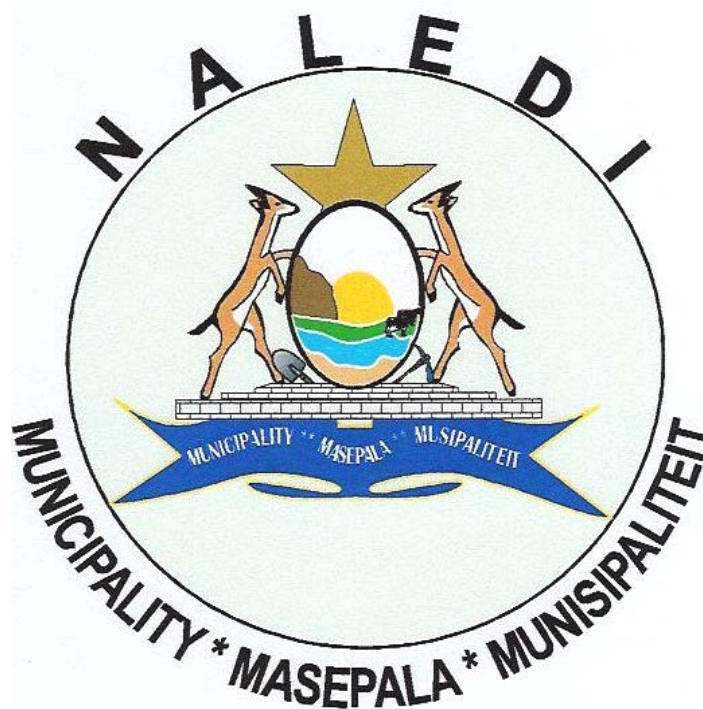


# NALEDI LOCAL MUNICIPALITY



## **2014/2015 TO 2016/2017 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) ADJUSTMENT BUDGET DOCUMENT**

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**ADDITIONAL DOCUMENTS**

- Annexure A    Integrated Development Plan 2014/15 to 2016/17  
Annexure B    Policies as set out in Par 4.2  
Annexure C    Rates and Tariff for the rendering of Municipal Services 2014/2015

## Part 1 – Annual Budget

### 1.1 Mayor's Report

Speech by the Mayor on the tabling the Final Annual budget and Final IDP 2014/2015



Foreword by the Mayor

***“We have a good story to tell!”***

We are tabling this budget at the end of the second decade of our freedom as the country. Indeed South Africa is a better place to live in since 1994, and without any shadow of doubt, Naledi municipality is better place to live in.

The advent of democracy has brought with it endless possibilities and opportunities for the majority of our people who have been deprived for more than three centuries of apartheid and colonialism. Today is better than yesterday and tomorrow looks brighter!

We have undergone a lot of transformation as local government, from the era of local towns authorities, to Transitional Local Councils (TLCs) to the integrated local councils. In our case as Naledi Local Municipality, changes in the ward demarcations has affected us a great deal from Motheo District Municipality to Xhariep District Municipality with the advent of Manguang Metropolitan Municipality.

Despite challenges that comes with the municipality of our size, with a huge number residents being indigent with no revenue base we have come a long way. We set ourselves an ambitious target to achieve clean audits in our municipality by 2014. This will require consistent effort on the part of all us to do things correctly according to the book. We are convinced that this is still possible, it will be part of the good story that we are continuing to tell.

There can be no doubt that our people's experience with local government and service delivery is a key contributor in the overall perception of government as a whole. Local government is at the coalface of service delivery, and we cannot be found wanting in our commitment and effort to ensure that this sphere of government operates at maximum efficiency and effectiveness levels. It worth noting that our provincial government has committed itself for adopting poor municipalities like ours.

We have endeavored that there is alignment of budget to the IDP and the turn around strategy that we have adopted as the municipality. The municipality must get the basics right. Consistent maintenance of existing infrastructure supported by adequate and appropriate budget allocation and comprehensive planning for infrastructure development is critical.

Needless to say, there is still some challenges in our effort to provide quality services. The supply of clean running water on a continuous level is one but challenge. The Department of Water Affairs and Bloem Water have joined hands to help us out of the situation. The project of installing a parallel pipe that will increase our supply is underway and soon the community will reap the fruits of this project.

In the last financial year, we were able to fill not less than twenty positions, thereby creating stability in the workforce. We also created a number of work opportunities through the Expanded Public Works Programmes.

Through this year budget, we intend to build on the work that we have already done, use the budget to tell a good story that Naledi is a better place to live in since 1994. We are proud of our past performance and are confident of the future.

We invite you to look into our budget and give us feedback so that we may serve our communities better.

Kind regards

Clr. Mpolokeng Mahase

Speaker / Mayor

Naledi Local Municipality

## 1.2 Council Resolutions

In 19 February 2015 the Council of Naledi Local Municipality met at the Town Hall in Dewetsdorp to consider the Final Adjustment Budget of the municipality for the financial year 2014/2015. The Council approved and adopted the following resolutions:

1. The Council of Naledi Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1 The Final Adjustment Budget of the municipality for the financial year 2014/2015 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 8 on page 32
    - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 10 on page 38
    - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 11 on page 39
    - 1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 6 on page 27
  - 1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1 Budgeted Financial Position as contained in Table 12 on page 41
    - 1.2.2 Budgeted Cash Flows Statement as contained in Table 13 on page 43
2. The Council of Naledi Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013, the following tariffs as set out in Annexure C
  - 2.1 Property rates
  - 2.2 Electricity
  - 2.3 The supply of water
  - 2.4 Sanitation services
  - 2.5 Solid waste services

- 2.6 Cemeteries
  - 2.7 Town Planning (Building Plans)
  - 2.8 Posters and distribution of handbills
  - 2.9 Credit control charges (Penalties and Fines)
  - 2.10 Rental of municipal facilities
  - 2.11 Library fees
  - 2.12 Supply of information
- 3 The Council of Naledi Local Municipality approves the newly designed Integrated Development Plan for the period 2014/2015 to 2016/2017 as set out in Annexure A.
- 4 To give proper effect to the municipality's annual budget, the Council of Naledi Local Municipality approves:
- 4.1 That the cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
  - 4.2 The adoption and the implementation of the following policies, attached as Annexure B
    - Rates Policy
    - Tariffs Policy
    - Credit Control and Debt Collection Policy
    - External Loans Policy
    - Bad Debts and Write off Policy
    - Investment and Banking Policy
    - Virement Policy
    - Indigent policy
    - Supply Chain Management Policy
  - 4.3 That the Municipal Manager be authorised to sign all necessary agreement and documents to give effect to the capital and operating programme.

### 1.3 Executive Summary

The compilation of the adjustment budget for the 2014/2015 financial year as well as the MTREF remains to be affected by the legacy issues affecting the eco-political environment from which the municipality operates. Nevertheless sound financial management principles were applied during the compilation and adoption to ensure the municipality remains financially viable and that all municipal services are provided sustainably, economically and equitably to all communities.

The challenges emanating from economic factors within the jurisdiction of Naledi Municipality remains to be the key limitation that affects the municipality's ability to collect sustainable revenue from the provision of services; this in turn causes more financial constraints and further limits the ability to provide services to communities and the achievement of strategic objectives of the municipality. Where appropriate, priorities were ranked and programmes and projects were reviewed and analysed according to their impact, relevance and financial viability. A critical review was conducted to identify expenditure related to non-core functions and "nice to have" to ensure that due to limited financial muscle, the municipality should only prioritise programmes that add value and respond to service delivery imperatives.

The 2014/2015 adjustment budget is also influenced by the annual budget of 2014/15. The annual budget had to incorporate the issues raised in the financial recovery plan which includes amongst others the issue of the long term outstanding creditors, whereby the short, medium and long term payment plans have to be provided for in the current year and the two outer years (MTREF). The Financial Recovery Plan advocates for implementation of stricter internal controls to ensure reduction of expenditure on non-core functions, and increased or concerted efforts in the implementation of the Revenue Enhancement Strategy.

The provision of main services remains the responsibility of the municipality, however over the years the municipality entered into Service Delivery Agreements with the service providers of water and electricity. The municipality has to focus on the development of the financial recovery plan, and thereafter develop a revenue enhancement strategy to optimize their collection of debts owed by the customers; this shall be made possible only by the complete and stringent implementation of the council's Credit control and debt collection policy. In addition, proper management of existing debtor's accounts which are regularly verified and monitored will ensure that only valid customers are billed on time, with the correct rates and at the correct consumption levels of services. The Council shall monitor the implementation of initiatives by means of quarterly reports to council on the progress made and the recovery and collection levels on all outstanding customers.

The National Treasury's MFMA Circular No 70 and 72 was used to guide the compilation of the 2014/2015 MTREF. The main challenges experienced during the compilation on the 2014/2015 MTREF can be summarised as follows:

- Continuous and constant international, national, provincial, regional and local economic pressures;
- Aging and poorly maintained water, roads and electricity infrastructure;



- The need to re-prioritise projects and expenditure within the existing resource envelope subject to cash flow limitations and declining cash reserves of the municipality;
- The increased cost of bulk electricity (due to tariff increases by Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- The increased cost of bulk water (due to tariff increases by Bloem-water), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable and lack of proper management of alternative sources. (i.e. performing the task providing water services internally due to lack of technical capacity and financial resources.);
- Inability to properly account for distribution losses on bulk water purchases due to excessive water leakages emanating from inadequate budgeting for repairs and maintenance resulting in potential revenue being forfeited;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- The municipality's lack of financial viability to raise borrowings for capital expenditure;
- Migratory patterns along the Lesotho border which is directly affected by the provision of services to foreigners who do not qualify as indigents; and
- Inability to collect more revenues as a result of high unemployment rate and inadequate and/or lack of sustainable economic activities

The following budget principles and guidelines directly informed the compilation of the 2014/2015 MTREF.

- Intermediate service level standards were used to inform the measurable objectives, targets and eradication of backlog goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- All other possible factors which shall have a direct impact on the 2014/2015 annual budget and which were not catered for on or before the approval of this annual budget, shall be factored through a budget adjustment process

In view of the above mentioned factors, table 1 listed below, 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 Thousand	Budget Year	Adjustment Budget	Budget Year	Budget Year
	2014-2015	2014-2015	2015-2016	2016-2017
<b>Total Operating Revenue</b>	89 548	90 047	93 572	97 917
<b>Total Operating Expenditure</b>	89 328	90 009	93 045	97 527
<b>Surplus/(Deficit) for the year</b>	220	38	527	390
<b>Total Capital Expenditure</b>	<b>21 317</b>	<b>21 317</b>	<b>23 947</b>	<b>19 865</b>

Total operating revenue has increased by R 499 thousand for the 2014/2015 financial year when compared to the 2014/2015 Adjustments Budget. For the two outer years, operational revenue increases by R 3 525 million and R4 345 million respectively.

Total operating expenditure for the 2014/15 financial year has been appropriated at R 89 329 million and adjustment budget for 2014/2015 appropriated by 90 009 and translates into a budgeted surplus of 38 thousand. In comparison, the operating expenditure has increased by R3 036 million in the 2015/16 budget and increased by R4 482 million and R4 482 million for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R527 and stabilises at R390.

The bulk water purchases remains one of the biggest challenges for the municipality, this is compounded by the inability to properly account for distribution losses on water, forfeited revenue, etc. Despite all the factors affecting losses on the water networks, the municipality must constantly maintain the same level of bulk purchases to ensure that water supply to communities is continuous and uninterrupted. The cost of bulk purchases by the water service provider increased by 11%, and this input cost to the municipality must be properly reflected to ensure that bulk water services are sufficiently provided for.

The capital expenditure increased with R5 506 million for 2014/2015, and increased by R2 630 million for 2015/2016 and dropped by R 4.082 million for 2016/2017. All the capital expenditure is financed out of conditional grant, with the largest portion funded by Municipal Infrastructure Grant.

#### 1.4 Operating Revenue Framework

For Naledi Local Municipality to continue improving the quality of services provided to its citizens, it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 50 per cent annual collection rate for property rates and other key service charges;
- Electricity tariffs increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- The Tariffs Policy of Naledi Local Municipality

The following table is a summary of the 2014/2015 MTREF (classified by main revenue source):

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

FS164 Naledi (Fs) - Table B1  
Adjustments Budget Summary - 19  
February 2015

Description	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
<b>Financial Performance</b>											
Property rates	4 537	-	-	-	-	291	-	291	4 829	4 805	5 069
Service charges	35 681	-	-	-	-	-	-	-	35 681	38 402	41 504
Investment revenue	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	43 045	-	-	-	-	-	-	-	43 045	43 852	43 333
Other own revenue	6 285	-	-	-	-	-	207	207	6 492	6 514	8 011
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>89 548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>207</b>	<b>499</b>	<b>90 047</b>	<b>93 573</b>	<b>97 917</b>
Employee costs	31 545	-	-	-	-	-	554	554	32 099	33 563	35 710
Remuneration of councillors	2 396	-	-	-	-	-	(259)	(259)	2 137	2 396	2 396
Depreciation & asset impairment	1 500	-	-	-	-	-	(1 500)	(1 500)	-	1 500	1 500
Finance charges	52	-	-	-	-	-	11	11	63	55	58
Materials and bulk purchases	30 397	-	-	-	-	-	(179)	(179)	30 218	32 531	34 800
Transfers and grants	5 559	-	-	-	-	-	(4 559)	(4 559)	1 000	6 268	7 260
Other expenditure	17 870	-	-	-	-	-	6 622	6 622	24 492	16 733	15 802
<b>Total Expenditure</b>	<b>89 319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>690</b>	<b>690</b>	<b>90 009</b>	<b>93 046</b>	<b>97 526</b>
<b>Surplus/(Deficit)</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>(483)</b>	<b>(192)</b>	<b>38</b>	<b>527</b>	<b>391</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-



Surplus/(Deficit) after capital transfers & contributions	230	-	-	-	-	291	(483)	(192)	38	527	391
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	230	-	-	-	-	291	(483)	(192)	38	527	391
<b>Capital expenditure &amp; funds sources</b>											
Capital expenditure	21 316	-	-	-	-	-	-	-	21 316	23 947	19 865
Transfers recognised - capital	21 147	-	-	-	-	-	-	-	21 147	23 847	19 775
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	170	-	-	-	-	-	-	-	170	100	90
<b>Total sources of capital funds</b>	<b>21 317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 317</b>	<b>23 947</b>	<b>19 865</b>
<b>Financial position</b>											
Total current assets	20 941	-	-	-	-	-	(11 793)	(11 793)	9 148	9 148	9 148
Total non current assets	282 904	-	-	-	-	-	8 428	8 428	291 332	291 332	291 332
Total current liabilities	17 860	-	-	-	-	-	24 636	24 636	42 496	42 497	42 497
Total non current liabilities	-	-	-	-	-	-	2 958	2 958	2 958	2 958	2 958
<b>Community wealth/Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>
<b>Cash flows</b>											
Net cash from (used) operating	21 808	-	-	-	-	-	3 328	3 328	25 136	29 652	29 652
Net cash from (used) investing	21 317	-	-	-	-	-	(2 035)	(2 035)	19 282	19 282	19 282
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>44 568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 293</b>	<b>1 293</b>	<b>45 861</b>	<b>48 934</b>	<b>48 934</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	1 514	-	-	-	-	-	3 005	3 005	4 519	4 519	4 519
Application of cash and investments	1 440	-	-	-	-	-	21 733	21 733	23 172	23 292	23 476
<b>Balance - surplus (shortfall)</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18 728)</b>	<b>(18 728)</b>	<b>(18 653)</b>	<b>(18 773)</b>	<b>(18 957)</b>
<b>Asset Management</b>											
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 500	-	-	-	-	-	(1 500)	(1 500)	-	1 500	1 500
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-



Repairs and Maintenance	2 770	-	-	-	-	-	156	156	2 926	1 601	1 721
<b>Free services</b>											
Cost of Free Basic Services provided	5 013	-	-	-	-	-	(4 013)	(4 013)	1 000	5 325	5 656
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

In line with the format prescribed by the Municipal Budget and Reporting Regulations, Capital transfer and contribution are excluded from the operating statements, as inclusion of these revenue sources will distort the calculation of the operating surplus/deficit.

The largest revenue source is transfers from external sources, totalling R43 045 000 of the total operating revenue. The second largest source is electricity at R24 570 000 of the total operating revenue and as electricity is supplied by Centlec. The third largest source is property rates which is totalling R4 829 000 of the total revenue. A contributing factor to a large increase in service charges is that previous budgets did not break even on the cost for service delivery.

The other revenue consists of various items such as income received from building plans, cemetery fees, rental of municipal properties, commission, fines, etc. The tariffs on these items are reviewed annually to ensure that they are cost reflective and market related. The municipality is embarking of the system of improving a strict implementation of internal control measures to ensure that income from these items is sustainable. The "other income" includes VAT recovery of R1.5 million and R1.8 million for the salaries of the Municipal Manager and the Chief Financial Officer.

Table 2.1 depicted below reflects a gradual increase on all main revenue source over the MTREF period. The table further illustrates each class of main revenue component relative to the total revenue. Property Rates has realised a 6.2% steady increase with the 2014/2015 outer year at 5.9%. However, the Transfer recognised from operation shows a steady increase over the MTREF, from 99% for the 2015/2016, 99% for the 2016/2017. The other service charges remain stagnant caused by realistic projections based on an assessment of covering input costs and making the service charges affordable. The reality is that the municipal area experiences a high indigent rate as a result most of the charges shall have to be paid by with the equitable share in any case.

**Table 2.1 Percentage Growth in revenue by main revenue source**

Description	Ref	Budget Year 2014/15				Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	%	Budget Year +1 2015/16		Budget Year +2 2016/17	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital							Adjusted Budget	%	Adjusted Budget	%
			3	4	5	6	7	8	9	10					
<b>R thousands</b>	<b>1</b>	<b>A</b>	<b>A1</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>					
<b>Revenue By Source</b>															
Property rates	2	4 537	-				291		291	4 829	5%	4 805	5%	5 069	5%
Property rates - penalties & collection charges		-							-	-		-		-	
Service charges - electricity revenue	2	24 570	-						24 570	27%	26 635	28%	29 090	30%	
Service charges - water revenue	2	4 337	-						4 337	5%	4 593	5%	4 846	5%	
Service charges - sanitation revenue	2	4 025	-						4 025	4%	4 263	5%	4 497	5%	
Service charges - refuse revenue	2	2 749	-						2 749	3%	2 911	3%	3 071	3%	
Service charges - other										-		-		-	
Rental of facilities and equipment		356						51	51	407	0%	370	0%	390	0%
Interest earned - external investments										-		-		-	
Interest earned - outstanding debtors		73						144	144	217	0%	78	0%	82	0%
Dividends received		5								5	0%	6	0%	6	0%
Fines		2								2	0%	2	0%	2	0%
Licences and permits										-		-		-	
Agency services										-		-		-	
Transfers recognised - operating		43 045								43 045	48%	43 852	47%	43 333	44%
Other revenue	2	5 848	-					13	13	5 861	7%	6 058	6%	7 531	8%
Gains on disposal of PPE										-		-		-	
<b>Total Revenue (excluding capital transfers and</b>		<b>89 548</b>	<b>-</b>				<b>291</b>	<b>207</b>	<b>499</b>	<b>90 047</b>	<b>100%</b>	<b>93 573</b>	<b>100%</b>	<b>97 917</b>	<b>100%</b>





## FS164 Naledi (Fs) - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 19 February 2015

Description	Ref	Budget Year 2014/15						Budget Year +1 2015/16	
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	
R thousands									
<b>RECEIPTS:</b>	1, 2								
-									
<u>Operating Transfers and Grants</u>									
National Government:		43 045	-	-	-	-	-	43 045	43 852
Local Government Equitable Share		39 311						39 311	40 935
Finance Management	3	1 800						1 800	1 950
Municipal Systems Improvement		934						934	967
EPWP Incentive		1 000						1 000	-
Other transfers and grants [insert description]									
Provincial Government:		-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	4								
Other transfers and grants [insert description]	5								
District Municipality:		-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:		-	-	-	-	-	-	-	-
[insert description]									
<b>Total Operating Transfers and Grants</b>	6	43 045	-	-	-	-	-	43 045	43 852
<u>Capital Transfers and Grants</u>									



National Government:		13 602	-	-	-	-	-	13 602	19 586
Municipal Infrastructure Grant (MIG)		13 406				-	-	13 406	13 390
Regional Bulk Infrastructure		196				-	-	196	6 196
Other capital transfers [insert description]									
Provincial Government:		7 905	-	-	-	-	-	7 905	4 490
Municipal Water Infrastructure		-				-	-	-	-
		7 905						7 905	4 490
District Municipality:		-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:		-	-	-	-	-	-	-	-
[insert description]									
<b>Total Capital Transfers and Grants</b>	6	21 507	-	-	-	-	-	21 507	24 076
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		64 552	-	-	-	-	-	64 552	67 928

The process of tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

It must also be appreciated that the consumer price index, as measured by the CPI, is not a good measure of the cost to increases of goods and services relevant to municipalities. The food basket of goods and services utilised in the calculation of the CPI consists of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of water and electricity, fuel, chemicals, cement, etc. The current challenges facing the municipality is managing the gap between the cost drivers and tariffs levied, as any shortfall must be factored in either by operational efficiency gains or service level reductions. This adds to the contributing factors that the tariffs mentioned above have to increase beyond the official inflation rate of the Reserve Bank.

Within this framework, the municipality has undertaken the tariff setting process relating to service charges as follows, Refer to **Annexure C** for all the relevant tariffs applicable to the 2014/2015 financial year

#### **1.4.1 Property rates**

Cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The implementation of the Property Rates is regulated in terms of the Municipal Property Rates Act, and the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2014 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The categories of rateable properties for the purpose of levying rates and the rates for the 2014/2015 financial year based on a 5.6 per cent increase from 1 July 2014 as contained in the attached Annexure C no 1.

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

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, it is necessary to carefully review the level and structure of the water tariffs to ensure:

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

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. A tariff increase of 6.2 per cent from 1 July 2014 for water is proposed. This is based on input cost assumptions of 10 per cent increase in the cost of bulk water. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents. The municipality is currently levying water supplied by the water board (Bloem Water) and using boreholes in one of its towns (Vanstadensrus). The municipality is seized with the challenge of ensuring that the maintenance of the water infrastructure is factored in the tariffs, at the present moment distribution losses are negatively affecting anticipated revenues which could be realised between the cost and sales of water.

Annexure C shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house: A summary of the proposed water tariffs for households (residential) and non-residential are shown in Annexure C.

#### **1.4.3 Sale of Electricity and impact of Tariff increase.**

Naledi Municipality maintains a Service Delivery Agreement (SDA) with Centlec (a Municipal Entity which is an electricity distribution utility). The municipality did not have capacity to provide electricity services to its communities and this informed a need to enter into an SDA with the service provider. However, in terms of the SDA the electricity tariffs must be set by the municipality, in association with Centlec through the normal planning and budgeting process. Electricity budget was only included from the 2015/2014 and MTREF and this has resulted in the marginal increment to the total operational revenue.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. The proper repairs and maintenance and upgrading of the reticulation network is a strategic priority, especially the sub-stations and transmission lines. Lack of proper town planning that result in new settlement compounds the challenges affecting the existing reticulation network and hence a need for upgrading and regular maintenance.

The approved budgets for the electricity can only be used for certain committed upgrade projects and to strengthen critical infrastructure (e.g. Sub-station without back-up supply). Owing to the high increases in Eskom tariffs, it is apparent that it remains a challenge to maintain high levels of maintenance and upgrades by means of increasing electricity tariff that factor in both issues as the resultant tariff increase will not be affordable to the consumers. It is therefore proposed that a long term sustainable solution as a strategy for funding the infrastructure to consider spreading the burden in the 2014/2015 financial period, over the MTREF period to coincide with the life span of the assets being upgraded.

#### **1.4.4 Sanitation and Impact of Tariff Increases**

A tariff increase of 6.2 per cent for sanitation from 1 July 2014 is proposed. This is based on the input cost assumptions related to water. Sanitation charges are calculated according to the percentage water discharged as indicated in the Annexure C no 10; free sanitation will be applicable to registered indigents. Annexure C no 10 shows the comparison between current sanitation charges and increases.

#### 1.4.5 Waste Removal and Impact of Tariff increases.

Annexure C no 10 shows the comparison between the current and proposed amounts payable from 1 July 2014. A tariff increase of 6.2 per cent for sanitation from 1 July 2014 is proposed. Waste charges are calculated according to the percentage of Waste Removal discharged as indicated in the table below. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long term. The municipality must place more emphasis on the cost driver affecting the provision of this service, and this includes but not limited to repairs and maintenance on vehicles, increase in general expenditure such as petrol and diesel and the cost of remuneration. There is a need to investigate the cost structure of solid waste as well as consideration of alternative service delivery models. The outcome of the investigation will be investigated into the next planning cycle.

#### 1.4.6 Other tariff increases.

Annexure C compares current and proposed tariffs for all other services

### 1.5 Operating Expenditure Framework

The Municipal expenditure framework for the 2014/2015 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- 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 asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/2015 budget and MTREF (classified per main type of operating expenditure):

**Table 4 - Summary of operating expenditure by standard classification.**

Description	Ref	Budget Year						Other Adjusts.	Total Adjusts	Adjusted Budget	Budget Year +1 2015/16
		2014/15									
<b>Expenditure By Type</b>	-										
Employee related costs		31 545	-	-	-	-	-	554	554	32 099	33 563
Remuneration of councillors		2 396						(259)	(259)	2 137	2 396
Debt impairment		2 000						(2 000)	(2 000)	-	2 000
Depreciation & asset impairment		1 500	-	-	-	-	-	(1 500)	(1 500)	-	1 500
Finance charges		52						11	11	63	55
Bulk purchases		30 397	-	-	-	-	-	(179)	(179)	30 218	32 531
Other materials											
Contracted services		1 942	-	-	-	-	-	6 523	6 523	8 465	2 034
Transfers and grants		5 559						(4 559)	(4 559)	1 000	6 268
Other expenditure		13 928	-	-	-	-	-	2 099	2 099	16 027	12 699
Loss on disposal of PPE											
Interest earned - external investments		<b>89 319</b>						690 -	690	90 009	93 046



### **1.5.1 Employee related costs**

The budgeted allocation for employee related costs for the 2014/2015 financial year totals R33 941 million, which equals 38 per cent of the total operating expenditure. After the statistic done per employee and the vacant budgeted post the salary bill went down to 33 which includes the 6.8% of the collective agreement. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.8 per cent for the 2014/2015 financial year and a 6.40 per cent increase for each of the two outer years of the MTREF. As part of the Municipal cost reprioritization and cash management strategy not all vacancies could be filled. However, the municipality had to respond to an outstanding bargaining council outcome that compels the municipality to fill certain posts within the corporate management unit and the office of the municipal manager. In addition, the Auditor General has raised audit queries over the filling of posts in the budget and treasury unit, including the creation of a fully-fledged Supply Chain Management unit.

### **1.5.2 Remuneration of Councillors**

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipal budget.

### **1.5.3 Bulk purchases**

Bulk purchases are directly informed by the purchase of Water from Bloem Water. The current account and the annual price increases have been factored in the budget appropriation and are directly informing the revenue provisions. The expenditure relatively caters for distribution losses on water.

### **1.5.4 Contracted Services**

Contracted service includes the two items of Equipment rental and Insurance.

### **1.5.5 Other Expenditure**

Other expenditure comprises of general expenses which includes among others, audit fees, fuel, diesel, bank charges, printing and stationery, professional fees ,etc.

Table 4.1 - Main Operational Expenditure categories for 2014/2015 expressed as a percentage

Expenditure Category	Amounts - R'000	% of total budget
Employee Cost	32 099	36%
Remuneration of councillors	2 137	2%
Debt Impairment	0	0%
Depreciation and asset impairment	0	0%
Finance Charges	63	0%
Bulk purchases	30 218	34%
Contracted services	8 465	9%
Other expenditure	17 027	19%
<b>Total expenditure</b>	<b>90 009</b>	<b>100%</b>

### 1.5.8 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipal current infrastructure, the 2014/15 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance. The other expenditure includes amongst others materials for maintenance, cleaning materials and chemicals, etc.



**Table 5 - Operational repairs and maintenance**

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			6	7	8	9	10	11	12	13		
R thousands		A	A1	B	C	D	E	F	G	H		
Repairs and maintenance	-	2 770						156	156	2 926	1 601	1 722
Total Repairs	1	2 770	-	-	-	-	-	156	156	2 926	1 601	1 722



During the compilation of the 2014/15 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the ageing of the municipality's infrastructure and historic deferred maintenance. The other expenditure increased by R156 thousand from the financial year 2014/2015 to adjustment 2014/2015. The item of operational repairs shows a marginal increase over the MTREF period, showing a marginal decrease of 1 million for 2015/16 and R121 thousand for the outer years. This strategic imperative remains a priority as can be seen by the budget appropriation over the MTREF. The need to increase budget appropriation for repairs and maintenance is constrained by inadequate financial resources experienced by the municipality.

### **1.5.9 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 Municipal Indigent Policy. The target is to register 5 000 or more indigent households during the 2014/15 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained.

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

**Table 6 – (B5) Budget Capital Expenditure by Vote, Standard classification and Funding**

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Capital Expenditure - Standard</b>												
<i>Governance and administration</i>		300	-	-	-	-	-	-	-	300	367	449
Executive and council		50								50	50	50
Budget and treasury office		200								200	317	399
Corporate services		50								50	-	-
<i>Community and public safety</i>		2 191	-	-	-	-	-	-	-	2 191	2 181	140
Community and social services		130								130	142	120
Sport and recreation		2 011								2 011	2 009	-
Public safety										-		
Housing		50								50	30	20
Health										-		
<i>Economic and environmental services</i>		6 838	-	-	-	-	-	-	-	6 838	7 784	7 784
Planning and development										-		
Road transport		6 838								6 838	7 784	7 784
Environmental protection										-		
<i>Trading services</i>		11 987	-	-	-	-	-	-	-	11 987	13 615	11 492
Electricity		196								196	6 196	6 196
Water		11 381								11 381	7 419	5 296
Waste water management		410								410	-	-
Waste management										-		
<i>Other</i>										-		

<b>Total Capital Expenditure - Standard</b>	3	21 316	-	-	-	-	-	-	-	21 316	23 947	19 865
<b>Funded by:</b>												
National Government		13 242						-	-	13 242	19 357	18 579
Provincial Government		7 905						-	-	7 905	4 490	1 196
District Municipality										-		
Other transfers and grants										-		
<b>Total Capital transfers recognised</b>	4	21 147	-	-	-	-	-	-	-	21 147	23 847	19 775
Public contributions & donations										-		
Borrowing										-		
Internally generated funds		170						-	-	170	100	90
<b>Total Capital Funding</b>		21 317	-	-	-	-	-	-	-	21 317	23 947	19 865

For the 2013/14 financial year an amount of R 21 317 million has been appropriated for the development of infrastructure of the total capital expenditure. The two outer year's totals amount to R 23 947 million and R19 895 million respectively

**Table 6.1 - Break down of budgeted capital expenditure for 2014/15**

Project Name	Funding	Budgeted Amount
Vanstadensrus:Sport Facility		<b>393 067</b>
Paving of Internal street	MIG	5 711 668
Waste Water Treatment Sewerage	MIG	409 876
Construction of Sports Facility	MIG	2 071 489
Households Electrification	INEG	196 000
Elevated Tanks	MIG	3 934 600
Installation of water meters	MIG	215 000
Water Affairs	WATER INFRASTRUCTURE	7 905 000
Own fund	OWN FUND	170 000
PMU	MIG	110 000
FMG	FMG	200 000
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>21 317 000</b>

## 1.7 Annual Budget Tables

The following tables present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/2015 budget and MTREF as approved by the Council

FS164 Naledi (Fs) - Table B1  
Adjustments Budget Summary - 19  
February 2015

Description	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	4 537	-	-	-	-	291	-	291	4 829	4 805	5 069
Service charges	35 681	-	-	-	-	-	-	-	35 681	38 402	41 504
Investment revenue	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	43 045	-	-	-	-	-	-	-	43 045	43 852	43 333
Other own revenue	6 285	-	-	-	-	-	207	207	6 492	6 514	8 011
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>89 548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>207</b>	<b>499</b>	<b>90 047</b>	<b>93 573</b>	<b>97 917</b>
Employee costs	31 545	-	-	-	-	-	554	554	32 248	33 563	35 710
Remuneration of councillors	2 396	-	-	-	-	-	(259)	(259)	2 137	2 396	2 396
Depreciation & asset impairment	1 500	-	-	-	-	-	(1 500)	(1 500)	-	1 500	1 500
Finance charges	52	-	-	-	-	-	11	11	63	55	58
Materials and bulk purchases	30 397	-	-	-	-	-	(179)	(179)	30 218	32 531	34 800
Transfers and grants	5 559	-	-	-	-	-	(4 559)	(4 559)	1 000	6 268	7 260
Other expenditure	17 870	-	-	-	-	-	6 622	6 622	24 492	16 733	15 802
<b>Total Expenditure</b>	<b>89 319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>690</b>	<b>690</b>	<b>90 009</b>	<b>93 046</b>	<b>97 526</b>
<b>Surplus/(Deficit)</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>(483)</b>	<b>(192)</b>	<b>38</b>	<b>527</b>	<b>391</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>(483)</b>	<b>(192)</b>	<b>38</b>	<b>527</b>	<b>391</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-



Surplus/ (Deficit) for the year	230	-	-	-	-	291	(483)	(192)	38	527	391
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	21 316	-	-	-	-	-	-	-	21 316	23 947	19 865
Transfers recognised - capital	21 147	-	-	-	-	-	-	-	21 147	23 847	19 775
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	170	-	-	-	-	-	-	-	170	100	90
<b>Total sources of capital funds</b>	<b>21 317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 317</b>	<b>23 947</b>	<b>19 865</b>
<b>Financial position</b>											
Total current assets	20 941	-	-	-	-	-	(11 793)	(11 793)	9 148	9 148	9 148
Total non current assets	282 904	-	-	-	-	-	8 428	8 428	291 332	291 332	291 332
Total current liabilities	17 860	-	-	-	-	-	24 636	24 636	42 496	42 497	42 497
Total non current liabilities	-	-	-	-	-	-	2 958	2 958	2 958	2 958	2 958
<b>Community wealth/Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>
<b>Cash flows</b>											
Net cash from (used) operating	21 808	-	-	-	-	-	3 328	3 328	25 136	29 652	29 652
Net cash from (used) investing	21 317	-	-	-	-	-	(2 035)	(2 035)	19 282	19 282	19 282
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>44 568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 293</b>	<b>1 293</b>	<b>45 861</b>	<b>48 934</b>	<b>48 934</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	1 514	-	-	-	-	-	3 005	3 005	4 519	4 519	4 519
Application of cash and investments	1 440	-	-	-	-	-	21 733	21 733	23 172	23 292	23 476
<b>Balance - surplus (shortfall)</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18 728)</b>	<b>(18 728)</b>	<b>(18 653)</b>	<b>(18 773)</b>	<b>(18 957)</b>
<b>Asset Management</b>											
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	1 500	-	-	-	-	-	(1 500)	(1 500)	-	1 500	1 500
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	2 770	-	-	-	-	-	156	156	2 926	1 601	1 721
<b>Free services</b>											
Cost of Free Basic Services provided	5 013	-	-	-	-	-	(4 013)	(4 013)	1 000	5 325	5 656



Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Households below minimum service level</u>													
Water:	-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-	-	-





FS164 Naledi (Fs) - Table B2 Adjustments Budget Financial Performance (standard classification) - 19 February 2015

Standard Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Revenue - Standard</b>												
<i>Governance and administration</i>		37 976	-	-	-	-	-	458	458	38 435	39 559	38 971
Executive and council		14 014	-	-	-	-	-	291	291	14 305	14 660	14 944
Budget and treasury office		17 763	-	-	-	-	-	167	167	17 930	18 413	18 245
Corporate services		6 200	-	-	-	-	-	0	0	6 200	6 486	5 782
<i>Community and public safety</i>		3 461	-	-	-	-	-	38	38	3 499	3 631	3 591
Community and social services		3 142	-	-	-	-	-	38	38	3 180	3 274	3 221
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		106	-	-	-	-	-	-	-	106	111	109
Housing		213	-	-	-	-	-	-	-	213	246	261
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 263	-	-	-	-	-	-	-	6 263	5 558	5 522
Planning and development		1 133	-	-	-	-	-	-	-	1 133	1 259	1 297
Road transport		5 130	-	-	-	-	-	-	-	5 130	4 299	4 225
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		41 848	-	-	-	-	-	2	2	41 850	44 824	49 832
Electricity		25 077	-	-	-	-	-	-	-	25 077	27 165	29 629
Water		7 956	-	-	-	-	-	2	2	7 958	8 360	10 548



Waste water management		4 733	-	-	-	-	-	-	-	4 733	5 000	5 221
Waste management		4 081	-	-	-	-	-	-	-	4 081	4 299	4 434
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>89 548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>499</b>	<b>499</b>	<b>90 047</b>	<b>93 572</b>	<b>97 916</b>
<b><u>Expenditure - Standard</u></b>	<b>-</b>											
<i>Governance and administration</i>		<b>34 777</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 367</b>	<b>5 367</b>	<b>40 144</b>	<b>36 697</b>	<b>37 408</b>
Executive and council		16 686	-	-	-	-	-	(4 539)	(4 539)	12 147	16 901	16 384
Budget and treasury office		9 879	-	-	-	-	-	9 517	9 517	19 396	10 576	11 209
Corporate services		8 212	-	-	-	-	-	390	390	8 602	9 220	9 815
<i>Community and public safety</i>		<b>4 397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(244)</b>	<b>(244)</b>	<b>4 153</b>	<b>4 402</b>	<b>4 816</b>
Community and social services		2 830	-	-	-	-	-	81	81	2 912	2 738	2 916
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		260	-	-	-	-	-	(33)	(33)	227	218	232
Housing		957	-	-	-	-	-	58	58	1 015	816	868
Health		350	-	-	-	-	-	(350)	(350)	-	630	800
<i>Economic and environmental services</i>		<b>6 050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(294)</b>	<b>(294)</b>	<b>5 756</b>	<b>5 393</b>	<b>5 698</b>
Planning and development		930	-	-	-	-	-	(30)	(30)	900	1 005	1 030
Road transport		5 120	-	-	-	-	-	(264)	(264)	4 856	4 388	4 668
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		<b>44 103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 149)</b>	<b>(4 149)</b>	<b>39 954</b>	<b>46 552</b>	<b>49 603</b>
Electricity		24 552	-	-	-	-	-	290	290	24 842	26 091	28 014
Water		11 012	-	-	-	-	-	(2 029)	(2 029)	8 982	11 389	11 945
Waste water management		5 539	-	-	-	-	-	(1 542)	(1 542)	3 997	5 882	6 254

								-					
Waste management		3 001	-	-	-	-	-	-	(868)	(868)	2 134	3 190	3 390
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	89 329	-	-	-	-	-	-	680	680	90 009	93 044	97 525
Surplus/ (Deficit) for the year		220	-	-	-	-	-	-	(181)	(181)	38	528	391

FS164 Naledi (Fs) - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 19 February 2015

Vote Description  <i>[Insert departmental structure etc]</i> R thousands	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue by Vote</b>	1											
Vote 1 - Council		14 014	-	-	-	-	-	291	291	14 305	14 660	14 944
Vote 2 - Budget and Treasury		17 763	-	-	-	-	-	167	167	17 930	18 413	18 245
Vote 3 - Corporate Services		4 600	-	-	-	-	-	38	38	4 638	4 853	4 819
Vote 4 - Technical Services		5 062	-	-	-	-	-	-	-	5 062	5 264	4 554
Vote 5 - Planning and Development		1 133	-	-	-	-	-	-	-	1 133	1 259	1 297
Vote 6 - Parks and Gardens		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Property		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Stores and Workshop		39	-	-	-	-	-	-	-	39	41	40
Vote 9 - Public Works		5 090	-	-	-	-	-	-	-	5 090	4 258	4 185
Vote 10 - Refuse		4 081	-	-	-	-	-	-	-	4 081	4 299	4 434
Vote 11 - Sewerage		4 733	-	-	-	-	-	-	-	4 733	5 000	5 221
Vote 12 - Electricity and Health		25 077	-	-	-	-	-	-	-	25 077	27 165	29 629
Vote 13 - Library		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Town Hall		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Disaster, Housing and Water		7 956	-	-	-	-	-	2	2	7 958	8 360	10 548
<b>Total Revenue by Vote</b>	2	<b>89 548</b>	-	-	-	-	-	<b>498</b>	<b>498</b>	<b>90 046</b>	<b>93 572</b>	<b>97 916</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - Council		16 686	-	-	-	-	-	(3 889)	(3 889)	12 797	16 901	16 384
Vote 2 - Budget and Treasury		9 879	-	-	-	-	-	9 517	9 517	19 396	10 576	11 209
Vote 3 - Corporate Services		7 423	-	-	-	-	-	(66)	(66)	7 357	7 850	8 471
Vote 4 - Technical Services		3 929	-	-	-	-	-	(54)	(54)	3 875	4 435	4 737
Vote 5 - Planning and Development		930	-	-	-	-	-	(30)	(30)	900	1 005	1 030
Vote 6 - Parks and Gardens		1 257	-	-	-	-	-	116	116	1 373	1 337	1 423



Vote 7 - Property		-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Stores and Workshop		4	-	-	-	-	-	114	114	118	4	4	4
Vote 9 - Public Works		5 117	-	-	-	-	-	(378)	(378)	4 739	4 384	4 664	4 664
Vote 10 - Refuse		3 001	-	-	-	-	-	(868)	(868)	2 133	3 190	3 390	3 390
Vote 11 - Sewerage		5 539	-	-	-	-	-	(1 542)	(1 542)	3 997	5 882	6 254	6 254
Vote 12 - Electricity and Health		24 552	-	-	-	-	-	290	290	24 842	26 091	28 014	28 014
Vote 13 - Library		-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Town Hall		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Disaster, Housing and Water		11 012	-	-	-	-	-	(2 529)	(2 529)	8 483	11 389	11 945	11 945
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>89 329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680</b>	<b>680</b>	<b>90 009</b>	<b>93 044</b>	<b>97 525</b>	<b>97 525</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>220</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(182)</b>	<b>(182)</b>	<b>38</b>	<b>528</b>	<b>391</b>	<b>391</b>

FS164 Naledi (Fs) - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 19 February 2015

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
Property rates	2	4 537	-	-	-	-	291	-	291	4 829	4 805	5 069
Property rates - penalties & collection charges		-							-	-	-	-
Service charges - electricity revenue	2	24 570	-	-	-	-	-	-	-	24 570	26 635	29 090
Service charges - water revenue	2	4 337	-	-	-	-	-	-	-	4 337	4 593	4 846
Service charges - sanitation revenue	2	4 025	-	-	-	-	-	-	-	4 025	4 263	4 497
Service charges - refuse revenue	2	2 749	-	-	-	-	-	-	-	2 749	2 911	3 071
Service charges - other									-	-		
Rental of facilities and equipment		356						51	51	407	370	390
Interest earned - external investments									-	-		
Interest earned - outstanding debtors		73						144	144	217	78	82
Dividends received		5						-	-	5	6	6
Fines		2						-	-	2	2	2
Licences and permits									-	-		
Agency services									-	-		
Transfers recognised - operating		43 045						-	-	43 045	43 852	43 333
Other revenue	2	5 848	-	-	-	-	-	13	13	5 861	6 058	7 531
Gains on disposal of PPE									-	-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>89 548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>207</b>	<b>499</b>	<b>90 047</b>	<b>93 573</b>	<b>97 917</b>
<b>Expenditure By Type</b>												

Employee related costs	31 545	-	-	-	-	-	703	703	32 248	33 563	35 710
Remuneration of councillors	2 396						(408)	(408)	1 988	2 396	2 396
Debt impairment	2 000						(2 000)	(2 000)	-	2 000	2 000
Depreciation & asset impairment	1 500	-	-	-	-	-	(1 500)	(1 500)	-	1 500	1 500
Finance charges	52						11	11	63	55	58
Bulk purchases	30 397	-	-	-	-	-	(179)	(179)	30 218	32 531	34 800
Other materials								-	-		
Contracted services	1 942	-	-	-	-	-	6 523	6 523	8 465	2 034	2 125
Transfers and grants	5 559						(4 559)	(4 559)	1 000	6 268	7 260
Other expenditure	13 928	-	-	-	-	-	2 099	2 099	16 027	12 699	11 677
Loss on disposal of PPE								-	-		
<b>Total Expenditure</b>	<b>89 319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>690</b>	<b>690</b>	<b>90 009</b>	<b>93 046</b>	<b>97 526</b>
<b>Surplus/(Deficit)</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>(483)</b>	<b>(192)</b>	<b>38</b>	<b>527</b>	<b>391</b>
Transfers recognised - capital								-	-		
Contributions								-	-		
Contributed assets								-	-		
<b>Surplus/(Deficit) before taxation</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>(483)</b>	<b>(192)</b>	<b>38</b>	<b>527</b>	<b>391</b>
Taxation								-	-		
<b>Surplus/(Deficit) after taxation</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>(483)</b>	<b>(192)</b>	<b>38</b>	<b>527</b>	<b>391</b>
Attributable to minorities								-	-		
<b>Surplus/(Deficit) attributable to municipality</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>(483)</b>	<b>(192)</b>	<b>38</b>	<b>527</b>	<b>391</b>
Share of surplus/ (deficit) of associate								-	-		
<b>Surplus/ (Deficit) for the year</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291</b>	<b>(483)</b>	<b>(192)</b>	<b>38</b>	<b>527</b>	<b>391</b>

FS164 Naledi (Fs) - Table B6 Adjustments Budget Financial Position - 19 February 2015

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		1 441						2 980	2 980	4 421	4 421	4 421
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	19 095	-	-	-	-	-	(15 651)	(15 651)	3 444	3 444	3 444
Other debtors												
Current portion of long-term receivables		355						847	847	1 202	1 202	1 202
Inventory		50						31	31	81	81	81
<b>Total current assets</b>		<b>20 941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11 793)</b>	<b>(11 793)</b>	<b>9 148</b>	<b>9 148</b>	<b>9 148</b>
<b>Non current assets</b>												
Long-term receivables									-	-		
Investments		73						25	25	98	98	98
Investment property		2 520						(1 430)	(1 430)	1 090	1 090	1 090
Investment in Associate									-	-		
Property, plant and equipment	1	280 000	-	-	-	-	-	9 833	9 833	289 833	289 833	289 833
Agricultural									-	-		
Biological									-	-		
Intangible		311						-	-	311	311	311
Other non-current assets									-	-		
<b>Total non current assets</b>		<b>282 904</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 428</b>	<b>8 428</b>	<b>291 332</b>	<b>291 332</b>	<b>291 332</b>
<b>TOTAL ASSETS</b>		<b>303 845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 364)</b>	<b>(3 364)</b>	<b>300 481</b>	<b>300 480</b>	<b>300 480</b>





<b>LIABILITIES</b>													
<b>Current liabilities</b>	-												
Bank overdraft									-	-			
Borrowing		-	-	-	-	-	-	17 142	17 142	17 142	17 142	17 142	17 142
Consumer deposits									-	-			
Trade and other payables		17 860	-	-	-	-	-	7 495	7 495	25 355	25 355	25 355	25 355
Provisions									-	-			
<b>Total current liabilities</b>		<b>17 860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 636</b>	<b>24 636</b>	<b>42 496</b>	<b>42 497</b>	<b>42 497</b>	<b>42 497</b>
<b>Non current liabilities</b>													
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	-	-	-	-	-	-	2 958	2 958	2 958	2 958	2 958	2 958
<b>Total non current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 958</b>	<b>2 958</b>	<b>2 958</b>	<b>2 958</b>	<b>2 958</b>	<b>2 958</b>
<b>TOTAL LIABILITIES</b>		<b>17 860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 594</b>	<b>27 594</b>	<b>45 454</b>	<b>45 455</b>	<b>45 455</b>	<b>45 455</b>
<b>NET ASSETS</b>	2	<b>285 985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30 958)</b>	<b>(30 958)</b>	<b>255 027</b>	<b>255 026</b>	<b>255 026</b>	<b>255 026</b>
<b>COMMUNITY WEALTH/EQUITY</b>													
Accumulated Surplus/(Deficit)		-	-	-	-	-	-	255 027	255 027	255 027	255 027	255 027	255 027
Reserves		-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>	<b>255 027</b>

FS164 Naledi (Fs) - Table B7 Adjustments Budget Cash Flows - 19 February 2015

Description	Ref	Budget Year 2014/15								Budget Year +1 2015/16	Budget Year +2 2016/17	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>R thousands</b>												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Ratepayers and other		39 985						(10 207)	(10 207)	29 778	29 778	29 778
Government - operating	1	43 045						3 415	3 415	46 460	46 460	46 460
Government - capital	1	21 317						-	-	21 317	21 317	21 317
Interest		73						49	49	122	122	122
Dividends		5						(2)	(2)	3	3	3
<b>Payments</b>												
Suppliers and employees		(82 565)						11 362	11 362	(71 203)	(69 369)	(69 369)
Finance charges		(52)						(1 289)	(1 289)	(1 341)	1 341	1 341
Transfers and Grants	1							-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>21 808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 328</b>	<b>3 328</b>	<b>25 136</b>	<b>29 652</b>	<b>29 652</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE									-	-		
Decrease (Increase) in non-current debtors									-	-		
Decrease (increase) other non-current receivables	-								-	-		
Decrease (increase) in non-current investments		-							-	-		
<b>Payments</b>												
Capital assets		21 317						(2 035)	(2 035)	19 282	19 282	19 282
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>21 317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 035)</b>	<b>(2 035)</b>	<b>19 282</b>	<b>19 282</b>	<b>19 282</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												



Short term loans									-	-		
Borrowing long term/refinancing									-	-		
Increase (decrease) in consumer deposits									-	-		
<b>Payments</b>												
Repayment of borrowing									-	-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	-	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		43 125	-	-	-	-	-	1 293	1 293	44 418	48 934	48 934
Cash/cash equivalents at the year begin:	2	1 443							-	1 443		
Cash/cash equivalents at the year end:	2	44 568	-	-	-	-	-	1 293		45 861	48 934	48 934

FS164 Naledi (Fs) - Table B8 Cash backed reserves/accumulated surplus reconciliation - 19 February 2015

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	44 568	-	-	-	-	-	1 293	1 293	45 861	48 934	48 934
Other current investments > 90 days		(43 127)	-	-	-	-	-	1 687	1 687	(41 440)	(44 513)	(44 513)
Non current assets - Investments	1	73	-	-	-	-	-	25	25	98	98	98
<b>Cash and investments available:</b>		<b>1 514</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 005</b>	<b>3 005</b>	<b>4 519</b>	<b>4 519</b>	<b>4 519</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	1 440	-					21 733	21 733	23 172	23 292	23 476
Other provisions												
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		-	-					-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>1 440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 733</b>	<b>21 733</b>	<b>23 172</b>	<b>23 292</b>	<b>23 476</b>
<b>Surplus(shortfall)</b>		<b>75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18 728)</b>	<b>(18 728)</b>	<b>(18 653)</b>	<b>(18 773)</b>	<b>(18 957)</b>

FS164 Naledi (Fs) - Table B9 Asset Management - 19 February 2015

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	-	-	-	-	-	-	-	-	-	-	-
<b>EXPENDITURE OTHER ITEMS</b>												
<u>Depreciation &amp; asset impairment</u>		1 500	-	-	-	-	-	(1 500)	(1 500)	-	1 500	1 500
<u>Repairs and Maintenance by asset class</u>	3	2 770	-	-	-	-	-	2	2	2 772	1 601	1 721
<i>Infrastructure - Road transport</i>		1 318	-	-	-	-	-	(77)	(77)	1 241	343	369
<i>Infrastructure - Electricity</i>		50	-	-	-	-	-	-	-	50	60	70
<i>Infrastructure - Water</i>		142	-	-	-	-	-	(93)	(93)	49	151	159
<i>Infrastructure - Sanitation</i>		880	-	-	-	-	-	(180)	(180)	700	930	990
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		2 390	-	-	-	-	-	(350)	(350)	2 040	1 484	1 588
Community		304	-	-	-	-	-	-	-	304	29	34
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	76	-	-	-	-	-	351	351	427	88	99
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>		4 270	-	-	-	-	-	(1 498)	(1 498)	2 772	3 101	3 221

FS164 Naledi (Fs) - Table B10 Basic service delivery measurement - 19 February 2015



Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)		6072						-6072	(6 072)	-	6072	6072
Sanitation (free minimum level service)		3000						-3000	(3 000)	-	3186	3384
Electricity/other energy (50kwh per household per month)		0							-	-		
Refuse (removed at least once a week)		3000						-3000	(3 000)	-		
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per household per month)		1 028						(1 028)	(1 028)	-	1 092	1 160
Sanitation (free sanitation service)		2 238						(1 738)	(1 738)	500	2 377	2 525
Electricity/other energy (50kwh per household per month)									-	-		
Refuse (removed once a week)		1 747						(1 247)	(1 247)	500	1 856	1 971
<b>Total cost of FBS provided (minimum social package)</b>		5 013	-	-	-	-	-	(4 013)	(4 013)	000 <sup>1</sup>	5 325	5 656

## 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 consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for 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;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipal 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 priorities 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 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 25 August 2012. Key dates applicable to the process were as follows (*refer to the table listed below*):

# Integrated Development Plan (IDP)

## Process Plan

Compiled in terms of **Sections 27, 28 and 29 of the Local Government: Municipal Systems Act, No 32 of 2000** (*framework for integrated planning, adoption of process and process to be followed*) including a time schedule in terms of **Section 21 of the Local Government: Municipal Finance Management Act, No 56 of 2003** (*budget preparation process*)

*Adopted by the Municipal Council on **Thursday, 27 November 2014***

The IDP is a municipality's **principal strategic plan** that deals with the following:

- the most critical development needs of the municipal area (**external focus**), as well as
- the most critical governance needs of the municipality as an organisation (**internal focus**).

**The IDP –**

1. **is adopted by the municipal council within one year after a municipal election and remains in force for the council's elected term (a period of five years);**
2. **is drafted and reviewed annually in consultation with the local community as well as interested organs of state and other role-players;**
3. **guides and informs all planning and development, and all decisions with regard to planning, management and development;**
4. **forms the framework and basis for the municipality's medium term expenditure framework, annual budgets and performance management system; and**
5. **seeks to promote integration by balancing the economic, ecological and social pillars for sustainability (without compromising the institutional capacity required in its implementation), and coordinating actions across sectors and spheres of government.**



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## INTRODUCTION

### 1.1 Point of departure

Integrated development planning is the key tool for local government to cope with its role and function in terms of the Constitution of the Republic of South Africa and other applicable legislation. In contrast to the role municipal strategic planning has played in the past, integrated development planning is now seen as a function of municipal management, as part of an integrated system of planning and delivery. The IDP process is meant to arrive at decisions on issues such as municipal budget priorities, land management, social and economic development and institutional transformation in a consultative, systematic and strategic manner.

The integrated development planning process has to provide a forum for identifying, discussing and resolving the real issues in a municipality (which may be over-arching issues for the whole municipality as well as issues of specific communities or stakeholder groups) to a level of detail that is required for realistic costing and managing the implementation process without much delay.

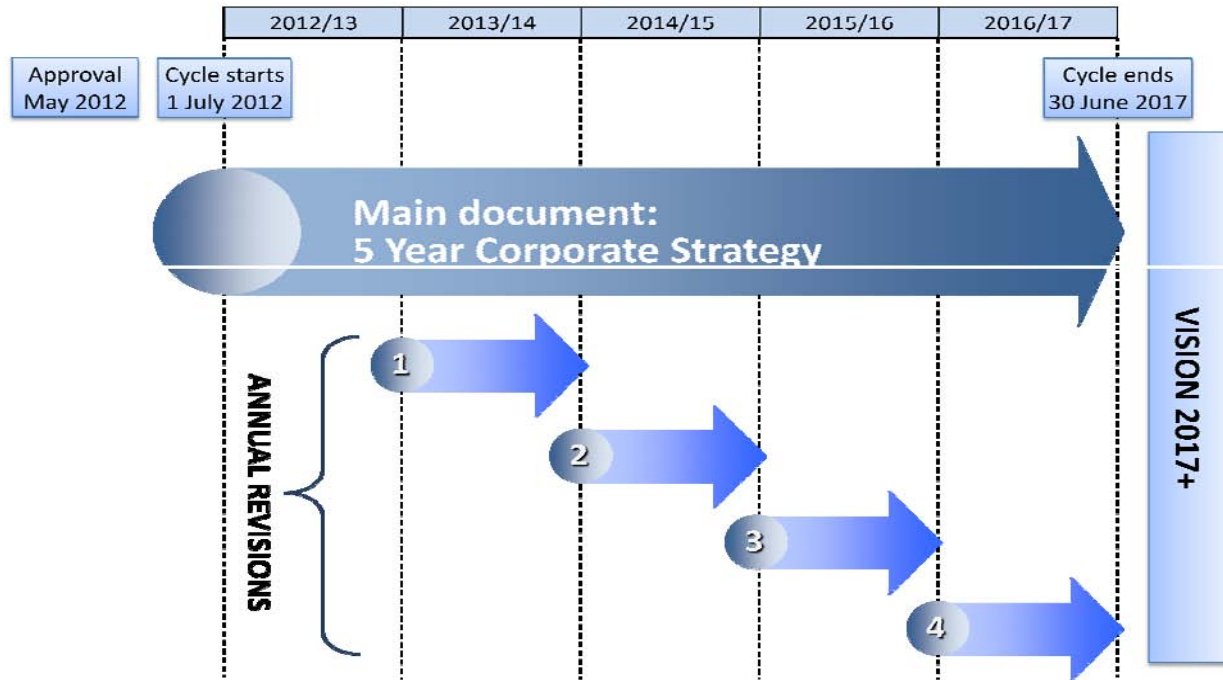
The Process Plan fulfils the function of a business plan or an operational framework for the IDP process. It says in a simple and transparent manner what has to happen when, by whom, with whom, and where, and it includes a budget.

### 1.2 Area of the IDP

The IDP will be applicable to the **Naledi Local Municipal area** which includes the following towns and settlements: **Dewetsdorp, Van Stadensrus and Wepener.**

The municipality has the **fourth largest** surface area (geographic size) of the four local municipalities in the Xhariep District, covering **3424** square kilometers (km<sup>2</sup>).

### 1.3 Five (5) year cycle of the IDP



**1.4 Phases of the annual process**

The IDP process normally goes through the following phases during the course of a year:

PHASE	TASKS	MECHANISMS
1. Analysis	<b>External Analysis</b>	
	<ul style="list-style-type: none"> <li>• Spatial</li> <li>• Social</li> <li>• Economic</li> <li>• Environmental</li> </ul>	<ul style="list-style-type: none"> <li>• Scan sector plans</li> <li>• Surveys if necessary</li> <li>• Spatial Development Framework (SDF)</li> </ul>
	<ul style="list-style-type: none"> <li>• Sector needs and issues</li> </ul>	<ul style="list-style-type: none"> <li>• Discussions with major sector role-players</li> </ul>
	<b>Compilation or Revision of Area-based or Ward Plans</b>	
	<ul style="list-style-type: none"> <li>• Ward profiles</li> <li>• Service backlogs</li> <li>• Priority issues</li> </ul>	<ul style="list-style-type: none"> <li>• Ward Committee meetings and workshops</li> <li>• Ward stakeholder meetings</li> <li>• Ward general or public meetings</li> <li>• Inputs from the MM, Directors and line managers</li> </ul>

PHASE	TASKS	MECHANISMS
	<p><b><i>Internal Analysis</i></b></p> <ul style="list-style-type: none"> <li>• Critical issues or challenges</li> <li>• Minimum service levels</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Institutional</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Financial</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Performance</li> </ul> <hr/> <p><b><i>Intergovernmental Alignment</i></b></p> <ul style="list-style-type: none"> <li>• Obtain inputs from National and Provincial Government, State Owned Enterprises (SOEs) and other major service providers</li> </ul>	<ul style="list-style-type: none"> <li>• In-house exercise by the Municipal Manager (MM), Director Financial Services or Chief Financial Officer (CFO), all other Directors and line managers</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• In-house exercise by the Director Corporate Support Services</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• In-house exercise by the CFO</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Annual customer satisfaction survey</li> <li>• Performance assessments</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• District level technical and political intergovernmental relations meetings facilitated by the Xhariep District Municipality</li> </ul>
<b>2. Strategy</b>	<ul style="list-style-type: none"> <li>• <b>Municipal Council and Management</b> discuss strategic issues such as the vision and mission, future directions, strategic outcomes and outputs, as well as measures and targets of each strategic output</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic workshops</li> <li>• Stakeholder workshops</li> <li>• IDP and Budget Steering Committee meetings</li> <li>• IDP Representative Forum meetings</li> </ul>
<b>3. Programmes, projects and preliminary capital budget</b>	<ul style="list-style-type: none"> <li>• Review programmes and projects and provide for priorities and outputs desired for the next three (3) years with updated cost estimates</li> <li>• Finalise strategic priorities and preliminary budget allocations</li> </ul>	<ul style="list-style-type: none"> <li>• In-house exercise by the MM, CFO, all other Directors and line managers</li> </ul>
<b>4. Operating budget</b>	<ul style="list-style-type: none"> <li>• Prepare a draft operating budget</li> </ul>	<ul style="list-style-type: none"> <li>• In-house exercise by the MM, CFO, all other Directors and line managers</li> </ul>
<b>5. Approval of draft IDP and</b>	<ul style="list-style-type: none"> <li>• Finalise and approve draft IDP and</li> </ul>	<ul style="list-style-type: none"> <li>• In-house preparation of the relevant documentation and</li> </ul>

PHASE	TASKS	MECHANISMS
draft annual budget	draft annual Budget	submission to the Municipal Council

## 1. LEGAL REQUIREMENTS

In order to ensure certain minimum quality standards of the IDP process and a proper coordination between and within the spheres of government, the district municipal IDP process is regulated by the Municipal Systems Act, No 32 of 2000 (MSA). The Act requires the following regarding the process:

### ***Section 27 (Framework for integrated development planning)***

- (1) Each district municipality, within a prescribed period after the start of its elected term and after following a consultative process with the local municipalities within its area, must adopt a framework for integrated development planning in the area as a whole.
- (2) A framework referred to in subsection (1) binds both the district municipality and the local municipalities in the area of the district municipality, and must at least –
  - (a) identify the plans and planning requirements binding in terms of national and provincial legislation on the district municipality and the local municipalities or on any specific municipality;
  - (b) identify the matters to be included in the integrated development plans of the district municipality and the local municipalities that require alignment;
  - (c) specify the principles to be applied and co-ordinate the approach to be adopted in respect of those matters; and
  - (d) determine procedures –
    - (i) for consultation between the district municipality and the local municipalities during the process of drafting their respective integrated development plans; and
    - (ii) to effect essential amendments to the framework.

### ***Section 28 (Adoption of process)***

- (1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.
- (2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.
- (3) A municipality must give notice to the local community of particulars of the process it intends to follow.

**Section 29 (Process to be followed)**

- (1) The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must –
  - (a) be in accordance with a predetermined programme specifying time frames for the different steps;
  - (b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for –
    - (i) the local community to be consulted on its development needs and priorities;
    - (ii) the local community to participate in the drafting of the integrated development plan; and
    - (iii) organs of state, including traditional authorities, and other role-players to be identified and consulted on the drafting of the integrated development plan;
  - (c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and
  - (d) be consistent with any other matters that may be prescribed by regulation.
  
- (2) A district municipality must –
  - (a) plan integrated development for the area of the district municipality as a whole but in close consultation with the local municipalities in that area;
  - (b) align its integrated development plan with the framework adopted in terms of section 27; and
  - (c) draft its integrated development plan, taking into account the integrated development processes of, and proposals submitted to it by the local municipalities in that area.
  
- (3) A local municipality must –
  - (a) align its integrated development plan with the framework adopted in terms of section 27; and
  - (b) draft its integrated development plan, taking into account the integrated development processes of, and proposals submitted to it by the district municipality.

**2. PREPARATION FOR THE PROCESS**

The result of the preparation process should not only be a document (the Process Plan), but also a well prepared council and management leadership collective, that is confident about the task ahead.

The Process Plan outlines the following issues:

- Organisational arrangements are established and the membership of committees and forums is clarified.

- Roles and responsibilities are clarified and internal human resources allocated accordingly.
- The legal requirements, principles and functions of community and stakeholder participation during the IDP process – *who has to be involved, consulted and informed, at which stage of the process and by which means?*
- Mechanisms and procedures for alignment with external stakeholders such as other municipalities, districts and other spheres of government – *such alignment should be coordinated at district level.*
- An example of a table of contents for the IDP is provided.
- Legislation and policy requirements that have to be considered in the course of the IDP process are provided – *the list contains documents, guidelines, plans and strategies from the provincial and national spheres of government.*

**NOTE:**

- *The preparation task for IDP is a task of municipal management – **the preparation process should contribute to the institutional preparedness of the municipality for the IDP process.***
- *Nobody else, therefore, can make the management decisions involved in it, except the Municipal Manager.*

### 3. ORGANISATIONAL ARRANGEMENTS

#### 4.1 Activities and outputs

The municipality needs to establish a set of organisational arrangements to:

- institutionalise the participation process;
- effectively manage outputs; and
- give affected parties access to contribute to the decision making process.

**NOTE:** *The municipality should consider existing arrangements, use and adapt them if necessary, and avoid duplication of mechanisms. This section deals with the organisational structure and the terms of reference for each of the arrangements and / or structures.*

#### 4.2 Structured participation

The IDP process and the participation of the community in this process have to be structured and considerate of the Naledi Local Municipality's geographical area of 3424 square kilometers and its population of 24314. It is not possible to allow for direct participation of people in an unstructured way.



The directive from national government on how community participation should be structured is the ward committee system. Most of the IDP liaison with communities will be done through ward committees and ward constituency public meetings.

Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business and agriculture. Liaison with, and involvement of such sector groups is therefore also crucial in order to get a full picture of the current reality in our area. Liaison with sector groups will be done mainly through the Naledi Local Municipality's IDP Representative Forum and workshops.

#### 4.3 Ward committees

The role of the Ward Committees with respect to the IDP is to:

- Assist the Ward Councillor in identifying challenges and needs of residents.
- Provide a mechanism for discussion and negotiation between the stakeholders within the ward.
- Advise and make recommendations to the Ward Councillor on matters and policy affecting the ward.
- Disseminate information in the ward.
- Ensure constructive and harmonious interaction between the municipality and community.
- Interact with other forums and organisations on matters affecting the ward.
- Draw up a ward plan that offers suggestions on how to improve service delivery in the particular ward.
- Monitor the implementation process concerning its area.

**NOTE:** *The chairperson of the Ward Committee is the Ward Councillor of that particular ward.*

#### 4.4 Naledi Local Municipality's IDP Representatives Forum

The Municipality's IDP Representative Forum comprises of the Mayor, Ward and Proportional Representation Councillors, two (2) members from each ward committee (8 members), **the Municipal Manager** and officials attached to his / her office (*IDP, Organisational Performance Management System, Local Economic Development, Internal Audit and Risk Management*), **the CFO, all other Directors**, as well as any other role-player(s) or stakeholder(s) co-opted onto the Forum for one or more meetings or for a specific purpose by the Municipal Council.

**NOTE:** *The sole purpose of the IDP Representatives Forum will be to advise the Municipal Council on matters relating to the IDP. It will not have any decision making powers.*

#### 4.5 Naledi Local Municipality's IDP and Budget Steering Committee

The Municipality's IDP and Budget Steering Committee comprises of the Municipal Manager and officials attached to his / her office (*IDP, Organisational Performance Management System, Local Economic Development, Internal Audit and Risk Management*), the CFO, all other Directors, Office Manager or representative from the office of the Mayor, **the Mayor and three (3) other Councillors appointed by the Municipal Council**, as well as any other role-player(s) or stakeholder(s) co-opted onto the committee by the Municipal Manager for one or more meetings or for a specific purpose.

**NOTE:** *The sole purpose of the IDP and Budget Steering Committee will be to advise the Municipal Manager and management on matters relating to the IDP. It will not have any decision making powers.*

#### 4. ROLES AND RESPONSIBILITIES

##### 5.1 Activities and outputs

It is one of the pre-requisitions of a smooth and well organised IDP process that all role-players are fully aware of their own and of other role-players' responsibilities. Therefore, it is one of the first preparation requirements for the IDP process to ensure that there is a clear understanding of all required roles and of the persons or organisations that can assume those roles. This section deals with the:

- roles which the municipality has to play in the IDP process in relation to the roles which external role players are expected to play;
- further specification of roles within the Municipality and the responsibilities related to that role in detail.

##### 5.2 Proposed distribution of roles and responsibilities between the municipality and external role players

ROLE PLAYER	ROLES AND RESPONSIBILITIES
Naledi Local Municipality	<ul style="list-style-type: none"> <li>• Prepare and adopt the IDP Process Plan.</li> <li>• Undertake the overall management and co-ordination of the IDP process which includes ensuring that:               <ul style="list-style-type: none"> <li>○ all relevant role-players are appropriately involved;</li> <li>○ appropriate mechanisms and procedures for community participation are applied;</li> <li>○ events are undertaken in accordance with the approved time schedule;</li> <li>○ the IDP relates to the real burning</li> </ul> </li> </ul>

ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<p>issues in the municipality; and</p> <ul style="list-style-type: none"> <li>○ the sector planning requirements are satisfied.</li> </ul> <ul style="list-style-type: none"> <li>• Prepare and adopt the IDP.</li> <li>• Adjust the IDP in accordance with the MEC's proposals.</li> <li>• Ensure that the annual business plans, budget and performance management system are linked to and based on the IDP.</li> </ul>
<p><b>Local residents, communities and stakeholders</b></p>	<ul style="list-style-type: none"> <li>• Represent interests and contribute knowledge and ideas in the IDP process by participating in and through the Ward Committees or the IDP Representatives Forum to: <ul style="list-style-type: none"> <li>○ analyse issues, determine priorities, and provide input;</li> <li>○ keep their constituencies informed on IDP activities and their outcomes; and</li> <li>○ discuss and comment on the draft IDP.</li> </ul> </li> </ul>
<p><b>Xhariep District Municipality</b></p>	<ul style="list-style-type: none"> <li>• Same roles and responsibilities as local municipalities but related to the preparation of the District IDP – <b><i>the District Municipality must also prepare a District Framework (MSA Section 27).</i></b></li> <li>• Fulfill a coordination and facilitation role by ensuring alignment of the IDPs of the municipalities in the district council area; <ul style="list-style-type: none"> <li>○ ensuring alignment between the district and local planning;</li> <li>○ facilitation of alignment of IDPs with other spheres of government and sector departments; and</li> <li>○ preparation of joint strategy workshops with local municipalities,</li> </ul> </li> </ul>

ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<p>provincial and national role-players; and other subject matter specialists.</p>
<p><b>Provincial Government</b></p>	<ul style="list-style-type: none"> <li>• Ensure horizontal alignment of the IDPs of the district municipalities within the province.</li> <li>• Ensure vertical / sector alignment between provincial sector departments / provincial strategic plans and the IDP process at local / district level by: <ul style="list-style-type: none"> <li>○ guiding the provincial sector departments' participation in and their required contribution to the municipal IDP process; and</li> <li>○ guiding them in assessing draft IDPs and aligning their sector programmes and budgets with the IDP's.</li> </ul> </li> <li>• Efficient financial management of provincial IDP grants.</li> <li>• Monitor the progress of the IDP processes.</li> <li>• Facilitate resolution of disputes related to the IDP.</li> <li>• Assist the municipality in the IDP drafting process where required.</li> <li>• Organise IDP related training where required.</li> <li>• Co-ordinate and manage the MEC's assessment of the IDP.</li> </ul>
<p><b>Sector Departments and Corporate Service Providers</b></p>	<ul style="list-style-type: none"> <li>• Contribute relevant information on the provincial sector departments' plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner.</li> <li>• Contribute sector expertise and technical knowledge to the formulation of municipal strategies and projects.</li> <li>• Engage in a process of alignment with district municipalities.</li> </ul>

ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<ul style="list-style-type: none"> <li>Participate in the provincial management system of co-ordination.</li> </ul>

### 5.3 Proposed distribution of roles and responsibilities within the municipality

ROLE PLAYER	ROLES AND RESPONSIBILITIES
<b>Municipal Council</b>	<ul style="list-style-type: none"> <li>Consider and approve the IDP.</li> <li>Consider and approve the Budget.</li> </ul>
<b>MSA Section 79 Municipal Council's Planning &amp; Budget Committees</b> – <i>Municipal Structures Act Section 79 Committees</i>	<ul style="list-style-type: none"> <li>Responsible for the overall management, co-ordination and monitoring of the process and drafting of the IDP and budget.</li> <li>Assign and delegate responsibilities in this regard to the municipal manager.</li> <li>Approve nominated persons to be in charge of the different roles, activities and responsibilities of the process and drafting.</li> <li>Submit the draft IDP and budget to the Council for adoption.</li> <li>Through the Mayor, presides at meetings of the Naledi Local Municipality's IDP Representatives Forum.</li> </ul>
<b>Ward Councillors</b>	<ul style="list-style-type: none"> <li>Form a link between the municipal government and the residents.</li> <li>Link the IDP process to constituencies and / or wards.</li> <li>Assist in organising public consultation and participation (with particular reference to the functioning and participation of ward committees).</li> <li>Monitor the implementation of the IDP at ward level.</li> </ul>
<b>Municipal Manager</b>	<ul style="list-style-type: none"> <li>Prepare the IDP Process Plan.</li> <li>Undertake the day to day management and co-ordination of the IDP process.</li> <li>Ensure that all relevant actors are appropriately involved and timeously informed.</li> </ul>

ROLE PLAYER	ROLES AND RESPONSIBILITIES
	<ul style="list-style-type: none"> <li>• Nominate technical persons in charge of different roles.</li> <li>• Ensure that the IDP process is participatory, strategic, implementation orientated, aligned with and satisfies sector planning requirements.</li> <li>• Respond to comments on the draft IDP.</li> <li>• Ensure proper IDP documentation.</li> <li>• Adjust the IDP in accordance with the MEC's proposals.</li> <li>• Presides at meetings of the Naledi Local Municipal IDP and Budget Steering Committee.</li> </ul>
<b>Directors and line managers</b>	<ul style="list-style-type: none"> <li>• Provide relevant technical, sector and financial information for analysis for determining priority issues.</li> <li>• Contribute technical expertise in the consideration and finalisation of strategies and identification of projects.</li> <li>• Provide departmental operational and capital budgetary information.</li> <li>• Responsible for the preparation of project proposals, the integration of projects and sector programmes.</li> </ul>

## 5. INTERGOVERNMENTAL ALIGNMENT

The IDP requires alignment with other spheres of government at different stages during the process. Before starting with the IDP process the municipality needs to understand where alignment should take place and through which mechanism this can best be achieved. Alignment is the instrument to synchronize and integrate the IDP process between different spheres of government. The alignment process must reveal how National and Provincial Government and the District Municipality could tangibly assist this Municipality in achieving its developmental objectives.

The desired outcome of intergovernmental alignment is –

- to make government as a whole work together;
- to improve the impact of its programmes; and
- to work towards achieving common objectives and outcomes, particularly with respect to economic growth for job creation and addressing the needs of the poor.

Efficient performance of government, integration and alignment across all spheres of government can be realized through focused implementation.

The alignment process MUST be co-ordinated by the Xhariep District Municipality and the alignment meetings should take place on district level with the involvement of all local municipalities.

## 6. IDP CONTENT

### 7.1 Legally required content of a five (5) year IDP

#### **Section 26 of the MSA: Core components of integrated development plans**

##### ***An integrated development plan must reflect –***

- (a) the municipal council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- (b) an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- (c) the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- (d) the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- (e) a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- (f) the council's operational strategies;
- (g) applicable disaster management plans;
- (h) a financial plan, which must include a budget projection for at least the next three years; and
- (i) the key performance indicators and performance targets determined in terms of section 41.

#### **Regulation 2 of the 2001 Municipal Planning and Performance Management Regulations**

##### ***Details of an integrated development plan***

- (1) A municipality's integrated development plan must at least identify –
  - (a) the institutional framework, which must include an organogram, required for –
    - (i) the implementation of the integrated development plan; and
    - (ii) addressing the municipality's internal transformation needs, as informed by the strategies and programmes set out in the integrated development plan;
  - (b) any investment initiatives in the municipality;

- (c) any development initiatives in the municipality, including infrastructure, physical, social, economic and institutional development;
  - (d) all known projects, plans and programmes to be implemented within the municipality by any organ of state; and
  - (e) the key performance indicators set by the municipality.
- (2) An integrated development plan may –
- (a) have attached to it maps, statistics and other appropriate documents; or
  - (b) refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the Offices of the municipality in question.
- (3) A financial plan reflected in a municipality's integrated development plan must at least –
- (a) include the budget projection required by section 26(h) of the Act;
  - (b) indicate the financial resources that are available for capital project developments and operational expenditure; and
  - (c) include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives, which strategy may address the following:
    - (i) revenue raising strategies;
    - (ii) asset management strategies;
    - (iii) financial management strategies;
    - (iv) capital financing strategies;
    - (v) operational financing strategies; and
    - (vi) strategies that would enhance cost-effectiveness.
- (4) A spatial development framework reflected in a municipality's integrated development plan must –
- (a) give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act No. 67 of 1995);
  - (b) set out objectives that reflect the desired spatial form of the municipality;
  - (c) contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (b), which strategies and policies must –
    - (i) indicate desired patterns of land use within the municipality;
    - (ii) address the spatial reconstruction of the municipality; and



- (iii) provide strategic guidance in respect of the location and nature of development within the municipality;
- (d) set out basic guidelines for a land use management system in the municipality;
- (e) set out a capital investment framework for the municipality's development programs;
- (f) contain a strategic assessment of the environmental impact of the spatial development framework;
- (g) identify programs and projects for the development of land within the municipality;
- (h) be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and
- (i) provide a visual representation of the desired spatial form of the municipality, which representation –
  - (i) must indicate where public and private land development and infrastructure investment should take place;
  - (ii) must indicate desired or undesired utilisation of space in a particular area;
  - (iii) may delineate the urban edge;
  - (iv) must identify areas where strategic intervention is required; and
  - (v) must indicate areas where priority spending is required.

## 7.2 Suggested table of contents

The form and content of a five year IDP are largely subject to the discretion of a Municipality. The following table of contents is based on the above-mentioned act and regulations, the IDP Guide Pack, National and Provincial directives as well as the 2014 Provincial IDP Assessment Template.

It serves only as a guide and the eventual table of contents will most likely be a combination and / or rearrangements of the different components of the final or annually reviewed IDP document.

### 7.2.1 Table of contents

- Foreword by the Mayor
- Preface by the Municipal Manager
- Executive Summary
- **Chapter 1:** Introduction and background to Integrated Development Planning (IDP)
- **Chapter 2:** Situation analysis

- **Chapter 3:** Powers and functions
- **Chapter 4:** Process followed to develop the IDP
- **Chapter 5:** Status quo assessment
- **Chapter 6:** Spatial economy and development rationale
- **Chapter 7:** High level objectives and strategies
- **Chapter 8:** Strategy
- **Chapter 9:** Sector plans in terms of section 26 of the municipal systems act
- **Chapter 10:** Development strategies, programmes and projects
- **Chapter 11:** Alignment with national and provincial objectives and programmes (intergovernmental policy and strategic alignment)
- **Chapter 12:** Programmes and projects of other spheres (involvement of government sector departments and state owned enterprises)
- **Chapter 13:** Unfunded projects

## **7. ANNUAL REVISIONS OF THE FIVE YEAR IDP (ANNUAL PLANS)**

### **8.1 Legal requirements**

#### ***MSA Section 34: Annual review and amendment of integrated development plan***

##### **A municipal council –**

- (a) must review its integrated development plan –
  - (i) annually in accordance with an assessment of its performance measurements in terms of section 41; and
  - (ii) to the extent that changing circumstances so demand; and
- (b) may amend its integrated development plan in accordance with a prescribed process.

### **8.2 Purpose of a review (annual plan)**

The IDP has to be reviewed annually in order to:

- Ensure its relevance as the municipality's strategic plan;
- inform other components of the municipal business process including institutional and financial planning and budgeting; and

- inform the cyclical inter-governmental planning and budgeting cycle.

For the IDP to remain relevant the municipality must assess implementation performance and the achievement of its targets and strategic objectives. In the light of this assessment the IDP is reviewed to reflect the impact of successes as well as corrective measures to address problems. The IDP is also reviewed in the light of changing internal and external circumstances that impact on the priority issues, outcomes and outputs of the IDP.

The annual review must inform the municipality's financial and institutional planning and most importantly, the drafting of the annual budget. It must be completed in time to properly inform the latter.

The purpose of the annual review is therefore to –

- reflect and report on progress made with respect to the strategy in the 5 year IDP;
- make adjustments to the strategy if necessitated by changing internal and external circumstances that impact on the appropriateness of the IDP;
- determine annual targets and activities for the next financial year in line with the 5 year strategy; and
- inform the municipality's financial and institutional planning and most importantly, the drafting of the annual budget.

***NOTE: THE MINIMUM (IF ANY) STRATEGIC CHANGES SHOULD TAKE PLACE DURING THE ANNUAL REVIEW.***

### **8.3 What the review is not**

- The Review (Annual Plan) is not a replacement of the five (5) year IDP.
- The Review (Annual Plan) is not meant to interfere with the long-term strategic orientation of the municipality to accommodate new whims and additional demands.

## 8. IDP SOURCE DOCUMENTS

The Integrated Development Planning process is guided by a number of legal and policy documents that impose a range of demands and requirements on the Municipality. The list below contains some of the most important IDP source documents:

### 9.1 Acts

- Development Facilitation Act, (Act 67 of 1995)
- Constitution of the Republic of South Africa Act (Act 108 of 1996)
- Local Government: Municipal Structures Act (Act 117 of 1998)
- National Environmental Management Act / NEMA (Act 107 of 1998)
- Local Government: Municipal Systems Act (Act 32 of 2000)
- Disaster Management Act (Act 57 of 2002)
- Municipal Finance Management Act (Act 56 of 2003)
- Spatial Planning and Land Use Management Act / SPLUMA (Act 16 of 2013)

### 9.2 Regulations

- Treasury Regulations and Guidelines
- White Papers
- Batho Pele White Paper (October 1997)



- White Paper on Local Government (March 1998)
- Municipal Planning and Performance Management Regulations (August 2001)

### **9.3 National policy**

- National Spatial Development Perspective (2006)
- Medium Term Strategic Framework (2009)
- Local Government Turn-around Strategy (December 2009)
- Government's twelve (12) Strategic Outcomes (January 2010)

### **9.4 Provincial policy**

- Free State Provincial Spatial Development Framework
- Free State Growth and Development Strategy
- Free State Provincial Strategic Plan
- Integrated Development Plans of adjacent municipalities

### **9.5 District Policy**

- Xhariep District Economic Development Strategy



9. ANNEXURE (A)

IDP AND BUDGET TIME SCHEDULE IN TERMS OF SECTION 21(1)(B) OF THE MFMA

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
<b>AUGUST 2014</b>			
<b>15 August 2014</b>	<ul style="list-style-type: none"> <li>Table the IDP Process Plan in council (<b>should happen once every 5 years</b>).</li> <li>The time schedule in terms of Section 21(1)(b) of the Municipal Finance Management Act (MFMA) which is this annexure is replaced every year.</li> </ul>	<p><b>MSA Section 28:</b></p> <p>(1) Each municipal council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan.</p> <p>(2) The municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process.</p> <p>(3) A municipality must give notice to the local community of particulars of the process it intends to follow.</p>	<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal Manager</b></li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
15 August 2014	<ul style="list-style-type: none"> <li>Table in council a budget and IDP time schedule of key deadlines – <b>happens every year at least 10 months before the start of the budget year.</b></li> </ul>	<p><b>MFMA Section 21(1)(b):</b> The mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for –</p> <p>(i) the preparation, tabling and approval of the annual budget;</p> <p>(ii) the annual review of –</p> <p>(aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and</p> <p>(bb) the budget related policies;</p> <p>(iii) the tabling and adoption of any amendments to the integrated development plan and the budget related policies; and</p> <p>(iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).</p>	<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal Manager</b></li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
<i>Before 29 August 2014</i>	<ul style="list-style-type: none"> <li>Submit annual financial statements and annual performance report to the Auditor-General for auditing – <b>within two months after the end of the financial year.</b></li> </ul>	<b>MSA Section 126(1)(a):</b> The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>
<b>SEPTEMBER 2014</b>			
<i>29 August – 5 September 2014</i>	<ul style="list-style-type: none"> <li>Submit process plan and time schedule to the Xhariep District Municipality and the Free State Provincial Government.</li> </ul>		<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> </ul>
<i>8 – 12 September 2014</i>	<ul style="list-style-type: none"> <li>Give notice of the approved process plan and time schedule through local media.</li> </ul>		<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> </ul>
<i>During September 2014</i>	<ul style="list-style-type: none"> <li>Constitute the <b>Naledi Local Municipality IDP Representatives Forum.</b></li> </ul>		<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal Manager</b></li> </ul>
<b>OCTOBER 2014</b>			



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
September – October 2014	<ul style="list-style-type: none"> <li>• Internal analysis – <ul style="list-style-type: none"> <li>○ critical issues / challenges with respect to every service</li> <li>○ minimum service levels</li> <li>○ institutional</li> <li>○ financial</li> <li>○ performance</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Municipal Manager</li> <li>• CFO</li> <li>• Directors</li> </ul>
September – October 2014	<ul style="list-style-type: none"> <li>• Compile all draft priority sectoral plans – e.g. Financial Plan, WSDP, LED, .</li> </ul>	<p><b>MSA Section 26(h):</b> An integrated development plan must reflect a financial plan, which must include a budget projection for at least the next three years.</p>	<ul style="list-style-type: none"> <li>• Municipal Manager</li> <li>• CFO</li> <li>• Directors</li> </ul>
September – October 2014	<ul style="list-style-type: none"> <li>• External analysis – <ul style="list-style-type: none"> <li>○ Spatial</li> <li>○ Social</li> <li>○ Economic</li> <li>○ Environmental</li> </ul> </li> </ul>	<p><b>MSA Section 29(1)(b):</b> The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must through appropriate</p>	<ul style="list-style-type: none"> <li>• Mayor</li> <li>• (Ward) Councilors</li> <li>• Municipal Manager</li> <li>• CFO</li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	<p><b>NOTE:</b> <i>The external process should be combined as far as possible with the compilation of area based or ward plans and must involve the local community and other stakeholders.</i></p>	<p>mechanisms, processes and procedures established in terms of Chapter 4, allow for –</p> <p>(i) the local community to be consulted on its development needs and priorities;</p> <p>(ii) the local community to participate in the drafting of the integrated development plan; and</p> <p>(iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the integrated development plan.</p>	<ul style="list-style-type: none"> <li>• <b>Directors</b></li> </ul>
<p><b>1 September – 30 October 2014</b></p>	<ul style="list-style-type: none"> <li>• Commence with the multi-year capital and operating budget.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> <li>• <b>CFO</b></li> </ul>
<p><b>1 September – 30 October 2014</b></p>	<ul style="list-style-type: none"> <li>• Obtain inputs from Directors and Division Heads on preliminary capital and operating budget – <b>SHOULD include the following:</b></li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> <li>• <b>CFO</b></li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	<b>review of salary, fleet and equipment budget and tariffs, etc.</b>		
<b>October 2014</b>	<ul style="list-style-type: none"> <li>Commence with the compilation of new area based or ward plans.</li> </ul>		<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Ward Councillors</b></li> <li><b>Municipal Manager</b></li> </ul>
<b>October – November 2014</b>	<ul style="list-style-type: none"> <li>Workshop with <b>IDP Representatives Forum</b> members and other invited stakeholders.</li> </ul>		<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Ward Councillors</b></li> <li><b>Municipal Manager</b></li> </ul>
<b>November – December 2014</b>	<ul style="list-style-type: none"> <li>Preparation of departmental operational plans and SDBIP aligned to strategic priorities in IDP and inputs from other stakeholders including government sector departments and bulk service providers – <b>e.g. NER, ESKOM, BloemWater, Water Users Associations, etc.</b></li> </ul>		<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Ward Councillors</b></li> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> <li><b>Directors</b></li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	(SDBIP – Service Delivery and Budget Implementation Plans, ESKOM – Electricity Supply Commission, NER – National Electricity Regulator)		
<b>NOVEMBER 2014</b>			
<b>14 – 15 November 2014</b>	<ul style="list-style-type: none"> <li>Strategic session with the Municipal Council and Management – <b>may extend invite to representatives from the Xhariep District Municipality, as well as any representative(s) of a strategic partner or stakeholder.</b></li> </ul>		<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Ward Councillors</b></li> <li><b>Municipal Manager</b></li> </ul>
<b>November 2014</b>	<ul style="list-style-type: none"> <li>Receive audit report on annual financial statements from the Auditor-General.</li> </ul>	<b>MFMA Section 126(3):</b> The Auditor-General must – (a) audit those financial statements; and (b) submit an audit report on those statements to the accounting officer of the municipality or entity within three months of receipt of the statements.	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>
<b>November 2014</b>	<ul style="list-style-type: none"> <li>Ensure the Accounting Officer addresses any issues raised by the Auditor-General in the audit report – <b>prepare action or audit plans to address and incorporate into the</b></li> </ul>		<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	annual report.		
<b>DECEMBER 2014</b>			
<i>December 2014</i>	<ul style="list-style-type: none"> <li>Finalise inputs from bulk resource providers – e.g. NER and agree on proposed price increase.</li> </ul>		<ul style="list-style-type: none"> <li>Municipal Manager</li> <li>CFO</li> </ul>
<i>December 2014</i>	<ul style="list-style-type: none"> <li>Review whether all bulk resource providers have lodged requests with National Treasury and SALGA seeking comments on proposed price increases of bulk resources.</li> </ul>		<ul style="list-style-type: none"> <li>Municipal Manager</li> <li>CFO</li> </ul>
<i>December 2014</i>	<ul style="list-style-type: none"> <li>Finalise first draft of departmental operational plans and SDBIP for review against strategic priorities.</li> </ul>		<ul style="list-style-type: none"> <li>Municipal Manager</li> <li>CFO</li> <li>Directors</li> </ul>
<i>December 2014 – January 2015</i>	<ul style="list-style-type: none"> <li>Finalise first draft of departmental operational plans and SDBIP for review against strategic priorities.</li> </ul>		<ul style="list-style-type: none"> <li>Municipal Manager</li> <li>CFO</li> <li>Directors</li> </ul>
<i>9 December 2014</i>	<ul style="list-style-type: none"> <li>Finalise first draft of annual report incorporating financial and non-financial information</li> </ul>		<ul style="list-style-type: none"> <li>Municipal Manager</li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	on performance, audit reports and annual financial statements.		<ul style="list-style-type: none"> <li>• CFO</li> <li>• Director Corporate Support Services</li> <li>• All other Directors</li> </ul>
<b>9 December 2014</b>	<ul style="list-style-type: none"> <li>• Submit draft adjustments budget to the <b>IDP and Budget Steering Committee</b>.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> </ul>
<b>JANUARY 2015</b>			
<b>20 January 2015</b>	<ul style="list-style-type: none"> <li>• Adjustments budget submitted to the <b>Municipal Council's Planning and Budget Committees – MSA Section 79 committees</b>.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> </ul>
<b>27 January 2015</b>	<ul style="list-style-type: none"> <li>• Adjustments budget submitted to the <b>Municipal Council</b>.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Mayor</b></li> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> </ul>
<b>28 – 3 February 2015</b>	<ul style="list-style-type: none"> <li>• Approved adjustments budget submitted to the Provincial and</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	National Treasuries.		<ul style="list-style-type: none"> <li>• CFO</li> </ul>
<i>During January 2015</i>	<ul style="list-style-type: none"> <li>• Ensure any written comments made to bulk resource providers by the municipality on the proposed increase of bulk resources are included in any submission made by the bulk resource providers to the required organs of state.</li> </ul>		<ul style="list-style-type: none"> <li>• Municipal Manager</li> <li>• CFO</li> </ul>
<i>During January 2015</i>	<ul style="list-style-type: none"> <li>• Review whether comments from National Treasury and SALGA have been received on proposed price increases of bulk resources.</li> </ul>		<ul style="list-style-type: none"> <li>• Municipal Manager</li> <li>• CFO</li> </ul>
<i>During January 2015</i>	<ul style="list-style-type: none"> <li>• Finalise detailed operating and capital budgets in the prescribed formats incorporating National and provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies including tariff policy.</li> </ul>		<ul style="list-style-type: none"> <li>• Municipal Manager</li> <li>• CFO</li> </ul>
<i>January – February 2015</i>	<ul style="list-style-type: none"> <li>• Review the KPIs and annual performance targets.</li> </ul>		<ul style="list-style-type: none"> <li>• Municipal Manager</li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
			<ul style="list-style-type: none"> <li>• CFO</li> </ul>
<b>FEBRUARY 2015</b>			
<i>February – March 2015</i>	<ul style="list-style-type: none"> <li>• Finalise the draft capital and operating budgets, and budget related policies.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> <li>• <b>Other Directors</b></li> </ul>
<i>During February 2015</i>	<ul style="list-style-type: none"> <li>• Finalise area based or ward plans.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Mayor</b></li> <li>• <b>Ward Councillors</b></li> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> <li>• <b>Other Directors</b></li> </ul>
<i>During February 2015</i>	<ul style="list-style-type: none"> <li>• Note any provincial and national allocations to municipalities for incorporation into budget.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> </ul>
<i>During February 2015</i>	<ul style="list-style-type: none"> <li>• Finalise corrective measures from audit report.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
			<ul style="list-style-type: none"> <li>• CFO</li> </ul>
23 – 25 February 2015	<ul style="list-style-type: none"> <li>• IDP Representatives Forum Meeting.</li> </ul>		<ul style="list-style-type: none"> <li>• Mayor</li> <li>• Ward Councillors</li> <li>• Municipal Manager</li> </ul>
Before 27 February 2015	<ul style="list-style-type: none"> <li>• Receive notification of any transfers that will be made to the municipality from other municipalities in each of the next three financial years <b>by no later than 120 days before the start of its budget year.</b></li> </ul>	<p><b>MFMA Section 37(2):</b> In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for the spending of such allocations, the accounting officer of a municipality responsible for the transfer of any allocation to another municipality must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next 3 financial years.</p>	<ul style="list-style-type: none"> <li>• Municipal Manager</li> <li>• CFO</li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
<b>MARCH 2015</b>			
<b>During March 2015</b>	<ul style="list-style-type: none"> <li>Receive bulk resource providers' price increases as tabled in parliament or the provincial legislature.</li> </ul>		<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>
<b>Before 13 March 2015</b>	<ul style="list-style-type: none"> <li>Submit draft budget at least 90 days before the start of the budget year to the <b>IDP Budget Steering Committee</b>.</li> </ul>		<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>
<b>13 – 31 March 2015</b>	<ul style="list-style-type: none"> <li>Table draft IDP and budget in Council at least 90 days before the start of the budget year. <ul style="list-style-type: none"> <li>Submit to Council – <b>31 March 2014</b></li> </ul> </li> </ul>	<p><b>MFMA Section 16:</b></p> <p>(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.</p> <p>(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.</p>	<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>
<b>31 March 2015</b>	<ul style="list-style-type: none"> <li>Approval of NERSA tariffs.</li> </ul> <p>(NERSA – National Electricity Regulator of South Africa)</p>		<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal</b></li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
			Manager <ul style="list-style-type: none"> <li>• CFO</li> </ul>
<b>APRIL 2015</b>			
<b>6 – 10 April 2015</b>	<ul style="list-style-type: none"> <li>• Submit the budget as well as the IDP to the Provincial Treasury, National Treasury and other affected organs of state.</li> </ul>	<b>MFMA Section 22:</b> Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must (a) in accordance with Chapter 4 of the Municipal Systems Act – (i) Make public the annual budget and the documents referred to in Section 17(3); and (ii) invite the local community to submit representations in connection with the budget; (b) submit the annual budget – (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and (ii) in either formats to any prescribed national or provincial organs of state and to other	<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		municipalities affected by the budget.	
<b>6 – 10 April 2015</b>	<ul style="list-style-type: none"> <li>Submit the proposed revised IDP to the District Municipality.</li> </ul>	<p><b>MFMA Section 22:</b> Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must (a) in accordance with Chapter 4 of the Municipal Systems Act – (i) Make public the annual budget and the documents referred to in Section 17(3); and (ii) invite the local community to submit representations in connection with the budget;</p> <p>(b) submit the annual budget – (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and (ii) in either formats to any prescribed national or provincial organs of state and to other municipalities affected by the budget.</p>	<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal Manager</b></li> </ul>
<b>13 – 14 April 2015</b>	<ul style="list-style-type: none"> <li>Publish the proposed IDP for</li> </ul>	<b>MPPM Regulation</b>	<ul style="list-style-type: none"> <li><b>Municipal</b></li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	public comment.	<b>3(4)(b):</b> No amendment to a municipality's integrated development plan may be adopted by the municipal council unless the proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment.	<b>Manager</b>
<b>14 – 28 April 2015</b>	<ul style="list-style-type: none"> <li>Process of consultation and meetings with local community and stakeholders, Provincial and National Treasury and other organs of state.</li> </ul>	<b>MFMA Section 23(1):</b> When the annual budget has been tabled, the municipal council must consider any views of – (a) the local community; and (b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.	<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Ward Councillors</b></li> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>
<b>MAY 2015</b>			



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
6 – 7 May 2015	<ul style="list-style-type: none"> <li>IDP Representatives Forum meeting.</li> </ul>		<ul style="list-style-type: none"> <li>Mayor</li> <li>Ward Councillors</li> <li>Municipal Manager</li> </ul>
6 – 14 May 2015	<ul style="list-style-type: none"> <li>Confirm National budget for provincial and National allocations to municipalities for incorporation into budget.</li> </ul>		<ul style="list-style-type: none"> <li>Municipal Manager</li> <li>CFO</li> </ul>
6 – 14 May 2015	<ul style="list-style-type: none"> <li>Review provincial and national legislation including DoRA to establish potentially new reporting requirements including annual, monthly and quarterly grant and performance reports for specific new allocations and programmes – <b>10 working days after end of month deadlines.</b></li> </ul>		<ul style="list-style-type: none"> <li>Municipal Manager</li> <li>CFO</li> <li>Other Directors</li> </ul>
6 – 14 May 2015	<ul style="list-style-type: none"> <li>Council must give the Mayor an opportunity to respond to the submissions and, if necessary, to revise the budget and table amendments for consideration by the</li> </ul>	<p><b>MFMA Section 23(2):</b> After considering all budget submissions, the council must give the mayor an opportunity – (a) to respond to the</p>	<ul style="list-style-type: none"> <li>Mayor</li> <li>Municipal Manager</li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	council.	submissions; and (b) if necessary, to revise the budget and table amendments for consideration by the council.	<ul style="list-style-type: none"> <li>• CFO</li> </ul>
<b>Before 14 May 2015</b>	<ul style="list-style-type: none"> <li>• Completion of Annual Budget amendments or refinements.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Mayor</b></li> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> <li>• <b>Other Directors</b></li> </ul>
<b>Before 19 May 2015</b>	<ul style="list-style-type: none"> <li>• Submit draft budget 30 days before the start of the budget year to the <b>IDP and Budget Steering Committee</b>.</li> </ul>		<ul style="list-style-type: none"> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> </ul>
<b>Before 22 May 2015</b>	<ul style="list-style-type: none"> <li>• Table final IDP and budget in Council at least 30 days before the start of the budget year. <ul style="list-style-type: none"> <li>○ Submit to Council – <b>29 May 2015</b></li> </ul> </li> </ul>	<p><b>MFMA Section 24(1):</b> The Council must at least 30 days before the start of the budget year consider the approval of the annual budget.</p> <p><b>MPPM Regulation 3(3):</b> An amendment to a municipality's</p>	<ul style="list-style-type: none"> <li>• <b>Mayor</b></li> <li>• <b>Municipal Manager</b></li> <li>• CFO</li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		<p>integrated development plan is adopted by a decision taken by a municipal council in accordance with the rules and orders of the council.</p> <p>(MPPM – Local Government: Municipal Planning and Performance Management regulation)</p>	
<b>JUNE 2015</b>			
<p><b>Before 5 June 2015</b></p>	<ul style="list-style-type: none"> <li>Place the IDP, annual budget, all budget-related documents and all budget-related policies on the website <b>within 5 days of the adoption of the plan.</b></li> </ul>	<p><b>MFMA Section 75(1):</b> The accounting officer of a municipality must place on the website the following documents of the municipality: (a) the annual and adjustments budgets and all budget-related documents; and (b) all budget-related policies.</p> <p><b>MSA Section 21A(1)(b):</b> All documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal Finance Management Act or other applicable legislation, must be</p>	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>





DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		<p>conveyed to the local community by displaying the documents on the municipality's official website, if the municipality has a website as envisaged by section 21B.</p> <p><b>MFMA Section 75(2):</b> A document referred to above must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first.</p>	
<p><b>Before 10 June 2015</b></p>	<ul style="list-style-type: none"> <li>Submit a copy of the revised IDP to the MEC for local government as well as Provincial Treasury <b>within 10 days of the adoption of the plan.</b></li> </ul>	<p><b>MSA Section 32(1)(a):</b> The municipal manager of a municipality must submit a copy of the integrated development plan as adopted by the council of the municipality, and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan.</p>	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
15 – 18 June 2015	<ul style="list-style-type: none"> <li>Give notice to the public of the adoption of the IDP <b>within 14 days of the adoption of the plan</b></li> </ul>	<p><b>MSA Section 25(4)(a):</b> A municipality must, within 14 days of the adoption of its integrated development plan in terms of subsection (1) or (3) give notice to the public – (i) of the adoption of the plan; and (ii) that copies of or extracts from the plan are available for public inspection at specified places;</p> <p><b>MSA Section 21A(1)(a) and (c):</b> All documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal Finance Management Act or other applicable legislation, must be conveyed to the local community – (a) by displaying the documents at the municipality’s head and satellite offices and libraries; (c) by notifying the local</p>	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		community, in accordance with section 21, of the place, including the website address, where detailed particulars concerning the documents can be obtained.	
15 – 18 June 2015	<ul style="list-style-type: none"> <li>Publicise a summary of the IDP <b>within 14 days of the adoption of the plan.</b></li> </ul>	<p><b>MSA Section 25(4)(b):</b> A municipality must, within 14 days of the adoption of its integrated development plan in terms of subsection (1) or (3) publicise a summary of the plan.</p>	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> </ul>
15 – 18 June 2015	<ul style="list-style-type: none"> <li>Make public the approved annual budget and supporting documentation (including tariffs) <b>within 10 working days after approval of the budget.</b></li> </ul>	<p><b>BUDGET AND REPORTING REGULATIONS 2009, Regulation 18:</b> (1) Within ten working days after the municipal council has approved the annual budget of a municipality, the municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved annual budget and supporting documentation and the</p>	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		<p>resolutions referred to in section 24(2)(c) of the Act.</p> <p>(2) The municipal manager must also make public any other information that the municipal council considers appropriate to facilitate public awareness of the annual budget, including –</p> <p>(a) summaries of the annual budget and supporting documentation in alternate languages predominant in the community; and</p> <p>(b) information relevant to each ward in the municipality.</p> <p>(3) All information contemplated in sub-regulation (2) must cover:</p> <p>(a) the relevant financial and service delivery implications of the annual budget; and</p> <p>(b) at least the previous year's actual outcome, the current year's</p>	



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		forecast outcome, the budget year and the following two years.	
<b>Before 18 June 2015</b>	<ul style="list-style-type: none"> <li>Submit approved budget to the provincial treasury and National Treasury <b>within 10 working days after approval of the budget.</b></li> </ul>	<p><b>MFMA Section 24(3):</b> The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.</p> <p><b>BUDGET AND REPORTING REGULATIONS 2009, Regulation 20:</b> The municipal manager must comply with section 24(3) of the Act within ten working days after the municipal council has approved the annual budget.</p>	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>
<b>18 June 2015</b>	<ul style="list-style-type: none"> <li>Submit to the Mayor the draft SDBIP and draft annual performance agreements for the next year <b>within 14 days after approval of the budget.</b></li> </ul>	<p><b>MFMA Section 69(3):</b> (a) The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor a draft service delivery and budget implementation plan for the budget year. (b) The accounting</p>	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> <li><b>Other Directors</b></li> </ul>

DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		officer must no later than 14 days after the approval of an annual budget submit to the mayor drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act for the municipal manager and all senior managers.	
<b>18 June 2015</b>	<ul style="list-style-type: none"> <li>The Mayor takes all reasonable steps to ensure that the SDBIP is approved <b>within 28 days after approval of the budget.</b></li> </ul>	<b>MFMA Section 53(1)(c)(ii):</b> The mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after approval of the budget.	<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal Manager</b></li> </ul>
<b>Before 23 June 2015</b>	<ul style="list-style-type: none"> <li>Place the performance agreements and all service delivery agreements on the website.</li> </ul>	<b>MFMA Section 75(1):</b> The accounting officer of a municipality must place on the website the following documents of the municipality: (d) performance agreements required in	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		<p>terms of section 57(1)(b) of the Municipal Systems Act; and (e) all service delivery agreements.</p> <p><b>BUDGET &amp; REPORTING REGULATIONS 2009, Regulation 19:</b> The accounting officer must place on the website all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act.</p>	
<p><b>Before 30 June 2015</b></p>	<ul style="list-style-type: none"> <li>Submit copies of the performance agreements to Council and the MEC for local government as well as the national minister responsible for local government <b>within 14 days after concluding the employment contract and performance agreement.</b></li> </ul>	<p><b>MFMA Section 53(3)(b):</b> Copies of such performance agreements must be submitted to the council and the MEC for local government in the province.</p> <p><b>PERF REGS 2006 Regulation (5):</b> The employment contract and performance agreement must be</p>	<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> <li><b>Other Directors</b></li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government within fourteen (14) days after concluding the employment contract and performance agreement	
<b>Before 30 June 2015</b>	<ul style="list-style-type: none"> <li>Submit the SDBIP to National and Provincial Treasury <b>within 10 working days approval of the plan.</b></li> </ul>	<b>BUDGET &amp; REPORTING REGULATIONS 2009, Regulation 20(2)(b):</b> The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan.	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>
<b>Before 30 June 2015</b>	<ul style="list-style-type: none"> <li>Make public the projections, targets and indicators as set out in the SDBIP <b>within 10 working days after the approval of the SDBIP.</b></li> </ul>	<b>MFMA Section 53(3)(a):</b> The mayor must ensure that the revenue and expenditure projections for each month and the	<ul style="list-style-type: none"> <li><b>Municipal Manager</b></li> <li><b>CFO</b></li> </ul>





DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
		<p>service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan.</p> <p><b>BUDGET &amp; REPORTING REGULATIONS 2009, Regulation 19:</b> The municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan in terms of section 53(1)(c)(ii) of the Act.</p>	
<p><b>Before 30 June 2015</b></p>	<ul style="list-style-type: none"> <li>Make public the performance agreements of Municipal Manager and senior managers <b>no later than 14 days after</b></li> </ul>	<p><b>MFMA Section 53(3)(b):</b> The mayor must ensure that the performance</p>	<ul style="list-style-type: none"> <li><b>Mayor</b></li> <li><b>Municipal</b></li> </ul>



DATE	TASK	LEGAL REFERENCE	RESPONSIBILITY
	the approval of the SDBIP.	agreements of municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan.	Manager

## 10. CONCLUSION

The above IDP and Budget schedule outlines the activities that will be undertaken whilst reviewing the Naledi Local Municipality's integrated development plan for the 2015/2016 financial year.

The approved IDP Process Plan also details activities in relation to the 2013/2014 municipal performance reporting cycle and the 2015/2016 budget year. This plan will ensure that all role players are well prepared to participate in the IDP review process.

All activities outlined in this document have been prepared in close collaboration with the Xhariep District Municipality. Following the adoption of the plan by the Municipal Council it will be the official guiding tool for undertaking the IDP review for the 2015/16 financial year.

## 11. APPROVAL OR ADOPTION

The **Naledi Local Municipality's 2015/2016 Annual IDP Process Plan** is approved or adopted by the Municipal Council on **Wednesday, 30 September 2014**.

Signed on behalf of the Municipal Council by:

Mpolokeng M Mahase (COUNCILLOR)  
**MAYOR**  
Naledi Local Municipality

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

Qheku Wilson Lefora (MR)  
**MUNICIPAL MANAGER**  
Naledi Local Municipality

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



## Planning, budgeting and reporting cycle

The performance of the Municipality 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 municipality therefore has adopted one integrated performance management system 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 performance information concepts used by the municipality in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by the National Treasury.

### 2.1.3 IDP and Service Delivery and Budget Implementation Plan

This is a newly designed IDP, resulted from the public participation processes that will be valid for the years 2013/14 to 2017/18. It commenced in August 2012 after the tabling the IDP process plan and the budget time schedules for the 2013/14 MTREF.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The process plan applicable to the fourth revision cycle, include the following key IDP processes and deliverables;

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP; and
- The review of the performance management and monitoring system.

The IDP has been taken into a business and financial planning process leading to the 2013/14 MTREF, based on the approved 2012/13 MTREF, Mid-year review and adjustment budget. The business planning process has subsequently been refined in the light of the current economic circumstances and the revenue projections.

With the compilation of the 2013/14 MTREF, each department /function had to review their business planning process, including setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2012/13 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning and essentially informed the detail operating budget appropriations and the three year capital programme.

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

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF.

- Growth and Development in the municipal area;
- Policy priorities and strategic objectives;
- Asset maintenance;
- Economic climate and trends (i.e. inflation, Eskom/Centlec increases, household's debt, migration patterns);
- Performance trends;
- The approved 2013/14 adjustment budget and performance against the SDBIP;
- Cash Flow Management Strategy;
- Debtor payment levels;
- Loan and investment possibilities;
- The need for tariff increase versus the ability of the communities to pay for services;
- Improved and sustainable service delivery;
- Situational analysis performed during the IDP compilations which includes statistical information (e.g. Population, unemployment rate, etc.)

In addition, the strategic guideline given in the National Treasury's MFMA circulars 58, 59 and 67 has been factored into the planning and prioritisation process.

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

The Municipal budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. Listed below are policies attached as annexure B and had been either developed or reviewed to be implemented with effect from 1 July 2014:

- Supply Chain Management Policy
- Property Rates Policy
- Tariffs Policy
- Credit Control and Debt Collection Policy
- Municipal Banking and Investment Policy
- Indigent Policy
- Budget Management Policy
- Budget Principles
- Assets Management Policy
- External Loans
- Cell phones Policy
- Virement Policy
- Bad Debts Policy
- Reimbursement Policy
- Inventory Policy

**2.3 Municipal Managers Quality Certificate.**

I **Qheku Wilson Lefora** municipal manager of Naledi Local Municipality, hereby certify that the adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

**Print Name** \_\_\_\_\_

**Municipal Manager of  
Naledi Local Municipality (FS164)**

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_



## ANNEXURE C

### TARIFFS 2014 - 2015

Item No	Description	Tariffs July 2013 - 2014	Tariffs July 2014 - 2015
1.	<p><b>Assesment Rates</b></p> <p><b>Residential</b>                      All residential properties with a market value of less than the amount as annually determined by the municipality are exempted from paying rates. For the 2013/2014 financial year the maximum reduction is determined as R35 000. The impermissible rates of R15 000 contemplated in terms of section 17(1) (h) of the Property Rates Act is included in the amount referred to above as annually determined by the municipality. The remaining R20 000 is an important part of the council's indigent policy and is aimed primarily at alleviating poverty.</p> <p><b>Retired and Disabled Persons Property Rates Rebate</b>                      For the 2013/2014 financial year the total monthly income and corresponding rebate is determined as follows:-                      R 0 to R 2 500 per month - 100% rebate                      R 2 501 to R 5 000 per month - 50% rebate                      R 5 001 to R 8 000 per month - 20% rebate</p> <p>Indigent owners and child headed families will receive a 100% rebate from property rates</p> <p><b>Business/Commercial</b></p> <p><b>State - Owned (Government)</b>                      Ratio 1:2 - State owned properties, including all agricultural properties(farms) owned by any sphere of government, shall be levied 2 x the rate of domestic properties.</p> <p><b>State - Owned (Government Agriculture)</b></p> <p><b>Agricultural - Normal</b></p>	<p>0.0085</p> <p>0.0085</p> <p>0.017</p> <p>0.0031875</p> <p>0.00159375</p>	<p>0.00915</p> <p>0.00915</p> <p>0.0183</p> <p>0.00348</p> <p>0.00174</p>



	<p><b>Standard rebate to all agricultural properties</b></p> <ul style="list-style-type: none"> <li>- Ratio of 1:0.25 (75% rebate) on tariff of R0.0085 as promulgated by the Minister of Provincial and Local Government</li> </ul> <p><b>Additional rebate if qualified and applied for</b></p> <ul style="list-style-type: none"> <li>- 2,5% for the provision of accommodation in a permanent structure to farm workers and their dependants</li> <li>- 2,5% if such residential properties are provided with potable water.</li> <li>- 2,5% if the farmer for the farm workers electrifies such residential properties.</li> <li>- 2,5% for the provision of land for burial to own farm workers and educational and recreational purposes to own farm workers as well as people from surrounding farms.</li> </ul>		
<b>2.</b>	<p><b>Administration</b></p> <p>Building plan fees (Extentions) 86.59 92.00</p> <p>Building plan fees (New Buildings) 86.59 92.00</p> <p>Tax certificate 86.59 92.00</p> <p>Valuation certificates 86.59 92.00</p> <p>Photostats 2.10 2.20</p> <p>Faxes : Receive 3.20 3.40</p> <p>Send: R11+R2/P R12+R2/P</p> <p>Posters deposit 132.00 140.00</p> <p>Advertisement board on encroachments p/a 396.00 420.00</p> <p>Business license p/a 132.00 140.00</p> <p>Clearance certificates 132.00 140.00</p> <p><b>Tender Document</b></p> <p>Tender below R 500, 000.00 416.00 442.00</p> <p>Tender above R 500, 000.00 712.00 756.00</p> <p>Database registration 178.00 189.00</p> <p>Proof of residents letter 11.00 12.00</p>		
<b>3.</b>	<p><b>Sportgrounds, Parks and Cemeteries</b></p> <p><b>Grave Fees</b></p> <p>Per site: Former Towns (Dewetsdorp, Wepener &amp; Van Stadensrust) 692.00 735.00</p> <p>Per site: (Morojaneng, Qibing &amp; Thapelong) 138.00 147.00</p> <p>Digging of grave 932.00 990.00</p> <p>Opening of grave 932.00 990.00</p> <p>Payment to contractor 692.00 735.00</p> <p><b>Sportgrounds</b></p>		

	Rent sport grounds:	692.00	735.00
<b>4.</b>	<b>Library</b>		
	Fines/Penalty per week	14.00	15.00
	Lost book each	132.00	140.00
<b>5.</b>	<b>Fire Brigade</b>		
	Call out		
<b>6.</b>	<b>Properties</b>		
	<b>Camps</b>		
	Cow (Including calf)	48.00	51.00
	Horse (Including Colt/Foal)	65.00	69.00
	Sheep (Including lamb)	42.00	45.00
	Goat (Including young Goat/Kit)	36.00	38.00
	Biological Assets disposal	712.00	756.00
	<b>Municipal Houses &amp; Flats</b>		
	Private rental - Mc Donald and 20 Spiestreet (garden service included)	1406.00	1493.00
	Municipal flat	672.00	714.00
	Municipal House	1063.00	1129.00
<b>7.</b>	<b>Public Works</b>		
	General workman per hour - Supervisor	111.00	118.00
	General workman per hour	5.00	5.50
	Illegal dumping on pavement - per load	222.00	236.00
	Garden refuse removal - per load		
	Construction equipment - per hour (fuel included)	417.00	443.00
	Transport - per kilometer (load km)	22.00	24.00
	Clearing of erven with machinery - per erf per hour (min: 1 hour)	237.00	252.00
	Whole area - Per hand per square meter (Not removal)	1.40	1.50
	Gravel		
<b>8.</b>	<b>Licences per annum</b>		
	Business Licences	209.00	222.00
	Informal tuck shop	70.00	75.00
	Street hawker	16.00	17.00

9.	<b>City Hall and Offices</b>		
	<b>Rental Town Hall</b>		
	<b>Wepener</b>		
	Hall Rental	802.00	1200.00
	<b>Qibing &amp; Ebenhaeserhoogte halls</b>		
	Hall Rental	209.00	350.00
	<b>Dewetsdorp</b>		
	Hall Rental	802.00	1200.00
	<b>Morojaneng Hall</b>		
	Rental	190.00	350.00
<b>Vanstadensrus</b>			
Hall Rental	209.00	350.00	
<b>Rental of Halls for Churches</b>			
Hall Rental	142.00	150.00	
10.	<b>Sewerage and Sanitation</b>		
	1) Domestic Houses, Churches, Flats & Suction (Houses) - DOM	58.55	62.18
	2) Business, Offices & Suction - BUS	103.90	110.34
	3) School - SCH	2968.79	3152.85
	4) Correctional Services - CORR	2473.99	2627.38
	5) SAPS, Hotel & Guest House - SAP	1113.30	1182.32
	6) Big Business - BBUS	234.20	248.72
	7) Retirement Home - OLD	458.52	486.95
	8) Sport Clubs, Spoornet - DEPT	112.15	119.10
	<b>New Connections</b>		
New connections - private			
New connections - other			
<b>public works</b>			
finances	593.26	630.04	
11.	<b>Refuse Removal</b>		
	1) Domestic Houses, Departmental & Sport Clubs - DOM	45.71	48.54
	2) Business, Shops, Spoornet & Boarding House - BUS	128.31	136.27
	3) Big Business, Correctional Service, SAPS & Hostel - BBUS	404.19	429.25
	4) Offices - OFF	70.58	74.96
	5) School - SCH	253.42	269.13

<b>13.</b>	<b>Water Consumption</b>		
	<b>Consumers</b>		
	Service levy	19.02	20.20
	Service levy - Commerce,governm,sport & schools	112.42	119.39
	Per Kl usage ( 1 -6)	0.00	0.00
	Per Kl usage (>6 Kl -30Kl)	9.43	10.01
	>30kL + COMMERCE,GOVERNMENT CONTRACTORS	10.09	10.72
	BREAKAGE		
	BREAKAGE UNREPORTED		
	<b>Sport Clubs and Departmental</b>		
	Per Kl usage	8.96	9.52
	<b>Irrigation</b>		
	Flood irrig / cycle - V/Stadensrus	21.62	22.96
	<b>Lost Water Tokens</b>	314.46	333.96
	<b>Connections</b>		
	Reconnection - 1 st	216.19	229.59
	Reconnection - 2 nd	518.85	551.02
	Reconnection - 3 rd	1037.71	1102.05
	New connections		
	Test meter	259.43	275.51
	<b>Private Work</b>		
	Labour per hour - Supervisor	114.35	121.44
	Labour per hour - General worker	64.32	68.31
	Saturday and weekdays - after hours		
	Public holidays, sundays		
	Material costs		
<b>14.</b>	<b>Travel and Subsistance</b>		
	Vehicle running cost	2.40	2.55
	Day allowance - councillors		
	- officials		
	Accommodation - overnight maximum se'f catering/n		
	- Hotel / night maximum		

	(accommodation includes dinner except where it is not part of the reservation. Receipts for expenses on meals must be submitted)		
<b>15.</b>	<b>Expenditure Tariffs</b>		
	<b>Cellphones allowance</b>		
	Mayor and Councillors		
	Municipal manager	1423.83	1512.11
	HOD/Directors - Section 56 Managers	1186.52	1260.08
	Manager reporting directly to HOD	949.22	1008.07
	Assistant Managers/Accountant	771.24	819.06
	Supervisors/PA	296.63	315.02
	Other officials	142.38	151.21
<b>18.</b>	<b>New accounts</b>		
	Deposit - Water	244.00	260.00