



# CAMDEBOO MUNICIPALITY



**TABLED BUDGET  
2014/15 TO 2016/17**

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## **MAYOR'S REPORT**

*(To be included in final budget)*

## **RESOLUTIONS FOR ADOPTION AT THE FINAL APPROVAL OF THE BUDGET**

That Council approves

- 1 As its tabled budget for the 2014/2015 financial year, the consolidated three-year Capital Budget, Operating Budget, Cash Flow Budget, measurable performance objectives for revenue for each source and for each vote as contained in the tabled budget document appendices;
- 2 The medium term (indicative) budgets for the 2015/2016 and 2016/2017 financial years contained in the budget document;
- 3 Amendments to be made to the rates, tariff, credit control and indigent policies of the Council, as well as the Supply Chain Management Policy;
- 4 That in terms of section 75(a)(1) of the Municipal Systems Act (Act 32 of 2000), read with section 17(3) of the Municipal Finance Management Act (Act 56 of 2003), the tariffs for property rates, water, electricity and other services be increased by the following percentages with effect from 1 July 2013:

Property rates	Residential: 0.607c in the R
	Business: 1.215c in the R
	Agriculture: 0.152c in the R
	Agricultural Small holdings: 0.304c in the R
	State owned: 1.215c in the R
	<i>Rebates as per the Rates Policy</i>

Water	6.2%
Electricity	7.39%
Refuse	6.2%
Sanitation	6.2%
Other small tariffs	6.2%

- 5 That the Accounting Officer comply with all legal requirements relating to the finalization of the budget, the advertising of the Council resolution with regard to the submission of the prescribed information to both National and Provincial Treasury

## **BUDGET FOR 2013/2014 TO 2015/2016**

This section contains an executive summary of the Camdeboo Municipality's budget followed by a more detailed explanation of its Operational and Capital components over the next three years.

### **3. EXECUTIVE SUMMARY**

Although South Africa's economy has expanded over the past years, the rate of growth has steadily declined, from 2.5 per cent of GDP in 2012 to 1.8 per cent in 2013; it is however projected to increase to 2.7 per cent in 2014, and gradually increase to 3.5 per cent by 2016. This trend reflects a confluence of unfavourable global and domestic circumstances which impact on all spheres of government. Aware of these risks, government is maintaining its expenditure ceiling and no additional funds have been added to the total expenditure announced in last year's Budget. Inflation and a nominal spending ceiling will put real budgets under pressure over the medium term, requiring all spheres of government to work more efficiently.

Municipalities will have to revise their spending plans and reprioritise funds to ensure key objectives are achieved and well-performing programmes are supported. Over the next three years, government as a whole will have to learn to do more with less. The efficiencies that are achieved will protect public finances and enable the country to accelerate development when economic conditions improve. Local government must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework of all municipalities. Consequently, municipal revenues and cash flows are expected to remain under pressure in 2014/15 and municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts.

The budget aims to contend with the continued pressures on household income due to inflation and unemployment, while seeking ways to continue pursuing the priorities set during the IDP reviews by finding more efficient ways to deliver services at the required service levels. In considering tariff increases, the level of inflation was given the highest priority. While tempted to keep tariffs low, given the economic conditions, cost pressure had to be kept in mind too.

Financing capital projects has become a nightmare and steps to utilize investments from previous financial years are under foot and will be a feature of financial planning in the medium term. The state of our roads requires substantial refurbishment to be done, while repairs and maintenance spending must ensure the health of infrastructure assets in water and sanitation, as well as electricity services.

The Budget comprises both Operating and Capital Budgets, which is a requirement of the Constitution and the Municipal Finance Management Act (Act 56 of 2003). The Capital Budget contains new and replacement assets such as roads, buildings, landfill sites, etc. The Operating Budget, which is the larger of the two, includes the provision for services like water, electricity, refuse collection, sanitation and others. These services include employment cost and bulk purchases as a major portion of the expenditure.

## Operating Budget

### *Expenditure*

The total operating budget increased from R202.198m in 2013/2014 to R218.304m in 2014/15. The overall growth of 8.0% can be attributed to the following expenditure items:

Expenditure item	2013/14 Budget R'000	2014/15 Budget R'000	Year on Year %
Employee cost	63 518	69 534	9.5%
Remuneration of councillors	3 500	3 998	14.2%
Depreciation and impairment	25 630	29 403	14.7%
Material and Bulk purchases	10 894	12 867	18.1%
Other expenditure	45 465	49 129	8.1%

*Table 1: Major Expense Items*

### **Reasons for significant variances:**

*Employee Cost:* The growth in employee cost of 9.5% includes not only the 6.79% salary increase, but also the provision for new positions.

*Council remuneration:* Council remuneration includes a provision for additional section 79 committee chairpersons until council resolves the matter, as well as the move from Grade 2 to Grade 3 as per the latest upper limits.

*Repairs and maintenance:* Besides the 6.2% inflationary increase, major maintenance work is to be undertaken on sewerage reticulation and water network in Bree Street.

*Depreciation and impairment:* This provides for wear and tear in use of council's assets.

The following diagram shows the proportions of the major budgeted expenditure items:

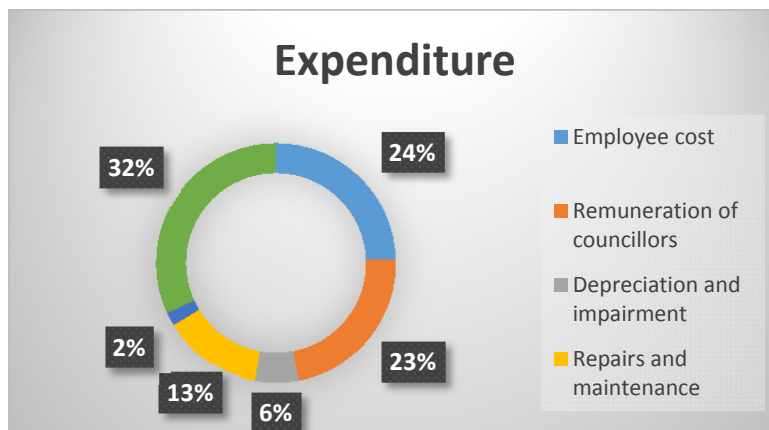
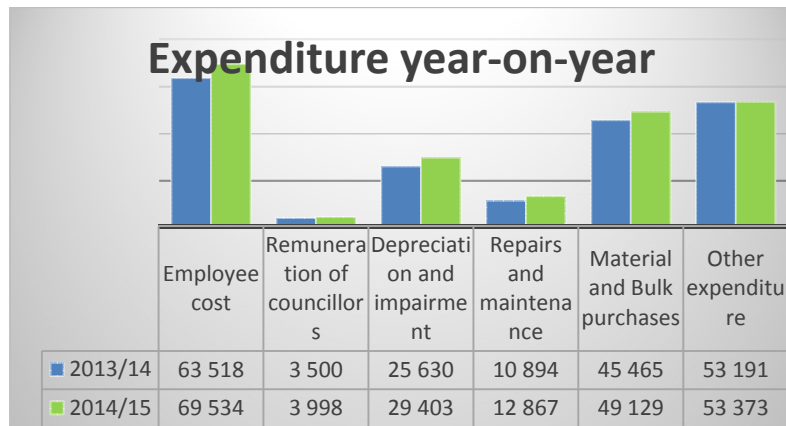


Diagram 1: Expenditure by type

## Revenue

Total Operating Revenue increased from R208.335m in 2013/2014 to R227.2656m in 2014/15, which represents a growth of 9.1%. Table 2 below gives a breakdown of the major sources of revenue for the budget period 1 July 2014 to 30 June 2015.

Revenue Item	Budget 2013/14	Budget 2014/15	Year on Year %
	R '000	R '000	
Property rates (incl penalties)	20 837	23 657	13.5%
Service charges – electricity revenue	71 864	78 578	9.3%
Service charges – water revenue	21 101	22 410	6.2%
Service charges – sanitation revenue	9 416	9 879	4.9%
Service charges – refuse revenue	5 222	5 545	6.2%
Service charges - other	1 267	1 326	4.7%
Rental of facilities and equipment	741	757	2.2%
Interest earned	4 211	5 182	23.1%
Transfers recognised	70 124	75 849	8.2%
Other revenue	3 552	4 082	14.9%
	<b>208 335</b>	<b>227 265</b>	9.1%

Table 2: Revenue Sources

## Service tariffs/Rates

The average increases to tariffs are at the inflation rate of 6.2% although revenue in the above table also includes growth in the service. Although this is a setback in the pursuit of cost reflective tariffs, the need to consider the economic conditions and general affordability guided this direction. More efficiency will have to be realized in order to bring cost down.

## Rates

The growth in the rates income relates not only to the increase in the amount in the rand, which is inflation related, but mostly to the increase in the number of properties and improvements.

## Electricity

The electricity tariff increases with the NERSA guideline, which is 8.06%. The municipality will adhere to the guideline set by NERSA for this budget period.

## Water

The water tariff increases by 6.2%. Although the water service produces a surplus, the compliance measures introduced by Government to ensure safe and reliable water provision continue to put pressure on the price of this scarce resource. Increased maintenance and reduction in the non-revenue water will assist to make the service more efficient.

The following diagram gives a graphic breakdown of revenue by source.

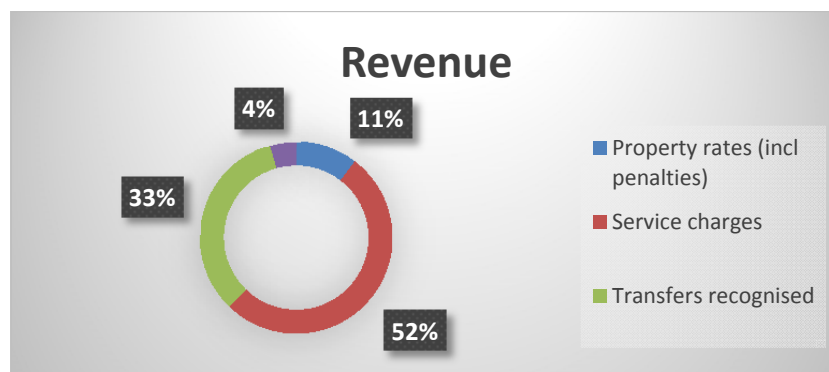


Diagram 2: Revenue by source



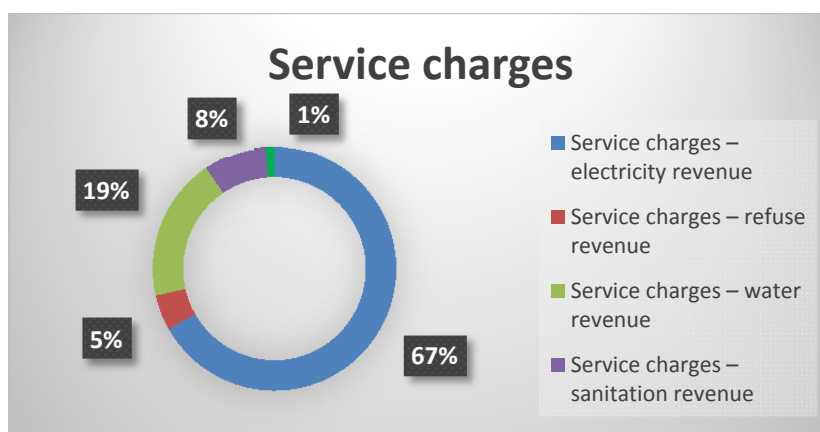


Diagram 3: Service charges by type

## Capital Budget

The capital budget decreased from R47 800 225 in 2013/14 to R42 673 252 in 2014/15. This is mainly due to a decrease in external funding. The municipality has over the last few years counter-funded MIG projects. The following breakdown of the funding sources shows to what extent the municipality attempts to find the right mix of internal and external funding sources.

Funding sources	47 800 255	42 673 252
<b>Grant funding:</b>	<b>26 282 000</b>	<b>22 258 500</b>
Expanded Public Works Programme (EPWP)	1 000 000	1 000 000
Regional Bulk Infrastructure Grant (R BIG)	10 000 000	14 400 000
Department of Energy (DOE)	-	500 000
Financial Management Grant (FMG)	340 000	365 000
Municipal Infrastructure Grant (MIG)	14 942 000	5 993 500
<b>Operational Surplus:</b>	<b>6 137 661</b>	<b>8 958 502</b>
<b>Capital Replacement Reserve:</b>	<b>15 380 594</b>	<b>11 456 250</b>

Table 3: Capital Funding sources

The municipality also attempted to find a balance in capital spending on the different IDP priorities and the wards, as illustrated in the following table:

### Key Development areas

Local Economic Development	5 450 000
Infrastructure Development	28 809 052
Institutional Development	3 589 200
Community Development	4 825 000
	<b>42 673 252</b>

### **3.1 MAIN FEATURES OF THE BUDGET**

The assumptions and principles used in the development of the budget are based on the guidelines received from the National Treasury circulars 71 and 72, as well as other external bodies such as the National Electricity Regulator of South Africa (NERSA) and the South African Local Government Bargaining Council (SALGBC). The strategic focus of the Integrated Development Plan informed the Budget, taking into account the issue of affordability. These guidelines were considered appropriate to inform the development of the Budget.

Once again the population of the organogram has exerted immense pressure on the resources. Although the creation of decent jobs is a national priority, one has to consider the affordability and the higher than inflation salary increases in the economy. Couple this with the need to maintain the existing infrastructure while building new assets as well, and the resource base becomes minute in comparison to these demands.

This budget continues to search for a happy medium between cost recovery for trading services and affordability in a declining economy. Furthermore, the tremendous growth in the indigent population to almost half of the households in the municipality is a trend that will continue into the medium to longer term. This is aggravated by the varied perceptions among stakeholders of what “affordability” really is.

It is comforting to note that the general property valuation process started without the drama of the last one. Special attention was given to the concerns of agricultural property owners and, although still early days, fewer objections were received. The fact that the process of finalizing the valuation roll is on course to be implemented on 1 July 2014 is heartening. Final consultations with stakeholders are still on the cards to be completed by the end of April 2014.

The municipality introduced inclining block tariffs for water during the last financial year. This was well received by consumers and will continue to dictate more efficient water use. In spite of this, water tariffs are still very low compared to the scarcity of the resource in our country and region.

Looking after the poor has been a feature of budgets in the modern South Africa. This budget is no different. Although affordability remains a concern in the long run, the definition of a household is also under scrutiny in the Camdeboo. Council has considered a number of changes to the Indigent Policy. These and other policy changes will be submitted for approval in the final budget in May 2014.

Although the municipality has not seen major increases to its equitable share, it is encouraging to learn that the suspicions that the population has increased have been confirmed by Census 2011. These population number, now standing at just over 50 000, led to the higher grading of the municipality for the remuneration of councillors.

The budget related policies as outlined have been adhered to in the development of the budget, whilst continuous monitoring of budget performance is made possible through the Service Delivery and Budget Implementation Plan.

### **3.2 HIGH LEVEL PERFORMANCE OBJECTIVES FOR 2013/14**

The more significant performance objectives, which informed the preparation of the Budget is set out in the Service Delivery and Budget Implementation Plan, of which a draft will be submitted to the mayor.

### **3.3 BUDGET STRATEGY AND ASSUMPTIONS**

- (a) Considering National Treasury's guideline for year-on-year increases in expenditure, which is the headline inflation rate of 6.2% for 2014, the annual increase for the 2013/14 tabled budget is limited to following:
- The overall increase in operating expenditure be limited to 6.2%
  - The overall increase in human resource costs be restricted to the SALGBC determined agreement of average CPI percentage for the twelve month period ending January 2014, as published by Statistics South Africa, plus 1%. Treasury advised to budget for a 6.79% adjustment to be effected on 1 July 2014.
- (b) Rates and tariff increases consider the inflation rate of 6.2%, as well as affordability levels. Where there is significant under-recovery of cost on economic services, such cost-reflective tariffs be phased in.
- (c) The Direct Reports prepare the Operating and Capital Budgets aligned to the IDP and that this is supported by the SDBIP of the organisation.

Budget assumptions or perimeters are determined in advance of the budget process to allow the budget to support the long term financial and strategic targets.

The municipal fiscal environment is directly impacted on by a variety of macro-economic control measures. National Treasury provides guidelines on the year-on-year budget growth, while NERSA regulates the electricity tariff increases. This year the NERSA guideline for electricity tariff increases stands at 8.06% to be introduced for implementation on 1 July 2014.

Various government departments also affect municipal service delivery through the level of grants and subsidies to the municipality. Examples are the LED grant from Local

Government, the electrification grant from the Department of Energy, as well as RBIG grant from the Department of Water Affairs.

The principles and priorities included in the IDP directly informed the compilation of the Budget.

## 4. BUDGET TABLES

### Budget schedules to be approved by resolution of Council

EC101 Camdeboo - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	16 732	15 256	18 455	20 837	20 837	-	-	23 658	25 053	26 431
Service charges	60 836	80 114	90 812	108 869	108 888	-	-	117 737	124 683	131 541
Investment revenue	2 974	2 029	2 101	2 005	2 005	-	-	2 840	3 007	3 173
Transfers recognised - operational	55 840	40 329	51 205	70 124	70 384	-	-	75 849	80 324	84 741
Other own revenue	4 306	7 523	6 212	6 501	6 505	-	-	7 180	7 604	8 022
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>140 688</b>	<b>145 252</b>	<b>168 785</b>	<b>208 335</b>	<b>208 618</b>	<b>-</b>	<b>-</b>	<b>227 263</b>	<b>240 671</b>	<b>253 908</b>
Employee costs	47 356	50 035	54 581	63 518	62 201	-	-	69 534	73 636	77 686
Remuneration of councillors	2 039	2 714	2 952	3 500	3 534	-	-	3 998	4 234	4 467
Depreciation & asset impairment	13 031	34 406	40 286	26 130	25 680	-	-	42 271	44 765	47 227
Finance charges	-	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	27 607	35 693	41 041	45 465	45 465	-	-	49 129	52 028	54 889
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	21 655	41 278	37 848	63 552	70 345	-	-	53 367	56 516	59 624
<b>Total Expenditure</b>	<b>111 689</b>	<b>164 127</b>	<b>176 708</b>	<b>202 165</b>	<b>207 226</b>	<b>-</b>	<b>-</b>	<b>218 299</b>	<b>231 178</b>	<b>243 893</b>
<b>Surplus/(Deficit)</b>	<b>29 000</b>	<b>(18 875)</b>	<b>(7 923)</b>	<b>6 170</b>	<b>1 393</b>	<b>-</b>	<b>-</b>	<b>8 964</b>	<b>9 493</b>	<b>10 015</b>
Transfers recognised - capital	-	29 297	600	(33)	(33)	-	-	-	-	-
Contributions recognised - capital & contributed a	(138)	(1 600)	29	-	-	-	-	(6)	(6)	(6)
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>28 861</b>	<b>8 822</b>	<b>(7 294)</b>	<b>6 137</b>	<b>1 360</b>	<b>-</b>	<b>-</b>	<b>8 959</b>	<b>9 487</b>	<b>10 009</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>28 861</b>	<b>8 822</b>	<b>(7 294)</b>	<b>6 137</b>	<b>1 360</b>	<b>-</b>	<b>-</b>	<b>8 959</b>	<b>9 487</b>	<b>10 009</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	(0)	(0)	47 800	43 697	-	-	42 673	45 191	47 676
Transfers recognised - capital	-	-	-	26 282	21 782	-	-	22 259	23 572	24 868
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	21 518	21 915	-	-	20 415	21 619	22 808
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47 800</b>	<b>43 697</b>	<b>-</b>	<b>-</b>	<b>42 673</b>	<b>45 191</b>	<b>47 676</b>
<b>Financial position</b>										
Total current assets	-	-	-	-	-	-	-	-	-	-
Total non current assets	-	-	-	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-	-	-	-	-
<b>Cash flows</b>										
Net cash from (used) operating	-	-	-	-	-	-	-	-	-	-
Net cash from (used) investing	-	-	-	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	-	-	-	-	-	-	-	-	-	-
Application of cash and investments	-	-	-	-	-	-	-	-	-	-
<b>Balance - surplus (shortfall)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	13 031	34 406	40 286	26 130	25 680	-	42 271	42 271	44 765	47 227
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

EC101 Camdeboo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		75 797	57 672	65 071	68 742	68 746	-	74 766	79 177	83 532
Executive and council		287	803	2 570	1 927	1 927	-	1 973	2 089	2 204
Budget and treasury office		74 881	54 694	61 871	66 211	66 211	-	72 172	76 430	80 634
Corporate services		629	2 176	630	605	609	-	621	658	694
<i>Community and public safety</i>		3 977	3 012	5 323	4 182	4 191	-	6 106	6 467	6 822
Community and social services		114	124	1 817	179	181	-	1 748	1 851	1 953
Sport and recreation		55	71	68	95	95	-	71	75	80
Public safety		1 640	1 839	2 403	2 848	2 855	-	3 170	3 357	3 542
Housing		1	4	4	4	4	-	4	5	5
Health		2 167	974	1 031	1 056	1 056	-	1 113	1 179	1 244
<i>Economic and environmental services</i>		154	488	373	233	243	-	246	260	274
Planning and development		-	353	180	117	-	-	124	131	139
Road transport		154	136	193	115	243	-	121	129	136
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		60 631	90 038	97 604	134 722	134 982	-	145 664	154 258	162 742
Electricity		43 981	56 786	68 530	72 886	77 646	-	80 138	84 866	89 533
Water		8 362	19 775	16 134	32 229	27 729	-	36 944	39 124	41 276
Waste water management		6 451	10 467	10 051	24 387	24 387	-	23 036	24 395	25 737
Waste management		1 837	3 010	2 889	5 222	5 222	-	5 545	5 872	6 195
<i>Other</i>	4	303	307	423	456	456	-	481	509	537
<b>Total Revenue - Standard</b>	2	140 861	151 518	168 794	208 335	208 618	-	227 263	240 671	253 908
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		26 210	33 122	37 192	54 624	54 815	-	57 203	60 578	63 909
Executive and council		5 287	7 343	7 525	11 732	11 762	-	10 926	11 571	12 207
Budget and treasury office		13 829	16 762	19 918	33 098	33 051	-	35 848	37 963	40 051
Corporate services		7 094	9 017	9 749	9 794	10 002	-	10 428	11 043	11 651
<i>Community and public safety</i>		15 155	15 390	15 681	19 747	20 005	-	21 007	22 246	23 470
Community and social services		1 672	2 188	1 939	2 232	2 193	-	2 851	3 020	3 186
Sport and recreation		8 001	9 020	8 854	10 539	10 499	-	11 221	11 883	12 536
Public safety		2 865	3 233	4 003	4 685	4 498	-	5 071	5 370	5 666
Housing		-	(265)	(526)	550	1 096	-	-	-	-
Health		2 617	1 215	1 410	1 741	1 719	-	1 864	1 974	2 082
<i>Economic and environmental services</i>		5 941	18 491	8 752	15 914	15 671	-	17 636	18 677	19 704
Planning and development		26	696	643	922	934	-	983	1 041	1 099
Road transport		5 914	17 795	8 110	14 992	14 737	-	16 653	17 635	18 605
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		63 790	71 777	114 110	111 053	115 928	-	121 294	128 451	135 515
Electricity		38 581	56 071	59 464	67 871	72 327	-	73 946	78 308	82 615
Water		14 843	15 836	25 987	20 888	21 656	-	22 365	23 684	24 987
Waste water management		2 582	(5 586)	7 915	10 202	10 006	-	11 565	12 248	12 921
Waste management		7 784	5 456	20 744	12 093	11 939	-	13 418	14 210	14 992
<i>Other</i>	4	628	715	776	859	840	-	1 164	1 233	1 301
<b>Total Expenditure - Standard</b>	3	111 723	139 496	176 512	202 198	207 258	-	218 304	231 184	243 899
<b>Surplus/(Deficit) for the year</b>		29 138	12 022	(7 717)	6 138	1 360	-	8 959	9 487	10 009

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

EC101 Camdeboo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue by Vote</b>										
Vote 1 - EXECUTIVE & COUNCIL	1	287	1 155	2 749	1 927	1 927	-	1 973	2 089	2 204
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		646	2 189	2 331	620	626	-	2 196	2 325	2 453
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		4 460	4 476	4 532	6 996	6 996	-	7 388	7 824	8 254
Vote 4 - CORPORATE SERVICES - PROTECTION		1 640	1 839	2 403	2 848	2 855	-	3 170	3 357	3 542
Vote 5 - FINANCIAL SERVICES		74 881	54 694	61 871	66 211	66 211	-	72 172	76 430	80 634
Vote 6 - TECHNICAL SERVICES - ENGINEERING		14 967	30 378	26 378	56 848	52 358	-	60 226	63 780	67 287
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		43 981	56 786	68 530	72 886	77 646	-	80 138	84 866	89 533
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>140 861</b>	<b>151 518</b>	<b>168 794</b>	<b>208 335</b>	<b>208 618</b>	<b>-</b>	<b>227 263</b>	<b>240 671</b>	<b>253 908</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - EXECUTIVE & COUNCIL	1	5 314	8 288	8 447	12 958	12 752	-	12 236	12 958	13 670
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		8 677	10 742	11 409	11 721	11 888	-	12 953	13 718	14 472
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		19 118	16 217	31 259	25 783	26 093	-	27 667	29 300	30 911
Vote 4 - CORPORATE SERVICES - PROTECTION		2 833	3 171	3 793	4 405	4 498	-	4 801	5 084	5 364
Vote 5 - FINANCIAL SERVICES		13 829	16 900	19 918	33 098	33 301	-	35 848	37 963	40 051
Vote 6 - TECHNICAL SERVICES - ENGINEERING		23 339	28 045	42 011	46 082	46 399	-	50 583	53 567	56 514
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		38 614	56 132	59 674	68 151	72 327	-	74 216	78 594	82 917
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>111 723</b>	<b>139 496</b>	<b>176 512</b>	<b>202 198</b>	<b>207 258</b>	<b>-</b>	<b>218 304</b>	<b>231 184</b>	<b>243 899</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>29 138</b>	<b>12 022</b>	<b>(7 717)</b>	<b>6 138</b>	<b>1 360</b>	<b>-</b>	<b>8 959</b>	<b>9 487</b>	<b>10 009</b>

**References**

1. Insert 'Vote': e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

EC101 Camebooo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>Revenue By Source</b>											
Property rates	2	15 961	14 383	16 867	19 128	19 128	-	-	21 842	23 131	24 403
Property rates - penalties & collection charges		771	874	1 588	1 709	1 709			1 815	1 922	2 028
Service charges - electricity revenue	2	43 470	55 961	65 876	71 864	71 864	-	-	78 578	83 214	87 791
Service charges - water revenue	2	8 165	14 505	15 153	21 101	21 101	-	-	22 410	23 732	25 037
Service charges - sanitation revenue	2	6 430	5 616	5 758	9 416	9 416	-	-	9 879	10 461	11 037
Service charges - refuse revenue	2	1 835	3 010	2 889	5 222	5 222	-	-	5 545	5 872	6 195
Service charges - other		937	1 022	1 136	1 267	1 286			1 326	1 404	1 481
Rental of facilities and equipment		466	630	623	741	745			757	802	846
Interest earned - external investments		2 974	2 029	2 101	2 005	2 005			2 840	3 007	3 173
Interest earned - outstanding debtors		1 313	1 888	1 964	2 206	2 206			2 342	2 480	2 616
Dividends received											
Fines		156	192	94	212	212			224	237	250
Licences and permits		1 330	1 565	1 777	2 168	2 168			2 508	2 656	2 802
Agency services		66		47					52	55	58
Transfers recognised - operational		55 840	40 329	51 205	70 124	70 384			75 849	80 324	84 741
Other revenue	2	975	3 169	1 749	986	986	-	-	948	1 004	1 059
Gains on disposal of PPE			78	(42)	188	188			350	371	391
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>140 688</b>	<b>145 252</b>	<b>168 785</b>	<b>208 335</b>	<b>208 618</b>	<b>-</b>	<b>-</b>	<b>227 263</b>	<b>240 671</b>	<b>253 908</b>
<b>Expenditure By Type</b>											
Employee related costs	2	47 356	50 035	54 581	63 518	62 201	-	-	69 534	73 636	77 686
Remuneration of councillors		2 039	2 714	2 952	3 500	3 534			3 998	4 234	4 467
Debt impairment	3	(372)	12 515	2 752	3 126	2 795			3 309	3 504	3 697
Depreciation & asset impairment	2	13 031	34 406	40 286	26 130	25 680	-	-	42 271	44 765	47 227
Finance charges											
Bulk purchases	2	27 607	35 693	41 041	45 465	45 465	-	-	49 129	52 028	54 889
Other materials	8										
Contracted services		1 272	1 598	1 794	3 140	4 933	-	-	2 001	2 119	2 235
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	20 755	27 165	33 302	57 286	62 618	-	-	48 057	50 892	53 692
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>111 689</b>	<b>164 127</b>	<b>176 708</b>	<b>202 165</b>	<b>207 226</b>	<b>-</b>	<b>-</b>	<b>218 299</b>	<b>231 178</b>	<b>243 893</b>
<b>Surplus/(Deficit)</b>		<b>29 000</b>	<b>(18 875)</b>	<b>(7 923)</b>	<b>6 170</b>	<b>1 393</b>	<b>-</b>	<b>-</b>	<b>8 964</b>	<b>9 493</b>	<b>10 015</b>
Transfers recognised - capital			29 297	600	(33)	(33)					
Contributions recognised - capital	6	(138)	(1 600)	29	-	-	-	-	(6)	(6)	(6)
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>28 861</b>	<b>8 822</b>	<b>(7 294)</b>	<b>6 137</b>	<b>1 360</b>	<b>-</b>	<b>-</b>	<b>8 959</b>	<b>9 487</b>	<b>10 009</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>28 861</b>	<b>8 822</b>	<b>(7 294)</b>	<b>6 137</b>	<b>1 360</b>	<b>-</b>	<b>-</b>	<b>8 959</b>	<b>9 487</b>	<b>10 009</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>28 861</b>	<b>8 822</b>	<b>(7 294)</b>	<b>6 137</b>	<b>1 360</b>	<b>-</b>	<b>-</b>	<b>8 959</b>	<b>9 487</b>	<b>10 009</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>28 861</b>	<b>8 822</b>	<b>(7 294)</b>	<b>6 137</b>	<b>1 360</b>	<b>-</b>	<b>-</b>	<b>8 959</b>	<b>9 487</b>	<b>10 009</b>

**References**

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.



EC101 Camebeoo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	-	-	-	-	-	-	-
Vote 5 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	-	-	-	-	-	-	-	-	-
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		-	-	(0)	6 000	6 000	-	-	950	1 006	1 061
Vote 2 - CORPORATE SERVICES - ADMINISTRATIVE		-	-	(0)	-	-	-	-	516	546	576
Vote 3 - CORPORATE SERVICES - COMMUNITY SERVICES		-	-	(0)	11 803	12 300	-	-	6 286	6 657	7 023
Vote 4 - CORPORATE SERVICES - PROTECTION		-	-	-	-	-	-	-	1 071	1 134	1 196
Vote 5 - FINANCIAL SERVICES		-	-	-	340	340	-	-	365	387	408
Vote 6 - TECHNICAL SERVICES - ENGINEERING		-	(0)	(0)	28 857	24 257	-	-	25 054	26 532	27 991
Vote 7 - TECHNICAL SERVICES - ELECTRICAL		-	-	0	800	800	-	-	8 433	8 930	9 421
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	(0)	(0)	47 800	43 697	-	-	42 673	45 191	47 676
<b>Total Capital Expenditure - Vote</b>		-	(0)	(0)	47 800	43 697	-	-	42 673	45 191	47 676
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>				(0)	6 340	6 340	-	-	1 831	1 938	2 045
Executive and council				(0)	6 000	6 000	-	-	950	1 006	1 061
Budget and treasury office					340	340			365	387	408
Corporate services				(0)	-	-	-	-	516	546	576
<b>Community and public safety</b>				(0)	1 700	1 954	-	-	6 166	6 529	6 888
Community and social services				(0)	-	-	-	-	5 095	5 396	5 692
Sport and recreation					1 700	1 954					
Public safety									1 071	1 134	1 196
Housing											
Health											
<b>Economic and environmental services</b>				0	1 100	1 000	-	-	2 895	3 066	3 235
Planning and development											
Road transport				0	1 100	1 000			2 895	3 066	3 235
Environmental protection											
<b>Trading services</b>				(0)	38 660	34 403	-	-	31 782	33 657	35 508
Electricity				0	800	800			8 433	8 930	9 421
Water			0	0	17 550	13 050			15 455	16 367	17 267
Waste water management			(0)	(0)	10 103	10 346			6 704	7 099	7 489
Waste management					10 207	10 207			1 191	1 261	1 331
<b>Other</b>											
<b>Total Capital Expenditure - Standard</b>	3	-	(0)	(0)	47 800	43 697	-	-	42 673	45 191	47 676
<b>Funded by:</b>											
National Government					26 282	21 782			22 259	23 572	24 868
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	26 282	21 782	-	-	22 259	23 572	24 868
Public contributions & donations	5										
Borrowing	6										
Internally generated funds					21 518	21 915			20 415	21 619	22 808
<b>Total Capital Funding</b>	7	-	-	-	47 800	43 697	-	-	42 673	45 191	47 676

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year.
- Capital expenditure by standard classification must reconcile to the appropriations by vote.
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure).
- Must reconcile to Budgeted Financial Performance (revenue and expenditure).
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17.
- Total Capital Funding must balance with Total Capital Expenditure.
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget.

## **PART 2 – SUPPORTING DOCUMENTATION**

## **2.1 OVERVIEW OF THE BUDGET PROCESS**

In terms of Section 53 of the Municipal Finance Management Act (Act 56 of 2003) the mayor of the municipality is required to provide political guidance over the budget process and the priorities that guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget Regulations states that the mayor must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

The budget planning process leaves much to be desired. Inputs from the Budget Steering Committee were limited to the workshops held with staff and the council. The IDP process provides a good basis for the budget, but the project register is still incomplete when the budget process starts and final adjustments to projects impact the finalization of the budget.

Three budget workshops were held: One with budget drivers (directors and managers), and two workshops with councillors.

*(Details of the consultation process to be furnished in final budget)*

The budget process started in August 2013 and proceeded along the following timeline:

# **Camdeboo Municipality Schedule of Key Deadlines - IDP & Budget 2014-2015 Budget Year**



<u>Date</u>	<u>Action</u>	<u>Reference</u>	<u>Responsibility</u>
<b>August 2013</b>	<b>Plan &amp; Prepare</b>		
19	Review previous year's budget process		Mayor & BSC
20	Table in Council Budget & IDP Time Schedule	MFMA 21(1)(b) & 53 (1)(b) MSA s34	Mayor & BSC
27	Establish/confirm Committees and consultation forums	MFMA guidance	Mayor & BSC
<b>Sept 2013</b>	<b>Consult &amp; review</b>		
2	Publicise schedule on website	MFMA guidance	Accounting Officer
3	Implementation of IDP & Budget key deadlines	MFMA guidance	Accounting Officer
30	Review provincial & national government sector and strategic plans	MFMA Guidance	Mayor & BSC
From 1 <sup>st</sup>	Consult with community on changing needs and expectations	MSA ch4 as amended	Mayor & BSC
<b>October 2013</b>	<b>Review and update</b>		
1 - 18	Review and update budget related policies	MFMA Guidance	Accounting Officer
21 - 25	Evaluate revenue projections for next budget year, proposed rates and service charges	MFMA Guidance	Accounting Officer
31	Review of potential price increases Of bulk resources (electricity)	MFMA s42	Accounting Officer
<b>Nov 2013</b>	<b>Conclude &amp; confirm</b>		
1 –15	Engage with national & provincial Sector departments on alignment with municipal plans	MFMA Guidance	Accounting Officer
1 – 29	Conclude initial community consultation on priorities	MSA ch4	Mayor & BSC
29	Identify government allocations to municipality	MFMA Guidance	Accounting Officer
29	Commence preparation of Departmental plans & SDBIP aligned to IDP and community inputs	MFMA Guidance	Accounting Officer
<b>Dec 2013</b>	<b>Draft &amp; discuss</b>		
3	Conclude first budget draft and Policies for council discussion	MFMA Guidance	Accounting Officer
10	Community and stakeholder consultation on inputs, financial models, impact on tariffs and charges	MSA ch4 as amended	Accounting Officer
11	Management discussion and debate on estimated plans and resources	MFMA Guidance	Accounting Officer
12	Council discussion and debate on estimated plans and resources	MFMA s53	Mayor & BSC
<b>January 2014</b>	<b>Finalise</b>		
14	Finalise inputs from bulk providers (Eskom)	MFMA Guidance	Accounting Officer
<b>Date</b>	<b>Action</b>	<b>Reference</b>	<b>Responsibility</b>
24	Finalise first draft of departmental plans and SDBIP for review against	MFMA Guidance	Accounting Officer

	strategic priorities		
28	Finalise detailed Capital & Operational Budgets & align to IDP And draft SDBIP	MFMA Guidance	Accounting Officer
30	Report to Council on status of Budget – reinforce upcoming process on budget approval & oversight	MFMA Guidance	Mayor & BSC
31	Note the President’s “State of the Nation” address for budget priorities	MFMA Guidance	Mayor & BSC
<b>Febr 2014</b>	<b>Transfers and tabling</b>		
28	Note National and provincial allocations to municipality for incorporation in the budget	MFMA Guidance	Accounting Officer
<b>March 2014</b>	<b>Consult &amp; Confirm</b>		
20	Receive Bulk resource providers’ price increases	MFMA s42	Accounting Officer
20	Incorporate transfers to and from municipalities	MFMA s37(2)	Accounting Officer
21	Print and distribute all documents prior to meeting of budget tabling	MFMA Guidance	Accounting Officer
27	Table in Council the annual budget and all supporting documentation	MFMA s16(2); s17 & s87(3)	Mayor & BSC
<b>April 2014</b>	<b>Consider</b>		
3	Submit tabled budget to Treasury and affected organs of state	MFMA s22	Accounting Officer
3	Publicise the tabled budget and supporting documentation	MFMA s22	Accounting Officer
29	Note National & Provincial Allocations to municipality for Incorporation in budget	MFMA Guidance	Accounting Officer
7 - 25	Public hearings	MFMA s23; s24 MSA ch 4 as amended	Mayor & BSC
7 - 25	Meetings with Wards:	MFMA s23	Ward Councillors
28	Confirm provincial & national budget allocations	MFMA Guidance	Accounting Officer
30	Review provincial and national Legislation for new reporting Requirements and deadlines	New	Accounting Officer
<b>May 2014</b>	<b>Consider &amp; Approve</b>		
2	Consider views of community and Stakeholders and, if needed, revise budget and table amendments for council consideration	MFMA s23(1)&(2)	Accounting Officer Mayor & BSC
5 - 9	Assist mayor in preparing final budget documentation for approval by council	MFMA s68	Accounting Officer
9	Review any comments from National or Provincial government Or organ of state	MFMA s68	Accounting Officer
12 - 16	Print and distribute budget documentation, draft IDP and SDBIP	MFMS Guidance	Accounting Officer
29	Consider approval of the annual Budget	MFMA s24(1)	Council

<u>Date</u>	<u>Action</u>	<u>Reference</u>	<u>Responsibility</u>
29	Approve annual budget by council Resolution (including taxes, tariffs, measureable performance object's, changes to IDP and budget related policies, SDBIP and LTC's where appropriate	MFMA s16(1), s24(2) & s53(1)(c)(ii)	Council
30	Publicise approved budget and submit to Treasury	MFMA s75	Accounting Officer

## **2.2 PRIORITIES AND LINKAGES TO THE IDP**

The Integrated Development Plan has been reviewed and the budget is based on the priorities identified by the communities. The following priorities are based on these consultative processes:

1. Infrastructure Development
2. Local Economic Development
3. Institutional Development
4. Community Development

The following table sets out the extent to which the budget is linked to the Integrated Development Plan:

### **Key Development areas**

Local Economic Development	5 450 000
Infrastructure Development	28 809 052
Institutional Development	3 589 200
Community Development	4 825 000
	<b>42 673 252</b>

Table 5: IDP-Budget Linkages

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

*Refer to SDBIP*

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

The following list of budget-related policies approved by council is available at the administration department in the Town Hall, Graaff-Reinet:

- *Tariff Policy*
- *Credit Control and Customer Care Policy*
- *Indigence Policy*
- *Supply Chain Management Policy*
- *Rates Policy*
- *Investment Policy*
- *Travelling and Subsistence Policy*
- *Management of Immovable Property Policy*
- *Unforeseen and Unavoidable Expenditure Policy*
- *Funding and Reserves Policy*

Most of these policies were reviewed with the assistance of Operation Clean Audit in the province and will be submitted to the meeting where the budget is approved in May 2014.

## **2.5 OVERVIEW OF BUDGET ASSUMPTIONS**

The following key assumptions underpinned the preparation of the Budget:

<b>Revenue</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Water tariffs	6%	7%	6%
Sanitation tariffs	6%	7%	6%
Refuse tariff increases	7%	8%	8%
Electricity tariffs	7%	8%	8%
Revenue collection rates	80%	85%	90%
<b>Expenditure</b>			
Total expenditure increase allowed	7%	7%	6%
Salary increase	7%	7%	8%
Increase in repairs and maintenance	5%	5%	5%
Increase in bulk purchases electricity	8%	8%	8%

*Table 5: Key Assumptions*

## **2.6 OVERVIEW OF BUDGET FUNDING**

The Operating budget is funded from revenue sources identified in *Table 2* above and further detail is contained in the budget tables. Although the Operating Budget shows a surplus of R8.9m, one has to bear in mind that all the government grants are included in the operational revenue, some of which are spent in the capital budget. The increase to the operating expenses is funded through the rates and tariff increases.

The Capital budget is funded from the sources shown in *Table 3* above. Furthermore, the municipality does not foresee the need to borrow in order to fund capital expenditure.

Increased spending on local economic development (LED) related projects are viewed as an important trend to be continued into the future.

The municipality has the following monetary investments:

Institution	Amount	Investment type	Maturity date
ABSA BANK	R 1 026 271.18	Money Market	-
ABSA BANK	R 454 035.59	Call Account	-
ABSA BANK	R 5 000 000.00	Depositor plus	-
First National Bank	R 2 202 018.07	Call Account	-
First National Bank	R 144 591.41	7 day interest plus	-
First National Bank	R 8 000 000.00	7 day Fixed deposit	March 2014
Investec Bank	R 25 000 000.00	Fixed deposit	June 2014

## **2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES**

*Particulars of the MIG, MSIG and FMG spending plans will be shown in the final budget.*

## **2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY**

The municipality makes the following grants to organisations and bodies outside the sphere of government as referred to in section 67(1) of the Act:

- SPCA Graaff-Reinet R 18 000
- Local Tourism Forum (Publicity) R120 000

## **2.9 COUNCILLORS' ALLOWANCES AND EMPLOYEE BENEFITS**

The following tables set out the allowances and employee benefits budgeted for the 2014/2015 budget year:

The municipality has the fourteen (14) councillors, consisting of one fulltime mayor, potentially four chairpersons of sec. 79 committees, of which the allowances are set out in table 6 above. Council is still to finalise how many chairpersons comply with section 79 of the Act.

	Salary	Phone Allowance	Data allowance	Total Remuneration
Mayor	580 219	20 868	3 600	<b>604 687</b>
4 s79 committee chairpersons	1 116 922	14 400	83 472	<b>1 214 794</b>



9 part time councillors	1 958 241	32 400	187 812	<b>2 178 453</b>
<b>TOTAL</b>	<b>3 655 382</b>	<b>67 668</b>	<b>274 884</b>	<b>3 997 934</b>

Table 6: Summary of Councillor Allowances

	Performance bonus	Phone Allowance	Total
Municipal Manager	95 444	8 400	<b>103 844</b>
Director: Finance	71 601	8 400	<b>80 001</b>
Director: Infrastructure	71 601	8 400	<b>80 001</b>
Director: Corporate Services	-	8 400	<b>8 400</b>

Table 7: Summary of Employee Benefits for MM and senior managers

	Housing	Travel Allowance	Medical	Pension	UIF	Group scheme	Bargaining	Total
Municipal Employees	161 364	505 907	3 318 318	8 243 602	461 564	663 443	31 006	<b>13 385 204</b>

Table 8: Summary of Employee Benefits

Number of employees:

	Number
Senior managers (in terms of Sect 57)	4
Other managers	5
Technical and Professional staff	-
Other Staff members	388
<b>Total</b>	<b>397</b>

Table 9: Number of employees

## 2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

There are no contracts with future budgetary implications

**2.11**      **CAPITAL EXPENDITURE DETAILS**

IDP Ref	Project Name/description	Ward	Responsible person	Funding Source	2014 / 15
IDP-123	WASTE DISPOSAL - Rehabilitation of munniks pass	7	Manager : Community Services	MIG - Source bridging	991 052
IDP-344	MACHINERY - Lawn Mowers, woodchippers & slashers	All	Manager : Community Services	Internal	20 000
IDP-401	MUN. POUNDS & CEMETERIES - Construction of cemeteries sites	1, 3 & 7	Manager : Community Services	Internal	3 200 000
IDP-420	SIGNAGE - Illegal Dumping & Littering	All	Manager : Community Services	Internal	200 000
IDP-202	TRANSPORT DEVELOPMENT - Stalls for free traders	6	LED Officer	Internal	400 000
IDP-204	UGHT INDUSTRY DEVELOPMENT - Brickmaking Enterprise	7	LED Officer	Internal	550 000
IDP-300	DRIVER'S LICENSE CENTRE - Reconstruction of registration offices	Traffic	Manager : Protection Services	Internal	750 000
IDP-317	Vehicle - LDV	Traffic	Manager : Protection Services	Internal	180 000
IDP-330	AIR CONDITIONERS - New	Traffic	Manager : Protection Services	Internal	10 500
IDP-331	OFFICE FURNITURE - Tables and Chairs	Traffic	Manager : Protection Services	Internal	30 000
IDP-341	TOOLS & EQUIPMENT - Fire-Fighting	Traffic	Manager : Protection Services	Internal	50 000
IDP-401	MUN. POUNDS & CEMETERIES - Construction of municipal pounds	2, 3, 4, 5, 6, 7	Manager : Protection Services	Internal	100 000
IDP-420	SIGNAGE - Street Names	1, 4, 5	Manager : Protection Services	Internal	25 000
IDP-421	TRAFFIC CALMING & PEDESTRIAN SAFETY - Speedhumps	4, 5	Manager : Protection Services	Internal	25 000
IDP-303	MUNICIPAL COMMONAGES - Upgrading	All	Manager : Administration	Internal	500 000
IDP-330	AIR CONDITIONERS - New & Replace	Administration	Manager : Administration	Internal	37 500
IDP-332	CATERING SUPPLIES - Crockery, Cutlery, Utensils, etc.	Administration	Manager : Administration	Internal	100 000
IDP-334	CLEANING APPLIANCES - Polishers & Vacuum Cleaners	Administration	Manager : Administration	Internal	25 000
IDP-335	HOT APPLIANCES - Urns, Stoves & Heaters	Administration	Manager : Administration	Internal	35 000
IDP-336	COLD APPLIANCES - Fridges, Freezers & Fans	Administration	Manager : Administration	Internal	30 000
IDP-342	TOOLS & EQUIPMENT - (Miscellaneous, various Departments)	Administration	Manager : Administration	Internal	23 000
IDP-353	ELECTRONIC SYSTEMS - Public Address Systems - Town hall	Administration	Manager : Administration	Internal	15 000
IDP-400	RECREATIONAL FACILITIES - Construction of beds Caravan Parks.	1	Manager : Administration	Internal	15 000
IDP-412	COMMUNITY HALLS & CENTRES - Palisade Fencing	1	Manager : Administration	Internal	250 000
IDP-106	BULK SERVICES : Water & Sewerage - Installation of bulk services at other new Settlements	4	Manager : Technical	Internal	525 000
IDP-111	WATER METERS - Replacement of faulty water meters	All	Manager : Technical	Internal	-
IDP-112	WATER MAINS - Standby dam wall pump	All	Manager : Technical	Internal	485 000
IDP-116	WATER MONITORING SYSTEMS - Telemetry	All	Manager : Technical	Internal	550 000
IDP-125	SEWERAGE SYSTEMS - Emergency Standby Pumps & Generators : Sewerage Works	All	Manager : Technical	Internal	1 225 000
IDP-129	WASTE WATER TREATMENT WORKS - Palisade fencing	All	Manager : Tech. Services	Internal	200 000
IDP-141	STREET CONSTRUCTION - Building & Tarring (new Surfacing)	All	Manager : Technical	External EPWP	1 100 000
IDP-142	STORMWATER CONSTRUCTION - New construction	All	Manager : Tech. Services	Internal	350 000
IDP-311	Vehicle : LDV	Technical	Manager : Technical	Internal	140 000
IDP-322	Backactor TLB / Excavator/FE Loader	Technical	Manager : Technical	Internal	760 000
IDP-327	Vehicle : 3 / 4 Ton Truck	Technical	Manager : Technical	Internal	340 000
IDP-331	OFFICE FURNITURE - Tables, Chairs, Cabinets, Shelving	Technical	Manager : Technical	Internal	10 200
IDP-340	TOOLS & EQUIPMENT - Occupational Health & Safety	Technical	Manager : Technical	Internal	45 000
IDP-342	TOOLS & EQUIPMENT - (Miscellaneous, various Departments)	Technical	Manager : Technical	Internal	150 000
IDP-343	MEDICAL & LABORATORY EQUIP. - Water	Technical	Manager : Technical	Internal	20 000
IDP-343	MEDICAL & LABORATORY EQUIP. - Sanitation	Technical	Manager : Technical	Internal	20 000
IDP-118	Upgrading emergency water supply	Technical	Manager : Technical	External RBIG	14 400 000
IDP-103	BULK SERVICES : Electrification - Installation at new Low Cost Settlements	1, 3 & 5	Manager : Electrical	External DOE	500 000
IDP-153	HIGH MAST LIGHTS - New, upgrade, replace	1, 3, 4 & 5	Manager : Electrical	Internal	3 000 000
IDP-154	POWERLINES - Replacement & Construction	1	Manager : Electrical	Internal	49 500
IDP-157	ELECTRICAL INFRASTRUCTURE - u/g cables and electrification of industrial area ext.)	4	Manager : Electrical	Internal	4 000 000
IDP-324	Vehicle : Crane Truck	Electrical	Manager : Electrical	Internal	350 000
IDP-331	OFFICE FURNITURE - Tables, Chairs, Cabinets, Shelving	Electrical	Manager : Electrical	Internal	8 000
IDP-340	TOOLS & EQUIPMENT - Occupational Health & Safety	Electrical	Manager : Electrical	Internal	75 000
IDP - 107	Trench excavation between main substation and college road	Electrical	Manager : Electrical	Internal	450 000
IDP-331	OFFICE FURNITURE - Tables, Chairs, Cabinets, Shelving	Treasury	CFO / Chief Accountant	FMG	50 000
IDP-334	CLEANING APPLIANCES - Polishers & Vacuum Cleaners	Treasury	CFO / Chief Accountant	FMG	10 000
IDP-342	TOOLS & EQUIPMENT - (Miscellaneous, various Departments)	Treasury	CFO / Chief Accountant	FMG	25 000
IDP-351	IT SOFTWARE - Computer Programmes, etc.	Treasury	CFO / Chief Accountant	FMG	250 000
IDP-353	ELECTRONIC SYSTEMS - Prepaid Electricity Vending Machines	Treasury	CFO / Chief Accountant	FMG	30 000
IDP-126	SEWERAGE SYSTEMS - Upgrading of Sewer Installations Pumpstations & Reticulations	Works	Manager : PMU	External MIG	
IDP-127	SEWERAGE SYSTEMS - Aberdeen : upgrading	1	Manager : PMU	External MIG	
IDP-128	WASTE WATER TREATMENT WORKS - Graaff-Reinet : Extend Purification Plant	2	Manager : PMU	External MIG	4 733 500
IDP-408	SPORTS FACILITIES - General upgrading	5	Manager : PMU	External MIG	1 260 000
					<b>42 673 252</b>

## 2.12 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, \_\_\_\_\_, Municipal Manager of Camdeboo Municipality, hereby certify that the Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: \_\_\_\_\_

Municipal Manager: Camdeboo (EC101)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_