

**ANNUAL BUDGET OF  
AMATHOLE DISTRICT MUNICIPALITY  
2014/15**

**AND  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS FOR  
2015/16 TO 2016/17**

Copies of this document can be viewed at:

- Municipal Manager's Office, 5<sup>th</sup> Floor, Caxton House, Caxton Street, East London
- All local municipalities and libraries within the district
- Website: [www.amathole.gov.za](http://www.amathole.gov.za)

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## Abbreviations and Acronyms

ADM	Amathole District Municipality	MEC	Member of the Executive Committee
BTO	Budget & Treasury Office	MFMA	Municipal Finance Management Act
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DM	District Municipality	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	MWIG	Municipal Water Infrastructure Grant
EE	Employment Equity	PMS	Performance Management System
EM	Executive Mayor	PPE	Property Plant and Equipment
ES	Equitable Share	RRAMG	Rural Roads Asset Management Grant
FBS	Free basic services	RBIG	Regional Bulk Infrastructure Grant
GDP	Gross domestic product	LRG	Levy Replacement Grant
GFS	Government Financial Statistics	SALGA	South African Local Government Association
GRAP	General Recognised Accounting Practice	SDBIP	Service Delivery & Budget Implementation Plan
HR	Human Resources	SMME	Small Micro and Medium Enterprises
IDP	Integrated Development Plan		
IFP	Internally Funded Projects		
IT	Information Technology		
kℓ	kilolitre		
km	kilometre		
KPA	Key Performance Area		
KPI	Key Performance Indicator		
LED	Local Economic Development		
LM	Local Municipality		

## Part 1 – Annual Budget

### 1.1 Mayor’s Report

#### **State of the District Address delivered by Her Worship Executive Mayor of the Amathole District Municipality Councillor Nomasikizi Konza**

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Honourable Speaker of Council, Cllr Samkelo Janda

His Royal Highness King Zwelonke Sigcau

Her Majesty, the Queen Nloyiso

Honourable members of the Provincial Legislature

The Chief Whip of Council, Cllr Sandla Mtintsilana

The Chairperson of MPAC, Cllr Zolani Kabane

Esteemed Members of the Mayoral Committee

Councillors of Amathole District Municipal Council

Traditional leaders within and outside the Council

liNkosi zethu nooNdlunkulu bethu

Leadership of the ANC in Amathole led by Chairperson Comrade Sakhumzi Somyo and secretary

Themba lethu Tutu

Alliance partners; the SACP and COSATU

Leaders of all political parties

Executive Mayors and Mayors of Local Municipalities

Councillors of Districts and Municipalities in the Eastern Cape

Dr Vanguard Mkosana together with members of the Aspire Board of Directors and its executive

The Municipal Manager Amathole Chris Magwangqana and Directors

The leadership of SALGA as led by the PEO Gcinikhaya Mpumza

Vice Chancellors and leaders of our tertiary institutions

The Chairperson of the Audit Committee, Tembela Mnqeta

Religious, business, labour and civil society leaders

Community Development Workers; Ward Committees

Members of the Media

Fellow citizens of our beloved District

Molweni nonke egameni lalowo wasifelayo uYesu Krestu inkosi yethu.

Last month when he was addressing the occasion of the release of the 20 Year Review of South Africa from 1994 to 2014, State President Jacob Zuma said, and I quote:

“Given the manner in which we were able to pull our country back from the brink of disaster, South Africa is an inspiration to people elsewhere in the world who are seeking the resolution of serious

conflicts. We are proud of this remarkable achievement. South Africa is a success story. South Africa is a good story,” unquote.

## **Ladies and gentlemen**

We are meeting here today to tell a good service delivery story that is driven by the spirit of unity and togetherness. A story of Amathole District. A place of opportunities whose sole focus is serving its communities. SIYAKUKHONZA mhlali wase Amathole!

A District named after intaba zeMathole, on the calves of the Drakensberg.

Indawo apho Ilanga xa liphuma likhanyisa likhazimle lixele ububele babemi balendawo.

Apho kugquba ikhala (the aloe), as one of the most prominent indigenous flowers, kunye no Mnga, umthi omfutshane nowomeleleyo, ofana nje nqwa, nomxhelo wabantu balapha.

Apho umkhonto neGqudu (the spear and knobkerrie) symbolise the liberation struggle and frontier wars of resistance fought throughout the District. As well as the peaceful state that we currently enjoy.

Apho iimpondo zenkomo (bull's horns) symbolise strength, power, stability and fertility.

Ze iinkomo nemfuyo, zibonisa ubutyebi, which is the all-time focal point of Xhosa existence.

Xa ndisothula intetho yobume, balengingqi intle kangakanana.

Mandithathe elithuba, ndamnkele abantu bakuthi nabaphula-phule bebeke ithemba kumaziko osasazo akweli leMpuma Koloni ngokubanzi.

Abo bamamele kwi Khanya FM eGcuwa neziphaluka; iVukani FM eCala neziphaluka; iFort Hare FM eDikeni neziphaluka; i-UCR FM eMthatha neziphaluka; iLink FM ne-Mdantsane FM apha eMonti neziphaluka naku DSTV Channel 107.

Let me also extend a warm welcome to all those who are watching us live via our website streaming and also extend my gratitude to those who have been following us on Twitter and interacting with us on Facebook social networks.

I am particularly pleased by the amazing support that we continue to be enjoying from Jabu Mazibuko and his SABC 2 Growing Tomorrow program in the last two years.

Ngale njikalanga sizokuwisa intento malunga noqingqo-mali, kunye nezona njongo zenguqulelo esinazo ezifana nobhaliso lwabahlelekileyo; Isindululo; Uluhlu lweerhafu kunye namaziko oNcedo lwabasebenzisi beeNkonzo zikaMasipala.

## **Honourable Speaker**

As I have alluded when I was quoting His Excellency, the State President, this State of the Amathole District Municipality Address takes place during a very important period in the history of this country, when we are marking **two decades of freedom** as a democratic nation.



20 years ago, our fellow South Africans became part of history by participating in the first democratic elections which born the current dispensation of the constitutional democratic state. As a young democracy, we need to position the sphere of Local Government in the fore front of bettering the lives of the people and pushing back the frontiers of poverty.

It is a period in time that calls on us to reflect and ponder how far we have gone in pushing back the frontiers of poverty and deliver on our mandates.

Lixesha ke eli lokuba khe sizipeculule, sizi gica-goce sizifune. Sizibuze ukuba ingaba izithembiso nezibhambathiso esazenzayo ngokuyana sasifunga sisazibambile kusini na?

Xa sikwelityeli, ibalulekile into yokuba khe sime kancinci, sithathe amehlo siwaphose ngemva sijonge umgama esiwuhambileyo ukususela ngo-1994 apho waqalwa khona ukusekwa uRhulumente wentando yesininzi.

Lonto iyakusineda ukwenzela ukuba siwazi umnyinyiva esesiwuhambileyo, kwanendima esaseleyo.

Xa ndizenzela olwam uvavanyo tata wam ongumbhexeshi webhunga obekekileyo, tata **uMthintsilana**, andithandabuzi tu kwaphela ukuthi uMzantsi Afrika ulilizwe eli ngcono ngoku kunangaphambili.

Ndiye ndithi xa ndiphungulula, ndifumanise into yokuba, abantu belilizwe bebambisene neenkokheli zabo, bakwazile ukuliphucula la ngcono kunalameko yayililo mandulo.

Kangagokuba ndalatha ngomzimba ongenaxhala izinto ezibonakalayo kunye nezingabonakaliyo kambe ezinye seseziqhelekile, njengobungqina obusulungekileyo.

Umqulu womgaqo siseko weli lizwe unika umkhomba ndlela ocace lubala xa kubhekiswa kum-ba wokhuseleko namalungelo abemi belilizwe.

Kodwa ke sithi xa sibheka-bheka, sijonga imeko abantu bakuthi abaphila phantsi kwazo, siye sifumanise ukuba noko kusenzima. Amanani engcaciso ophengululo asizobela umfanekiso obuhlungu ngendlela abantu bakuthi abaphila phantsi kwayo.

It is indeed a sad reality when one examines the contrasting legacies left by the tyranny of apartheid and how our people are not active in the mainstream economy of our country.

Despite significant progress in our economic transformation, our economy still does not yet serve the interest of all South Africans in particular the poor masses.

There are challenges in not only the absorption of jobs towards new entrants, but the maintenance of old ones. Given such an oppressive history of exclusion and the skewed distribution of wealth; it becomes clear that creative, short and long term employment methodologies are critical to South Africa as a developing country.

It is even worse in Amathole District in particular, where more than half of the population is still categorized as poor.

Where the **socio-economic profile of Amathole** reveals that income levels are low with more than 50% of households earning less than R42 000 per annum.

The economic growth trends in ADM have followed provincial and national patterns.

Where you will find poverty levels much higher than the rest of South Africa and the Eastern Cape, with 2011 statistics reflecting that poverty levels were at 37, 7 percent in the country; 46, 8 percent in the Eastern Cape and at an astonishing 48, 8 percent in Amathole.

This is despite the fact that between 1994 and 2008, the Eastern Cape economy grew at twice the rate of the last fifteen years of apartheid.

The population of ADM declined from 968 920 people in 2001 to 892 637 people in 2011. This represents a 13.6 % decline in the population during the 10 year period. Consequently, this has had a negative impact on the equitable share and budget allocation of the District.

A statistical comparison of service delivery between 1996 and 2011 reveals that though there is a great improvement, service delivery is still relatively low in ADM, especially when contrast it to the national average.

Amathole started at a much slower level and also the fact that it is made up of two former homelands and is rural in nature, has made the task even more enormous.

Community services – comprised in the main by government - contribute about 42% of all jobs in the ADM, followed by trade (18%), manufacturing (10%) and households (10%).

As a water services authority, some of **our challenges** in our quest to deliver good clean quality water are the fact that we are:

- Grant dependency due to an insufficient revenue base and low collection
- The ADM is dominated by indigents
- Equitable share only grown by 5% - below inflation and below the salary increase of 7.5%
- Our meter readers not adaptable to improved technology
- We have low project spending (excluding MIG)
- We also have an aging infrastructure which impedes efforts to tackle water; plus sanitation backlogs also impact in the improvement of the revenue base

When one zooms in on our Water and Sanitation Infrastructure Asset Management, it is disturbing to find out that:

- We have insufficient budget to address backlog of refurbishment requirements
- Our Infrastructure refurbishment backlogs continue to grow each year as backlogs are eradicated
- The remaining backlogs are in “non-paying” communities, so each year the equitable share allocation has to be stretched further to cover operations of new systems (meaning that operational costs are increasing but our income remains constant)
- We have limited skills to manage assets

Our other challenges include topography, long distances between water resources and communities; poor roads and control deficiencies

Another major challenge that we face is a huge funding deficit of some R1.7 Billion to meet the National Water Services eradication target of 2017 and the Provision of adequate, potable and sustainable water services infrastructure by 2017.

The required funding for Water and Sanitation is based as per RDP standard of services to be provided. The shortfall from the available Municipal Infrastructure Grant funding is approximately R1.7 Billion as ADM is currently spending approximately 100% of MIG funding on Water and Sanitation projects.

One of the biggest challenges facing the Municipal Infrastructure Grant programme is the poor performance of Service Providers appointed. This is a serious challenge that the ADM is facing as our cash-flows are based on the projects planning but due to the poor performance some do not start in time.

In response to this we have introduced pre-qualification on tenders before the evaluation process to assist in appointing the good quality of the contractors with relevant expertise.

## **Somlomo;**

Uthi utata u-Oliver Tambo ngo-1981, esisithethi kumngcwabo we qhawe la maqhawe uJoe Gqabi eZimbabwe, ecacisa lendaba yokuba indlela eya enkululekweni inde, inzima, inzingi-nzingi kwaye inamahla ndinyuka, uthi... and I quote:

“The future is bright. The end is glorious. It is peaceful. But the intervening period is dark, bitter and finds its glory in the act of struggle,” .... End quote.

This, **Honourable Speaker**, can be likened currently to the period of our new democracy. Where we have inherited a government that was corrupt and a system that is riddled with an autocratic rule as well as socio-economic segregation. In our interventions during in the first 20 years, we've had to grab the bull by its horns which translated into a dark and sometimes bitter period.

It has been periods filled with immerse opposition, tender opportunists, protesters and anti-government perpetrators.

People whose interest is to preserve what they have looted in the past and are even to buy or rent those with struggle credentials, in order to stay relevant and safeguard their minority rule. Others selfishly accumulating wealth whilst claiming to fight for economic freedom and will not hesitate to form their own kingdoms when called into order.

However, despite all of this, we will never forget what we stand for. We will never betray the freedom that we have fought so hard for.

Baninzi abantu abanikezele ngobomi babo ukuze thina sibe kulendawo sikuyo namhlanje. Lininzi igazi eliphalaileyo lincenceshela umthi wenkululeko yeli lizwe. Nangona nje iminyaka engamashumi amabini imincinci xa uthelekisa neminyaka neyengcinezelo, sitsho ngazwinye

That collectively as a nation, we have indeed made South Africa a better place.

As the entire South African government reflects, a lot has been achieved and indeed **we have a good story to tell**. This is a journey that OR Tambo was reflecting to.

Working together since the dawn of democracy, we have made South Africa a better place. We have built millions of homes, millions more people have access to services like electricity, quality education and better health care. We have created jobs, provided social grants to the poor and created new opportunities.

In Amathole District in particular, we have built thousands of toilets and have enabled hundreds of thousands more people to have access to clean quality good water.

We have created jobs, provided free basic water to the poor and created new opportunities. Since 1994, five million more people are in work with total employment at 14 million. We have contributed significantly to the Public Works and Community Work programmes that have created 6 million work opportunities for unemployed people, 40 percent of them young people.

The total number of employed people in ADM region is 110 000. As you can see, Amathole has contributed to the good government story of the last 20 years which reveals that from 1994 to the onset of the 2008 global financial crisis, we had the longest recorded period of uninterrupted economic growth, growing at twice the rate of the last 19 years of apartheid.

That is why despite all these challenges I have listed above, I stand here today, convinced and without conviction, that we will overcome them.

I am confident because at the 53<sup>rd</sup> African National Congress conference, we embraced Vision 2030 and the National Development Plan as a platform for united action by all South Africans to eradicate poverty, create full employment and reduce inequality.

I am equally buoyed by the fact that more recently, the African National Congress manifesto – launched in January – was dedicated to the founding President of our young democracy, Isithwalandwe **Nelson Rholihlahla Mandela**.

The manifesto, which talks to radical socio-economic transformation, has given me a sense of belief in that it has retained focus on five priorities namely education, health, rural development and land reform, creating decent work and the fight against crime and corruption.

Adding to this the Manifesto also has a focus more intensively on human settlements, housing and basic services.

Addressing an International solidarity conference in 1993 in Johannesburg, former ANC president OR Tambo once said and I quote:

“We believe that we must stand together in creating a new South Africa. When our work is done, let all look at the new South Africa with hope and encouragement. Hope and encouragement because she will have demonstrated that it is possible for people of different colours and different races and

nationalities to live together in peace and friendship, sharing a common sense of nationhood and humanity,” Unquote.

These are the ideals that Tata and the likes of OR Tambo fought for. A government that is set by governance principles of honour, integrity, value and discipline.

As the Amathole District Municipality, pulsating through our seven local municipalities of Amahlathi, Great Kei, Mnquma, Mbhashe, Ngqushwa, Nkonkobe and Nxuba; we have advocated and still are, championing the Mandela ideals of unity, hard work, selflessness, clean good governance and servitude.

Our connection with Madiba in our this District, is through an umbilical cord called the national liberation heritage route which is a road that has landmarks and sights of the South African long journey to freedom.

The Maqoma, the Sandile, the Phalo and the Makana routes directly links us to Mandela as part of our heritage preservation and awareness of Amathole’s cultural and historical assets.

His schooling, particularly tertiary at the University of Fort Hare, was spent here in Amathole.

On his birthday last year, we honoured him by having all ADM employees physically being part of service delivery initiatives all over the District culminating by the building of nearly 600 toilets in the villages of Mente in Mbhashe and Goshen in Amahlathi. Apho siphucula siguqula ubomi babantu kuquka kubo umama umaGaba kuMente, atsho azingce.

This is why egameni lika tata; in December when he passed away, we pledged to escalate the provision of water to our communities; as evident in this financial year where we committed R13, 5 million of the Mayors Intervention R15 million budget towards water and sanitation.

**I am therefore proud to announce that between now and the end of the financial year, we have made available R5 million as part of Mandela Legacy Interventions. Adding to that, in the next financial year, we have made a budget provision to spend R10 million as part of Mayoral Projects, to honour the legacy of Madiba.**

**Also as part of our commitment to the Expanded Public Works Program, we have made available R5 million to ensure that we program continues to honour Madiba by sustaining our job creation mission between now and the end of this financial year in July.**

We will not only take action, inspire change on his birthday but as the ADM, we pledge to make everyday a Mandela Day.

We also pledge to the commitment of eradicating the bucket system all over Amathole.

There is no greater tribute we can honour Madiba with by ensuring that our financial books are clean and that we improve on the unqualified audit opinion that we have been getting from the Auditor General in the last three years. Equally, this applies to the improvement of finance books and oversight systems of our seven local Municipalities as well.

Maintaining stability and sound principles of good governance is a huge task of note; we will utilise the spirit of Madiba to keep peace, trust and unity between the Troika, opposition and oversight... whilst we denounce and expose elements sowing seeds that seek the opposite.

Because Madiba was an organic intellectual, a jurist product and a history maker;

We in Amathole will continue to forge links with tertiary institutions of higher learning like Walter Sisulu University and strengthen the MOUs that we have signed with the University of Fort Hare and Fort Cox Agricultural College to not only preserve the legacy of Madiba; but to assist our country create a secondary layer of quality leadership by empowering the youth and creating peace within our space; synergy and harmony amongst politicians, administrators and the community.

Because Nelson Mandela lived a life that was well lived and dedicated to the service of his people, we will be continuing:

To honour veterans and soldiers that fought this freedom by sacrificed their lives, for time beyond our existence through the Armed Struggle Living Museum that we launched last November.

We will continue to assist with land acquisition for the proposed museum, which is earmarked to be within Buffalo City Metropolitan Municipality. This we will do by intensifying lobbying for funding in order to erect the museum structure.

In our quest to recognise the role that military veterans played in the liberation of this country, last month together with the Department of Justice, Nkonkobe Local Municipality, we held a reburial service of Vuyani Goniwe in Alice at Ntselamanzi Village.

This programme will be continuing in the next financial year as part of implementing the Social Integration and Rehabilitation of Military Veterans Policy Framework. The ADM is currently busy with the identification of other fallen veterans as part of its heritage resources research and collection.

Following the exhumation and repatriation of six human remains in Lesotho in February 2011, we are currently working on the forging of Memorandum of Understanding with two District Municipalities in Lesotho, namely Berea District Municipality and Maseru District Council.

We will continue with relishing and advancing the cause towards retrieving and bringing home the remains of our fallen liberation soldiers who left their loved ones behind and sadly, only not to return.

We did so with the exhumations and repatriation of human remains in 2011 from Lesotho Maseru of:

- Mzukisi Skweyiya
- Mzwanele Fazzie
- Lepota Marayi
- Cassius Barnabus
- Siphon Notana
- Boniswa Ngcukana

Again in April last year, we prevailed in the repatriation of the spirit of Makhanda ka Nxele when we went to Robben Island.

As evident, due to our commitment towards assistance for military veterans, ADM has developed a Social Integration and Rehabilitation of Military Veterans Policy Framework.

The objective of the Policy Framework is to streamline the military veterans in the entire service delivery operations of ADM, thereby ensuring that they benefit economically through job creation and poverty alleviation initiatives.

As a water service authority it is inevitable that water and sanitation provisioning is the key focus of the **2014/15 budget allocations**, reflected in:

- 66.71% of total budget allocated to Engineering Services for water & sanitation
- 95.53 % of total capital budget allocated to Engineering Services for water & sanitation
- The Municipal Infrastructure Grant allocation 55% is allocated to water projects and 40% to sanitation projects
- The total capital amount of over R513 million represents the institutions expenditure on desk, chairs, computers, vehicles and other such capital item, as well as the MIG and MWIG infrastructure expenditure, Regional Bulk Infrastructure grant and the Rural Households Infrastructure Grant
- Our total budget allocation is **R1, 870 billion**.

### **Honourable Speaker**

About decade ago, the then government of Amathole was faced with a mammoth dilemma.

With so little resources at its disposal, and so much development demands, how does an institution that is solely tasked with delivering water and sanitation.... also tap into rural development and poverty alleviation?

The answer to that was the birth in 2005, of arguably, one of the biggest successes that this government has created in the Amathole region. An **economic developmental agency**, called Aspire.

Grasped with natural potential around us, and amazing prospects that Mother Nature has got to offer the people of Amathole, there came a need to create a vehicle that will come into such an environment and stimulate locality development.

There was also a disturbing and concerning trend of small, rural, decaying and neglected small towns who were not contributing to their own economies and that of the Amathole Region, nor were they not improving the quality of life of its residents for the better.

Hence the twinning mandate of the agency was to advance the regenerating small town economies. Add to this list a huge unemployment and poverty rate.

Fast forward to 2014;

And as evident during last year's State of the District address, when I outlined a number of interventions and successes that have been pioneered by this agency.

The renewal of 12 towns in our district, including Alice, Butterworth, Dutywa, Hamburg, Stutterheim, Cathcart, Peddie, Keiskammahoek and Fort Beaufort, will go a long way towards enabling our people to have decent livelihoods. The residents of these towns are the driving force behind the economic rehabilitation and sustainability of the areas.

The new challenge is now on consolidating and expanding this model. Initial funding for operations have been R5 million for 3 financial years and escalated to R11.4 million in 2011/12 to R15 million for 2012/13 and 2013/14 financial years respectively. The Neighbourhood Development Grant of R183 million from the National Treasury approved.

ASPIRE has launched its first quarterly newsletter, *ASPIRE in ACTION*. This is an effort to market the agency through its successes. Copies are available on the ASPIRE website and hard copies will be distributed here.

Allow me therefore Council Speaker, to be more detailed in respect of progress on these interventions:

We are spending approximately R54.7m on the N2 Corridor.

### **Naku ke esikwenzayo eGcuwa njengxalenye yokuVuselela iGcuwa:**

The repairs of the lights in Butterworth was completed and the handover of the regeneration work done by ASPIRE needs to be formalised to ensure that the Municipality takes responsibility for future maintenance.

### **Mandithethe ngoVuselelo lweDutywa:**

- The designs for the upgrade of water and sanitation in iDutywa have been submitted to the Municipal Infrastructure Grant for funding. Upon approval, this will address these very key areas of concern and position the town for growth.
- The concept of Dutywa/ Willowvale being “a gateway into the Xhosa Kingdom” is being developed and has the potential of increasing tourism into the area. ASPIRE has engaged various departments in this regard, who are the owners/custodians of various heritage properties in iDutywa. We are optimistic that funding will be secured in the new financial year.

### **In Elliotdale and Willowvale**

- The development of precinct plans for both Elliotdale and Willowvale has been completed giving rise to an informed development framework for the area. Further planning work will be concluded in the new financial year to ensure that revitalisation of these town is driven in line with the agriculture and tourism development of the area.
- A rural community cluster approach was initiated in Kulo-Jingqi with a view to develop the area into an agricultural hub. 4000 bags of maize were harvested from 139ha of land. The investment into this initiative was R1.3 million and it resulted in an R800 000 loss. It is through **lessons of this nature** that ASPIRE has decided to ground its agricultural program on the potential of the area to ensure that the programs are not only viable, but that they are also sustainable.
- During 2013/14 a study has been commissioned on the agricultural potential of the area to identify the best crops for the area, best industries that could be developed through agro-processing, as well as the markets. It became clear that upgrading the access road to the area is a prerequisite to further investment. The Department of Trade and Industry, the Eastern Cape Development



Cooperation and the Department of Rural Development and Land Reform were approached for funding and they are all promising.

- This road leads to the tourism destinations of the Wild Coast so it's upgrading will ensure that the community has access to services that are in Willowvale town (health services, police, social services etc.). It will open the gateway to Kob Inn and other coastal holiday resorts.
- In the interim, development of a nursery and household vegetable production is underway to ensure food security for the community. 30 households have organised themselves into a cooperative and they have started producing vegetables. SEDA continues to assist with the training of the cooperatives.
- A beef production enterprise, Ngangegqili Beef Enterprise has been initiated in Mbashe in collaboration with the National Agricultural Marketing Council.

### **On the N6 corridor**

#### **Izicwangciso zethu zoVuselelo lwalapha eCumakala zijonge oku:**

- This very beautiful venue, called the Mlungisi Community Commercial Park was launched in February. Tenants have already started moving into the centre which is expected to be fully operational by the end of this month. This is a unique development in the Eastern Cape if not in the country. As you can see for yourself, this R49 million infrastructure, is a much needed service infrastructure and a first of its kind. We are determined to replicate this type of development in other municipalities to ensure that the rural communities have access to the much needed services.
- The Stutterheim CBD upgrade was handed over to the Amahlathi Local Municipality. Since then, ASPIRE is inundated with calls from various towns as they all want to look like Stutterheim. We are working tirelessly on plans for the various towns to ensure that they get a similar facelift.

#### **KuQoboqobo:**

- Together in collaboration with Industrial Development Cooperation and support to the value of R300 000 from its Social Capital Investment programme, we were able to assist St Matthews High School with an upgrade of its existing science laboratory. Work is continuing well in this regard, and the upgrade is expected to be complete in this financial year. The intention is to link this laboratory with the ELIDZ science lab in order for it to offer one of the best experiences for the young science educators.
- With regards to the Keiskammahoek blueberry large out growers programme:
  - Capital expansion of the project for the 2<sup>nd</sup> and 3<sup>rd</sup> out-growers has been delayed due to DRDLR and DTI not being in a position to transfer the required funds owing to institutional arrangements
  - Existing operations have continued through prudent use of cash management resources.
  - We have also assisted by purchasing required inputs to maintain the program until all other issues have been resolved

- Five tons of Blueberries were harvested in the past season and the plan is to ensure that the facility is SAGAP accredited so that they could start supplying the formal markets with the produce. ASPIRE is working with the Perishable Products Export Control Board to secure this accreditation.

### **At the Amabele / Ndakana villages;**

- We are continuing to provide support to the strengthening and development of this rural business cluster
- Ndakana Wood Products Cooperative expanded its operations to now include 9 villages in the area, where each village has access to a 1ha vegetable cash crop.
- Household Agro-ecological Support Cooperative secured an additional R200 000 from DBSA Drylands Fund and UNDP GEF to support its operations for a further year. A nursery has been completed and now the cooperative will start producing seedlings for the neighbouring communities. The membership of the cooperative has increased from 80 household gardens to 100 over 5 villages.
- The Amabele Village Development Plan is in its final stages and will provide the blueprint for the establishment of an agri-processing hub. Funding applications have been submitted to funders. A pack-house proposal for the Blueberries and vegetables has been presented to the ECDC for funding.

### **On the R63 CORRIDOR**

#### **UVuselelo lwaseDikeni:**

- The construction of the paved pedestrian pathways linking Lovedale FET and Ntselemanzi with Alice CBD is basically complete. This will provide easier access for students and residents to the town. The contractor defaulted resulting in slow progress. A process of appointing a new contractor to complete the work is underway.
- The Alice CBD upgrade construction started in January. The funding challenges with NDPG have resulted in the complete halt of the project. We will continue engaging National Treasury to ensure that funding is secured for this project.

#### **In Bedford and Adelaide**

- The Local Spatial Development Framework for Nxuba is complete. We are negotiating funding with Cenergy (a wind energy company in the area) for the development of a multiple purpose centre with education academy (Maths and Science Academy), sports academy as well as a commercial centre.

### **On the R72 corridor**

#### **In Hamburg**

- The construction of the Music Academy and Environmental Centre is 99% complete. Eskom connection is expected by the end of this month. A process of identifying tenants will commence shortly.

- The Emthonjeni Arts is still operating, although the establishment of the S21 company has not been resolved.
- An agreement has been negotiated with Department of Agriculture Forestry and Fisheries for the implementation of a fisheries project at Hamburg and Qolora. The value of this project is R5.5 million and the signing of the agreement is eminent.

### **EzoVuselelo lwaseNgqushwa:**

- Two interventions have been identified during the feasibility study that was conducted for the area. These include the development of an agricultural resources and skills centre, and the upgrade of various infrastructure items within the CBD. Fundraising for the CBD upgrade is underway.
- ASPIRE, in collaboration with the National Agricultural Marketing Council, is initiating the conceptualisation of the Ngqushwa Beef Farming Enterprise.

### **Honourable Speaker;**

Former State president Thabo Mbeki once said and I quote: “Gloom and despondency have never defeated adversity. Trying times need courage and resilience. Our strength as a people is not tested during the best of times. As we said before, we should never become despondent because the weather is bad nor should we turn triumphalist because the sun shines. For South Africa to succeed there is more work to be done and we will continue to strive to act in unity to accelerate the advance towards the achievement of our shared national goals.

Drawing inspiration from the Manifesto of the African National Congress, during this current financial year, our Project Management Unit is implementing 58 **water and sanitation related projects** which are spread out in 7 local municipalities respectively as part of ADM’s powers and functions of being the Water Services Authority.

All these projects are funded by Municipal Infrastructure Grant (MIG) and Department of Water Affairs through Regional Bulk Funding.

As we work towards achieving our mandate and the Millennium Development Goals, it has set in the IDP objective to provide quality and sustainable drinking water in an integrated manner to all consumers in the district by 2018, through prioritising the rainwater harvesting programme as one of the strategies.

Also, since the ADM is one municipalities in the 24 Priority DMs Programme; the National Treasury through **the Municipal Water Infrastructure Grant (MWIG) has allocated R 130 million** to the district for three financial years aiming at prioritising and accelerating projects identified through the Interim Intermediate Water Services Programme (IIWSP and the programme is also funded by the Department of Water Affairs.

After the three years of serious drought experienced in 2008-2010, we have learnt valuable lessons and have **set aside R40 million from own internal reserve funds to develop Special Water Security Initiatives**. These included water conservation and demand management initiatives, the drilling and equipping of additional boreholes, the repair of dams, the construction of additional reservoirs and the substantial refurbishment of the Adelaide Canal, which is still in progress.

The retrofitting programme which is being implemented in Nkonkobe, Nxuba, Mngquma and Amahlathi areas is yielding positive results and already the consumption has been reduced in some areas. It is hoped that the ADM will be able to secure additional funding to roll out this programme in other areas where leakage is high.

It should be noted, however, that it is everyone's responsibility to conserve water and all household leaks should be repaired as quickly as possible. Owing to limited resources, the ADM will only be able to assist indigent consumers through any retro-fit programmes.

Another programme aimed at reducing loss and improving access to services is the "pipe replacement programme". In many older settlements the pipe infrastructure is made from cast iron or asbestos and is very old. Pipe bursts and water loss through this pipe infrastructure is common and it therefore needs to be replaced. This is an extremely difficult and costly process as the pipes have to be replaced with minimal disruption to existing services.

The first pipe replacement project began in Butterworth this year. Owing to the extent of the problem and the costs associated with these types of projects, this is expected to be an ongoing programme which will be rolled out to other towns as soon as additional funding becomes available.

The ADM, together with partner, the Amatola Water Board, has continued to provide water of a high quality to its consumers. In order to further improve quality standards the ADM is carrying out "plant process audits" in order to ensure water quality can be maintained at all times and that treatment facilities can match the growing demand. Together with the CSIR the ADM is also investigating the feasibility of developing its own laboratory as well as improving onsite monitoring and testing.

Our funding allocation and bulk infrastructural projects for water and sanitation reflect the demographics of this district wherein over half of the ADM population reside in Mngquma and Mbhashe area.

These are the Mncwasa water scheme which is about R26, 5 million; the Xhora East Water Supply which is about R25 million and the Ibika water scheme which is R5 million.

**Completed Projects for the financial year 2012/13 in this area are over R36 million. The total amount of completed projects throughout the District is over R96 million.**

**As part of our interventions in as far as water harvesting - which is mainly used for water tanks - we were given over R15 million combined funding by national government departments including our own funding.**

**In the next financial year, we will be intensifying this programme and extending it further including the Master Plan with an additional funding of over R28, 5 million.**

**In NXUBA Municipality**

R8 million has been allocated for the finalisation of buckets system, the project is currently at tender documentation stage however confirmation is being awaited from the local municipality in terms of housing plans as the remaining buckets are all in informal ervens. ADM through Municipal Support Unit is also assisting in formalising some of the areas.

We have started with processes towards the provision of services for the Wortel Drift Housing Development and Nxuba towns Water Treatment Works.

The sub total of our Municipal Infrastructure Grant in Nxuba including new still to be registered projects to MIG is R20 million.

**eNGQUSHWA Municipality**, MIG funding approval for eradication of all the water backlog within Ngqushwa municipality has recently received, currently finalising designs to be ready for implementation. R6 million has been allocated towards the project.

Area Ward Sanitation Project covering Ward 6 and 11 has been allocated an amount of R10 million for the erection of Ventilated Pit Latrines (VIP) toilets.

The sub total of our Municipal Infrastructure Grant in Ngqushwa including new still to be registered projects to MIG is R39, 5 million.

In **AM AHLATHI Municipality**, the R10 million Zingcuka water supply project will be addressing five (5) villages (Jojweni, Izingcuka, Sixhotyeni, Magadla and Ngxondorheni). The project has received MIG approval and the construction will start in July 2014, still finalising the designs.

The **Mgwali Church Tenants** will be providing water and sanitation to the Mgwali Mission village (6) with the budget of R2, 5 million for the financial year, and it is situated within Ward 16 in Amahlathi Local Municipality. The village comprises of approximately 44 households with an estimated population of 266.

Under the Tsomo Water Supply, the following villages are being handled under Chris Hani District Municipality contract...they are eJojweni, Cenyu, Kensington, Mchewula A&B, Magwatyuzeni and Luxomo.

A new contractor has been appointed to do Ngxalawa B, Matolweni C, Fubu, Moyeni A, KwaMfula A, KwaJack A&B, Xoloba). Phase 1B (Contract 1 & 2) have been awarded and have already established on site. It will serve 14 villages under Ntsitho Villages, Qwili-Qwili Villages and Ncancule Villages in ward 13 of Amahlathi LM and 15 of Mnquma LM and Phase 2 under design.

The sub total of our Municipal Infrastructure Grant in Amahlathi including new unregistered projects is R 66, 5 million.

### **In Great Kei Municipality**

We have a budget of R5 million for the Komga commonage settlement services and an investigation for a suitable option of Waste Treatment Works for the 590 households in Morgan's Bay is underway. The sub total of our Municipal Infrastructure Grant in Great Kei including new still to be registered projects to MIG is R19, 15 million.

### **In Nkonkobe Municipality**

Region one (1) Nkonkobe area wide sanitation program is under construction and has been budgeted for R5 million. The Project will be supplying and installing Ventilated Pit Latrines to the households.

We have budgeted a R6 million for Fort Beaufort Bulk Water Service Upgrading - Phase 1A. The aim of this phase is to refurbish the Water Treatment Works with a view to increasing flow through the works in order to alleviate some of the problems encountered by Bhofolo of inconsistent water supply.

The sub total of our Municipal Infrastructure Grant in Nkonkobe including new still to be registered projects to MIG is R41,4 million.

**In MNQUMA Municipality** We will be spending R10 million in completing Centane Sanitation Project which is located in ward 23, 24, 25, 26, 27, 28, 29, 30 and 31. This will supply and install 17 307 New Ventilated Improved Pit Latrines (VIP's) in the vicinity of Centane with a total population of 103 851 predominantly traditional dwellings without basic sanitation services.

We will be implementing the Gcuwa West Water Supply in areas around N2 to Idutywa to the East, the Tar Road to Ngqamakhwe (from Ndabakazi) to the West and the Northern Boundary of Wards 7 and 8. This scheme will be covering about 25 villages with an allocated budget of R10 million.

R10 million will be spent in Ibika-Centane Water Supply Scheme stretching from N2 route in the north, Xholani on the west and Gosaxi in the east down to the coastal area of Mazepa. The area is home to a total of now more than 32,574 people dwelling in 6,515 households made of mainly low income earners. The project also extends to Centane Town which has both urban and rural dwellers.

An allocation of R18 million has been made for the implementation of Ngqamakhwe Water Supply Scheme, which covers 129 villages in Wards 13 – 20 and would benefit over 76 000 people. The project has been broken down into five phases due to water source (boreholes) available; ultimately the aim is to abstract water from Ncora Dam as a sustainable solution for the communities.

The sub total of our Municipal Infrastructure Grant in Mncwasa LM including new still to be registered projects to MIG is R114.4 million.

**In MBHASHE Municipality**, about R10 million will be used to implement Mncwasa Water Supply Project, which starts North of the Xhora River and ends at the Mpaka River near Hole in the Wall.

Presently 46 villages have been serviced with a total of 4587 Households and an estimated population of 27,522 people, One more phase is ready for implementation and this project will service 15 villages with a total of 1865 Households and an estimated population of 11,190 people. Currently nineteen contracts have been awarded out of the planned twenty contracts and some are currently completed or in the construction phase.

Xhora Water Supply Scheme has a budget of 10 million and will be supplying 133 rural villages with a population of about 66,900 in 8,082 households. The project area covers Ward 15, 16, 20, 21 and 26 of the Mbhashe Local Municipality.

R10 million has been allocated for the implementation of Sundwana Water Supply Scheme that will be supplying potable water directly to 26 villages in the Sundwane area, with a total population of 6 467 (1 332 households). In addition, the scheme is to augment (dam capacity) the bulk water supply to 7 rudimentary schemes within the Mbhashe Area.

R5 million has been allocated for the implementation of the Sanitation Area Ward. The Project will be supplying and installing Ventilated Pit Latrines to the households. The sub total of our Municipal Infrastructure Grant in Mbhashe LM including new still to be registered projects to MIG is R111.64 million.

### **Ladies and gentleman**

The recent Integrated Development Plan and Budget **public participation** roadshows that we conducted allowed our communities to make comments on the draft IDP and Budget. Comments received in the 2014/15 IDP road-shows, were assessed and investigations were conducted.

Depending on the availability of funds and whether an issue could be immediately addressed; we have categorised issues and we will be auctioning them. We want to ensure that we promote a culture of dialogue, accords and commitments across society as part of our national governments efforts to build a social compact for growth and development.

Since we want to tell a good story, we have come up with mechanisms to address issues that could not be immediately resolved during the road-shows and have an effect on future budgets, and were communicated to communities during Council Open Day three days ago; and some of these will influence the final budget that will be adopted by Council in May 2014.

### **Distinguished guests**

uTata Nelson Mandela once said and I quote: "For to be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others."

It then becomes important that in our efforts to protect the gains of our hard fought freedom, we advance the causes that enable us to look after those that were denied access to free basic services.

In terms of ADM's approved policy, an indigent is defined as any household which is responsible for the payment of municipal services, earning a combined gross income equivalent to or less than two times the old age Government social grant excluding Child Support grant.

**Indigents** are receiving 10kl free water a month, 6 kl towards drinking water and 4 kl towards sanitation. If the level of consumption of the indigent household exceeds the consumption level approved by the Municipality, the household will be obliged to pay for the excess consumption on a monthly basis.

Tariff increases for 2013/14 are capped at 6% which is in line with average CPI and maximum growth prescribed by National Treasury. Domestic consumers are receiving the first 6kl free.

The fire levy where fire services are readily available are R16.83 for domestics and R22.45 for non-domestics. The Fire availability fee - where reaction time is greater than 30 minutes – is at a cost of R11.23 for domestics and R16.83 for non-domestics.

In Centane, Ngqamakwe, Elliotdale, Willowvale, Kei Mouth, Morgans Bay, Haga Haga, Mooiplaas, Bluewaters, Kwelera, Hamburg and Wesley where the service is not readily available due to the vast distance, a fire availability levy of R11.23 for domestic and R16.83 for non-domestic is charged.

## **Honourable Speaker**

In the priority area of **local economic development**, spearheaded by Tourism and Agriculture, we continue striving towards striking the balance between socio-economic transformation against the demand for and commitment to a non-racial South Africa as per the undertakings of the Freedom Charter.

A commitment that the people of South Africa shall equally share in the country`s wealth.

- That the national wealth of our country, the heritage of South Africans, shall be restored to the people;
- That the mineral wealth beneath the soil, the Banks and monopoly industry shall be transferred to the ownership of the people as a whole;
- All other industry and trade shall be controlled to assist the wellbeing of the people.

In our quest to attain economic freedom in our lifetime, Our Supply Chain Management (SCM) policies seek to encourage socio-economic transformation within its region in line with the Preferential Procurement Policy Framework, Broad-Based Black Economic Empowerment and Construction Industry Development Board Acts.

This can be achieved by providing employment opportunities to historically disadvantaged individuals [HDI's] and disadvantaged communities, enabling socio-economic transformation objectives to be linked to fair, transparent, equitable, competitive and cost effective procurement practices.

During the 2012/2013 financial year, projects to a total value of R316 million were awarded to various companies according to their B-BBEE status level of contribution. The Broad-Based Black Economic Empowerment (B-BBEE) has a generic score card that made up 7 elements which are: Ownership, Management Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise Development and Social-Economic Development.

There are nine (9) levels of B-BBEE Status level of Contributors.

Exempted Micro Enterprises (EME's) are businesses that are exempt from measurement in terms of the DTI's codes of Good Practice for BEE. EMEs are automatically a Level 4 or if the Company has more than 50% black ownership then it is a Level 3. This offers small South African businesses the opportunity to grow as a result of BEE irrespective of the make-up of the shareholding.



Awards were thus made as follows:

**B-BBEE STATUS LEVEL OF CONTRIBUTOR TOTAL VALUE OF AWARDED PROJECTS**

<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	<b>TOTAL VALUE OF AWARDED PROJECTS</b>
1	R14 134 879.42
2	R158 173 390.16
3	R33 582 764.19
4	R53 937 757.49
5	R471 250.75
6	R0
7	R0
8	R0
Non-Compliant Contributor	R55 568 487.34

In all capital projects, ADM encourages the use of labour intensive methods.

The EPWP programme has created more 3000 **jobs** throughout. Most of our local municipalities have benefited in the EPWP programme and the support is on-going.

We will be working closely with our agency in order to continue to create job opportunities throughout our local municipalities. The ASPIRE has received an amount of 45 000 000.00 to implement the programme.

We have also received an amount R3 million, and these funds will be utilised to pay the stipend for our Interns.

The ADM appointed 100 community members of Tholeni village in order to undertake bush clearing following notorious issue of rape in Tholeni, Other areas where the program will be rolled out in Nxuba, Amahlathi, Mbhashe and Mnquma. The ADM has also made available an amount of R5 million.

As part of tourism development, which is inspired by our Tourism Master Plan, we will continue to enhance empowering tour operators; trip operators; tourist guides; professional conference organisers; and event organisers.

The ADM has trained 23 tour guides on presentation and communication skills, supported tour guides with tour guiding gear and in collaboration with Eastern Cape Parks and Tourism Agency has trained 21 accommodation establishments/conference organisers in SA host (Customer Care).

The intention in the next year is to train tour guides from 7 LMs in languages and foreign language (German) and register them as co-ops with tour guiding license.

As part of our exploration of the opportunities that our people can exploit in community tourism, domestic tourism and ecotourism, we assisted Ngxingxolo Cultural Village (Great Kei) with building material and signage, Isivivana Community Initiative (Ngqushwa) with draping material and Mgwali Cultural Village (Amahlathi) with refurbishments and renovations.

We also intend to assist Bawa Falls Community initiative (Mnquma) with the construction of Chalets.

### **Council Speaker;**

As the President has alluded during the ANC January 08<sup>th</sup> Statement; we are meeting, a 101 years since the promulgation of the 1913 Land Act, which dramatically robbed the indigenous people of our country of 87 percent of their land, and turned them into pariahs and wanderers in the land of their birth.

Whilst we acknowledge that land reform is a specific functional competency of the National Department of Rural Development and Land Reform, the key challenge for the ADM in Land Reform process is to deal effectively with the injustices of land dispossession, equitable distribution of ownership, reduction of poverty and economic growth.

In this regard during the last 20 years of democracy various strides have been made by the District Municipality in s far as Land Reform & Human Settlements as a Priority Area is concerned. The strides relate to the aspect of Localizing the Land Reform since it is a National responsibility through our Land Reform & Settlement Plan.

We have progressed very well with the land restitution projects in areas such as Cata; in nine (9) Keiskammahoek Villages and Dwesa-Cwebe.

In almost many of these projects the following are milestones that have been reached, as common projects for development as defined by each Development Plan developed by the ADM with full participation of the beneficiaries in which the following projects were completed successfully:

- Planning and Survey, Multi-purpose centres, Primary School fencing, Internal Roads, External Roads, Museum Exhibition, Walking Tours, Afforestation, Agricultural Irrigation (Equipment & Production), Homestead Gardens and CPA Capacity Building

Approximately 270 627 hectares was accessed for benefit of communities who previously did not have access to land ownership a Various land parcels were accessed for benefit of communities who previously did not have access to land in Amahlathi. These are farm properties in Kubusie at Amahlathi and Mooiplaas in Great Kei.

These are parcels of land are aimed at assisting both settlement and commonage purposes for the communities.

A total of 2061 individual title deeds are being issued to various beneficiaries in Nxuba, Nkonkobe, Great Kei and Amahlathi. In all these, a total amount of R1m was expended.

Settlement upgrading of 54 village areas for the benefit of more than **53 133 households** various households is being realised in all local Municipalities. All these are funded by Provincial Department of Local Government at a total amount of R21m.

Our Spatial Development Framework (SDF) is an expression of the IDP, being a tool aimed at identifying Key Spatial Development areas, Main Nodes and Zones for potential development.

As part of the implementation of the Spatial Development dimensions, development planning projects have been embarked upon in.

These are in the areas of Mquma; Mbashe, Nkonkobe, Nxuba and Ngqushwa at a cost of R3 million. These include

- Adelaide Zone Plan, Nxuba
- Coastal Zone 4, Ngqushwa
- Debe Nek Zone Plan, Nkonkobe LM
- Tyume Valley, Nkonkobe
- Ndabakazi Zone Plan, Mquma
- Butterworth Zone Plan, Mquma
- Centane Zone 4 Zone Plan, Mquma
- Wavecrest and Mazzepa Zone Plan, Mquma
- Nqadu Zone Plan, Mbashe
- Willowvale Zone Plan, Mbashe
- Idutywa (Northern areas) Zone Plan, Mbashe
- Elliotdale Zone B (Town & Surroundings), Zone Plan, Mbashe

The Other Strategic Programmes that have been successfully implemented included Housing Risk Analysis Programme, Housing Accreditation Housing Finance Risk and Fraud Plan and Feasibility Study on Social Housing.

Through the **Public Private Partnerships** Memorandum of Understanding that we have signed with Fort Cox Agricultural College, we are targeting the utilisation of the institution in advancing this cause.

Already our partnership with Fort Cox College has seen us training of 50 Co-operatives, which we facilitated together with Local Municipalities and LGSETA with 80% of them being Agricultural Co-operatives.

We look forward to strengthening ties with institutions like Standard Bank, who donated R200 000 for desks, learning support material and uniform to the Mayoral Adopted schools of Gwebityala Senior Secondary School in Mbashe and Elethu Primary school in Amahlathi.

Other similar Adopt-A-School and back to school campaigns that we implemented were in Nxuba at the Nonyameko Primary where we donated two prefab classrooms shoes and windbreakers to all 423 learners and Kobonqaba Higher Primary where we gave 90 pupils school shoes, school bags and learner support material.

Following the adoption of schools like Khayaletu Primary School in Nkonkobe where we refurbished the kitchen, we are hoping to lobby the private sector into rallying and supporting the Charles Sojola High School in Ngqushwa and Fundani High School in Amahlathi as one of the Mayors adopted schools for next year.

Furthermore, we would like to thank Vodacom for the interest and support they have shown in our District

We are encouraged by the garage that Caltex has invested upon in Ngqamakhwe and we look forward to having developmental relations with them. We look forward to further engagements with the likes of South African Football Association and the Department of Energy, towards developmental initiatives in Amathole.

Having part of the engagements with the Minister of Rural Development and Land Reform and the MEC DEDEAT on the Wild Coast meander project, we were participants' provincial Wild Coast Summit work streams that will be fundraising for the future development of the Wild Coast.

We will also be developing plans that will be identifying the tourism industry and SMME programmes that will benefit three local municipalities, that is Great Kei, Mquma and Mbhashe. We will also hold bilateral with the OR Tambo District Municipality and Ugu District Municipality in order to formalise these partnerships.

Our partnership with the EL IDZ on the Target Economic Empowerment Program is growing from strength to strength. Following the launch last October and the signing of the Memorandum of Understanding, 35 applicants were found to have been responsive.

As part of the spin offs from our Investor Conference held two years ago, we have held engagements with a Development Economist from Belgium on Investment Opportunities and areas of collaborations.

We have trained 6 entrepreneurs and site visits were conducted in order to assist them in entering trade European Market. The programme is ongoing as we would like to see the trained entrepreneurs penetrating the European Market.

### **Council Speaker**

We remain Commitment towards selfless, excellent and sustainable service to all our communities.

One of the responsibilities we have been entrusted with is that of rendering **Community Safety**, in the form of Municipal Health, Fire, Disaster Management and Community Safety Services.

That is why we have done routine inspections of Four hundred and forty four (444) food premises to ensure that, food consumed by our people is safe.

About three hundred and thirty three (333) food premises have been found to be in compliance with the national legislation. About 657 Food Handlers were capacitated to impart necessary skills that would contribute to the reduction of foodborne illnesses throughout Amathole District Municipality.

To enforce compliance, ninety eight (98) Funeral Undertaker premises were inspected and 37 were found to be in compliance whilst 10 non-compliant business owners were issued with notices advising them to rectify the issues of non-compliance. Seven premises were found to have ceased to operate. The remaining premises did not have mortuaries as they were operating as satellite offices. Both of the above issues are a standing item in the agenda of the District Mayors Forum.

Workshops were held in all the seven Local Municipalities to sensitise the communities about the services that ADM is conducting in relation to the Disposal of the dead policy.

In terms of Fire Services, this is an assigned function from the MEC in four of our seven Local Municipalities, being Mbashe, Mnquma, Ngqushwa and Great Kei.

The status of Fire Services infrastructure is that we have four fire Stations in each of the main towns namely Dutywa, Butterworth, Komga, Peddie.

We have also satellite stations in Centane, Cintsa and Kei Mouth.

New Satellite Stations which are reaching completion and will be operational in the 2014/2015 financial year will be built in Hamburg; Willowvale; and renovations in Elliotdale.

An amount of R1m has been accommodated for the planning and design phase of a Fire Services training centre in Butterworth and additional funding for the building of this centre is being sought.

In terms of vehicles, an additional two new fire engines, worth R4.4 million, have been ordered and are also due for delivery in time to operationalize the new stations and funding to the value of R4, 5 million will be availed in the 2014/2015 financial year for additional fire services vehicles.

The Hamburg Station compliments the Small Towns Regeneration project that Aspire is spearheading in Hamburg and is but one of the new buildings reaching completion in this scenic coastal village.

The Fire Services in conjunction with the Water Services Unit of the ADM are embarking on the identification and installation of water extraction points for Fire Services vehicles to ensure a more efficient service.

Since July 2013, we have issued thirty four (34) compliance certificates to businesses and public structures on fire safety requirements. These visits will be intensified going forward.

Annually, the ADM avails Contingency funding for Emergency relief and this has been exhausted with the many severe storms that occurred in January and February 2014. The Department of Human Settlements is dealing with the provision of emergency housing needs that have resulted because of fires and other weather related incidents.

On Business Continuity Management, Council has adopted a Business Continuity Management Policy and thus has been institutionalised by having continuity plans for all our departments. This is for us as a municipality to be able to function and continue with operations in cases of emergencies and disasters, thus, service delivery is not compromised though this requires resources to be fully implemented.

This then led to the identification and establishment of our disaster recovery site as the East London based Whelan Site offices where our stores and the Disaster Management Centre are located.

As part of implementing Renewable Energy strategy, the development of Green Economy strategic framework have been identified as one of the priority programs for 2014/2015 and the proposed budget is R700 000.

Two Air quality project have been identified for the 2014/2015 financial year that is capacity building for local municipalities and communities, and development of Emission inventory and Air dispersion modelling.

The Amathole Mountain is one of the most bio diverse regions in the Eastern Cape. In order to make good use of this advantage, ADM has developed Amathole Mountain Biosphere reserve (AMBR) feasibility study.

A Detailed, public participation process has been completed (2013/2013). According to the outcomes of the study, Amahlathi, Nkonkobe, Nxuba and Ngqushwa are supporting this initiative. Mapping or Zonation in line with UNESCO guidelines still need to be undertaken. The proposed budget for the project is R600 000.

The effectiveness of our **Intergovernmental relations** structures like the District Mayors Forum, the Speakers Forum, Whips Forum, Municipal Managers Forum and IDP Rep Forum is vital.

Equally, we will be restructuring our Intergovernmental relations structures so that we work together as the District with our local Municipalities we need to take a coordinated approach to structures like Munimec. SALGA in this regard is still an important player as a centre in strengthening relations with all stakeholders or players in the local government space.

In the current financial year, ADM has met with some of its strategic partners that signed the Memorandum of Understanding including the East London Industrial Development Zone, the Department of Rural Development and Agrarian Reforms in resuscitating these agreements.

We are exploring to strengthen relations and capacity building sessions with municipalities like Chris Hani District Municipality, Buffalo City Metropolitan Municipality, Amahlathi and Nkonkobe local municipalities particularly in the area of fire and disaster.

In this regard, we welcome the continued support received from the Department of Local Government and Traditional Affairs especially in ensuring stability in our local Municipalities.

Recently, the Department of Local Government and Traditional Affairs organised the annual Vuna awards with the aim of encouraging governance and service delivery within the local government sphere, ADM was awarded two awards.

The Amathole District Municipality has worked tirelessly to maintain an unqualified audit opinion for the 2012/13 financial year and continues to focus on clean administration.

The **Audit outcome** as at June 2013 revealed that the municipality received an unqualified audit opinion on its financial statements, without any emphasis of matter.

The municipality has continued to maintain an unqualified audit opinion for the last three consecutive years.

This implies that the municipality has fairly presented its financial affairs for the year under review. However to receive a clean audit, the current status quo must be maintained and all matters of non-compliance with laws and regulations must be resolved. This will be achieved through improved internal controls and increasing capacity.

To achieve this, we need a well-coordinated integrated planning between Amathole District Municipality, our Local Municipalities, Sector departments, NGOs, community and civic organisation. This will not only reduce duplication and waste of limited resources but limit community demonstration and project our Council as a caring and accountable government.

In consultation with relevant stakeholders we will continue to present credible and implementable Integrated Development Plans that are centralised around community development. In the spirit of good governance and the notion of “people shall govern” public participation is and will remain key to our planning processes.

**Our transformation agenda** which is a by-product of institutional reengineering process is beginning to yield positive results. As Amathole District Municipality we have identified transformation of certain institutional processes as an additional critical success factor. This will not only improve the much needed services but will also position Amathole District Municipality as a “caring employer”.

We will continue to support this agenda as it seeks to create an environment and culture that will ensure that our employees are proud to be associated with us. This is agenda will also maintain the current political and administrative stability of our Council.

The staff complement as at 31 March 2014 is 1 838. In terms of the employment equity the ratio is 39.23% (721) females to 60.77% (1117) males as at 31 March 2014.

In rolling out our Human Resources Development Strategy, we will make bursaries available for Rare Skills; Experiential Training and Internship Programs. Our Employee Study Assistance Scheme given assistance to two hundred and seventy nine (279) employed candidates who have enrolled for various educational qualifications with numerous Universities in South Africa.

Consistent with the emphasis on appointing skilled and qualified personnel, as provided in the Amended Municipal Systems Act, we have taken a rather serious look on what human capital development interventions we institutionalise so that we can qualitatively enhance our institutional performance. Equally, it remains a strategic target that we sustain a competitive advantage on talent requisition and retention.

Our staff internship candidates under National Treasury programme also receive extensive training under “Minimum Competency Levels” which is being championed nationally by National Treasury and which training all Municipalities need to undertake for specific categories of employees.

In terms of the welfare of our employees, Medical surveillance is done yearly to all ADM those that are exposed to hazards during their work processes.

This mainly refers to Water and Sanitation employees. Employees working under these conditions are given protective clothing yearly and when necessary. They are also continuously being educated on health and safety matters in their work areas.

The Municipality's relations with organised labour continue to be warm, owing to open and transparent engagement at the Local Labour Forum.

The Wage Curve dispute has been decided by the Labour Appeal Court in a judgment issued in March 2014. It concerned the implementation of the Wage Curve for local government employees across the country, and pitted SALGA against Organised Labour. The dispute was threatening to destabilise the sector with demands from our labour partners for a 14<sup>th</sup> cheque, which was merely a proposal that had been made by a mediator in negotiations between the parties to Bargaining Council.

We derive no joy at the success of the employer's appeal against the Labour Court judgment. If anything, it should galvanise the sector going forward, to rebuild and re-cultivate the trust that this dispute has almost eroded.

ADM is in the process of adopting a Labour Relations Strategy for the Municipality. One significant activity the municipality engaged in as a prelude to the development of the strategy, was the three day LLF Retreat that was arranged last June for twenty eight (28), for the sole purpose of enhancing relations between the employer and organised labour.

The Labour Relations Strategy is strongly influenced by the need to move away from the past apartheid structures and adversarial relations and embrace the spirit of the political transformation that took place since the dawn of democracy.

## **Council Speaker**

Both the national and provincial government have a legislative responsibility to support and strengthen the capacity of Municipalities. As the District, we also play our role of assisting and building the capacity to local municipalities through the **Municipal Support Unit**.

As mandated by the Municipal Structures Act, ADM supports the local municipalities in the areas of finance, engineering, land and human settlements; information technology and corporate services.

Notwithstanding the other areas, in financial matters we have witnessed an improvement by Nxuba municipality in their last audit and that makes ADM proud.

To respond to the issues raised by the Auditor General, we spent R900 000 in Mbashe (Data Cleansing), Nkonkobe, Mnquma and Amahlathi (Financial Data Analysis); and R200 000 to assist all 7 municipalities in capacity building in the areas of finance and supply chain.

Taken further, Mbashe has also benefited in the promulgation of by-laws where an amount R300 000 was spent in this project. Ngqushwa, Amahathi, Nxuba, Nkonkobe and Mnquma benefited in the area of IT (Improved Infrastructure and Applications) where R1, 1 million was spent. For the coming financial year that is 2014/2015, same areas of support are in the plans of the organisation to continue supporting 7 local municipalities.



As pronounced in the previous financial year, we have established a GIS Shared Service Centre to assist our local municipalities with this rare and scarce skill, not forgetting this is a fairly new technology where land administration is the base of this system.

As part of this initiative we undertaken land audits for all our local municipalities, audited our cadastral information in terms of ownership details and recently updated the land use management and zoning of land parcels. Our spinoff is linked to revenue management and verification of our consumers thus linking it to our indigent programme.

As we seek to aligning ourselves to the Clean Audit programme in terms of good governance and clean administration, it became imperative that we undertake an audit of IT systems and define a clear roadmap on which systems we keep or replace by developing a Master Systems Plan that is aligned to the Government Wide Enterprise Architecture as set out by the cabinet through the Department of Public Service and Administration.

In the same vein, the establishment and resourcing of the **Planning, Monitoring & Evaluation Unit**, has enhanced our ability to effectively coordinate the development and review of the Integrated Development Plan; coordinate the development and review of the Performance Management Framework; as well as coordinate the development, monitoring and reporting of the Service Delivery and Budget Implementation Plan.

This ultimately resulted in the effective coordination of the development of the Annual Performance and Annual Reports.

The standing committees that are aligned to the municipality's IDP and PMS resemble the five key performance areas of local government.

These standing committees assist in aligning the IDP, budget processes and SDBIP which makes it easier for reporting purposes and for the development of the Annual Report. It is also going to monitor performance progress and curb under spending by Departments.

ADM remains committed to ensuring a single point of contact for all our customers, through the introduction of an Integrated Customer Relations Management System (ICRMS), wherein all customers related queries will be centralised. Among other things, the system seeks to provide a one-stop-shop for all our communities. Disaster Management, Emergency Services, Billing, Fire Services, Presidential Hotline and Customer Care will be integrated into a one single solution that will ensure accessibility, efficiency and rapid response.

The system will ensure that will be able to track all complaints and queries on a daily basis. Each complaint and query will receive a deserving and dedicated attention. We are well on course to roll-out the first phase of this project before the end of this financial year. We do this in phases because we want a 100% assurance that its implementation is without glitches.

### **Council Speaker**

The fight against **HIV and AIDS** has to happen on two main fronts - prevention and care. To prevent the spread of AIDS, we must take a lead to educate people on how to prevent infection. Our Local Municipalities must play a critical role in this fight in attempts to change social attitudes.

This is why we partnered with Men's Sector as led by the Chief Whip.

Internally, there is no discrimination and stigmatisation among the employees on HIV/AIDS issues as they engage freely on HIV/AIDS counselling and testing, with some even come with their partners for HIV testing.

A change of social attitudes towards vulnerable groups and the attitudes amongst men will be our core focus as we will be developing an HIV/Aids policy in the next financial year. Poverty alleviation and development are also important programmes that will limit the spread of AIDS.

Nationally, the mother to child transmission of HIV has decreased by 66 percent in the past five years, saving the lives of many children. The HIV testing programme has attracted more than 20 million South Africans.

To address the above social drives of the epidemic the District Municipality has engaged in the following programmes:

- The revival of the District AIDS Council and those of Local Municipalities
- Commemoration of national days including International men's Day and World Aids Day
- Condom and Sexual transmitted infection (STI) campaign and workshop was conducted at Amahlathi Local Municipality as part of educating those infected.
- Community imbizos on violation of Human rights of children in the era of HIV and AIDS

We welcome the partnership with international non-governmental organisation, Oxfarm Italia which is making amazing inroads on various whereby they will be implementing a Preventing Mother To child HIV/Aids Transmission in Mquma, Amahlathi and Ngqushwa.

Kwinjongo zethu zokwakha isizwe siye sathabatha iinkokheli zomthonyana kunye nabefundisi belizwi kulommandla walapha eMathole; sabadibanisa phantsi kwephiko le-Moral Regeneration Movement sabanika uxanduva olukhulu lokuzama ukubuyisa isidima nembeko somntwana oMnyama.

### **Honourable Speaker,**

The 06<sup>th</sup> of April – which was five days ago - marked 36 years since the execution of a young Solomon Mahlangu. Facing the gallows, Mahlangu left us with an important message, that his blood will nourish the tree that will bear the fruits of freedom.

It becomes important that we honour the sacrifice of that 19 year old by also having programs that talk to the **youth development**.

As we are aware that we are telling an amazing story of the improvement of the matric pass rate increasing from 60.6 percent in 2009 to 78.2 percent in 2013.

We have laid the foundation for young people to be part of the decision making of our Council and lead their own programs by ensuring that Youth Councils are set up in almost all our Local Municipalities.

Working together with the National Youth Development Agency and the South African Youth Council, we will set up the Amathole Youth Council in the next financial year where a clear program of action will map a way forward for all young people in Amathole.

In terms of our bursary on Rare Skills Programme that is aimed at assisting unemployed candidates from disadvantaged backgrounds, twelve (12) students are currently enrolled at various Tertiary

Institutions whilst Fifteen (15) students were engaged in the Experiential Training Programme during 2013/14.

We also engaged young people who are graduates who are unemployed in the District and gave them an experiential learning experience on the job in various fields. About 126 young people have been getting valuable experience with ADM departments until at the end of 2015.

We continue to advance the activeness of young people in sport – financially through the Mayors Cup – and other sport developmental programs.

We are pleased that the Mayors Cup which will be held in Ngqushwa next month, will feature for the first time – Goalball, a team [sport](#) designed specifically for [blind](#) athletes.

From now onwards, our Special programmes will not only feature capacity building programs for vulnerable groups whose budget is about R1 million, but adding to that, we will also be spending R1 million to support and develop projects for women, youth, elderly and people with disabilities throughout the ADM.

In this quarter we will conclude the training of internal departments into mainstreaming issues of vulnerable groups into their programs and as from the next financial year, they will all have programs that take into account vulnerable groups.

These programs will promote a safe and secure environment where children develop to their full potential; the protection and promotion of the status of older persons; the entrenchment of gender mainstreaming; support of youth development; the empowerment and socio-economic development of people with disabilities and in mitigating the impact of HIV and AIDS.

### **Xa Ndisihla Somlomo,**

It will be unconstitutional and uncharacteristic of me, if I do not remind you of the significance of this month. And added to that, the link in the manner in which it propels us to march forward on May 07<sup>th</sup> with vigour and pride.

This is a month of heroes. I have alluded to one of our heroes Solomon Mahlangu. Oliver Tambo and Steve Tshwete passed away in this month. Other activists who have links with this month include the likes of Umkhonto weSizwe activist Vuyisile Mini.

This month also marks the arrival of Jan van Riebeeck in the Cape in 1652.

On the tenth of April in 1993, one of our heroes was assassinated.

At the funeral of Martin Chris Hani, this is what Nelson Mandela said and I quote: “By killing Chris Hani, the murders made a fatal error, for he will not become just another statistic. We want to build a nation free from hunger, disease and poverty, free from ignorance, homelessness and humiliation, a country in which there is peace, security and jobs. These achievements will be living monuments to the heroes like Chris Hani, who died fighting for such a vision,” end quote.

Madiba was right.

In 1994, when we first voted, only 62 percent of households had access to clean drinking water, in 2011, 93 percent did.

In 1994, when we first voted, only 50 percent of households had access to decent sanitation, in 2011, 77 percent did.

In 1994, when we first voted, only 36 percent of South Africans had access to electricity, today 84 percent do.

Today, millions of our people are receiving social grants, mostly orphans and vulnerable children, older persons, veterans and people with disability. Millions of our children at primary and secondary schools benefit from school feeding schemes.

As we head to the voting polls next month, it becomes very important that we take cognisance of the impact that this current administration has made and still needs to make.

Logical common sense would tell us that it is wiser to trust a consistent organisation that is over a century old than ones that are not even a year old or change their identities more than chameleons do.

A vote for continuity is a vote that ensures that the spirit of Chris Hani, Nelson Mandela, John Langalibalele Dube, Sefako Makgatho, Zac Mahabane, Josiah Gumede, Pixley ka Isaka Seme, AB Xuma, JS Moroka, Chief Albert Luthuli, Oliver Tambo lives forever.

OR Tambo once said and I quote: "The fight for freedom must go on until our country is free and happy and peaceful as part of the community of man, we cannot rest."... unquote.

Indeed we are not going to rest, we are going to **work together until we have a very good service delivery story to tell** the next coming generations.

**I thank you.  
Ndiyabulela.**

## 1.2 Council Resolutions

On Friday 28<sup>th</sup> March 2014, the Council of Amathole District Municipality met at the Calgary Museum and Conference Centre in East London and adopted the draft annual budget of the municipality for the financial year 2014/15. The Council will meet again on the 23 May 2014 and Council will be requested to approve and adopt the following recommendations:

### RECOMMENDATIONS

- [a] That the Council adopts the reviewed 2014 – 2015 Integrated Development Plan Annexure “A”;
- [b] That the below newly developed Sector Plans, as well as the reviewed Plans reflected in the list of IDP Sector Plans marked Annexure “B” be approved:

#### New Sector Plans

- Draft Labour Relations Strategy
- Draft Human Resources Development Strategy
- Draft Risk Management Plan
- Draft Corporate Governance Framework
- Draft Master Systems Plan

- [c] That the 2014/2015 SDBIP be noted Annexure “B2”
- [d] The Annual Budget of the Amathole District Municipality for the financial year 2014/15 and the multi and single year capital appropriations as set out in the following schedules be approved:
  - Budgeted Financial Performance - Revenue and expenditure by standard classification as contained in Annexure R1 to R3
  - Budgeted Financial Performance - Revenue and expenditure by municipal vote as contained in Annexure S1 to S3
  - Budgeted Financial Performance - Revenue by source and expenditure by type as contained in Annexure C1 to C3 and graphically in D1 to D3 and E1 to E3
  - Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Annexure F1 to F3 and graphically in G1 to G3, H1 to H3 and graphically in I1 to I3 and Annexure K detailing the three year MIG capital programme
- [e] The Council of Amathole District Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000)

approve and adopt with effect from 1 July 2014:

- The tariffs for the supply of water – as set out in Annexure T1 to T4
- The tariffs for sanitation services – as set out in Annexure U1
- The tariffs for Building Plan Fees and Solid Waste Services – as set out in Annexure V
- The tariffs for Calgary Museum & Conference Centre as set out in Annexure W
- The tariffs for ADM Fire Services – as set out in Annexure X1 to X3
- The tariffs for Fines & Offences: Air Pollution Control, Waste Management & Municipal Health as set out in Annexure Y1 to Y 28

[f] That the budget and related policies listed below be approved

- Budget policy (including virements) (not amended) Annexure Z
- Indigent policy Annexure AA1 to AA2
- Tariff policy Annexure AB
- Credit Control and Debt Collection policy Annexure AC
- Supply Chain Policy (not amended) Annexure AD
- Banking & Investment Policy (not amended) Annexure AE
- ASPIRE Budget Annexure AI

[g] That the Council notes the inclusion of the below mentioned information as contained in Schedule A Annexure:

- Measureable Performance objectives
- Cash flow projection
- Investments
- Allocation to the entity ASPIRE
- Proposed cost to the municipality for the budget year of the salary allowance and benefits
- Approval of the 2014/15 overall budget of R1 870 726 804

### 1.3 Executive Summary

The development of the budget is informed by the key service delivery priorities as reflected in the IDP to ensure that services are provided sustainably, economically and equitably to all communities and at the same time ensure the Municipality remains financial sustainable.

The Municipality is facing the dilemma of very poor payment patterns from consumers, resulting in very limited own revenue being collected and causing cash flow challenges.

The collection rate as at the end of February 2014 was 61% of current billing, but only 3.7% of overall debt, with the majority of the debt lying in 90 days (R 397 563 126) in the consumer debt category. Year to Date collection rate is 42%.

The contract with the previous debt collecting agent expired and a new debt collector was appointed, however, the results to date have not been as fruitful. The challenge of high levels of unemployment and reluctance on the part of consumers to register as indigent is further playing havoc with the size of the debt book and the collection initiatives. A fully fledged competency centre has been established in house to cleanse data and maintain the integrity of our debtor information base.

Medium Term Budget Policy Statement (MTBPS) tabled by Minister of Finance on 23 October 2013 and Circular No. 72 was used to guide the compilation of the 2014/15 Budget and MTREF.

The Municipality faced the following significant challenges during the compilation of the 2014/15 Budget and MTREF:

- ADM continues to be a grant dependant institution with 73% of revenue being grant revenue, which is largely conditional in nature
- Internal revenue collection remains at exceedingly low levels and the debt book is rising
- Tariffs for the 2014/15 year have been capped at the maximum 6% guideline and although this is not a cost reflective tariff, affordability was considered to be key, but this is having an effect on the sustainability of the municipality
- Salary increases for municipal staff exceeding consumer inflation, and the requirement to fill vacant, critical and essential positions in accordance with the Salary and Wage Collective Agreement
- No specific funding allocated for non-core mandates such as building & services planning land & housing
- MIG currently focused on new infrastructure – 92% of allocation to new
- VAT on external funds being treated as own revenue restricted to MIG, MSIG and FMG as other grants in kind or specifically for LM's reducing budget by R5.97 million
- Funding gazetted for EPWP insufficient to cover salary commitments of the 115 interns for balance of their employment contracts
- Equitable share only grown by 5% - below inflation and below the salary increase of 7.5%

An overall budget allocation for the 2014/2015 financial year amounts to **R1 870 726 804**, representing only a 6% growth on the overall 2013/14 budget.

Total operating expenditure for the 2014/15 financial year amounts to R1 357 686 991. The balanced budget was only achieved by tapping into reserves to fund the deficit of R79 million as well as funding the internally funded project allocation of R89 million. Operational expenditure for 2015/16 is R1 418 231 018, a growth of 4.5 per cent on prior year, and 2016/17 operating expenditure is R1 459 210 167, representing a 2.9 cent growth on prior year. All the years are reflecting balanced budgets, as result of utilizing the ever depleting reserves, with no surpluses being anticipated to replenish them due to poor collection and inability to significantly increase own revenue.

The capital budget of R513 039 813 for 2014/15 reflects a slight decrease from the 2013/14 level. Internally funded capital requirements have reduced by R10.6 million contributing to this slight reduction. This amount of R513 039 813 represents the institutions expenditure on desks, chairs, computers, vehicles and other such capital items, as well as the MIG and MWIG infrastructure expenditure, Regional Bulk Infrastructure grant and the Rural Households Infrastructure Grant.

The capital budget increases to R577 484 620 in the 2015/16 financial year and then increases to R625 918 792 in 2016/17 financial year, directly linked to the amount of capital grants gazetted in DoRA. ADM has not yet entered into any loan agreements to fund capital programmes, as the municipality currently has just sufficient capacity to fully spend the annual DoRA allocations.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/15 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2014/15 MTREF**

R thousands	Budget Year	Budget Year +1	Budget Year +2
	2014/15	2015/16	2016/17
Total Revenue (Excluding capital transfers and contributions)	1 357 686 991	1 391 863 018	1 459 210 167
Total Expenditure	1 870 726 804	1 969 347 638	2 085 128 958
Surplus/Deficit	513 039 813	577 484 620	625 918 792
Total Capital Expenditure	513 039 813	577 484 620	625 918 792

#### 1.4 Operating Revenue Framework

The district faces a huge challenge in terms of generating sustainable levels of own revenue. A large percentage of consumers are either indigent, (also a reluctance amongst the consumers to officially register as indigents, which equates in the inability to properly quantify the number of indigent consumers) or receive water from standpipes. There is no financial recovery for ADM from these consumers. Customer data base is constantly changing and difficult to keep up to date with correct registered owner, as tenants change regularly and consumers do not even indicate when the owner of a property is deceased. Water losses also pose a problem. Of the currently billed amount in the 2013/2014 financial year, for the first 8 months of the year,



61.28% is recovered. However in terms of the overall debt only 3.7 per cent collected. For Amathole District Municipality to improve the quality of services provided to its citizens, it needs to generate the required revenue. ADM is faced with development backlogs and extreme poverty. The expenditure required to address these challenges continues to exceed available funding, with equitable share being utilised to subsidize the service.

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

**Table 2 A4 Summary of revenue classified by main revenue source**

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>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	71 094	92 034	150 891	162 281	162 281	162 281	162 281	99 362	103 933	109 214
Service charges - sanitation revenue	2	43 762	69 772	82 154	74 984	75 748	75 748	75 748	54 520	57 028	59 642
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		1 851	3 142	3 268	3 259	3 259	3 259	3 259	2 316	2 422	2 534
Rental of facilities and equipment		269	311	326	277	277	277	277	738	604	632
Interest earned - external investments		40 141	37 947	36 605	25 155	25 155	25 155	25 155	13 450	12 000	10 460
Interest earned - outstanding debtors		22 839	27 187	23 270	29 318	29 318	29 318	29 318	30 783	32 199	33 681
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	10	10	10	10	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		547 700	491 683	636 997	642 043	636 051	636 051	636 051	681 520	715 288	751 980
Other revenue	2	47 280	47 505	84 734	355 650	521 489	521 489	521 489	517 311	498 160	504 249
Gains on disposal of PPE		321	1 975	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>775 258</b>	<b>771 557</b>	<b>1 018 245</b>	<b>1 292 976</b>	<b>1 453 587</b>	<b>1 453 587</b>	<b>1 453 587</b>	<b>1 400 000</b>	<b>1 421 635</b>	<b>1 472 391</b>
<b>Expenditure By Type</b>											
Employee related costs	2	250 352	322 633	372 611	488 525	495 351	495 351	495 351	521 705	561 487	604 711
Remuneration of councillors		11 307	10 538	11 563	14 015	14 010	14 010	14 010	15 659	16 834	17 351
Debt impairment	3	91 901	157 094	139 027	46 309	116 309	116 309	116 309	119 187	124 751	130 508
Depreciation & asset impairment	2	76 608	90 755	97 386	104 174	144 168	144 168	144 168	153 349	160 403	167 784
Finance charges		194	115	10 945	106	12 756	12 756	12 756	15 790	16 517	17 276
Bulk purchases	2	37 980	48 673	51 559	57 606	57 606	57 606	57 606	69 918	73 363	76 738
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		48 136	53 784	50 318	62 518	52 387	52 387	52 387	25 687	26 882	28 122
Transfers and grants		1 967	254	-	-	-	-	-	-	-	-
Other expenditure	4, 5	322 861	321 225	373 858	464 396	397 663	397 663	397 663	436 392	411 626	416 719
Loss on disposal of PPE		-	-	1 380	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>841 306</b>	<b>1 005 072</b>	<b>1 108 646</b>	<b>1 237 649</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>
<b>Surplus/(Deficit)</b>		<b>(66 048)</b>	<b>(233 515)</b>	<b>(90 401)</b>	<b>55 327</b>	<b>163 339</b>	<b>163 339</b>	<b>163 339</b>	<b>42 313</b>	<b>29 772</b>	<b>13 181</b>
Transfers recognised - capital		247 909	383 069	534 552	468 651	467 883	467 883	467 883	470 727	547 713	612 738
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>

Table 3 Percentage growth in revenue by main revenue source

DETAILS	2014/15	2013/14	% CHANGE
Service Charges	-156 197 915	-240 523 621	-35%
Interest Earned - Outstanding Debtors	-30 783 330	-29 318 216	5%
Rent of Facilities and Equipment	-737 583	-276 504	167%
Interest Earned - External Investments	-26 450 363	-36 104 772	-27%
<b>GRANTS AND SUBSIDIES</b>			
Equitable Share	-393 118 000	-373 527 000	5%
Ley Replacement Grant	-270 433 000	-248 104 000	9%
Water Services Operating Subsidy	-10 000 000	-6 000 000	67%
PMU Operating Income	-	-6 500 000	-100%
<b>OTHER INCOME</b>			
Other Income	-504 310 630	-344 709 624	46%
<b>EXTERNAL FUNDING</b>			
MSIG Funding	-819 298	-890 000	-8%
FMG Funding	-1 096 491	-1 250 000	-12%
MIG Funding	-373 477 193	-399 847 000	-7%
MWIG Funding	-28 850 000	-12 300 000	135%
Expanded Public Works Programme Grant	-3 045 000	-3 125 000	-3%
Rural Transport Services Infra Grant	-2 708 000	-2 347 000	15%
Rural Household Infrastructure Grant	-9 000 000	-	
Water Services Operating Subsidy	-300 000	-300 000	0%
Regional Bulk Infrastructure Grant in kind	-59 400 000	-56 504 000	5%
<b>TOTALS:</b>	<b>-1 870 726 803</b>	<b>-1 761 626 738</b>	<b>6%</b>

With the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the overall picture.

Revenue generated from service charges in 2014/15 amounts to R156 197 915, representing only 8 per cent of overall revenue. In the 2013/14 financial year, revenue from services charges totalled R240 523 621, representing 14 per cent of overall revenue. District is faced with a major challenge of implementing cost reflective tariffs to ensure financial sustainability of the district versus tariffs which are affordable to its consumers. This decline from prior year is a result of a deliberate move to align the revenue budget with realistic collection levels rather than billing levels.

Operating grants and transfers totals R681 788 000 in the 2014/15 financial year and steadily increases to R752 265 000 by 2016/17. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**

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>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		513 538	535 611	612 491	635 543	635 543	635 543	681 788	715 560	752 265
Local Government Equitable Share		289 469	313 408	355 843	621 631	621 631	621 631	393 118	409 127	426 437
Rsc Levy Replacement		191 571	203 595	227 567	-	-	-	270 433	290 538	315 116
Finance Management		1 000	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 300
Municipal Systems Improvement		718	790	1 000	890	890	890	934	967	1 018
Mdrg - Municipal Drought Relief Grant		12 264	-	-	-	-	-	-	-	-
Epwp - Extended Public Works Program		7 457	7 126	6 022	3 125	3 125	3 125	3 045	-	-
Pmu - Project Management Unit		-	-	-	-	-	-	-	-	-
Dwa - Department Of Water Affairs Water Operating		11 059	7 755	19 033	6 300	6 300	6 300	10 000	10 500	5 000
Dwa - Department Of Water Affairs Water Operating		-	-	-	-	-	-	300	400	520
Roads Asset Management Grant		-	1 687	1 776	2 347	2 347	2 347	2 708	2 778	2 874
<b>Provincial Government:</b>		-	3 035	-	-	-	-	-	-	-
Health Subsidy		-	3 035	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Other transfers/grants		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Other transfers/grants		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	513 538	538 646	612 491	635 543	635 543	635 543	681 788	715 560	752 265
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		334 948	486 841	473 827	468 651	455 717	455 717	523 014	602 388	670 021
Municipal Infrastructure Grant (MIG)		263 396	366 308	389 786	399 847	399 847	399 847	425 764	445 210	466 445
Regional Bulk Infrastructure		29 147	48 197	51 101	56 504	35 070	35 070	59 400	60 000	153 386
Rural Households Infrastructure		-	-	-	-	8 500	8 500	9 000	8 328	-
Neighbourhood Development Partnership		42 405	71 450	32 940	-	-	-	-	-	-
Municipal Water Infrastructure Grant		-	-	-	12 300	12 300	12 300	28 850	88 850	50 190
Public Transport and Systems		-	886	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Current Year Receipts		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Current Year Receipts		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Current Year Receipts		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	334 948	486 841	473 827	468 651	455 717	455 717	523 014	602 388	670 021
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		848 486	1 025 487	1 086 318	1 104 194	1 091 260	1 091 260	1 204 802	1 317 948	1 422 286

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When tariffs and other charges were revised, affordability of services was paramount in determining increases, as well as local economic conditions and existing payment trends. The 2014/15 tariffs were increased by 6 percent to be in line with inflation. The tariff model that was applied in calculating the 2013/14 tariffs improved from the previous year's model; as it was largely based on the tariff guidelines set out in the Department of Water Affairs Tariff Guideline document.. The guideline template takes into consideration the number of consumer, consumption and water services budget. In setting tariffs, the template takes into account the different consumer groups in order to set different tariffs for each group in terms of Regulation 4 of section 10 of Water Services Act.

The model calculates the cost of production per kℓ using the total projected cost on projected water production. Other additional sources of funding such as the equitable share allocation are deducted

from the cost of production to determine the funding (tariff to be charged) that is required from users in order to be able cover the cost of production.

### 1.4.1 Property Rates

#### **Table 5 Comparison of proposed rates to levied for the 2014/15 financial year**

Property rates are the competency of the Local Municipality's within ADM, and therefore are not applicable to the District Municipality.

### 1.4.2 Sale of Water and Impact of Tariff Increases

- Water tariffs within the district are focusing on affordability rather than cost-reflective.
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption via stepped tariff approach

The cost of providing water includes the following cost drivers:

Bulk water purchase
Employee related costs
Repairs and maintenance
Collection costs
Bad & doubtful debts
Contracted Services
General Expenses
Institutional Costs
Depreciation
Finance charges

However 2014/15 tariffs increased by 6% which reflect an inflation-linked increase.

Tariff increases are reflected in the tables below. 6kl free water is given to all domestic consumers, an additional 4kl free is provided to Indigent consumers which takes their free basic water to 10kl per month .

**Table 6 Proposed Water Tariffs**

<b>INDIGENT STEP TARIFF</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-10	Free	Free
11-15	R 16.90	R 17.91
16-25	R 21.13	R 22.39
26-40	R 25.36	R 26.88
41-500	R 27.46	R 29.11
500+	R 29.57	R 31.35
<b>DOMESTIC STEP TARIFF</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-6	Free	Free
7-15	R 16.90	R 17.91
16-25	R 21.13	R 22.39
26-40	R 25.36	R 26.88
41-500	R 27.46	R 29.11
500+	R 29.57	R 31.35
<b>CHURCHES STEP TARIFF</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-6	R 12.68	R 13.44
7-15	R 16.90	R 17.91
16-25	R 21.13	R 22.39
26-40	R 25.36	R 26.88
41-500	R 27.46	R 29.11
500+	R 29.57	R 31.35
<b>SPORTS CLUBS STEP TARIFF</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-6	R 12.68	R 13.44
7-15	R 16.90	R 17.91
16-25	R 21.13	R 22.39
26-40	R 25.36	R 26.88
41-500	R 27.46	R 29.11
500+	R 29.57	R 31.35

<b>NON-GOVERNMENTAL ORGANIZATIONS STEP TARIFF</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-6	R 12.68	R 13.44
7-15	R 16.90	R 17.91
16-25	R 21.13	R 22.39
26-40	R 25.36	R 26.88
41-500	R 27.46	R 29.11
500+	R 29.57	R 31.35
<b>NON-PROFT ORGANIZATIONS STEP TARIFF</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-6	N/A	R 13.44
7-15	N/A	R 17.91
16-25	N/A	R 22.39
26-40	N/A	R 26.88
41-500	N/A	R 29.11
500+	N/A	R 31.35
<b>COMMERCIAL AND BUSINESS - FLAT RATE PER KILOLITRE</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-6	R 22.19	R 23.52
7-15	R 22.19	R 23.52
16-25	R 22.19	R 23.52
26-40	R 22.19	R 23.52
41-500	R 22.19	R 23.52
500+	R 22.19	R 23.52
<b>INDUSTRIAL AND AGRICULTURE - FLAT RATE PER KILOLITRE</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-6	R 22.19	R 23.52
7-15	R 22.19	R 23.52
16-25	R 22.19	R 23.52
26-40	R 22.19	R 23.52
41-500	R 22.19	R 23.52
500+	R 22.19	R 23.52
<b>INSTITUTIONS - FLAT RATE PER KILOLITRE</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
0-6	R 21.13	R 22.39
7-15	R 21.13	R 22.39
16-25	R 21.13	R 22.39
26-40	R 21.13	R 22.39
41-500	R 21.13	R 22.39
500+	R 21.13	R 22.39

<b>MIXED USE (DOMESTIC AND COMMERCIAL OR INDUSTRIAL &amp; AGRICULTURE) - FLAT RATE PER KILOLITRE</b>		
<b>KL</b>	<b>Tariffs 2013/14</b>	<b>Tariffs 2014/15</b>
<b>0-6</b>	R 21.13	R 22.39
<b>7-15</b>	R 21.13	R 22.39
<b>16-25</b>	R 21.13	R 22.39
<b>26-40</b>	R 21.13	R 22.39
<b>41-500</b>	R 21.13	R 22.39
<b>500+</b>	R 21.13	R 22.39
<b>WATER AVAILABILITY FEE PER DEBTOR TYPE 2014/15</b>		
<b>Category</b>	<b>2013/14 Basic Charge</b>	<b>2014/15 Basic Charge</b>
Residential/Domestic, Churches, Sports Club, Old Age & NGO's	R 40.58	R 43.01
Commercial and Business	R 127.66	R 135.32
Industrial and Agriculture	R 127.66	R 135.32
Institutions	R 127.66	R 135.32
Mixed Use	R 127.66	R 135.32
<b>WATER AVAILABILITY FEE VACANT PLOT 2014/15</b>		
<b>Service Type</b>	<b>2013/14 Monthly Charge</b>	<b>2014/15 Monthly Charge</b>
Water Availability Fee	R 76.92	R 81.54
<b>WATER FLAT RATE ( This relates to unmetered households,Businesses and Institutions)</b>		
<b>Category</b>	<b>2013/14 monthly Charge</b>	<b>2014/15 Monthly Charge</b>
Residential/Domestic, Churches, Sports Club, Old Age & NGO's	R 76.08	R 80.64
Commercial and Business	R 246.96	R 261.78
Industrial and Agriculture	R 1 035.51	R 1 097.64
Institutional	R 355.07	R 376.37
Mixed Use	R 355.07	R 376.37
<b>SPECIAL WATER TARIFFS FOR EXTERNAL CUSTOMERS</b>		
<b>Category</b>	<b>2013/14</b>	<b>2014/15</b>
Municipality	R 21.13	R 22.40

<b>SUNDRY WATER CHARGES 2014/15</b>						
<b>Service</b>	<b>Domestic 2013/14</b>	<b>Domestic 2014/15</b>	<b>Indigent 2013/14</b>	<b>Indigent 2014/15</b>	<b>Commercial Industrial Agricultural Institution &amp; Mixed Use 2013/14</b>	<b>Commercial Industrial Agricultural Institution &amp; Mixed Use 2014/15</b>
Water Deposit	R 547.37	R 580.22	R 165.49	R 175.42	R 1 177.49	R 1 248.14
New Connection	R 1 311.15	R 1 389.81	N/A	N/A	R 2 698.68	R 2 860.60
Re-Connection	R 445.54	R 472.27	N/A	N/A	R 438.80	R 465.13
Conversion to Pre-paid system	R 2 921.44	R 3 096.73	R 2 921.44	R 3 096.73	R 2 921.44	R 3 096.73
Fine: Unauthorised connection	R 3 818.90	R 4 048.04	R 3 818.88	R 4 048.02	R 3 818.88	R 4 048.02
Disconnection: non payment	R 445.54	R 472.27	N/A	N/A	R 445.54	R 472.27
Emergency tanked water	R 21.65	R 22.94	R 21.65	R 22.94	R 21.65	R 22.94
Property Clearance Application	R 152.76	R 161.92	N/A	N/A	R 152.76	R 161.92
Retrofit tariff ( Plumbing repairs and maintainance inside the household conducted by ADM)	R 127.20	R 134.83	R 127.20	R 134.83	N/A	N/A

<b>SUNDRY WATER CHARGES 2014/15 CONTINUED</b>						
<b>Service</b>	<b>Churches 2013/14</b>	<b>Churches 2014/15</b>	<b>Sports Club 2013/14</b>	<b>Sports Club 2014/15</b>	<b>Non- Governmental Organizations 2013/14</b>	<b>Non- Governmental Organizations 2014/15</b>
Water Deposit	R 547.37	R 580.22	R 545.31	R 578.03	R 545.31	R 578.03
New Connection	R 1 311.15	R 1 389.81	R 1 306.20	R 1 384.57	R 1 306.20	R 1 384.57
Re-Connection	R 445.54	R 472.27	R 413.66	R 438.48	R 413.66	R 438.48
Conversion to Pre-paid system	R 2 921.44	R 3 096.73	R 2 910.42	R 3 085.05	R 2 910.42	R 3 085.05
Fine: Unauthorised connection	R 3 818.90	R 4 048.04	R 3 804.49	R 4 032.76	R 3 804.49	R 4 032.76
Disconnection: non payment	R 445.54	R 472.27	R 443.86	R 470.49	R 443.86	R 470.49
Emergency tanked water	R 21.65	R 22.94	R 21.56	R 22.86	R 21.56	R 22.86
Property Clearance Application	R 152.76	R 161.92	R 152.18	R 161.31	R 152.18	R 161.31
Retrofit tariff ( Plumbing repairs and maintainance inside the household conducted by ADM)	R 127.20	R 134.83	R 127.20	R 134.83	R 127.20	R 134.83



**Table 7** Comparison between current water charges and increases (Domestic)

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

DOMESTIC STEP TARIFF				
Monthly Consumption	2013/14 Amout Payable	2014/15 Amout Payable	Increase year on year	Percentage Change
5	0	0	0	0
12	R 101.38	R 107.46	R 6.08	6%
20	R 257.70	R 273.16	R 15.46	6%
30	R 393.68	R 417.00	R 23.32	6%
400	R 10 534.49	R 11 166.26	R 631.77	6%
500	R 13 491.89	R 14 301.10	R 809.21	6%

**Table 8** Comparison between current water charges and increases (Domestic)

DOMESTIC USAGE CHARGES COMPARISON				
Monthly Consumption	2013/14 Amout Payable	2014/15 Amout Payable	Increase year on year	Percentage Change
5	Free	Free	0	0
12	R 101.38	R 107.46	R 6.08	6%
20	R 257.70	R 273.16	R 15.46	6%
30	R 393.68	R 417.00	R 23.32	6%
400	R 10 534.49	R 11 166.26	R 631.77	6%
500	R 13 491.89	R 14 301.10	R 809.21	6%
DOMESTIC STEP TARIFF				
KL	Tariffs 2013/14	Tariffs 2014/15	Increase	Percentage Increase
0-6	Free	Free	0	0
7-15	R 16.90	R 17.91	R 1.01	6%
16-25	R 21.13	R 22.39	R 1.27	6%
26-40	R 25.36	R 26.88	R 1.52	6%
41-500	R 27.46	R 29.11	R 1.65	6%
500+	R 29.57	R 31.35	R 1.77	6%

The stepped tariff approach penalises the high volume water users as indicated in the tables above with a consumption of 30 kl costing R 417 as opposed to R 14 301.10 if you use 500 kl.

### 1.4.3 Sale of Electricity and Impact of Tariff Increases

Electricity is the competency of the local municipalities within ADM's district and therefore not applicable to ADM.

#### 1.4.4 Sanitation and Impact of Tariff Increases

The sanitation tariffs are once again not volumetric based, but based on a fixed monthly fee according to the category of consumer, as reflected below, with a 6 per cent increase across the board:

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

<b>SANITATION TARIFFS 2014/15</b>				
<b>Service Type</b>	<b>Tariff 2013/14</b>	<b>New Tariff 2014/15</b>	<b>Increase</b>	<b>% Increase</b>
Availability Fee Vacant Erven	R 73.09	R 77.47	R 4.39	6%
Residential Domestic User	R 145.47	R 154.20	R 8.73	6%
Indigent	R 121.23	R 128.51	R 7.27	6%
Commercial and Business	R 412.19	R 436.92	R 24.73	6%
Industrial and Agriculture	R 2 046.44	R 2 169.22	R 122.79	6%
Institutions	R 1 709.40	R 1 811.96	R 102.56	6%
<b>Institutional Sub Categories</b>				
Clinics	R 206.10	R 218.46	R 12.37	6%
Churches	R 103.05	R 109.24	R 6.18	6%
Old Age Home & Non- Governmental Organizations	R 103.05	R 109.24	R 6.18	6%
Sport Fields	R 121.23	R 128.51	R 7.27	6%
Mixed Use (Domestic and Non Domestic, excluding industrial and Agriculture)	R 412.19	R 436.92	R 24.73	6%
Effluent Removal / Conservancy Tanks Per Load	R 236.86	R 251.07	R 14.21	6%
Special Effluent tariff - Institutions Clearing their own tanks	R 100.00	R 106.00	R 6.00	6%

<b>SUNDRY SANITATION CHARGES 14/15</b>						
<b>Service Type</b>	<b>Domestic 2013/14</b>	<b>Domestic 2014/15</b>	<b>Indigent 2013/14</b>	<b>Indigent 2014/15</b>	<b>Commercial Industrial Agricultural Institution &amp; Mixed Use 2013/14</b>	<b>Commercial Industrial Agricultural Institution &amp; Mixed Use 2014/15</b>
New Connection	R 1 222.04	R 1 295.36	N/A	N/A	R 2 062.20	R 2 185.93
Un-authorized Connection	R 3 818.88	R 4 048.02	R 3 818.88	R 4 048.02	R 3 818.88	R 4 048.02

<b>SUNDRY SANITATION CHARGES CONTINUED 14/15</b>						
<b>Service Type</b>	<b>Churches 2013/14</b>	<b>Churches 2014/15</b>	<b>Sports Club 2013/14</b>	<b>Sports Club 2014/15</b>	<b>Non-Governmental Organizations 2013/14</b>	<b>Non-Governmental Organizations 2014/15</b>
New Connection	R 1 222.04	R 1 295.36	R 1 222.04	R 1 295.36	R 1 222.04	R 1 295.36
Un-authorized Connection	R 3 818.88	R 4 048.02	R 3 818.88	R 4 048.02	R 3 818.88	R 4 048.02

#### **1.4.5 Solid Waste**

The proposed tariffs remain constant for 2014/15, being a service charge of R53 000 for Mnquma for a maximum of 3 194 tons and R14 454.16 for Mbhashe for a maximum of 224 tons. Should their tonnage exceed these levels, a rate of R365.70 per ton will be charged.

#### **1.4.6 Building Plan Fees**

Building plan fees set to increase by 6%. Fees will be based on 0.5% of project value, with the minimum charge being R533.07, except for the R130.89 fee applicable to low cost, RDP housing, with the owner being liable for this fee. The rates are per m<sup>2</sup>. To illustrate, if you submit plans for a dwelling of 100m<sup>2</sup>, you will pay: (100m<sup>2</sup> x R1 927.62) x 0.5% = R963.81.

#### **1.4.7 Calgary Museum & Conference Centre**

These tariffs for 2014/15, also represent a 6% increase, are as follows:

Internal Rate: R323.60 for 1st 15 people then R32.58 a head

External Rate: R395.51 for 1st 15 people then R46.07 a head with a R 504.50 refundable deposit.

Museum entrance fee of R9 an adult and R4.50 a child.

#### **1.4.8 Fire Service Tariffs**

Tariffs for fire services have increased with 6%, with varying rates for different class of vehicles ranging from the most expensive of R832.92 per hour for a major pumper to R237.98 per hour for a service vehicle. For incidents outside ADM's municipal jurisdiction, an additional rate per km is to be levied equivalent to the ruling AA rate.

The Fire levy of R17.84 for domestics and R23.80 for non domestics, in Dutywa, Butterworth, Komga, Cintsa and Peddie, where the fire service is readily available.

In Centane, Ngqamakwe, Elliotdale, Willowvale, Kei Mouth, Morgans Bay, Haga Haga, Mooiplaas, Bluewaters, Kwelera, Hamburg and Wesley where the service is not readily available due to the vast distance, a fire availability levy of R11.90 for domestic and R17.84 for non domestic will be charged. The abovementioned levies will be amended as and when fire satellite stations are established. This will also be proposed if the Fire Services function of Amahlathi, Nxuba and Nkonkobe is moved to ADM.

## FIRE LEVY AND FIRE AVAILABILITY RATES SCHEDULE PER TOWN FOR 14/15

AREA	FIRE LEVY	FIRE AVAILABILITY FEE
Dutywa	R17.84 Per household R23.80 per business	NA
Butterworth	R17.84 Per household R23.80 per business	NA
Komga	R17.84 Per household R23.80 per business	NA
Peddie	R17.84 Per household R23.80 per business	NA
Centane	NA	R11.90 per household R17.84per business
Ngqamakwe	NA	R11.90 per household R17.84per business
Elliotdale	NA	R11.90 per household R17.84per business
Willowvale	NA	R11.90 per household R17.84per business
Chintsa East	R17.84 Per household R23.80 per business	NA
Chintsa West	R17.84 Per household R23.80 per business	NA
Kei Mouth	NA	R11.90 per household R17.84per business
Morgans Bay	NA	R11.90 per household R17.84per business
Haga Haga	NA	R11.90 per household R17.84per business
Mooiplaas	NA	R11.90 per household R17.84per business
Bluewaters	NA	R11.90 per household R17.84per business
Kwelera	NA	R11.90 per household R17.84per business
Hamburg	NA	R11.90 per household R17.84per business
Wesley	NA	R11.90 per household R17.84per business

#### **1.4.9 Air Pollution Control Offences and Fines**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010 details fines applicable ranging from R530 for failure to produce records for inspection to R 2120 for installing, altering any fuel burning equipment without written approval.

#### **1.4.10 Waste Management Offences & fines**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010 details fines ranging from R530 for failing to provide receptacles for the reception of waste that accumulate on the property during a period of seven days, to R1 590 for failing to ensure that receptacle, vehicle or conveyance has a body of adequate size and construction for the type of waste being transported

#### **1.4.11 Violation of Municipal Health By Laws**

By-law published in extraordinary Provincial Gazette number 2378 dated 9 June 2010 ranging from R530 for allowing an erf to be overgrown with bush, weeds, grass or other vegetation, to R2120 for failing to prevent the occurrence of a health nuisance by failing to observe standard health practices/regulations

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

The following table shows the overall expected impact of the tariff increases on large and small households, as well as an indigent household receiving free basic services. Assuming that the large household consumes 30 kl of water, small household consumes 25 kl and free basic service refers to indigents receiving 10 kl free.

**Table 10 MBRR Table SA14 – Household bills**

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 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		34.27	36.15	38.28	40.58	40.58	40.58	6.0%	43.01	45.60	48.33
Water: Consumption		185.00	222.50	534.12	490.10	490.10	490.10	6.0%	519.61	550.79	583.84
Sanitation		120.00	129.60	137.24	145.47	145.47	145.47	6.0%	154.20	163.45	173.26
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		339.27	388.25	709.64	676.15	676.15	676.15	6.0%	716.82	759.84	805.43
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total large household bill:</b>		339.27	388.25	709.64	676.15	676.15	676.15	6.0%	716.82	759.84	805.43
<b>% increase/-decrease</b>			14.4%	82.8%	(4.7%)	-	-	6.0%	6.0%	6.0%	6.0%
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		34.27	36.15	38.28	40.58	40.58	40.58	6.0%	43.01	45.60	48.33
Water: Consumption		145.00	174.39	414.52	363.33	363.33	363.33	6.0%	385.20	408.32	432.82
Sanitation		120.00	129.60	137.24	145.47	145.47	145.47	6.0%	154.20	163.45	173.26
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		299.27	340.14	590.04	549.38	549.38	549.38	6.0%	582.41	617.37	654.41
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		299.27	340.14	590.04	549.38	549.38	549.38	6.0%	582.41	617.37	654.41
<b>% increase/-decrease</b>			13.7%	73.5%	(6.9%)	-	-	6.0%	6.0%	6.0%	6.0%
<b>Monthly Account for Household - 'Indigent Household receiving free basic services'</b>	3										
<b>Rates and services charges:</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	40.58	40.58	40.58	6.0%	43.01	45.60	48.33
Water: Consumption		21.00	25.26	71.76	-	143.68	143.68	6.0%	152.30	161.44	171.13
Sanitation		100.00	108.00	114.37	145.47	145.47	145.47	6.0%	154.20	163.45	173.26
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		121.00	133.26	186.13	186.05	329.73	329.73	87.9%	349.51	370.49	392.72
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		121.00	133.26	186.13	186.05	329.73	329.73	87.9%	349.51	370.49	392.72
<b>% increase/-decrease</b>			10.1%	39.7%	(0.0%)	77.2%	-	87.9%	6.0%	6.0%	6.0%

## 1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2014/15 budget and MTREF is informed by the following:

- Balanced budget constraint (committed cash-backed reserves to the tune of R79 081 831 million were used to balance the budget);
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the level of MIG funding and the backlog eradication plan;
- Internally funded projects to the tune of R89 432 000 were prioritised

The following table is a high level summary of the 2014/15 budget and MTREF (classified per main type of operating expenditure):

**Table 11 Summary of operating expenditure by type**

DC12 Amathole - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Expenditure By Type</b>																	
Employee related costs		32 771	29 712	38 041	33 909	34 460	30 188	39 325	39 600	36 529	69 057	69 057	69 057	521 705	561 487	604 711	
Remuneration of councillors		1 119	1 177	1 221	1 272	1 308	1 436	1 490	1 620	1 675	1 114	1 114	1 114	15 659	16 834	17 351	
Debt impairment		7 487	6 789	8 691	7 747	7 872	6 897	8 983	9 047	8 345	15 777	15 777	15 777	119 187	124 751	130 508	
Depreciation & asset impairment		9 633	8 733	11 182	9 967	10 128	8 877	11 558	11 640	10 737	20 298	20 298	20 299	153 349	160 403	167 784	
Finance charges		1 129	1 187	1 231	1 283	1 318	1 449	1 503	1 634	1 689	1 123	1 123	1 123	15 790	16 517	17 276	
Bulk purchases		4 392	3 983	5 098	4 544	4 618	4 046	5 270	5 307	4 895	9 255	9 255	9 254	69 918	73 363	76 738	
Other materials													-	-	-	-	
Contracted services		1 614	1 463	1 873	1 670	1 697	1 486	1 936	1 950	1 798	3 400	3 400	3 401	25 687	26 882	28 122	
Transfers and grants													-	-	-	-	
Other expenditure		31 197	32 792	34 031	35 441	36 443	40 036	41 524	45 142	46 683	31 034	31 034	31 033	436 392	411 626	416 719	
Loss on disposal of PPE													-	-	-	-	
<b>Total Expenditure</b>		<b>89 341</b>	<b>85 835</b>	<b>101 368</b>	<b>95 833</b>	<b>97 842</b>	<b>94 414</b>	<b>111 589</b>	<b>115 940</b>	<b>112 352</b>	<b>151 057</b>	<b>151 057</b>	<b>151 058</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>	
<b>Surplus/(Deficit)</b>		<b>131 923</b>	<b>(32 845)</b>	<b>(45 623)</b>	<b>132 003</b>	<b>(38 814)</b>	<b>(30 369)</b>	<b>126 063</b>	<b>(43 137)</b>	<b>(37 534)</b>	<b>73 802</b>	<b>(96 578)</b>	<b>(96 578)</b>	<b>42 313</b>	<b>29 772</b>	<b>13 181</b>	
Transfers recognised - capital		117 682			117 682			117 682			117 682			470 727	547 713	612 738	
Contributions recognised - capital													-	-	-	-	
Contributed assets													-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>249 605</b>	<b>(32 845)</b>	<b>(45 623)</b>	<b>249 685</b>	<b>(38 814)</b>	<b>(30 369)</b>	<b>243 744</b>	<b>(43 137)</b>	<b>(37 534)</b>	<b>191 484</b>	<b>(96 578)</b>	<b>(96 578)</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>	
Taxation													-	-	-	-	
Attributable to minorities													-	-	-	-	
Share of surplus/ (deficit) of associate													-	-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>249 605</b>	<b>(32 845)</b>	<b>(45 623)</b>	<b>249 685</b>	<b>(38 814)</b>	<b>(30 369)</b>	<b>243 744</b>	<b>(43 137)</b>	<b>(37 534)</b>	<b>191 484</b>	<b>(96 578)</b>	<b>(96 578)</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>	

The budgeted allocation for employee related costs for the 2014/15 financial year totals R537 364 151.00 which equals 29% per cent of the total expenditure. From the initial stages of the budgeting process, an overall 7.5% increase was applied to salaries, to accommodate the possible proposed wage increase, with CPI average from February 2013 to January 2014 being 5.79%. Current organograms were assessed, vacant posts identified. Few critical new posts

were added that were identified in the re-engineering process. Only 33 percent vacant posts were funded.

The remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the District's budget. The 7.5 per cent has been budgeted for the councillors and section 57 employees.

The value of the debtor's book was assessed and the tool provided by NT and by the AG was used to estimate the required Provision of Bad debts for 2014/15. This led to a top up of the provision of R83 million for the 2014/15 financial period.

Provision for depreciation has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. As this is a non cash item, this has no overall budget, as it is financed by prior year surpluses. Depreciation budget for 2014/15 is set at R153 349 031.

This year all bulk purchases, which in ADM's case is only water, is reflected here instead of under general expenses, as per guidance from National Treasury, totaling R 69 917 501.

Included in these general expenses are R89 432 000 worth of internally funded projects identified during the budgeting process, linked to the Strategies & objectives formulated at the Strategic Session, as well as a R16 500 000 allocation to ASPIRE.

Other significant amounts included under General Expenses

Audit fees of R3 850 000 million. Amount based on actual costs incurred for the 2012/2013 audit.

Chemicals for water purification purposes amounts to R 10 905 000.

Electricity costs of R35 665 911 million, which reflect Eskom's proposed increase of 8%

Emergency tank water to cart water to dry areas R 15 million.

Essential Car User Scheme expenses of R10 201 000 (scheme introduced in 2013/14 to reduce reliance on councils vehicles).

Consultants costs of R5 775 329 which reflects a decrease on prior year.

Indigent Support Rebates of an anticipated R12 094 883 with new campaigning initiatives

Insurance premium for insuring all of ADM's assets R 7 329 709.

Membership fees R5 664 643 in terms of council's approval to pay for professional affiliation fees, including payment to SALGA

Printing and Stationery costs for the institution amount to R5 million

PIT Latrine Clearance amounts to R8 515 000 million

Operation of the solid waste facility at Ibika in Mnquma R 3.8 million



Security Services fees for safeguarding of ADM's properties amounts to R18 373 600

Subsistence, travel, car hire and accommodation amounts to R10 million for the entire institution

Telephone expenses including rentals R5 330 118

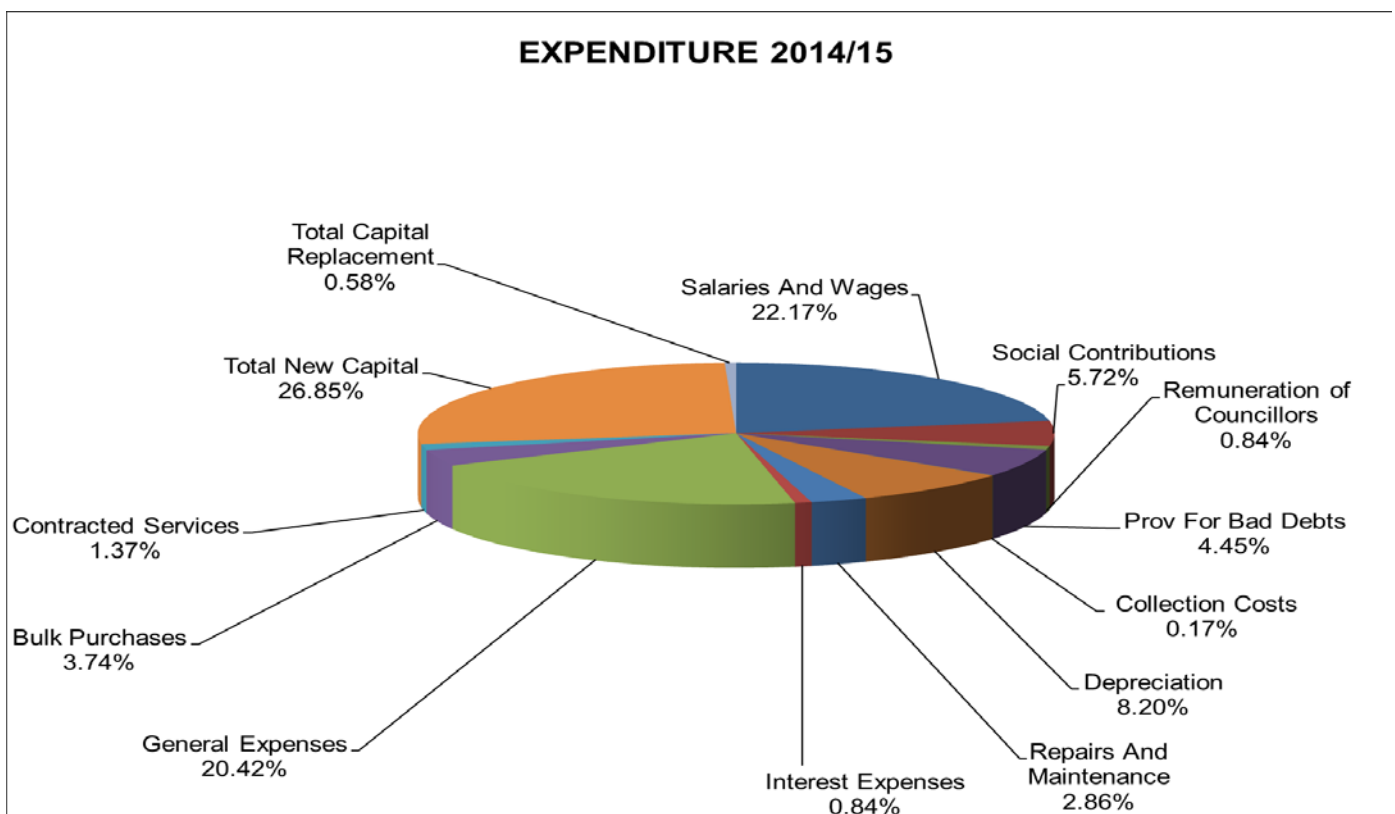
Training Costs per department and overall provision by Corporate Services R7 475 770

Fuel costs R11 613 576 million for the entire ADM fleet

R89.4 million for the pool for new projects

The following graph gives a breakdown of the main expenditure categories for the 2014/15 financial year.

**Figure 1 Main operational expenditure categories for the 2014/15 financial year**



### 1.5.1 Priority given to repairs and maintenance

ADM is facing a major challenge in maintaining its infrastructure assets. Currently the MIG allocation is being used to eradicate water and sanitation backlogs in the district, with none of this funding allocated to repairs and maintenance. Of the total Repairs and Maintenance budget of R 53 543 641, R46 779 000 million has been allocated directly for repairs & maintenance for water and sanitation schemes. That is 87%.

DC12 Amathole - Supporting Table SA34c Repairs and maintenance expenditure by asset class

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>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		4 630	8 409	2 870	19 588	21 106	21 106	36 444	37 932	39 703
Infrastructure - Road transport		-	162	250	2 126	366	366	887	927	970
<i>Roads, Pavements &amp; Bridges</i>		-	162	250	2 126	366	366	887	927	970
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		4 630	8 247	(615)	9 317	12 828	12 828	22 091	23 129	24 207
<i>Dams &amp; Reservoirs</i>		-	3 623	(6 761)	380	-	-	311	325	341
<i>Water purification</i>		-	-	-	-	-	-	2 237	2 342	2 454
<i>Reticulation</i>		4 630	4 624	6 146	8 937	12 828	12 828	19 544	20 462	21 412
Infrastructure - Sanitation		-	-	3 235	8 145	7 912	7 912	13 466	13 876	14 526
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	3 235	8 145	7 912	7 912	13 466	13 876	14 526
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>		-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	40	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	40	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		3 188	3 262	8 419	14 436	11 592	11 592	17 100	18 430	16 766
General vehicles		-	-	2 724	5 602	3 677	3 677	6 584	6 913	7 236
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		1 845	1 607	1 320	1 835	1 951	1 951	1 275	1 332	1 394
Computers - hardware/equipment		65	93	185	100	140	140	229	240	251
Furniture and other office equipment		5	41	34	162	140	140	83	87	91
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		1 273	1 521	4 156	6 738	5 683	5 683	8 236	9 134	7 022
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	693	725	772
Other		-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		58	11	-	-	-	-	-	-	-
Computers - software & programming		58	11	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>		7 876	11 683	11 289	34 065	32 697	32 697	53 544	56 362	56 469
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>		0.3%	0.4%	0.3%	1.0%	1.0%	1.0%	2.3%	2.7%	2.1%
<b>R&amp;M as % Operating Expenditure</b>		0.9%	1.2%	1.0%	2.8%	2.5%	2.5%	3.9%	4.0%	3.9%

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

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the District's Indigent Policy. Three months prior the expiry of the subsidy, the consumers are advised about their subsidies that are about to expire. Municipality is aiming at increasing its indigent registration, by campaigning and doing door to door registration. In terms of the Municipality's indigent policy, registered indigents are entitled to 10 kl free water, any excess is billed against the consumer, no basic water charge, no flat rate charge for water, they pay no water and sanitation connection fees, they pay a reduced water deposit, no VIP and bucket clearance fee, and no charge for fire services. The target is to register more indigent households during the 2014/15 financial year, a process reviewed annually. The threshold income level has also been adjusted upwards to equate to three times the government pension level, currently at R1350.00 per month. Which amounts is R 4050 when three pensions are added together. Field Verification officers are still doing door to door campaign throughout the district.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## 1.6 Capital Expenditure

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

DC12 Amathole - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	IRef	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 06 - Engineering Department		46 508	11 773	19 348	10 639	124 892	7 027	13 047	69 309	111 732	18 818	18 818	18 818	470 727	547 713	612 738
Vote 08 - Water & Sanitation Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Land Human Settlement & Economic Develo		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	46 508	11 773	19 348	10 639	124 892	7 027	13 047	69 309	111 732	18 818	18 818	18 818	470 727	547 713	612 738
<b>Single-year expenditure to be appropriated</b>																
Vote 01 - Legislative & Executive Support Services		177	2	2	2	150	8	9	6	118	4	4	4	487	192	130
Vote 02 - Strategic Management		3 048	37	36	37	2 595	134	150	107	2 040	75	75	75	8 409	2 187	2 309
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		2 177	3	4	23	2 334	90	105	69	1 828	258	258	258	7 407	12 210	700
Vote 05 - Budget & Treasury		128	32	53	29	344	19	36	191	308	52	52	52	1 297	943	837
Vote 06 - Engineering Department		122	1	1	1	104	5	6	4	82	3	3	3	337	146	158
Vote 07 - Health & Protection Department		1 753	21	21	21	1 492	77	86	61	1 174	43	43	43	4 836	3 155	1 123
Vote 08 - Water & Sanitation Management		297	75	124	68	799	45	83	443	714	120	120	120	3 010	2 984	2 173
Vote 09 - Water Services		1 153	292	480	264	3 096	174	323	1 718	2 769	466	466	467	11 668	5 556	4 436
Vote 10 - Sanitation Services		431	109	179	99	1 158	65	121	643	1 036	175	175	175	4 366	2 250	1 105
Vote 11 - Land Human Settlement & Economic Develo		96	1	1	1	82	4	5	3	65	2	2	2	266	100	98
Vote 12 - Municipal Management		68	0	0	1	72	3	3	2	57	8	8	8	230	48	112
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	9 451	575	901	547	12 226	624	928	3 248	10 192	1 206	1 206	1 207	42 313	29 772	13 181
<b>Total Capital Expenditure</b>	2	55 959	12 348	20 249	11 186	137 118	7 652	13 975	72 557	121 923	20 024	20 024	20 025	513 040	577 485	625 919

**Table 12 2014/15 Medium-term capital budget per vote**

For 2014/15 an amount of R513 039 813 has been budgeted for capital expenditure. This amount represents the institutions expenditure on desk, chairs, computers, vehicles and other such capital items, as well as the MIG infrastructure expenditure, MWIG capital grant, Regional Bulk Infrastructure grant and the Rural Households Infrastructure Grant related projects over the MTREF.

<b>ADM'S THREE YEAR MIG CAPITAL PLAN</b>			
<b>Project Name</b>	<b>2014/15 MIG</b>	<b>2015/16 MIG</b>	<b>2016/17 MIG</b>
<b>PROJECT SCHEDULE :WATER, SANITATION, TRANSPORT, SOLID WASTE AND HOUSING</b>			
PMU Operating Budget	12 800 410	12 800 410	12 800 410
Implementation of the recommendations of the study into O&M of Public Transport Facility	100 000	500 000	
Non-Motorized Transport (NMT)	100 000	500 000	2 500 000
<b>Sub Total for All</b>	<b>13 000 410</b>	<b>13 800 410</b>	<b>15 300 410</b>
Bedford & Adelaide Bucket Eradication Programme- Phase 3 (Adelaide WWTW)	1 000 000	100 000	-
Bedford & Adelaide Bucket Eradication Programme - Phase 4 (Bedford WWTW)	4 000 000	1 000 000	500 000
Nxuba Towns WTW and Bulk Services Upgrade (New WTW for Lingelethu and Adelaide Reservoir)	5 000 000	5 000 000	8 000 000
Bedford & Adelaide Bucket Eradication Programme - Phase 6	8 000 000	9 000 000	1 000 000
Wortel Drift Farm Settlement	1 500 000	1 500 000	2 000 000
<b>NEW PROJECTS STILL TO BE REGISTERED TO MIG</b>			
Bedford Waste Water Treatment Works	500 000	500 000	-
Nxuba Transfer Station	-	100 000	500 000
<b>Sub Total for Nxuba</b>	<b>20 000 000</b>	<b>17 200 000</b>	<b>12 000 000</b>
West Victoria East (Roxeni) Water Supply (Phase 3)	2 000 000	1 000 000	-
Ekuphumleni & 9 Villages Water Supply (Phase 4)	600 000	-	-
Bhofolo & Newtown Bucket Eradication Programme - Phase 5	2 000 000	500 000	-
Nkonkobe: Area Wide Sanitation Programme (Region 1)	5 000 000	2 500 000	5 000 000
Hogsback Water Treatment Works and New Reservoir	5 000 000	1 008 000	1 000 000
Fort Beaufort Bulk Water Services Upgrading	6 000 000	3 000 000	5 000 000
<b>NEW PROJECTS STILL TO BE REGISTERED TO MIG</b>			
West Victoria East Water Supply (Phase 4)	1 000 000	3 000 000	2 000 000
Ekuphumleni & 9 Villages Water Supply (Phase 5)	1 000 000	2 500 000	3 000 000
Nkonkobe Area Wide Sanitation Region 2	6 500 000	9 000 000	10 000 000
Nkonkobe Area Wide Sanitation Region 3	5 000 000	8 730 000	10 000 000
Kolomane Bulk Water Supply : Phase 3	2 000 000	2 700 000	2 900 000
Upgrade Alice Waste Water Treatment Works	2 000 000	5 000 000	3 000 000
Hogsback Settlement	300 000	1 000 000	5 000 000
Victoria Post Settlement	300 000	1 000 000	1 500 000
Hertzog Settlement	300 000	1 000 000	1 500 000
Upgrade Fort Beaufort Waste WTW	1 000 000	2 000 000	1 000 000
Fort Beaufort pipe replacement	500 000	1 000 000	2 000 000
Alice Water Treatment Works	-	250 000	500 000
Middledrift Waste Water Treatment Works	-	250 000	500 000
Umsobomvu Settlement	340 000	100 000	500 000
Hala Settlements	340 000	100 000	500 000
Implement Sanitation Upgrade study recommendations in tourist nodes (Hogsback - Katberg)	300 000	3 000 000	-
<b>Sub Total for Nkonkobe</b>	<b>41 480 000</b>	<b>48 638 000</b>	<b>54 900 000</b>
Peddie Waste Water Treatment Works Upgrade	5 000 000	3 000 000	8 000 000
Ngqushwa: Area Wide Sanitation Programme (Phase 1A)	10 000 000	5 000 000	1 000 000
Ngqushwa Villages - Water Reticulation	6 000 000	8 000 000	10 000 000
Prudhoe Housing (Bulk Water)	2 500 000	4 000 000	2 000 000
<b>NEW PROJECTS STILL TO BE REGISTERED TO MIG</b>			
Ngqushwa: Area Wide Sanitation Programme (Region 2)	5 000 000	10 000 000	10 000 000
Ngqushwa: Area Wide Sanitation Programme (Region 3)	10 000 000	8 000 000	14 000 000
Lewis Settlement	300 000	1 000 000	2 000 000
Peddie Waste Water Treatment Works	100 000	500 000	1 000 000
Mavathulana Settlement	340 000	100 000	200 000
Implement Sanitation Upgrade study recommendations in tourist nodes (Coastal belt)	300 000	3 000 000	-
<b>Sub Total for Ngqushwa</b>	<b>39 540 000</b>	<b>42 600 000</b>	<b>48 200 000</b>

Stutterheim Sewerage Treatment Work	Amahlathi	500 000	-	-
Tsomo Villages Regional Water Supply	Amahlathi	27 000 000	37 000 000	23 000 000
Zingcuka Water Supply	Amahlathi	10 000 000	500 000	500 000
Mgwali Church Tenants (Village 6) Provision of Water & Sanitation	Amahlathi	500 000		
<b>NEW PROJECTS STILL TO BE REGISTERED TO MIG</b>				
Area wide Sanitation Projects (Amahlathi Phase 1A)	Amahlathi	5 000 000	3 000 000	2 000 000
Amahlathi Area wide Sanitation Projects (Region 2)	Amahlathi	10 000 000	5 000 000	10 000 000
Amahlathi Area wide Sanitation Projects (Region 3)	Amahlathi	5 000 000	10 000 000	15 000 000
Rabula Phase 2 Water Supply	Amahlathi	1 500 000	1 000 000	-
Kei Road Settlement	Amahlathi	1 000 000	1 000 000	500 000
Ndlovini Settlement	Amahlathi	1 000 000	1 000 000	500 000
Stutterheim Pipe replacement	Amahlathi	1 000 000	1 000 000	500 000
Cathcart Infrastructure Refurbishment (Water Treatment Works Upgrade, Bulk Upgrade & Pipeline Replacement)	Amahlathi	1 000 000	2 000 000	5 000 000
Cathcart Sewage Reticulation	Amahlathi	100 000	2 000 000	5 000 000
Stutterheim WTW Phase 2	Amahlathi	100 000	1 000 000	2 500 000
Kei Road WTW	Amahlathi	100 000	500 000	2 000 000
Keiskammahoek WWTW	Amahlathi	400 000	1 250 000	1 650 000
Upgrading of Keiskammahoek Public Transport Facility	Amahlathi	-	1 500 000	1 500 000
Wartberg Settlement	Amahlathi	340 000	300 000	1 000 000
Keiskammahoek Public Transport Facility - 9 villages Restitution Project	Amahlathi	1 000 000	250 000	250 000
Keiskammahoek Transfer Stations - 9 villages Restitution Project	Amahlathi	1 000 000	250 000	250 000
<b>Sub Total for Amahlathi</b>		<b>66 540 000</b>	<b>68 550 000</b>	<b>71 150 000</b>
Komga Commonage Settlement Services	Great Kei	5 000 000	8 000 000	1 000 000
New Waste Water Treatment Works - Morgan's Bay	Great Kei	1 000 000	3 000 000	8 000 000
Area Wide Sanitation Projects (Great Kei Phase 1A) (All Regions)	Great Kei	10 000 000	4 136 000	5 000 000
<b>NEW PROJECTS STILL TO BE REGISTERED TO MIG</b>				
Morgan's Bay Water Treatment Works Upgrade	Great Kei	-	1 000 000	1 000 000
Kei Mouth Reticulation	Great Kei	1 000 000	1 000 000	2 000 000
Upgrade Komga Water Treatment Works	Great Kei	900 000	3 000 000	100 000
Kei Mouth Pipe Replacement	Great Kei	220 000	1 200 000	4 000 000
Morgans Bay sewage upgrade	Great Kei	-	-	500 000
Chintsa East Bulk Services Upgrade (to include Water Treatment and Waste Water Treatment Works)	Great Kei	280 000	1 000 000	3 000 000
Kei Bridge Komga Water Treatment Works	Great Kei	-	100 000	500 000
Haga Haga Water Treatment Works	Great Kei	-	100 000	500 000
Komga sewer reticulation upgrade (Preliminary Design, Detailed Design and tender documentation Development)	Great Kei	350 000	2 000 000	3 000 000
Implement Sanitation Upgrade study recommendations in tourist nodes (Kei-Mouth - Morgans Bay)	Great Kei	300 000	1 000 000	-
Icwili Water Services Project	Great Kei	100 000	1 000 000	2 000 000
<b>Sub Total for Great Kei</b>		<b>19 150 000</b>	<b>26 536 000</b>	<b>30 600 000</b>
Ehlobo Phase 3 Water Supply	Mnquma	2 000 000	500 000	-
Crouch's Bush Water Supply Project	Mnquma	1 000 000	-	-
Ibika - Centane Regional Water Supply	Mnquma	10 000 000	10 000 000	500 000
Myoyo Water Supply Project	Mnquma	500 000	-	-
Ngcizele Water Supply Project	Mnquma	1 000 000	-	-
Ngqusi Phase 2 Water Supply Project	Mnquma	1 000 000	-	-
Kotana Sanitation - Phase 2	Mnquma	500 000	-	-
Centane Bucket Eradication	Mnquma	1 500 000	5 000 000	-
Centane Sanitation Project	Mnquma	10 000 000	1 000 000	-
Eastern Regional Solid Waste Landfill site Phase 1B	Mnquma	300 000	-	-
Gcuwa West Regional Water Supply	Mnquma	10 000 000	15 000 000	10 000 000
Nxaxo and Cebe Water Supply	Mnquma	11 863 590	15 000 000	38 000 000
Nggamakwe Regional Water Supply	Mnquma	18 000 000	12 000 000	48 823 000
Qora Sanitation Phase 2	Mnquma	500 000	-	-
Mazeppa Sanitation Phase 2	Mnquma	1 000 000	500 000	-
Area Wide Sanitation Projects (Mnquma Phase 1A) (Region 1)	Mnquma	10 000 000	10 000 000	1 000 000
<b>NEW PROJECTS STILL TO BE REGISTERED TO MIG</b>				
Mnquma Area Wide Sanitation (Region 2)	Mnquma	5 000 000	9 785 590	
Mnquma Area Wide Sanitation (Region 3)	Mnquma	5 000 000	5 000 000	
Zizamele Sewer	Mnquma	5 000 000	5 000 000	1 000 000
Centane Phase 4 Water Supply	Mnquma	10 000 000	7 500 000	1 500 000
Bawa Falls Water Supply Project	Mnquma	5 000 000	5 000 000	1 500 000
Toleni Regional Water Supply Upgrade	Mnquma	3 000 000	7 000 000	8 000 000
Upgrade Nggamakwe Water Treatment Works	Mnquma	500 000	500 000	1 000 000
Butterworth Pipe Replacement	Mnquma	200 000	500 000	
Upgrade Nggamakwe Waste Water Treatment Works	Mnquma	200 000	500 000	1 000 000
Raw Water Pipeline from Xilinx to Butterworth	Mnquma	500 000	2 000 000	3 000 000
Qolora by the Sea Upgrade	Mnquma		100 000	500 000
Butterworth Bulk Services Upgrade (to include Water and Waste Water Treatment Works upgrade)	Mnquma	100 000	200 000	1 000 000
Butterworth Waste Water Treatment Works	Mnquma	100 000	200 000	1 000 000
Butterworth Water Treatment Works	Mnquma	150 000	500 000	500 000
Transfer station in Mnquma	Mnquma	200 000	500 000	1 000 000
Implement Sanitation Upgrade study recommendations in tourist nodes (Mazeppa Bay and Surrounds)	Mnquma	300 000	2 000 000	1 000 000
<b>Sub Total for Mnquma</b>		<b>114 413 590</b>	<b>115 285 590</b>	<b>120 323 000</b>

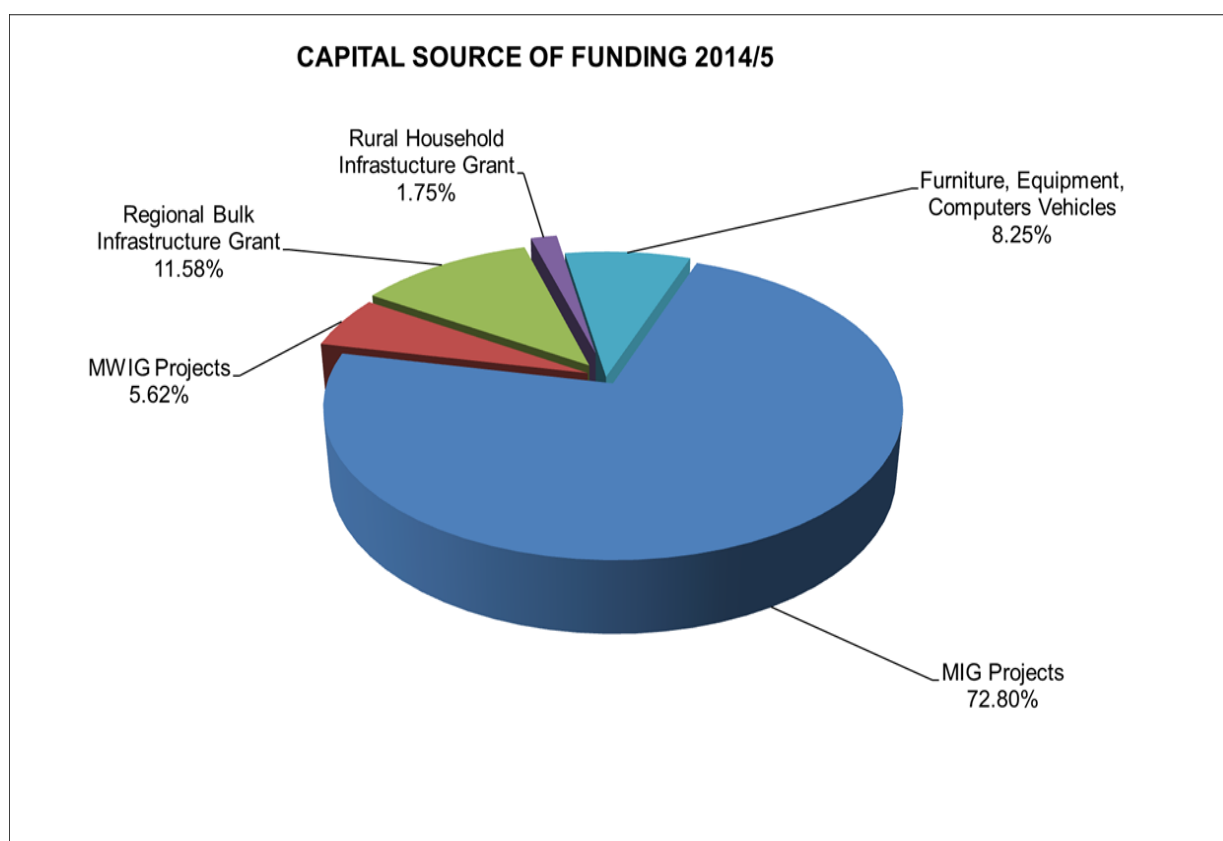
Kumbanga & Cwebe Sanitation	Mbhashe	5 000 000	1 000 000	1 000 000
Sundwane Water Supply Scheme	Mbhashe	10 000 000	12 000 000	13 000 000
Xora Water Supply Project	Mbhashe	10 000 000	10 000 000	12 000 000
Mncwansa Water Supply Scheme	Mbhashe	10 000 000	10 000 000	1 500 000
Mgwali North Water Supply Project	Mbhashe	8 000 000	10 000 000	12 000 000
Mgwali South Water Supply Project	Mbhashe	10 000 000	10 000 000	10 571 590
Idutywa East Water Supply Project	Mbhashe	10 000 000	5 000 000	10 000 000
Mhlohlozi Sanitation - Phase 2	Mbhashe	200 000	-	-
Gatyane Sanitation - Phase 2	Mbhashe	200 000	-	-
Area Wide Sanitation Projects (ASAP) (Mbhashe Phase 1A) (Region 1)	Mbhashe	5 000 000	5 000 000	10 000 000
Mbhashe Area Wide Sanitation (Region 2)	Mbhashe	5 000 000	5 000 000	10 000 000
Mbhashe Area Wide Sanitation (Region 3)	Mbhashe	3 000 000	5 000 000	8 000 000
Dwesa Cwebe Sanitation Project	Mbhashe	2 000 000	3 000 000	4 000 000
Mbhashe Ward 31 Water Supply	Mbhashe	5 000 000	5 000 000	1 000 000
Mbhashe Ward 31 Sanitation	Mbhashe	4 000 000	500 000	-
Cafutweni Water Supply Scheme	Mbhashe	1 000 000	8 000 000	100 000
Cafutweni Sanitation	Mbhashe	3 000 000	100 000	-
Bende Water Supply Scheme	Mbhashe	1 000 000	5 000 000	10 000 000
Bende Sanitation	Mbhashe	5 000 000	100 000	-
Shixini Water Supply Scheme	Mbhashe	5 000 000	5 000 000	5 000 000
Shixini Sanitation	Mbhashe	3 000 000	100 000	-
<b>NEW PROJECTS STILL TO BE REGISTERED TO MIG</b>				
Willowvalle Rural Settlement	Mbhashe	300 000	1 000 000	-
Mboya (Willowvalle) Settlement	Mbhashe	300 000	1 000 000	-
Elliotdale Waste Water Treatment Plant	Mbhashe	1 000 000	2 000 000	3 000 000
Dutywa Pipe Replacement	Mbhashe	-	100 000	100 000
Dutywa Dams	Mbhashe	-	-	100 000
Dutywa Bulk Services Upgrade (to include water resource development, Water and Waste Water Treatment Works)	Mbhashe	100 000	500 000	500 000
Qwaninga Water Treatment Works	Mbhashe	100 000	500 000	500 000
Ugrading of Elliotdale Public Transport Facility	Mbhashe	2 000 000	2 000 000	1 000 000
Ugrading of Willowvalle Public Transport Facility	Mbhashe	2 000 000	2 600 000	500 000
Cuntsula and Gwentsha Settlement	Mbhashe	340 000	100 000	100 000
Implement Sanitation Upgrade study recommendations in tourist nodes (The Haven and surrounds)	Mbhashe	100 000	3 000 000	-
<b>Sub Total for Mbhashe</b>		<b>111 640 000</b>	<b>112 600 000</b>	<b>113 971 590</b>
<b>GRAND TOTAL:</b>		<b>425 764 000</b>	<b>445 210 000</b>	<b>466 445 000</b>

<b>ADM'S THREE YEAR REGIONAL BULK INFRASTRUCTURE GRANT</b>			
<b>Project Name</b>	<b>2014/15 RBIG</b>	<b>2015/16 RBIG</b>	<b>2016/17 RBIG</b>
Mncwansa Bulk Water Supply	34 400 000	35 000 000	71 746 000
Xhora East Water Supply	25 000 000	25 000 000	81 640 000
<b>GRAND TOTAL:</b>	<b>59 400 000</b>	<b>60 000 000</b>	<b>153 386 000</b>

<b>ADM'S THREE YEAR MUNICIPAL WATER INFRASTRUCTURE GRANT PLAN (MWIG)</b>			
<b>Project Name</b>	<b>2014/15 MWIG</b>	<b>2015/16 MWIG</b>	<b>2016/17 MIG</b>
Development of a District wide Master	1 500 000	0	0
District Wide Refurbishment Plan	5 317 500	39 600 000	0
District Wide Water Pipeline	3 545 000	26 400 000	0
Seymour Ext 6 & Surroundings IWS	2 250 000	2 250 000	0
Enjakazi and Surrounds IWS	2 912 500	6 200 000	0
Elunweleni and Surrounds IWS	2 912 500	6 200 000	0
Idutywa East IWS	2 912 500	6 200 000	0
Nggamakhwe IWS	5 000 000	2 000 000	0
Toleni IWS	2 500 000	0	0
<b>GRAND TOTAL:</b>	<b>28 850 000</b>	<b>88 850 000</b>	<b>0</b>

The following graph provides a breakdown of the capital budget to be spent on infrastructure

2014/15 CAPITAL BUDGET SOURCE OF FUNDING SUMMARY	
	AMOUNT
MIG Projects	373 477 193
MWIG Projects	28 850 000
Regional Bulk Infrastructure Grant	59 400 000
Rural Household Infrastructure Grant	9 000 000
Internally Funded Assets (Furniture, Equipment, Computers Vehicles)	42 312 620
<b>GRAND TOTAL:</b>	<b>513 039 813</b>



The above graph provides a breakdown of the capital budget to be spent on infrastructure

### 1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in the table below. This table shows that future operational costs associated with the capital programme totals R1 357 687 in 2014/15 and escalates to R1 391 683 by 2015/16. This concomitant operational expenditure is expected to escalate to R1 459 210 by 2016/17.



DC12 Amathole - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year	Budget Year	Budget Year	Forecast	Forecast	Forecast	Present
		2014/15	+1 2015/16	+2 2016/17	2017/18	2018/19	2019/20	value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 01 - Legislative & Executive Support Services		487	192	130	-	-	-	-
Vote 02 - Strategic Management		8 409	2 187	2 309	-	-	-	-
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-
Vote 04 - Corporate Services		7 407	12 210	700	-	-	-	-
Vote 05 - Budget & Treasury		1 297	943	837	-	-	-	-
Vote 06 - Engineering Department		471 064	547 859	612 896	-	-	-	-
Vote 07 - Health & Protection Department		4 836	3 155	1 123	-	-	-	-
Vote 08 - Water & Sanitation Management		3 010	2 984	2 173	-	-	-	-
Vote 09 - Water Services		11 668	5 556	4 436	-	-	-	-
Vote 10 - Sanitation Services		4 366	2 250	1 105	-	-	-	-
Vote 11 - Land Human Settlement & Economic Development		266	100	98	-	-	-	-
Vote 12 - Municipal Management		230	48	112	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		<b>513 040</b>	<b>577 485</b>	<b>625 919</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 01 - Legislative & Executive Support Services		74 342	73 995	74 188	-	-	-	-
Vote 02 - Strategic Management		79 470	80 770	82 311	-	-	-	-
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-
Vote 04 - Corporate Services		131 120	137 972	143 468	-	-	-	-
Vote 05 - Budget & Treasury		120 786	125 629	134 887	-	-	-	-
Vote 06 - Engineering Department		88 651	73 666	74 338	-	-	-	-
Vote 07 - Health & Protection Department		84 179	88 731	93 153	-	-	-	-
Vote 08 - Water & Sanitation Management		190 925	200 657	210 933	-	-	-	-
Vote 09 - Water Services		357 447	380 923	406 387	-	-	-	-
Vote 10 - Sanitation Services		120 868	127 342	135 286	-	-	-	-
Vote 11 - Land Human Settlement & Economic Development		78 189	68 396	68 897	-	-	-	-
Vote 12 - Municipal Management		31 709	33 783	35 361	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
<b>Total future operational costs</b>		<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue		99 362	103 933	109 214				
Service charges - sanitation revenue		54 520	57 028	59 642				
Service charges - refuse revenue								
Service charges - other		2 316	2 422	2 534				
Rental of facilities and equipment		738	604	632				
<b>Total future revenue</b>		<b>156 935</b>	<b>163 987</b>	<b>172 021</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>1 713 791</b>	<b>1 805 360</b>	<b>1 913 108</b>	-	-	-	-

## 1.7 Annual Budget Tables

### Table 13 MBRR Table A1 - Budget Summary

DC12 Amathole - 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>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	116 707	164 948	236 312	240 524	241 287	241 287	241 287	156 198	163 383	171 389
Investment revenue	40 141	37 947	36 605	25 155	25 155	25 155	25 155	13 450	12 000	10 460
Transfers recognised - operational	547 700	491 683	636 997	642 043	636 051	636 051	636 051	681 520	715 288	751 980
Other own revenue	70 709	76 979	108 330	385 254	551 094	551 094	551 094	548 832	530 964	538 561
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>775 258</b>	<b>771 557</b>	<b>1 018 245</b>	<b>1 292 976</b>	<b>1 453 587</b>	<b>1 453 587</b>	<b>1 453 587</b>	<b>1 400 000</b>	<b>1 421 635</b>	<b>1 472 391</b>
Employee costs	250 352	322 633	372 611	488 525	495 351	495 351	495 351	521 705	561 487	604 711
Remuneration of councillors	11 307	10 538	11 563	14 015	14 010	14 010	14 010	15 659	16 834	17 351
Depreciation & asset impairment	76 608	90 755	97 386	104 174	144 168	144 168	144 168	153 349	160 403	167 784
Finance charges	194	115	10 945	106	12 756	12 756	12 756	15 790	16 517	17 276
Materials and bulk purchases	37 980	48 673	51 559	57 606	57 606	57 606	57 606	69 918	73 363	76 738
Transfers and grants	1 967	254	-	-	-	-	-	-	-	-
Other expenditure	462 898	532 103	564 582	573 223	566 358	566 358	566 358	581 266	563 260	575 349
<b>Total Expenditure</b>	<b>841 306</b>	<b>1 005 072</b>	<b>1 108 646</b>	<b>1 237 649</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>
<b>Surplus/(Deficit)</b>	<b>(66 048)</b>	<b>(233 515)</b>	<b>(90 401)</b>	<b>55 327</b>	<b>163 339</b>	<b>163 339</b>	<b>163 339</b>	<b>42 313</b>	<b>29 772</b>	<b>13 181</b>
Transfers recognised - capital	247 909	383 069	534 552	468 651	467 883	467 883	467 883	470 727	547 713	612 738
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>258 949</b>	<b>341 280</b>	<b>533 778</b>	<b>521 631</b>	<b>527 755</b>	<b>527 755</b>	<b>527 755</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Transfers recognised - capital	221 560	305 615	501 612	468 651	467 883	467 883	467 883	470 727	547 713	612 738
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	37 388	35 665	32 166	52 980	59 872	59 872	59 872	42 313	29 772	13 181
<b>Total sources of capital funds</b>	<b>258 949</b>	<b>341 280</b>	<b>533 778</b>	<b>521 631</b>	<b>527 755</b>	<b>527 755</b>	<b>527 755</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
<b>Financial position</b>										
Total current assets	859 300	880 608	792 396	1 128 315	970 749	970 749	970 749	1 715 337	2 028 128	2 354 392
Total non current assets	2 611 362	2 863 042	3 313 628	3 357 378	3 256 968	3 256 968	3 256 968	2 434 332	2 186 221	2 727 254
Total current liabilities	237 587	342 256	245 671	311 226	270 123	270 123	270 123	334 262	352 509	371 846
Total non current liabilities	117 150	136 912	151 721	161 194	149 673	149 673	149 673	221 437	257 654	283 864
Community wealth/Equity	3 115 925	3 264 481	3 708 632	4 013 272	3 807 922	3 807 922	3 807 922	3 593 969	3 604 187	4 425 936
<b>Cash flows</b>										
Net cash from (used) operating	266 231	397 640	395 093	542 222	699 367	699 367	699 367	785 576	862 365	924 211
Net cash from (used) investing	(254 910)	(342 969)	(550 330)	(543 222)	(527 755)	(527 755)	(527 755)	(513 040)	(577 485)	(625 919)
Net cash from (used) financing	626	(98)	7	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>291 721</b>	<b>346 294</b>	<b>191 064</b>	<b>190 064</b>	<b>362 675</b>	<b>362 675</b>	<b>362 675</b>	<b>635 211</b>	<b>920 092</b>	<b>1 218 384</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	757 912	817 404	663 150	999 242	833 968	833 968	833 968	1 095 212	1 380 093	1 678 385
Application of cash and investments	334 538	507 040	289 027	805 010	780 517	780 517	370 804	331 407	354 594	(83 745)
<b>Balance - surplus (shortfall)</b>	<b>423 374</b>	<b>310 364</b>	<b>374 122</b>	<b>194 233</b>	<b>53 451</b>	<b>53 451</b>	<b>463 164</b>	<b>763 804</b>	<b>1 025 498</b>	<b>1 762 129</b>
<b>Asset management</b>										
Asset register summary (WDV)	64 821	2 896 135	69 130	2 594 994	2 601 485	2 601 485	565 994	565 994	635 611	688 176
Depreciation & asset impairment	76 608	90 755	97 386	104 174	144 168	144 168	153 349	153 349	160 403	167 784
Renewal of Existing Assets	6 922	15 017	6 304	11 395	5 229	5 229	5 229	10 831	10 487	6 184
Repairs and Maintenance	7 876	11 683	11 289	34 065	32 697	32 697	53 544	53 544	56 362	56 469
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	89	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

## Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the ADM's budget from all of the major financial perspectives, starting with financial performance, showing operating revenue and expenditure, capital expenditure sourced from grants and internally financed, financial position overview, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

The Cash backing/surplus reconciliation shows that the municipality is slowly depleting its reserves, with no surpluses being foreseen in the MTREF to replenish the reserves. This places the municipality in a very vulnerable financial position, as revenue collections are not showing any marked improvement. Although the collection rate as at the end of February 2014 was 61%, this is of the current billing level. Of overall debit, it is only 3.7%.

**Table 14 Table A2 - Budgeted Financial Performance (revenue/expenditure by standard classification)**

DC12 Amathole - 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>		753 547	856 376	1 159 084	1 187 941	1 181 063	1 181 063	1 387 523	1 473 799	1 580 354
Executive and council		626 306	698 336	966 983	989 784	982 516	982 516	1 153 397	1 231 622	1 329 828
Budget and treasury office		72 532	91 284	99 139	107 856	108 245	108 245	106 838	109 646	110 716
Corporate services		54 709	66 756	92 962	90 301	90 301	90 301	127 287	132 530	139 811
<i>Community and public safety</i>		121 045	87 856	83 411	72 873	72 873	72 873	89 820	93 901	96 467
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		8 244	4 990	4 449	5 035	5 035	5 035	3 467	3 574	3 685
Housing		54 816	4 843	12 667	1 893	1 893	1 893	2 381	2 381	2 381
Health		57 985	78 022	66 294	65 946	65 946	65 946	83 971	87 946	90 400
<i>Economic and environmental services</i>		657	4	40 109	75 903	132 626	132 626	4 742	1 697	1 710
Planning and development		657	4	40 109	75 903	132 626	132 626	4 742	1 697	1 710
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		147 918	210 391	270 192	424 909	534 909	534 909	388 642	399 951	406 597
Electricity		-	-	-	-	-	-	-	-	-
Water		104 307	139 532	186 057	327 298	437 298	437 298	291 068	298 331	299 994
Waste water management		43 612	70 858	83 371	96 848	96 848	96 848	96 801	100 810	105 757
Waste management		-	-	764	764	764	764	774	810	847
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	1 023 167	1 154 626	1 552 796	1 761 627	1 921 471	1 921 471	1 870 727	1 969 348	2 085 129
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		302 969	349 931	336 293	433 598	459 489	459 489	529 028	519 722	534 201
Executive and council		149 253	195 161	145 075	218 732	205 342	205 342	247 368	224 738	222 720
Budget and treasury office		58 540	71 819	80 209	104 062	106 431	106 431	120 786	125 629	134 887
Corporate services		95 176	82 952	111 010	110 804	147 716	147 716	160 874	169 354	176 594
<i>Community and public safety</i>		98 900	94 505	112 944	75 827	84 937	84 937	96 646	102 038	107 359
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		25 076	24 917	34 080	38 747	44 793	44 793	44 739	47 908	51 316
Housing		33 129	31 255	49 133	10 397	10 367	10 367	12 466	13 307	14 207
Health		40 696	38 333	29 731	26 683	29 777	29 777	39 440	40 823	41 837
<i>Economic and environmental services</i>		25 759	30 901	86 964	146 677	48 217	48 217	46 929	44 355	47 166
Planning and development		25 759	30 901	86 964	146 677	48 217	48 217	44 951	42 229	44 880
Road transport		-	-	-	-	-	-	1 978	2 126	2 286
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		413 678	529 735	572 445	581 546	697 605	697 605	685 084	725 749	770 484
Electricity		-	-	-	-	-	-	-	-	-
Water		334 397	413 745	443 002	500 223	601 302	601 302	558 295	592 163	628 613
Waste water management		79 078	114 345	125 991	77 023	92 003	92 003	120 868	127 342	135 286
Waste management		203	1 645	3 451	4 300	4 300	4 300	5 921	6 243	6 585
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	841 306	1 005 072	1 108 646	1 237 649	1 290 248	1 290 248	1 357 687	1 391 863	1 459 210
<b>Surplus/(Deficit) for the year</b>		181 860	149 554	444 151	523 978	631 222	631 222	513 040	577 485	625 919

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

**Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue/expenditure by municipal vote)**

DC12 Amathole - 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 01 - Legislative & Executive Support Services	1	22 823	21 782	30 896	83 564	83 564	83 564	67 757	70 661	66 632
Vote 02 - Strategic Management		88 765	58 052	85 938	88 860	88 979	88 979	64 621	67 310	64 860
Vote 03 - Internally Funded Projects		-	-	-	70 551	127 154	127 154	-	-	-
Vote 04 - Corporate Services		23 806	66 689	77 973	88 530	88 530	88 530	125 315	130 558	137 653
Vote 05 - Budget & Treasury		72 532	91 284	99 139	107 856	108 245	108 245	106 838	109 646	110 716
Vote 06 - Engineering Department		497 845	550 710	780 745	750 600	743 333	743 333	835 303	928 961	994 296
Vote 07 - Health & Protection Department		61 804	83 013	70 744	70 981	70 981	70 981	87 439	91 520	94 085
Vote 08 - Water & Sanitation Management		19	28	27	94 569	134 569	134 569	137 705	137 705	137 705
Vote 09 - Water Services		104 287	139 504	186 041	232 583	302 583	302 583	153 303	160 566	162 224
Vote 10 - Sanitation Services		43 612	70 858	83 371	96 848	96 848	96 848	96 801	100 810	105 757
Vote 11 - Land Human Settlement & Economic Development		55 472	51 515	104 428	52 450	52 450	52 450	89 558	89 685	82 390
Vote 12 - Municipal Management		47 778	21 192	33 495	24 235	24 235	24 235	106 087	81 924	128 811
Vote 15 - Other		4 425	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>1 023 167</b>	<b>1 154 626</b>	<b>1 552 796</b>	<b>1 761 627</b>	<b>1 921 471</b>	<b>1 921 471</b>	<b>1 870 727</b>	<b>1 969 348</b>	<b>2 085 129</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 01 - Legislative & Executive Support Services	1	24 286	45 874	70 561	83 359	50 292	50 292	74 342	73 995	74 188
Vote 02 - Strategic Management		70 414	56 807	59 464	58 548	61 340	61 340	79 470	80 770	82 311
Vote 03 - Internally Funded Projects		24 487	15 328	1 299	99 400	-	-	-	-	-
Vote 04 - Corporate Services		52 994	67 521	75 435	85 967	123 096	123 096	131 120	137 972	143 468
Vote 05 - Budget & Treasury		58 540	71 819	80 209	104 062	106 431	106 431	120 786	125 629	134 887
Vote 06 - Engineering Department		39 751	96 660	54 624	93 333	89 772	89 772	88 651	73 666	74 338
Vote 07 - Health & Protection Department		65 772	51 746	63 810	65 430	74 570	74 570	84 179	88 731	93 153
Vote 08 - Water & Sanitation Management		112 382	120 613	70 606	193 256	201 315	201 315	190 925	200 657	210 933
Vote 09 - Water Services		222 015	293 363	377 299	302 864	395 033	395 033	357 447	380 923	406 387
Vote 10 - Sanitation Services		79 078	114 345	115 811	77 023	92 003	92 003	120 868	127 342	135 286
Vote 11 - Land Human Settlement & Economic Development		58 888	56 188	123 931	51 033	53 798	53 798	78 189	68 396	68 897
Vote 12 - Municipal Management		28 353	14 812	15 598	23 374	42 600	42 600	31 709	33 783	35 361
Vote 15 - Other		4 347	(4)	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>841 306</b>	<b>1 005 072</b>	<b>1 108 646</b>	<b>1 237 649</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per ADM's municipal vote structure. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for water trading services.

**Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

DC12 Amathole - 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>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	71 094	92 034	150 891	162 281	162 281	162 281	162 281	99 362	103 933	109 214
Service charges - sanitation revenue	2	43 762	69 772	82 154	74 984	75 748	75 748	75 748	54 520	57 028	59 642
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		1 851	3 142	3 268	3 259	3 259	3 259	3 259	2 316	2 422	2 534
Rental of facilities and equipment		269	311	326	277	277	277	277	738	604	632
Interest earned - external investments		40 141	37 947	36 605	25 155	25 155	25 155	25 155	13 450	12 000	10 460
Interest earned - outstanding debtors		22 839	27 187	23 270	29 318	29 318	29 318	29 318	30 783	32 199	33 681
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	10	10	10	10	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		547 700	491 683	636 997	642 043	636 051	636 051	636 051	681 520	715 288	751 980
Other revenue	2	47 280	47 505	84 734	355 650	521 489	521 489	521 489	517 311	498 160	504 249
Gains on disposal of PPE		321	1 975	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>775 258</b>	<b>771 557</b>	<b>1 018 245</b>	<b>1 292 976</b>	<b>1 453 587</b>	<b>1 453 587</b>	<b>1 453 587</b>	<b>1 400 000</b>	<b>1 421 635</b>	<b>1 472 391</b>
<b>Expenditure By Type</b>											
Employee related costs	2	250 352	322 633	372 611	488 525	495 351	495 351	495 351	521 705	561 487	604 711
Remuneration of councillors		11 307	10 538	11 563	14 015	14 010	14 010	14 010	15 659	16 834	17 351
Debt impairment	3	91 901	157 094	139 027	46 309	116 309	116 309	116 309	119 187	124 751	130 508
Depreciation & asset impairment	2	76 608	90 755	97 386	104 174	144 168	144 168	144 168	153 349	160 403	167 784
Finance charges		194	115	10 945	106	12 756	12 756	12 756	15 790	16 517	17 276
Bulk purchases	2	37 980	48 673	51 559	57 606	57 606	57 606	57 606	69 918	73 363	76 738
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		48 136	53 784	50 318	62 518	52 387	52 387	52 387	25 687	26 882	28 122
Transfers and grants		1 967	254	-	-	-	-	-	-	-	-
Other expenditure	4, 5	322 861	321 225	373 858	464 396	397 663	397 663	397 663	436 392	411 626	416 719
Loss on disposal of PPE		-	-	1 380	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>841 306</b>	<b>1 005 072</b>	<b>1 108 646</b>	<b>1 237 649</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>
<b>Surplus/(Deficit)</b>		<b>(66 048)</b>	<b>(233 515)</b>	<b>(90 401)</b>	<b>55 327</b>	<b>163 339</b>	<b>163 339</b>	<b>163 339</b>	<b>42 313</b>	<b>29 772</b>	<b>13 181</b>
Transfers recognised - capital		247 909	383 069	534 552	468 651	467 883	467 883	467 883	470 727	547 713	612 738
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure in R000's)**

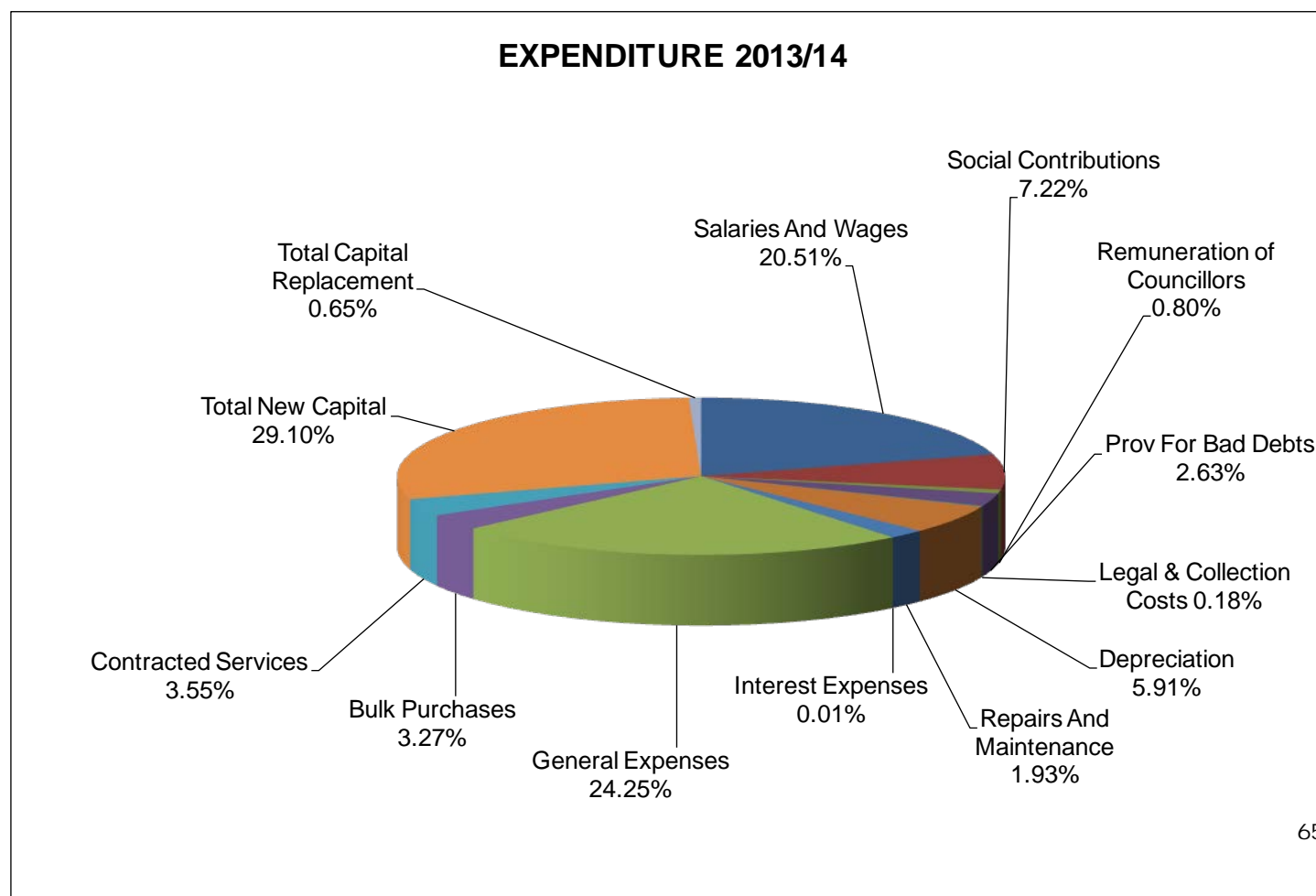
1. Total revenue is R1 400 000 in 2014/15 and escalates to R1 472 391, this represents a year-on-year increase of 1.54% per cent for the 2014/15 financial year and 3.57 per cent for the 2016/17 financial year.
2. Services charges relating to water, sanitation and fire constitutes R153 882 of the revenue basket of ADM for the 2014/15 financial year and increasing to R168 856 by 2016/17. For the 2014/15 financial year services charges amount to 10.99 per cent of the total revenue base and increase by 0.48 per over the medium-term.
3. Transfers recognised – operating includes the local government equitable share and other operating grants from national government, including Municipal Systems Improvement Grants, Financial Management Grant, Rural Roads Asset Management Grant, Water

Services Operating Subsidy, RSC Levies Replacement Grant, Expanded Public Works Grant, and Water Operating subsidy Grant. The growth in equitable share for 2014/15 on the 2013/14 level is 5.24%, which is below inflation level. See below table for growth in all DORA grants:

DIVISION OF REVENUE BILL 2014 COMPARED TO 2013			
GRANT	2014/15 MUNICIPAL	2013/14 MUNICIPAL	GROWTH ON 2013/2014
Municipal Infrastructure Grant	425 764 000	399 847 000	6.48%
Neighbourhood Development Partnership Grant (Capital Grant)	-	10 000 000	-100.00%
Rural Roads Assets Management Grant	2 708 000	2 347 000	15.38%
Water Services Operating Subsidy Grant	10 000 000	6 000 000	66.67%
Municipal Systems Improvement Grant	934 000	890 000	4.94%
Local Government Financial Management Grant	1 250 000	1 250 000	0.00%
Equitable Share Formula	393 118 000	373 527 000	5.24%
RSC Levies Replacement	270 433 000	248 104 000	9.00%
<i>Expanded Public Works Programme Incentive Grant for Municipalities</i>	<i>3 045 000</i>	<i>3 125 000</i>	<i>-2.56%</i>
<i>Water Services Operating Subsidy*</i>	<i>300 000</i>	<i>300 000</i>	<i>0.00%</i>
<i>Municipal Water Infrastructure Grant</i>	<i>28 850 000</i>	<i>12 300 000</i>	<i>134.55%</i>
<i>Neighbourhood Development Partnership Grant**</i>	<i>-</i>	<i>1 500 000</i>	<i>-100.00%</i>
<i>Rural Households Infrastructure Grant</i>	<i>9 000 000</i>	<i>-</i>	
<i>Regional Bulk Infrastructure Grant*</i>	<i>59 400 000</i>	<i>56 504 000</i>	<i>5.13%</i>
<b>TOTALS:</b>	<b>1 204 802 000</b>	<b>1 115 694 000</b>	<b>7.99%</b>

*Italics indicates allocations in kind*

4. The following graph illustrates the major expenditure items per type.  
**Figure 2 Expenditure by major type**



5. Employee related costs and general expenses are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage increases and general expense increases in future years.



**Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

DC12 Amathole - 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>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 01 - Legislative & Executive Support Services		-	-	-	-	-	-	-	-	-	-
Vote 02 - Strategic Management		-	-	-	-	-	-	-	-	-	-
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 05 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 06 - Engineering Department		221 560	305 615	501 612	468 651	467 883	467 883	467 883	470 727	547 713	612 738
Vote 07 - Health & Protection Department		-	-	-	-	-	-	-	-	-	-
Vote 08 - Water & Sanitation Management		-	-	-	-	-	-	-	-	-	-
Vote 09 - Water Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sanitation Services		-	-	-	-	-	-	-	-	-	-
Vote 11 - Land Human Settlement & Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 12 - Municipal Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	221 560	305 615	501 612	468 651	467 883	467 883	467 883	470 727	547 713	612 738
<b>Single-year expenditure to be appropriated</b>	2										
Vote 01 - Legislative & Executive Support Services		795	99	1 136	206	7 098	7 098	7 098	487	192	130
Vote 02 - Strategic Management		1 336	1 963	545	1 462	1 462	1 462	1 462	8 409	2 187	2 309
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		1 557	1 552	1 706	2 563	2 563	2 563	2 563	7 407	12 210	700
Vote 05 - Budget & Treasury		923	1 051	1 003	3 794	3 794	3 794	3 794	1 297	943	837
Vote 06 - Engineering Department		1 291	1 132	339	2 002	2 002	2 002	2 002	337	146	158
Vote 07 - Health & Protection Department		1 206	6 167	7 503	5 551	5 551	5 551	5 551	4 836	3 155	1 123
Vote 08 - Water & Sanitation Management		16 980	11 447	4 727	4 087	4 087	4 087	4 087	3 010	2 984	2 173
Vote 09 - Water Services		10 721	10 754	11 497	24 057	24 057	24 057	24 057	11 668	5 556	4 436
Vote 10 - Sanitation Services		2 005	137	2 821	6 979	6 979	6 979	6 979	4 366	2 250	1 105
Vote 11 - Land Human Settlement & Economic Development		443	928	561	1 417	1 417	1 417	1 417	266	100	98
Vote 12 - Municipal Management		133	434	328	861	861	861	861	230	48	112
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		37 388	35 665	32 166	52 980	59 872	59 872	59 872	42 313	29 772	13 181
<b>Total Capital Expenditure - Vote</b>		258 949	341 280	533 778	521 631	527 755	527 755	527 755	513 040	577 485	625 919
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		226 712	310 821	506 505	479 102	485 226	485 226	485 226	488 581	563 317	616 850
Executive and council		223 584	307 351	503 375	471 914	478 039	478 039	478 039	471 784	548 222	613 203
Budget and treasury office		923	1 051	1 003	3 794	3 794	3 794	3 794	1 297	943	837
Corporate services		2 204	2 419	2 127	3 393	3 393	3 393	3 393	15 500	14 152	2 810
<b>Community and public safety</b>		1 240	6 257	7 909	6 060	6 060	6 060	6 060	4 996	3 255	1 173
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		111	4 148	6 945	4 962	4 962	4 962	4 962	4 621	3 025	1 044
Housing		35	89	406	509	509	509	509	159	100	50
Health		1 095	2 019	557	589	589	589	589	215	130	79
<b>Economic and environmental services</b>		846	1 188	285	1 234	1 234	1 234	1 234	259	48	108
Planning and development		846	1 188	285	1 234	1 234	1 234	1 234	259	36	88
Road transport		-	-	-	-	-	-	-	-	12	20
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		30 150	23 014	19 079	35 235	35 235	35 235	35 235	19 204	10 864	7 787
Electricity		-	-	-	-	-	-	-	-	-	-
Water		28 145	22 877	16 258	28 256	28 256	28 256	28 256	14 838	8 590	6 633
Waste water management		2 005	137	2 821	6 979	6 979	6 979	6 979	4 366	2 250	1 105
Waste management		-	-	-	-	-	-	-	-	24	50
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	258 949	341 280	533 778	521 631	527 755	527 755	527 755	513 040	577 485	625 919
<b>Funded by:</b>											
National Government		221 560	305 615	501 612	468 651	467 883	467 883	467 883	470 727	547 713	612 738
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	221 560	305 615	501 612	468 651	467 883	467 883	467 883	470 727	547 713	612 738
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		37 388	35 665	32 166	52 980	59 872	59 872	59 872	42 313	29 772	13 181
<b>Total Capital Funding</b>	7	258 949	341 280	533 778	521 631	527 755	527 755	527 755	513 040	577 485	625 919

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2014/15 Engineering have been allocated a total of R 470 727 to capital budgets. This allocation escalates to R547 713 in 2015/16 and then increases to R612 738 by 2016/17.
3. Single-year capital expenditure has been appropriated at R42 313 for the 2014/15 financial year and remains relatively constant over the MTREF at levels of R29 772 and R 13 181 respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded chiefly from national grants and transfers, 91.75 per cent and partially from internally generated funds, 8.25 per cent, from current year surpluses.
6. Below table reflects capital budget percentages:

<b>2014/15 CAPITAL BUDGET SOURCE OF FUNDING SUMMARY</b>		
	<b>AMOUNT</b>	<b>%</b>
MIG Projects	373 477 193	72.80%
MWIG Projects	28 850 000	5.62%
Regional Bulk Infrastructure Grant	59 400 000	11.58%
Rural Household Infrastructure Grant	9 000 000	1.75%
Internally Funded Assets (Furniture, Equipment, Computers Vehicles)	42 312 620	8.25%
<b>GRAND TOTAL:</b>	<b>513 039 813</b>	<b>100.00%</b>

**Table 18 MBRR Table A6 - Budgeted Financial Position**

DC12 Amathole - Table A6 Budgeted Financial Position											
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>ASSETS</b>											
<b>Current assets</b>											
Cash		291 721	346 293	191 063	539 241	362 675	362 675	362 675	635 211	920 092	1 218 384
Call investment deposits	1	466 190	471 109	472 085	460 000	471 293	471 293	471 293	460 000	460 000	460 000
Consumer debtors	1	51 728	33 236	71 282	91 052	76 033	76 033	76 033	560 650	583 872	607 994
Other debtors		45 289	26 288	53 974	34 244	57 033	57 033	57 033	55 760	60 225	63 839
Current portion of long-term receivables		7	7	9	3	-	-	-	-	-	-
Inventory	2	4 366	3 675	3 982	3 775	3 716	3 716	3 716	3 716	3 939	4 175
<b>Total current assets</b>		<b>859 300</b>	<b>880 608</b>	<b>792 396</b>	<b>1 128 315</b>	<b>970 749</b>	<b>970 749</b>	<b>970 749</b>	<b>1 715 337</b>	<b>2 028 128</b>	<b>2 354 392</b>
<b>Non current assets</b>											
Long-term receivables		662	701	1 000	854	1 275	1 275	1 275	906	960	1 018
Investments		1	1	1	1	1	1	1	1	1	1
Investment property		64 804	69 138	69 130	62 640	69 130	69 130	69 130	68 786	68 614	68 442
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	2 545 877	2 793 201	3 243 498	3 293 883	3 186 562	3 186 562	3 186 562	2 364 640	2 116 647	2 657 794
Agricultural Biological											
Intangible		17	0	0	-	0	0	0	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>2 611 362</b>	<b>2 863 042</b>	<b>3 313 628</b>	<b>3 357 378</b>	<b>3 256 968</b>	<b>3 256 968</b>	<b>3 256 968</b>	<b>2 434 332</b>	<b>2 186 221</b>	<b>2 727 254</b>
<b>TOTAL ASSETS</b>		<b>3 470 662</b>	<b>3 743 649</b>	<b>4 106 024</b>	<b>4 485 692</b>	<b>4 227 717</b>	<b>4 227 717</b>	<b>4 227 717</b>	<b>4 149 669</b>	<b>4 214 349</b>	<b>5 081 646</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	504	472	383	438	275	275	275	275	307	344
Consumer deposits		1 600	1 773	1 944	1 981	2 032	2 032	2 032	2 113	2 156	2 177
Trade and other payables	4	232 260	337 264	240 028	307 689	264 500	264 500	264 500	327 994	345 507	364 015
Provisions		3 224	2 747	3 316	1 118	3 316	3 316	3 316	3 879	4 539	5 310
<b>Total current liabilities</b>		<b>237 587</b>	<b>342 256</b>	<b>245 671</b>	<b>311 226</b>	<b>270 123</b>	<b>270 123</b>	<b>270 123</b>	<b>334 262</b>	<b>352 509</b>	<b>371 846</b>
<b>Non current liabilities</b>											
Borrowing		538	299	223	299	299	299	299	499	558	625
Provisions		116 612	136 614	151 498	160 896	149 374	149 374	149 374	220 939	257 095	283 239
<b>Total non current liabilities</b>		<b>117 150</b>	<b>136 912</b>	<b>151 721</b>	<b>161 194</b>	<b>149 673</b>	<b>149 673</b>	<b>149 673</b>	<b>221 437</b>	<b>257 654</b>	<b>283 864</b>
<b>TOTAL LIABILITIES</b>		<b>354 737</b>	<b>479 169</b>	<b>397 392</b>	<b>472 420</b>	<b>419 796</b>	<b>419 796</b>	<b>419 796</b>	<b>555 700</b>	<b>610 163</b>	<b>655 710</b>
<b>NET ASSETS</b>	5	<b>3 115 925</b>	<b>3 264 481</b>	<b>3 708 632</b>	<b>4 013 272</b>	<b>3 807 922</b>	<b>3 807 922</b>	<b>3 807 922</b>	<b>3 593 969</b>	<b>3 604 187</b>	<b>4 425 936</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		3 097 260	3 245 816	3 689 967	3 888 402	3 789 257	3 789 257	3 789 257	3 575 304	3 585 522	4 407 270
Reserves	4	18 665	18 665	18 665	124 870	18 665	18 665	18 665	18 665	18 665	18 665
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>3 115 925</b>	<b>3 264 481</b>	<b>3 708 632</b>	<b>4 013 272</b>	<b>3 807 922</b>	<b>3 807 922</b>	<b>3 807 922</b>	<b>3 593 969</b>	<b>3 604 187</b>	<b>4 425 936</b>

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth/equity. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first e.g. cash and bank overdraft.

Statement of Financial Position

This statement lists all Council’s ‘Current and Non-Current Assets’ and ‘Liabilities’ together with their financial values.

o Current Assets

Current Assets refer to cash or resources that have cash value and are owned by Council. All other assets expected to provide financial benefit to Council within one financial year also fall under the category of ‘Current Assets’.

Largest current assets are cash and investment deposit. Both these assets are highly liquid, meaning that cash is readily available when required. For the 2014/15 financial year, the cash balance is R635 211 million with investments at R460 million. It must be noted that the cash balance includes money pertaining to Conditional grants. This money can only be spent on infrastructure related projects (MIG) and other conditional purposes and cannot be used to fund operating expenditure.

- Current Liabilities refer to trade and other payables, provisions and accruals that are due/owed by Council. All other liabilities expected to be settled within one financial year are included in the category of 'Current liabilities'.  
The largest current liabilities are trade and other payables. For the 2014/15 financial year, the trade and other payables amounted to R327 994 million.
- Current Liabilities
- Non-Current Assets  
Non-Current Assets are cash or resources with cash value which another party has made a legal commitment to hand over to Council over a period exceeding one financial year.  
The Property, plant and equipment item remains the most material balance on the statement of financial position, hence reiterating the importance of having sound controls and management in place for this item. This balance includes the water and sanitation schemes taken over from the local municipalities as a result of the transfer of the water and sanitation services functions. The cost to refurbish these must be considered. The infrastructures assets are required to generate own revenue for the municipality and are crucial in service delivery.
- Non-Current Liabilities  
Similarly liabilities are legal commitments with cash value which Council have made to other parties.  
The defined benefit obligation is the largest non-current liability. This includes the post-employment medical aid benefit. This obligation is based upon valuations obtained from actuaries for all the municipality's defined benefit pension plans, post-employment medical benefits and long service awards in accordance with GRAP.  
A defined benefit plan is a plan in which the municipality will have to make good any short falls should the fund not perform. The risk thus lies with the employer. The obligation also includes post-employment medical aid benefits and long services awards. A valuation is received annually for these obligations from an actuary.  
The investments of R460 million are required to fund this obligation. The obligation is increasing annually at an average rate of approximately 17% while the investments are earning interest at an average of 5.74%. The interest earned on the investments is not re-invested, but it is used to fund operations. The ADM must consider how to close this gap. It must be remembered that if the R460 million is used, the interest earned that is required to fund operations will be forfeited.  
The Statement of Financial Position assists in decisions regarding working capital management and investment

strategy.

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

**Table 19 MBRR Table A7 - Budgeted Cash Flow Statement**

DC12 Amathole - Table A7 Budgeted Cash Flows											
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>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		71 606	74 601	144 353	583 405	583 405	583 405	583 405	661 246	648 549	664 270
Government - operating	1	493 919	534 549	667 492	641 196	635 543	635 543	635 543	681 520	715 288	751 980
Government - capital	1	298 237	389 041	422 726	480 998	455 717	455 717	455 717	470 727	547 713	612 738
Interest		62 981	65 134	59 876	54 473	54 473	54 473	54 473	57 234	57 797	56 141
Dividends											
<b>Payments</b>											
Suppliers and employees		(658 350)	(665 315)	(888 409)	(1 211 926)	(1 017 016)	(1 017 016)	(1 017 016)	(1 069 360)	(1 090 192)	(1 143 642)
Finance charges		(194)	(115)	(10 945)	(106)	(12 756)	(12 756)	(12 756)	(15 790)	(16 790)	(17 276)
Transfers and Grants	1	(1 967)	(254)	-	(5 819)	-	-	-			
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>266 231</b>	<b>397 640</b>	<b>395 093</b>	<b>542 222</b>	<b>699 367</b>	<b>699 367</b>	<b>699 367</b>	<b>785 576</b>	<b>862 365</b>	<b>924 211</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		221 691	2 496	680	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		(115)	(40)	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	(300)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		3 277	(4 920)	(976)	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(479 762)	(340 506)	(549 734)	(543 222)	(527 755)	(527 755)	(527 755)	(513 040)	(577 485)	(625 919)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(254 910)</b>	<b>(342 969)</b>	<b>(550 330)</b>	<b>(543 222)</b>	<b>(527 755)</b>	<b>(527 755)</b>	<b>(527 755)</b>	<b>(513 040)</b>	<b>(577 485)</b>	<b>(625 919)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing		425									
Increase (decrease) in consumer deposits		201	173	171	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	(271)	(164)	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>626</b>	<b>(98)</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>11 948</b>	<b>54 573</b>	<b>(155 230)</b>	<b>(1 000)</b>	<b>171 611</b>	<b>171 611</b>	<b>171 611</b>	<b>272 536</b>	<b>284 881</b>	<b>298 292</b>
Cash/cash equivalents at the year begin:	2	279 773	291 721	346 294	191 064	191 064	191 064	191 064	362 675	635 211	920 092
Cash/cash equivalents at the year end:	2	291 721	346 294	191 064	190 064	362 675	362 675	362 675	635 211	920 092	1 218 384

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

The net cash inflow or outflow for the period is the difference between the opening and the closing balance of the municipality's cash. Only cash flow items are considered in the cash flow statement i.e. depreciation is excluded.

Cash on hand tends to decrease in the months when no grant income is received in the form of Equitable share, which often results in outflows exceeded inflows.

This indicates that the municipality is not able to generate sufficient own revenue through its service charges and is grant dependent. It further indicates that the cash flow must be closely monitored so as to avoid having to go into overdraft.

**Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

DC12 Amathole - Table A8 Cash backed reserves/accumulated surplus reconciliation											
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>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	291 721	346 294	191 064	190 064	362 675	362 675	362 675	635 211	920 092	1 218 384
Other current investments > 90 days		466 190	471 109	472 085	809 177	471 292	471 292	471 292	460 000	460 000	460 000
Non current assets - Investments	1	1	1	1	1	1	1	1	1	1	1
<b>Cash and investments available:</b>		<b>757 912</b>	<b>817 404</b>	<b>663 150</b>	<b>999 242</b>	<b>833 968</b>	<b>833 968</b>	<b>833 968</b>	<b>1 095 212</b>	<b>1 380 093</b>	<b>1 678 385</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		120 997	169 834	88 504	205 215	-	-	-	150 825	156 858	163 133
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	18 665	18 665	18 665	-	18 665	18 665	-
Other working capital requirements	3	73 879	148 706	93 355	(15 134)	165 589	165 589	165 589	(401 810)	(413 862)	(428 675)
Other provisions		-	-	-	266 178	266 178	266 178	-	282 722	300 318	-
Long term investments committed	4	120 997	169 834	88 504	205 215	205 215	205 215	205 215	150 825	156 858	163 133
Reserves to be backed by cash/investments	5	18 665	18 665	18 665	124 870	124 870	124 870	-	130 180	135 756	18 665
<b>Total Application of cash and investments:</b>		<b>334 538</b>	<b>507 040</b>	<b>289 027</b>	<b>805 010</b>	<b>780 517</b>	<b>780 517</b>	<b>370 804</b>	<b>331 407</b>	<b>354 594</b>	<b>(83 745)</b>
<b>Surplus(shortfall)</b>		<b>423 374</b>	<b>310 364</b>	<b>374 122</b>	<b>194 233</b>	<b>53 451</b>	<b>53 451</b>	<b>463 164</b>	<b>763 804</b>	<b>1 025 498</b>	<b>1 762 129</b>

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

This table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

Cash backed accumulated revenue surpluses are used to provide working capital. Operational cash flow deficits and surpluses are forecasted and managed on a daily basis within available cash resources and banking facilities.

All statutory funds and reserves, including unspent grants, are fully cash backed.

Long-term provisions are cash backed and actual expenditure is projected for the budget year.

The budget year indicates a balanced budget, which is an appropriate outcome.

From the above table it can be seen that the cash and investments available total R1 095 211 million in the 2014/15 financial year and progressively increase to R1 678 384 million by 2016/17, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation, as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return any unspent conditional grant funds to the national revenue fund if the application for roll over submitted in August each year is not successful. The municipality is required to supply National Treasury with a detailed analysis of the unspent grants as well as an

action plan of spending the grants. For the 2014/15 financial year, this liability has been provided for, as it is assumed that any unspent funds will be approved for roll over by National Treasury.

- The unspent portion of internally funded projects are an obligation as the total amount will be rolled over if unspent, and possibly re-allocated to alternative projects
- Trade and other payables are also provided for as these represent obligations of the municipality which are to be settled within 12 months.
- Post employment benefit options are determined by actuarial valuation
- Finance & Operating Lease liabilities are recognised in accordance with GRAP 13: Leases. These leases pertain to rental agreements over an average term of 3 years for office equipment.
- Consumer Deposits are monies received from consumers when opening an account for water and sanitation services. This deposit will either be utilised to offset any outstanding debt when the consumer closes their account or will be refunded to the consumer.
- Leave Provision is recognised in accordance with GRAP 19: Provisions, Contingent liabilities and Contingent Assets. This provision is for staff leave pay based upon the basic salary scale.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. The reconciliation of the cash reserves to commitments indicates the extent to which cash is available to settle Council's obligations as they become due.

For the purpose of the cash backed reserves and accumulated surplus reconciliation a working capital provision equivalent to three month's operational expenditure is deemed to be prudent by the municipality to cover any requirements. However, at the end of February 2013, the net cash available fell below the 3 month minimum level.

The municipality has not as yet depleted all cash reserves, but the fact that the working capital provision has fallen below the 3 month level is a serious concern and should be considered a strategic risk to the financial stability of the municipality.



DC12 Amathole - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
		Outcome	Outcome	Outcome	Budget	Budget	Forecast	2014/15	+1 2015/16	+2 2016/17
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	252 027	326 263	527 474	510 236	522 526	522 526	502 209	566 998	619 735
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		167 859	284 945	501 612	245 951	236 683	236 683	294 490	370 568	455 589
Infrastructure - Sanitation		29 343	-	-	216 100	216 100	216 100	150 132	148 466	130 746
Infrastructure - Other		30 234	20 486	-	6 600	15 100	15 100	26 106	28 679	26 404
Infrastructure		227 436	305 431	501 612	468 651	467 883	467 883	470 727	547 713	612 738
Community		2 784	709	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	21 807	20 123	25 862	41 585	54 643	54 643	26 481	19 284	6 996
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	5 000	-	-
<b>Total Renewal of Existing Assets</b>	2	6 922	15 017	6 304	11 395	5 229	5 229	10 831	10 487	6 184
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		800	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		2 015	184	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		2 816	184	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	4 106	14 833	6 304	11 395	5 229	5 229	10 831	10 487	6 184
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		168 659	284 945	501 612	245 951	236 683	236 683	294 490	370 568	455 589
Infrastructure - Sanitation		31 358	184	-	216 100	216 100	216 100	150 132	148 466	130 746
Infrastructure - Other		30 234	20 486	-	6 600	15 100	15 100	26 106	28 679	26 404
Infrastructure		230 251	305 615	501 612	468 651	467 883	467 883	470 727	547 713	612 738
Community		2 784	709	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		25 913	34 956	32 166	52 980	59 872	59 872	37 313	29 772	13 181
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	5 000	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	258 949	341 280	533 778	521 631	527 755	527 755	513 040	577 485	625 919
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport	5	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	2 371 093	-	1 676 742	1 676 742	1 676 742	294 490	370 568	455 589
Infrastructure - Sanitation		-	251 532	-	398 205	398 205	398 205	150 132	148 466	130 746
Infrastructure - Other		-	-	-	16 600	16 600	16 600	26 106	28 679	26 404
Infrastructure		-	2 622 625	-	2 091 547	2 091 547	2 091 547	470 727	547 713	612 738
Community		-	5 760	-	5 712	5 712	5 712	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		64 804	69 138	69 130	62 640	69 130	69 130	68 786	68 614	68 442
Other assets		-	198 611	-	435 096	435 096	435 096	26 481	19 284	6 996
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		17	0	0	-	0	0	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	64 821	2 896 135	69 130	2 594 994	2 601 485	2 601 485	565 994	635 611	688 176
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		76 608	90 755	97 386	104 174	144 168	144 168	153 349	160 403	167 784
<b>Repairs and Maintenance by Asset Class</b>	3	7 876	11 683	11 289	34 065	32 697	32 697	53 544	56 362	56 469
Infrastructure - Road transport		-	162	250	2 126	366	366	887	927	970
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		4 630	8 247	(615)	9 317	12 828	12 828	22 091	23 129	24 207
Infrastructure - Sanitation		-	-	3 235	8 145	7 912	7 912	13 466	13 876	14 526
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		4 630	8 409	2 870	19 588	21 106	21 106	36 444	37 932	39 703
Community		-	-	-	40	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	3 246	3 273	8 419	14 436	11 592	11 592	17 100	18 430	16 766
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		84 485	102 438	108 675	138 239	176 865	176 865	206 893	216 765	224 254
<i>Renewal of Existing Assets as % of total capex</i>		2.7%	4.4%	1.2%	2.2%	1.0%	1.0%	2.1%	1.8%	1.0%
<i>Renewal of Existing Assets as % of deprecn*</i>		9.0%	16.5%	6.5%	10.9%	3.6%	3.6%	7.1%	6.5%	3.7%
<i>R&amp;M as a % of PPE</i>		0.3%	0.4%	0.3%	1.0%	1.0%	1.0%	2.3%	2.7%	2.1%
<i>Renewal and R&amp;M as a % of PPE</i>		23.0%	1.0%	25.0%	2.0%	1.0%	1.0%	11.0%	11.0%	9.0%

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

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. At this stage, the District Municipality is unable to meet these recommendations, due to funding constraints. ADM's focus is still on eradicating backlogs in water & sanitation, in an attempt to meet the 2014 backlog eradication deadline.

DC12 Amathole - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	31 902	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	200 000	224 621	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		200 000	256 523	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	89 380	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	89 380	-	-	-	-	-	-	-
<b>Total number of households</b>	5	200 000	345 903	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	22 637	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		98 994	99 494	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000
Other toilet provisions (> min.service level)		-	1 088	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		98 994	123 219	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	98 994	123 219	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	121 718	-	147 279	147 279	147 279	162 007	178 207	196 028
Sanitation (free minimum level service)		-	73 763	-	84 871	84 871	84 871	91 660	98 993	108 892
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week)		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided (minimum social package)</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>	6	-	-	-	-	-	-	-	-	-

## Explanatory notes - Basic Service Delivery Measurement

1. ADM will not meet the eradication of backlogs target for 2014 with the current revenue streams, as it must be appreciated that the most cost effective systems serving the denser populations have been developed first and the remainder are to reach those communities spread all over the district in mostly rural environments and further from services, which results in higher per capita costs:
2. ADM has invested some R50 million to date to refurbish its bulk water infrastructure and another R1.5 billion in eradicating water and sanitation backlogs in the district. Council was on target to eradicate all bucket systems in 2007/8 but had to abandon the programme when the drought caused water outages [the flush toilets would have exacerbated the situation]. Currently the programme is well underway again and all buckets should be eradicated in Bedford and Fort Beaufort [Bhofolo/Newtown] by August 2012 and in Adelaide by Jan/Febr 2013. Council is busy doing a verification of the remaining water and sanitation backlog numbers in the 2014/15 major Water Services Development Plan [WSDP] review process to accurately set eradication targets for the next few years – present figures show some 88%- 90% of our population now have decent water supplies and some 40% have RDP access to safe sanitation services
  - a. Water services – backlog will be reduced by 6321 households in 2012/13. The backlog in water is mostly areas that are largely found in ‘rural remote areas’ and will need to be assisted with bulk services, reticulation and more funding resources so that they can receive services.
  - b. Sanitation services – backlog will be reduced by 9000 households during 2012/13 financial year. The ADM's sanitation implementation project (ASAP) contract for 3 year period is in its final year( end Nov 2013), this was to ensure that 25 000 structures have been built within the MTREF.
3. Indigent Support Rebates of an anticipated R12.094 million with new campaigning initiatives

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee has been established, consisting of the Municipal Manager, section 57 employees, Budget Managers and the IDP Manager and chairpersons of the standing committees under the chairpersonship of the Portfolio Councillor of Finance.

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

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

#### **2.1.1 Budget Process Overview**

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

The Mayor tabled in Council the required the IDP and budget time schedule on 30 August 2013. Key dates applicable to the process were:

<b>IDP, BUDGET &amp; PMS PROCESS ACTION PROGRAM</b>			
	<b>Activities</b>	<b>Timeframe</b>	<b>Responsible Department</b>
<b>A</b>	<b>Preparation phase / Pre-planning</b>		
1	Advertise IDP Process and resuscitate stakeholders	2013/07/31	Strategic Planning - PME
2	IDP Steering Committee workshop to outline review process	2013/08/01	Strategic Planning - PME
3	Assess membership of BSC in terms of new Budget legislation	2013/08/30	Budget & Treasury Office
4	Council Workshop on the IDP review process	2013/08/08	LESS - Speakers office
5	Budget Steering Committee to discuss rollovers, savings declarations and new applications	2013/07/26	Services
6	IGR Forum meeting	2013/08/21	Strategic Planning - IGR
7	Council Approval of Framework Plan & Process Plans (IDP & Budget)	2013/08/30	Corporate Services
8	HOD'S to assess accuracy of staff allocation versus current budget	2013/08/31	Treasury Office
9	IDP Steering Committee meeting to review Implementation progress and prepare for the 14/15 IDP Launch	2013/09/02	Strategic Planning - PME
10	Submit adopted Framework and Process Plans with Council resolution to MEC - DLGTA	2013/09/07	Strategic Planning - PME
11	Advertise IDP District Framework and IDP/Budget Process Plan	2013/09/07	Strategic Planning - PME
12	DIMAFO Meeting	2013/09/19	Strategic Planning - IGR
13	Launch (District wide level). IDP/PMS/Budget Representative Forum to outline terms of reference, report progress, explain review process.	2013/09/18	Strategic Planning - PME
14	Quarter 1 Performance reporting (July - Sept)	2013/10/07	Heads of Departments
15	Conduct quarterly reviews with HoDs	2013/10/16	Municipal Manager's Office
16	Submit performance report to Performance Audit Committee	2013/11/19	Municipal Manager's Office

<b>B+C</b>	<b>Analysis Phase / Monitoring and evaluation</b>		
17	*Assessment of existing level of development - Situational analysis *Prepare analysis information on existing services, current backlogs and identification of development priorities *Collect data from other sources, analyze impact of new information and unexpected events *Evaluate achievement of objectives and strategies *Get inputs from Sector Plan information *Assess implementation progress, overview of funding available per department (both from savings as well as internal budget and external funds)	Sept - November 2013	All Departments
18	ADM Councillors and MSU to assist in the identification of community needs and prioritisation of local issues	Sept - October 2013	LESS - Speakers office
19	IDP Steering Committee meeting to review Implementation progress and report on performance of Departments	2013/10/03	Strategic Planning
20	Budget Steering Committee to assess project spending for first quarter	2013 Oct	Budget & Treasury Office
21	IGR Forum meeting (Sector specific analysis information)	2013/10/30	Strategic Planning IGR
22	IDP Steering Committee meeting - Departments/Clusters to present situational analysis reports	2013/11/04	All Departments/Clusters
23	Budget workshops on budget related templates and budget formats	2013/11/11	Budget & Treasury Office
23	Distribute budget templates including growth parameter for 2014/15 based on CPI average giving budget indicative amounts	2013/11/14	Budget & Treasury Office
24	DIMAFO meeting (Sector specific analysis information and prioritized local issues)	2013/11/14	Strategic Planning - IGR
25	IDP/PMS/Budget Rep Forum meeting (District-wide consultation and inputs on district priorities)	2013/11/21	Strategic Planning - PME
	Technical Strategic Planning Session	11-13 December 2013	Strategic Planning - PME
26	Finalise service charge estimates for 2014/15	2014/01/20	Budget & Treasury Office
27	Allocate funding envelopes per department based on DORA 2011 outer year forecast	2013/11/31	Budget & Treasury Office
28	Alignment of Organogram with Payday information - verify warm bodies; identify vacant posts	20-12-2013	Corporate Services
29	Strategic planning session. Adopt proposed programs and projects - agree on key financial issues	14-15 January 2013	Strategic Manager's Office
30	Quarter 2 Performance reporting (Oct - Dec)	2014/01/08	Heads of Departments
31	Conduct quarterly reviews with HoDs	2014/01/24	Municipal Manager's Office
32	Submit performance report to Performance Audit Committee	2014/01/01	Municipal Manager's Office

D	Strategies Phase / Refined objectives, strategies, programmes and projects phase		
33	Refine objectives, strategies, programmes and draft projects as necessary for MTREF period, with key performance indicators and targets (as per strategic plan outcome)	Dec 2013 - Jan 2014	All Departments
34	Proposals for new posts, including motivations and job descriptions	2013/01/31	Corporate Services
35	IDP Steering Committee Meeting - clusters to present planning and implementation progress	2014/01/09	Strategic Planning /KPA Champs
38	Costing of approved organogram including filled and vacant positions.Submit draft operating budgets, having taken funding envelopes into account	2014/01/15	All Departments
36	Submit draft operating budgets, having taken funding envelopes into account	2014/01/31	All Departments
37	IDP Steering Committee - Reports on revised objectives, strategies and projects as submitted in end of Jan budget documentation.. This report will include inputs from the sector plans	2014/02/06	Strategic Planning / KPA Champs
38	Consolidate all inputs including sector plan information and prepare draft IDP and Budget	February - March 2014	Strategic Planning / BTO
39	Formulation of draft tariffs for 2014/2015	Dec 2013	Budget & Treasury Office
40	Budget hearings to be held between HoDs and MM to assess budgets that exceed funding envelopes	27thJan- 7th Feb 14	Municipal Manager
41	Budget Steering Committee to approve draft budget allocations (IDP/ Budget link)	February 2014	Budget & Treasury Office
42	Population of Schedule A template with IDP and Budget information	Mid March 2014	BTO / Strategic Planning / Corporate Services / Engineering
43	Finalise Parameters for MTREF using guidelines from Treasury and outer year budgets	2014/03/05	Budget & Treasury Office
44	IDP Steering Committee meeting to present the draft IDP and Budget	2014/03/06	Strategic Planning
45	IGR Forum meeting to get inputs on district-wide development plans and funding commitments	2014/03/05	Strategic Planning - IGR
46	Council Workshop on the draft IDP and Budget	March 2014	LESS - Speakers office
47	DIMAFO meeting to get inputs on the draft IDP and Budget	2014/03/13	Strategic Planning - IGR
48	IDP/Budget/Representative Forum meeting to present the draft IDP (district-wide consultation)	2014/03/19	Strategic Planning - PME
49	ADM Council approval of the draft IDP & Budget and noting of the SDBIP as well as approval of the 2013/14 Adjustment Budget	2014/03/28	Strategic Planning / BTO / Corporate Services
50	Submit draft IDP, Budget and SDBIP to MEC - DLGTA, Provincial and National Treasury	2013/04/07	Municipal Manager's Office
51	Quarter 3 Performance reporting (Jan - March)	2014/04/08	Heads of Departments
52	Draft IDP and Draft Budget published - Advertise for public comment (21days)	08-Apr-13	Strategic Planning - PME
53	Conduct quarterly reviews with HoDs	2013/04/29	Municipal Manager's Office
54	Submit performance report to Performance Audit Committee	2014/05/15	Municipal Manager's Office

<b>E Reviewed IDP document (Integration/programme implementation and operational plan)</b>			
55	IDP/Budget roadshows - public hearings	April - May 2014	Mayor's Office / Strategic Planning / BTO
56	IGR Forum meeting	2014/05/09	Strategic Planning - IGR
57	DIMAFO Meeting	2014/05/13	Strategic Planning - IGR
58	IDP Steering Committee meeting (implementation and operational plan)	2014/05/02	Strategic Planning - PME
59	IDP/PMS/Budget Rep Forum	2014/05/22	Strategic Planning - PME
60	Council Open Day	2014/05/08	LESS- Public participation
61	Incorporate relevant comments to the Draft final reviewed IDP	May 2014	Strategic Planning - PME
<b>F Approval phase</b>			
62	Council Workshop on the final IDP Budget prior to adoption	2014/05/01	LESS - Speakers office
63	ADM Council Approval of IDP & Budget	2014/05/23	Strategic Planning / BTO / Corporate Services
64	Final IDP and Budget published (within 14 days of approval)	2014/06/04	Strategic Planning / BTO
65	Submit IDP, Budget and SDBIP to MEC - DLGTA, Provincial and National Treasury	04 June 2014	Municipal Manager's Office
66	Quarter 4 Performance reporting (April - June)	2014/07/05	Heads of Departments
67	Conduct quarterly reviews with HoDs	2014/07/01	Municipal Manager's Office
68	Submit performance report to Performance Audit Committee	2014/07/01	Internal Audit
<b>G Performance Management System</b>			
69	Prepare Annual Report information as per the National Treasury format	2013/08/17	Budget & Treasury Office
70	Submission of 2012/13 Annual Financial Statements to Auditor-General	2013/08/31	MMs Office / BTO
71	Submission of 2012/13 Annual Performance Report to Auditor-General	2013/08/31	MMs Office / Strategic Planning
72	Submission of annual report information by departments	2013/09/23	All Departments
73	Consolidation and distribution of draft annual report for comments	2013/10/14	Strategic Planning - PME
75	Tabling of draft annual report to the Audit Committee	2013/11/19	MMs Office - Internal Audit
76	* Submit mid-year performance assessment report for 2013/14 to Council *Table the 2012/13 Annual Report for council adoption	2014/01/24	Strategic Planning/BTO/Corporate Services
77	Submit 2012/13 Annual Report to MEC - DLGTA and Auditor-General	2014/01/30	Municipal Manager's Office/Strategic Planning
78	Publicizing of the Annual Report for public comments	2014/01/31	Strategic Planning - PME
79	Public consultation by oversight on the annual report	February 2014	LESS - Speakers office
80	Adopt oversight report on annual report (no later than 2 months after tabling of annual report)	28 March 2014	LESS - Speakers office / Corporate Services
81	Publicize the oversight report (within 7 days of its adoption)	2014/04/03	LESS - Speakers office
82	Submit draft SDBIP to the Mayor for initial approval	2014/04/01	Strategic Planning - PME
83	Submit revised SDBIP to the Mayor for final approval (within 14 days of approval of the Budget)	2014/05/01	Strategic Planning - PME
84	Signing of MM and Section 57 Managers Performance Agreements	2014/07/31	Municipal Manager's Office
85	Mayor approval of the SDBIP with performance agreements (within 28 days after budget)	2014/06/20	Mayor's Office
86	Submit SDBIP and performance agreements to MEC - DLGTA, Provincial and National Treasury	2013/06/30	Strategic Planning - PME
87	Submit annual performance report to Evaluation Committee	2014/09/01	Strategic Planning - PME
88	Publicize SDBIP and Performance Agreements no later than 14 days after approval	2014/08/02	Strategic Planning - PME



## **PROCESSES FOLLOWED IN DEVELOPING THE BUDGET**

Heads of Departments (HODS) nominated a budget champion for their respective department, to coordinate the overall process of developing the 2014/15 budget. All Heads of Departments, General Managers, Senior Managers, Managers as well as Project Managers were invited to attend and participate in the departmental Budget meetings. The prior year's Budget Process Plan was revisited, amended and updated to meet the current year requirements, and approved by Council

The scheduled Budget Steering Committee sessions were held where departments were given the budget parameters and budget templates and specific information was requested from the various departments, for example, guide line prices on capital equipment was obtained from Supply Chain Management and IT Departments, to ensure standardized pricing for such items.

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

The SDBIP serves as a “contract” between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget.

The SDBIP forms part of Chapter 7 of the draft IDP. Being a management and implementation plan, the SDBIP is not required to be approved by the council – it is however tabled before council before it is made public for information and for purposes of monitoring.

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

As part of the compilation of the 2014/15 MTREF, careful attention was paid to achieving a balanced budget, this was achieved by drawing on the reserves, as has been the practice in the past. The following key factors and planning strategies have informed the compilation of the 2014/15 MTREF:

- Strategic objectives of the municipality
- Economic climate and trends (i.e. inflation, DWA, Wage Agreements)
- Performance trends
- The approved 2013/14 adjustments budget and performance against the SDBIP
- Low debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Service delivery backlog elimination

In addition to the above, the strategic guidance given in National Treasury's MFMA Circular 72 has been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The following is an outline of the public participation events undertaken as means to allow citizens to play an active role in the affairs of the municipality:

<b>EVENT</b>	<b>VENUE</b>	<b>DATE</b>
Tourism Imbizo	Mnquma	13-15/03/2013
Mayor's Cup 2013	Nxuba	16/03/2013
Commemoration of Human Rights Day	Ngqushwa	26/03/2013
IDP/Budget Public Hearings	All LMs	11-25/04/13
Repatriation of Makhanda Spirit	BCMM	20/04/2013
Launch of EPWP at Elliotdale	Mbhashe	03/05/2013
Council Open Day	Mnquma	10/05/13
SODA	Ngqushwa	30/05/13
Heritage festival	Mbhashe	13-14/06/13
EPWP Launch at Cathcart	Amahlathi	26/06/13
Mandela Activities	All LMs	11-19/07/13
MRM activities	All LMs	11-30/07/13
Water forum at Nqancule	Mnquma	08/13
Adopt a school (Gwebityala)	Mbhashe	01/08/13
Launch of EPWP at Tholeni	Mnquma	08/08/13
Water forum at Peddie	Ngqushwa	22/08/13

The draft 2014/15 MTREF as tabled before Council on 28 March 2014 was made available to the community as it was published on the municipality's website, and hard copies were made available at local municipal offices and libraries and at the Strategic Manager's office at ADM's Head office in East London. The availability of the documents was advertised in the local newspapers.

As part of the public consultation process, road shows were conducted at local level, at various venues in all seven local municipalities within the district. This culminated in and the council open day. Ward councillors were utilised to mobilise the communities, with transportation being provided to all those wishing to attend. The applicable dates and venues were published in the local newspapers.

After the presentation of the budget, question and answer sessions were held. Those who had further questions were invited to address them in writing to the Municipal Manager. These questions were recorded and consolidated by the Project Management and Evaluation Unit for response and feedback at the open day. Most of the issues raised related to availability of water and sanitation services in the areas. The Councillors, with the support of the Engineering Department, highlighted the proposed and existing projects within each area.

- The tariff increases were acceptable with no issues being raised to date
- Pensioners and low income households were encouraged to register as indigents and the process of registration was explained in detail

No changes were effected in the final 2014/15 MTREF compared to the draft 2014/15 MTREF that was tabled for community consultation.

## 2.2 Overview of alignment of annual budget with IDP

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

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

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

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

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. In order to ensure integrated and focused service delivery between all spheres of government it was important for ADM to align its budget priorities with that of national and provincial government.

**Table 21 IDP Strategic Objectives New**

<b>Municipal Transformation &amp; Institutional Development</b>
<ul style="list-style-type: none"> <li>To attract, retain, build capacity and maximise utilization of ADM human capital by 2017</li> </ul>
<b>Basic Service Delivery &amp; Infrastructure Investment</b>
<ul style="list-style-type: none"> <li>Provision of adequate, potable and sustainable water services infrastructure by 2014</li> </ul>
<b>Local Economic Development</b>
<ul style="list-style-type: none"> <li>To promote holistic sustainable regional Economic development by 2030</li> </ul>
<b>Municipal Financial Viability &amp; Management</b>
<ul style="list-style-type: none"> <li>To ensure 20% recovery of costs incurred to provide water and sanitation services by 2015</li> </ul>
<b>Good Governance and Public Participation</b>
<ul style="list-style-type: none"> <li>To ensure clean and accountable governance in the district by 2017</li> </ul>

Local needs and priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas of the District can be summarised as follows:

**MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT:**

- Facilitate Sustainable and self-sufficient livelihoods in Rural Communities by 2017
- Ensure coherent strategic Spatial Development Framework to guide development by 2017
- To ensure that local municipalities are empowered to render services that are within their powers and function by 2017
- To promote effective communication of ADM's business to its stakeholders by 2017

**LOCAL ECONOMIC DEVELOPMENT:**

- To promote holistic sustainable regional economic development by 2030
- To promote compliance with the Municipal Health Legislation throughout the district by 2017

**BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT:**

- Provision of adequate, potable and sustainable water services infrastructure by 2018
- Provision of sustainable and environmentally friendly sanitation and services to all communities by 2018
- To ensure reduction of the prevalence of communicable diseases by 2017
- Facilitate Sustainable coordination of disaster relief and response by 2017
- Enhance the provision and standardisation of fire services by 2017
- Ensure that solid and medical waste is managed in an integrated, environmentally friendly and sustainable manner throughout the district by 2017
- All households to have access to public transport facilities, within 2km walking distance by 2022
- Facilitate development of sustainable and viable settlements by 2014
- Develop, conserve and maintain heritage sites by 2017
- Ensure efficient and effective procurement of goods and services by 2017

**MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT:**

- To ensure 43% recovery of costs incurred to provide water and sanitation services by 2017
- To ensure 100% utilisation of budget by 2017
- To ensure sound and sustainable management of municipal finances by 2017
- To ensure ADM Assets are adequately managed and monitored by 2017

- To ensure that local municipalities are empowered to render services that are within their powers and function by 2017

#### **GOOD GOVERNANCE AND PUBLIC PARTICIPATION:**

- To ensure clean and accountable governance in the district by 2017
- To facilitate coordination, cooperation and joint planning between the spheres of government by 2017
- To promote learning and sharing, both domestically and internationally by 2017
- Mainstreaming of Special programmes into ADM programmes by 2017
- To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017
- To ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017
- To promote effective communication of ADM's business to its stakeholders by 2017
- To improve compliance of business premises with respect to Municipal Health Services legislation by 2017
- To deepen local democracy through community participation by 2017

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 22 MBRR Table SA4, SA5 and SA6 - Reconciliation between the IDP strategic objectives and budgeted revenue, operating expenditure and capital expenditure**

DC12 Amathole - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	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
R thousand												
Ensure Sound Management Of Finances/Assets	Budget Compliance	B		75 207	92 267	97 106	107 680	107 680	107 680	106 838	109 646	110 716
Ensure Streamlined And Efficient Scm		12 B		2	14	2 033	176	176	176	-	-	-
Technical Support To Council In Line With Adm Rules		70% B		23 537	66 017	76 622	87 960	87 960	87 960	93 083	96 843	102 387
Create Safe/Healthy Work Environment Within Adm		10 B		268	671	1 351	570	570	570	32 232	33 715	35 266
Ensure Eligible Residents Have Access To Safe/Legal Waste Services	Adopt lwmp	B		-	-	764	764	764	764	774	810	847
Integrated Public Transport System		15 B		1	2	1	353	353	353	146	146	160
Provide Adequate Potable Water		3 B		101 951	137 116	186 068	327 298	437 298	437 298	291 068	298 331	299 994
Provide Adequate Sanitation To All		504477 B		43 612	70 858	83 371	96 848	96 848	96 848	96 801	100 810	105 757
Provide Integrated Municipal Health Services		36 B		53 555	78 016	66 292	65 154	65 154	65 154	83 362	87 319	89 791
Contribute To Disaster Risk Reduction	Reports	B		5 438	1 070	467	371	371	371	292	292	292
Enhance Provision/Standardization Of Fire Services		35 B		2 806	3 920	3 982	4 664	4 664	4 664	3 175	3 282	3 393
Provide Comprehensive Food Control Program		50% B		5	6	3	792	792	792	609	627	609
Comprehensive Management Of Heritage Resources		6 B		656	46 672	58 832	50 558	50 558	50 558	87 177	87 304	80 009
Strengthen Good Governance/Accountability In Primary Health Care		28 B		4 425	-	-	-	-	-	-	-	-
Facilitate Development Of Sustainable/Viable Settlements		3 B		54 816	4 843	12 667	1 893	1 893	1 893	2 381	2 381	2 381
Quality Assurance On Internal Controls/Governance	Adopt Audit Report	B		47 457	22 611	33 495	24 246	24 246	24 246	106 087	81 924	128 811
Effective/Efficient Advice To Sec 79 Committees		12 B		22 694	21 779	28 651	82 913	82 913	82 913	67 513	70 408	66 373
Sound Intergovernment Relations System		40 B		129	3	2 246	651	651	651	245	253	259
Ensure Strategic Development Planning In Line With Legislation		11 B		56 593	56 763	69 885	85 886	85 886	85 886	61 739	64 395	61 711
Sound It Governance		14 B		30 903	67	14 990	1 772	1 772	1 772	1 972	1 972	2 158
Building Lm Capacity To Perform Functions/Exercise Powers		7 B		1 268	1 222	1 063	1 191	1 191	1 191	910	943	992
Ensure Viable And Sustainable Water Assets		115 B		497 843	550 708	812 909	819 889	869 733	869 733	834 323	927 945	993 224
<b>Total Revenue (excluding capital transfers and contributions)</b>			1	<b>1 023 167</b>	<b>1 154 626</b>	<b>1 552 796</b>	<b>1 761 627</b>	<b>1 921 471</b>	<b>1 921 471</b>	<b>1 870 727</b>	<b>1 969 348</b>	<b>2 085 129</b>

DC12 Amathole - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	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
R thousand												
Ensure Sound Management Of Finances/Assets	Budget Compliance	B		39 864	49 104	64 404	90 424	93 110	93 110	108 241	112 156	120 417
Ensure Streamlined And Efficient Scm		12 B		4 606	6 176	9 113	13 638	13 321	13 321	12 545	13 473	14 471
Technical Support To Council In Line With Adm Rules		70% B		22 893	35 598	47 224	64 974	62 249	62 249	72 219	75 755	77 730
Create Safe/Healthy Work Environment Within Adm		10 B		16 763	19 784	23 603	20 993	60 846	60 846	58 902	62 217	65 738
Ensure Eligible Residents Have Access To Safe/Legal Waste Services	Adopt lwmp	B		203	1 645	3 451	4 300	4 300	4 300	5 921	6 243	6 585
Integrated Public Transport System		15 B		7 219	8 318	11 549	11 283	11 008	11 008	9 518	10 209	10 952
Provide Adequate Potable Water		3 B		428 425	525 306	543 959	500 223	601 302	601 302	558 295	592 163	628 613
Provide Adequate Sanitation To All		504477 B		79 078	114 345	115 811	77 023	92 003	92 003	120 868	127 342	135 286
Provide Integrated Municipal Health Services		36 B		4 494	5 599	5 835	5 908	10 298	10 298	15 886	15 474	14 709
Contribute To Disaster Risk Reduction	Reports	B		10 188	6 959	8 491	9 045	8 464	8 464	11 115	11 831	12 597
Enhance Provision/Standardization Of Fire Services		35 B		14 888	17 958	24 753	29 701	36 328	36 328	33 625	36 077	38 719
Provide Comprehensive Food Control Program		50% B		25 292	16 126	18 702	20 775	19 479	19 479	23 554	25 349	27 128
Comprehensive Management Of Heritage Resources		6 B		18 540	24 933	71 932	40 636	43 431	43 431	65 723	55 089	54 690
Strengthen Good Governance/Accountability In Primary Health Care		28 B		4 347	(4)	-	-	-	-	-	-	-
Facilitate Development Of Sustainable/Viable Settlements		3 B		24 345	11 710	21 135	10 397	10 367	10 367	12 466	13 307	14 207
Quality Assurance On Internal Controls/Governance	Adopt Audit Report	B		28 084	17 513	16 203	24 788	43 973	43 973	32 953	35 107	36 685
Effective/Efficient Advice To Sec 79 Committees		12 B		15 864	36 478	36 729	58 237	24 432	24 432	43 544	41 146	40 054
Sound Intergovernment Relations System		40 B		8 422	9 396	32 082	25 122	25 860	25 860	30 799	32 849	34 134
Ensure Strategic Development Planning In Line With Legislation		11 B		18 169	27 596	6 064	22 977	25 951	25 951	38 878	37 810	36 882
Sound It Governance		14 B		42 183	15 430	31 425	24 837	24 621	24 621	29 753	31 382	33 125
Building Lm Capacity To Perform Functions/Exercise Powers		7 B		7 046	7 869	8 264	9 320	9 395	9 395	9 594	10 255	10 980
Ensure Viable And Sustainable Water Assets		115 B		20 394	47 235	7 917	173 047	69 510	69 510	63 289	46 630	45 508
<b>Total Expenditure</b>			1	<b>841 306</b>	<b>1 005 072</b>	<b>1 108 646</b>	<b>1 237 649</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>

DC12 Amathole - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	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
Ensure Sound Management Of Finances/Assets	Budget Compliance	B		603	713	969	3 075	2 034	2 034	1 047	868	813
Ensure Streamlined And Efficient Scm	12	B		320	337	33	719	559	559	250	75	24
Technical Support To Council In Line With Adm Rules	70%	B		776	979	1 347	2 290	630	630	7 294	12 120	600
Create Safe/Healthy Work Environment Within Adm	10	B		781	573	359	273	273	273	113	90	100
Ensure Eligible Residents Have Access To Safe/Legal Waste Services	Adopt lw mp	B		-	-	-	-	-	-	-	24	50
Integrated Public Transport System	15	B		438	381	130	914	734	734	153	48	84
Provide Adequate Potable Water	3	B		28 145	22 877	16 258	28 256	7 955	7 955	14 838	8 590	6 633
Provide Adequate Sanitation To All	1504477	B		2 005	137	2 821	6 979	2 346	2 346	4 366	2 250	1 105
Provide Integrated Municipal Health Services	36	B		202	57	10	63	29	29	36	44	50
Contribute To Disaster Risk Reduction	Reports	B		62	645	701	84	51	51	53	1 025	44
Enhance Provision/Standardization Of Fire Services	35	B		49	3 503	6 244	4 879	4 395	4 395	4 568	2 000	1 000
Provide Comprehensive Food Control Program	50%	B		893	1 962	547	526	334	334	180	86	29
Comprehensive Management Of Heritage Resources	6	B		408	839	155	908	558	558	107	-	48
Strengthen Good Governance/Accountability In Primary Health Care	28	B		-	-	-	-	-	-	-	-	-
Facilitate Development Of Sustainable/Viable Settlements	13	B		35	89	406	509	159	159	159	100	50
Quality Assurance On Internal Controls/Governance	Adopt Audit Report	B		133	441	328	904	974	974	249	68	112
Effective/Efficient Advice To Sec 79 Committees	12	B		-	16	249	104	123	123	296	110	66
Sound Intergovernment Relations System	40	B		795	83	887	101	6 982	6 982	191	82	64
Ensure Strategic Development Planning In Line With Legislation	11	B		279	848	95	503	446	446	258	184	174
Sound It Governance	14	B		647	867	421	830	861	861	8 093	1 942	2 110
Building Lm Capacity To Perform Functions/Exercise Powers	7	B		409	241	29	86	76	76	40	42	25
Ensure Viable And Sustainable Water Assets	115	B		221 968	305 691	501 787	469 628	498 234	498 234	470 751	547 737	612 738
<b>Total Capital Expenditure</b>			1	258 949	341 280	533 778	521 631	527 755	527 755	513 040	577 485	625 919



## 2.3 Measurable performance objectives and indicators

The Municipal Systems Act (2000) enforces the idea of a local government PMS and requires all municipalities to:

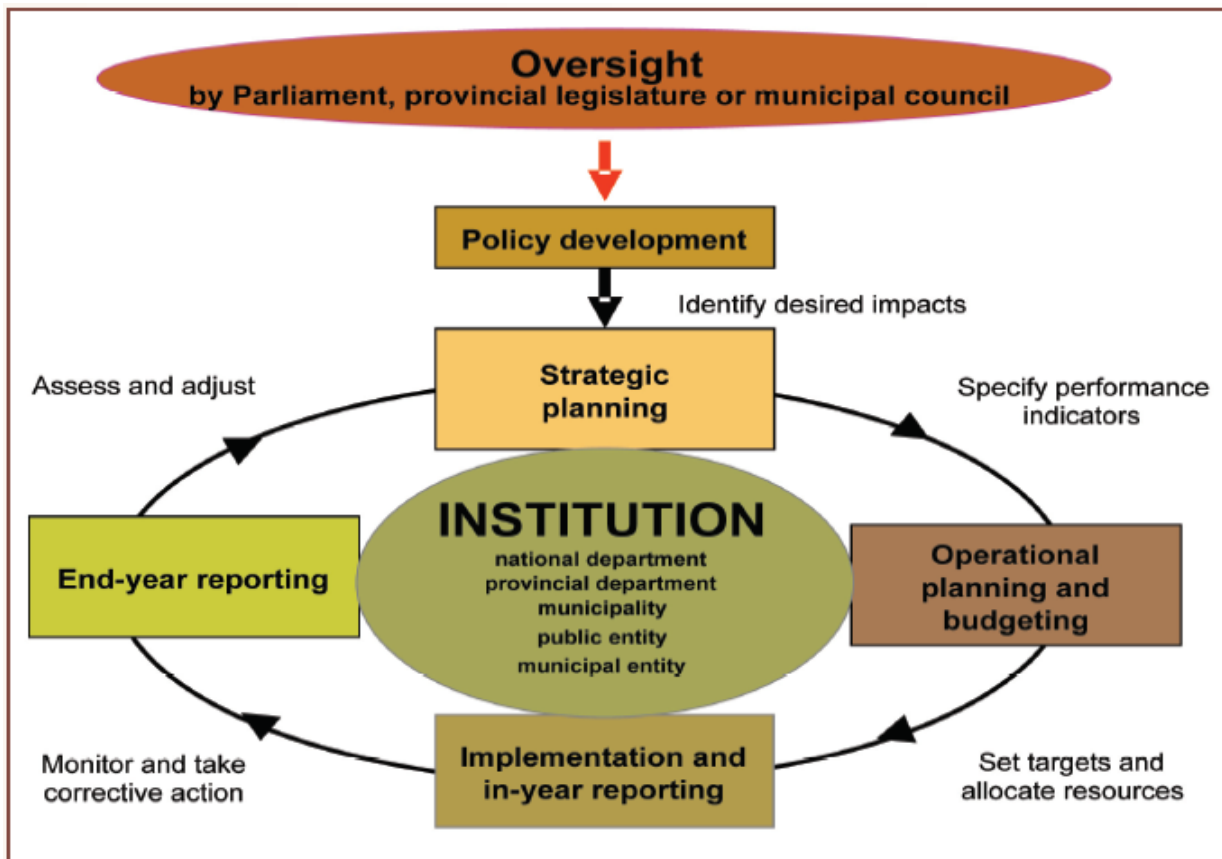
- Develop a performance management system
- Set targets, monitor and review performance based on indicators linked to their IDP
- Publish an annual report on performance for the councilors, staff, the public and other spheres of government
- Incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government
- Conduct an internal audit on performance before tabling the report.
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance

In responding to the above requirements, Amathole District Municipality developed the following tools aimed at operationalizing its Performance Management System:

1. Performance Management Framework
2. Performance contracts and agreements
3. Service Delivery & Budget Implementation Plan
4. Procedure Manual for Management of Performance Information
5. Accountability agreements and Performance Promises Procedure Manual
6. Reporting templates
  - a. Quarterly performance assessment reports
  - b. Mid-year performance report
  - c. Annual Performance report
7. Performance scoring tool/ Electronic performance system

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

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



### Planning, budgeting and reporting cycle

The performance of ADM relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The District therefore has adopted a Performance Management Framework which encompasses:

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

The process of performance management is central to modern notions of management i.e. it is inseparable from the things that a manager must do. It is important that performance management is mainstreamed in municipality as an approach to daily management.



## **Performance Management as an Approach to Management**

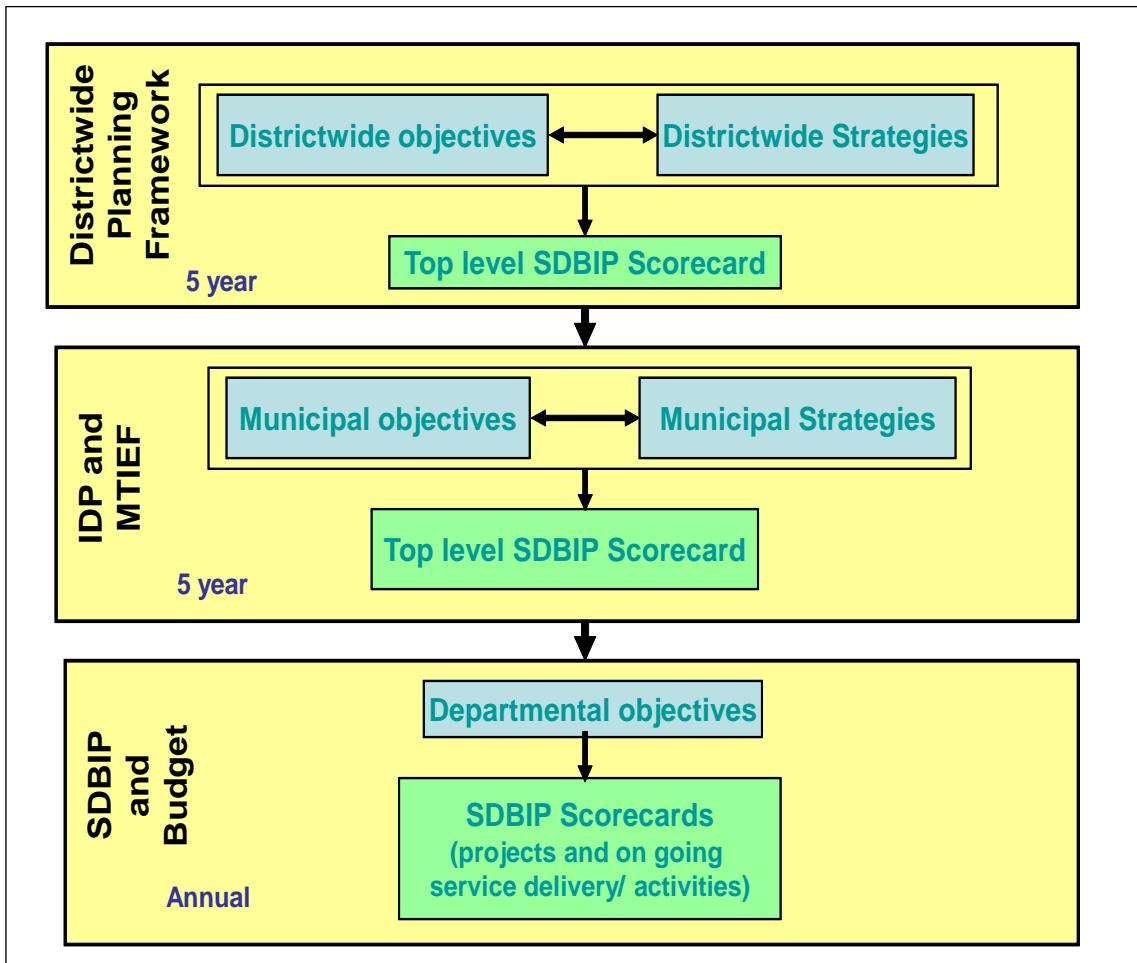
The annual process of managing the performance of the Amathole District Municipality will involve the following components:

- Co-ordination
- Performance Planning
- Performance Measurement, Analysis
- Performance Reviews & Reporting
- Performance Auditing

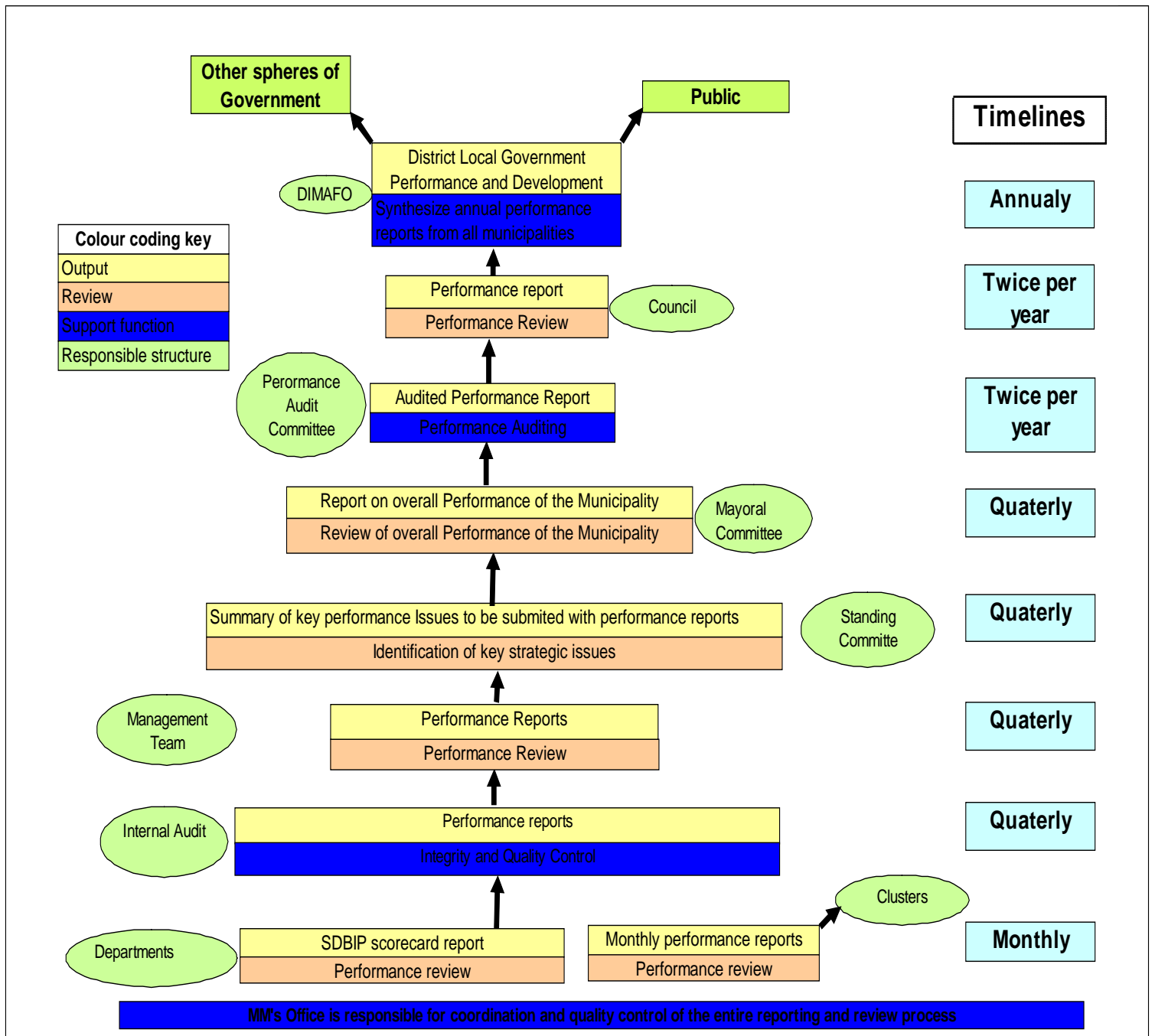
The IDP, budget and the Municipal Service Delivery and Budget Implementation Plans constitute the planning components of municipal performance management. Through the IDP review processes, the strategic objectives, strategies and SDBIP Scorecards will be developed.

The following diagram shows the links among the plans referred to above.

Figure 3 Municipal Planning



**Figure 4** Annual processes of reporting and reviews



**Table 23 MBRR Table SA7 - Measurable performance objectives**

DC12 Amathole - Supporting Table SA7 Measurable performance objectives										
Description	Unit of measurement	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>06 - Engineering Department</b>										
<b>Water</b>										
<b>Water Distribution</b>										
No Water Supply	Households	-	89 380.00	-	-	-	-	-	-	-
Piped Water Inside Dwelling	Households	-	31 902.00	-	-	-	-	-	-	-
Using Public Tap (At Least Min. Service)	Households	200 000.00	224 621.00	228 772.00	191 578 000.00	189 447 000.00	189 447 000.00	235 113 590.00	254 258 000.00	287 794 590.00
Water (6 Kilolitres Per Household Per	Households	-	121 718.00	-	147 279.00	147 279.00	147 279.00	162 007.00	178 207.00	-
<b>08 - Water &amp; Sanitation Management</b>										
<b>Water</b>										
<b>Water Distribution</b>										
No Water Supply	Households	-	89 380.00	-	-	-	-	-	-	-
Piped Water Inside Dwelling	Households	-	31 902.00	-	-	-	-	-	-	-
Using Public Tap (At Least Min. Service)	Households	200 000.00	224 621.00	228 772.00	191 578 000.00	189 447 000.00	189 447 000.00	235 113 590.00	254 258 000.00	287 794 590.00
Water (6 Kilolitres Per Household Per	Households	-	121 718.00	-	147 279.00	147 279.00	147 279.00	162 007.00	178 207.00	-
<b>09 - Water Services</b>										
<b>Water</b>										
<b>Water Distribution</b>										
No Water Supply	Households	-	89 380.00	-	-	-	-	-	-	-
Piped Water Inside Dwelling	Households	-	31 902.00	-	-	-	-	-	-	-
Using Public Tap (At Least Min. Service)	Households	200 000.00	224 621.00	228 772.00	191 578 000.00	189 447 000.00	189 447 000.00	235 113 590.00	254 258 000.00	287 794 590.00
Water (6 Kilolitres Per Household Per	Households	-	121 718.00	-	147 279.00	147 279.00	147 279.00	162 007.00	178 207.00	-
<b>10 - Sanitation Services</b>										
<b>Waste Water Management</b>										
<b>Sewerage</b>										
Flush Toilet (Connected To Sewerage)	Households	-	22 637.00	-	-	-	-	-	-	-
Other Toilet Provisions (> Min. Service)	Households	-	1 088.00	-	-	-	-	-	-	-
Pit Toilet (Ventilated)	Households	98 994.00	99 494.00	104 708.00	216 000 000.00	216 000 000.00	216 000 000.00	171 150 000.00	167 251 590.00	150 550 000.00
Sanitation (Free Minimum Level)	Households	-	73 763.00	-	84 871.00	84 871.00	84 871.00	91 660.00	98 993.00	-
<b>15 - Other</b>										
<b>Water</b>										
<b>Water Distribution</b>										
No Water Supply	Households	-	89 380.00	-	-	-	-	-	-	-
Piped Water Inside Dwelling	Households	-	31 902.00	-	-	-	-	-	-	-
Using Public Tap (At Least Min. Service)	Households	200 000.00	224 621.00	228 772.00	191 578 000.00	189 447 000.00	189 447 000.00	235 113 590.00	254 258 000.00	287 794 590.00
Water (6 Kilolitres Per Household Per	Households	-	121 718.00	-	147 279.00	147 279.00	147 279.00	162 007.00	178 207.00	-

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))  
 2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities  
 3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

The following table sets out the municipalities main performance objectives and benchmarks for the 2014/15 MTREF.

**Table 24 MBRR Table SA8 - Performance indicators and benchmarks**

DC12 Amathole - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	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><u>Borrowing Management</u></b>											
Credit Rating		A3.za	A3.za	A3.za	A3.za	A3.za	A3.za	A3.za	A3.za	A3.za	A3.za
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	1.0%	0.0%	1.0%	1.0%	1.0%	1.2%	1.2%	1.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.1%	0.1%	2.9%	0.0%	1.6%	1.6%	1.6%	2.2%	2.3%	2.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	2.9%	1.6%	1.2%	0.2%	1.6%	1.6%	1.6%	2.7%	3.0%	3.4%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	3.6	2.6	3.2	3.6	3.6	3.6	3.6	5.1	5.8	6.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.6	2.6	3.2	3.6	3.6	3.6	3.6	5.1	5.8	6.3
Liquidity Ratio	Monetary Assets/Current Liabilities	3.2	2.4	2.7	3.2	3.1	3.1	3.1	3.3	3.9	4.5
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	38.2%	31.1%	41.8%	93.2%	73.6%	73.6%	73.6%	93.8%	93.4%	93.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		38.3%	31.1%	41.9%	93.2%	73.6%	73.6%	73.6%	93.8%	93.4%	93.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.6%	7.8%	12.4%	9.8%	9.2%	9.2%	9.2%	44.1%	45.4%	45.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	0.0%	95.0%	96.0%	100.0%	100.0%	100.0%	98.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		38.1%	48.3%	76.5%	53.9%	72.9%	72.9%	72.9%	27.9%	20.5%	16.5%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Volume Losses (kℓ)	3 118	4 294	6 486	4 000		4 000	4 000	7 000	7 300	7 600
	Total Cost of Losses (Rand '000)	23 138	37 441	60 059	91 760		91 760	91 760	72 800	80 519	88 844
	% Volume (units purchased and generated less units sold)/units purchased and generated	16%	25%	30%					35%	30%	30%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.3%	41.8%	36.6%	37.8%	34.1%	34.1%	34.1%	37.3%	39.5%	41.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.5%	42.1%	37.7%	38.9%	34.6%	34.6%	34.6%	38.4%	40.7%	42.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.0%	1.5%	1.1%	2.6%	2.2%	2.2%	2.2%	3.8%	4.0%	3.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.9%	11.8%	10.6%	8.1%	10.8%	10.8%	10.8%	12.1%	12.4%	12.6%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	3.5	4.7	7.0	11.9	11.9	11.9	14.3	12.4	12.6	12.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	82.9%	36.0%	52.9%	52.0%	55.1%	55.1%	55.1%	392.8%	392.8%	390.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.1	5.8	2.9	2.7	4.8	4.8	4.8	8.1	11.2	14.0

## 2.3.1 Performance indicators and benchmarks

### 2.3.3.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The Amathole District Municipality does not have borrowings and therefore the borrowing strategy development is not applicable to the district. Capital expenditure is funded mostly by capital grants and to a much lesser extent, own revenue.

#### 2.3.1.1 Safety of Capital

- The *debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. During the 2011/12 financial year the ratio level was at 5% and as at February 2012/13 using the current financial position, the ratio indicates a decrease to 3% which indicates that the municipality is sustainable for the forecasted years. The municipality does not operate on an overdraft and past history indicates that the municipality has not operated on an overdraft.
- The *gearing ratio* is a measure of the total long term borrowings over funds and reserves. The ratio assists in assessing whether the municipality has too much financial leverage (leverage is the use of debt to finance assets) or is capable of taking on further debt. In other words this ratio assists the municipality to assess the risks it faces in terms of its debt load. A ratio of in excess of 100% indicates that the municipality has high leverage and therefore higher risk i.e. to make repayments (both capital and interest) as financing costs are high. A ratio of below 100% indicates that the company has low leverage and may have the opportunity to incur more debt to increase service delivery. Between 2008/09 and 2012/13 the municipality did not commit itself to any long term borrowing which has resulted in the low gearing of this ratio.

#### 2.3.1.2 Liquidity

- Liquidity ratio provides an indication of the ADM's ability to pay its short term debts like suppliers within twelve months using the cash in the bank.
- The ratio measures the municipality's ability to pay its short term debts in the short-term (viability of an entity). There are two liquidity ratios: current ratio and the asset test ratio. Both ratios focus on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry, provisions, accruals). Both ratios are above the acceptable norm. These ratios indicate the financial viability of the institution. The ratios are above the norm as the municipality's current assets are greater than its current liabilities.
- At the end of February 2014, ADM reflected a current ratio above the acceptable norm of 2.9:1, while the acid test ratio indicates a ratio above the norm of 2.5:1.



Both ratios are above the norm of 2:1 and 1:1 respectively. These norms are the generally accepted benchmarks used both by National Treasury and the private sector. This is due to R460 million Investments. The ratio has however decreased due to the decrease of R89 million in the bank account and the decrease in the debtors as a result of the provision in bad debts. This may be indicative of cash flow challenges, going forward if the current assets are depleted further.

- These ratios indicate that the municipality is able to pay its debts when due. However other current assets consist of trade debtors being consumers and VAT refunds due from SARS. The collection rate on charges for the month of February is 61% and has increased when compared to January. Refunds from SARS often take a few months before being received. These assets are thus not as readily convertible into cash, which may contribute to cash flow constraints.
- The majority of the cash is held by the ADM in fixed deposit accounts totalling R460 million. This came about from when the ADM administered the RSC levies. This R460 million is also used to back the Employee benefit Obligation. If this R460 million is used it cannot be replaced and the interest to fund operation will also be forfeited
- All commitments are to be supported by available cash, implying that ADM is able to repay any of its commitments immediately and thus must have cash to do this. The ratio calculated for cash on hand, including investments to total commitments of the municipality yields 0.7:1 for February. This ratio is below the norm of 1:1. This ratio must be maintained at this level and must not decrease to ensure that the municipality is able to pay its debts when they become due.
- Currently the municipality has commitments in respect of internally funded and externally funded projects of R165 million.
- The municipality has determined a minimum level of cash to be maintained for working capital requirements. This threshold is based on 3 months of the operating budget and is considered to be a safety net should the municipality experience cash flow constraints.
- At the end of February after deducting the commitments and the working capital buffer from cash reserves reflects an over utilisation of R409 million is indicated. This implies that the municipality does not have sufficient cash to cover 3 months of its operating expenditure i.e. rentals, salaries and utilities. The municipality cannot afford to take on any further commitments or special programmes without additional funding being received as the current cash reserves are not sufficient.
- The cash reserves have in the past been used to fund budget deficits as the municipality is not in a position to generate its own sufficient revenue in order to cover operating costs and is grant dependant.

### *2.3.1.3 Revenue Management*

As part of the financial sustainability strategy, an aggressive revenue management framework has been drafted to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. A debt collector has been appointed to assist in collecting outstanding debts from businesses and domestic consumers. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection. A

task team has been appointed to assist in following up outstanding debts from government departments.

Revenue management – collection rate – is used to evaluate the effective application of the ADM's credit policy. This rate has an impact on the cash flow of the municipality as money is not being collected, but it is being spent to provide services.

The collection rate is 61% for the month of February 2014. Similarly the year to date collection rate is 42%.

#### 2.3.1.4 Creditors Management

- The ratio must be compared to the municipality's credit terms which it receives from customers and that determined by the MFMA to determine whether the management of accounts payable is effective or not. The longer the credit terms the better for the municipality as the credit is usually interest free. Trade creditors carry no explicit cost. However, when cash discounts are being offered, the cost of not taking the discount is an implicit cost. Additional strain is placed on working capital requirements if creditor's payment days are significantly less than the debtor's collection period.
- This is the situation at the Amathole District Municipality, as creditors are to be paid within 30 days while debtors are taking longer to than 30 days to settle accounts. The Amathole District Municipality is focusing on ensuring that creditors are settled within the legislated 30 days of invoice.

#### 2.3.1.5 *Other Indicators*

- The water distribution losses are still difficult for the Amathole District Municipality (ADM) to accurately determine as there is still a large number of unmetered Erven. In order to address this, the ADM had embarked on an extensive data cleansing exercise (in order to better match the existing water meters with the correct Erven and property owner, this will improve billing / revenue collection as well as improve the accuracy of water balances). Another intervention also focusing on updating the billing data on our financial system is that of Service Coverage conducted by Engineering Department with the purpose of capturing all the services provided by ADM to each and every ERF within the District.).
- As distribution losses are still difficult to determine, the ADM instead measures non-revenue water on a monthly basis. Water Distribution losses would make up a component of this but would not be the only contributing factor. Un-metered connections and communal standpipes in areas that are only supplied with an RDP level of service would also contribute to non-revenue water which currently varies between 65% and 85%. The imminent domestic installation programme and Water

Conservation and Demand Management Projects, is expected to reduce this considerably

#### 2.3.1.6 *Free Basic Services: basic social services package for indigent households*

- For the 2013/14 financial year, 1 863 registered indigents have been approved and subsidy granted to them. The subsidy is granted for a period not exceeding 24 months, it is the responsibility of the consumer to re – apply at the end of the period. In cases where the financial status of the indigent consumer changes during the 24 month period the subsidy is cancelled. Three months prior the expiry of the subsidy, the consumers are advised about their subsidies that are about to expire. Municipality is aiming at increasing its indigent registration, by campaigning and doing door to door registration. In terms of the Municipality's indigent policy, registered indigents are entitled to 10 kl free water, any excess is billed against the consumer, no basic water charge, no flat rate charge for water, they pay no water and sanitation connection fees, they pay a reduced water deposit, no VIP and bucket clearance fee, and no charge for fire services.
- Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above

#### 2.3.1.7 *Providing clean water and managing waste water*

The Municipality is the Water Services Authority for the entire district, in terms of the Water Services Act, 1997 and acts as water services provider.

Approximately 30 per cent of the Amathole District Municipality's (ADM) bulk treated water is purchased from the Amatola Water Board (AW), 62 per cent is produced at ADM's own water purification plants while the remaining 8 per cent is abstracted from ground water sources which are also managed by the ADM.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence. The ADM participates in this programming and has progressively been improving its score, with the ultimate goal of receiving Blue and Green Drop Status.

The ADM has recently taken a decision to terminate its three year Bulk Services Support Contract (Different from the Bulk Water Purchases Construct) and will take back the full operations, maintenance and management of ADM owned Water and Waste Water Treatment facilities. Transfer of the management of these facilities began on 1 November 2013 and will be completed by 30 June 2014.

Below are some of the the main challenges facing the ADM in meeting Blue and Green Drop Requirements:

The infrastructure at many of the water and waste water treatment works is old and has reached its design capacity thus making it difficult meet the necessary compliance standards;

- Electrical power supply to some of the plants is often interrupted which hampers the purification processes
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system

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

- MIG funding has been approved for the upgrade of a number of the Water and Waste Water Treatment Works and further applications for the upgrade of other treatment facilities will be submitted during the 2014/15 fy
- A refurbishment plan has been developed, and is under implementation, to address the issue of ageing infrastructure;
- The ADM has begun installing back-up generators at key water and waste water treatment facilities in order to counteract the intermittent power supply problem

## **2.4 Overview of budget related-policies**

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

### **2.4.1 Review of credit control and debt collection procedures/policies**

The reviewed Credit Control and Debt Collection Policy was approved by Council on 28 March 2014. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money, there was a need to review certain components to achieve a higher collection rate. Some of the revisions will include emphasising the schedule 1 & 2 of the Municipal Systems Act that allows the council to take necessary steps if the code stated on this schedule is contravened by the Staff and Councillors of the Amathole District Municipality Council. The interest rate on overdue accounts has been reduced to prime. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The 2014/15 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 50 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels.

### **2.4.2 Asset Management Policy**

The purpose of the asset management policy is to govern the management of assets owned by the Amathole District Municipality to ensure that they are managed, controlled,

safeguarded and used in an efficient and effective manner. The policy gives guidance on issues of impairment, depreciation, asset register and disposal of assets etc.

Assets need to be depreciated in accordance with GRAP 17, where the requirements and guidance relating to the accounting treatment of depreciation are set out. A test for impairment needs to be conducted every financial year, to assess whether the impairment of assets is necessary.

All assets of the municipality need to be registered in the asset register. The asset register should be GRAP compliant. In accordance with GRAP 17, Property Plant and Equipment shall be eliminated from the Statement of Financial Position on disposal or when the asset is permanently withdrawn from use and no future economic benefits or service potential are expected.

#### **2.4.3 Budget Adjustment Policy**

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the district continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

#### **2.4.4 Supply Chain Management Policy**

The revised Supply Chain Management Policy was adopted by the Amathole District Municipality (ADM) on 28 March 2014, in terms of section 111 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the policy is reviewed annually. Major achievements and goals have been realized through the targeted procurement processes and Policies of the ADM. The future focus will be to further enhance the Policy by considering new legislation that has been enacted.

The empowerment (BEE) goals have been reviewed and amended to be in-line with current legislation and to be realistic in terms of Council's performance.

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Other amendments related to policy gaps and policy performances have been included in the policy to strengthen and enhance the current policy.

#### **2.4.5 Budget and Virement Policy**

The Budget and Virement Policy aims to empower heads of departments with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was first approved by Council in August 2010.

## **2.4.6 Tariff Policies**

The Amathole District Municipality's reviewed Tariff policy (which includes Water & Sanitation, Building Plan Fees, Calgary Museum & Conference Centre Fees, Eastern Region Solid Waste Tariffs, Fire Services Tariffs, Fines & Offences, Air Pollution & Waste Management and Violation of Municipal Health by Laws), Credit Control and Debt Collection Policy and Indigent Policy were submitted to Council on 28 March 2014. The policies have been approved.

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1.8 per cent last year and about 900 000 people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2011 will be 2.3 per cent rising to 3.6 per cent by 2012.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

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

There are five key factors that have been taken into consideration in the compilation of the 2014/15 MTREF:

- National Government macro economic targets
- The general inflationary outlook and the impact on residents and businesses within ADM district
- The impact of municipal cost drivers
- The increase in prices for bulk water
- The increase in the cost of remuneration.

The total Salaries budget, including social contributions and remuneration of Councillors, constitutes 29 % of the overall budgeted expenditure for 2014/15.

From the initial stages of the budgeting process, an overall 7.5% increase was applied to salaries, to accommodate the possible proposed wage increase, with CPI average from February 2013 to January 2014 being 5.79%.

Other increases applied to Salary related costs based on current trends are as follows:

7.5% increase for Travel Allowances

11.5% increase for Medical Aid up to the maximum contribution of R3 281 by Council

7.5% increase for Group Life

The 7.5% budget increase was applied to all employees, including Councillors and Section 57 employees. The 7.5% is also applied to the minimum wage of R5 869 per month as at 1 July 2013.

### 2.5.3 Credit rating outlook

**Table 25 Credit rating outlook**

Security class	Currency	Rating	Annual rating 2009/10	Previous Rating
Short term	Rand	Prime -1	20 April 2010	Prime -1
Long-term	Rand	Aa3	20 April 2010	Aa3
Outlook	Rand	Negative	20 April 2010	Negative

The rating definitions are:

- Short term : Prime – 1  
Short-Term Debt Ratings (maturities of less than one year)  
Prime-1 (highest quality)
- Long-term : Aa3  
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

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

- The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Amathole District Municipality does not have any current loans, neither does it anticipate taking out any loans in the MTREF.
- The municipality currently has capital of R460 million invested with financial institutions in accordance with its banking and investment policy. The surplus funds are as a result of implementing the Regional Services Levies. As at end February 2013/14 these investments were earning interest at an average rate of 5.71%. The rate of return is based on prevailing market conditions.

### 2.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase due to the actions to be taken on increasing the indigent register. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (42 per cent) of annual billings.

## 2.5.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2014. Year three is an increase CPI from February 2013 to January 2014, plus 1 per cent. A percent of 7.5 per cent increase was utilised for budgeted for the 2014/15 financial year. From the initial stages of the budgeting process, an overall 7.5% increase was applied to salaries, to accommodate the possible proposed wage increase, with CPI average from February 2013 to January 2014 being 5.79%.

## 2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that the budget for the 2014/15 MTREF will be fully spent, including the MIG allocation for capital projects.

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

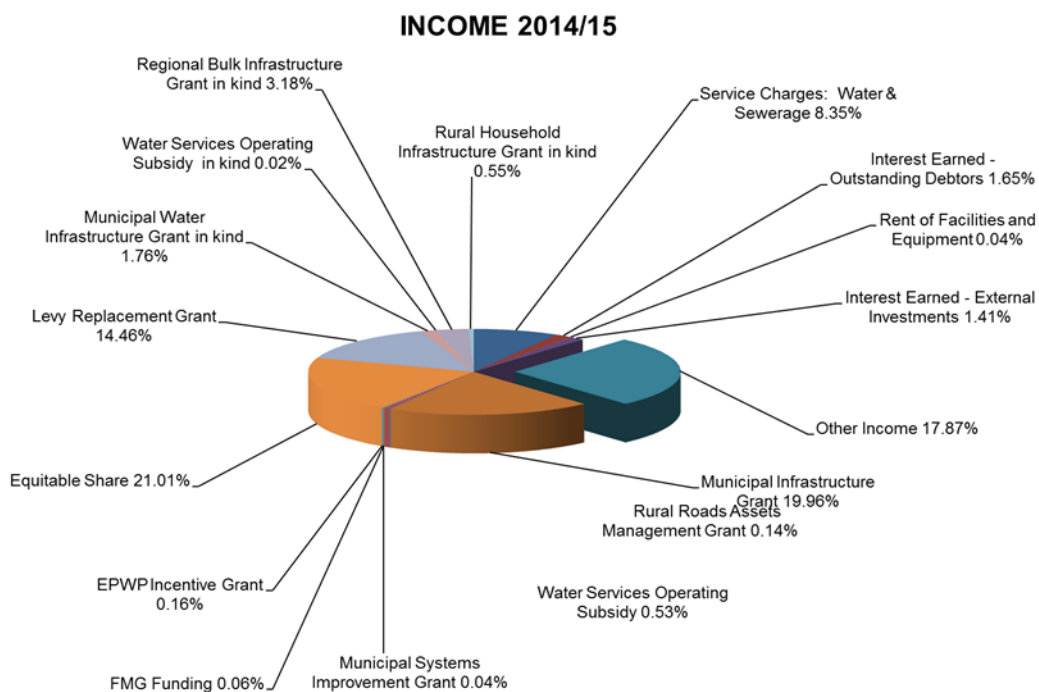
The following table is a breakdown of the operating revenue over the medium-term:

**Table 26 Breakdown of the operating revenue over the medium-term**

Description	2014/15 Medium Term Revenue & Expenditure Framework		
	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>			
Service charges	156 197 915	163 383 020	171 389 338
Investment revenue	26 450 363	25 598 000	22 460 000
Transfers recognised - operational	681 788 000	715 560 000	752 265 000
Other own revenue	493 250 714	487 321 998	513 095 829
Total Revenue (excluding capital transfers & contributions)	1 357 686 991	1 391 863 018	1 459 210 167
Total Operating Expenditure	1 357 686 991	1 391 863 018	1 459 210 167
Surplus/(Deficit) for the year	–	–	–

The following graph is a breakdown of the revenue per main category for the 2014/15 financial year.





**Figure 5 Breakdown of Revenue over the 2014/2015 MTREF**

**Main Breakdown of Revenue over the 2014/15 MTREF**

ADM is a grant dependent municipality, 73% of of total income coming from grant. Tariff setting for the 2014/15 financial year focused on affordable tariffs for the consumers, with a 6% inflationary increase being applied. Revenue raised from water and sanitation only contributing 8.35 per cent of overall revenue. ADM derives most of its revenue from operating and capital grants from national government and prior year income which is brought in to fund non cash flow items such as depreciation, provision for bad debts and post retirement benefits as well as closing the deficit gap.

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

- Revenue management and enhancement;
- Improving the annual collection rate for consumer revenue;
- National Treasury guidelines;
- Determining tariff escalation rate by establishing affordability levels;

The proposed tariff increases for the 2014/15 on the different revenue categories are:

**Table 27 Proposed Tariff Increases over the medium term**

CONSUMER GROUPS	FIXED MONTHLY CHARGE	VOLUME TARIFF AS A PERCENTAGE OF BASE TARIFF	CALCULATED VOLUME TARIFF	BUDGETED NUMBER OF CONSUMERS	TOTAL ANNUAL FIXED CHARGES	TOTAL VOLUME IN EACH STEP	TOTAL ANNUAL VOLUME CHARGES	TOTAL CHARGES (VOLUME PLUS FIXED)
	R/month	%	R/kl		R'000	kl/annum	R'000	R'000
<b>BASE TARIFF FOR CALCULATION PURPOSES</b>			<b>R 18.03</b>					
<b>COMMERCIAL AND INSTITUTIONAL</b>				<b>2 440</b>	<b>3 345</b>	<b>3 834 872</b>	<b>70 059</b>	<b>73 405</b>
Industrial	R 114.26	105%	R 18.94	0	0	0	0	0
Business	R 114.26	105%	R 18.94	1 517	2 080	996 462	18 869	20 949
Schools	R 114.26	100%	R 18.03	0	0	0	0	0
Churches	R 114.26	100%	R 18.03	209	287	54 303	979	1 266
Government	R 114.26	100%	R 18.03	459	629	2 450 794	44 199	44 829
Municipal	R 114.26	100%	R 18.03	212	291	111 828	2 017	2 307
Farms	R 114.26	100%	R 18.03	7	10	514	9	19
Other	R 114.26	100%	R 18.03	18	25	11 182	202	226
Hospitals	R 114.26	100%	R 18.03	18	25	209 789	3 783	3 808
Other 4	R 40.00	100%	R 18.03					0
<b>HOUSEHOLDS</b>				<b>200 075</b>	<b>10 113</b>	<b>21 491 584</b>	<b>113 923</b>	<b>124 036</b>
Standpipes	0	0%	R 0.00	179 007	0	6 444 252	0	0
Unmetered	0	0%	R 0.00	1	0	8 624 259	0	0
<b>Metered</b>	<b>R 40.00</b>	<b>100%</b>	<b>R 18.03</b>	<b>21 067</b>	<b>10 113</b>			<b>10 113</b>
0 to 6 kl		60%	R 10.82			1 471 319	15 921	15 921
>6 to 15 kl		70%	R 12.62			1 387 894	17 521	17 521
>15 to 25kl		100%	R 18.03			581 449	10 486	10 486
>25 to 40 kl		120%	R 21.64			455 047	9 848	9 848
>40 to 500kl		130%	R 23.45			2 032 649	47 656	47 656
>500 kl		140%	R 25.25			494 714	12 491	12 491
0 to 6 kl - indigent		0%	R 0.00			47 101		
<b>TOTAL</b>				<b>202 515</b>	<b>13 458</b>	<b>25 326 456</b>	<b>183 983</b>	<b>197 441</b>
<b>REVENUE REQUIRED (FROM EXPENDITURE SHEET)</b>								<b>197 441</b>
<b>SURPLUS/ (SHORTFALL)</b>								<b>0</b>

Services charges of R156 197 915 relating to water and sanitation contribute 8.35 per cent of the overall revenue for the 2014/15 financial year and increases to R171 389 338 by 2016/17.

Operational grants and subsidies amount to R681 788 000, R715 560 000 and R752 265 000 for each of the respective financial years of the MTREF.

Investment revenue contributes marginally to the revenue base, with a budget allocation of R26, R25, R22 million for the respective three financial years of the 2014/15 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored.

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

**Table 28 MBRR SA15 – Detail Investment Information**

DC12 Amathole - Supporting Table SA15 Investment particulars by type										
Investment type	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>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		466 190	471 109	472 085	460 000	471 065	471 065	460 000	460 000	460 000
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	<b>466 190</b>	<b>471 109</b>	<b>472 085</b>	<b>460 000</b>	<b>471 065</b>	<b>471 065</b>	<b>460 000</b>	<b>460 000</b>	<b>460 000</b>
<b>Entities</b>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Consolidated total:</b>		<b>466 190</b>	<b>471 109</b>	<b>472 085</b>	<b>460 000</b>	<b>471 065</b>	<b>471 065</b>	<b>460 000</b>	<b>460 000</b>	<b>460 000</b>

**Table 29 MBRR SA16 – Investment particulars by maturity**

DC12 Amathole - Supporting Table SA16 Investment particulars by maturity										
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Expiry date of investment	Opening balance	Interest to be realised	Closing Balance
Name of institution & investment ID	1	Yrs/Months								
<b>Parent municipality</b>										
INVESTEC		12	Fixed Deposit	Yes	Variable	6.09	30/06/2015	92 000	1 532	93 532
ABSA		12	Fixed Deposit	Yes	Variable	5.72	30/06/2015	92 000	2 017	94 017
STANDARD BANK		12	Fixed Deposit	Yes	Variable	5.64	30/06/2015	92 000	2 365	94 365
RMB		12	Fixed Deposit	Yes	Variable	5.56	30/06/2015	92 000	2 931	94 931
NEDBANK		12	Fixed Deposit	Yes	Variable	5.71	30/06/2015	92 000	2 221	94 221
<b>Municipality sub-total</b>								<b>460 000</b>		<b>471 065</b>
<b>Entities</b>										
<b>Entities sub-total</b>										
<b>TOTAL INVESTMENTS AND INTEREST</b>	1							<b>460 000</b>		<b>471 065</b>

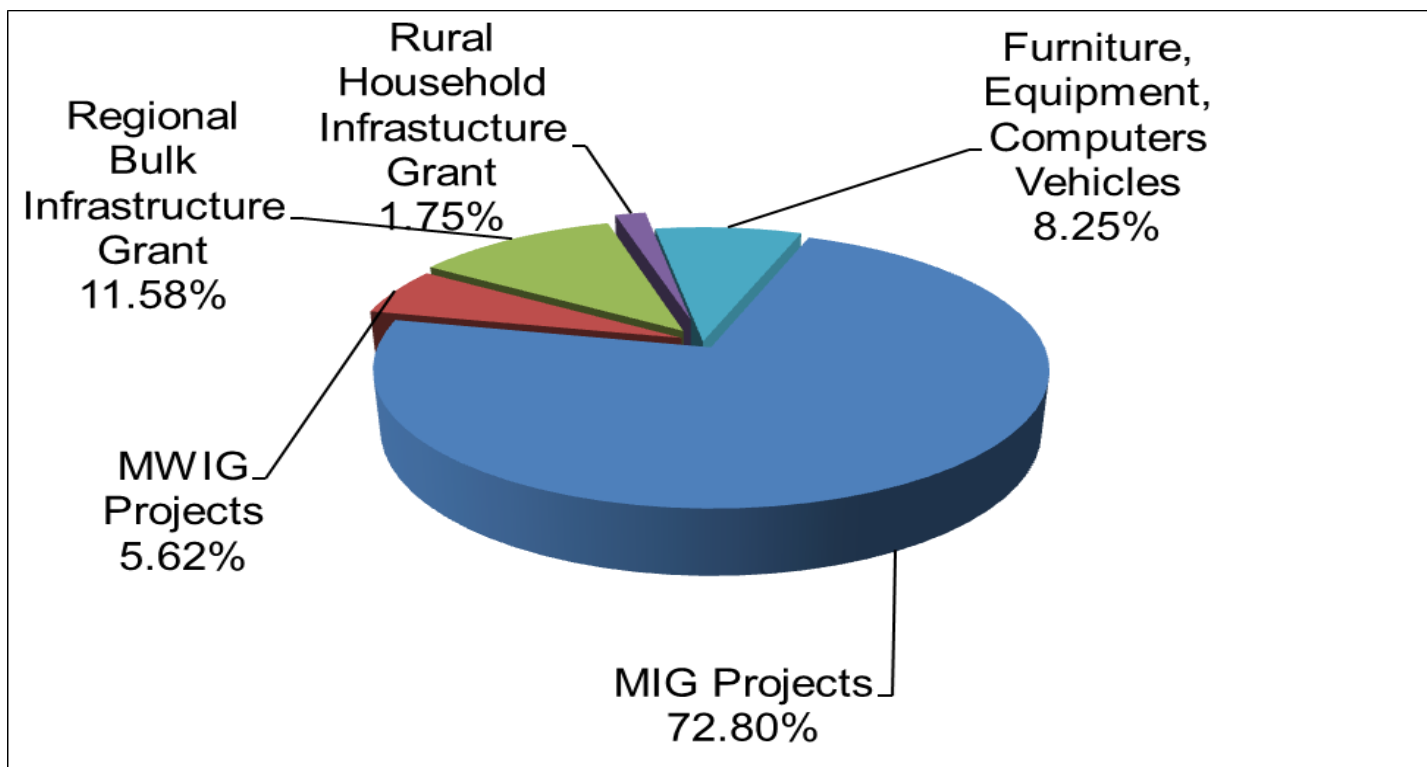
**2.6.2 Medium-term outlook: capital revenue**

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

**Table 30 Sources of capital revenue over the MTREF new table**

2014/15 CAPITAL BUDGET SOURCE OF FUNDING SUMMARY		
NAME OF GRANT	TRANSFERRING DEPARTMENT	AMOUNT
MIG Projects	Department of Co-operative Governance and Traditional Affairs	373 477 193
MWIG Projects	Department of Co-operative Governance and Traditional Affairs	28 850 000
Regional Bulk Infrastructure Grant	Department of Water Affairs	59 400 000
Rural Household Infrastructure Grant	Department of Co-operative Governance and Traditional Affairs	9 000 000
Internally Funded Assets (Furniture, Equipment, Computers Vehicles)	Internally Funded	42 312 620
<b>GRAND TOTAL:</b>		<b>513 039 813</b>

The above table is graphically represented as follows for the 2014/15 financial year.



**Figure 6 Sources of Capital Revenue for the 2014/15 financial year**

**Table 31 MBRR Table SA 17 - Detail of borrowings**

DC12 Amathole - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type R thousand	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>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		1 041	770	731	299	299	299	499	558	625
<b>Municipality sub-total</b>	1	1 041	770	731	299	299	299	499	558	625
<b>Total Borrowing</b>	1	1 041	770	731	299	299	299	499	558	625

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The Amathole District Municipality does not have borrowings and therefore the borrowing strategy development is not applicable to the district. Capital expenditure is funded mostly by capital grants and to a much lesser extent, own revenue.

**Table 32 MBRR Table SA 18 - Capital transfers and grant receipts**

DC12 Amathole - Supporting Table SA18 Transfers and grant receipts

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>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		513 538	535 611	612 491	635 543	635 543	635 543	681 788	715 560	752 265
Local Government Equitable Share		289 469	313 408	355 843	621 631	621 631	621 631	393 118	409 127	426 437
Rsc Levy Replacement		191 571	203 595	227 567	-	-	-	270 433	290 538	315 116
Finance Management		1 000	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 300
Municipal Systems Improvement		718	790	1 000	890	890	890	934	967	1 018
Mdrg - Municipal Drought Relief Grant		12 264	-	-	-	-	-	-	-	-
Epwp - Extended Public Works Program		7 457	7 126	6 022	3 125	3 125	3 125	3 045	-	-
Pmu - Project Management Unit		-	-	-	-	-	-	-	-	-
Dwa - Department Of Water Affairs Water Operating		11 059	7 755	19 033	6 300	6 300	6 300	10 000	10 500	5 000
Dwa - Department Of Water Affairs Water Operating		-	-	-	-	-	-	300	400	520
Roads Asset Management Grant		-	1 687	1 776	2 347	2 347	2 347	2 708	2 778	2 874
Provincial Government:		-	3 035	-	-	-	-	-	-	-
Health Subsidy		-	3 035	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other transfers/grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other transfers/grants		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	513 538	538 646	612 491	635 543	635 543	635 543	681 788	715 560	752 265
<b>Capital Transfers and Grants</b>										
National Government:		334 948	486 841	473 827	468 651	455 717	455 717	523 014	602 388	670 021
Municipal Infrastructure Grant (MIG)		263 396	366 308	389 786	399 847	399 847	399 847	425 764	445 210	466 445
Regional Bulk Infrastructure		29 147	48 197	51 101	56 504	35 070	35 070	59 400	60 000	153 386
Rural Households Infrastructure		-	-	-	-	8 500	8 500	9 000	8 328	-
Neighbourhood Development Partnership		42 405	71 450	32 940	-	-	-	-	-	-
Municipal Water Infrastructure Grant		-	-	-	12 300	12 300	12 300	28 850	88 850	50 190
Public Transport and Systems		-	886	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Current Year Receipts		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Current Year Receipts		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Current Year Receipts		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	334 948	486 841	473 827	468 651	455 717	455 717	523 014	602 388	670 021
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		848 486	1 025 487	1 086 318	1 104 194	1 091 260	1 091 260	1 204 802	1 317 948	1 422 286

### 2.6.3 Cash Flow Management

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

- Clear separation of receipts and payments within each cash flow category;

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance.

**Table 33 MBRR Table A7 - Budget cash flow statement**

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>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other	71 606	74 601	144 353	583 405	583 405	583 405	583 405	661 246	648 549	664 270
Government - operating	493 919	534 549	667 492	641 196	635 543	635 543	635 543	681 520	715 288	751 980
Government - capital	298 237	389 041	422 726	480 998	455 717	455 717	455 717	470 727	547 713	612 738
Interest	62 981	65 134	59 876	54 473	54 473	54 473	54 473	57 234	57 797	56 141
Dividends										
<b>Payments</b>										
Suppliers and employees	(658 350)	(665 315)	(888 409)	(1 211 926)	(1 017 016)	(1 017 016)	(1 017 016)	(1 069 360)	(1 090 192)	(1 143 642)
Finance charges	(194)	(115)	(10 945)	(106)	(12 756)	(12 756)	(12 756)	(15 790)	(16 790)	(17 276)
Transfers and Grants	(1 967)	(254)	-	(5 819)	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>266 231</b>	<b>397 640</b>	<b>395 093</b>	<b>542 222</b>	<b>699 367</b>	<b>699 367</b>	<b>699 367</b>	<b>785 576</b>	<b>862 365</b>	<b>924 211</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	221 691	2 496	680	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	(115)	(40)	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	(300)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	3 277	(4 920)	(976)	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets	(479 762)	(340 506)	(549 734)	(543 222)	(527 755)	(527 755)	(527 755)	(513 040)	(577 485)	(625 919)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(254 910)</b>	<b>(342 969)</b>	<b>(550 330)</b>	<b>(543 222)</b>	<b>(527 755)</b>	<b>(527 755)</b>	<b>(527 755)</b>	<b>(513 040)</b>	<b>(577 485)</b>	<b>(625 919)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing	425									
Increase (decrease) in consumer deposits	201	173	171	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing	-	(271)	(164)	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>626</b>	<b>(98)</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>11 948</b>	<b>54 573</b>	<b>(155 230)</b>	<b>(1 000)</b>	<b>171 611</b>	<b>171 611</b>	<b>171 611</b>	<b>272 536</b>	<b>284 881</b>	<b>298 292</b>
Cash/cash equivalents at the year begin:	279 773	291 721	346 294	191 064	191 064	191 064	191 064	362 675	635 211	920 092
Cash/cash equivalents at the year end:	291 721	346 294	191 064	190 064	362 675	362 675	362 675	635 211	920 092	1 218 384

From the 2010/11 financial year, the cash and cash equivalents continue reflecting a positive cash balance of R635 million to R1 218 million with the approved 2014/15 MTREF. Various cost efficiencies and savings had to be realised to ensure that the municipality meets its operational expenditure commitments. These initiatives and interventions have translated into a positive cash growth for the municipality.

#### 2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

Cash backed accumulated revenue surpluses are used to provide working capital. Operational cash flow deficits and surpluses are forecasted and managed on a daily basis within available cash resources and banking facilities.

All statutory funds and reserves, including unspent grants, are fully cash backed. Long-term provisions are cash backed and actual expenditure is projected for the budget year.

A surplus would indicate that sufficient cash is available for application. The budget year indicates a balanced budget, which is an appropriate outcome.

**Table 34 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

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>Cash and investments available</b>										
Cash/cash equivalents at the year end	291 721	346 294	191 064	190 064	362 675	362 675	362 675	635 211	920 092	1 218 384
Other current investments > 90 days	466 190	471 109	472 085	809 177	471 292	471 292	471 292	460 000	460 000	460 000
Non current assets - Investments	1	1	1	1	1	1	1	1	1	1
<b>Cash and investments available:</b>	<b>757 912</b>	<b>817 404</b>	<b>663 150</b>	<b>999 242</b>	<b>833 968</b>	<b>833 968</b>	<b>833 968</b>	<b>1 095 212</b>	<b>1 380 093</b>	<b>1 678 385</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers	120 997	169 834	88 504	205 215	-	-	-	150 825	156 858	163 133
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	18 665	18 665	18 665	-	18 665	18 665	-
Other working capital requirements	73 879	148 706	93 355	(15 134)	165 589	165 589	165 589	(401 810)	(413 862)	(428 675)
Other provisions	-	-	-	266 178	266 178	266 178	-	282 722	300 318	-
Long term investments committed	120 997	169 834	88 504	205 215	205 215	205 215	205 215	150 825	156 858	163 133
Reserves to be backed by cash/investments	18 665	18 665	18 665	124 870	124 870	124 870	-	130 180	135 756	18 665
<b>Total Application of cash and investments:</b>	<b>334 538</b>	<b>507 040</b>	<b>289 027</b>	<b>805 010</b>	<b>780 517</b>	<b>780 517</b>	<b>370 804</b>	<b>331 407</b>	<b>354 594</b>	<b>(83 745)</b>
<b>Surplus(shortfall)</b>	<b>423 374</b>	<b>310 364</b>	<b>374 122</b>	<b>194 233</b>	<b>53 451</b>	<b>53 451</b>	<b>463 164</b>	<b>763 804</b>	<b>1 025 498</b>	<b>1 762 129</b>

- Unspent conditional transfers (grants) are automatically assumed to be an obligation, as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. During the 2013/14 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. For the 2014/15 financial this liability has been provided for, as it is assumed that any unspent funds will be approved for roll over by National Treasury.
- Unspent portion of internally funded projects are an obligation as the total amount will be rolled over if unspent, and possibly re-allocated to alternative projects
- Trade and other payables are also provided for as these represent obligations of the municipality which are to be settled within 12 months.



- Post employment benefit options are determined by actuarial valuation
- Finance & Operating Lease liabilities
- Consumer Deposits
- Leave Provision
- 
- Refurbishment allocation for infrastructure assets
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. The reconciliation of the cash reserves to commitments indicates the extent to which cash is available to settle Council's obligations as they become due.

For the purpose of the cash backed reserves and accumulated surplus reconciliation a working capital provision equivalent to three month's operational expenditure is deemed to be prudent by the municipality to cover any requirements. However, at the end of February 2011, the net cash available fell below the 3 month funding level.

The municipality has not as yet depleted all cash reserves, but the fact that the working capital provision has fallen below the 3 month level is a serious concern and should be considered a strategic risk to the financial stability of the municipality.

### **2.6.5 Funding compliance measurement**

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

**Table 35 MBRR SA10 – Funding compliance measurement**

DC12 Amathole Supporting Table SA10 Funding measurement												
Description	MFMA section	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>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	291 721	346 294	191 064	190 064	362 675	362 675	362 675	635 211	920 092	1 218 384
Cash + investments at the yr end less applications - R'000	18(1)b	2	423 374	310 364	374 122	194 233	53 451	53 451	463 164	763 804	1 025 498	1 762 129
Cash year end/monthly employee/supplier payments	18(1)b	3	6.1	5.8	2.9	2.7	4.8	4.8	4.8	8.1	11.2	14.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	181 860	149 554	444 151	523 978	631 222	631 222	631 222	513 040	577 485	625 919
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	35.3%	37.3%	(4.2%)	(5.7%)	(6.0%)	(6.0%)	(41.3%)	(1.4%)	(1.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	38.3%	31.1%	41.9%	93.2%	73.6%	73.6%	73.6%	93.8%	93.4%	93.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	78.6%	95.1%	58.8%	19.2%	48.1%	48.1%	48.1%	75.9%	76.1%	75.9%
Capital payments % of capital expenditure	18(1)c;19	8	185.3%	99.8%	103.0%	104.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								103.3%	94.3%	82.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(38.6%)	110.4%	0.0%	6.2%	0.0%	0.0%	363.2%	4.5%	4.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	5.9%	42.5%	(14.5%)	49.3%	0.0%	0.0%	(29.0%)	6.0%	6.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.3%	0.4%	0.3%	1.0%	1.0%	1.0%	1.7%	2.3%	2.7%	2.1%
Asset renewal % of capital budget	20(1)(vi)	14	2.7%	4.4%	1.2%	2.2%	1.0%	1.0%	0.0%	2.1%	1.8%	1.0%

**2.6.5.1 Cash/cash equivalent position**

The municipality’s forecast cash position was discussed as part of the budgeted cash flow statement. A ‘positive’ cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality’s forecast cash position is positive, for any year of the medium term budget, it is highly probable that the budget is likely to meet MFMA requirements or be sustainable. Various cost efficiencies and savings had to be realised to ensure that the municipality meets its operational expenditure commitments. These initiatives and interventions have translated into a positive cash growth for the municipality.

**2.6.5.2 Cash plus investments less application of funds**

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement.

**2.6.5.3 Monthly average payments covered by cash or cash equivalents**

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as droughts or boycotts. As part of the 2014/15 MTREF the municipalities improving cash position causes the ratio to move upwards to (5.0) and then to (14.5) for the outer years.

#### **2.6.5.4 Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2014/15 MTREF the indicative outcome is a surplus of R421 million, R419 million and R600 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### **2.6.5.5 Service charge revenue as a percentage increase less macro inflation target**

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. The 2014/15 real increase is 30% after considering the macro-economic inflation target increase of 5.6% ;5.4 for each respective years.

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

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 93.8, 93.4 and 93.6 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 30 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with drought conditions experienced within the district hence the conservative approach. This measure and performance objective will have to be meticulously managed. Revenue to comment

*Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 19.3, 18.6 and 19.3 per cent over the MTREF. Revenue to comment on adequacy

*Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

As the municipality has no borrowings, this is not applicable.

#### **2.6.5.7 Transfers/grants revenue as a percentage of Government transfers/grants available**

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

#### **2.6.5.8 Consumer debtors change (Current and Non-current)**

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, the Budgeted Financial Position reflects a 4.5% and 4.3% respectively.

*Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C.

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

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.7 Expenditure on grants and reconciliations of unspent funds

**Table 36 MBRR SA19 - Expenditure on transfers and grant programmes**

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>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		510 457	531 098	615 105	635 543	636 051	636 051	681 520	715 288	751 980
Local Government Equitable Share		289 469	313 408	355 843	621 631	621 631	621 631	393 118	409 127	426 437
Rsc Levy Replacement		191 571	203 595	227 567	-	-	-	270 433	290 538	315 116
Finance Management		783	920	1 214	1 250	1 639	1 639	1 096	1 096	1 140
Municipal Systems Improvement		718	790	1 045	890	1 009	1 009	819	848	893
Mdrg - Municipal Drought Relief Grant		16 200	-	-	-	-	-	-	-	-
Epwp - Extended Public Works Program		656	3 690	8 472	3 125	3 125	3 125	3 045	-	-
Pmu - Project Management Unit		-	-	-	-	-	-	-	-	-
Dwa - Department Of Water Affairs Water Operating		11 059	7 755	18 442	6 000	6 000	6 000	10 000	10 500	5 000
Dwa - Department Of Water Affairs Water Operating Subsidy In Kind		-	-	-	300	300	300	300	400	520
Roads Asset Management Grant		-	940	2 523	2 347	2 347	2 347	2 708	2 778	2 874
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other transfers/grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other transfers/grants		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants</b>		<b>510 457</b>	<b>531 098</b>	<b>615 105</b>	<b>635 543</b>	<b>636 051</b>	<b>636 051</b>	<b>681 520</b>	<b>715 288</b>	<b>751 980</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		326 432	383 069	534 552	468 651	467 883	467 883	470 727	547 713	612 738
Municipal Infrastructure Grant (Mig)		267 167	259 233	439 710	399 847	412 013	412 013	373 477	390 535	409 162
Rbig - Regional Bulk Infrastructure Grant		16 860	52 386	61 902	56 504	35 070	35 070	59 400	60 000	153 386
Rural Households Infrastructure		-	-	-	-	8 500	8 500	9 000	8 328	-
Neighbourhood Development Partnership		42 405	71 450	32 940	-	-	-	-	-	-
Mwig- Municipal Water Infrastructural Grant		-	-	-	12 300	12 300	12 300	28 850	88 850	50 190
Provincial Government:		-	-	-	-	-	-	-	-	-
Other Departments		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>326 432</b>	<b>383 069</b>	<b>534 552</b>	<b>468 651</b>	<b>467 883</b>	<b>467 883</b>	<b>470 727</b>	<b>547 713</b>	<b>612 738</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>836 889</b>	<b>914 167</b>	<b>1 149 657</b>	<b>1 104 194</b>	<b>1 103 935</b>	<b>1 103 935</b>	<b>1 152 247</b>	<b>1 263 001</b>	<b>1 364 719</b>

**Table 37 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

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>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		1 353	7 815	11 411						
Current year receipts		489 215	537 572	610 715	642 043	636 051	636 051	681 520	715 288	751 980
Conditions met - transferred to revenue		482 753	533 976	612 583	642 043	636 051	636 051	681 520	715 288	751 980
Conditions still to be met - transferred to liabilities		7 815	11 411	9 544				-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		119 510	94 768	81 542						
Current year receipts		261 294	13 273	36 725						
Conditions met - transferred to revenue		286 036	26 499	54 483	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		94 768	81 542	63 784						
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-						
Current year receipts		-	-	-						
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-						
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		2 346	2 044	1 864	1 630	-	1 630			
Current year receipts		1 603	1 538	1 844	-	-	-			
Conditions met - transferred to revenue		1 905	1 718	2 078	-	-	1 630			
Conditions still to be met - transferred to liabilities		2 044	1 864	1 630	1 630	-	-			
<b>Total operating transfers and grants revenue</b>		<b>770 693</b>	<b>562 193</b>	<b>669 144</b>	<b>642 043</b>	<b>636 051</b>	<b>637 681</b>	<b>681 520</b>	<b>715 288</b>	<b>751 980</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>104 627</b>	<b>94 817</b>	<b>74 958</b>	<b>1 630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		4 275	16 370	75 017						
Current year receipts		338 720	442 657	475 603	468 651	467 883	467 883	470 727	547 713	612 738
Conditions met - transferred to revenue		326 625	384 010	537 075	468 651	467 883	467 883	470 727	547 713	612 738
Conditions still to be met - transferred to liabilities		16 370	75 017	13 546	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	11 670	-						
Current year receipts		-	-	-						
Conditions met - transferred to revenue		-	11 670	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-						
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-						
Current year receipts		-	-	-						
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-						
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-						
Current year receipts		-	-	-						
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-						
<b>Total capital transfers and grants revenue</b>		<b>326 625</b>	<b>395 680</b>	<b>537 075</b>	<b>468 651</b>	<b>467 883</b>	<b>467 883</b>	<b>470 727</b>	<b>547 713</b>	<b>612 738</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>16 370</b>	<b>75 017</b>	<b>13 546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>1 097 318</b>	<b>957 873</b>	<b>1 206 218</b>	<b>1 110 694</b>	<b>1 103 935</b>	<b>1 105 564</b>	<b>1 152 247</b>	<b>1 263 001</b>	<b>1 364 719</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>120 997</b>	<b>169 834</b>	<b>88 504</b>	<b>1 630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2.8 Councillor and employee benefits**

**Table 38 MBRR SA22 - Summary of councillor and staff benefits**

DC12 Amathole - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	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
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		8 089	6 116	6 628	8 276	8 276	8 276	7 482	8 043	8 314
Pension and UIF Contributions		53	29	-	-	-	-	-	-	-
Medical Aid Contributions		187	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2 106	2 030	2 192	2 749	2 749	2 749	3 143	3 379	3 483
Cellphone Allowance		440	343	457	500	500	500	1 059	1 138	1 191
Housing Allowances		272	2 007	2 187	2 408	2 408	2 408	3 367	3 620	3 673
Other benefits and allowances		213	43	98	83	83	83	608	654	691
<b>Sub Total - Councillors</b>		<b>11 359</b>	<b>10 567</b>	<b>11 563</b>	<b>14 015</b>	<b>14 015</b>	<b>14 015</b>	<b>15 659</b>	<b>16 834</b>	<b>17 351</b>
<b>% increase</b>	4		(7.0%)	9.4%	21.2%	-	-	11.7%	7.5%	3.1%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		4 685	5 041	5 835	7 486	7 486	7 486	6 883	7 399	7 954
Pension and UIF Contributions		-	631	454	907	907	907	947	1 018	1 095
Medical Aid Contributions		-	131	303	174	174	174	137	147	158
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		861	643	703	1 643	1 643	1 643	1 408	1 528	1 643
Motor Vehicle Allowance	3	1 367	1 560	1 828	1 840	1 840	1 840	2 129	2 288	2 460
Cellphone Allowance	3	210	202	261	250	250	250	1 149	1 235	1 327
Housing Allowances	3	-	-	125	47	47	47	46	49	53
Other benefits and allowances	3	-	27	78	469	469	469	264	284	306
Payments in lieu of leave		-	614	327	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7 123</b>	<b>8 848</b>	<b>9 913</b>	<b>12 816</b>	<b>12 816</b>	<b>12 816</b>	<b>12 963</b>	<b>13 949</b>	<b>14 996</b>
<b>% increase</b>	4		24.2%	12.0%	29.3%	0.0%	-	1.1%	7.6%	7.5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		161 971	182 255	220 978	269 139	269 139	269 139	303 069	325 227	349 762
Pension and UIF Contributions		19 642	25 480	33 821	40 654	40 654	40 654	48 697	52 394	56 339
Medical Aid Contributions		10 388	13 191	17 654	34 545	34 545	34 545	30 485	34 024	37 968
Overtime		7 904	9 244	11 906	5 714	5 714	5 714	12 980	14 200	15 320
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	7 031	9 088	10 715	13 351	13 351	13 351	28 461	30 641	32 923
Cellphone Allowance	3	2 581	3 054	4 250	7 266	7 266	7 266	9 563	10 296	11 073
Housing Allowances	3	1 311	1 357	1 768	9 771	9 771	9 771	9 606	10 335	11 114
Other benefits and allowances	3	15 570	20 904	34 038	48 288	48 288	48 288	40 871	43 971	47 275
Payments in lieu of leave		8 406	10 625	15 598	13 082	13 082	13 082	8 739	9 430	10 138
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	6 461	30 288	11 185	33 900	33 900	33 900	16 272	17 021	17 803
<b>Sub Total - Other Municipal Staff</b>		<b>241 265</b>	<b>305 486</b>	<b>361 911</b>	<b>475 709</b>	<b>475 709</b>	<b>475 709</b>	<b>508 743</b>	<b>547 538</b>	<b>589 716</b>
<b>% increase</b>	4		26.6%	18.5%	31.4%	(0.0%)	-	6.9%	7.6%	7.7%
<b>Total Parent Municipality</b>		<b>259 748</b>	<b>324 902</b>	<b>383 387</b>	<b>502 540</b>	<b>502 540</b>	<b>502 540</b>	<b>537 364</b>	<b>578 320</b>	<b>622 063</b>
<b>% increase</b>			25.1%	18.0%	31.1%	(0.0%)	-	6.9%	7.6%	7.6%
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>259 748</b>	<b>324 902</b>	<b>383 387</b>	<b>502 540</b>	<b>502 540</b>	<b>502 540</b>	<b>537 364</b>	<b>578 320</b>	<b>622 063</b>
<b>% increase</b>	4		25.1%	18.0%	31.1%	(0.0%)	-	6.9%	7.6%	7.6%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>248 389</b>	<b>314 335</b>	<b>371 824</b>	<b>488 525</b>	<b>488 525</b>	<b>488 525</b>	<b>521 705</b>	<b>561 487</b>	<b>604 712</b>

**Table 39 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

DC12 Amathole - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref		Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		No.		1.				2.
<b>Councillors</b>	3							
Speaker	4	1	288 653	9 546	594 151	-		892 350
Chief Whip		1	498 496	8 784	255 351	-		762 631
Executive Mayor		1	292 133	13 881	854 341	-		1 160 355
Deputy Executive Mayor		-	-	-	-	-		-
Executive Committee		11	4 297 210	95 317	4 337 960	-		8 730 487
Total for all other councillors		36	2 105 272	34 803	1 973 204	-		4 113 279
<b>Total Councillors</b>	8	50	7 481 764	162 331	8 015 007			15 659 102
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	1 546 285	19 745	266 101	223 863		2 055 994
Chief Finance Officer		1	880 792	175 355	481 236	185 446		1 722 829
Director Health And Protection Services		1	852 688	173 551	451 927	177 380		1 655 546
Director Engineering Services		1	836 789	164 831	549 141	186 091		1 736 852
Director Land Human Settlement And Economic Development		1	845 301	165 618	464 491	177 049		1 652 459
Director Corporate Services		1	972 545	188 879	386 250	106 677		1 654 351
Director Strategic Management		1	733 642	157 245	658 316	185 904		1 735 107
Director Legislative & Executive Support Services		1	215 192	14 785	353 409	166 006		749 392
List of each official with packages >= senior manager								
Senior Managers		-	-	-	-	-		-
<b>Total Senior Managers of the Municipality</b>	8,10	8	6 883 234	1 060 009	3 610 871	1 408 416		12 962 530
<b>A Heading for Each Entity</b>	6,7							
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	58	14 364 998	1 222 340	11 625 878	1 408 416		28 621 632



**Table 40 MBRR SA24 – Summary of personnel numbers**

DC12 Amathole - Supporting Table SA24 Summary of personnel numbers											
Summary of Personnel Numbers	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15			
		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)			50	12	38	50	13	37	50	13	37
Board Members of municipal entities	4										
<b>Municipal employees</b>	5										
Municipal Manager and Senior Managers	3		7	-	7	8	-	8	8	-	8
Other Managers	7		59	50	9	61	52	9	61	61	-
Professionals			164	126	38	169	131	38	249	250	-
<i>Finance</i>			23	21	2	24	22	2	104	105	-
<i>Spatial/town planning</i>			-	-	-	-	-	-	-	-	-
<i>Information Technology</i>			6	6	-	7	7	-	7	7	-
<i>Roads</i>			-	-	-	-	-	-	-	-	-
<i>Electricity</i>			-	-	-	-	-	-	-	-	-
<i>Water</i>			13	13	-	13	13	-	13	13	-
<i>Sanitation</i>			-	-	-	-	-	-	-	-	-
<i>Refuse</i>			-	-	-	-	-	-	-	-	-
<i>Other</i>			122	86	36	125	89	36	125	125	-
Technicians			260	242	18	270	252	18	460	460	-
<i>Finance</i>			19	18	1	19	18	1	119	119	-
<i>Spatial/town planning</i>			-	-	-	-	-	-	-	-	-
<i>Information Technology</i>			4	3	1	6	5	1	6	6	-
<i>Roads</i>			-	-	-	-	-	-	-	-	-
<i>Electricity</i>			-	-	-	-	-	-	-	-	-
<i>Water</i>			90	88	2	90	88	2	150	150	-
<i>Sanitation</i>			23	23	-	23	23	-	53	53	-
<i>Refuse</i>			-	-	-	-	-	-	-	-	-
<i>Other</i>			124	110	14	132	118	14	132	132	-
Clerks (Clerical and administrative)			252	224	28	253	225	28	377	359	18
Service and sales workers			90	82	8	90	82	8	90	90	-
Skilled agricultural and fishery workers			2	-	2	2	-	2	2	2	-
Craft and related trades			24	24	-	24	24	-	24	24	-
Plant and Machine Operators			176	172	4	176	172	4	176	176	-
Elementary Occupations			237	221	16	237	221	16	269	269	-
<b>TOTAL PERSONNEL NUMBERS</b>	9		1 321	1 153	168	1 340	1 172	168	1 766	1 704	63
% increase						1.4%	1.6%	-	31.8%	45.4%	(62.5%)
<b>Total municipal employees headcount</b>	6, 10		1 271	1 141	130	1 290	1 159	131	1 716	1 691	26
Finance personnel headcount	8, 10										
Human Resources personnel headcount	8, 10										

**2.9 Monthly Targets for Revenue, Expenditure and Cash flow**

**Table 41 MBRR SA25 - Budgeted monthly revenue and expenditure**

DC12 Amathole - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
		R thousand															
<b>Revenue By Source</b>																	
Property rates														-	-	-	-
Property rates - penalties & collection charges														-	-	-	-
Service charges - electricity revenue														-	-	-	-
Service charges - water revenue		7 103	7 467	7 749	8 071	8 293	9 117	9 455	10 279	10 629	7 066	7 066	7 067	99 362	103 933	109 214	
Service charges - sanitation revenue		3 425	3 105	3 975	3 544	3 601	3 155	4 110	4 138	3 817	7 217	7 217	7 217	54 520	57 028	59 642	
Service charges - refuse revenue														-	-	-	
Service charges - other		166	174	181	188	193	212	220	240	248	165	165	165	2 316	2 422	2 534	
Rental of facilities and equipment		46	42	54	48	49	43	56	56	52	98	98	98	738	604	632	
Interest earned - external investments		962	1 011	1 049	1 092	1 122	1 234	1 280	1 391	1 439	957	957	957	13 450	12 000	10 460	
Interest earned - outstanding debtors		2 201	2 313	2 401	2 500	2 571	2 824	2 927	3 185	3 293	2 189	2 189	2 190	30 783	32 199	33 681	
Dividends received														-	-	-	
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences and permits														-	-	-	
Agency services														-	-	-	
Transfers recognised - operational		170 380			170 380			170 380			170 380			681 520	715 288	751 980	
Other revenue		36 982	38 878	40 337	42 013	43 199	47 460	49 224	53 513	55 340	36 788	36 788	36 788	517 311	498 160	504 249	
Gains on disposal of PPE														-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>221 264</b>	<b>52 990</b>	<b>55 745</b>	<b>227 836</b>	<b>59 028</b>	<b>64 046</b>	<b>237 652</b>	<b>72 803</b>	<b>74 817</b>	<b>224 859</b>	<b>54 479</b>	<b>54 480</b>	<b>1 400 000</b>	<b>1 421 635</b>	<b>1 472 391</b>	
<b>Expenditure By Type</b>																	
Employee related costs		32 771	29 712	38 041	33 909	34 460	30 188	39 325	39 600	36 529	69 057	69 057	69 057	521 705	561 487	604 711	
Remuneration of councillors		1 119	1 177	1 221	1 272	1 308	1 436	1 490	1 620	1 675	1 114	1 114	1 114	15 659	16 834	17 351	
Debt impairment		7 487	6 789	8 691	7 747	7 872	6 897	8 983	9 047	8 345	15 777	15 777	15 777	119 187	124 751	130 508	
Depreciation & asset impairment		9 633	8 733	11 182	9 967	10 128	8 877	11 558	11 640	10 737	20 298	20 298	20 299	153 349	160 403	167 784	
Finance charges		1 129	1 187	1 231	1 283	1 318	1 449	1 503	1 634	1 689	1 123	1 123	1 123	15 790	16 517	17 276	
Bulk purchases		4 392	3 983	5 098	4 544	4 618	4 046	5 270	5 307	4 895	9 255	9 255	9 254	69 918	73 363	76 738	
Other materials														-	-	-	
Contracted services		1 614	1 463	1 873	1 670	1 697	1 486	1 936	1 950	1 798	3 400	3 400	3 401	25 687	26 882	28 122	
Transfers and grants														-	-	-	
Other expenditure		31 197	32 792	34 031	35 441	36 443	40 036	41 524	45 142	46 683	31 034	31 034	31 033	436 392	411 626	416 719	
Loss on disposal of PPE														-	-	-	
<b>Total Expenditure</b>		<b>89 341</b>	<b>85 835</b>	<b>101 368</b>	<b>95 833</b>	<b>97 842</b>	<b>94 414</b>	<b>111 589</b>	<b>115 940</b>	<b>112 352</b>	<b>151 057</b>	<b>151 057</b>	<b>151 058</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>	
<b>Surplus/(Deficit)</b>		<b>131 923</b>	<b>(32 845)</b>	<b>(45 623)</b>	<b>132 003</b>	<b>(38 814)</b>	<b>(30 369)</b>	<b>126 063</b>	<b>(43 137)</b>	<b>(37 534)</b>	<b>73 802</b>	<b>(96 578)</b>	<b>(96 578)</b>	<b>42 313</b>	<b>29 772</b>	<b>13 181</b>	
Transfers recognised - capital		117 682			117 682			117 682			117 682			470 727	547 713	612 738	
Contributions recognised - capital														-	-	-	
Contributed assets														-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>249 605</b>	<b>(32 845)</b>	<b>(45 623)</b>	<b>249 685</b>	<b>(38 814)</b>	<b>(30 369)</b>	<b>243 744</b>	<b>(43 137)</b>	<b>(37 534)</b>	<b>191 484</b>	<b>(96 578)</b>	<b>(96 578)</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>	
Taxation														-	-	-	
Attributable to minorities														-	-	-	
Share of surplus/ (deficit) of associate														-	-	-	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>249 605</b>	<b>(32 845)</b>	<b>(45 623)</b>	<b>249 685</b>	<b>(38 814)</b>	<b>(30 369)</b>	<b>243 744</b>	<b>(43 137)</b>	<b>(37 534)</b>	<b>191 484</b>	<b>(96 578)</b>	<b>(96 578)</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>	

**Table 42 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

DC12 Amathole - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand																
<b>Revenue by Vote</b>																
Vote 01 - Legislative & Executive Support Services		24 562	301	290	301	20 908	1 077	1 209	858	16 442	603	603	603	67 757	70 661	66 632
Vote 02 - Strategic Management		23 425	287	278	287	19 940	1 027	1 153	819	15 681	575	575	574	64 621	67 310	64 860
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		36 830	52	61	386	39 483	1 527	1 785	1 175	30 933	4 361	4 361	4 361	125 315	130 558	137 653
Vote 05 - Budget & Treasury		10 556	2 671	4 394	2 414	28 346	1 594	2 961	15 731	25 359	4 271	4 271	4 271	106 838	109 646	110 716
Vote 06 - Engineering Department		302 797	3 709	3 578	3 709	257 746	13 278	14 913	10 582	202 692	7 433	7 433	7 433	835 303	928 961	994 296
Vote 07 - Health & Protection Department		31 696	389	375	388	26 981	1 390	1 561	1 108	21 218	778	778	777	87 439	91 520	94 085
Vote 08 - Water & Sanitation Management		13 605	3 447	5 660	3 111	36 535	2 054	3 817	20 276	32 686	5 505	5 505	5 505	137 705	137 705	137 705
Vote 09 - Water Services		15 146	3 833	6 301	3 468	40 674	2 287	4 249	22 572	36 388	6 128	6 128	6 128	153 303	160 566	162 224
Vote 10 - Sanitation Services		9 564	2 420	3 979	2 187	25 683	1 444	2 686	14 253	22 977	3 870	3 870	3 870	96 801	100 810	105 757
Vote 11 - Land Human Settlement & Economic Development		32 465	394	379	406	27 635	1 424	1 599	1 135	21 732	797	797	797	89 558	89 685	82 390
Vote 12 - Municipal Management		31 179	44	52	328	33 425	1 293	1 511	995	26 187	3 692	3 692	3 691	106 087	81 924	128 811
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>531 826</b>	<b>17 545</b>	<b>25 345</b>	<b>16 984</b>	<b>557 354</b>	<b>28 395</b>	<b>37 444</b>	<b>89 502</b>	<b>452 293</b>	<b>38 013</b>	<b>38 013</b>	<b>38 012</b>	<b>1 870 727</b>	<b>1 969 348</b>	<b>2 085 129</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 01 - Legislative & Executive Support Services		26 949	330	318	330	22 939	1 182	1 327	942	18 040	662	662	662	74 342	73 995	74 188
Vote 02 - Strategic Management		28 808	353	340	353	24 522	1 264	1 419	1 007	19 284	707	707	706	79 470	80 770	82 311
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		38 536	54	63	405	41 312	1 598	1 867	1 229	32 366	4 563	4 563	4 563	131 120	137 972	143 468
Vote 05 - Budget & Treasury		11 934	3 020	4 964	2 729	32 047	1 806	3 348	17 784	28 670	4 829	4 829	4 828	120 786	125 629	134 887
Vote 06 - Engineering Department		32 136	394	380	394	27 355	1 409	1 582	1 123	21 512	789	789	789	88 651	73 666	74 338
Vote 07 - Health & Protection Department		30 515	374	361	374	25 975	1 338	1 503	1 066	20 427	749	749	749	84 179	88 731	93 153
Vote 08 - Water & Sanitation Management		18 863	4 773	7 847	4 316	50 656	2 851	5 292	28 112	45 318	7 632	7 632	7 632	190 925	200 657	210 933
Vote 09 - Water Services		35 316	8 936	14 692	8 075	94 841	5 336	9 911	52 630	84 843	14 289	14 289	14 289	357 447	380 923	406 387
Vote 10 - Sanitation Services		11 942	3 022	4 968	2 730	32 068	1 807	3 350	17 796	28 689	4 832	4 832	4 832	120 868	127 342	135 286
Vote 11 - Land Human Settlement & Economic Development		28 344	344	330	355	24 127	1 243	1 396	991	18 973	696	696	697	78 189	68 396	68 897
Vote 12 - Municipal Management		9 319	13	15	98	9 990	386	452	297	7 827	1 103	1 103	1 103	31 709	33 783	35 361
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>272 662</b>	<b>21 612</b>	<b>34 279</b>	<b>20 158</b>	<b>385 831</b>	<b>20 221</b>	<b>31 446</b>	<b>122 978</b>	<b>325 949</b>	<b>40 851</b>	<b>40 851</b>	<b>40 851</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>259 164</b>	<b>(4 067)</b>	<b>(8 933)</b>	<b>(3 174)</b>	<b>171 523</b>	<b>8 174</b>	<b>5 998</b>	<b>(33 476)</b>	<b>126 344</b>	<b>(2 838)</b>	<b>(2 838)</b>	<b>(2 839)</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>259 164</b>	<b>(4 067)</b>	<b>(8 933)</b>	<b>(3 174)</b>	<b>171 523</b>	<b>8 174</b>	<b>5 998</b>	<b>(33 476)</b>	<b>126 344</b>	<b>(2 838)</b>	<b>(2 838)</b>	<b>(2 839)</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>

**Table 43 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

DC12 Amathole - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
		R thousand														
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		466 072	7 846	9 396	7 928	424 349	21 481	25 363	31 536	336 659	18 964	18 964	18 965	1 387 523	1 473 799	1 580 354
Executive and council		418 107	5 123	4 942	5 121	355 899	18 334	20 588	14 612	279 879	10 264	10 264	10 264	1 153 397	1 231 622	1 329 828
Budget and treasury office		10 556	2 671	4 391	2 415	28 346	1 595	2 961	15 731	25 359	4 271	4 271	4 271	106 838	109 646	110 716
Corporate services		37 410	52	62	392	40 104	1 551	1 813	1 194	31 420	4 429	4 429	4 430	127 287	132 530	139 811
<i>Community and public safety</i>		32 559	399	385	399	27 715	1 428	1 603	1 138	21 795	799	799	800	89 820	93 901	96 467
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		1 257	15	15	15	1 070	55	62	44	841	31	31	31	3 467	3 574	3 685
Housing		862	10	10	11	735	38	43	30	578	21	21	22	2 381	2 381	2 381
Health		30 440	373	360	373	25 911	1 335	1 499	1 064	20 376	747	747	748	83 971	87 946	90 400
<i>Economic and environmental services</i>		1 719	21	20	22	1 463	75	85	60	1 151	42	42	42	4 742	1 697	1 710
Planning and development		1 719	21	20	22	1 463	75	85	60	1 151	42	42	42	4 742	1 697	1 710
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		38 398	9 719	15 974	8 785	103 113	5 803	10 772	57 223	92 248	15 536	15 536	15 536	388 642	399 951	406 597
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		28 757	7 277	11 963	6 580	77 225	4 347	8 067	42 856	69 088	11 636	11 636	11 635	291 068	298 331	299 994
Waste water management		9 564	2 423	3 979	2 187	25 683	1 444	2 683	14 253	22 977	3 870	3 870	3 870	96 801	100 810	105 757
Waste management		76	19	32	17	205	12	21	114	184	31	31	31	774	810	847
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		538 747	17 985	25 774	17 133	556 641	28 787	37 822	89 957	451 853	35 342	35 342	35 343	1 870 727	1 969 348	2 085 129
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		148 886	4 184	6 102	4 324	159 062	7 699	10 055	22 427	128 406	12 628	12 628	12 629	529 028	519 722	534 201
Executive and council		89 671	1 098	1 060	1 098	76 329	3 932	4 416	3 134	60 026	2 201	2 201	2 202	247 368	224 738	222 720
Budget and treasury office		11 934	3 020	4 964	2 729	32 047	1 806	3 348	17 784	28 670	4 829	4 829	4 828	120 786	125 629	134 887
Corporate services		47 281	66	78	497	50 686	1 961	2 291	1 508	39 711	5 598	5 598	5 598	160 874	169 354	176 594
<i>Community and public safety</i>		35 034	429	414	429	29 822	1 536	1 725	1 224	23 452	860	860	860	96 646	102 038	107 359
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		16 218	199	192	199	13 805	711	799	567	10 856	398	398	398	44 739	47 908	51 316
Housing		4 519	55	53	55	3 847	198	223	158	3 025	111	111	111	12 466	13 307	14 207
Health		14 297	175	169	175	12 170	627	704	500	9 570	351	351	351	39 440	40 823	41 837
<i>Economic and environmental services</i>		17 012	208	201	208	14 481	746	838	595	11 388	418	418	418	46 929	44 355	47 166
Planning and development		16 295	200	193	200	13 870	715	802	569	10 908	400	400	400	44 951	42 229	44 880
Road transport		717	9	8	9	610	31	35	25	480	18	18	18	1 978	2 126	2 286
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		67 686	17 131	28 162	15 484	181 768	10 222	18 990	100 871	162 612	27 387	27 387	27 386	685 084	725 749	770 484
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		55 160	13 961	22 950	12 616	148 129	8 330	15 476	82 203	132 517	22 318	22 318	22 318	558 295	592 163	628 613
Waste water management		11 942	3 022	4 968	2 734	32 068	1 803	3 350	17 796	28 689	4 832	4 832	4 832	120 868	127 342	135 286
Waste management		585	148	243	134	1 571	88	164	872	1 405	237	237	237	5 921	6 243	6 585
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>		268 618	21 952	34 879	20 445	385 132	20 203	31 607	125 116	325 857	41 292	41 292	41 293	1 357 687	1 391 863	1 459 210
<b>Surplus/(Deficit) before assoc.</b>		270 130	(3 967)	(9 105)	(3 312)	171 509	8 584	6 215	(35 159)	125 996	(5 950)	(5 950)	(5 950)	513 040	577 485	625 919
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	270 130	(3 967)	(9 105)	(3 312)	171 509	8 584	6 215	(35 159)	125 996	(5 950)	(5 950)	(5 950)	513 040	577 485	625 919

**Table 44 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

DC12 Amathole - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 06 - Engineering Department		46 508	11 773	19 348	10 639	124 892	7 027	13 047	69 309	111 732	18 818	18 818	18 818	470 727	547 713	612 738
Vote 08 - Water & Sanitation Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Land Human Settlement & Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	46 508	11 773	19 348	10 639	124 892	7 027	13 047	69 309	111 732	18 818	18 818	18 818	470 727	547 713	612 738
<b>Single-year expenditure to be appropriated</b>																
Vote 01 - Legislative & Executive Support Services		177	2	2	2	150	8	9	6	118	4	4	4	487	192	130
Vote 02 - Strategic Management		3 048	37	36	37	2 595	134	150	107	2 040	75	75	75	8 409	2 187	2 309
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		2 177	3	4	23	2 334	90	105	69	1 828	258	258	258	7 407	12 210	700
Vote 05 - Budget & Treasury		128	32	53	29	344	19	36	191	308	52	52	52	1 297	943	837
Vote 06 - Engineering Department		122	1	1	1	104	5	6	4	82	3	3	3	337	146	158
Vote 07 - Health & Protection Department		1 753	21	21	21	1 492	77	86	61	1 174	43	43	43	4 836	3 155	1 123
Vote 08 - Water & Sanitation Management		297	75	124	68	799	45	83	443	714	120	120	120	3 010	2 984	2 173
Vote 09 - Water Services		1 153	292	480	264	3 096	174	323	1 718	2 769	466	466	467	11 668	5 556	4 436
Vote 10 - Sanitation Services		431	109	179	99	1 158	65	121	643	1 036	175	175	175	4 366	2 250	1 105
Vote 11 - Land Human Settlement & Economic Development		96	1	1	1	82	4	5	3	65	2	2	2	266	100	98
Vote 12 - Municipal Management		68	0	0	1	72	3	3	2	57	8	8	8	230	48	112
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	9 451	575	901	547	12 226	624	928	3 248	10 192	1 206	1 206	1 207	42 313	29 772	13 181
<b>Total Capital Expenditure</b>	2	55 959	12 348	20 249	11 186	137 118	7 652	13 975	72 557	121 923	20 024	20 024	20 025	513 040	577 485	625 919

**Table 45 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

DC12 Amathole - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)																
Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	+1 2015/16	+2 2016/17
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		175 705	2 134	2 082	2 173	150 804	7 708	8 678	6 313	118 615	4 790	4 790	4 790	488 581	563 317	616 850
Executive and council		171 022	2 095	2 021	2 096	145 576	7 499	8 421	5 977	114 482	4 198	4 198	4 199	471 784	548 222	613 203
Budget and treasury office		128	32	53	29	344	19	36	191	308	52	52	52	1 297	943	837
Corporate services		4 555	6	8	48	4 884	189	221	145	3 826	539	539	539	15 500	14 152	2 810
<i>Community and public safety</i>		1 811	22	21	22	1 542	79	89	63	1 212	44	44	44	4 996	3 255	1 173
Community and social services														-	-	-
Sport and recreation														-	-	-
Public safety		1 675	21	20	21	1 426	73	82	59	1 121	41	41	41	4 621	3 025	1 044
Housing		58	1	1	1	49	3	3	2	39	1	1	1	159	100	50
Health		78	1	1	1	66	3	4	3	52	2	2	2	215	130	79
<i>Economic and environmental services</i>		94	1	1	1	80	4	5	3	63	2	2	2	259	48	108
Planning and development		94	1	1	1	80	4	5	3	63	2	2	2	259	36	88
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	12	20
Environmental protection														-	-	-
<i>Trading services</i>		1 897	480	789	434	5 095	286	532	2 828	4 558	768	768	768	19 204	10 864	7 787
Electricity														-	-	-
Water		1 466	371	610	335	3 937	221	411	2 185	3 522	593	593	594	14 838	8 590	6 633
Waste water management		431	109	179	99	1 158	65	121	643	1 036	175	175	175	4 366	2 250	1 105
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	24	50
<i>Other</i>														-	-	-
<b>Total Capital Expenditure - Standard</b>	2	179 508	2 637	2 893	2 630	157 521	8 078	9 304	9 207	124 449	5 604	5 604	5 605	513 040	577 485	625 919
<b>Funded by:</b>																
National Government		117 682			117 682			117 682			117 682			470 727	547 713	612 738
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		117 682	-	-	117 682	-	-	117 682	-	-	117 682	-	-	470 727	547 713	612 738
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds		4 180	1 058	1 739	956	11 226	633	1 173	6 230	10 043	1 691	1 691	1 691	42 313	29 772	13 181
<b>Total Capital Funding</b>		121 862	1 058	1 739	118 638	11 226	633	118 855	6 230	10 043	119 373	1 691	1 691	513 040	577 485	625 919

**Table 46 SA 30 Budgeted monthly cash flow**



DC12 Amathole - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	R thousand														
<b>Cash Receipts By Source</b>															
Property rates															
Property rates - penalties & collection charges															
Service charges - electricity revenue															
Service charges - water revenue	7 103	7 467	7 749	8 069	8 298	9 114	9 455	10 279	10 629	7 066	7 066	7 067	99 362	103 933	109 214
Service charges - sanitation revenue	3 425	3 105	3 975	3 544	3 602	3 155	4 109	4 138	3 817	7 217	7 217	7 217	54 520	57 028	59 642
Service charges - refuse revenue															
Service charges - other	166	174	181	188	193	212	220	240	248	165	165	165	2 316	2 422	2 534
Rental of facilities and equipment	46	42	54	48	49	43	56	56	52	98	98	98	738	604	632
Interest earned - external investments	962	1 011	1 049	1 092	1 123	1 233	1 280	1 391	1 439	957	957	957	13 450	12 000	10 460
Interest earned - outstanding debtors	2 201	2 313	2 401	2 500	2 571	2 824	2 927	3 185	3 293	2 189	2 189	2 190	30 783	32 199	33 681
Dividends received															
Fines															
Licences and permits															
Agency services															
Transfer receipts - operational	170 380	-		170 380	-		170 380	-		170 380	-	-	681 520	715 288	751 980
Other revenue	36 982	38 873	40 337	42 013	43 199	47 465	49 220	53 518	55 340	36 788	36 788	36 788	517 311	498 160	504 249
<b>Cash Receipts by Source</b>	<b>221 264</b>	<b>52 986</b>	<b>55 745</b>	<b>227 834</b>	<b>59 035</b>	<b>64 046</b>	<b>237 647</b>	<b>72 807</b>	<b>74 817</b>	<b>224 859</b>	<b>54 479</b>	<b>54 481</b>	<b>1 400 000</b>	<b>1 421 635</b>	<b>1 472 391</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	117 682	-		117 682	-		117 682	-		117 682	-	-	470 727	547 713	612 738
Contributions recognised - capital & Contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>338 946</b>	<b>52 986</b>	<b>55 745</b>	<b>345 515</b>	<b>59 035</b>	<b>64 046</b>	<b>355 328</b>	<b>72 807</b>	<b>74 817</b>	<b>342 541</b>	<b>54 479</b>	<b>54 481</b>	<b>1 870 727</b>	<b>1 969 348</b>	<b>2 085 129</b>
<b>Cash Payments by Type</b>															
Employee related costs	32 771	29 712	38 041	33 912	34 457	30 191	39 322	39 600	36 529	69 057	69 057	69 057	521 705	561 487	604 711
Remuneration of councillors	1 119	1 177	1 221	1 272	1 308	1 437	1 489	1 620	1 675	1 114	1 114	1 114	15 659	16 834	17 351
Finance charges	1 129	1 187	1 231	1 283	1 319	1 448	1 503	1 634	1 689	1 123	1 123	1 123	15 790	16 517	17 276
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer	4 392	3 981	5 098	4 546	4 618	4 046	5 270	5 307	4 895	9 255	9 255	9 254	69 918	73 363	76 738
Other materials															
Contracted services	1 614	1 463	1 873	1 670	1 697	1 486	1 936	1 950	1 798	3 400	3 400	3 401	25 687	26 882	28 122
Transfers and grants - other municipalities															
Transfers and grants - other															
Other expenditure	31 197	32 794	34 029	35 443	36 443	40 038	41 524	45 146	46 683	31 034	31 034	31 028	436 392	411 626	416 719
<b>Cash Payments by Type</b>	<b>72 222</b>	<b>70 313</b>	<b>81 493</b>	<b>78 125</b>	<b>79 840</b>	<b>78 646</b>	<b>91 044</b>	<b>95 257</b>	<b>93 271</b>	<b>114 982</b>	<b>114 982</b>	<b>114 977</b>	<b>1 085 151</b>	<b>1 106 709</b>	<b>1 160 918</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	25 652	25 652	46 174	46 174	46 174	46 174	46 174	46 174	46 174	46 174	46 174	46 174	513 040	577 485	625 919
Repayment of borrowing															
Other Cash Flows/Payments															
<b>Total Cash Payments by Type</b>	<b>97 874</b>	<b>95 965</b>	<b>127 667</b>	<b>124 299</b>	<b>126 014</b>	<b>124 819</b>	<b>137 217</b>	<b>141 431</b>	<b>139 444</b>	<b>161 156</b>	<b>161 156</b>	<b>161 150</b>	<b>1 598 191</b>	<b>1 684 193</b>	<b>1 786 837</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>241 072</b>	<b>(42 979)</b>	<b>(71 922)</b>	<b>221 217</b>	<b>(66 978)</b>	<b>(60 773)</b>	<b>218 111</b>	<b>(68 624)</b>	<b>(64 627)</b>	<b>181 385</b>	<b>(106 677)</b>	<b>(106 669)</b>	<b>272 536</b>	<b>285 154</b>	<b>298 292</b>
Cash/cash equivalents at the month/year begin:	362 675	603 747	560 768	488 846	710 063	643 084	582 311	800 422	731 798	667 171	848 557	741 880	362 675	635 211	920 365
Cash/cash equivalents at the month/year end:	603 747	560 768	488 846	710 063	643 084	582 311	800 422	731 798	667 171	848 557	741 880	635 211	635 211	920 365	1 218 657

## **2.10 Annual budgets and SDBIPs – internal departments/votes**

### **2.10.1 Legislative and Executive Support Services Vote 05**

This unit consists of the cost centres of Council General, Mayoral Committee, Executive Support Services, Legislative Support Services, and Director: Legislative & Executive Support Services and Council Support. This includes the political component of the municipality, and includes both part time and full time Councillors, the Executive Mayor, Speaker and Chief Whip. Its primary responsibility is providing the political direction of the municipality. The number of councillors reduced from 73 in 2010/11 financial year to 50 in the 2014/15 financial year. maintenance and support to all users.

Executive Support Services and Legislative Support Services comprise of the administrative officials who support the initiatives of the Mayor and the Speaker. This includes Communications and Media relations/public participation; inter governmental relations, and municipal international relations, Special Programmes, Marketing to name a few.

This department's budget is R74 829 533 or 4 per cent of the overall budget.

#### **Table 47 Operating revenue by source, expenditure by type and total capital expenditure**

DC12 Amathole - 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>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	71 094	92 034	150 891	162 281	162 281	162 281	162 281	99 362	103 933	109 214
Service charges - sanitation revenue	2	43 762	69 772	82 154	74 984	75 748	75 748	75 748	54 520	57 028	59 642
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		1 851	3 142	3 268	3 259	3 259	3 259	3 259	2 316	2 422	2 534
Rental of facilities and equipment		269	311	326	277	277	277	277	738	604	632
Interest earned - external investments		40 141	37 947	36 605	25 155	25 155	25 155	25 155	13 450	12 000	10 460
Interest earned - outstanding debtors		22 839	27 187	23 270	29 318	29 318	29 318	29 318	30 783	32 199	33 681
Dividends received											
Fines		-	-	-	10	10	10	10	-	-	-
Licences and permits											
Agency services											
Transfers recognised - operational		547 700	491 683	636 997	642 043	636 051	636 051	636 051	681 520	715 288	751 980
Other revenue	2	47 280	47 505	84 734	355 650	521 489	521 489	521 489	517 311	498 160	504 249
Gains on disposal of PPE		321	1 975								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>775 258</b>	<b>771 557</b>	<b>1 018 245</b>	<b>1 292 976</b>	<b>1 453 587</b>	<b>1 453 587</b>	<b>1 453 587</b>	<b>1 400 000</b>	<b>1 421 635</b>	<b>1 472 391</b>
<b>Expenditure By Type</b>											
Employee related costs	2	250 352	322 633	372 611	488 525	495 351	495 351	495 351	521 705	561 487	604 711
Remuneration of councillors		11 307	10 538	11 563	14 015	14 010	14 010	14 010	15 659	16 834	17 351
Debt impairment	3	91 901	157 094	139 027	46 309	116 309	116 309	116 309	119 187	124 751	130 508
Depreciation & asset impairment	2	76 608	90 755	97 386	104 174	144 168	144 168	144 168	153 349	160 403	167 784
Finance charges		194	115	10 945	106	12 756	12 756	12 756	15 790	16 517	17 276
Bulk purchases	2	37 980	48 673	51 559	57 606	57 606	57 606	57 606	69 918	73 363	76 738
Other materials	8										
Contracted services		48 136	53 784	50 318	62 518	52 387	52 387	52 387	25 687	26 882	28 122
Transfers and grants		1 967	254	-	-	-	-	-	-	-	-
Other expenditure	4, 5	322 861	321 225	373 858	464 396	397 663	397 663	397 663	436 392	411 626	416 719
Loss on disposal of PPE				1 380							
<b>Total Expenditure</b>		<b>841 306</b>	<b>1 005 072</b>	<b>1 108 646</b>	<b>1 237 649</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 290 248</b>	<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>
<b>Surplus/(Deficit)</b>		<b>(66 048)</b>	<b>(233 515)</b>	<b>(90 401)</b>	<b>55 327</b>	<b>163 339</b>	<b>163 339</b>	<b>163 339</b>	<b>42 313</b>	<b>29 772</b>	<b>13 181</b>
Transfers recognised - capital		247 909	383 069	534 552	468 651	467 883	467 883	467 883	470 727	547 713	612 738
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>181 860</b>	<b>149 554</b>	<b>444 151</b>	<b>523 978</b>	<b>631 222</b>	<b>631 222</b>	<b>631 222</b>	<b>513 040</b>	<b>577 485</b>	<b>625 919</b>

### **2.10.2 Strategic Management Department Vote 15**

This department consists of Risk Services, Municipal Support Unit, Strategic Planning, Information Management Unit, Strategic Support Services and Planning Monitoring and Evaluation. Municipal Support Unit focuses on supplying support to the seven local municipalities under the jurisdiction of ADM.

Strategic Planning provides the institution with strategic direction and is responsible for the IDP and SDBIP of the institution.

Information Management Unit provides the required IT infrastructure for the municipality and

Overall budget of this department being R87 878 584 or 4.70 per cent of the overall budget.

### **2.10.3 Corporate Services Department Vote 20**

This department consist of Administration and Human Resources cost centres. Administration consists of personnel administration and auxiliary services. Human Resources is responsible for organisational development and recruitment, human resources development, labour relations as well as employee wellness and occupational safety. Overall budget is R138 527 609 or 7.41 per cent of overall budget.

### **2.10.4 Budget & Treasury Office Vote 25**

This department consists of the Office of the Chief Financial Officer, Accounting & Reporting (including Expenditure), Asset Management and Supply Chain Management, Budgeting, and Revenue cost centres, including Credit Control, Billing, Competency Centre, and Receipting & Reconciliation. The Chief Financial officer provides overall financial leadership and direction for all the various cost centres, whose functions are clear within their titles, except for Budget Reform, which consists of five interns, funded by the Financial Management Grant, responsible for financial reforms within the municipality. Main outputs of the department being revenue collection, annual budget, expenditure management, supply chain management and production of the annual financial statements.

Overall budget of this department being R122 083 100 or 6.53 per cent of overall budget.

### **2.10.5 Engineering Department – Vote 35 and 45**

The department is primarily responsible for water and sanitation services. It comprises of a Water Services Authority Division responsible for the planning of water services, a well capacitated Project Management Unit, which implements all MIG, MWIG, RBIG and RHIG funded capital projects and a Water Services Provider Division responsible for operations and maintenance of the water services . It is also responsible for building and services planning, which includes solid waste management and transport services.

The departmental is focusing on backlog eradication to meet the 2014 targets. R1 247 998 360 or 6.83 per cent of overall expenditure.

The departmental revenue base is primarily informed by the sale of water and provision of sanitation services, of which budget appropriation for the 2014/15 financial year is R153 108 147 and increases to 168 008 774 by 2016/17.

#### **2.10.6 Community Services Department – Vote 40**

The department is primarily responsible for the provision of Municipal Health Services and Protection Services, within the district. It provides municipal health services as a health authority and protection services which includes fire fighting services, disaster management and community safety services. Total budget allocation is R89 015 909 or 4.76 per cent of the overall budget.

#### **2.10.7 Land Human Settlements & Economic Development Vote 50**

This department consists of Land Administration & Housing, Economic Development and the Director Cost centres. Responsibilities include land reform, spatial planning, housing development and land development fund management, environmental management, heritage, agriculture, SMME's and co-ops, economic research and tourism. This department consumes R78 455 383 or 4.19 percent of overall budget.

#### **2.10.8 Municipal Management Department – Vote 55**

This department consists of Municipal Management, Internal Audit and Legal Services, which provides the entire institution with legal support as well as internal audit services. This department consumes R24 235 033 or 1.24 per cent of overall budget.

### **2.11 Contracts having future budgetary implications**

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department, and the chairperson of the Bid Adjudication Committee is the Chief Financial Officer.

### **2.12 Capital expenditure details**

The following three table's present details of the municipality's capital expenditure programme, firstly on new assets by asset class and then on renewal of existing assets by asset class and finally on repairs and maintenance of assets by asset class.

**Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class**

DC12 Amathole - Supporting Table SA34a Capital expenditure on new assets by asset class

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>Capital expenditure on new assets by Asset Class/Sub-class</b>	1									
<b>Infrastructure</b>		227 436	305 431	501 612	468 651	467 883	467 883	470 727	547 713	612 738
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		167 859	284 945	501 612	245 951	236 683	236 683	294 490	370 568	455 589
Dams & Reservoirs		5 784	-	-	-	-	-	-	-	-
Water purification		40 596	51 662	439 710	189 447	201 613	201 613	235 090	310 568	302 203
Reticulation		121 479	233 283	61 902	56 504	35 070	35 070	59 400	60 000	153 386
Infrastructure - Sanitation		29 343	-	-	216 100	216 100	216 100	150 132	148 466	130 746
Reticulation		1 671	-	-	-	-	-	-	-	-
Sewerage purification		27 671	-	-	216 100	216 100	216 100	150 132	148 466	130 746
Infrastructure - Other		30 234	20 486	-	6 600	15 100	15 100	26 106	28 679	26 404
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	30 234	20 486	-	6 600	15 100	15 100	26 106	28 679	26 404
<b>Community</b>		2 784	709	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		2 784	709	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		21 807	20 123	25 862	41 585	54 643	54 643	26 481	19 284	6 996
General vehicles		18 897	13 962	12 986	25 985	25 985	25 985	2 850	2 240	700
Specialised vehicles		-	2 485	4 355	2 500	2 500	2 500	5 526	1 100	1 100
Plant & equipment		541	479	3 338	327	6 344	6 344	2 825	1 436	1 551
Computers - hardware/equipment		1 120	1 433	1 154	2 081	2 081	2 081	2 708	1 176	984
Furniture and other office equipment		1 081	1 682	3 862	8 082	8 082	8 082	7 573	3 332	2 662
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		90	83	167	2 610	9 650	9 650	5 000	10 000	-
Other Land		79	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	5 000	-	-
Computers - software & programming		-	-	-	-	-	-	5 000	-	-
<b>Total Capital Expenditure on new assets</b>	1	252 027	326 263	527 474	510 236	522 526	522 526	502 209	566 998	619 735
<b>Specialised vehicles</b>		-	2 485	4 355	2 500	2 500	2 500	5 526	1 100	1 100
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	2 485	4 355	2 500	2 500	2 500	4 526	1 100	1 100
Conservancy		-	-	-	-	-	-	1 000	-	-
Ambulances		-	-	-	-	-	-	-	-	-

**Table 49 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**



DC12 Amathole - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

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>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		2 816	184	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		800	-	-	-	-	-	-	-	-
Dams & Reservoirs		800	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		2 015	184	-	-	-	-	-	-	-
Reticulation		1 325	-	-	-	-	-	-	-	-
Sewerage purification		690	184	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		4 106	14 833	6 304	11 395	5 229	5 229	10 831	10 487	6 184
General vehicles		2 909	3 082	3 750	7 235	-	-	6 190	4 500	4 200
Specialised vehicles		-	-	-	600	-	-	-	-	-
Plant & equipment		7	-	133	569	626	626	111	320	-
Computers - hardware/equipment		832	1 094	474	870	1 188	1 188	2 420	1 841	1 511
Furniture and other office equipment		357	830	1 156	1 121	2 415	2 415	2 110	1 826	473
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	2 000	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	9 827	790	1 000	1 000	1 000	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing</b>	<b>1</b>	<b>6 922</b>	<b>15 017</b>	<b>6 304</b>	<b>11 395</b>	<b>5 229</b>	<b>5 229</b>	<b>10 831</b>	<b>10 487</b>	<b>6 184</b>
<b>Specialised vehicles</b>		-	-	-	600	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	600	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
<b>Renewal of Existing Assets as % of total capex</b>		<b>2.7%</b>	<b>4.4%</b>	<b>1.2%</b>	<b>2.2%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>1.0%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>		<b>9.0%</b>	<b>16.5%</b>	<b>6.5%</b>	<b>10.9%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>7.1%</b>	<b>6.5%</b>	<b>3.7%</b>

**Table 50 MBRR SA34c - Repairs and maintenance expenditure by asset class**

DC12 Amathole - Supporting Table SA34c Repairs and maintenance expenditure by asset class

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>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		4 630	8 409	2 870	19 588	21 106	21 106	36 444	37 932	39 703
Infrastructure - Road transport		-	162	250	2 126	366	366	887	927	970
Roads, Pavements & Bridges		-	162	250	2 126	366	366	887	927	970
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		4 630	8 247	(615)	9 317	12 828	12 828	22 091	23 129	24 207
Dams & Reservoirs		-	3 623	(6 761)	380	-	-	311	325	341
Water purification		-	-	-	-	-	-	2 237	2 342	2 454
Reticulation		4 630	4 624	6 146	8 937	12 828	12 828	19 544	20 462	21 412
Infrastructure - Sanitation		-	-	3 235	8 145	7 912	7 912	13 466	13 876	14 526
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	3 235	8 145	7 912	7 912	13 466	13 876	14 526
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	40	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	40	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		3 188	3 262	8 419	14 436	11 592	11 592	17 100	18 430	16 766
General vehicles		-	-	2 724	5 602	3 677	3 677	6 584	6 913	7 236
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		1 845	1 607	1 320	1 835	1 951	1 951	1 275	1 332	1 394
Computers - hardware/equipment		65	93	185	100	140	140	229	240	251
Furniture and other office equipment		5	41	34	162	140	140	83	87	91
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		1 273	1 521	4 156	6 738	5 683	5 683	8 236	9 134	7 022
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	693	725	772
Other		-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		58	11	-	-	-	-	-	-	-
Computers - software & programming		58	11	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>		7 876	11 683	11 289	34 065	32 697	32 697	53 544	56 362	56 469
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>		0.3%	0.4%	0.3%	1.0%	1.0%	1.0%	2.3%	2.7%	2.1%
<b>R&amp;M as % Operating Expenditure</b>		0.9%	1.2%	1.0%	2.8%	2.5%	2.5%	3.9%	4.0%	3.9%

**Table 51 MBRR SA35 - Future financial implications of the capital budget**

DC12 Amathole - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year	Budget Year	Budget Year	Forecast	Forecast	Forecast	Present
		2014/15	+1 2015/16	+2 2016/17	2017/18	2018/19	2019/20	value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 01 - Legislative & Executive Support Services		487	192	130	-	-	-	-
Vote 02 - Strategic Management		8 409	2 187	2 309	-	-	-	-
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-
Vote 04 - Corporate Services		7 407	12 210	700	-	-	-	-
Vote 05 - Budget & Treasury		1 297	943	837	-	-	-	-
Vote 06 - Engineering Department		471 064	547 859	612 896	-	-	-	-
Vote 07 - Health & Protection Department		4 836	3 155	1 123	-	-	-	-
Vote 08 - Water & Sanitation Management		3 010	2 984	2 173	-	-	-	-
Vote 09 - Water Services		11 668	5 556	4 436	-	-	-	-
Vote 10 - Sanitation Services		4 366	2 250	1 105	-	-	-	-
Vote 11 - Land Human Settlement & Economic Development		266	100	98	-	-	-	-
Vote 12 - Municipal Management		230	48	112	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		<b>513 040</b>	<b>577 485</b>	<b>625 919</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 01 - Legislative & Executive Support Services		74 342	73 995	74 188	-	-	-	-
Vote 02 - Strategic Management		79 470	80 770	82 311	-	-	-	-
Vote 03 - Internally Funded Projects		-	-	-	-	-	-	-
Vote 04 - Corporate Services		131 120	137 972	143 468	-	-	-	-
Vote 05 - Budget & Treasury		120 786	125 629	134 887	-	-	-	-
Vote 06 - Engineering Department		88 651	73 666	74 338	-	-	-	-
Vote 07 - Health & Protection Department		84 179	88 731	93 153	-	-	-	-
Vote 08 - Water & Sanitation Management		190 925	200 657	210 933	-	-	-	-
Vote 09 - Water Services		357 447	380 923	406 387	-	-	-	-
Vote 10 - Sanitation Services		120 868	127 342	135 286	-	-	-	-
Vote 11 - Land Human Settlement & Economic Development		78 189	68 396	68 897	-	-	-	-
Vote 12 - Municipal Management		31 709	33 783	35 361	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-
<b>Total future operational costs</b>		<b>1 357 687</b>	<b>1 391 863</b>	<b>1 459 210</b>	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue		99 362	103 933	109 214				
Service charges - sanitation revenue		54 520	57 028	59 642				
Service charges - refuse revenue								
Service charges - other		2 316	2 422	2 534				
Rental of facilities and equipment		738	604	632				
<b>Total future revenue</b>		<b>156 935</b>	<b>163 987</b>	<b>172 021</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>1 713 791</b>	<b>1 805 360</b>	<b>1 913 108</b>	-	-	-	-

**Table 52 MBRR SA36 - Detailed capital budget per municipal vote**

DC12 Amathole - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			New or renewal
					Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand		6		3	3					
Parent municipality:										
<i>List all capital projects grouped by Municipal Vote</i>										
06 - Engineering Department	Rbig - Regional Bulk Infrastructure	No	Infrastructure - Water	Reticulation	(0)	35 070	59 400	60 000	153 386	New
01 - Legislative & Executive Support	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	-	-	12	Renew
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	-	-	20	Renew
12 - Municipal Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	-	-	20	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	-	-	34	Renew
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	-	-	50	Renew
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	-	-	50	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	General Vehicles	General Vehicles	-	-	-	-	350	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	-	-	350	Renew
10 - Sanitation Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	-	-	350	Renew
04 - Corporate Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	-	-	600	Renew
06 - Engineering Department	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	-	12	-	Renew
06 - Engineering Department	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	-	24	-	New
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	-	290	-	Renew
08 - Water & Sanitation Management	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	-	290	350	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	-	300	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	-	350	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Specialised Vehicles - Fire	Specialised Vehicles - Fire	-	-	-	1 000	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Other Buildings	Other Buildings	-	-	-	2 000	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	1	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	2	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	2	10	-	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	2	100	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	3	5	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	5	-	100	New
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	6	-	40	Renew
07 - Health & Protection Department	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	6	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	6	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	7	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	9	-	-	New
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	9	9	-	Renew
06 - Engineering Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	11	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	11	-	-	Renew
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	11	11	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	11	100	-	Renew
01 - Legislative & Executive Support	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	12	-	-	Renew

09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	13	-	-	Renew
06 - Engineering Department	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	16	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	16	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	16	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	16	-	50	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	17	-	-	Renew
06 - Engineering Department	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	18	-	-	New
11 - Land Human Settlement & Econ	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	20	25	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	22	-	-	Renew
12 - Municipal Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	22	-	-	New
04 - Corporate Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	24	-	-	New
02 - Strategic Management	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	24	20	-	Renew
09 - Water Services	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	24	20	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	24	50	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	26	-	-	New
09 - Water Services	Internally Funded Capex	No	Specialised Vehicles - Fire	Specialised Vehicles - Fire	-	-	26	100	100	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	30	30	-	New
06 - Engineering Department	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	32	-	-	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	36	-	-	Renew
01 - Legislative & Executive Support	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	38	24	-	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	38	40	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	39	30	40	New
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	43	45	-	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	43	150	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	45	-	-	Renew
11 - Land Human Settlement & Econ	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	52	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	57	-	-	New
01 - Legislative & Executive Support	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	60	-	20	New
01 - Legislative & Executive Support	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	64	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	64	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	67	-	200	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	72	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	74	-	-	New
06 - Engineering Department	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	81	36	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	83	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	88	100	50	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	88	120	100	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	88	150	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	96	-	-	New

01 - Legislative & Executive Support	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	118	24	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	120	-	200	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	120	100	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	136	100	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	143	100	100	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	160	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	160	50	100	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	208	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	256	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	-	258	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	-	282	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	350	-	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	350	450	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	350	450	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	350	500	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	400	-	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	400	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	400	-	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	400	-	350	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	400	350	350	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	420	-	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	420	450	-	Renew
08 - Water & Sanitation Management	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	450	2 000	1 500	Renew
02 - Strategic Management	Internally Funded Capex	Yes	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	800	600	630	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	-	1 000	-	-	New
09 - Water Services	Internally Funded Capex	No	Specialised Vehicles - Conservancy	Specialised Vehicles - Conservancy	-	-	1 000	-	-	New
02 - Strategic Management	Internally Funded Capex	Yes	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	-	1 350	700	850	New
04 - Corporate Services	Internally Funded Capex	No	Other Buildings	Other Buildings	-	-	5 000	10 000	-	New
06 - Engineering Department	Mwig Projects	Yes	Infrastructure - Water	Water Purification	-	-	28 850	88 850	50 190	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	0	23	24	-	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Plant & Equipment	Plant & Equipment	-	0	-	-	-	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Plant & Equipment	Plant & Equipment	-	1	-	-	25	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	2	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	2	-	-	-	Renew
02 - Strategic Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	2	9	10	-	Renew
12 - Municipal Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	3	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	4	-	-	-	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	6	-	-	-	Renew
02 - Strategic Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	6	8	8	-	Renew



02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	7	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	8	-	-	50	New
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	9	-	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	9	-	-	24	Renew
01 - Legislative & Executive Support	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	9	49	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	9	-	-	-	Renew
05 - Budget & Treasury	All - Mpu Operating Budget	No	Plant & Equipment	Plant & Equipment	-	10	-	-	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	10	-	-	-	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	10	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	10	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	10	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	10	8	8	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	10	10	-	50	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	10	12	-	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	10	18	20	50	Renew
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	10	72	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	10	11	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	12	113	25	-	New
07 - Health & Protection Department	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	12	-	-	-	Renew
12 - Municipal Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	12	59	36	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	12	104	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	13	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	13	120	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	15	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	17	142	-	100	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	17	-	100	34	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	18	-	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	19	17	12	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	19	18	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	19	18	24	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	20	68	-	-	New
06 - Engineering Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	20	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	20	58	100	50	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	20	106	100	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	20	240	200	105	New
12 - Municipal Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	20	21	-	12	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	22	4	4	-	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	25	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	25	-	-	-	Renew

09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	25	5	10	50	New
08 - Water & Sanitation Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	26	61	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	27	160	100	-	New
02 - Strategic Management	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	27	-	-	-	Renew
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	28	-	-	24	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	28	-	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	28	13	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	30	133	-	24	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	30	9	-	-	New
06 - Engineering Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	31	52	-	-	New
08 - Water & Sanitation Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	31	147	-	200	New
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	32	22	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	35	331	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	40	9	10	20	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	40	45	85	100	New
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	42	18	-	-	Renew
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	44	-	50	24	Renew
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	44	27	-	-	New
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	45	-	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	50	-	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	50	3	-	100	New
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	50	11	-	24	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	50	80	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	50	144	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	54	37	24	-	New
02 - Strategic Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	55	80	50	100	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	57	7	45	25	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	57	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	60	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	60	-	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	60	-	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	70	-	-	-	Renew
12 - Municipal Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	76	22	-	-	New
12 - Municipal Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	79	-	12	-	Renew
12 - Municipal Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	81	28	-	20	New
08 - Water & Sanitation Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	83	76	-	-	Renew
05 - Budget & Treasury	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	87	54	-	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	89	-	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	90	32	-	-	New

09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	95	-	-	-	Renew
04 - Corporate Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	100	-	-	-	Renew
12 - Municipal Management	Internally Funded Capex	Yes	Computers - Software & Programming	Computers - Software & Programming	-	100	-	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	102	29	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	-	130	5	-	-	New
09 - Water Services	Internally Funded Capex	No	Other Buildings	Other Buildings	-	135	-	-	-	New
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	150	27	75	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	155	55	100	100	New
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	156	-	-	-	Renew
08 - Water & Sanitation Management	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	163	22	-	-	New
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	165	-	-	-	New
02 - Strategic Management	Internally Funded Capex	Yes	Computers - Software & Programming	Computers - Software & Programming	-	181	5 000	-	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	187	150	50	9	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	188	242	150	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	200	-	-	-	Renew
06 - Engineering Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	-	212	-	-	-	New
12 - Municipal Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	247	-	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Other Buildings	Other Buildings	-	250	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	260	-	-	-	Renew
06 - Engineering Department	Internally Funded Capex	Yes	Computers - Software & Programming	Computers - Software & Programming	-	265	-	-	-	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Plant & Equipment	Plant & Equipment	-	300	-	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Other	Other	-	320	-	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	-	340	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Other Buildings	Other Buildings	-	400	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	-	420	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Other Buildings	Other Buildings	-	577	-	-	-	New
06 - Engineering Department	Mig Water Projects	Yes	Infrastructure - Water	Water Purification	-	6 000	-	-	-	New
06 - Engineering Department	Mig Other Projects	No	Infrastructure - Other	Other	-	6 600	17 106	20 351	26 404	New
01 - Legislative & Executive Support	Internally Funded Capex	No	Other Buildings	Other Buildings	-	6 900	-	-	-	New
06 - Engineering Department	Rhig Projects	Yes	Infrastructure - Other	Other	-	8 500	9 000	8 328	-	New
06 - Engineering Department	Mig Water Projects	No	Infrastructure - Water	Water Purification	-	183 447	206 240	221 718	252 013	New
06 - Engineering Department	Mig Sanitation Projects	No	Infrastructure - Sanitation	Sewerage Purification	-	216 100	150 132	148 466	130 746	New
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	1	56	19	20	-	Renew
01 - Legislative & Executive Support	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	1	5	39	50	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	1	30	-	-	-	Renew
02 - Strategic Management	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	1	-	-	-	-	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	1	-	28	35	100	Renew
08 - Water & Sanitation Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	1	-	86	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	2	-	-	-	-	Renew



10 - Sanitation Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	11	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	16	-	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	18	31	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	26	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	26	11	15	24	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	37	11	12	20	New
07 - Health & Protection Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	7	-	-	-	20	Renew
02 - Strategic Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	7	60	48	51	50	New
12 - Municipal Management	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	7	20	-	-	40	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	20	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	10	-	-	-	New
06 - Engineering Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	7	10	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	7	23	84	100	50	New
08 - Water & Sanitation Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	8	30	54	24	-	Renew
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	8	-	-	-	-	New
08 - Water & Sanitation Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	8	5	8	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	8	10	-	24	-	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	8	-	-	-	24	Renew
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	8	-	56	50	62	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	8	10	56	100	100	New
06 - Engineering Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	8	40	18	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	9	-	-	-	-	Renew
12 - Municipal Management	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	9	11	-	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	9	22	-	-	24	Renew
08 - Water & Sanitation Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	9	58	43	-	-	New
01 - Legislative & Executive Support	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	9	10	-	-	-	Renew
01 - Legislative & Executive Support	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	9	4	-	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	10	-	-	-	-	New
06 - Engineering Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	10	102	-	-	24	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	10	-	256	300	200	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	10	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	11	24	240	200	200	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	11	-	140	150	190	New
07 - Health & Protection Department	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	12	-	15	25	20	New
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	13	1	7	7	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	13	-	56	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	13	-	42	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	13	-	14	-	-	New

05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	14	31	33	50	50	Renew
01 - Legislative & Executive Support	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	14	33	55	60	20	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	14	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	14	-	9	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	14	11	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	14	13	29	-	10	New
01 - Legislative & Executive Support	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	16	26	-	-	-	New
08 - Water & Sanitation Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	16	56	40	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	17	13	14	-	-	New
08 - Water & Sanitation Management	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	17	11	11	150	-	Renew
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	17	19	23	24	25	Renew
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	17	50	6	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	18	-	40	-	-	New
07 - Health & Protection Department	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	19	-	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	19	-	6	10	15	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	19	-	67	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	20	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	21	49	92	100	-	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	21	-	356	-	200	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	21	78	253	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	22	-	-	-	-	New
02 - Strategic Management	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	22	51	-	-	24	New
01 - Legislative & Executive Support	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	22	35	-	12	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	23	11	-	-	-	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	23	10	76	80	-	New
04 - Corporate Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	24	16	28	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	25	-	-	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	25	-	22	-	-	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	26	114	58	60	-	New
04 - Corporate Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	26	91	61	65	-	Renew
04 - Corporate Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	26	55	60	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	27	5	-	-	-	New
01 - Legislative & Executive Support	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	27	26	8	-	-	Renew
08 - Water & Sanitation Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	27	120	120	70	23	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	27	60	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	28	-	9	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	29	10	9	100	150	New
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	29	300	-	-	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	30	80	-	-	-	Renew

08 - Water & Sanitation Management	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	31	-	-	-	-	Renew
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	31	59	-	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	31	52	31	-	-	New
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	32	360	-	-	-	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	32	6	-	-	-	Renew
12 - Municipal Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	33	24	-	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	33	267	85	75	-	New
04 - Corporate Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	34	60	65	-	-	New
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	34	36	98	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	34	-	-	-	-	New
01 - Legislative & Executive Support	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	35	-	9	12	24	Renew
01 - Legislative & Executive Support	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	39	-	-	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	39	-	5	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	General Vehicles	General Vehicles	40	772	-	-	-	New
04 - Corporate Services	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	42	40	19	20	20	New
08 - Water & Sanitation Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	44	65	100	-	-	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	44	158	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	45	-	72	50	25	New
02 - Strategic Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	46	110	125	42	-	New
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	47	84	-	-	-	New
02 - Strategic Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	49	-	123	-	-	Renew
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	49	9	60	-	-	Renew
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	55	-	-	-	-	Renew
12 - Municipal Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	55	10	-	-	20	Renew
02 - Strategic Management	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	60	166	-	-	-	New
04 - Corporate Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	63	127	6	5	80	New

06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	72	71	-	-	-	Renew
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	75	193	74	-	-	New
06 - Engineering Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	76	21	-	-	-	New
01 - Legislative & Executive Suppor	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	78	-	-	-	-	34 New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	80	-	-	50	25	Renew
11 - Land Human Settlement & Eco	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	80	45	-	-	-	New
08 - Water & Sanitation Managemen	All - Mpu Operating Budget	No	Plant & Equipment	Plant & Equipment	80	2	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Other Buildings	Other Buildings	82	-	-	-	-	New
01 - Legislative & Executive Suppor	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	84	54	28	-	-	New
09 - Water Services	Internally Funded Capex	No	Other Buildings	Other Buildings	85	1 388	-	-	-	New
05 - Budget & Treasury	All - Mpu Operating Budget	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	86	109	30	35	100	New
12 - Municipal Management	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	88	131	68	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	91	107	61	65	65	New
05 - Budget & Treasury	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	112	185	21	25	50	New
05 - Budget & Treasury	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	115	74	11	12	-	New
12 - Municipal Management	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	129	3	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	130	36	6	6	25	New
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	146	300	600	600	630	Renew
04 - Corporate Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	148	90	1 425	1 500	-	Renew
02 - Strategic Management	Internally Funded Capex	No	Computers - Hardware/Equipment	Computers - Hardware/Equipment	180	270	95	-	-	New
04 - Corporate Services	Internally Funded Capex	No	General Vehicles	General Vehicles	204	-	-	-	-	New
05 - Budget & Treasury	Internally Funded Capex	No	General Vehicles	General Vehicles	204	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	204	-	-	-	-	Renew
10 - Sanitation Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	211	500	53	-	-	New
08 - Water & Sanitation Managemen	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	214	450	680	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	266	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	266	-	-	350	350	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	344	275	149	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	347	-	200	200	100	New
08 - Water & Sanitation Managemen	All - Mpu Operating Budget	No	General Vehicles	General Vehicles	353	-	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	353	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	353	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	353	-	-	-	-	New
11 - Land Human Settlement & Eco	Internally Funded Capex	No	General Vehicles	General Vehicles	357	-	-	-	-	New
04 - Corporate Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	380	325	720	620	-	New
09 - Water Services	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	398	520	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	403	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	403	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	403	-	-	-	-	New



09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	403	-	-	-	-	New
10 - Sanitation Services	Internally Funded Capex	No	General Vehicles	General Vehicles	403	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	515	-	1 500	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	General Vehicles	General Vehicles	532	-	-	-	-	Renew
07 - Health & Protection Department	Internally Funded Capex	No	General Vehicles	General Vehicles	551	-	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	619	-	-	-	-	New
07 - Health & Protection Department	Internally Funded Capex	No	General Vehicles	General Vehicles	653	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	669	-	-	350	-	New
08 - Water & Sanitation Management	All - Mpu Operating Budget	No	General Vehicles	General Vehicles	678	101	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	706	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	743	5	80	100	-	New
10 - Sanitation Services	Internally Funded Capex	No	General Vehicles	General Vehicles	755	-	850	450	-	New
04 - Corporate Services	Internally Funded Capex	No	General Vehicles	General Vehicles	759	-	-	-	-	New
08 - Water & Sanitation Management	Internally Funded Capex	No	Other	Other	790	1 000	-	-	-	Renew
01 - Legislative & Executive Support	Internally Funded Capex	No	General Vehicles	General Vehicles	795	-	-	-	-	Renew
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	798	-	-	-	350	Renew
08 - Water & Sanitation Management	Internally Funded Capex	No	General Vehicles	General Vehicles	904	-	-	450	-	New
10 - Sanitation Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	953	-	-	-	-	New
09 - Water Services	Internally Funded Capex	No	Plant & Equipment	Plant & Equipment	996	-	100	48	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Furniture And Other Office Equipment	Furniture And Other Office Equipment	1 244	1 015	-	-	-	New
09 - Water Services	Internally Funded Capex	No	General Vehicles	General Vehicles	1 291	-	-	-	-	New
08 - Water & Sanitation Management	Internally Funded Capex	No	General Vehicles	General Vehicles	1 542	-	1 000	-	-	New
07 - Health & Protection Department	Internally Funded Capex	No	Specialised Vehicles - Fire	Specialised Vehicles - Fire	4 355	2 500	4 500	-	1 000	New
Parent Capital expenditure							513 040	577 485	625 919	
Entities: <i>List all capital projects grouped by Entity</i>										
Entity A Water project A										
Entity B Electricity project B										
Entity Capital expenditure					-	-	-	-	-	
Total Capital expenditure					32 166	485 815	513 040	577 485	625 919	

**Table 53 MBRR SA37 - Projects delayed from previous financial year**

DC12 Amathole - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
Parent municipality:												
Vote 06 - Engineering Department		Centlane Sanitation Project				E0280 11.574° S320 25.031°	2014	55 000	48 003	10 000	1 000	
Vote 06 - Engineering Department		Bedford & Adelaide Bucket Eradication Programme - Phase 6					2014	5 000		8 000	9 000	1 000
Vote 06 - Engineering Department		Bhofolo & Newtown Bucket Eradication Programme - Phase 5					2014	3 000	2 469	2 000	500	
Entities: List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												

## 2.13 Legislation compliance status

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

### 1. In year reporting

Reporting to National Treasury in electronic format was partially complied with, partially in that not all DoRA Gazetted reports were submitted within 10 working days.

### 2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

### 3. Budget and Treasury Office

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

### 4. Audit Committee

An Audit Committee has been established and is fully functional.

### 5. Service Delivery and Implementation Plan

The draft SDBIP document was submitted to Council in March 2014 and will be finalised in the May 2014 submission to Council.

### 6. Annual Report

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

### 7. Budget Related Policies

The below listed policies were submitted to Council in March for approval as part of the draft budget that was tabled.

- Banking and Cash Management Policy
- Investment Policy
- Budget Policy
- Revenue Management By-Law
- Credit Control and Debt Collection Policy
- Indigent Policy
- Tariff Policy
- SCM Policy
- Asset Management Policy

Other supporting documents

**Table 54 MBRR Table SA1 - Supporting detail to budgeted financial Performance**

DC12 Amathole - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

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 ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6										
less Revenue Foregone											
<b>Net Property Rates</b>											
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6										
less Revenue Foregone											
<b>Net Service charges - electricity revenue</b>											
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6	71 094	92 034	150 891	162 281	162 281	162 281	162 281	99 362	103 933	109 214
less Revenue Foregone											
<b>Net Service charges - water revenue</b>		71 094	92 034	150 891	162 281	162 281	162 281	162 281	99 362	103 933	109 214
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue	6	43 762	69 772	82 154	74 984	75 748	75 748	75 748	54 520	57 028	59 642
less Revenue Foregone											
<b>Net Service charges - sanitation revenue</b>		43 762	69 772	82 154	74 984	75 748	75 748	75 748	54 520	57 028	59 642
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6										
Total landfill revenue											
less Revenue Foregone											
<b>Net Service charges - refuse revenue</b>											
<b>Other Revenue by source</b>											
Prior Year Income					283 643	394 834	394 834	394 834	451 506	429 354	434 408
Other Income		47 280	47 505	84 734	72 006	126 655	126 655	126 655	65 805	68 807	69 841
<b>Total 'Other' Revenue</b>	1	47 280	47 505	84 734	355 650	521 489	521 489	521 489	517 311	498 160	504 249
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	182 453	190 553	227 599	303 498	311 611	311 611	311 611	353 666	379 889	408 588
Pension and UIF Contributions		34 858	46 479	59 790	93 230	89 826	89 826	89 826	86 850	94 668	103 173
Medical Aid Contributions			9 244	11 906							
Overtime											
Performance Bonus		638	15 914	19 108	1 643	1 643	1 643	1 643	1 408	1 528	1 643
Motor Vehicle Allowance		7 031	9 088	12 542	15 190	31 634	31 634	31 634	30 589	32 930	35 383
Cellphone Allowance											
Housing Allowances		8 542	1 357	1 893	27 981	26 321	26 321	26 321	20 364	21 915	23 568
Other benefits and allowances			9 085	12 663	1 900	1 900	1 900	1 900	3 817	4 106	4 415
Payments in lieu of leave		8 406	10 625	15 924	13 082	13 066	13 066	13 066	8 739	9 430	10 138
Long service awards											
Post-retirement benefit obligations	4	8 425	30 288	11 185	32 000	19 350	19 350	19 350	16 272	17 021	17 803
<b>sub-total</b>	5	250 352	322 633	372 611	488 525	495 351	495 351	495 351	521 705	561 487	604 711
<b>Less: Employees costs capitalised to PPE</b>											
<b>Total Employee related costs</b>	1	250 352	322 633	372 611	488 525	495 351	495 351	495 351	521 705	561 487	604 711
<b>Contributions recognised - capital</b>											
<i>List contributions by contract</i>											
<b>Total Contributions recognised - capital</b>											
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		76 608	90 755	97 386	104 174	144 168	144 168	144 168	153 349	160 403	167 784
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
<b>Total Depreciation &amp; asset impairment</b>	1	76 608	90 755	97 386	104 174	144 168	144 168	144 168	153 349	160 403	167 784
<b>Bulk purchases</b>											
Electricity Bulk Purchases											
Water Bulk Purchases		37 980	48 673	51 559	57 606	57 606	57 606	57 606	69 918	73 363	76 738
<b>Total bulk purchases</b>	1	37 980	48 673	51 559	57 606	57 606	57 606	57 606	69 918	73 363	76 738
<b>Transfers and grants</b>											
Cash transfers and grants		1 967	254								
Non-cash transfers and grants											
<b>Total transfers and grants</b>	1	1 967	254								
<b>Contracted services</b>											
Amatola Water		46 013	53 784	50 318	62 518	52 387	52 387	52 387			
Wssa		2 123							25 687	26 882	28 122

<i>sub-total</i>	1	48 136	53 784	50 318	62 518	52 387	52 387	52 387	25 687	26 882	28 122
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
<b>Total contracted services</b>		<b>48 136</b>	<b>53 784</b>	<b>50 318</b>	<b>62 518</b>	<b>52 387</b>	<b>52 387</b>	<b>52 387</b>	<b>25 687</b>	<b>26 882</b>	<b>28 122</b>
<b>Other Expenditure By Type</b>											
Collection costs		1 477	2 443	2 857	3 100	600	600	600	810	847	886
Contributions to 'other' provisions											
Consultant fees		1 514	4 447	57 697	7 651	8 185	8 185	8 185	7 154	7 483	7 830
Audit fees		4 214	4 210	4 262	5 451	5 456	5 456	5 456	4 577	4 788	5 202
General expenses	3	140 291	125 607	66 160	39 078	59 736	59 736	59 736	142 498	105 556	94 030
<i>R&amp;M: Machinery And Equipment</i>		1 843	1 724	1 349	1 752	1 833	1 833	1 833	1 471	1 536	1 608
<i>Pit Lantrine Clearance</i>		93	1 384	1 912	3 800	5 800	5 800	5 800	8 515	8 907	9 316
<i>Indigent Support</i>		1 346	3 458	(0)	5 180	5 180	5 180	5 180	12 095	12 749	13 335
<i>Solid Waste Site Eastern Region Costs</i>		35	1 533	3 451	4 300	4 300	4 300	4 300	3 800	3 975	4 158
<i>Insurance Premium Costs</i>		4 476	4 614	5 151	6 108	6 108	6 108	6 108	7 330	7 667	8 020
<i>R&amp;M: Mechanical Electrical</i>		619	928	2 231	2 510	6 677	6 677	6 677	18 278	18 960	19 827
<i>Training : General</i>		3 060	4 215	4 847	10 139	8 811	8 811	8 811	7 531	7 894	8 261
<i>R&amp;M: Dams Repairs &amp; Maintenance</i>		-	3 623	(6 761)	380	460	460	460	311	325	341
<i>S&amp;T Fly Hotel Car Hire</i>		3 294	6 104	11 640	7 725	10 288	10 288	10 288	10 000	10 469	10 888
<i>R&amp;M: Vehicle Maintenance</i>		-	-	2 724	5 602	4 017	4 017	4 017	6 584	6 913	7 236
<i>R&amp;M: Network</i>		4 012	3 696	7 150	10 427	9 258	9 258	9 258	9 011	9 387	9 834
<i>Rentals : Office Accomodation</i>		5 760	8 129	11 755	18 977	18 457	18 457	18 457	-	-	-
<i>Rentals : Vehicles</i>		13 759	12 262	18 940	7 793	6 303	6 303	6 303	1 800	1 800	1 883
<i>Amathole Economic Dev Agency Contr</i>		10 000	11 500	15 000	15 000	15 000	15 000	15 000	16 500	15 000	15 690
<i>Security Services</i>		2 803	10 809	14 475	18 330	17 560	17 560	17 560	18 374	19 219	20 103
<i>Transport</i>		8 654	11 490	12 480	18 514	17 289	17 289	17 289	11 938	12 569	13 168
<i>Electricity</i>		15 806	18 991	25 781	33 109	32 595	32 595	32 595	35 666	41 174	47 691
<i>R&amp;M: Buildings: Whelan Workshop</i>		233	685	700	675	840	840	840	910	900	500
<i>Protective Clothing &amp; Uniforms</i>		1 386	2 918	3 289	3 413	5 924	5 924	5 924	5 000	5 266	5 507
<i>R&amp;M: Buildings</i>		1 170	835	3 456	6 063	4 843	4 843	4 843	7 326	8 234	6 522
<i>Printing Stationery</i>		3 589	6 533	7 541	10 348	10 828	10 828	10 828	9 612	9 579	10 011
<i>Membership Fees</i>		2 178	2 114	3 393	4 736	4 770	4 770	4 770	5 665	6 089	6 541
<i>Telephone Expenses</i>		3 307	5 244	5 312	8 119	7 506	7 506	7 506	8 830	9 206	9 629
<i>Job Evaluation Results</i>		229	297	532	-	-	-	-	-	-	-
<i>Software</i>		1 276	6 548	9 362	11 754	9 931	9 931	9 931	12 650	13 237	13 857
<i>Skills Development Levy</i>		1 978	2 309	2 977	3 554	3 529	3 529	3 529	-	-	-
<i>Projects Municipal Manager</i>		-	-	-	89 400	10 463	10 463	10 463	-	-	-
<i>Staff 2013/14</i>		-	-	-	10 000	-	-	-	-	-	-
<i>Tanker Hire</i>		-	-	-	360	-	-	-	15 000	15 598	16 306
<i>Vat Portion On External Funds</i>		-	-	-	58 142	57 988	57 988	57 988	-	-	-
<i>Financial Reporting Tool Support</i>		-	-	-	1 309	309	309	309	-	-	-
<i>Employee Study Assistance</i>		697	763	1 268	1 368	1 323	1 323	1 323	5 693	5 955	6 225
<i>Consumer Water Restriction</i>		-	-	-	-	-	-	-	810	847	886
<i>Conditional Grant Expenditure</i>		80 251	47 643	66 907	4 319	7 912	7 912	7 912	7 969	5 123	5 427
<i>Community Initiatives</i>		1 417	1 835	2 538	2 639	2 919	2 919	2 919	4 132	4 322	4 514
<i>Essential Car User Re-Imbursive Costs</i>		-	-	-	-	-	-	-	10 201	10 719	11 231
<i>Internally Funded Projects</i>		-	-	-	-	-	-	-	-	-	-
<i>Forthare Waste Water Treatments Costs</i>		804	877	1 405	2 000	1 700	1 700	1 700	2 000	2 100	2 197
<i>Plant And Equipment Hire</i>		-	-	52	13 960	17 362	17 362	17 362	4 000	4 301	4 515
<i>International Programmes</i>		721	10	165	767	389	389	389	1 000	1 046	1 082
<i>Repairs And Maintenance Other</i>		-	162	214	5 545	3 895	3 895	3 895	9 060	9 486	9 950
<i>Sports &amp; Culture</i>		570	1 284	1 644	1 000	1 319	1 319	1 319	2 295	2 401	2 511
<b>Total 'Other' Expenditure</b>	1	<b>322 861</b>	<b>321 225</b>	<b>373 858</b>	<b>464 396</b>	<b>397 663</b>	<b>397 663</b>	<b>397 663</b>	<b>436 392</b>	<b>411 626</b>	<b>416 719</b>
<b>Repairs and Maintenance</b>	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		7 876	11 683	11 289	34 065	32 697	32 697	32 697	53 544	56 362	56 469
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>7 876</b>	<b>11 683</b>	<b>11 289</b>	<b>34 065</b>	<b>32 697</b>	<b>32 697</b>	<b>32 697</b>	<b>53 544</b>	<b>56 362</b>	<b>56 469</b>

**Table 55 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

DC12 Amathole - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 01 - Legislative & Executive Support	Vote 02 - Strategic Management	Vote 03 - Internally Funded Projects	Vote 04 - Corporate Services	Vote 05 - Budget & Treasury	Vote 06 - Engineering Department	Vote 07 - Health & Protection Department	Vote 08 - Water & Sanitation Management	Vote 09 - Water Services	Vote 10 - Sanitation Services	Vote 11 - Land Human Settlement & Economic	Vote 12 - Municipal Management	Vote 15 - Other	Total
<b>R thousand</b>	1														
<b>Revenue By Source</b>															
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	99 362	-	-	-	-	-	99 362
Service charges - sanitation revenue		-	-	-	-	-	774	-	-	53 746	-	-	-	-	54 520
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	2 316	-	-	-	-	-	-	2 316
Rental of facilities and equipment		-	-	-	738	-	-	-	-	-	-	-	-	-	738
Interest earned - external investments		-	-	-	-	13 450	-	-	-	-	-	-	-	-	13 450
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	30 783	-	-	-	-	30 783
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue		49 888	46 382	-	78 419	74 480	286 762	68 188	-	10 000	-	57 701	9 700	-	681 520
Transfers recognised - operational		17 869	18 239	-	46 158	18 908	77 040	16 935	137 705	13 157	43 055	31 857	96 387	-	517 311
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>67 757</b>	<b>64 621</b>	<b>-</b>	<b>125 315</b>	<b>106 838</b>	<b>364 576</b>	<b>87 439</b>	<b>137 705</b>	<b>153 303</b>	<b>96 801</b>	<b>89 558</b>	<b>106 087</b>	<b>-</b>	<b>1 400 000</b>
<b>Expenditure By Type</b>															
Employee related costs		22 356	33 256	-	64 627	83 300	23 252	57 043	29 651	121 304	41 600	27 395	17 920	-	521 705
Remuneration of councillors		15 659	-	-	-	-	-	-	-	-	-	-	-	-	15 659
Debt impairment		1 542	1 796	-	2 397	5 234	18 745	3 670	-	43 941	39 059	1 818	985	-	119 187
Depreciation & asset impairment		385	2 344	-	1 899	1 224	457	1 818	137 705	-	3 996	3 432	90	-	153 349
Finance charges		2	2	-	15 731	29	2	11	11	-	-	2	-	-	15 790
Bulk purchases		-	-	-	-	-	-	-	-	69 918	-	-	-	-	69 918
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		2 110	2 106	-	3 713	5 472	1 581	1 817	1 577	4 625	276	1 495	916	-	25 687
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		32 288	39 966	-	42 754	25 526	44 614	19 820	21 981	117 659	35 937	44 048	11 798	-	436 392
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>74 342</b>	<b>79 470</b>	<b>-</b>	<b>131 120</b>	<b>120 786</b>	<b>88 651</b>	<b>84 179</b>	<b>190 925</b>	<b>357 447</b>	<b>120 868</b>	<b>78 189</b>	<b>31 709</b>	<b>-</b>	<b>1 357 687</b>
<b>Surplus/(Deficit)</b>															
Transfers recognised - capital		(6 585)	(14 849)	-	(5 805)	(13 948)	470 727	3 259	(53 220)	(204 144)	(24 067)	11 369	74 378	-	42 313
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(6 585)</b>	<b>(14 849)</b>	<b>-</b>	<b>(5 805)</b>	<b>(13 948)</b>	<b>746 652</b>	<b>3 259</b>	<b>(53 220)</b>	<b>(204 144)</b>	<b>(24 067)</b>	<b>11 369</b>	<b>74 378</b>	<b>-</b>	<b>513 040</b>

**Table 56 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

DC12 Amathole - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

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>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits < 90 days											
Other current investments > 90 days		466 190	471 109	472 085	460 000	471 293	471 293	471 293	460 000	460 000	460 000
<b>Total Call investment deposits</b>	2	466 190	471 109	472 085	460 000	471 293	471 293	471 293	460 000	460 000	460 000
<b>Consumer debtors</b>											
Consumer debtors		293 631	159 939	368 143	307 156	76 033	76 033	76 033	560 650	583 872	607 994
Less: Provision for debt impairment		(241 903)	(126 704)	(296 862)	(216 104)	-	-	-	-	-	-
<b>Total Consumer debtors</b>	2	51 728	33 236	71 282	91 052	76 033	76 033	76 033	560 650	583 872	607 994
<b>Debt impairment provision</b>											
Balance at the beginning of the year		-	-	-	-	-	-	-	435 381	452 796	470 908
Contributions to the provision		241 903	-	-	216 104	-	-	-	119 187	124 751	130 508
Bad debts written off		-	-	-	-	-	-	-	6 081	6 324	6 577
<b>Balance at end of year</b>		241 903	-	-	216 104	-	-	-	560 650	583 872	607 994
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		2 907 779	3 242 621	3 838 846	3 827 634	3 186 562	3 186 562	3 186 562	2 985 981	2 825 578	2 657 794
Leases recognised as PPE		3 231	-	-	2 213	-	-	-	2 213	2 213	-
Less: Accumulated depreciation		365 133	449 420	595 349	535 964	-	-	-	623 554	711 144	-
<b>Total Property, plant and equipment (PPE)</b>	2	2 545 877	2 793 201	3 243 498	3 293 883	3 186 562	3 186 562	3 186 562	2 364 640	2 116 647	2 657 794
<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		504	472	383	438	275	275	275	275	307	344
<b>Total Current liabilities - Borrowing</b>		504	472	383	438	275	275	275	275	307	344
<b>Trade and other payables</b>											
Trade and other creditors		111 263	167 430	146 237	102 474	264 500	264 500	264 500	177 169	188 649	200 882
Unspent conditional transfers		120 997	169 834	88 504	205 215	-	-	-	150 825	156 858	163 133
VAT		-	-	5 288	-	-	-	-	-	-	-
<b>Total Trade and other payables</b>	2	232 260	337 264	240 028	307 689	264 500	264 500	264 500	327 994	345 507	364 015
<b>Non current liabilities - Borrowing</b>											
Borrowing											
Finance leases (including PPP asset element)		538	299	223	299	299	299	299	499	558	625
<b>Total Non current liabilities - Borrowing</b>	4	538	299	223	299	299	299	299	499	558	625
<b>Provisions - non-current</b>											
Retirement benefits		107 557	136 142	151 150	147 494	151 150	151 150	151 150	206 910	242 084	283 239
Leave Accruals		8 774	-	-	13 111	(1 776)	(1 776)	(1 776)	14 029	15 011	-
Deferred Income		-	-	-	-	-	-	-	-	-	-
Operating Lease Liability		282	472	348	290	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Provisions - non-current</b>		116 612	136 614	151 498	160 896	149 374	149 374	149 374	220 939	257 095	283 239
<b>CHANGES IN NET ASSETS</b>											
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		2 914 828	3 097 260	3 243 034	3 364 424	3 158 035	3 158 035	3 158 035	3 062 264	3 008 037	3 781 352
GRAP adjustments			(999)	2 782							
Restated balance		2 914 828	3 096 261	3 245 816	3 364 424	3 158 035	3 158 035	3 158 035	3 062 264	3 008 037	3 781 352
Surplus/(Deficit)		181 860	149 554	444 151	523 978	631 222	631 222	631 222	513 040	577 485	625 919
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments		572									
<b>Accumulated Surplus/(Deficit)</b>	1	3 097 260	3 245 816	3 689 967	3 888 402	3 789 257	3 789 257	3 789 257	3 575 304	3 585 522	4 407 270
<b>Reserves</b>											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves					106 205						
Revaluation		18 665	18 665	18 665	18 665	18 665	18 665	18 665	18 665	18 665	18 665
<b>Total Reserves</b>	2	18 665	18 665	18 665	124 870	18 665	18 665	18 665	18 665	18 665	18 665
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	3 115 925	3 264 481	3 708 632	4 013 272	3 807 922	3 807 922	3 807 922	3 593 969	3 604 187	4 425 936
<b>Total capital expenditure includes expenditure on nationally significant priorities:</b>											
Provision of basic services											



**Table 57 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

DC12 Amathole - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population		COMMUNITY SURVEY	1 664	1 665								
Females aged 5 - 14			204	185								
Males aged 5 - 14			205	188								
Females aged 15 - 34			300	290								
Males aged 15 - 34			271	293								
Unemployment			281	213								
<b>Monthly household income (no. of households)</b>												
No income	1, 12											
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13					0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADM												
<b>Household/demographics (000)</b>												
Number of people in municipal area												
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
<b>Housing statistics</b>												
Formal	3		211 985	260 745								
Informal			212 356	197 839								
Total number of households			424 341	458 584								
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings												
<b>Economic</b>												
Inflation/inflation outlook (CPI)	6					6.0%	6.0%	0.0%	6.0%	5.0%	0.0%	0.0%
Interest rate - borrowing						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment						7.0%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increases						13.0%	13.0%	0.0%	6.0%	5.0%	0.0%	0.0%
Consumption growth (electricity)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						5.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Collection rates</b>												
Property tax/service charges	7					31.0%	31.0%	0.0%	48.0%	48.0%	0.0%	0.0%
Rental of facilities & equipment						89.0%	89.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Interest - external investments						79.0%	79.0%	0.0%	100.0%	100.0%	0.0%	0.0%
Interest - debtors						78.0%	78.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.	A10	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
<b>Household service targets (000)</b>												
<b>Water:</b>												
Piped water inside dwelling				31 902								
Piped water inside yard (but not in dwelling)												
Using public tap (at least min.service level)	8		200 000	224 621	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590	
Other water supply (at least min.service level)												
Minimum Service Level and Above sub-total			200 000	256 523	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590	
Using public tap (< min.service level)	9											
Other water supply (< min.service level)	10											
No water supply				89 380								
Below Minimum Service Level sub-total				89 380								
Total number of households			200 000	345 903	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590	
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)				22 637								
Flush toilet (with septic tank)												
Chemical toilet												
Pit toilet (ventilated)			98 994	99 494	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000	
Other toilet provisions (> min.service level)				1 088								
Minimum Service Level and Above sub-total			98 994	123 219	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000	
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
Below Minimum Service Level sub-total												
Total number of households			98 994	123 219	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000	
<b>Energy:</b>												
Electricity (at least min.service level)												
Electricity - prepaid (min.service level)												
Minimum Service Level and Above sub-total												
Electricity (< min.service level)												
Electricity - prepaid (< min.service level)												
Other energy sources												
Below Minimum Service Level sub-total												
Total number of households												
<b>Refuse:</b>												
Removed at least once a week												
Minimum Service Level and Above sub-total												
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
Below Minimum Service Level sub-total												
Total number of households												

Municipal in-house services		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	<b>Household service targets (000)</b>									
	<b>Water:</b>									
	Piped water inside dwelling	-	31 902	-	-	-	-	-	-	-
8	Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
10	Using public tap (at least min.service level)	200 000	224 621	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590
	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	200 000	256 523	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590
9	Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
10	Other water supply (< min.service level)	-	89 380	-	-	-	-	-	-	-
	No water supply	-	89 380	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	89 380	-	-	-	-	-	-	-
	<b>Total number of households</b>	200 000	345 903	228 772	191 578 000	189 447 000	189 447 000	235 113 590	254 258 000	287 794 590
	<b>Sanitation/sewerage:</b>									
	Flush toilet (connected to sewerage)	-	22 637	-	-	-	-	-	-	-
	Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
	Chemical toilet	-	-	-	-	-	-	-	-	-
	Pit toilet (ventilated)	98 994	99 494	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000
	Other toilet provisions (> min.service level)	-	1 088	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	98 994	123 219	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000
	Bucket toilet	-	-	-	-	-	-	-	-	-
	Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	98 994	123 219	104 708	216 000 000	216 000 000	216 000 000	171 150 000	167 251 590	150 550 000
	<b>Energy:</b>									
	Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
	<b>Refuse:</b>									
	Removed at least once a week	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
	Using communal refuse dump	-	-	-	-	-	-	-	-	-
	Using own refuse dump	-	-	-	-	-	-	-	-	-
	Other rubbish disposal	-	-	-	-	-	-	-	-	-
	No rubbish disposal	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
Municipal entity services		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	<b>Household service targets (000)</b>									
	<b>Water:</b>									
	Piped water inside dwelling	-	-	-	-	-	-	-	-	-
8	Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
10	Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
9	Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
	No water supply	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
	<b>Sanitation/sewerage:</b>									
	Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
	Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
	Chemical toilet	-	-	-	-	-	-	-	-	-
	Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
	Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Bucket toilet	-	-	-	-	-	-	-	-	-
	Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
	<b>Energy:</b>									
	Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
	<b>Refuse:</b>									
	Removed at least once a week	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
	Using communal refuse dump	-	-	-	-	-	-	-	-	-
	Using own refuse dump	-	-	-	-	-	-	-	-	-
	Other rubbish disposal	-	-	-	-	-	-	-	-	-
	No rubbish disposal	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
Services provided by 'external mechanisms'		2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
	<b>Household service targets (000)</b>									
	<b>Water:</b>									
	Piped water inside dwelling	-	-	-	-	-	-	-	-	-
8	Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
10	Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
9	Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
	No water supply	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
	<b>Sanitation/sewerage:</b>									
	Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
	Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
	Chemical toilet	-	-	-	-	-	-	-	-	-
	Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
	Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Bucket toilet	-	-	-	-	-	-	-	-	-
	Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
	<b>Energy:</b>									
	Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
	<b>Refuse:</b>									
	Removed at least once a week	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
	Using communal refuse dump	-	-	-	-	-	-	-	-	-
	Using own refuse dump	-	-	-	-	-	-	-	-	-
	Other rubbish disposal	-	-	-	-	-	-	-	-	-
	No rubbish disposal	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	<b>Total number of households</b>	-	-	-	-	-	-	-	-	-
	<b>Names of service providers</b>									
	<b>Names of service providers</b>									



## Table 58 MBRR SA32 – List of external mechanisms

DC12 Amathole - Supporting Table SA32 List of external mechanisms

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

**Table 59 List of Internally Funded Projects per vote**

<b>LESS Project Details</b>		
<b>Project Name</b>	<b>Municipality (Area where the project is implemented)</b>	<b>Proposed Budget</b>
State Of the District Address	As per the identified LM	600 000
Provision of Support to People with Disabilities	Mbhashe & GK	250 000
Provision of Support to Women	Mnquma	250 000
Provision of Support to Older Persons	Nggushwa	250 000
Provision of Support to Youth	Nxuba & Amahlathi	250 000
Mandela Legacy Interventions		10 000 000
<b>TOTAL BUDGET REQUIRED</b>		<b>11 600 000</b>

### Strategic Management Project Details

Project Name	Municipality (Area where the project is implemented)	Proposed Budget
Implementation of GIS Shared Services and Web Portal	ADM & LM's	484 000
Cadastral Land Audit Update	ADM and LMs	366 000
Land Use Management Plan Update	ADM and LMs	100 000
GIS system integration of water and billing data (live link)	ADM	300 000
SAN Upgrade	ADM	600 000
Reviewal of ICT Master Strategic Plan	ADM	255 000
Implementation of ICT Master Strategic Plan	ADM	400 000
Reviewal of IT Business Continuity Plan/DRP	ADM	200 000
Implementation of IT Disaster Recovery Plan	ADM	300 000
Installing of Biometric System	ADM	650 000
Network Infrastructure Upgrade	ADM	500 000
Implementation of Master Systems Plan	ADM	400 000
Implementation of Corporate IT Governance Framework	ADM	700 000
Development of Information Management Plan	ADM	300 000

<b>Strategic Management Project Details</b>		
<b>Project Name</b>	<b>Municipality (Area where the project is implemented)</b>	<b>Proposed Budget</b>
SCM: Supplier Data Base		330 000
Capacity Building		220 000
Planning and Surveying of Kologha Settlement (500 sites) Amahlathi LM		467 015
Planning and Surveying of Nxuba Settlements (200 sites) Nxuba LM		188 806
Review of the Nkonkobe Spatial Development Framework		415 373
Development of the Great Kei Zoning Schemes		188 806
Development of Draft ICT Masterplans at Amahlathi; Mphashe; Nxuba; Great Kei and Nkonkobe		880 000
Capacity building in LMs - Engineering		985 000
Technical assistance (pothole patching, training for machine operators for urban maintenance)		110 000
Training and Development at LMs		330 000
Video Production		330 000
<b>TOTAL BUDGET REQUIRED</b>		<b>10 000 000</b>



<b>Corporate Services Project Details</b>		
<b>Project Name</b>	<b>Municipality (Area where the project is implemented)</b>	<b>Proposed Budget</b>
Retention Strategy implementation (3 Programmes)	Cross cutting	500 000
Human Resource Strategy Implementation	Cross cutting	500 000
Employment Equity Plan Implementation	ADM	500 000
HRD Strategy Implementation (career Expos etc)	Nxuba	300 000
Development of the Fleet Management Strategy	ADM	500 000
Learnership implementation (LED)	Cross cutting	600 000
<b>TOTAL BUDGET REQUIRED</b>		<b>2 900 000</b>

<b>BTO Project Details</b>		
<b>Project Name</b>	<b>Municipality (Area where the project is implemented)</b>	<b>Proposed Budget</b>
Automated budget model	ADM	400 000
Electronic Meter Reading System	All LM's	1 000 000
Service Coverage	All LM's	3 000 000
Data Management Tool	All LM's	800 000
<b>TOTAL BUDGET REQUIRED</b>		<b>5 200 000</b>

### Engineering Project Details

<b>Project Name</b>	<b>Municipality (Area where the project is implemented)</b>	<b>Proposed Budget</b>
Laboratory Establishment	Amahlathi	1 000 000
Plant Process Audits	Cutting across	800 000
Rainwater Harvesting Programme	Cutting across	1 000 000
Water Safety Plan Programme	Cutting across	1 000 000
Implementation Sludge Management Plan	Cutting across	1 000 000
Sanitation Infrastructure Upgrade	Cutting across	400 000
Implementation of Risk Abatement Plan	Cutting across	1 000 000
Implementation of the recommendations of the Study into Operations & Management of Public Transport Facility	District Wide	500 000
Dutywa Dam	Mbhashe	5 000 000
Upgrading of Elliotdale Public Transport Facility	Mbhashe	4 000 000
Upgrading of Willowvale Public Transport Facility	Mbhashe	3 000 000
Butterworth Pipe Replacement	Mnquma	6 900 000
Construction of Dutywa Transfer Station	Mbhashe	2 000 000
Refurbishment of Adelaide Canal	Nxuba	3 500 000
Western Regional Solid Waste Site Design	Nxuba Nkonkobe Ngqushwa	300 000
<b>TOTAL BUDGET REQUIRED</b>		<b>31 400 000</b>

### Community Services Project Details

<b>Project Name</b>	<b>Municipality (Area where the project is implemented)</b>	<b>Proposed Budget</b>
Water Outlets for Fire Services Use		200 000
Address Disaster Damaged Backlogs	Mnquma, Ngqushwa, Nkonkobe and Mbhashe	2 000 000
Community Services awareness campaign	All LM's	1 000 000
1 Waste Management Promotion project conducted in 1 LM	Nxuba	600 000
6 Community Safety Capacity building programs		300 000
Construction of Fire Station in Butterworth	Mnquma	1 000 000
<b>TOTAL BUDGET REQUIRED</b>		<b>5 100 000</b>

### LHSED Project Details

Project Name	Municipality (Area where the project is implemented)	Proposed Budget
Heritage Awareness	ADM Jurisdiction	50 000
Armed Struggle Living Museum Legacy Initiatives	ADM Jurisdiction	100 000
Heritage Research and Collection	ADM Jurisdiction	50 000
Resuscitation of Ntaba kaNdoda Monument	Amahlathi	200 000
Early African Legacy Initiatives	Nkonkobe	200 000
Wars of land dispossession	Mnquma	100 000
Cooperatives Development Centre	Mnquma	500 000
Enterprise Development Capacity Programmes / Business Skills	ADM Jurisdiction	50 000
Trade Exhibitions	ADM Jurisdiction	50 000
Informal Trade development Programme	ADM Jurisdiction	50 000
SMME Development Programme	ADM Jurisdiction	50 000
Investor Incentive Framework	ADM Jurisdiction	50 000
Intergrated Wild Coast Development Plan Coordination	Mnquma, Great Kei and Mbhashe	50 000
ADM LED Indaba	ADM Jurisdiction	100 000
LED Funding Facilitation	ADM Jurisdiction	50 000
EPWP Graduate Intern Program	ADM Jurisdiction	3 200 000
<b>Tourism Development Support</b>		

Bawa Falls Construction	Mnquma	1 000 000
LTO's and Tour Guides		600 000
Grading		50 000
Signage		200 000
Mentorship and Capacity Building		100 000
<b>TOURISM MARKETING &amp; PROMOTION:</b>		
Toursim Indaba		500 000
Getaway Show		250 000
Africa Expo		450 000
Tourism Imbizo		300 000
VIC's Administrators		252 000
Brochures Development		200 000
<b>TOURISM EVENTS:</b>		
Wildcoast Jikeleza & Grahamstown Festival	ADM Jurisdiction	100 000
Xmas in July	Nkonkobe	100 000
BedfordGardens Festival	Nxuba	100 000
Summer Festival Great Kei Municipality	Great Kei	100 000
Summer Festival Mbashe	Mbashe	100 000
Craft Mania	Amahlathi	100 000
Hamburg Beach Festival	Ngqushwa	100 000
Sport Tourism - Africa Open	ADM Jurisdiction	1 200 000
Craft Development Support	ADM Jurisdiction	100 000
Film Development & Creative Industries Support	ADM Jurisdiction	500 000
Input Supply	ADM Jurisdiction	

		1 000 000
Livestock Improvement	ADM Jurisdiction	400 000
Agroprocessing	ADM Jurisdiction	100 000
Irrigation Development	ADM Jurisdiction	100 000
Aquaculture	Ngqushwa	50 000
Blue Flag Beach Program for Hamburg	Ngqushwa	50 000
Development of Green Economy Strategic Framework	ADM	50 000
Amathole Mountain Biosphere program: Zonation	Amahlathi, Nkonkobe, Great Kei, Ngqushwa	100 000
Air Quality Program	Cross cutting	100 000
Climate Change Program	ADM	50 000
Environmental Empowerment Campaigns	ADM	50 000
Rural Development Plan	ADM	50 000
Rural Development Presidential Infrastructure roll out	ADM	100 000
Housing Accreditation	ADM	100 000
Social Housing	Amahlathi	50 000
Housing Consumer Education	ADM	50 000
Housing Built Environment Technologies	ADM	20 000
Spatial Development Framework Review	ADM	50 000
Shared Services - Spatial Planning Land Use Management Act Implementation	ADM	200 000
Housing Finance Fraud Plan Roll out	ADM	50 000
Elukhanyiswen Zone Plan	Amahlathi	300 000
Mt Pleasant Tenure Security	Nkonkobe	200 000
Komga Zone 10 Tenure Security	ADM	200 000

Kei Road Tenure Security	Amahlathi	200 000
Settlement Inventory	ADM	50 000
Settlement Valuations	ADM	50 000
Worteldrift Township Register	ADM	10 000
Cenyu Township Register	Amahlathi	10 000
3 Mgwali Commonage Land Township Register	Amahlathi	10 000
Ducats Tranfers	ADM	20 000
Kaysers Beach Transfer	ADM	15 000
Settlement Planning Sales Admin	ADM	5 000
LM Institutional Land Reform Capacity Building	ADM	50 000
Land Reform Housing Forum	ADM	20 000
District Housing Analysis Forum	ADM	20 000
Bell Settlement Planning	Ngqushwa	300 000
Cintsa East Settlement Planning	Great Kei	300 000
Elliotdale (Ncihana Settlement Planning)	Mbhashe	300 000
Ngqamakwe Settlement Planning	Mnquma	300 000
ASPIRE	Cross cutting	5 000 000
<b>TOTAL BUDGET REQUIRED</b>		<b>21 332 000</b>

**MM Project Details**

<b>Project Name</b>	<b>Municipality (Area where the project is implemented)</b>	<b>Proposed Budget</b>
Knowledge and Information Systems Development	ADM	700 000
Policy Framework Development	ADM	200 000
Institutional Emergency Fund	ADM	1 000 000
<b>TOTAL BUDGET REQUIRED</b>		<b>1 900 000</b>

