREASE) IN CASH HELD	1,002,796	628,887	18,948	(17,637)	6,226	(190,780)	(119,065)	(528,754)
Cash/cash equivalents at the year begin:	1,567,331	2,570,128	3,199,015	2,597,535	3,220,375	3,226,601	3,035,822	2,916,757
Cash/cash equivalents at the year-end:	2,570,128	3,199,015	3,217,963	2,579,898	3,226,601	3,035,822	2,916,757	2,388,003

TABLE 36 (TABLE A8 – CASH BACKED RESERVES)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Cash and investments available								
Cash/cash equivalents at the year end	2,570,128	3,199,015	3,217,963	2,579,898	3,226,601	3,035,822	2,916,757	2,388,003
Other current investments > 90 days	2,867	3,198	2,412	(0)	(0)	-	-	-
Non-current assets - Investments	-	-	-	-	-	-	-	-
Cash and investments available:	2,572,995	3,202,213	3,220,375	2,579,898	3,226,601	3,035,822	2,916,757	2,388,003
Application of cash and investments								
Unspent conditional transfers	153,239	295,262	729,406	54,276	54,276	28,841	28,841	28,841
Unspent borrowing	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-
Other working capital requirements	386,039	200,287	(816,058)	131,815	131,195	126,061	64,476	(5,383)
Other provisions	586,580	654,784	612,442	787,690	787,690	715,784	758,731	804,255
Long term investments committed	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	448,391	146,370	820,658	871,023	871,023	885,105	899,513	914,274
Total Application of cash and investments:	1,574,249	1,296,702	1,346,449	1,844,804	1,844,184	1,755,790	1,751,562	1,741,987
Surplus(shortfall)	998,746	1,905,511	1,873,926	735,094	1,382,417	1,280,031	1,165,195	646,016

TABLE 37 (TABLE A9 – ASSET MANAGEMENT)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
CAPITAL EXPENDITURE								
Total New Assets	668,245	723,173	316,581	820,471	640,596	793,276	703,694	657,427
<i>Roads Infrastructure</i>	261,897	227,732	139,881	254,689	120,968	188,369	132,946	176,622
<i>Storm water Infrastructure</i>	26,962	23,450	4,076	23,450	4,411	15,867	12,325	16,786
<i>Electrical Infrastructure</i>	44,763	33,095	37,000	36,618	66,618	87,799	71,093	46,839
<i>Water Supply Infrastructure</i>	111,946	179,155	77,293	163,220	269,050	244,705	111,734	72,995
<i>Sanitation Infrastructure</i>	42,072	27,598	7,256	38,255	18,950	32,537	56,730	74,910
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	302	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	12,046	6,500	3,000	2,500	3,000	6,000
Infrastructure	487,942	491,031	277,552	522,733	482,997	571,777	387,827	394,152
Community Facilities	14,515	51,055	3,610	55,332	37,937	21,025	41,500	33,300
Sport and Recreation Facilities	7,787	8,367	-	12,500	16,009	-	-	-
Community Assets	22,302	59,422	3,610	67,832	53,947	21,025	41,500	33,300
Heritage Assets	-	-	-	-	-	25	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	31,189	23,102	1,845	31,596	6,543	10,887	31,458	39,174
Housing	-	-	-	-	-	-	-	-
Other Assets	31,189	23,102	1,845	31,596	6,543	10,887	31,458	39,174
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	16,006	47,253	1,615	25,318	11,867	2,979	11,500	8,100
Intangible Assets	16,006	47,253	1,615	25,318	11,867	2,979	11,500	8,100
Computer Equipment	11,106	8,753	3,970	6,580	6,410	7,200	10,900	8,900
Furniture and Office Equipment	954	1,131	895	4,930	3,230	2,150	3,600	3,500
Machinery and Equipment	65,684	74,484	13,437	42,143	36,815	52,918	43,873	36,500
Transport Assets	33,064	17,998	13,280	42,839	37,287	55,967	103,796	98,800
Land	-	-	377	76,500	1,500	68,349	69,240	35,000
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	332,132	275,425	124,055	288,080	281,130	265,046	266,732	145,930
<i>Roads Infrastructure</i>	63,691	67,273	16,194	53,500	50,700	53,700	49,700	50,200
<i>Storm water Infrastructure</i>	4,508	4,594	4,920	10,500	7,700	8,000	10,000	10,000
<i>Electrical Infrastructure</i>	157,409	77,368	7,130	52,100	51,900	59,796	41,532	38,430
<i>Water Supply Infrastructure</i>	76,510	67,509	91,541	155,380	140,550	103,000	109,000	10,000
<i>Sanitation Infrastructure</i>	27,626	52,250	3,719	13,500	26,380	34,550	34,500	30,000
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-
Infrastructure	329,744	268,994	123,504	284,980	277,230	259,046	244,732	138,630
Community Facilities	1,565	4,057	243	700	1,800	2,000	14,500	3,300
Sport and Recreation Facilities	823	1,969	-	200	700	2,000	4,000	2,000
Community Assets	2,388	6,027	243	900	2,500	4,000	18,500	5,300
Heritage Assets	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	-	405	309	2,200	1,400	2,000	1,500	2,000
Housing	-	-	-	-	-	-	-	-
Other Assets	-	405	309	2,200	1,400	2,000	1,500	2,000
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	2,000	-
Transport Assets	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	644,122	662,572	396,962	503,296	346,175	349,237	372,638	230,233
<i>Roads Infrastructure</i>	213,100	190,655	70,962	174,935	93,686	88,207	59,087	64,435
<i>Storm water Infrastructure</i>	43,217	27,828	18,795	31,000	15,600	44,000	58,500	34,500
<i>Electrical Infrastructure</i>	80,779	114,868	77,951	64,472	29,214	42,195	34,911	3,648
<i>Water Supply Infrastructure</i>	57,161	72,130	36,240	63,550	68,250	25,710	39,540	48,000
<i>Sanitation Infrastructure</i>	164,438	155,305	125,474	103,870	76,240	81,900	120,500	33,000
<i>Solid Waste Infrastructure</i>	6,382	6,779	8,596	2,500	7,800	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	2,284	2,839	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	1,870	1,250	1,250	1,250	3,000	3,000
Infrastructure	567,362	570,404	339,887	441,576	292,040	283,261	315,538	186,583
Community Facilities	59,713	57,490	43,323	27,370	25,120	31,515	46,800	31,750
Sport and Recreation Facilities	4,615	14,012	5,950	15,700	10,000	9,800	3,600	1,600
Community Assets	64,328	71,502	49,273	43,070	35,120	41,315	50,400	33,350
Heritage Assets	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	5,280	10,849	7,518	15,650	16,965	23,660	5,700	8,800
Housing	132	4	-	-	-	-	-	-
Other Assets	5,412	10,853	7,518	15,650	16,965	23,660	5,700	8,800
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	3,085	7,056	(35)	2,000	1,050	-	-	-
Intangible Assets	3,085	7,056	(35)	2,000	1,050	-	-	-
Computer Equipment	1,989	1,407	319	1,000	1,000	1,000	1,000	1,500
Furniture and Office Equipment	-	-	-	-	-	-	-	-
Machinery and Equipment	1,946	1,350	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Total Capital Expenditure	1,644,499	1,661,170	837,598	1,611,847	1,267,901	1,407,559	1,343,064	1,033,590
<i>Roads Infrastructure</i>	538,688	485,660	227,037	483,124	265,354	330,276	241,733	291,257
<i>Storm water Infrastructure</i>	74,688	55,872	27,791	64,950	27,711	67,867	80,825	61,286
<i>Electrical Infrastructure</i>	282,951	225,332	122,081	153,190	147,732	189,789	147,536	88,917
<i>Water Supply Infrastructure</i>	245,617	318,794	205,074	382,150	477,850	373,415	260,274	130,995
<i>Sanitation Infrastructure</i>	234,136	235,154	136,449	155,625	121,570	148,987	211,730	137,910
<i>Solid Waste Infrastructure</i>	6,382	6,779	8,596	2,500	7,800	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	2,586	2,839	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	13,915	7,750	4,250	3,750	6,000	9,000
Infrastructure	1,385,047	1,330,428	740,943	1,249,289	1,052,267	1,114,084	948,098	719,365
Community Facilities	75,793	112,602	47,175	83,402	64,857	54,540	102,800	68,350

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget
Sport and Recreation Facilities	13,224	24,348	5,950	28,400	26,709	11,800	7,600	3,600
Community Assets	89,018	136,951	53,125	111,802	91,567	66,340	110,400	71,950
Heritage Assets	-	-	-	-	-	25	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	36,468	34,356	9,672	49,446	24,908	36,547	38,658	49,974
Housing	132	4	-	-	-	-	-	-
Other Assets	36,601	34,360	9,672	49,446	24,908	36,547	38,658	49,974
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	19,090	54,309	1,580	27,318	12,917	2,979	11,500	8,100
Intangible Assets	19,090	54,309	1,580	27,318	12,917	2,979	11,500	8,100
Computer Equipment	13,095	10,160	4,289	7,580	7,410	8,200	11,900	10,400
Furniture and Office Equipment	954	1,131	895	4,930	3,230	2,150	3,600	3,500
Machinery and Equipment	67,630	75,833	13,437	42,143	36,815	52,918	45,873	36,500
Transport Assets	33,064	17,998	13,280	42,839	37,287	55,967	103,796	98,800
Land	-	-	377	76,500	1,500	68,349	69,240	35,000
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	1,644,499	1,661,170	837,598	1,611,847	1,267,901	1,407,559	1,343,064	1,033,590
ASSET REGISTER SUMMARY - PPE (WDV)	17,352,845	18,165,636	17,814,999	19,895,505	18,343,213	18,712,492	18,954,977	18,821,954
Roads Infrastructure	4,483,257	4,221,945	4,335,803	4,926,571	4,398,024	4,411,588	4,318,205	4,246,134
Storm water Infrastructure	-	556,362	541,700	615,509	554,074	600,412	658,416	695,512
Electrical Infrastructure	2,147,794	2,248,872	2,247,861	2,385,225	2,314,888	2,391,392	2,418,846	2,380,476
Water Supply Infrastructure	2,821,548	2,880,802	3,099,063	3,690,841	3,503,661	3,764,254	3,895,537	3,871,001
Sanitation Infrastructure	1,824,793	2,009,829	1,948,905	2,153,496	2,012,496	2,080,100	2,205,564	2,252,032
Solid Waste Infrastructure	338,566	323,026	303,714	390,602	301,596	287,675	272,919	257,277
Rail Infrastructure	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	3,000	69,800	56,919	69,800	69,800	69,800	69,800
Information and Communication Infrastructure	5,476	2,000	1,997	28,905	6,247	9,997	15,997	24,997
Infrastructure	11,621,434	12,245,836	12,548,842	14,248,067	13,160,786	13,615,217	13,855,283	13,797,229
Community Assets	2,541,910	2,699,959	2,512,418	2,484,199	2,455,792	2,314,117	2,204,020	2,042,244
Heritage Assets	229,450	217,158	211,064	216,706	211,064	211,089	211,089	211,089
Investment properties	220,380	216,826	165,088	205,385	159,363	151,328	142,811	133,783
Other Assets	850,432	759,721	797,494	732,182	791,296	784,181	776,558	777,474
Biological or Cultivated Assets	37,474	40,746	-	-	-	-	-	-
Intangible Assets	442,600	368,593	160,899	296,542	120,359	79,881	54,717	41,459
Computer Equipment	53,964	97,081	69,367	32,743	55,576	44,017	34,372	31,335
Furniture and Office Equipment	37,474	26,442	36,192	35,808	31,086	21,536	12,734	3,088
Machinery and Equipment	-	162,870	47,210	85,103	79,330	125,659	164,548	193,644
Transport Assets	245,572	203,520	149,194	268,944	159,828	178,384	242,524	299,288
Land	1,109,629	1,167,629	1,117,231	1,289,828	1,118,731	1,187,081	1,256,320	1,291,320
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	17,352,845	18,165,636	17,814,999	19,895,505	18,343,213	18,712,492	18,954,977	18,821,954
EXPENDITURE OTHER ITEMS	618,789	1,389,115	1,452,168	1,217,299	1,226,980	1,540,649	1,632,893	1,731,881
Depreciation	279,376	972,493	1,173,442	739,686	739,686	1,038,281	1,100,578	1,166,613
Repairs and Maintenance by Asset Class	339,413	416,622	278,726	477,613	487,294	502,368	532,315	565,267
Roads Infrastructure	20,727	35,201	23,125	33,476	65,448	40,523	42,556	44,691
Storm water Infrastructure	17,829	38,049	10,671	17,347	17,347	12,248	12,709	13,188
Electrical Infrastructure	25,366	34,149	4	47,478	45,686	52,945	53,088	56,273
Water Supply Infrastructure	138,815	41,535	64,820	67,927	95,557	96,787	103,196	110,395
Sanitation Infrastructure	48,598	60,059	40,050	72,303	68,283	70,050	73,335	78,209
Solid Waste Infrastructure	-	-	-	-	-	-	-	-
Rail Infrastructure	1,186	-	47	3,187	2,187	2,190	2,299	2,414
Coastal Infrastructure	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	259	-	370	370	-	-	-
Infrastructure	252,521	209,254	138,718	242,089	294,878	274,742	287,183	305,171
Community Facilities	12,659	10,596	8,158	14,390	15,270	20,491	28,822	26,354
Sport and Recreation Facilities	8,284	7,216	3,741	7,764	14,039	7,234	7,565	8,236
Community Assets	20,944	17,812	11,899	22,155	29,309	27,725	36,387	34,591
Heritage Assets	477	748	119	961	911	1,016	1,074	1,145
Revenue Generating	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Operational Buildings	13,231	45,459	10,743	33,736	33,704	53,714	54,656	60,735
Housing	597	-	1,693	3,021	4,621	2,535	2,690	2,856

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22
R thousand									
Other Assets	13,828	45,459	12,437	36,757	38,325	56,249	57,346	63,591	
Biological or Cultivated Assets									
Servitudes									
Licences and Rights	2,885	3,339	3,134	4,798	4,798	4,939	5,265	5,604	
Intangible Assets	2,885	3,339	3,134	4,798	4,798	4,939	5,265	5,604	
Computer Equipment	2,989	6,244	3,549	7,864	7,156	7,453	8,014	8,569	
Furniture and Office Equipment	727	522	414	3,661	3,439	3,532	3,813	4,134	
Machinery and Equipment	15,816	96,405	74,921	118,484	69,288	84,702	89,695	97,394	
Transport Assets	29,225	36,838	33,534	40,844	39,190	42,011	43,537	45,069	
Land									
Zoo's, Marine and Non-biological Animals									
TOTAL EXPENDITURE OTHER ITEMS	618,789	1,389,115	1,452,168	1,217,299	1,226,980	1,540,649	1,632,893	1,731,881	
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	59.4%	56.5%	62.2%	49.1%	49.5%	43.6%	47.6%	36.4%	
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	349.4%	96.5%	44.4%	107.0%	84.8%	59.2%	58.1%	32.2%	
<i>R&M as a % of PPE</i>	2.0%	2.4%	1.6%	2.5%	2.7%	2.7%	2.8%	3.0%	
<i>Renewal and upgrading and R&M as a % of PPE</i>	8.0%	7.0%	4.0%	6.0%	6.0%	6.0%	6.0%	5.0%	

TABLE 38 (TABLE A10 – BASIC SERVICE DELIVERY MEASUREMENT)

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget
Household service targets								
<u>Water:</u>								
Piped water inside dwelling	685,818			366,108	366,108			
Piped water inside yard (but not in dwelling)								
Using public tap (at least min.service level)	70,430			40,000	40,000			
Other water supply (at least min.service level)								
<i>Minimum Service Level and Above sub-total</i>	756,248			406,108	406,108			
Using public tap (< min.service level)								
Other water supply (< min.service level)								
No water supply								
<i>Below Minimum Service Level sub-total</i>								
Total number of households	756,248			406,108	406,108			
<u>Sanitation/sewerage:</u>								
Flush toilet (connected to sewerage)	677,936			362,306	362,306			
Flush toilet (with septic tank)	7,136			3,802	3,802			
Chemical toilet	432			1,700	1,700			
Pit toilet (ventilated)	316			167	167			
Other toilet provisions (> min.service level)								
<i>Minimum Service Level and Above sub-total</i>	685,820			367,975	367,975			
Bucket toilet	47,516			5,000	5,000			
Other toilet provisions (< min.service level)								
No toilet provisions								
<i>Below Minimum Service Level sub-total</i>	47,516			5,000	5,000			
Total number of households	733,336			372,975	372,975			
<u>Energy:</u>								
Electricity (at least min.service level)	44,124			22,852	22,852			
Electricity - prepaid (min.service level)	480,618			293,651	293,651			
<i>Minimum Service Level and Above sub-total</i>	524,742			316,503	316,503			
Electricity (< min.service level)								
Electricity - prepaid (< min. service level)								
Other energy sources								
<i>Below Minimum Service Level sub-total</i>								
Total number of households	524,742			316,503	316,503			
<u>Refuse:</u>								
Removed at least once a week	604,820	302,410		548,388	548,388			
<i>Minimum Service Level and Above sub-total</i>	604,820	302,410		548,388	548,388			
Removed less frequently than once a week	604,820	302,410		302,410	302,410			
Using communal refuse dump	82,536	41,268		53,368	53,368			
Using own refuse dump	31,530	15,765		15,765	15,765			
Other rubbish disposal	13,704	6,852		13,704	13,704			

Description	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
No rubbish disposal	1,706	853	-	6,584	6,584	-	-	-
<i>Below Minimum Service Level sub-total</i>	734,296	367,148	-	391,831	391,831	-	-	-
Total number of households	1,339,116	669,558	-	940,219	940,219	-	-	-
Households receiving Free Basic Service								
Water (6 kilolitres per household per month)	99,597	-	-	71,873	71,873	68,266	68,266	68,266
Sanitation (free minimum level service)	100,753	-	-	72,198	72,198	69,251	69,251	69,251
Electricity/other energy (50kwh per household per month)	-	-	-	62,463	62,463	53,921	53,921	53,921
Refuse (removed at least once a week)	94,903	-	-	63,043	63,043	59,352	59,352	59,352
Cost of Free Basic Services provided - Formal Settlements (R'000)								
Water (6 kilolitres per indigent household per month)	107,898	102,194	76,019	119,092	146,787	172,500	184,575	198,418
Sanitation (free sanitation service to indigent households)	210,763	196,031	153,437	145,951	171,245	170,000	181,900	195,543
Electricity/other energy (50kwh per indigent household per month)	37,894	333	30,517	36,696	42,370	37,240	40,612	44,295
Refuse (removed once a week for indigent households)	114,183	111,548	82,657	135,097	135,097	143,879	153,950	165,496
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)								
Total cost of FBS provided	470,737	410,106	342,630	436,836	495,500	523,619	561,038	603,752
Highest level of free service provided per household								
Property rates (R value threshold)		15,000						
Water (kilolitres per household per month)								
Sanitation (kilolitres per household per month)								
Sanitation (Rand per household per month)		152						
Electricity (kwh per household per month)								
Refuse (average litres per week)		240						
Revenue cost of subsidised services provided (R'000)								
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)								
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	112,048	149,380	130,435	129,054	147,360	51,049	55,052	59,647
Water (in excess of 6 kilolitres per indigent household per month)	53,949	50,335	37,442	59,133	72,885	57,500	61,525	66,139
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	18,947	164	15,031	18,348	21,185	18,620	20,306	22,148
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates								
Housing - top structure subsidies								
Other								
Total revenue cost of subsidised services provided	184,944	199,878	182,907	206,535	241,430	127,169	136,884	147,934

1.10 CONSOLIDATED BUDGET SUPPORTING TABLES

The relevant supporting Tables are attached to the budget report.

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

The 2021/22 Budget process was incorporated in the Multi-Year timetable that was approved by Council around August 2018 incorporating other plans, such as IDP/ BEPP, etc. and as such has informed the process of guiding the preparation of the 2021/22 to 2023/24 Operating and Capital Budgets.

The Multi-Year timetable prepared in conjunction with the Office of the Chief Operating Officer (COO) provides broad timeframes for the IDP, BEPP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments (e.g. National / Provincial Treasuries), business and labour, during the period April to May 2021. The main aim of the timetable is to ensure that a revised IDP and a balanced Budget are tabled to Council on or before end March 2021 for noting and on or before end May 2021 for approval.

After the approval, the approved budget will be submitted to National Treasury in compliance with Chapter 4 of the Municipal Finance Management Act, Act No.56 of 2003, as well as being publicised on the municipality's website.

2.1.1 IDP & Budget Timetable 2021/22 to 2023/24

The preparation of the 2021/22 to 2023/24 IDP and Budget was guided by the following Multi-Year Time Schedule of key deadlines.

2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP, in accordance with the Municipal Systems Act (32 of 2000), was guided and informed by the following principles:

- Achievement of the five strategic priorities of the NMBM.
- Aligning the Six Pillars as identified by Political Leadership to the IDP and Budget.
- Focusing on service delivery backlogs and the maintenance of infrastructure.
- Addressing community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2021/22 to 2023/24 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- Municipal transformation and development
- Service delivery and infrastructure development
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The abovementioned strategic focus areas including the six pillars as determined by the leadership informed the preparation of the Budget.

Below is a table, which illustrates the link between the Budget and the IDP.

TABLE 39: BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES

Description	Institutional and Capacity Development	Integrated Service Delivery to a Well Structured City	Inclusive Economic Development and Job Creation	Financial Sustainability and Viability	Effective City Governance	Total
	R '000	R '000	R '000	R '000	R '000	R '000
2021/22 Budget						
Capital Expenditure	69,591	1,305,359	70,097	500	0	1,445,548
Operating Expenditure	1,079,225	6,726,723	1,753,741	2,563,160	1,214,128	13,336,977
Total	1,148,816	8,032,082	1,823,838	2,563,660	1,214,128	14,782,524
	7.77%	54.33%	12.34%	17.34%	8.21%	
2022/23 Budget						
Capital Expenditure	90,950	1,210,727	76,977	2,500	2,800	1,383,954
Operating Expenditure	1,185,516	7,422,116	1,926,464	2,815,601	1,333,706	14,683,402
Total	1,276,466	8,632,843	2,003,441	2,818,101	1,336,506	16,067,357
	7.94%	53.73%	12.47%	17.54%	8.32%	
2023/24 Budget						
Capital Expenditure	45,274	945,681	83,795	500	1,700	1,076,950
Operating Expenditure	1,311,261	8,227,192	2,130,800	3,114,246	1,475,169	16,258,667
Total	1,356,535	9,172,873	2,214,595	3,114,746	1,476,869	17,335,618
	7.83%	52.91%	12.77%	17.97%	8.52%	

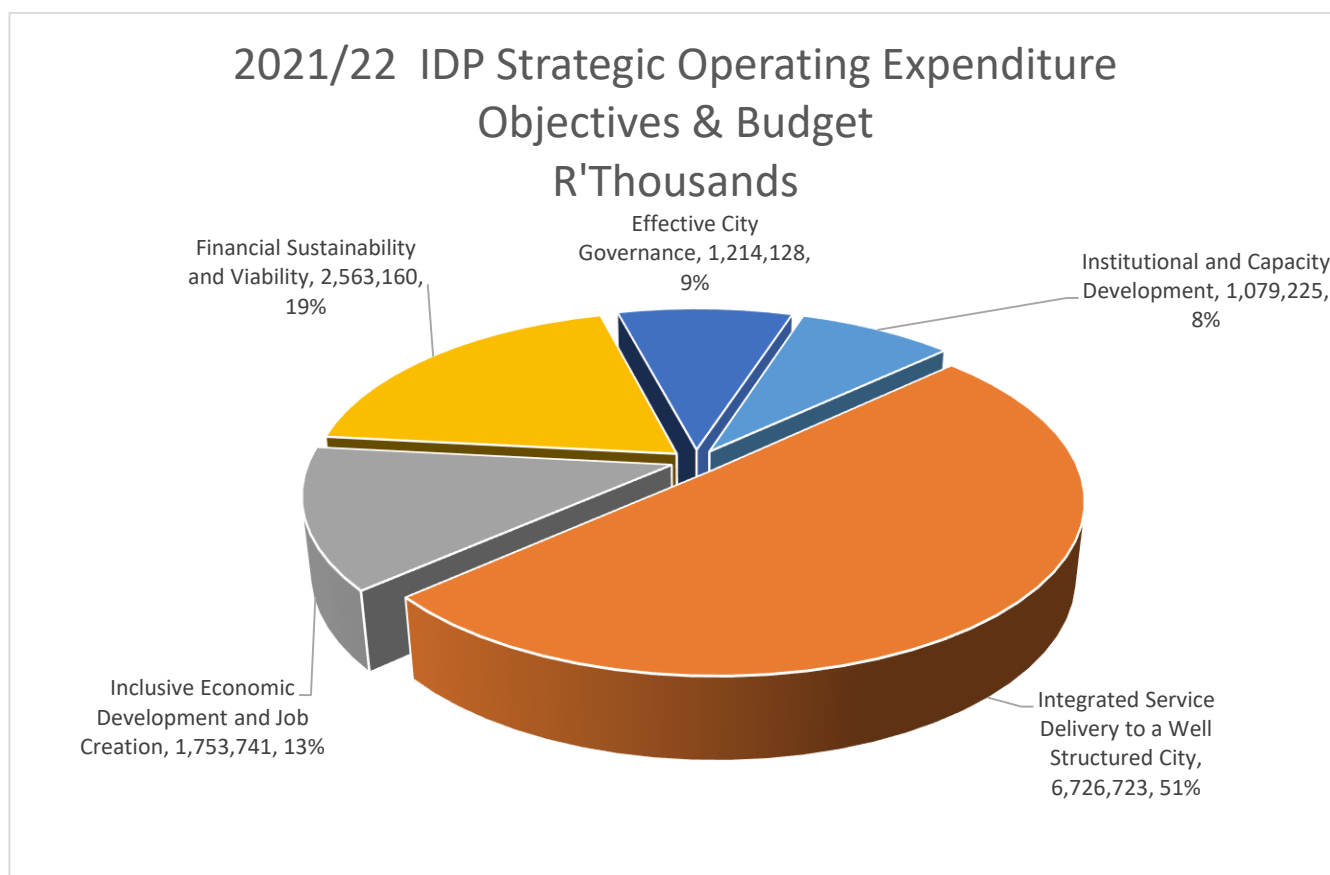


Figure 2: 2021/22 IDP Strategic operating expenditure objectives and budget

2021/22 IDP Strategic Capital Expenditure Objectives & Budget R'Thousands

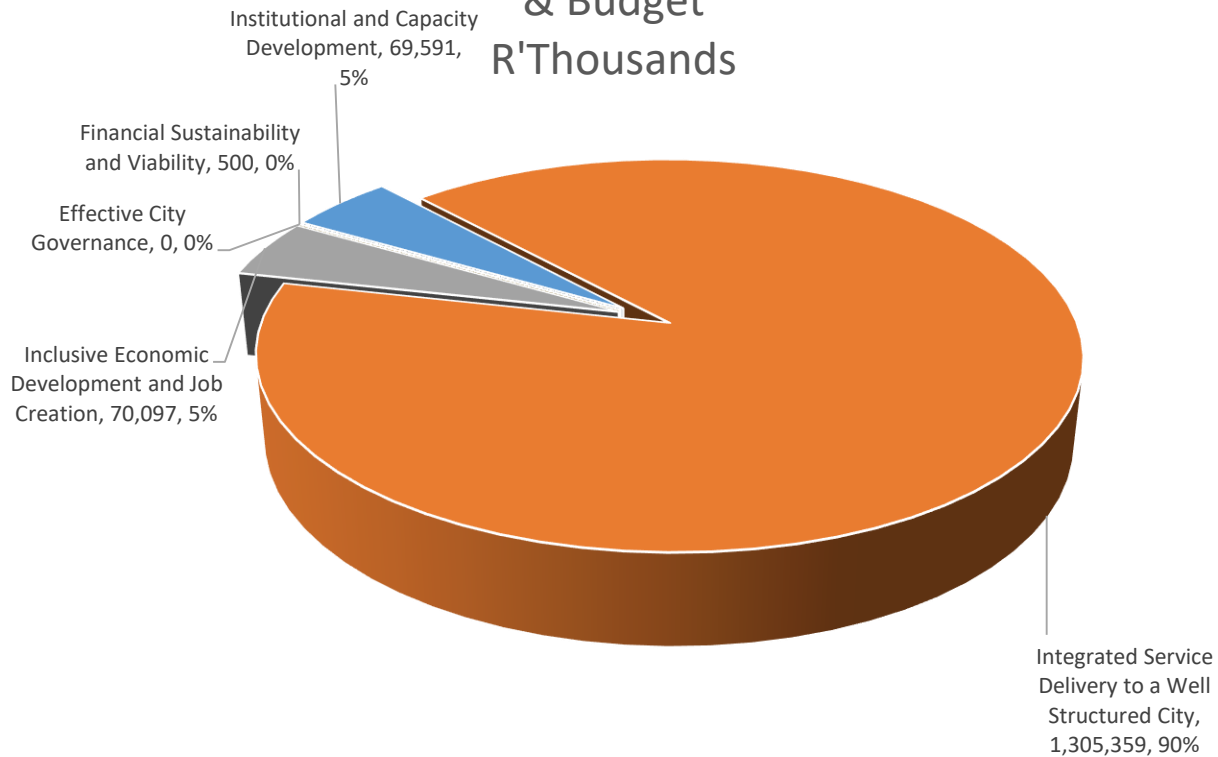


Figure 3: 2021/22 IDP Strategic capital expenditure objectives and budget

2.2.1 Alignment with National and Provincial Priorities

The Municipality's priorities are aligned to those of the National and Provincial Governments.

The matrix below shows the alignment with National and Provincial Government priorities

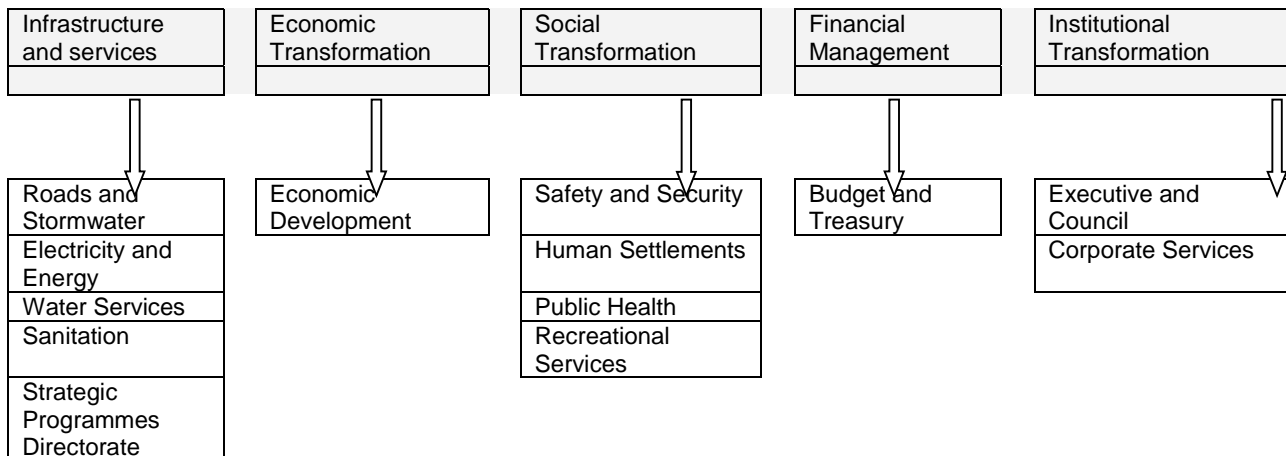


Figure 4: Alignment with National and Provincial Priorities

The above is an indication of NMBM's alignment to the National and Provincial Key Performance Areas and how Directorates are aligned thereto. It should, however, be noted that in terms of implementation all Directorates are focusing on the five areas. In order to monitor and evaluate service delivery and financial performance, key performance indicators are included in all Executive Directors' performance agreements.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

This section contains the key performance indicators.

TABLE 40 (MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS)

Description of financial indicator	Basis of calculation	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Borrowing Management									
Credit Rating		A1.za	Aaa.za	Aaa.za	Aaa.za	Aaa.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.7%	2.2%	2.0%	2.5%	2.3%	2.4%	2.2%	2.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.9%	2.7%	2.4%	3.0%	2.9%	3.0%	2.8%	2.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	32.1%	33.2%	36.6%	39.8%	0.0%
Safety of Capital									
Gearing	Long Term Borrowing/ Funds & Reserves	7.53%	6.49%	5.58%	5.47%	5.48%	7.08%	5.93%	4.93%
Liquidity									
Current Ratio	Current assets/current liabilities	1.7	1.8	2.1	1.7	2.0	1.9	1.8	1.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.8	2.1	1.7	2.0	1.9	1.8	1.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	1.1	1.0	0.8	1.1	0.9	0.9	0.7
Revenue Management									
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		91.3%	94.0%	79.8%	88.0%	85.0%	85.0%	86.0%	87.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.4%	23.7%	31.6%	23.7%	24.4%	24.2%	23.5%	23.0%
Creditors Management									
Creditors to Cash and Investments		69.0%	56.1%	57.9%	71.7%	56.5%	63.6%	69.6%	89.2%
Other Indicators									
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.5%	32.1%	28.5%	31.6%	31.0%	30.3%	29.6%	29.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.2%	32.8%	29.2%	32.3%	31.7%	31.0%	30.3%	30.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.6%	4.1%	2.5%	4.0%	4.0%	3.9%	3.8%	3.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.5%	11.2%	11.9%	7.4%	7.2%	9.0%	8.7%	8.4%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	27.7	25.5	29.1	31.5	31.5	14.7	15.6	17.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	29.8%	31.1%	41.5%	30.5%	33.2%	32.0%	30.8%	29.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.8	4.3	4.2	2.9	3.6	3.1	2.7	2.0

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure may be funded from capital grants, internal sources and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The following financial performance indicators formed part of the compilation of the 2021/22 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing, compared to the total operating expenditure. The cost of borrowing is decreasing from 2.4% in 2021/22 to 2.2% in 2022/23 and then further decreasing to 2.0% in the 2023/24 financial year. The decrease is attributable to the impact of a high increase in the electricity bulk purchase tariff despite the take-on of further tranches of external borrowing in terms of the loan agreement that commenced in the 2020/21 financial year.

2.3.1.2 Liquidity

- The *current ratio* is a measure of the current assets divided by the current liabilities. The Municipality has set a benchmark limit of 1.5. For the 2021/22 MTREF, the current ratio decrease from 1.9:1 in 2021/22 to 1.8:1 in 2022/23. The ratio then further decrease to 1.7:1 in 2023/24.
- *The liquidity ratio* is a measure of the municipality's ability to utilise cash and cash equivalents to meets its current liabilities. A liquidity ratio of 1 should be maintained. For the 2021/22 MTREF, the liquidity ratio remains constant at 0.9:1 for 2021/22 and 2022/23. The ratio then further decrease to 0.7:1 in 2022/23. This represents an indication of short to medium term financial sustainability being put under pressure and that mitigation measures be put in place to address the risk factors being experienced. However, any underperformance or under collection of revenue will result in significant risk for the Municipality. As part of the medium term financial planning objectives, this ratio must be maintained at a minimum of 1.

2.3.2 Drinking Water Quality and Waste Water Management

The Municipality performs the dual roles of a Water Service Authority (WSA) and a Water Service Provider (WSP), in managing the provision of drinking water and the treatment of wastewater.

As consistently reported to the Infrastructure, Electricity and Engineering Portfolio Committee (IEEC) the water supplied to the communities of NMBM is 100% compliant with SANS241.

Similarly, as reported to the IEEC the treated wastewater treated at the various Wastewater Treatment Works on average complies with the required standards.

The detailed reports relating to the above are available for any required scrutiny.

2.3.3 Basic social services package for indigent households

The Constitution stipulates that a municipality must structure and manage its administration, budgeting and planning so as to give priority to the basic needs of the community and to promote their social and economic development. The basic social package is an affirmation of the Municipality's commitment to push back the frontiers of poverty by providing social welfare to those residents who cannot afford to pay, as a result of adverse social and economic conditions.

The Municipality utilises the Equitable Share allocation towards assisting the poor.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, be updated on an annual basis. This process will be concluded as we lead to the final approval of the budget on or before end May 2021. The 2021/22 Draft Property Rates Policy will be considered by Council for approval, where after it will be subjected to public participation.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets. The circulars issued by National Treasury guiding municipalities on budget processes are taken into account.

The municipal fiscal environment is influenced by a variety of macroeconomic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases and the Department of Water & Sanitation Affairs (DWSA) regulates bulk water tariff increases. As alluded to previously the Municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining (SALGA) Council. Various government departments also affect municipal service delivery through the level of grants and subsidies.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- No budget allocations have been made to programmes and projects, unless the respective programme and project plans / procurement plans / cash flows have been submitted by the relevant Acting/Executive Directors.
- An assessment of the relative human resources capacity to implement the Budget.
- No growth in revenue sources has been provided for in view of current consumption trends in municipal services.

The Municipality faced the following significant challenges in preparing the 2021/22 – 2023/24 Budget:

- The COVID19 pandemic and its impact on the municipality's financial resources as evidenced by the declining Collection Rate;
- Reduction of the Operating and Capital budgets, resulting from the declining Collection Rate;
- Inability to budget for a surplus on the Operating Budget;
- Fully implementing cost containment measures and removing non-core expenditure items;
- Maintaining electricity and water losses at acceptable levels;
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of rates and tariff increases;
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure;
- Depleted Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources;
- Maintaining an acceptable cost coverage ratio;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the municipality's declining cash position into account.
- Financial implications of implementing Council resolutions, resulting in a negative impact on property rates increases.

The multi-year budget is therefore underpinned by the following assumptions, as approved by Council:

TABLE 41 (BUDGET ASSUMPTIONS)

The multi-year Budget is underpinned by the following assumptions, however, due to certain factors some of these percentages had to be amended:

Financial targets for the period 2020/21 to 2024/25:

PROJECTED TARIFFS % INCREASES - REVENUE						
Income Category	Approved 2020/21 [Baseline]	2021/2022	2022/2023	2023/2024	2024/ 2025	2025/2026
Fines, Penalties and Forfeits	7.50	7.00	7.00	7.00	7.50	7.80
Interest, Dividend and Rent on Land	6.80	5.50	5.50	6.00	6.00	6.50
Licences or Permits	7.50	7.00	7.00	7.00	7.50	7.80
Operational Revenue	7.50	7.00	7.00	7.00	7.50	7.80
Property Rates	6.00	6.50	8.00	8.50	8.00	8.50
Rental from Fixed Assets	7.50	7.00	7.00	7.50	7.50	7.80
Sales of Goods and Rendering of Services	7.50	7.00	7.00	7.00	7.50	7.80
Electricity	6.22	7.22	7.22	8.22	9.22	9.22
Waste Management	6.00	6.50	7.00	7.50	8.0	8.50
Waste Water Management	6.00	6.50	7.00	7.50	8.0	8.50
Water	6.00	6.50	7.00	7.50	8.0	8.50
Income for Agency Services	7.50	7.50	7.50	8.0	8.0	8.50
Transfers and Subsidies (OPERATIONAL)	5.00	5.00	5.50	6.00	6.50	6.50
PROJECTED EXPENDITURE % INCREASES						
Expenditure Category	Approved 2020/2021 [Baseline]	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Bulk Purchases - Electricity	6.9	10.0	10.00	12.50	13.50	13.50
Bulk Purchases - Water	5.30	9.7	0	9.7	0	9.7
Contracted Services	5.00	5.00	5.00	5.00	5.50	5.50
Employee Related Cost (Subject to Three Year agreement re Salary Negotiation for 2021/22 to 2023/24)	9.85	6.35	7.35	8.35	6.35	7.35
Inventory Consumed	5.0	0.0	0.0	5.0	5.5	6.0
Repairs and Maintenance	8.0	7.0	7.0	7.0	7.5	8.0
Operating Leases	7.0	7.0	7.0	7.0	7.0	7.0
Operational Cost	5.0	0.0	0.0	5.0	5.5	6.0
Remuneration of Councillors	5.1	5.0	5.0	5.5	6.0	6.0
Transfers and Subsidies	5.0	6.5	6.5	7.0	7.0	6.5
Depreciation and Amortisation	6.5	6.5	6.5	6.5	6.5	6.5

It must be noted that the above increases were used for preparing the budget and some of them have since been amended resulting from other external factors. The following Table reflects the parameters as applied during the preparation of the Draft 2021/22 MTREF (after tariffs being amended).

TABLE 42 (BUDGET ASSUMPTIONS APPLIED IN 2021/22 MTREF)

PROJECTED TARIFFS % INCREASES - REVENUE						
Income Category	Approved 2020/21 [Baseline]	2021/2022	2022/2023	2023/2024	2024/ 2025	2025/2026
Fines, Penalties and Forfeits	7.50	7.00	7.00	7.00	7.50	7.80
Interest, Dividend and Rent on Land	6.80	5.50	5.50	6.00	6.00	6.50
Licences or Permits	7.50	7.00	7.00	7.00	7.50	7.80
Operational Revenue	7.50	7.00	7.00	7.00	7.50	7.80
Property Rates	6.00	6.00	6.50	6.50	8.00	8.50
Rental from Fixed Assets	7.50	7.00	7.00	7.50	7.50	7.80
Sales of Goods and Rendering of Services	7.50	7.00	7.00	7.00	7.50	7.80
Electricity	6.22	14.59	14.59	14.59	9.22	9.22
Waste Management	6.00	6.00	6.50	6.50	8.0	8.50
Waste Water Management	6.00	6.00	6.50	6.50	8.0	8.50
Water	6.00	6.00	6.50	6.50	8.0	8.50
Income for Agency Services	7.50	7.50	7.50	8.0	8.0	8.50
Transfers and Subsidies (OPERATIONAL)	5.00	5.00	5.50	6.00	6.50	6.50
PROJECTED EXPENDITURE % INCREASES						

Expenditure Category	Approved 2020/2021 [Baseline]	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Bulk Purchases - Electricity	6.9	17.8	17.8	17.8	10.22	10.22
Bulk Purchases - Water	5.30	9.7	0	9.7	0	9.7
Contracted Services	5.00	5.00	5.00	5.00	5.50	5.50
Employee Related Cost (Subject to Three Year agreement re Salary Negotiation for 2021/22 to 2023/24)	9.85	6.35	7.35	8.35	6.35	7.35
Inventory Consumed	5.0	0.0	0.0	5.0	5.5	6.0
Repairs and Maintenance	8.0	7.0	7.0	7.0	7.5	8.0
Operating Leases	7.0	7.0	7.0	7.0	7.0	7.0
Operational Cost	5.0	0.0	0.0	5.0	5.5	6.0
Remuneration of Councillors	5.1	5.0	5.0	5.5	6.0	6.0
Transfers and Subsidies	5.0	6.5	6.5	7.0	7.0	6.5
Depreciation and Amortisation	6.5	6.5	6.5	6.5	6.5	6.5

2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Medium-term outlook: operating revenue

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

TABLE 43 (BREAKDOWN OF THE OPERATING REVENUE OVER THE MEDIUM-TERM)

Description	2021/22 Medium Term Revenue & Expenditure Framework					
	Budget Year 2021/22		Budget Year 2022/23		Budget Year 2023/24	
R thousands						
Financial Performance						
Property rates	2,637,580	20.39%	2,809,023	19.85%	2,991,609	19.47%
Service charges	6,930,481	53.58%	7,745,255	54.74%	8,668,318	56.42%
Investment revenue	173,680	1.34%	177,192	1.25%	178,859	1.16%
Transfers recognised - operational	2,425,431	18.75%	2,603,895	18.40%	2,652,644	17.27%
Other own revenue	767,597	5.93%	814,753	5.76%	872,579	5.68%
Total Revenue (excluding capital transfers)	12,934,769	100.00%	14,150,118	100.00%	15,364,009	100.00%
Less Fuel Levy allocated for capital budget	344,197		37,230		304,430	
Total Revenue used for Operating Budget	12,590,571		13,812,888		15,059,579	
Total Expenditure	13,336,978		14,683,402		16,258,667	
Surplus/(Deficit)	- 746,407		- 870,514		- 1,199,089	

The above table excludes the Fuel Levy portion within the operating budget that are for funding capital projects within the capital budget. Fuel Levy, funding the capital budget, are R344,197,100, R337,230,000 and R304,430,000 for the 2021/22, 2022/23 and 2023/24 financial years respectively.

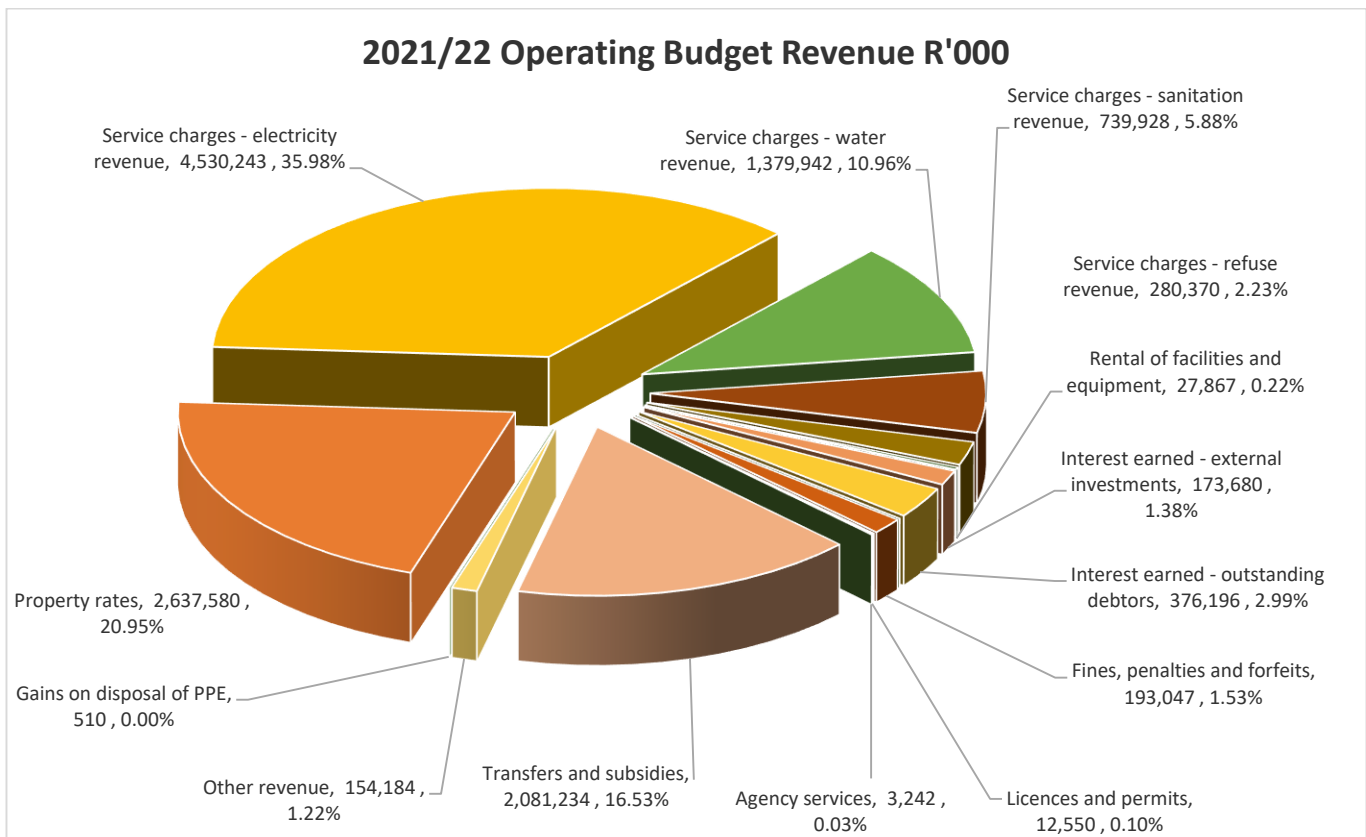


Figure 5: Sources of Operating Revenue for the 2021/22 financial year

Tariff determination is important in ensuring appropriate levels of revenue, in order to achieve a credible and funded budget. Operating revenue is mainly derived from service charges, such as water, electricity, sanitation and refuse collection and disposal, property rates and operating grants.

The revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard;
- The Property Rates Policy;
- The level of property rates and tariff increases must ensure financially sustainable service delivery;
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services;
- Ensuring fully cost reflective tariffs for trading services;
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Water bulk tariff increases as approved by the Department of Water Affairs (DWA);
- Targeting an 85% annual collection rate for property rates and service charges, after discounting the Assistance to the Poor (ATTP) subsidies.
- No growth in the revenue base.

The aforementioned principles guided the annual increases in property rates and tariffs, charged to the consumers.

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

TABLE 44 (SA15 – DETAIL INVESTMENT INFORMATION)

Investment type	2017/18	2018/19	2019/20	2020/21		2021/22 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
R thousand								
Parent municipality								
Securities - National Government								
Listed Corporate Bonds								
Deposits - Bank	2,374,802	3,012,612	2,309,904	2,394,627	3,091,797	2,893,167	2,767,076	2,231,058
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								
Consolidated total:	2,374,802	3,012,612	2,309,904	2,394,627	3,091,797	2,893,167	2,767,076	2,231,058

Investments are anticipated to reduce from R2.89 billion in 2021/22 to R2.23 billion in 2023/24.

Medium-term outlook: capital revenue

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

TABLE 45 (SOURCES OF CAPITAL REVENUE OVER THE MTREF)

Vote Description	Current Year 2020/21		2021/22 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget		Budget Year 2021/22		Budget Year 2022/23		Budget Year 2023/24	
R thousand		%		%		%		%
Funded by:								
National Government	658,005	47.97%	711,076	49.19%	676,381	48.87%	696,085	64.63%
Provincial Government		0.00%		0.00%		0.00%		0.00%
District Municipality		0.00%		0.00%		0.00%		0.00%
Transfers and subsidies – capital other entities	67,333	4.91%	40,000	2.77%		0.00%		0.00%
Transfers recognised - capital	725,338	52.88%	751,076	51.96%	676,381	48.87%	696,085	64.63%
Borrowing	214,415	15.63%	254,245	17.59%	281,943	20.37%	-	0.00%
Internally generated funds	432,011	31.49%	440,228	30.45%	425,630	30.75%	380,865	35.37%
Total Capital Funding	1,371,763	100.00%	1,445,548	100.00%	1,383,954	100.00%	1,076,950	100.00%

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

2021/2022 Draft Capital Expenditure by source funding

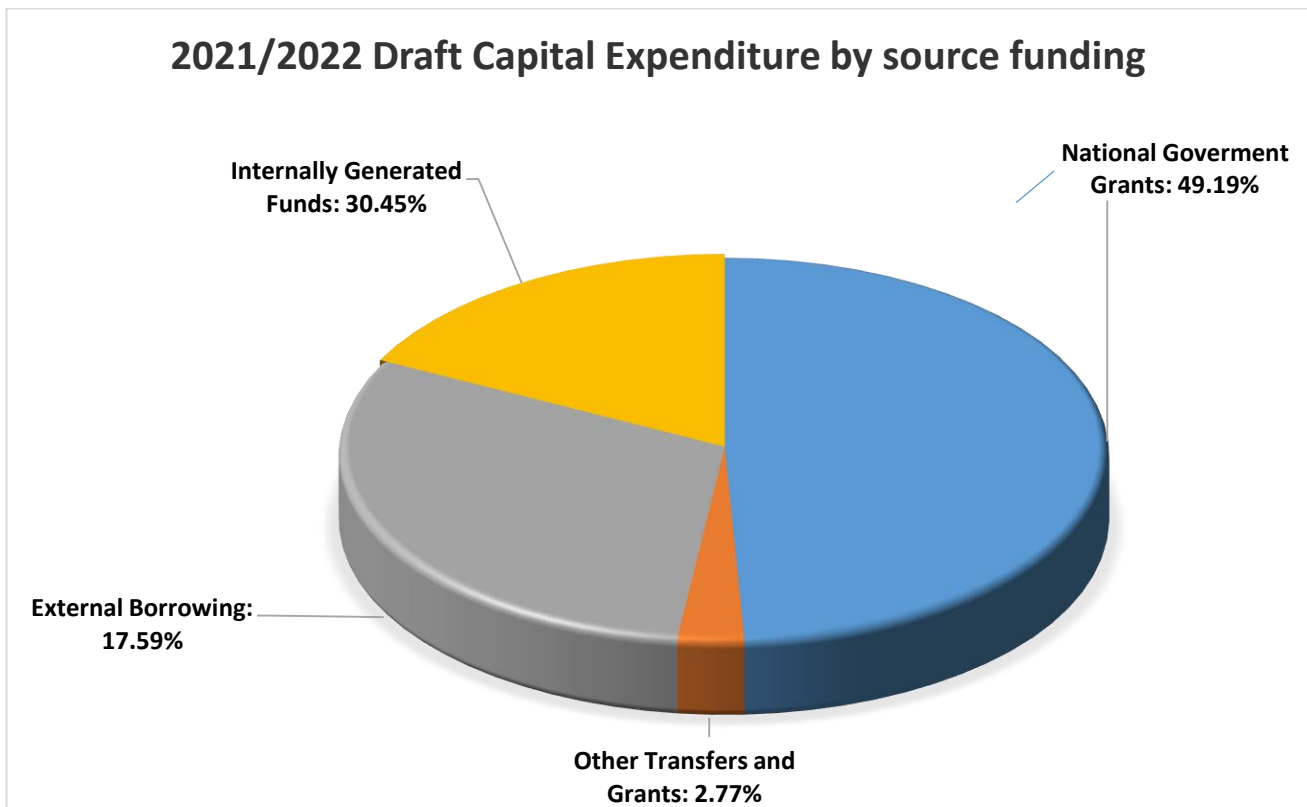


Figure 6: Sources of Capital Revenue for the 2021/22 financial year

Capital Grants constitute 59.40% of the total funding sources, amounting to R0.98 billion for the 2020/21 financial year and amounting to R0.63 billion or 50.14% in the 2022/23 financial year. The main reason for the decrease is due to the reduction of the Urban Settlements Development Grant allocated to the municipality for the 2021/22 and 2022/23 financial years.

The following table provides a detailed analysis of the Municipality's borrowings.

TABLE 46 (TABLE SA 17 - DETAIL OF BORROWINGS)

Borrowing - Categorized by type R thousand	2020/21 Medium Term Revenue & Expenditure Framework		
	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24
Parent municipality			
Annuity and Bullet Loans	1,277,416	1,085,037	871,238
Total Borrowing	1,277,416	1,085,037	871,238

The following graph illustrates the outstanding borrowing for the 20011/12 to 2022/23 period:

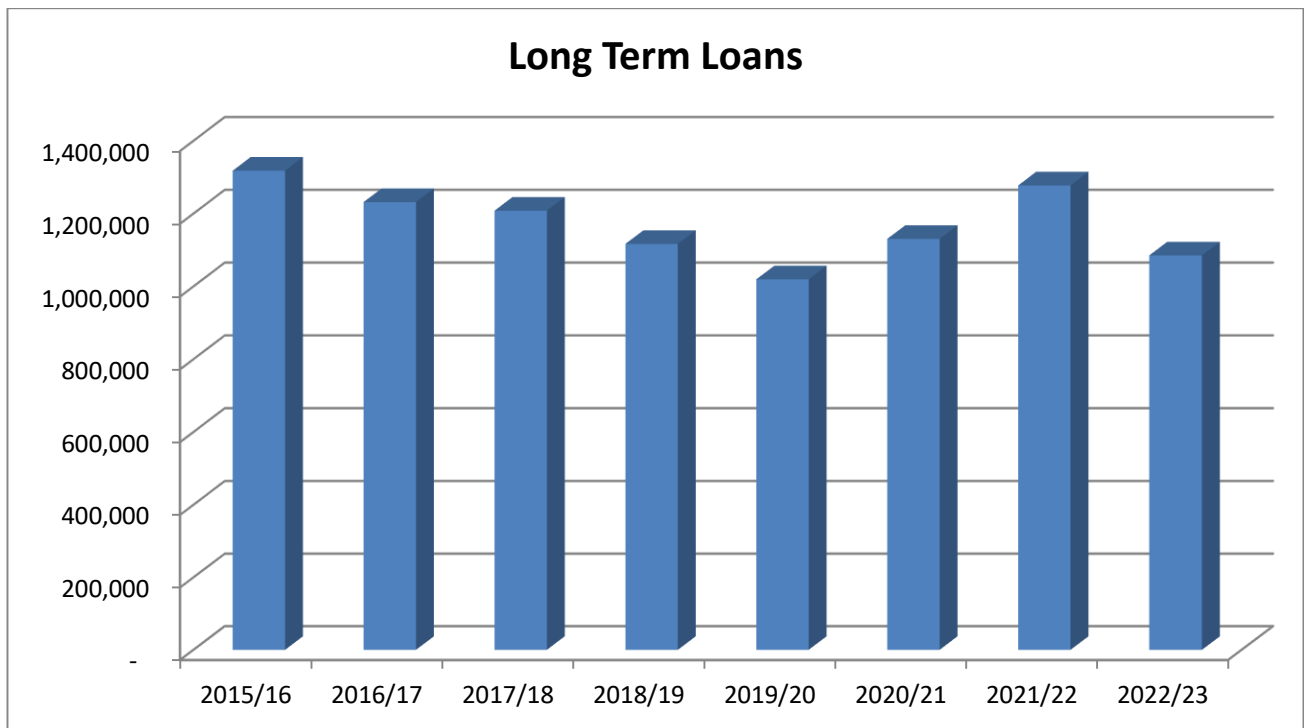


Figure 7: Long term Loans

2.6.2 Funding Compliance Measurement

National Treasury requires the Municipality to assess its financial sustainability against the different measures outlined below:

Incorporated under SA10, which is attached to the Budget report.

2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Incorporated as SA18, SA19 and SA20, which are attached to the Budget report.

2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Incorporated under SA21, which is attached to the Budget report.

2.9 COUNCILLORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS

All above are incorporated in Tables SA22 and SA23, which are attached to the Budget report.

2.10 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – DIRECTORATES

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality's delivery of services and its annual budget, which must include the following:

- (a) Monthly projections of
 - Revenue to be collected, by source; and
 - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Executive Mayor is required to approve the SDBIP within 28 days after the final approval of the budget. Furthermore, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Executive Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the City Manager to monitor the performance of the Executive Directors, the Executive Mayor/Council to monitor the performance of the City Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2021/22 financial year must be approved by the Interim Executive Mayor, following the approval of the Budget.

2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Below the schedule of contracts impacting on future budgets:

TABLE 47 (CONTRACTS IMPACTING ON THE MUNICIPALITY'S REVENUE)

Description	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
	Total	Original Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Parent Municipality:													
Revenue Obligation By Contract													
<i>Contract 1</i>													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
<i>Absa Bank Costs</i>	9,946	5,425	5,750	6,095	0	0							27,216
Total Operating Expenditure Implication	9,946	5,425	5,750	6,095	0	-0	-	-	-	-	-	-	27,216
Capital Expenditure Obligation By Contract													
<i>Contract 1</i>													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication	9,946	5,425	5,750	6,095	0	0	-	-	-	-	-	-	27,216
Entities:													
Revenue Obligation By Contract													
<i>Contract 1</i>													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
<i>Contract 1 Banking Service Contract</i>	44	24	25	27	28	30	32	34	36	38	0	0	318
Total Operating Expenditure Implication	44	24	25	27	28	30	32	34	36	38	0	0	318
Capital Expenditure Obligation By Contract													
<i>Contract 1</i>													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication	44	24	25	27	28	30	32	34	36	38	0	0	318

Contracts Impacting on the Municipality's Expenditure

No contracts exceeding the R5 million limit in respect of MFMA section 33 expenditure.

TABLE 48 (SECTION 33 EXPENDITURE)

No	Description of lease	Start of contract	End of contract	Escalation %	Period	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1	ABSA Bank Ltd – Primary Bank account	01-09-18	30-08-23		5 years						

2.12 LEGISLATION COMPLIANCE STATUS

Below a discussion of the Municipality's progress relating to the implementation of the MFMA:

Implementation of the MFMA

The municipality has been implementing the provisions of the MFMA in accordance with an Implementation Plan. The municipality monitors its implementation status on an ongoing basis through reporting via its Committees, including the following:

- The City Manager's Executive Management Team which includes all Executive Directors, which meets on a regular basis.
- The Budget and Treasury Committee – a standing committee of the Council established in terms of Section 79 of the Municipal Structures Act, which meets every six weeks. The committee considers specific MFMA implementation issues and reports via the Mayoral Committee to Council.
- The NMBM has also established an MPAC (Municipal Public Accounts Committee) as well as the operational Audit Committee which both play an oversight role in as far as all other overarching issues that include legal compliance matters, amongst others.
- The municipality also makes use of Internal Audit for certain areas of legal compliance, amongst others.

The following reflects the status of implementation of some of the key MFMA areas:

IDP

The Municipal Systems Act (32 of 2000) requires that Council must approve a five-year Integrated Development Plan (IDP), and as such the IDP document that guides the budgeting process was approved in around 2017 after the Local Government Elections held in August 2016.

Budget

The annual budget document has been developed taking the MFMA and National Treasury (NT) requirements as guided by the National Treasury Circulars into account. All attempts are always being made to ensure that Budgets as well as any other compliance related documents are being tabled and approved within the required legislated timeframes.

In-Year Reporting

The municipality submits the various reports required to the Executive Mayor, Council, and NT on an ongoing basis, in accordance with the MFMA.

Supply Chain Management Policy (SCM)

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

All the required SCM committee structures are in place. Whilst the municipality is working at making these processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

Audit Committee

An Audit Committee (AC) has been established and meets on a quarterly basis.

Internal Audit Function

The Municipality has an Internal Audit sub-directorate reporting to the City Manager and operating in accordance with an audit plan.

Financial Internship Programme

The Finance Interns program is funded from National Treasury's Finance Management Grant (a conditional grant) and are rotated within various Sub Directorates of Budget and Treasury in order to capacitate them. So far the institution has been able to recruit many of the Interns into fulltime positions due to their relevant work exposure and relevant qualifications, and such is beneficial to both parties (i.e. NMBM and the Finance Interns). Finance Interns also undertake the training program in the form of the applicable Unit Standards as part of training and development strategy.

2.13 CAPITAL EXPENDITURE DETAILS

A detailed capital budget per Directorate is attached to the Budget report.

2.14 ACTING CITY MANAGER'S QUALITY CERTIFICATE

I, **Mandla George**, Acting City Manager of the Nelson Mandela Bay Metropolitan Municipality, hereby certify that the budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act (56 of 2003) and the Municipal Budget and Reporting Regulations (32141 dated 17 April 2009) made under that Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : **M George (Mr)**

Acting City Manager of Nelson Mandela Bay Municipality (EC000)

Signature : _____

Date : **23 March 2021**