

“Annexure B”

ANNUAL BUDGET OF BUFFALO CITY METROPOLITAN MUNICIPALITY



2018/2019 TO 2020/21 FINAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET

30 MAY 2018

Table of Contents

LIST OF TABLES.....	III
LIST OF FIGURES.....	V
ABBREVIATIONS AND ACRONYMS	VI
PART 1 – ANNUAL BUDGET.....	1
1.1 EXECUTIVE MAYOR’S REPORT	1
1.2 COUNCIL RESOLUTIONS.....	11
1.3 EXECUTIVE SUMMARY.....	15
1.4 OPERATING REVENUE FRAMEWORK	41
1.5 OPERATING EXPENDITURE FRAMEWORK	58
1.6 CAPITAL EXPENDITURE FRAMEWORK.....	65
1.7 ANNUAL BUDGET TABLES	70
PART 2 – SUPPORTING DOCUMENTATION.....	105
2.1 OVERVIEW OF ANNUAL BUDGET PROCESS	105
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	130
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	138
2.4 OVERVIEW OF BUDGET-RELATED POLICIES.....	148
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	151
2.6 OVERVIEW OF BUDGET FUNDING	160
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	171
2.8 COUNCILLOR AND EMPLOYEE BENEFITS	175
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	178
2.10 ANNUAL BUDGET AND SDBIP’S – INTERNAL DEPARTMENTS.....	185
2.11 ANNUAL BUDGET AND SDBIPS – MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS	185
2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	201
2.13 CAPITAL EXPENDITURE DETAILS	205
2.14 LEGISLATION COMPLIANCE STATUS	223
2.15 CITY MANAGER’S QUALITY CERTIFICATE	239
ANNEXURES:	240

LIST OF TABLES

Table 1: Consolidated Overview of the 2018/19 MTREF Budget.....	25
Table 2: 2018/19 – 2020/21 Capital Budget Per Service	27
Table 3: Average Tariff increases for 2017/18 to 2020/21	29
Table 4: Summary revenue classified by revenue source.....	42
Table 5: Table A4 %age growth in revenue by main revenue source.....	44
Table 6: Table SA18 - Operating Transfers and Grant Receipts.....	46
Table 7: Comparison of proposed rates to be levied for the 2017/18 financial year.....	49
Table 8: Water Tariffs	52
Table 9: Comparison between current water charges and increases (Domestic).....	52
Table 10: Comparison between current electricity charges and increases (Domestic)	54
Table 11: Comparison between current sanitation charges and increases, single dwelling- residence (per annum)	55
Table 12: Comparison between current refuse removal fees and increases	56
Table 13: SA14 – Household bills.....	57
Table 14: Table A4 - Summary of operating expenditure classification by type	58
Table 15: Table SA34c – Repairs and Maintenance expenditure by asset type	62
Table 16: Basic social services package per indigent household	64
Table 17: Table A5 2018/19 Medium-term capital budget per vote, standard classification and funding	65
Table 18: List of Key Projects Per Service	67
Table 19: MBRR Table A1 – Budget Summary	71
Table 20: MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by function classification).....	75
Table 21: MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote).....	77
Table 22: MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure by source and type).....	78
Table 23: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	82
Table 24: MBRR Table A6 - Budgeted Financial Position	84
Table 25: MBRR Table A7 - Budgeted Cash Flow Statement	86
Table 26: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation	88
Table 27: MBRR Table A9 – Asset Management.....	90
Table 28: MBRR Table A10 – Basic Service Delivery Measurement	96
Table 29: MBRR Table A1 – Budget Summary	98
Table 30: MBRR Table A4 – Budgeted Financial Performance (Revenue and Expenditure)	100
Table 31: MBRR Table A6 – Budgeted Financial Position	102
Table 32: MBRR Table A7 – Budgeted Cash Flows.....	103
Table 33: MBRR Table A8 – Cash Backed Reserves / Accumulated Surplus Reconciliation	104
Table 34: Key activities in the review of the 2017/18 IDP and MTREF Budget	107
Table 35: IDP’S Five Strategic Objectives.....	130
Table 36: Alignment of BCMM Strategic Objectives with National and Provincial Priorities.....	131
Table 37: MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	135
Table 38: MBRR Table SA5 - Reconciliation between the IDP Strategic Objectives and budgeted operating expenditure	136
Table 39: MBRR Table SA6 – Reconciliation between the IDP Strategic Objectives and budgeted Capital Expenditure.....	137
Table 40: MBRR Table SA7 - Measurable performance objectives.....	139
Table 41: MBRR Table SA8 - Performance indicators and benchmarks.....	141
Table 42: 2017/2018 to 2020/2021 Budget Assumptions.....	155

Table 43: Indigent Subsidy Package.....	156
Table 44: Tariff increases over the medium-term	156
Table 45: Credit rating outlook	157
Table 46: Tariff increases 2017/18 to 2020/21	160
Table 47: MBRR Table SA15 – Detail Investment Information	161
Table 48: MBRR Table SA16 – Investment particulars by maturity	162
Table 49: MBRR Table A5 - Sources of capital revenue over the MTREF	163
Table 50: MBRR Table SA17 - Details of borrowings	164
Table 51: MBRR Table SA 18 - Capital transfers and grant receipts	165
Table 52: MBRR Table A7 – Budgeted cash flow	166
Table 53: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation	167
Table 54: MBRR Table SA10 – Funding compliance measurement	168
Table 55: MBRR Table SA19 - Expenditure on transfers and grant programmes.....	171
Table 56: MBRR Table SA20 - Reconciliation between of transfers, grant receipts and unspent funds	173
Table 57: MBRR Table SA22 - Summary of councillor and staff benefits	175
Table 58: MBRR Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	176
Table 59: MBRR Table SA24 – summary of personnel numbers	177
Table 60: MBRR Table SA25 - Budgeted Monthly Revenue and expenditure (Source and Type)	178
Table 61: MBRR Table SA26 - Budgeted Monthly Revenue and expenditure (Municipal Vote)	179
Table 62: MBRR Table SA27 - Budgeted Monthly Revenue and expenditure (Functional Classification)	180
Table 63: MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)	181
Table 64: MBRR Table SA29 - Budgeted monthly capital expenditure (Functional classification).....	182
Table 65: MBRR Table SA30 - Budgeted monthly cash flow.....	183
Table 66: MBRR Table D1 – Budget Summary – (BCMDA)	186
Table 67: MBRR Table D2 – Budgeted Financial Performance (revenue and expenditure) – (BCMDA)	187
Table 68: MBRR Table D3 – Capital Budget by vote and funding – (BCMDA)	188
Table 69: MBRR Table D4 – Budgeted Financial Position – (BCMDA)	189
Table 70: MBRR Table D5 – Budgeted Cash Flow – (BCMDA).....	190
Table 71: MBRR Table SD1 – Measurable Performance Targets (BCMDA)	191
Table 72: MBRR Table SD2 – Financial and Non-Financial Indicators (BCMDA).....	192
Table 73: MBRR Table SD3 – Budgeted Investment Portfolio (BCMDA)	193
Table 74: MBRR Table SD4 – Board member allowances and staff benefits (BCMDA).....	194
Table 75: MBRR Table SD5 – Summary of personnel numbers (BCMDA)	195
Table 76: MBRR Table SD6 – Budget Monthly Cash and Revenue/Expenditure - (BCMDA)	196
Table 77: MBRR Table SD7a – Capital Expenditure on New Assets by Asset Class - (BCMDA)	198
Table 78: MBRR Table SD7e – Capital Expenditure on Upgrading of Existing Assets by Asset Class - (BCMDA).....	199
Table 79: MBRR Table SD9 – Detailed Capital Budget - (BCMDA)	200
Table 80: MBRR Table SA33 – Contracts having future budgetary implications	202
Table 81: MBRR Table SA35 – Future financial implications of the capital budget	204
Table 82: MBRR Table SA34a – Capital expenditure on new assets by asset class ...	206
Table 83: MBRR Table SA34a – Capital expenditure on new assets by asset class ..	207
Table 84: MBRR Table SA34e – Capital expenditure on the upgrading of existing assets by asset class.....	209
Table 85: MBRR Table SA34c – Repairs and maintenance expenditure by asset class	210
Table 86: MBRR Table SA34d – Depreciation by Asset Class	211
Table 87: MBRR Table SA36 - Detailed capital budget per municipal vote	213
Table 88: MBRR Table SA37 – Projects delayed from the previous financial year	217
Table 89: MBRR Table SA38 – Consolidated detailed operational projects	218

Table 90: MBRR Table SA1 – Supporting detail to budgeted financial performance ..	225
Table 91: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department).....	228
Table 92: MBRR Table SA3 – Supporting detail to Statement of Financial Position ...	230
Table 93: MBRR Table SA9 – Social, Economic and Demographic Statistics and Assumptions	232
Table 94: MBRR Table SA32 – List of External Mechanism	238

LIST OF FIGURES

Figure 1: Cycle of Metro Growth and Development Strategy	15
Figure 2: Strategic Framework	16
Figure 3: 2018/19 Capital Budget Per Service	28
Figure 4: Mayoral Lekgotla Priorities	39
Figure 5: Main Operating Revenue categories for the 2018/19 financial year	43
Figure 6: Main operational expenditure categories for the 2018/19 financial year	59

ABBREVIATIONS AND ACRONYMS

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

PART 1 – ANNUAL BUDGET

1.1 EXECUTIVE MAYOR’S REPORT

The then Honourable Minister of Finance in his budget speech of 21 February 2018 stated that, “we have the opportunity to achieve faster and more inclusive growth, to create jobs for our people and a better life for all South Africans. That opportunity comes from a favourable global economic outlook, with many of our trading partners doing well, and from improved prices for our exports. That opportunity comes from a fiscal framework which has improved markedly since the October medium-term budget policy statement.” The Honourable Minister stated this referring to the improving global economic climate as well as South African economy that reflect a recovery trend which is a result of political and policy certainty that has restored business confidence.

The former Honourable Minister further said, “that opportunity comes from the strong partnership which has been forged between all the social partners to prevent further ratings downgrades, and remove obstacles to investment, growth and job creation. That opportunity comes from improving confidence, as business and consumers have responded positively to political developments over the last three months, and are anticipating progressive, ethical and decisive leadership from government. To take advantage of these opportunities, we must act with urgency to make tangible progress on issues of public governance, inclusive growth and economic transformation.”

The 2018 South African budget speech state that, this is a tough, but hopeful budget which requires difficult but necessary trade-offs be made, important to ensure that this budget is a platform for renewal, inclusive growth and job creation. The speech further state that, this budget moderates spending and raises the revenues required to contain the growth in national debt, whilst trying to minimize negative effects on growth. It also highlights that there are risks and spending pressures we will need to navigate carefully, but this budget presents a roadmap to maintaining the integrity of our public finances, while protecting social services.

The 2018 South African budget speech highlighted the following on the economic outlook:

- Stronger domestic demand in the US and the euro area has supported an improved growth outlook.
- The recovery in commodity prices has also supported developing countries growth prospects.
- Sub-Saharan Africa is expected to grow at 3.3 per cent in 2018
- South African anticipated growth of 1.5 per cent in 2018, rising to 2.1 per cent in 2020.

The speech also states that, while this is a good start, there are immediate policy interventions that need to be made to ensure that we create the right environment for investment, growth and employment.

On fiscal framework the 2018 South African budget speech reflect that, despite an improved outlook, government still faces a revenue gap of R48.2 billion in the current year, which carries through to the outer years of the medium-term expenditure framework. In addition, the December 2017 announcement of fee-free higher education and training entails large new allocations over the medium term. In response, government has made significant changes to the fiscal framework. These include:

- new tax measures, mainly through a higher VAT rate and below-inflation adjustments to personal income tax brackets.
- the expenditure ceiling has been revised down marginally from what was presented in October.
- however, the small revisions are underpinned by large reductions and reallocations.

The tabled budget speech indicate that the consolidated deficit is projected to narrow from 4.3 per cent of GDP in 2017/18 to 3.5 per cent in 2020/21. The main budget primary deficit closes over the medium term, helping to stabilise the gross debt-to-GDP ratio at 56.2 per cent of GDP in 2022/23, and declining thereafter. Though the trend is in the right direction, it is a concern to note that the Country remains with a deficit budget and high debt. It is also worth noting the sentiments of the speech that these fiscal proposals will cause economic discomfort, that are however, necessary to protect the integrity of the public finances.

On Local Government financial management, the speech highlighted the importance of the ability of municipalities to:

- to charge tariffs that reflect the full cost of the services they deliver, in particular for water services.
- collect the funds that are owed to them, and adopt credible budgets.
- be able to pay their own creditors.
- (Cities) to take advantage of the dynamic to drive inclusive growth.
- (Cities) the Integrated Urban Development Framework sets out government's policy commitment to improving the productivity of South Africa's urban areas.
- (Cities) re-think approaches to South Africa's urban development challenges, and to find new ways in which to stimulate faster and more inclusive growth.

In concurrence with the above, the Honourable Member of Executive Council (MEC) of the Eastern Cape for Finance in his budget speech of 07 March 2018 indicated that, according to the 2018 main budget the impact on the Tax Revenue shortfall is estimated at R48 billion, while new policy pressures such as the funding of Free Higher Education put an added R57 billion strain on the public purse. The Honourable MEC further highlighted that, consequently, commitments by National Government to fund other policy priorities including mega infrastructure projects that our province yearns for, have had to be delayed, as government is seized with fiscal consolidation that is aimed at servicing the national debt. Additional to the above, the Honourable MEC further highlighted that the province is also burdened by the challenge of medico legal claims and contingent liabilities amounting to R17 billion, the reality of capped leave for civil servants exiting the system amounting to R6.5 billion and infrastructure backlogs that are projected at R151.1 billion.

The budget speech of the Honourable MEC indicate that, since the beginning of the provincial government term, the focus has been to strengthen revenue collection options, implement cost containment measures, deepen expenditure efficiencies and change the structure of expenditure in order to mitigate against the effects of all the fiscal challenges that have just been mentioned above. This has enabled the province to protect without fail the core service delivery priorities of Health and Education. The speech suggests that, going forward province must collectively invest its energies on:

- Ensuring that we strike a balance between Capital Investments and the Wage Bill.
- Vigorously lobby for the review of the Equitable Share Formula as it disadvantages rural provinces.
- Preparing ourselves to benefit on the pronouncements made by the President on Land Expropriation, by strengthening our capabilities for the commercialisation of agriculture in our province.
- Setting provincial think-tank that would include Treasury, DEDEAT and COEGA and East London SEZs to attract large scale investments to our province, targeting the R1.4 trillion fund reserves at the JSE.
- Rooting out all forms of corruption and fiscal seepages in our administration.

The Buffalo City Metropolitan Municipality understands that it is not immune to the economic challenges that are experienced globally by South Africa and most closely, the province of the Eastern Cape. Therefore, BCMM has taken and continued to follow a conservative approach in the manner in which it approaches this MTREF budget. This approach includes giving consideration in the budget to the cost containment measures suggested by National Treasury. These measures are being implemented in an attempt to ensure the future viability of the institution and to focus on reducing the negative impact on the residents within our boundaries. Continuing from prior year cost containment measures, the following cost containment measures have been applied in the 2018/19 MTREF budget:

- Feeling of vacant funded posts remain frozen with the exception of few critical posts.
 - Management is in the process of reviewing governance structures and the service delivery model that is used by the City.
 - The above could lead to organogram amendments hence moratorium should be effective up until the above review has been completed.
 - Management is also in the process of developing a procedure/criteria that will be used to determine critical posts

- The employee allowances that are paid by the City are under review to eliminate possible duplication.
- The exercise of scrutinising cost drivers within our value chain to identify areas for efficiency improvement is still on-going.

It gives me great pleasure to announce that our total budget (operating and capital) for the MTREF period is growing from R8.3 billion in the 2018/19 to R9.3 billion in the 2019/20 financial year, it further grows to R9.8 billion in the 2020/21 financial year of which consistently over R1.5 billion per annum has been allocated for infrastructure investment. Our commitment to respond to our people's legitimate demand for a better life is reflected in a budget in which the **key priorities are Water and Sanitation, Roads and Storm water, Human Settlements development, Transport Planning, Electricity** and related **critical infrastructure and maintenance**. In a continued effort to create jobs for the communities of Buffalo City and to encourage private sector investment the capital budget is being focused on a mix social and economic infrastructure investments. This is our contribution in trying to turn the corner from the economic hardships that our country experienced in the past few years since the global recession. As part of the City's long term plan on human capital development, the city has allocated funding for internship programmes, especially in the areas of finance and engineering as well as the EPWP Programme. The City further continues to allocate funding for bursaries to its employees as well as communities of BCMM. This is in line with, and reflects our commitment to the priorities of the National Development Plan and Provincial Development plan while of course reflecting our own Constitutional role as a local actor on the national stage. The budget allocation is based on the priorities that have been identified through the City's IDP reviews process. It also seeks to work towards achieving the goals that are set in the Metro Growth and Development Strategy.

In total, the budget for our **capital and operating projects** amounts to about **R7.3 billion over the MTREF period** (2018/19: R2.1 billion, 2019/20: R2.7 billion and 2020/21: R2.5 billion). The municipality has recognised the economic adversities that is currently being experienced by its citizens and in an attempt to relieve the growing poverty it has taken a decision to strive to keep its tariff increases at the most minimal feasible levels. This has

resulted in the Metro increasing its tariffs by a single digit percentage on all the services except Property Rates which has no tariff increase due to the implementation of the new valuation roll.

On Property Rates no increase projected for 2018/19 financial year due to implementation of the new general valuation roll, an increase of 9% is set for 2019/20 financial year and it is then reduced to 8% in the 2020/21 financial year. Refuse Removal has been projected to increase by 9.2% for the 2018/19 and slightly decreases to 8.7% in 2019/20 financial years, the projected increase continues decreasing in 2020/21 financial year decreasing to 8%. For the Water Service, the tariff increases are projected at 9%, 9%, and 8% over the 2017/18 MTREF period respectively.

On Electricity, the tariff will increase by 6.84% every year over the 2018/19 MTREF period. The City has followed the proposed NERSA increase. The Sewerage tariff increase has also been kept below double digit percentage increase, it is projected to increase to 8.8% for the 2018/19 and 9.3% in the 2019/20 financial year, this increase is reduced to 8.0% in 2020/21 financial year.

The City has successfully undertaken a General Valuation exercise in terms of the Municipal Property Rates Act and the new values will be implemented from 01 July 2018. The compilation of the valuation roll commenced in December 2016 and was completed in January 2018. The valuation roll was submitted to the City Manager. The valuation roll was opened for inspection and objections until 26 April 2018. The ratepayers were required to inspect and object to any particulars appearing on the valuation roll. The total number of properties on the valuation roll is 159,527 and the objections received as a percentage of the full valuation roll was 2.23%.

In a continued effort to ensure future financial viability of the city continuous review of the operational cost base is being undertaken in an attempt to identify inefficiencies. This has yielded positive results hence the institution has been able project single digit tariff increases. The institution will continue focusing on the operational budget in the 2018/19 financial year in order to reduce further any inefficiency and thereby reduce the impact on

Buffalo City Metropolitan Municipality residents. The City strives to ensure that the tariffs are cost reflective of the services that have been provided. It is however important to mention the fact that the City's revenue base is not at the required levels due to high rural areas that are part of the Metro. This required creative and innovative ways of ensuring efficiency in whatever activities that are undertaken. We shall continue to strive for equal service levels for all our communities in the Metro.

We have been mindful that inflation leads to more pain for the poor than any other group. I am happy therefore to propose that the **11% increase** of the basic welfare package for households that qualify in terms of our policy, which means that the indigents of Buffalo City will continue to have a **safety net of free basic services**, translating in the new year to a basket of services to the value of **R614.71 per household per month**.

In support of our local economy, the Directorate of **Economic Development & Agencies** is running programmes in an effort to reduce unemployment and indigent rate in our Metro. The Directorate has been allocated a capital budget of R314.7 million (R79.4 million, R98.5 million and R136.8 million) over the MTREF period.

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

Our **Water Services** benefit to a total capital budget of **R724.5 million over the MTREF** period (2018/19: R194.4 million, 2019/20: R306.5 million and 2020/21: R223.6 million) to expand our water infrastructure, to augment water treatment capacity and to eradicate backlogs in access to potable water supply. This includes the amount of R204.5 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF. It also includes an amount of R170 million from loan funding to be utilised on Umzonyana Dam Upgrade project.

For **Wastewater Treatment infrastructure**, a total capital budget of **R996.5 million over the MTREF period** has been allocated to this trading service (2018/19: R287.3 million, 2019/20: R482.3 million and 2020/21: R226.8 million). This includes an amount of R247.9 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF period. It also includes an amount of R434 million from borrowings to be utilised over the MTREF period fund the Sewer Diversion Tunnel project.

An amount of **R1.26 billion** (2018/19: R286.9 million, 2019/20: R311.2 million and 2020/21: R666.0 million) has been set aside over the next three (3) years for the construction and refurbishment of **Roads and Storm Water infrastructure** across the City. The City is also continuing with the process of fleet renewal and procuring its own specialized vehicles for the maintenance and construction of rural roads. A total allocation of **R61.3 million** has been provided for this over the MTREF.

Electricity Trading Service has been allocated **R455.3 million over the MTREF period** (2018/19: R128.4 million, 2019/20: R161.3 million and 2020/21: R165.6 million) for **bulk infrastructure, electrification and upgrading of informal areas**. This includes the amount of R326.5 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the urban core that has been provided in the MTREF. BCMM is still proceeding with investigating potential alternative sources of energy to ensure a more sustainable energy mix by 2030. The BCM State of Energy Report (2008) highlighted some issues and opportunities associated with sustainable energy in BCMM. These are outlined here below: -

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

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

Our Municipal Services Directorate is scheduled to spend a capital budget amounting to **R412.6 million** (2018/19: R160.8 million, 2019/20: R151.7 million and 2020/21 R100 million) in the forthcoming MTREF period

From the **Health, Public Safety and Emergency Services perspective**, an amount of R69.4 million (2018/19: R14.2 million, 2019/20: R24.9 million and 2020/21 R30.2 million) has been allocated over the MTREF period.

Transport Planning continues to be a focus area for the institution considering the higher traffic volumes on our roads. In order to ensure that we are alleviating congestion and protecting our inhabitants an amount of **R903.2 million** (2018/19: R195.1 million, 2019/20: R347.6 million and 2020/21: R360.5 million) has been allocated in the MTREF period for the implementation of integrated transport plan. This includes the establishment and refurbishment of transport facilities.

On **Spatial Planning and Development**, the City will be spending **R99.6 million** (2018/19: R68.1 million, 2019/20: R29.5 million and 2020/21 R2 million) over the MTREF period towards achieving spatial transformation and integration.

On **Human Settlement**, the City will be spending **R432.6 million** (2018/19: R104.2 million, 2019/20: R124.4 million and 2020/21 R203.9 million) over the MTREF period towards achieving its goals of providing descent houses for those that do not have housing accommodation.

The municipality's only entity, Buffalo City Metro Development Agency (BCMDA) whose mandate is to drive Buffalo City Metropolitan Municipality's development has started to operate. Appointment of Board members and administrative staff was done and the Agency is expected to start with the implementation of some developmental projects in the MTREF period within the City in line with its mandate. This is an attempt to grow the local economy through encouraging private sector investment. To allow the agency to realise its mandate, the City has set aside an amount of (inclusive of vat) R34.3 million for 2018/19 financial year as an operational grant to the agency. This amount will be escalated with CPI increase for the two outer years to R36.1 million and R38.1 million respectively. The City will also transfer an amount of (inclusive of vat) R25.0 million and R50.0 million in each of the two outer year for capital projects that will be implemented by the entity. The above figures are vat inclusive. Due to the fact that BCMDA is still at the forming stage, it anticipates to receive funding mainly from the parent municipality (BCMM) for its operations. The affected consolidated main budget tables are presented below as required by the MBRR.

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

1.2 COUNCIL RESOLUTIONS

On 30 May 2018 the Council of Buffalo City Metropolitan Municipality convenes to consider the 2018/19 Integrated Development Plan (IDP) Review, Medium Term Revenue and Expenditure Framework (MTREF) and Built Environment Performance Plan (BEPP). It is recommended that the Council approves and adopts the following resolutions:

1. The Council of Buffalo City Metropolitan Municipality, acting in terms of Section 34 of the Municipal Systems Act, 32 of 2000 approves and adopts the revised 2018/19 Integrated Development Plan (IDP).
2. The Council of Buffalo City Metropolitan Municipality, acting in terms of DoRA, 2018 approves and adopts the 2017/18 Built Environment Performance Plan (BEPP)
3. The Council of Buffalo City Metropolitan Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 3.1. The annual budget of the parent municipality (BCMM) for the 2018/19 MTREF and the multi-year and single-year capital appropriations as set out in the following tables:
 - 3.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained on **{Table 20}**;
 - 3.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained on **{Table 21}**;
 - 3.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on **{Table 22}**; and
 - 3.1.4. Multi-year and single-year capital appropriations by municipal vote and function classification and associated funding by source as contained on **{Table 23}**.

- 3.1.5. Budgeted Financial Position as contained on **{Table 24}**;
 - 3.1.6. Budgeted Cash Flows as contained on **{Table 25}**;
 - 3.1.7. Reserves and accumulated surplus reconciliation as contained on **{Table 26}**;
 - 3.1.8. Asset management as contained on **{Table 27}**; and
 - 3.1.9. Basic service delivery measurement as contained on **{Table 28}**.
- 3.2. The annual budget of the municipal entity (BCMDA) for the 2018/19 MTREF as set out in the following tables:
- 3.2.1. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on {
 - 3.2.2. **Table 67}**;
 - 3.2.3. Budgeted Financial Position as contained on **{Table 69}**;
 - 3.2.4. Budgeted Cash Flows as contained on **{Table 70}**;
 - 3.2.5. Budgeted Capital by Vote and Funding as contained on {
 - 3.2.6. **Table 68}**
- 3.3. The consolidated annual budget of the municipality the 2018/19 MTREF as set out in the following tables:
- 3.3.1. Budgeted Financial Performance (revenue by source and expenditure by type) as contained on **{Table 30}**;
 - 3.3.2. Budgeted Financial Position as contained on **{Table 31}**;
 - 3.3.3. Budgeted Cash Flows as contained on **{Table 32}**;
 - 3.3.4. Reserves and accumulated surplus reconciliation as contained on **{Table 33}**;
4. The Council of Buffalo City Metropolitan Municipality Council, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts tariffs (percentage increase contained on **{Table 3}**) effective from 1 July 2017:
- 4.1. property rates – as set out in Annexure F
 - 4.2. electricity – as set out in Annexure F
 - 4.3. water – as set out in Annexure F
 - 4.4. sanitation services – as set out in Annexure F

4.5. solid waste services – as set out in Annexure F

4.6. other services as set out in Annexure F

5. To give proper effect to the municipality's final annual budget, the Council of Buffalo City Metropolitan Municipality approves:

5.1. That an indigent subsidy be granted to registered indigents in terms of Council's Indigent Policy.

5.2. That an indigent consumer be given a maximum subsidy on his/her account of R614.71 per month, which includes a maximum of 50kwh for electricity and 6kl for water.

5.3. That free basic electricity be granted for a registered indigent consumer of 50KWh per month.

5.4. That free basic water be granted to a registered indigent of 6Kl per month.

6. The Buffalo City Metropolitan Municipality Council, approves and adopts the new as well as the revised budget related policies as set out in Annexures G, H, I, J and K:

6.1. Tariff Policy (Revised)

6.2. Property Rates Policy (Revised)

6.3. Supply Chain Management Policy (Revised)

6.4. Immovable Asset Management Policy (Revised)

6.5. Budget Virement Policy (Revised)

7. That Council note the budget-related policies adopted in the previous financial years and where no amendments have been made after review, as listed in Section 1.3.8.2 of this report and are available on BCMM's website at www.buffalocitymetro.gov.za .

8. That in terms of Section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 **{Table 40}** be approved.

9. That in terms of Section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 2003, the amendments to the Integrated Development Plan as set out in the Budget Chapter 17 be approved.
10. Council notes that the 2018/19 MTREF Budget tabled for adoption is structured in terms of the then Buffalo City Metropolitan Municipality votes and functions.
11. MFMA Circular 89 and 91 Municipal Budget Circular for the 2018/19 MTREF attached as Annexure N to be noted by Council.

X. PAKATI
EXECUTIVE MAYOR

1.3 EXECUTIVE SUMMARY

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

1.3.1 Metro Growth and Development Strategy

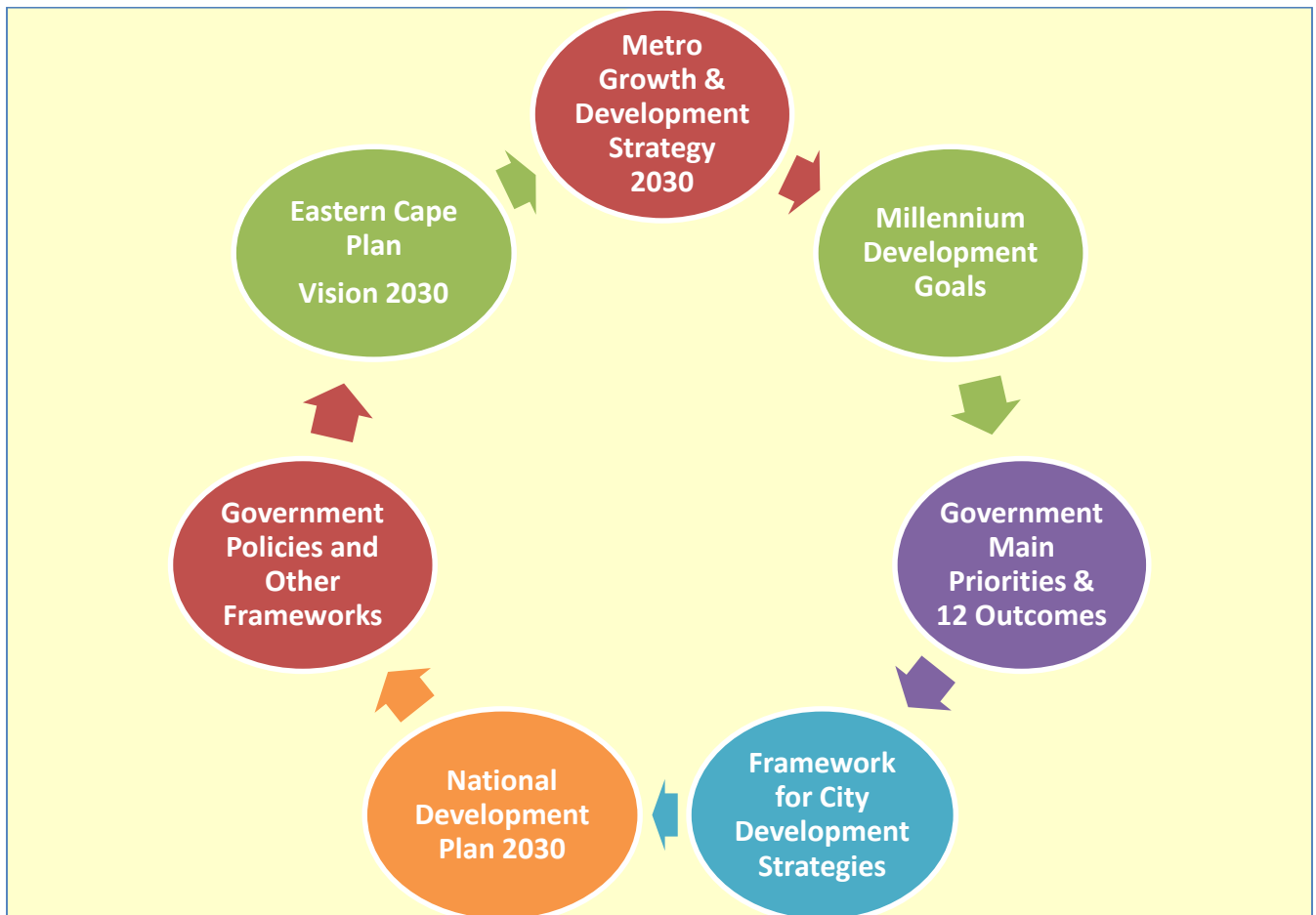


Figure 1: Cycle of Metro Growth and Development Strategy

1.3.1.1 Key Objectives of MDGS

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

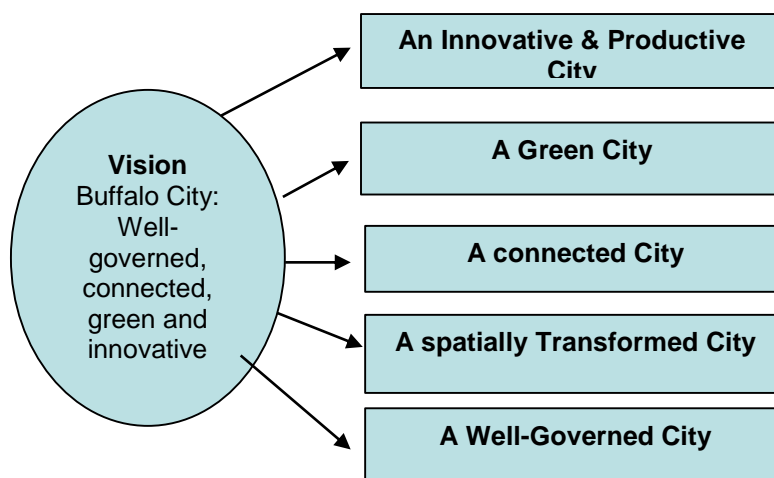


Figure 2: Strategic Framework

1.3.2 Scoping the Landscape

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

Electricity losses remain a challenge and in an effort to curb this challenge, the City is progressing with the programme of electrifying informal dwellings and has budgeted R28 million over the 2018/19 MTREF period (R8 million for the first year and R10 million for the two outer years) towards this programme. Regarding Water Service, it continues to

be of concern that indigent residents continue to utilise water in excess of what is allocated in term of the approved subsidy. This is a cause for concern in that water needs to be considered a scare resource requiring focused demand and supply management. The demand management needs to be focused surrounding penalising individuals for excessive usage through either punitive tariffs or restricting use through engineering techniques. Supply management requires forward planning and allocating budget to meet and undertake infrastructure expansion to meet demands. The staged tariff is used on water tariff as part of an effort to manage demand. Water losses are still significant and continues to be one of the focus areas for reduction in the MTREF budget whereby an amount of R204.5m of own funds over the 2018/19 MTREF period has been budgeted for replacement of old infrastructure. A further amount of R300 million has been budgeted over the MTREF period for the upgrade of Umzonyana Dam and a loan of R170 million will be secured to supplement funding for this project. The upgrade of this dam is crucial as it is envisaged to lower the cost of water to the consumer as the City will have more capacity to produce its own water and have insignificant need if any to procure expensive water from Amatola Water.

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

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

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

1.3.3 The National Development Plan

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

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

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

1.3.4 Local Economic Development

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

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

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

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

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

1.3.4.1 Buffalo City Metro Development Agency (BCMDA)

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

1.3.4.2 East London Industrial Development Zone (EL IDZ)

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

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

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

1.3.4.3 Invest Buffalo City

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

1.3.4.4 Priority Sectors

- ***Automotive Sector***

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

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

- ***Manufacturing Sector***

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

- ***Marine Sector***

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

- ***Tourism Sector***

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

- ***Township Economy***

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

- ***Central Business District Revitalization***

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

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

1.3.4.5 Revitalization Of Industrial Areas

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

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

5) Dimbaza

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

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

1.3.4.6 Skills Development, Employment Readiness And Research Collaboration

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

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

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

1.3.5 Charting the Way Forward

Funding for the 2018/19 and 2019/20 infrastructure projects have been allocated in an attempt to ensure projects which are currently underway are completed and implemented for the benefits of the community to which they relate. The current capital work in progress continues to be a focus area to ensure the infrastructure assets are completed and brought into use.

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

The City has a healthy financial position and this is confirmed by the low gearing ratio coupled with “A” Long Term Rating (Global Credit Rating) thus allowing the city to obtain additional long term borrowings. A strategic decision has been taken that acquiring borrowings, these funds would be utilized on assets that are expected to generate a return. However, the City continues to be cautious in accessing these borrowing facilities in an effort to ensure that they are kept at fordable level due to insufficient operating surpluses allowing for capital repayments. Projects need to be assessed in terms of additional revenue that can be generated for the City in order to determine the potential ability of the institution to repay the loan.

MFMA Circular 89 and 91 were taken into consideration in the preparation of the 2018/19 MTREF Budget. The BCMM budget for the 2018/19 MTREF period is R8.3 billion (2018/19), R9.3 billion (2019/20) and R9.8 billion (2020/21) with the table below summarising the consolidated overview of the 2018/19 MTREF Budget.

Table 1: Consolidated Overview of the 2018/19 MTREF Budget

OPERATING AND CAPITAL BUDGET EXPENDITURE	2017/2018 ADOPTED BUDGET YR1	2017/2018 MID-YEAR ADJ BUDGET	2018/2019 FINAL BUDGET	2019/2020 FINAL BUDGET	2020/2021 FINAL BUDGET
Total Revenue	(6 189 006 311)	(5 937 023 597)	(6 504 899 549)	(7 041 560 997)	(7 604 268 215)
Total Operating Expenditure Excluding Operating Projects	5 888 106 374	5 626 693 266	6 190 965 726	6 643 058 285	7 218 988 639
Operating Projects	299 973 450	309 403 868	312 301 180	390 996 257	378 200 424
Total Operating Expenditure Including Operating Projects	6 188 079 824	5 936 097 134	6 503 266 905	7 034 054 542	7 597 189 062
<u>(Surplus) / Deficit</u>	(926 487)	(926 463)	(1 632 643)	(7 506 455)	(7 079 152)
Total Capital Expenditure	1 645 204 112	1 634 319 576	1 750 850 240	2 288 576 840	2 174 403 420
Total Opex and Capex Budget	7 833 283 936	7 570 416 710	8 254 117 145	9 322 631 382	9 771 592 482

The City's revenue has increased by 10% whilst the expenditure increase is also 10% from 2017/18 revised budget to the 2018/19 budget. The capital budget has increase by 7% resulting in the overall total budget increase of 9% from the 2017/18 revised budget to the 2018/19 budget. The operating revenue increase is mainly attributable to tariff increase as well as implementation of the new valuation roll. The operating expenditure increase is mainly attributable to annual increase that is linked to CPI and an additional depreciation made for capitalisation of major infrastructure projects completed and the recently revalued assets. The increase in capital expenditure is in respond to service delivery needs to address backlogs and renew aging infrastructure.

1.3.5.1 Revenue & Expenditure Strategy

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

- Efficient revenue management, which aims to ensure not less than 92.5% annual collection rate over the medium term for property rates and other key service charges.
- Achievement of full cost recovery of specific user charges especially in relation to trading services.
- The City is striving to ensure that all its trading services are financially self-sustainable.
- Move from a flat-rate billing system to all consumers billed according to consumption.
- Implementation of an automated billing system as opposed to a manual meter reading process.

- The successful implementation of a General Valuation on 1 July 2018 and then every four years thereafter in terms of the Municipal Property Rates Act.
- Creating a conducive environment to attract potential investors.
- Review of the Spatial Development Plan to allow for human capital resources to be closer to economic and job opportunities.

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

- Ensuring that capital expenditure is incurred in line with the requirements detailed in the Spatial Development Plan to ensure maximum return to the municipality.
- Re-prioritisation of expenditure to ensure any inefficiencies are eliminated in an effort to contain costs, inter alia:
 - Vacant funded posts have been frozen with the exception of few critical funded posts.
- Additional funding allocation made for depreciation for the capitalisation of major infrastructure projects completed and the recently revalued assets.
- Funding of own funded operating projects is depressed, encouraging in-house implementation of projects through normal operating budget.
- The capital expenditure of the municipality is guided community priorities as contained in the IDP. The asset management plans are also informing the asset renewal programme that is funded through capital budget. The City is also striving to have a good balance between social and economic infrastructure investment. The table below reflects the Capital Budget for services for the 2018/19 MTREF period.

Table 2: 2018/19 – 2020/21 Capital Budget Per Service

2018/2019 CAPITAL BUDGET PER SERVICE	2018/2019 Final Capital Budget	2019/2020 Final Capital Budget	2020/2021 Final Capital Budget
Services			
Water	194 450 950	306 500 000	223 624 512
Waste Water	287 394 290	482 303 840	226 880 803
Electricity	128 450 000	161 300 000	165 600 000
Roads and Storm water	286 985 000	311 214 000	666 080 105
Housing	104 254 640	124 465 000	203 988 000
Transport Planning	195 165 000	347 614 000	360 520 000
Local Economic Development	79 400 000	98 500 000	136 800 000
Spatial Planning	68 172 900	29 500 000	2 000 000
Waste Management / Refuse	79 452 360	110 000 000	20 000 000
Amenities	80 377 100	40 750 000	80 050 000
Public Safety	14 270 000	24 950 000	30 280 000
Support Services	214 478 000	231 160 000	35 580 000
Other - BCM Fleet	18 000 000	20 320 000	23 000 000
TOTAL PER SERVICE	1 750 850 240	2 288 576 840	2 174 403 420

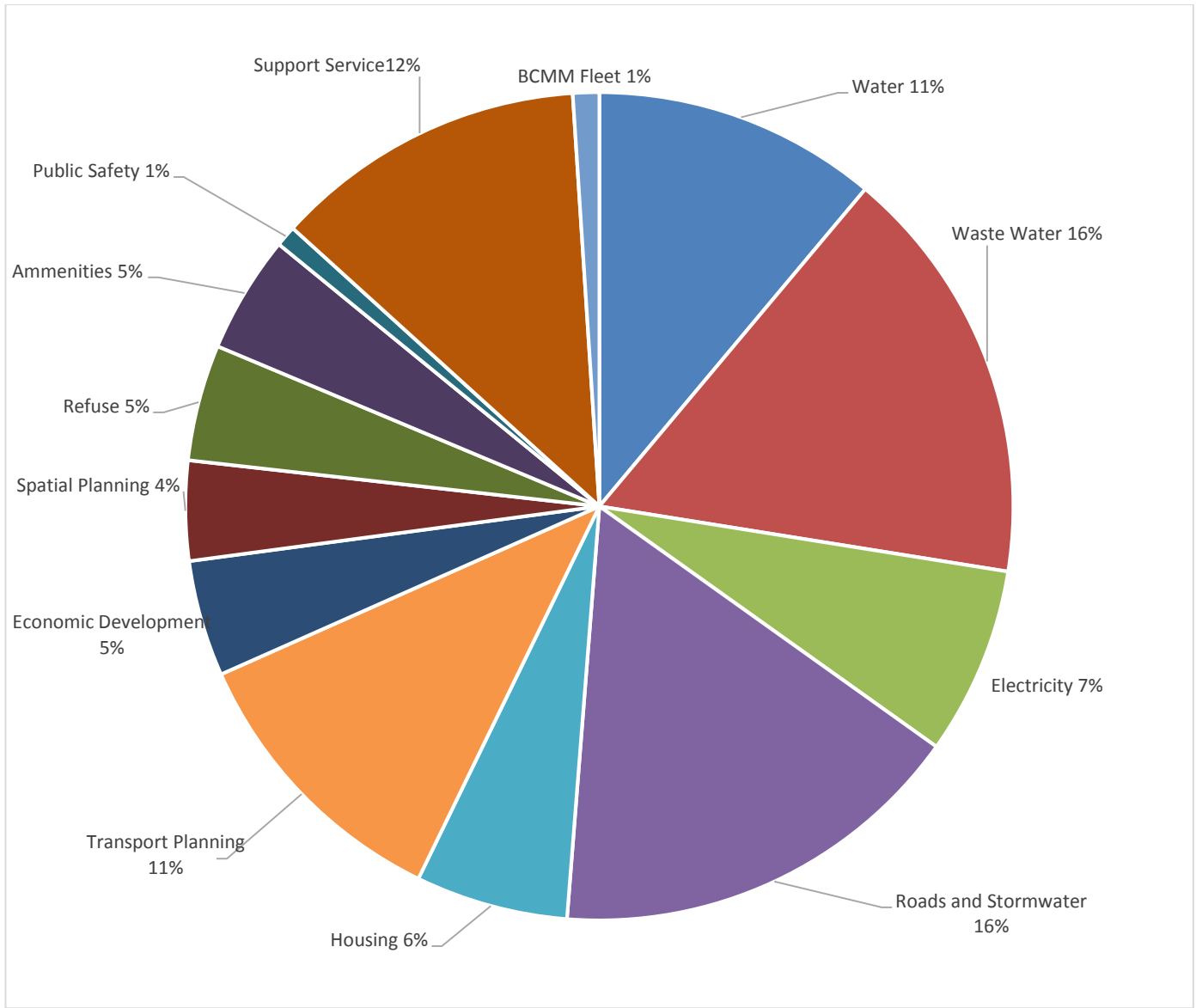


Figure 3: 2018/19 Capital Budget Per Service

A major portion of the capital budget in the 2018/19 MTREF period has been allocated to the major infrastructure services (Waste Water: 16%, Roads and Storm Water: 16%). Although these services are not all revenue generating the budget expenditure is in terms of the City's socio-economic development mandate. They are also crucial in unlocking the economic growth of the City. There is however a drive to channel more funding towards economic infrastructure in order to stimulate economic growth in the Metro.

1.3.6 Summary of Rates and Service Charge Tariff implications to the 2018/19 MTREF Budget

Table 3: Average Tariff increases for 2017/18 to 2020/21

Description	2017/2018	2018/2019	2019/2020	2020/2021
Rates	9.60%	0.00%	9.00%	8.00%
Refuse	9.80%	9.20%	8.70%	8.00%
Sewerage	9.80%	8.80%	9.30%	8.00%
Electricity	1.88%	6.84%	6.84%	6.84%
Water	9.50%	9.00%	9.00%	8.00%
Fire Levy	9.20%	9.00%	9.00%	8.00%
Sundry Income	9.20%	9.00%	8.00%	7.90%

1.3.6.1 Overall Summary of Year-on-Year Increases

On average, tariff associated revenue are expected to increase year on year in 2018/19 by approximately 9%. The City strives to project increases that are not above the CPI, the proposed increases are however slightly above CPI due to a combination of increases in input costs associated with providing the service as well as an ongoing attempt to ensure each service produces revenue sufficient to cover the costs of providing the service.

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

The ongoing expansion of the City through budget infrastructure spending without the corresponding economic growth is placing additional pressure on the BCMM local consumer to fund the replacement of the assets which is impacting on the operational budget through the increasing depreciation charge. Furthermore, there is an additional impact on the consumer debt book.

1.3.6.2 Rates

The Municipality has successfully undertaken a General Valuation exercise in terms of the Municipal Property Rates Act and the new values will be implemented from 1 July 2018. The rate tariffs will not be increased in the 2018/19 financial year and tariffs increases of 9 % and 8% in 2019/20 and 2020/21 respectively have been planned.

1.3.6.3 Electricity

In terms of the guidelines provided by the National Energy Regulator of South Africa (NERSA), they have published that they expect the cost of bulk electricity purchases to municipality to increase by 7.32% in 2018/19 financial year. Following due consideration being given to the NERSA guidelines a decision has been made to increase electricity tariffs by 6.84% in 2018/19 (6.84% in 2019/20 and 6.84% in 2020/21) in line with the recommended calculation guideline using MFMA Circular 91. There continues to be ongoing concern with electricity in that:

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

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

- An allocation of capital funding amounting to R455.3 million over the MTREF period (2018/19: R128.4 million, 2019/20: R161.3 million and 2020/21: R165.6 million) has been allocated to the electricity service department for electricity infrastructure investment. This includes the amount of R326.5 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the urban core that has been provided in the MTREF (2018/19: R104.4 million, 2019/20: R110.5 million and 2020/21: R112.0 million).

- The City has embarked on a programme to electrify informal dwellings and has budgeted R28 million over the 2018/19 MTREF period. This is intended to reduce the risk of illegal connections.
- The revenue protection unit is in place and it continuously identify and rectify the disconnection and reconnection of illegal electricity connections across the city, amongst its activities.

1.3.6.4 Water

Water tariffs have been increased by 9.0% in the 2018/19 financial year. In line with guidance which was received from National Treasury regarding each service delivery being able to generate revenue that is at least equal to the cost of the service, an analysis was undertaken to determine what tariff requirements would be needed to achieve a break even position. The affordability of consumers' needs to further be taken into consideration in order to limit a significant annual impact. This analysis suggests an impact of 9.0% in 2018/19 financial year, 9.0% in 2019/20 and 8.0% in 2020/21 financial year will reduce the deficit being experienced in water. It needs to further be recognised that the institution purchases untreated water from the Amatola Water Board. The increase associated with this water is 9.46% adding further pressure on the breakeven analysis for the institution. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

There continues to be ongoing concern with water in that:

- Water losses continue to be high. The reason for this is because of aging infrastructure, areas of flat-rated charges, financially challenged consumers using water in excess of that allowed for in the indigent policy.
- An analysis of the Amatola Water Board costs suggest the majority are salary related which the Municipality is funding in duplicate through direct costs of individuals employed by the City and then through the tariff paid by consumers. This is considered inefficient and the impact on our consumers could be reduced should we be allowed to manage our own water resources. It should further be

noted that Buffalo City Metropolitan Municipality is the only Metro that does not manage its own water resources which in itself causes concern from a planning and development perspective.

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

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

- A total capital budget allocation of R724.5 million has been made over the MTREF period (2018/19: R194.4 million; 2019/20: R306.5 million and 2020/21: R223.6 million) to expand our water infrastructure, to augment water treatment capacity and to eradicate backlogs in access to potable water supply.
- This includes the amount of R204.5 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated over the MTREF.
- As part of the above programme the city will replace standpipes and non-metered areas with new meters. This will reduce the risk of water losses.
- It also includes an amount of R170 million from loan funding that is allocated for Umzonyana Dam upgrade which is meant to reduce the level procuring expensive water from Amatola Water
- The demand management needs to be focused surrounding penalising individuals for excessive usage through either punitive tariffs or restricting use through engineering techniques.
- Consider managing our own water resources to allow for adequate future supply planning as well as reducing costs by eliminating duplicated functions.

1.3.6.5 Sanitation

The proposed sanitation tariff increase is 8.8% in the 2018/19 financial year; 9.3% and 8.0% in the outer years respectively. There continues to be ongoing concern surrounding the ageing sanitation infrastructure and the impact this has on the operational budget through increasing maintenance costs as well as ensuring the financial sustainability of the service in line with guidance provided by National Treasury.

The impact of the ageing infrastructure is expected to have additional impact on the amount of maintenance expenditure required. It should further be noted that the input costs associated with salaries are expected to increase by 6.3% in line with CPI plus 1% as per National Treasury Circular 91. A total capital budget allocation of R996.5 million has been allocated to the City's sanitation programme over the MTREF period (2018/19: R287.3 million; 2019/20: R482.3 million and 2020/21: R226.8 million). This include an allocation of capital budget amounting to R247.9 million from own funds specifically for the replacement and refurbishment of existing infrastructure within the Metro that has been allocated in the MTREF period (2018/19: R94 million, 2019/20: R101 million and 2020/21: R52.9 million). It also includes a loan funding of R434 million (2018/19: R69 million, 2019/20: R189 million and 2020/21: R176 million) for the Sanitation Tunnel Project that will unlock development in the Amalinda junction, Wilsonia and Reeston areas.

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

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

1.3.6.6 Refuse

The proposed Solid Waste tariff increase is 9.2% in the 2018/19 financial year, slightly decreases to 8.7% in 2019/20 and it further decreases to 8.0% in 2020/21 financial year. The Solid Waste tariffs are levied to recover amongst others costs of services provided directly to customers and include refuse collection fees, disposal fees, weighbridge fees and other ad hoc services. In an attempt to improve the refuse collection service, capital budget allocation of R209.4 million over the MTREF has been allocated to the solid waste department to improve waste management and refuse collection (2018/19: R79.4 million; 2019/20: R110 million and 2020/21: R20 million). The above include own funding of R88 million that has been allocated over the MTREF period for the Refurbishment of Existing Waste Cells and Construction of additional new ones in an effort to improve environmental compliance and waste management in the City's Landfill sites.

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

1.3.7.1 Cash & Cash Equivalent

BCMM is projecting a favourable cash position, which is projected to be R1.64 billion at 30 June 2019 and is projected to be R1.61 billion at 30 June 2020 (2021: R1.69 billion).

1.3.7.2 Cost Coverage

The projected cost coverage, including conditional grants is projected to be 3.8 months at 30 June 2019 and is projected to remain around 3 months over the MTREF period. This is in line with the norm of maintaining a cost coverage that is not less than 3 months.

1.3.7.3 Debt Impairment

Debt Impairment is budgeted at 7.5% over the 2018/19 MTREF period. The projected debt impairment amounts to R344 million in 2018/19. The debt impairment percentage is projected to remain at 7.5% for the two outer years which amount to R388 million in 2019/20 and R438 million in 2020/21. This is based on the average projected collection rate of 92.5% over the MTREF period

1.3.7.4 Borrowings

In the 2018/19 MTREF budget, it is projected that the Sanitation Tunnel project will be funded from borrowings amounting R434 million (2018/19: R69 million; 2019/20: R189 million and 2020/21: R176 million). It is also projected that a second loan funding amounting to R218 million (2019/20: R188 million and 2020/21: R30 million) will be secured in the MTREF period to fund the upgrade of Umzonyana Dam. The institution continues its focus on improving the financing mix of the capital investment programme. In this regard an in depth analysis is being undertaken to determine what kind of project can be funded through borrowings what would be the Return on Investment. The National Treasury Guidance Norms for Capital Cost (Interest Paid and Redemption) as a percentage of total operating expenditure which is between 6 to 8% and the norm for Debt (Total Borrowings) as a percentage of revenue is 45% is not to be surpassed. The City is considering additional projects that would contribute towards increasing its revenue base which it can fund through borrowings.

1.3.7.5 Asset Management

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

1.3.7.6 Built Environment Performance Plan (BEPP)

The Buffalo City Metropolitan Municipality's Built Environment Performance Plan 2018/19 (BEPP), is submitted in accordance of the Division of Revenue Act (DoRA) requirements in respect of the various grants related to the built environment and secondly in partial fulfilment of the requirements of the Integrated City Development Grant (ICDG). The Buffalo City Built Environment Performance Plan (BEPP) is a brief, strategic overview of the built environment aimed at improving the performance of metropolitan built environment. It is a city-level plan formulated and approved by the metro, and it complements existing statutory plans and compliance with legal requirements.

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

1.3.8 BCMM's Priorities and Linkages to the IDP

Community consultation on the draft IDP 2018/19 Review and MTREF Budget is due to take place from 19 April – 14 May 2018. All BCMM 50 wards will be visited during the public consultation process, the municipality will be reporting progress towards the implementation of their key priorities.

During the last Executive Mayoral Imbizo which was held on 10,12,13, and 15 October 2017, BCMM's wards identified the following priority issues:

Key issues raised from rural wards:

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

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

Key issues raised from urban wards:

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

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

The BCMM Council Lekgotla held from the 7-8 November 2017 considered and further expand on outcomes of the Executive Mayoral Lekgotla, Review of strategic objectives for service delivery and development. Furthermore, the review process has stressed the need to align the IDP with Council 10-point plan arising from the Council Lekgotla of 2016.

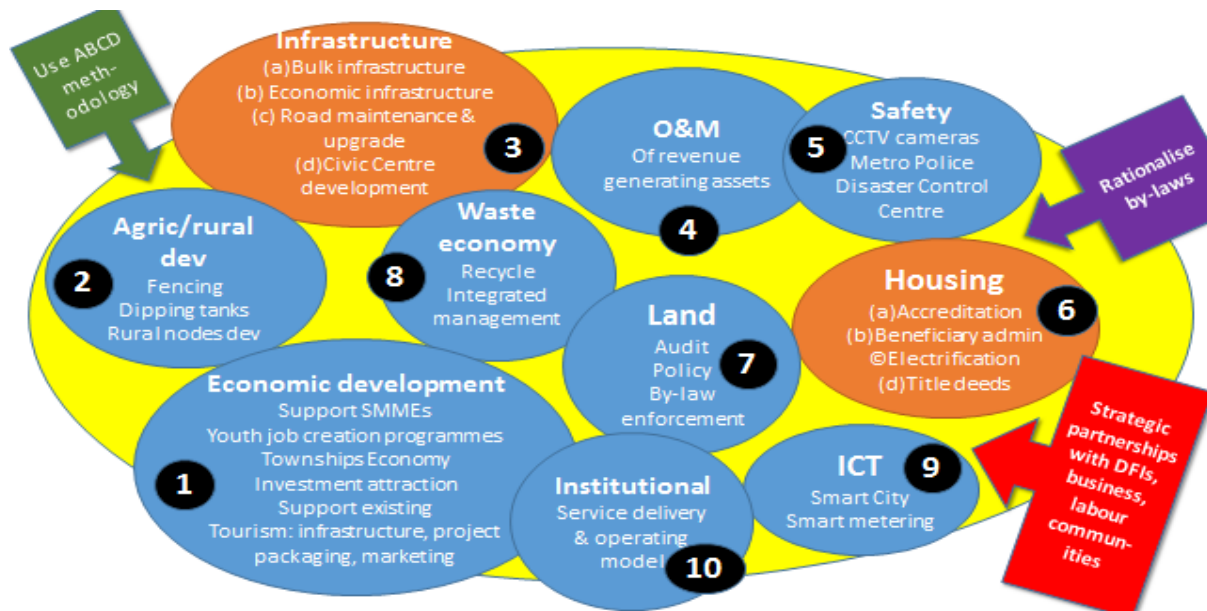


Figure 4: Mayoral Lekgotla Priorities

1.3.8.1 Key Amendments to the IDP

The review process towards 2018/19 Integrated Development Plan was undertaken within the framework of the Metro Growth and Development Strategy thus ensuring that implementation of the MGDS is executed in line with the Integrated Development Plan. Subsequent to the undertaking, this IDP has been reviewed to ensure alignment between the MGDS, IDP & Budget (MSCOA); Audit requirements

1.3.8.2 Key amendments to the budget related policies

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

- Capital Infrastructure Investment Policy
- Funding and Reserves Policy
- Policy on Long-Term Financial Planning
- Movable Asset policy
- Investment and Cash Management Policy
- Long-Term Borrowing Policy
- Budget Policy
- Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy

- Credit Control Policy
- Indigent Policy

The following policies have been reviewed and amended accordingly:

- Tariff Policy
- Budget Virement Policy
- Rates Policy
- Immovable Asset Policy
- Supply Chain Management Policy

1.3.8.3 Municipal Entity

The parent municipality Buffalo City Metropolitan Municipality has constituted the board members for Buffalo City Metro Development Agency (BCMDA). The administration staff have also been appointed. The agency is expected to start with the implementation of some developmental projects in the MTREF period within the City in line with its mandate. This is an attempt to grow the local economy through encouraging private sector investment. To allow the agency to realise its mandate, the City has set aside an amount of R34.3 million for 18/19 financial year as an operational grant to the agency. This amount will be escalated with CPI increase for the two outer years to R36.2 million and R38.2 million respectively. The above figures are vat inclusive.

1.4 OPERATING REVENUE FRAMEWORK

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

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Table 4: Summary revenue classified by revenue source

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	794 519	872 354	978 231	1 225 285	1 121 175	1 121 175	1 121 175	1 421 961	1 549 938	1 673 933
Service charges - electricity revenue	2	1 463 543	1 629 604	1 670 646	1 806 439	1 865 136	1 865 136	1 865 136	1 992 712	2 129 013	2 274 638
Service charges - water revenue	2	374 223	463 290	551 615	479 127	511 438	511 438	511 438	563 043	619 854	676 136
Service charges - sanitation revenue	2	212 287	218 992	314 102	365 998	293 156	293 156	293 156	322 143	355 623	387 914
Service charges - refuse revenue	2	199 912	215 764	306 754	336 766	266 917	266 917	266 917	294 388	323 199	352 546
Service charges - other		24 018	43 539	24 852	23 566	-	-	-	-	-	-
Rental of facilities and equipment		17 430	16 583	19 062	23 174	25 119	25 119	25 119	17 563	18 968	20 466
Interest earned - external investments		124 166	154 706	148 011	157 002	131 002	131 002	131 002	140 172	149 985	160 483
Interest earned - outstanding debtors		34 999	32 661	50 425	36 844	42 844	42 844	42 844	54 405	57 494	60 758
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5 500	5 594	16 896	9 157	9 894	9 894	9 894	16 591	17 919	19 334
Licences and permits		14 034	12 612	14 107	17 556	16 254	16 254	16 254	14 597	15 765	17 011
Agency services		-	-	-	49 763	44 763	44 763	44 763	30 280	32 703	35 286
Transfers and subsidies		948 513	1 334 131	1 304 827	1 368 106	1 375 658	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053
Other revenue	2	593 520	274 870	213 376	290 226	238 467	238 467	238 467	165 371	178 601	192 710
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4 806 666	5 274 702	5 612 906	6 189 006	5 941 824	5 941 824	5 941 824	6 504 900	7 041 561	7 604 268

The following graph gives a breakdown of the main revenue categories for the 2018/19 financial year:

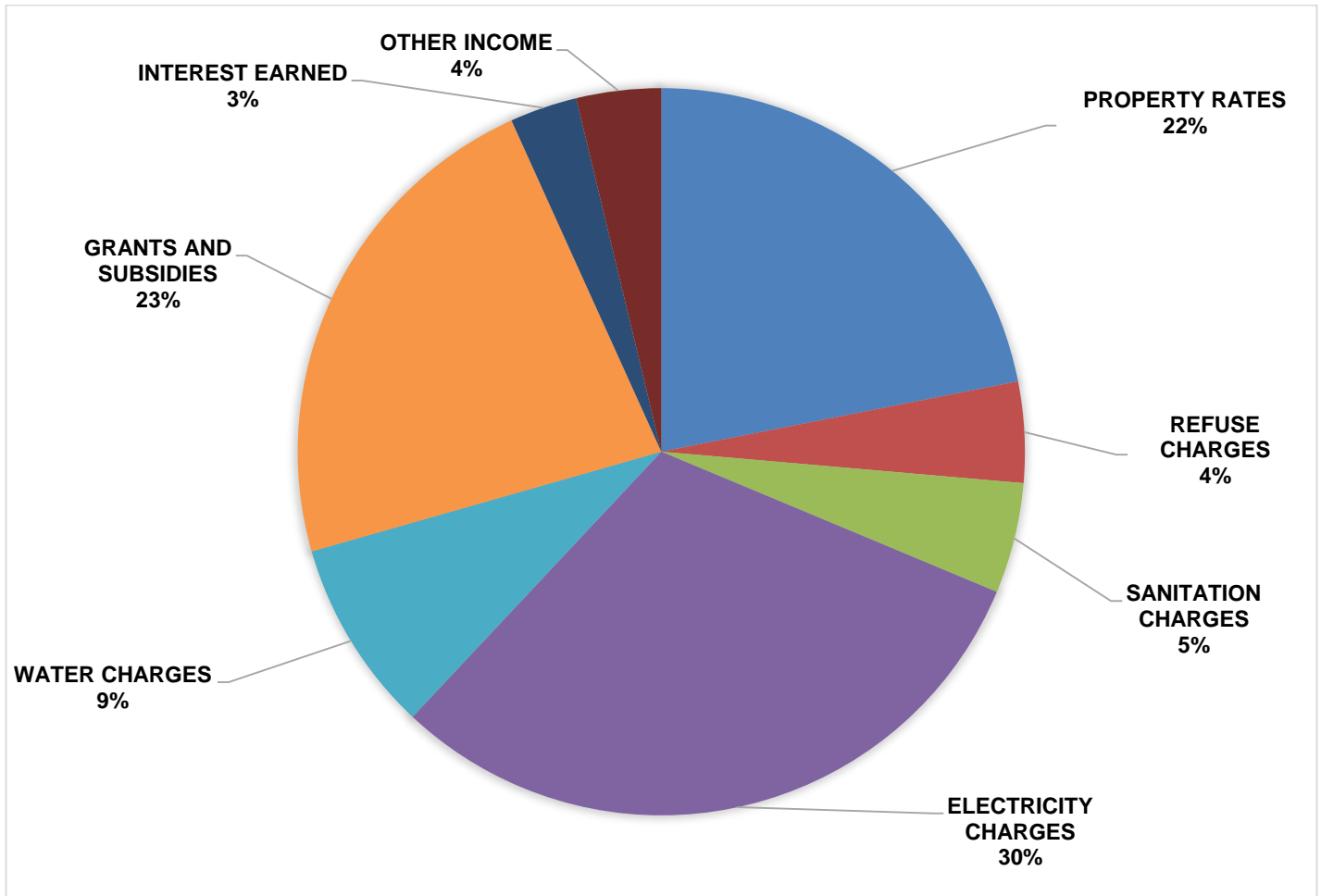


Figure 5: Main Operating Revenue categories for the 2018/19 financial year

The following table is a summary of the 2017/18 MTREF percentage growth in revenue by main revenue source:

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

2017/2018 MTREF BUDGET REVENUE FRAMEWORK	2017/2018	2017/2018	2018/2019	2018/2019	2019/2020	2019/2020	2020/2021	2020/2021
	ADOPTED	MID-YEAR	FINAL	%AGE	FINAL	%AGE	FINAL	%AGE
	BUDGET YR1	ADJ BUDGET	BUDGET	INCREASE	BUDGET	INCREASE	BUDGET	INCREASE
Revenue Per Source								
Property Rates	1 225 284 909	1 121 174 877	1 421 961 244	0.00%	1 549 937 756	9.00%	1 673 932 777	8.00%
Electricity Charges	1 806 438 896	1 865 136 415	1 992 711 746	6.84%	2 129 013 229	6.84%	2 274 637 734	6.84%
Water Charges	479 126 770	511 438 410	563 042 546	9.00%	619 853 538	9.00%	676 136 240	8.00%
Sanitation Charges	365 997 836	293 155 577	322 142 800	8.80%	355 623 102	9.30%	387 913 679	8.00%
Refuse Charges	336 765 776	266 916 625	294 387 684	9.20%	323 199 407	8.70%	352 545 913	8.00%
Other Service Charges	23 565 563	0	0	9.00%	0	8.00%	0	7.90%
Rental of facilities and equipment	23 173 696	25 118 822	17 562 735	9.00%	18 967 754	8.00%	20 466 206	7.90%
Interest earned - external investments	157 002 322	131 002 322	140 172 485	7.00%	149 984 558	7.00%	160 483 478	7.00%
Interest earned - outstanding debtors	36 843 509	42 843 509	54 405 059	5.76%	57 493 790	5.68%	60 757 877	5.68%
Fines	9 156 724	9 894 023	16 591 440	9.00%	17 918 756	8.00%	19 334 337	7.90%
Licences and permits	17 555 658	16 254 435	14 597 466	9.00%	15 765 264	8.00%	17 010 719	7.90%
Agency services	49 763 403	44 763 403	30 280 323	9.00%	32 702 749	8.00%	35 286 266	7.90%
Transfers recognised - operational	1 368 105 621	1 370 858 240	1 471 672 784	7.35%	1 592 500 160	8.21%	1 733 052 580	8.83%
Other revenue	290 225 628	238 466 939	165 371 236	9.00%	178 600 935	8.00%	192 710 409	7.90%
Total Revenue Excluding Capital Transfers	6 189 006 311	5 937 023 597	6 504 899 548	100%	7 041 560 998	100%	7 604 268 215	100%
Total Revenue from Rates and Service Charges	6 189 006 311	5 937 023 597	6 504 899 548	70%	7 041 560 998	70%	7 604 268 215	70%

In 2018/19 the City's own revenue generated property rates and service charges is 70% of the total revenue totalling to R6.5 billion and remain stagnant at 70% over the MTREF at R7.0 billion in 2019/20 and R7.6 billion in the 2020/21 financial year. Electricity service remains the largest contributor to the total revenue mix (inclusive of conditional and unconditional grants) which is 30% in the 2018/19 financial year.

Electricity revenue is increasing from R1.85 billion to R1.99 billion in 2018/19, it further increase to R2.1 billion and R2.3 billion respectively in two outer years of the 2018/19 MTREF period. Property rates are the second largest own revenue source with 22% contribution in the 2018/19 financial year.

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

Table 6: Table SA18 - Operating Transfers and Grant Receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		697 778	1 078 932	1 193 355	1 260 713	1 267 680	1 267 680	1 399 602	1 501 221	1 610 372
Local Government Equitable Share		654 723	655 141	678 191	705 277	705 277	705 277	778 048	844 411	918 677
General Fuel Levy			370 461	410 031	467 978	467 978	467 978	513 844	550 520	594 898
Finance Management		1 500	1 180	1 200	1 200	1 300	1 300	1 150	1 000	1 000
EPWP Incentive		1 890	1 149	1 188	4 952	4 952	4 952	4 050	–	–
Urban Settlement Development Grant		34 265	33 348	88 745	63 044	67 744	67 744	77 810	78 923	85 297
Public Transport Network Grant				5 000	7 702	9 869	9 869	14 000	15 850	–
Infrastructure Skills Development Grant		5 400	8 400	9 000	10 560	10 560	10 560	10 700	10 517	10 500
Municipal Human Settlement Capacity Grant			9 253							
Other transfers/grants [insert description]										
Provincial Government:		106 798	100 414	31 315	105 800	105 800	105 800	72 071	91 279	122 681
Human Settlement Development Grant		106 798	90 776	16 315	90 800	90 800	90 800	56 201	74 520	105 000
DSRAC - Library Subsidy			9 638	15 000	15 000	15 000	15 000	15 870	16 759	17 681
Department of Public Works				–	–	–	–	–	–	–
Office of the Premier				–	–	–	–	–	–	–
DEDEA (BCMDA)				–	–	–	–	–	–	–
District Municipality:		1 004	376	–	–	–	–	–	–	–
State Health-Environmental		1 004	376	–	–	–	–	–	–	–
Other grant providers:		2 911	3 026	–	1 593	1 683	1 683	–	–	–
SETA - Skills Development		2 264	2 309	–	–	–	–	–	–	–
Donor Funding - Leiden		648	–	–	138	138	138	–	–	–
Salaida / Gavle			222	–	1 455	1 544	1 544	–	–	–
City of Oldenburg			496	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	808 491	1 182 748	1 224 670	1 368 106	1 375 162	1 375 162	1 471 673	1 592 500	1 733 053
Capital Transfers and Grants										
National Government:		664 712	719 609	704 223	795 307	928 805	928 805	803 900	999 477	1 083 453
Urban Settlement Development Grant		639 025	679 784	642 754	705 084	860 384	860 384	685 182	722 849	760 589
Public Transport and Systems				30 289	48 167	49 165	49 165	81 165	218 614	247 020
Neighbourhood Development Partnership		5 000	–	–	10 000	–	–	13 250	14 120	21 210
Integrated National Electrification Programme		20 587	30 000	25 000	25 000	7 300	7 300	6 200	22 400	32 000
Electricity Demand Side Management		–	4 000	–	–	5 000	5 000	8 000	10 000	10 000
Integrated City Development Grant		–	5 605	6 080	6 956	6 956	6 956	10 003	11 494	12 134
Finance Management		–	120	100	100	–	–	–	–	–
Infrastructure Skills Development Grant		100	100	–	–	–	–	100	–	500
Provincial Government:		–	–	–	–	–	–	–	–	–
Dept of Local Government and Traditional Affairs										
Dept Sport, Recreation, Arts and Culture (DSRAC)										
Department of Public Works										
District Municipality:		–	–	–	–	–	–	–	–	–
State Health-Environmental		–	–	–	–	–	–	–	–	–
Other grant providers:		102	41	–	–	–	–	–	–	–
Salaida / Gavle		–	41	–	–	–	–	–	–	–
Public Funding		102	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	664 813	719 650	704 223	795 307	928 805	928 805	803 900	999 477	1 083 453
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1 473 305	1 902 398	1 928 893	2 163 413	2 303 968	2 303 968	2 275 573	2 591 977	2 816 506

1.4.1 Property Rates and Service Charges and Impact of Tariff Increases

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

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

1.4.1.1 Property Rates

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

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

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- For pensioners, physically and mentally disabled persons including medically boarded persons a rebate of up to 100% will be granted to owners of rate-able property according to their income levels if the total gross income of the applicant and/or his/her spouse, if any, does not exceed R15 000 per month. In this regard the following stipulations are relevant:

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

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2018/19 financial year is based on a new valuation roll to be implemented on 1 July 2018, therefore the rates tariff will not be increased in the 2018/19 financial year as indicated by the table below:

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

	Existing tariff	New tariff
	(from 1 July 2017)	(from 1 July 2018)
	Cents	Cents
Residential Property (incl farms or smallholdings used for Residential purposes)	0.010660	0.010660
Agricultural Property (used for Bona-fide Farming)	0.002665	0.002665
Public Service Infrastructure	0.002665	0.002665
Business, Commercial & Industrial Property (incl farms used for Game- / Eco Tourism)	0.026649	0.026649
Educational Institutions	0.007462	0.007462
Municipal Owned Property (Rateable, used for Residential purposes)	0.010660	0.010660
Municipal Owned Property (Rateable, used for Non-Residential purposes)	0.026649	0.026649
Municipal Owned Property (Non - Rateable)	0,000000	0,000000
Mining / Quarry Property	0.026649	0.026649
Government Property (Correctional Services Facilities, Offices & Hospitals)	0.026649	0.026649
Vacant Land	0.031979	0.031979
Religious or Places of Worship and Special Property (e.g. Museums, Libraries)	0,000000	0,000000
Public Benefit Organisations	0.002665	0.002665
Rural Communal Land	0,000000	0,000000

The Municipality has successfully undertaken a General Valuation exercise in terms of the Municipal Property Rates Act and the new values will be implemented from 1 July 2018. There will be no increase in the rates tariff in the 2018/19 financial year and an increase of 9.0% and 8.0% has been planned for the two outer years.

1.4.1.2 Sale of Water and Impact of Tariff Increases

The water tariff structure of the 2018/19 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R32.7681 per kilolitre for consumption in excess of 30kl per 30-day period.

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

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

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

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

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

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

An amount of R28.5 million has been allocated in the first financial year of the MTREF budget to cater for this plan. A further amount of R28.2 million per year is budgeted for the two outer years. It is envisaged that this will reduce the water losses being incurred to a level which is comparable to the peers of the institution. Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Amatola Water has indicated that it is increasing its bulk water tariffs by 9.46% from 1 July 2018. There is some concern surrounding the determination of this tariff as a large portion relates to employee costs which, it could be argued, the Municipality is already incurring through the individuals we have working directly. The tariff will increase by 9.0% from 1 July 2018 for water. This is based on input cost assumptions of 9.46% increase in the cost of bulk water (Amatola Water), and the service progressing to becoming self-sufficient with at least a break-even position. In addition, 6 kℓ water per 30-day period will again be granted free of charge to all indigent residents. There is also water service that is provided to rural areas which are not billed for water consumption.

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

Table 8: Water Tariffs

CATEGORY	CURRENT TARIFFS	NEW TARIFFS
	2017/18 Rand per kℓ	2018/19 Rand per kℓ
RESIDENTIAL		
(i) 0 to 6 kℓ per 30-day period (Indigent)	0.0000	0.0000
(ii) 0 to 6 kℓ per 30-day period (Non-Indigent)	13.0497	14.2242
(iii) 7 to 10 kℓ per 30-day period	13.3056	14.5031
(iv) 11 to 20 kℓ per 30-day period	18.4798	20.1430
(v) 21 to 30 kℓ per 30-day period	23.9553	26.1112
(vi) More than 30 kℓ per 30-day period:	30.0625	32.7681
NON-RESIDENTIAL		
(i) From the 1st kℓ per 30-day period	20.8583	22.9350

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

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

Monthly Consumption kℓ	Current amount Payable R	New amount payable R	Difference (Increase) R	% change
10	131.52	143.36	11.84	9.00%
20	316.32	344.79	28.47	9.00%
30	555.87	605.90	50.03	9.00%
50	1 157.12	1 261.26	104.14	9.00%
75	1 908.68	2 080.47	171.78	9.00%
100	2 660.25	2 899.67	239.42	9.00%

1.4.1.3 Sale of Electricity and Impact of Tariff Increases

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

On 28 February 2018 NERSA issued a guideline to all municipalities detailing the expected increase of bulk purchases and proposed tariff increase that the municipalities must apply which is to be effective from 1 July 2018 and.

The expected increase as communicated in the guidance is 7.32% for bulk purchases. The municipality will increase its tariff by 6.84% over the 2018/19 MTREF period across all categories in order to recover the increased bulk purchase cost as well as capital infrastructure costs for the electrification of informal settlements. The increase is based on NERSA guide calculation using MFMA Circular 91 CPI. It should be noted that given the magnitude of the tariff increases in the recent past, it is expected that the depressed growth in electricity consumption, which is having a negative impact on the municipality's revenue from electricity, will continue for the foreseeable future.

Registered indigents will again be subsidized for the first 50 kWh per 30-day period free of charge, while the discounted Life-Line tariff for the second 50 kWh per 30-day period is available to all registered indigents and pensioners. The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

An allocation of R455.3 million over the MTREF period has been made to the electricity trading service. This includes an amount of R104.6 million that is allocated over the MTREF period electrification programme. Within the electrification programme, an amount of R28 million over the MTREF period is allocated for electrification of informal

settlements. As part of the 2018/19 medium-term capital programme, own funding has been allocated to electricity infrastructure to the tune of R326.5 million over the MTREF period. This funding level is budgeted within the MTREF period with the express purposes of upgrading existing infrastructure assets with the goal of maintaining consistent supply that is within the control of the Municipality.

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

Monthly Consumption	Current amount Payable	New amount payable	Difference (Increase)	% change
kWh	R	R	R	
100	171.34	183.06	11.72	6.84%
250	428.35	457.64	29.30	6.84%
500	856.69	915.29	58.60	6.84%
750	1 285.04	1 372.93	87.90	6.84%
1 000	1 713.38	1 830.58	117.20	6.84%
2 000	3 426.77	3 661.16	234.39	6.84%

1.4.1.4 Sanitation and Impact of Tariff Increases

The tariff will increase by 8.8% for sanitation from 1 July 2018. The sanitation charges are calculated according to the relative size of the erf on which the property is located. It is envisaged that future sanitation charges will be based on a percentage of water consumption, but first the large volumes of water losses will have to be brought under control. The following table shows the impact of the proposed increases in annual tariffs on the sanitation charges for a single dwelling residence:

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

Category	Current amount	New amount	Difference	%
	Payable	payable	(Increase)	Change
	R	R	R	
Erf: 0 – 300m ²	868.42	945.22	76.80	8.80%
Erf: 301 – 400m ²	1 379.82	1 500.87	121.05	8.80%
Flat: Complex	2 187.72	2 380.00	192.28	8.80%
Flat: Ordinary	2 416.67	2 629.57	212.90	8.80%
Flat: Semi	2 416.67	2 629.57	212.90	8.80%
Cluster/Town Houses	2 990.35	3 253.91	263.56	8.80%
Erf: 401 – 800m ²	3 592.98	3 909.57	316.58	8.80%
Erf: 801 – 1200m ²	3 878.07	4 219.13	341.06	8.80%
Erf: > 1200m ²	4 225.44	4 597.39	371.95	8.80%

1.4.1.5 Refuse Removal and Impact of Tariff Increases

It is widely accepted that the rendering of this service should at least break even, which continues to prove difficult to achieve considering affordability for the consumers. The City needs to implement the solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. Efficiencies of staff performing the function continue to be a contributing factor as there is an increase in the cost of remuneration however this does not appear to be converting to refuse collection efficiencies. The on-going increase on repairs and maintenance for refuse trucks and increases in general expenditure such as fuel and hired plant. There will be more added focus by management over the MTREF period in an attempt to improve staff management and create efficiencies in this process. There is further investigation to create a transfer station to reduce the costs of running the transport fleet. The City is in the process of constructing an additional landfill waste site and the rehabilitation of the existing landfill sites and this project is progressing well. An increase of 9.2% in the refuse removal tariff

is proposed from 1 July 2018. A further increase of 8.7% and 8.0% for the two outer years respectively are proposed.

The following table compares current and proposed amounts payable from 1 July 2018:

Table 12: Comparison between current refuse removal fees and increases

Category	Current amount Payable R	New amount Payable R	Difference (Increase) R	% Change
85ℓ Bins – Twice weekly	457.89	500.00	42.11	9.20%
240ℓ Bins – Once weekly	644.74	704.35	59.61	9.20%
240ℓ Bins – Twice weekly	1 289.47	1 407.83	118.35	9.20%
420ℓ Bins – Once weekly	1 127.19	1 231.30	104.11	9.20%
420ℓ Bins – Twice weekly	2 251.75	2 459.13	207.38	9.20%
1.1m ³ Sprico – Once weekly	772.81	843.48	70.67	9.20%
1.1m ³ Sprico – Twice weekly	1 540.35	1 681.74	141.39	9.20%
1.1m ³ Sprico – Three x a week	2 314.04	2 526.96	212.92	9.20%
1.1m ³ Sprico – Four x a week	3 078.95	3 362.61	283.66	9.20%
1.1m ³ Sprico – Five x a week	3 850.00	4 204.35	354.35	9.20%

1.4.2 Overall impact of tariff increases on households

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

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at an average of about 9% (CPI + 3%). The categories of rateable properties for purposes of levying rates and the proposed rates for the 2018/19 financial year based on the new market value which are in line with the new valuation roll and therefore the tariff will remain the same as 2017/18 financial year, the impact of increase in market value is contained below:

Table 13: SA14 – Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		479.79	527.29	567.37	621.84	621.84	621.84	8.5%	674.69	728.67	728.67
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		992.40	1 113.47	1 198.54	1 221.67	1 221.67	1 221.67	1.8%	1 243.17	1 264.68	1 264.68
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		298.24	331.04	357.53	391.50	391.50	391.50	8.1%	423.21	457.06	457.06
Sanitation		249.34	273.03	294.33	323.17	323.17	323.17	8.7%	351.29	381.50	381.50
Refuse removal		156.14	170.97	184.31	202.37	202.37	202.37	8.7%	219.98	238.90	238.90
Other		33.33	36.63	39.41	43.04	43.04	43.04	8.0%	46.48	50.15	50.15
sub-total		2 209.24	2 452.43	2 641.49	2 803.59	2 803.59	2 803.59	5.5%	2 958.82	3 120.96	3 120.96
VAT on Services											
Total large household bill:		2 209.24	2 452.43	2 641.49	2 803.59	2 803.59	2 803.59	5.5%	2 958.82	3 120.96	3 120.96
% increase/-decrease			11.0%	7.7%	6.1%	–	–		5.5%	5.5%	–
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		342.71	376.64	405.26	444.16	444.16	444.16	8.5%	481.92	520.47	520.47
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		496.20	556.74	599.27	610.84	610.84	610.84	1.8%	621.59	632.34	632.34
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		248.53	275.87	297.94	326.24	326.24	326.24	8.1%	352.67	380.88	380.88
Sanitation		88.74	97.17	104.74	115.00	115.00	115.00	8.7%	125.01	135.76	135.76
Refuse removal		156.14	170.97	184.30	202.36	202.36	202.36	8.7%	219.97	238.88	238.88
Other		33.33	36.63	39.41	43.04	43.04	43.04	8.0%	46.48	50.15	50.15
sub-total		1 365.65	1 514.02	1 630.92	1 741.64	1 741.64	1 741.64	6.1%	1 847.64	1 958.48	1 958.48
VAT on Services											
Total small household bill:		1 365.65	1 514.02	1 630.92	1 741.64	1 741.64	1 741.64	6.1%	1 847.64	1 958.48	1 958.48
% increase/-decrease			10.9%	7.7%	6.8%	–	–		6.1%	6.0%	–
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		102.81	112.99	121.57	133.24	133.24	133.24	8.5%	144.57	156.13	156.13
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		49.62	55.67	59.92	61.08	61.08	61.08	1.8%	62.15	63.23	63.23
Water: Basic levy		–	–	–	–	–	–	–	–	–	–
Water: Consumption		59.65	66.21	71.50	78.29	78.29	78.29	8.1%	84.63	91.40	91.40
Sanitation		80.97	88.77	95.69	105.07	105.07	105.07	8.7%	114.21	124.03	124.03
Refuse removal		156.14	170.97	184.31	202.37	202.37	202.37	8.7%	219.98	238.90	238.90
Other		33.33	36.63	39.41	43.04	43.04	43.04	8.0%	46.48	50.15	50.15
sub-total		482.52	531.24	572.40	623.09	623.09	623.09	7.9%	672.02	723.84	723.84
VAT on Services											
Total small household bill:		482.52	531.24	572.40	623.09	623.09	623.09	7.9%	672.02	723.84	723.84
% increase/-decrease			10.1%	7.7%	8.9%	–	–		7.9%	7.7%	–

1.5 OPERATING EXPENDITURE FRAMEWORK

The City's expenditure framework for the 2018/19 budget and MTREF is informed by Section 18 and 19 of the MFMA. The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Expenditure By Type											
Employee related costs	2	1 233 305	1 411 212	1 560 996	1 733 321	1 733 321	1 733 321	1 733 321	1 939 391	2 031 568	2 245 183
Remuneration of councillors		48 360	53 845	55 482	62 398	60 381	60 381	60 381	64 185	67 651	71 372
Debt impairment	3	365 110	210 111	310 916	317 788	317 788	317 788	317 788	343 696	387 605	437 826
Depreciation & asset impairment	2	685 336	857 419	807 050	778 273	778 273	778 273	778 273	895 013	943 344	995 228
Finance charges		60 674	63 335	49 359	54 318	45 240	45 240	45 240	59 808	104 627	121 876
Bulk purchases	2	1 213 642	1 426 744	1 558 514	1 578 167	1 578 167	1 578 167	1 578 167	1 698 510	1 828 118	1 967 713
Other materials	8			-	-	77 711	77 711	77 711	86 376	92 796	99 031
Contracted services		14 607	-	-	38 960	832 922	832 922	832 922	857 589	981 518	1 030 763
Transfers and subsidies		234 151	240 922	394 807	328 637	77 970	77 970	77 970	94 851	98 234	100 271
Other expenditure	4, 5	1 337 880	1 253 861	1 276 299	1 296 218	430 046	430 046	430 046	463 848	498 594	527 925
Loss on disposal of PPE		32 772	500	31 097	-	9 078	9 078	9 078	-	-	-
Total Expenditure		5 225 837	5 517 949	6 044 521	6 188 080	5 940 897	5 940 897	5 940 897	6 503 267	7 034 055	7 597 189

The following figure gives a breakdown of the main expenditure categories for the 2018/19 financial year:

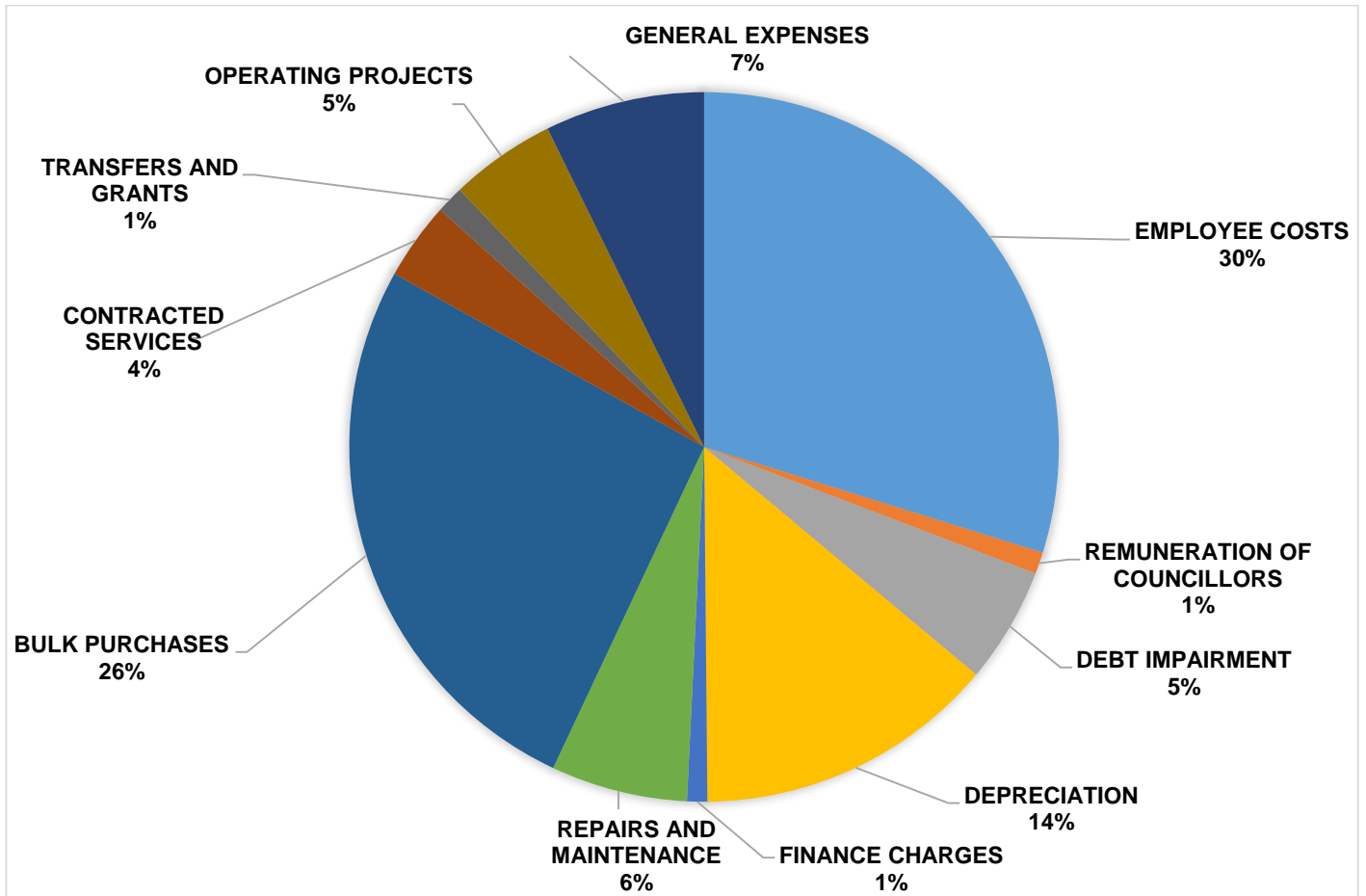


Figure 6: Main operational expenditure categories for the 2018/19 financial year

Employee Costs equates to 30% of the total operating costs. Though this percentage is within the norm of 25% to 40% as per MFMA Circular 71 guideline. The budget allocation to fund unfunded posts has been put on hold up until the City's revenue base can reflect improvement.

Remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

The **provision of debt impairment** has been determined based on an annual collection rate of 92.5% over the MTREF. For the 2018/19 financial year this amounts to R344 million, it increases to R388 million in 2019/20, it further increases to R438 million in the 2020/21 financial year. While this expenditure is considered to be a non-cash flow item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R895 million for the 2018/19 financial year and equates to 14% of the total operating expenditure. Infrastructure assets are by far the most significant value of the Statement of Financial Position of the institution and is where the most significant amount of the institutions resources is expended. As such the institution has made a strategic decision to actively manage its infrastructure assets by ensuring all new infrastructure commitments are made in line with the Metro Growth and Development Strategy.

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

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1% (R59.8 million) of operating expenditure excluding annual redemption for 2018/19.

Bulk purchases (equates to 26% of total operating expenditure) are directly informed by the purchase of electricity from Eskom and water from Amatola. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other expenditure comprises of various line items relating to the daily operations of the municipality. In order to comply with the provisions of circular 89 and 91 guiding principles

as issued by National Treasury, the institution undertook a line by line analysis of expenditure in an attempt to improve efficiencies. As a result, an increase of CPI has been projected for the other operational cost.

1.5.1 Repairs and Maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2018/19 MTREF provide for extensive growth in the asset maintenance area as informed the City's asset renewal strategy and repairs & maintenance plan.

Repairs and maintenance budget is currently 6.2% of the total Operating Expenditure Budget. The City is striving towards a 10% repairs and maintenance of its total operating budget owing to the aging of the City's infrastructure and historic deferred maintenance. The City has embarked on a programme to replace existing infrastructure assets which have almost reached and/or exceeded their useful lives and will be funded from own funds. The institution has identified a historical funding shortfall associated with the replacement of existing infrastructure assets and in an attempt to alleviate the shortfall, some of the USDG funding will be utilized to replace existing infrastructure. Furthermore, the institution will ensure that surplus budgets are prepared beyond the MTREF period to fund both existing infrastructure replacement as well as new infrastructure expansion.

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		254 627	293 613	336 204	390 774	199 568	199 568	219 525	241 477	265 625
Roads Infrastructure		75 418	98 350	97 036	130 688	111 594	111 594	122 753	135 028	148 531
<i>Roads</i>		75 418	98 350	97 036	130 688	106 658	106 658	117 323	129 056	141 961
<i>Road Structures</i>		-	-	-	-	4 936	4 936	5 430	5 972	6 570
Storm water Infrastructure		8 619	8 493	9 116	-	10 660	10 660	11 726	12 898	14 188
<i>Drainage Collection</i>		-	-	9 116	-	10 660	10 660	11 726	12 898	14 188
<i>Storm water Conveyance</i>		8 619	8 493	-	-	-	-	-	-	-
Electrical Infrastructure		94 200	92 819	121 098	139 116	37 309	37 309	41 040	45 144	49 658
<i>Power Plants</i>		94 200	92 819	121 098	139 116	-	-	-	-	-
<i>HV Transmission Conductors</i>		-	-	-	-	6 549	6 549	7 204	7 924	8 717
<i>MV Substations</i>		-	-	-	-	10 090	10 090	11 099	12 209	13 430
<i>MV Networks</i>		-	-	-	-	1 466	1 466	1 613	1 774	1 951
<i>LV Networks</i>		-	-	-	-	19 204	19 204	21 124	23 237	25 561
Water Supply Infrastructure		34 412	43 011	47 523	52 376	2 959	2 959	3 255	3 581	3 939
<i>Dams and Weirs</i>		1 013	-	-	-	-	-	-	-	-
<i>Reservoirs</i>		-	-	-	-	1 343	1 343	1 478	1 625	1 788
<i>Water Treatment Works</i>		33 398	43 011	47 523	52 376	-	-	-	-	-
<i>Bulk Mains</i>		-	-	-	-	1 616	1 616	1 778	1 955	2 151
Sanitation Infrastructure		24 862	28 972	35 221	40 530	30 673	30 673	33 740	37 114	40 825
<i>Reticulation</i>		-	-	35 221	-	30 673	30 673	33 740	37 114	40 825
<i>Waste Water Treatment Works</i>		24 862	28 972	-	40 530	-	-	-	-	-
Solid Waste Infrastructure		17 116	21 968	26 210	28 064	6 374	6 374	7 011	7 713	8 484
<i>Landfill Sites</i>		17 116	21 968	26 210	28 064	6 374	6 374	7 011	7 713	8 484
Rail Infrastructure		-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<i>Data Centres</i>		-	-	-	-	-	-	-	-	-
Community Assets		13 046	19 748	18 771	19 313	8 263	8 263	9 090	9 999	10 999
Community Facilities		10 132	15 419	13 631	15 261	6 597	6 597	7 257	7 983	8 781
<i>Halls</i>		526	4 710	778	635	2 104	2 104	2 315	2 546	2 801
<i>Clinics/Care Centres</i>		-	-	333	1 024	-	-	-	-	-
<i>Fire/Ambulance Stations</i>		1 507	1 568	1 840	2 254	-	-	-	-	-
<i>Museums</i>		10	71	46	282	-	-	-	-	-
<i>Libraries</i>		-	-	164	-	592	592	651	716	788
<i>Cemeteries/Crematoria</i>		250	405	536	493	1 171	1 171	1 288	1 417	1 559
<i>Police</i>		1 144	2 102	2 317	3 209	-	-	-	-	-
<i>Public Open Space</i>		-	-	-	-	2 730	2 730	3 003	3 303	3 634
<i>Nature Reserves</i>		1 818	-	511	6 126	-	-	-	-	-
<i>Markets</i>		679	771	1 017	1 238	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		118	536	1 267	-	-	-	-	-	-
<i>Capital Spares</i>		4 079	5 254	4 821	-	-	-	-	-	-
Sport and Recreation Facilities		2 914	4 329	5 140	4 052	1 666	1 666	1 833	2 016	2 218
<i>Indoor Facilities</i>		2 579	3 772	1 314	2 656	-	-	-	-	-
<i>Outdoor Facilities</i>		335	557	3 826	1 396	1 666	1 666	1 833	2 016	2 218

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Heritage assets		-	-	-	-	9	9	10	11	12
Other Heritage		-	-	-	-	9	9	10	11	12
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Other assets		17 897	35 398	25 885	37 058	41 077	41 077	45 185	49 703	54 674
Operational Buildings		17 897	35 398	25 885	37 058	41 077	41 077	45 185	49 703	54 674
Municipal Offices		5 031	24 793	18 073	23 852	35 421	35 421	38 963	42 859	47 145
Pay/Enquiry Points		-	-	-	762	5 406	5 406	5 947	6 542	7 196
Workshops		-	-	-	2 280	250	250	275	303	333
Capital Spares		12 865	10 605	7 811	10 164	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	1 092	1 092	1 092	1 201	1 321	1 453
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	1 092	1 092	1 092	1 201	1 321	1 453
Computer Software and Applications		-	-	-	1 092	1 092	1 092	1 201	1 321	1 453
Computer Equipment		671	118	922	1 307	1 606	1 606	1 767	1 943	2 138
Computer Equipment		671	118	922	1 307	1 606	1 606	1 767	1 943	2 138
Furniture and Office Equipment		2	1	0	210	7 069	7 069	7 776	8 554	9 409
Furniture and Office Equipment		2	1	0	210	7 069	7 069	7 776	8 554	9 409
Machinery and Equipment		-	-	-	7 899	161 388	161 388	87 148	96 525	110 815
Machinery and Equipment		-	-	-	7 899	161 388	161 388	87 148	96 525	110 815
Transport Assets		1 022	1 008	1 178	3 272	30 555	30 555	33 610	36 972	40 669
Transport Assets		1 022	1 008	1 178	3 272	30 555	30 555	33 610	36 972	40 669
Libraries		128	219	-	307	14	14	15	17	19
Libraries		128	219	-	307	14	14	15	17	19
Zoo's, Marine and Non-biological Animals		-	-	-	1 218	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	1 218	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	287 393	350 106	382 959	462 450	450 642	450 642	405 327	446 523	495 812
R&M as a % of PPE		2.3%	2.7%	2.4%	3.2%	3.1%	3.1%	2.8%	2.3%	2.2%
R&M as % Operating Expenditure		5.5%	6.3%	6.3%	7.5%	7.6%	7.6%	6.8%	6.9%	7.0%

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the City's Indigent Policy. The target is to register an average of at least 77 070 indigent households by the end of 2018/19 financial year, this process is reviewed annually

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

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

Table 16: Basic social services package per indigent household

	Total Per Household 2017/2018	Total Per Household 2018/2019	Total Per Household 2019/2020	Total Per Household 2020/2021
Rates	133.25	159.90	174.29	188.23
Refuse	161.11	175.93	191.24	206.54
Sewerage	87.54	95.24	104.10	112.43
Fire Levy	42.98	46.85	51.06	55.15
<u>Total Monthly Subsidy</u>	424.88	477.92	520.69	562.35
Electricity - 50kwh p.m	57.97	61.94	66.17	70.70
Water - 6kl p.m.	68.67	74.85	81.59	88.11
<u>Total Poor Relief</u>	551.52	614.71	668.45	721.16

1.6 CAPITAL EXPENDITURE FRAMEWORK

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

Table 17: Table A5 2018/19 Medium-term capital budget per vote, standard classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Directorate - Executive Support Services		1 321	777	2 454	3 000	7 229	7 229	7 229	3 500	500	500
Vote 2 - Directorate - Municipal Manager		9 663	-	54 388	22 500	42 409	42 409	42 409	51 840	43 840	30 080
Vote 3 - Directorate - Human Settlement		144 783	73	176 555	186 355	168 315	168 315	168 315	104 005	122 965	204 488
Vote 4 - Directorate - Chief Financial Officer		3 282	362	16 415	97 820	81 020	81 020	81 020	152 538	183 120	2 500
Vote 5 - Directorate - Corporate Services		652	20 975	926	6 000	3 613	3 613	3 613	3 600	500	2 000
Vote 6 - Directorate - Infrastructure Services		671 827	1 110 248	860 001	856 154	982 796	982 796	982 796	915 180	1 284 838	1 305 185
Vote 7 - Directorate - Spatial Planning and Development		36 097	-	73 678	234 721	250 620	250 620	250 620	263 838	377 614	362 520
Vote 8 - Directorate - Health / Public Safety & Emergency Services		3 751	326	10 753	30 205	49 245	49 245	49 245	14 270	24 950	30 280
Vote 9 - Directorate - Municipal Services		57 333	35 698	48 423	165 349	137 960	137 960	137 960	160 579	151 750	100 050
Vote 10 - Directorate - Economic Development & Agencies		1 341	17 870	32 708	43 100	51 098	51 098	51 098	81 500	98 500	136 800
Capital multi-year expenditure sub-total	7	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403
Single-year expenditure to be appropriated	2										
Vote 1 - Directorate - Executive Support Services		-	-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Directorate - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 4 - Directorate - Chief Financial Officer		-	-	-	-	-	-	-	-	-	-
Vote 5 - Directorate - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Directorate - Infrastructure Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Directorate - Spatial Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Directorate - Health / Public Safety & Emergency Services		-	-	-	-	-	-	-	-	-	-
Vote 9 - Directorate - Municipal Services		-	-	-	-	-	-	-	-	-	-
Vote 10 - Directorate - Economic Development & Agencies		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional											
<i>Governance and administration</i>		14 918	22 113	139 320	129 320	258 242	258 242	258 242	288 951	277 780	60 080
Executive and council		6 773	777	56 842	25 500	46 439	46 439	46 439	55 340	44 340	30 580
Finance and administration		3 282	362	82 478	97 820	211 804	211 804	211 804	233 611	233 440	29 500
Internal audit		4 863	20 975	–	6 000	–	–	–	–	–	–
<i>Community and public safety</i>		165 241	431	232 830	316 087	262 038	262 038	262 038	189 625	179 665	305 818
Community and social services		11 918	33	21 498	42 250	21 672	21 672	21 672	21 820	19 250	37 680
Sport and recreation		4 788	–	24 023	57 277	59 271	59 271	59 271	55 200	23 250	42 550
Public safety		3 751	326	10 753	30 205	11 980	11 980	11 980	7 700	13 200	21 100
Housing		144 783	73	176 555	186 355	168 315	168 315	168 315	104 005	122 965	204 488
Health		–	–	–	–	800	800	800	900	1 000	–
<i>Economic and environmental services</i>		369 799	285 401	410 843	548 777	618 885	618 885	618 885	453 477	656 728	1 033 200
Planning and development		37 437	17 870	106 386	277 821	223 604	223 604	223 604	204 365	348 114	360 520
Road transport		322 624	261 228	304 457	270 956	385 900	385 900	385 900	244 685	308 614	672 680
Environmental protection		9 738	6 304	–	–	9 382	9 382	9 382	4 427	–	–
<i>Trading services</i>		379 734	878 382	493 309	628 020	584 043	584 043	584 043	737 298	1 075 904	638 505
Energy sources		150 386	137 712	121 231	148 000	148 309	148 309	148 309	122 200	155 100	159 000
Water management		91 521	702 173	173 706	130 000	146 119	146 119	146 119	203 451	313 500	228 625
Waste water management		106 938	9 135	195 471	284 198	240 458	240 458	240 458	331 194	496 304	230 881
Waste management		30 889	29 362	2 901	65 822	49 157	49 157	49 157	80 452	111 000	20 000
<i>Other</i>		358	–	–	23 000	51 098	51 098	51 098	81 500	98 500	136 800
Total Capital Expenditure - Functional	3	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403
Funded by:											
National Government		565 914	670 394	669 780	795 307	971 262	971 262	971 262	803 900	999 477	1 083 453
Provincial Government		49 578	–	–	–	9 036	9 036	9 036	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	69 000	–	–	–	69 000	377 000	206 000
Internally generated funds		314 558	515 933	606 521	780 897	794 007	794 007	794 007	877 950	912 100	884 950
Total Capital Funding	7	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403

The above table reflect that the budget for capital programme is R1.75 billion in the 2018/19 financial year, R2.3 billion and R2.2 billion in the 2019/20 and 2020/21 financial years respectively.

It is pleasing to note the BCMM's capital budget has increased by 7% compared to the 2017/18 mid-year adjustment budget. It is also showing an increasing trend from 2018/19 to 2020/21 financial year and slightly decreases in 2020/21. Further breakdown per service of the capital budget is detailed in the table below. It depicts that for the 2018/19 financial year an amount of R287.3 million has been appropriated for the Waste Water infrastructure, R286.9 million for Roads and Storm Water, R194.4 million for Water, R195.1 million for Transport Planning, R104.2 million for Housing and R128.4 million for Electricity. These services represent 68% of the total capital budget for the 2018/19 financial year.

Table 18: List of Key Projects Per Service

2018/2019 CAPITAL BUDGET PER SERVICE	2018/2019 Final Capital Budget	2019/2020 Final Capital Budget	2020/2021 Final Capital Budget
Services			
Water	194 450 950	306 500 000	223 624 512
Waste Water	287 394 290	482 303 840	226 880 803
Electricity	128 450 000	161 300 000	165 600 000
Roads and Stormwater	286 985 000	311 214 000	666 080 105
Housing	104 254 640	124 465 000	203 988 000
Transport Planning	195 165 000	347 614 000	360 520 000
Local Economic Development	79 400 000	98 500 000	136 800 000
Spatial Planning	68 172 900	29 500 000	2 000 000
Waste Management / Refuse	79 452 360	110 000 000	20 000 000
Amenities	80 377 100	40 750 000	80 050 000
Public Safety	14 270 000	24 950 000	30 280 000
Support Services	214 478 000	231 160 000	35 580 000
Other - BCM Fleet	18 000 000	20 320 000	23 000 000
TOTAL PER SERVICE	1 750 850 240	2 288 576 840	2 174 403 420

Renewal of existing assets represent 10.3% (R179 million) of the total capital budget while new assets acquisition equates to 60.5% (R1.05 billion) in the 2018/19 financial year. Further detail relating to asset classes and proposed capital expenditure is contained in MBRR Table A9, MBRR Tables SA34a and SA34b provides a detailed breakdown of the capital programme relating to new asset construction and capital asset renewal. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- **Electricity**

Bulk electricity infrastructure upgrade for the entire BCMM area to improve reliability of supply of the BCMM network for both domestic and commercial consumers is one of the priority areas. To contribute towards fulfilment of this priority, an allocation of R326.5 million over the MTREF period has been made from own funding. This allocation includes R28 million that has been allocated over the MTREF for electrification of informal dwellings whilst the remainder of the funding (R298.5 million) is allocated for infrastructure upgrade. An amount of R122.6 million from grants has been allocated over the MTREF period for electrification programme including street lights and high masts within BCMM area of supply.

- **Sanitation / Waste Water**

An allocation of R247.9 million from own funds has been made available over the MTREF period for renewal of existing infrastructure, including Eastern Beach Gravity Sewer Upgrade (R97.8 million). The project, Phase 2 of the Zwelitsha Waste Water Treatment Works Upgrade is continuing and is budgeted for R150 million over the MTREF period. This plant will provide a centralized regional treatment facility for the Inland Region which will service the domestic and business community from Bhisho, Breidbach, Zwelitsha, Phakamisa, Schornville, Ginsberg, etc. The provision of Sewer Tunnel for diversion of sewer from Central Plant to Reeston Plant is allocated a budget of R434 million over the MTREF period funded from borrowings.

- **Water**

The Bulk Water Provision is also progressing and has been allocated R410.7 million over the MTREF period (R110.5 million, R132.5 million and R167.7 million respectively). The project Umzonyana Dam Upgrade is allocated a total of R300 million over the MTREF period (R78.9 million, R170 million and R50.9 million respectively). The project will also make use of loan funding in 2019/20 financial year. This project is crucial as it will increase the City's capacity in supplying its own water and decrease the need for purchase of water from Amatola Water

- **Roads**

An amount of R141.1 million has been set aside for Rural roads over the MTREF period. An allocation of R461 million from own funds has been made available for upgrading various existing roads over the MTREF period. The Quenera Beacon Bay Link Road is also continuing and has been allocated a budget of R89 million over the MTREF period. KWT roads upgrade have been allocated R65 million over the MTREF.

- **Transport Planning**

An allocation of R903.2 million has been allocated over the MTREF period for the implementation of Integrated Transport Programme. The above include Phase 7 of Qumza Highway Upgrading that has been allocated an amount of R461 million over the MTREF period. For the upgrading of KWT Transport Facilities, an amount of R43 million has been allocated over the MTREF period. The Needs Camp Potsdam Bridge has been allocated R21.5 million over the MTREF period.

1.7 ANNUAL BUDGET TABLES

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the BCMM's 2018/19 budget and MTREF for approval by the Council.

The municipality's only entity, Buffalo City Metro Development Agency (BCMDA) whose mandate is to drive Buffalo City Metropolitan Municipality's development has started to operate. Appointment of Board members and administrative staff was done and the Agency is expected to start with the implementation of some developmental projects in the MTREF period within the City in line with its mandate. This is an attempt to grow the local economy through encouraging private sector investment. To allow the agency to realise its mandate, the City has set aside an amount of (inclusive of vat) R34.3 million for 2018/19 financial year as an operational grant to the agency. This amount will be escalated with CPI increase for the two outer years to R36.1 million and R38.1 million respectively. The City will also transfer an amount of (inclusive of vat) R25.0 million and R50.0 million in each of the two outer year for capital projects that will be implemented by the entity. The above figures are vat inclusive. Due to the fact that BCMDA is still at the forming stage, it anticipates to receive funding mainly from the parent municipality (BCMM) for its operations. The affected consolidated main budget tables are presented below as required by the MBRR.

Table 19: MBRR Table A1 – Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	794 519	872 354	978 231	1 225 285	1 121 175	1 121 175	1 121 175	1 421 961	1 549 938	1 673 933
Service charges	2 273 984	2 571 189	2 867 970	3 011 895	2 936 647	2 936 647	2 936 647	3 172 285	3 427 689	3 691 234
Investment revenue	124 166	154 706	148 011	157 002	131 002	131 002	131 002	140 172	149 985	160 483
Transfers recognised - operational	948 513	1 334 131	1 304 827	1 368 106	1 375 658	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053
Other own revenue	665 483	342 320	313 867	426 719	377 341	377 341	377 341	298 808	321 449	345 566
Total Revenue (excluding capital transfers and contributions)	4 806 666	5 274 702	5 612 906	6 189 006	5 941 824	5 941 824	5 941 824	6 504 900	7 041 561	7 604 268
Employee costs	1 233 305	1 411 212	1 560 996	1 733 321	1 733 321	1 733 321	1 733 321	1 939 391	2 031 568	2 245 183
Remuneration of councillors	48 360	53 845	55 482	62 398	60 381	60 381	60 381	64 185	67 651	71 372
Depreciation & asset impairment	685 336	857 419	807 050	778 273	778 273	778 273	778 273	895 013	943 344	995 228
Finance charges	60 674	63 335	49 359	54 318	45 240	45 240	45 240	59 808	104 627	121 876
Materials and bulk purchases	1 213 642	1 426 744	1 558 514	1 578 167	1 655 877	1 655 877	1 655 877	1 784 885	1 920 914	2 066 744
Transfers and grants	234 151	240 922	394 807	328 637	77 970	77 970	77 970	94 851	98 234	100 271
Other expenditure	1 750 369	1 464 472	1 618 312	1 652 966	1 589 834	1 589 834	1 589 834	1 665 134	1 867 717	1 996 515
Total Expenditure	5 225 837	5 517 949	6 044 521	6 188 080	5 940 897	5 940 897	5 940 897	6 503 267	7 034 055	7 597 189
Surplus/(Deficit)	(419 171)	(243 247)	(431 615)	926	926	926	926	1 633	7 506	7 079
Transfers and subsidies - capital (monetary allocations)	615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Contributions recognised - capital & contributed assets	-	-	-	-	229	229	229	-	-	-
Surplus/(Deficit) after capital transfers & contributions	196 321	427 147	238 165	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Share of surplus/ (deficit) of associate	22 359	30 383	15 248	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	218 681	457 530	253 413	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Capital expenditure & funds sources										
Capital expenditure	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403
Transfers recognised - capital	615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	69 000	-	-	-	69 000	377 000	206 000
Internally generated funds	314 558	515 933	606 521	780 897	794 007	794 007	794 007	877 950	912 100	884 950
Total sources of capital funds	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403
Financial position										
Total current assets	3 023 705	3 665 739	3 173 889	3 690 664	3 532 204	3 532 204	3 532 204	3 587 135	3 878 433	4 305 128
Total non current assets	13 053 034	13 633 859	16 491 039	15 248 547	15 377 648	15 377 648	15 377 648	20 086 923	23 389 381	26 636 604
Total current liabilities	1 075 115	1 588 630	1 371 169	1 336 012	1 339 835	1 339 835	1 339 835	1 393 013	1 528 764	1 670 249
Total non current liabilities	995 534	944 139	915 192	1 146 211	1 074 494	1 074 494	1 074 494	1 158 069	1 614 808	1 908 521
Community wealth/Equity	14 006 089	14 766 828	17 378 567	16 456 988	16 495 522	16 495 522	16 495 522	21 152 682	24 206 413	27 455 820
Cash flows										
Net cash from (used) operating	1 013 101	1 394 471	645 551	1 809 846	1 825 802	1 825 802	1 825 802	1 681 344	1 944 813	2 099 839
Net cash from (used) investing	(923 323)	(1 169 766)	(1 278 640)	(1 582 484)	(1 765 092)	(1 765 092)	(1 765 092)	(1 750 850)	(2 288 577)	(2 174 403)
Net cash from (used) financing	(53 669)	(49 602)	(50 709)	20 252	(47 642)	(47 642)	(47 642)	9 962	315 608	149 861
Cash/cash equivalents at the year end	2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF.
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget.
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The municipality's budget is fully funded and cash-backed and will be generating a surplus in the two outer years of the MTREF period to ensure a more balanced funding mix for capital projects.

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

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

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		1 894 261	2 034 609	2 072 852	2 447 732	2 340 425	2 340 425	2 538 086	2 742 764	2 965 904
Executive and council		28 536	23 255	22 632	29 589	33 025	33 025	26 940	24 003	25 377
Finance and administration		1 865 725	1 944 995	2 039 712	2 418 143	2 307 400	2 307 400	2 511 147	2 718 761	2 940 527
Internal audit		-	66 360	10 508	-	-	-	-	-	-
<i>Community and public safety</i>		281 284	331 234	476 980	402 630	365 821	365 821	293 677	341 294	464 295
Community and social services		9 404	20 861	32 873	31 607	28 602	28 602	29 896	31 907	34 026
Sport and recreation		3 346	3 780	7 608	5 909	6 369	6 369	5 190	5 605	6 048
Public safety		74 105	113 972	145 346	88 321	72 517	72 517	98 778	106 681	115 108
Housing		193 400	192 193	290 848	276 769	258 309	258 309	159 786	197 071	309 081
Health		1 029	428	306	24	24	24	27	29	31
<i>Economic and environmental services</i>		84 824	35 488	245 652	432 207	551 916	551 916	435 083	576 256	779 357
Planning and development		25 472	22 073	36 291	45 006	192 445	192 445	187 683	305 203	324 595
Road transport		55 495	13 251	209 257	386 748	356 476	356 476	244 101	267 490	450 918
Environmental protection		3 857	165	104	452	2 995	2 995	3 299	3 562	3 844
<i>Trading services</i>		2 701 728	3 027 797	3 454 626	3 673 575	3 628 520	3 628 520	4 014 827	4 333 428	4 426 554
Energy sources		1 534 229	1 695 975	1 756 848	1 926 400	1 946 941	1 946 941	2 069 822	2 236 272	2 389 712
Water management		461 672	574 378	682 022	655 778	700 778	700 778	799 770	854 414	992 726
Waste water management		369 759	380 973	627 373	639 215	586 266	586 266	680 364	696 338	531 516
Waste management		336 068	376 470	388 382	452 182	394 535	394 535	464 872	546 405	512 600
<i>Other</i>	4	633 245	733 850	47 824	28 170	35 670	35 670	27 126	47 296	51 611
Total Revenue - Functional	2	5 595 342	6 162 978	6 297 934	6 984 313	6 922 351	6 922 351	7 308 800	8 041 038	8 687 722
Expenditure - Functional										
<i>Governance and administration</i>		1 076 249	972 580	1 175 763	1 194 255	1 256 913	1 256 913	1 388 546	1 499 267	1 566 616
Executive and council		155 233	259 967	293 355	296 070	370 836	370 836	428 705	455 504	500 559
Finance and administration		921 016	452 579	658 234	884 293	872 185	872 185	944 722	1 027 882	1 048 859
Internal audit		-	260 033	224 174	13 892	13 892	13 892	15 119	15 881	17 199
<i>Community and public safety</i>		477 476	734 365	713 030	493 005	567 570	567 570	586 435	636 960	736 911
Community and social services		88 098	131 368	116 398	124 688	87 970	87 970	98 621	104 607	121 681
Sport and recreation		78 789	74 197	70 287	68 342	206 759	206 759	230 543	243 861	271 391
Public safety		74 773	281 242	321 547	125 282	97 133	97 133	108 256	115 990	128 386
Housing		207 474	216 633	171 503	136 025	136 661	136 661	107 401	128 205	167 331
Health		28 342	30 925	33 295	38 668	39 048	39 048	41 614	44 298	48 122
<i>Economic and environmental services</i>		910 341	845 402	968 765	1 222 744	906 680	906 680	1 027 409	1 096 529	1 172 077
Planning and development		221 953	185 314	303 791	294 914	120 912	120 912	142 574	149 940	146 061
Road transport		589 178	552 458	543 622	805 423	766 093	766 093	863 194	923 748	1 000 850
Environmental protection		99 210	107 629	121 352	122 407	19 675	19 675	21 641	22 841	25 166
<i>Trading services</i>		2 748 261	2 949 737	3 171 786	3 247 030	3 117 861	3 117 861	3 394 903	3 690 934	3 996 809
Energy sources		1 489 700	1 584 721	1 666 737	1 829 086	1 849 198	1 849 198	1 989 513	2 140 141	2 305 469
Water management		586 655	654 617	700 469	575 132	574 526	574 526	641 479	705 149	777 398
Waste water management		371 722	376 260	406 882	483 287	397 529	397 529	455 370	486 216	535 725
Waste management		300 184	334 139	397 697	359 525	296 609	296 609	308 541	359 429	378 217
<i>Other</i>	4	13 509	15 865	15 816	31 046	91 873	91 873	105 975	110 364	124 776
Total Expenditure - Functional	3	5 225 837	5 517 949	6 045 159	6 188 080	5 940 897	5 940 897	6 503 267	7 034 055	7 597 489
Surplus/(Deficit) for the year		369 505	645 030	252 774	796 234	981 454	981 454	805 533	1 006 983	1 090 533

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

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

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Revenue by Vote	1									
Vote 1 - Directorate - Executive Support Services		733	383	2 300	1 593	1 912	1 912	-	-	-
Vote 2 - Directorate - Municipal Manager		28 536	22 871	20 332	27 996	32 796	32 796	26 940	24 003	25 377
Vote 3 - Directorate - Human Settlement		196 494	192 193	290 857	276 769	258 309	258 309	159 786	197 071	309 081
Vote 4 - Directorate - Chief Financial Officer		2 468 832	2 624 429	2 039 712	2 407 345	2 283 973	2 283 973	2 492 463	2 699 730	2 920 341
Vote 5 - Directorate - Corporate Services		7 832	6 667	10 478	10 561	10 561	10 561	10 801	10 518	11 001
Vote 6 - Directorate - Infrastructure Services		2 369 496	2 744 983	3 278 416	3 407 846	3 500 201	3 500 201	3 732 612	3 988 153	4 293 270
Vote 7 - Directorate - Spatial Planning and Development		23 415	22 646	47 760	148 279	203 629	203 629	195 565	313 716	333 781
Vote 8 - Directorate - Health / Public Safety & Emergency Services		126 175	126 995	145 652	175 605	162 801	162 801	160 250	173 070	186 743
Vote 9 - Directorate - Municipal Services		352 676	401 893	428 967	490 150	432 500	432 500	503 257	587 480	556 518
Vote 10 - Directorate - Economic Development & Agencies		21 153	19 917	33 460	38 170	35 670	35 670	27 126	47 296	51 611
Total Revenue by Vote	2	5 595 342	6 162 978	6 297 934	6 984 313	6 922 351	6 922 351	7 308 800	8 041 038	8 687 722
Expenditure by Vote to be appropriated	1									
Vote 1 - Directorate - Executive Support Services		159 161	177 703	203 993	232 296	242 659	242 659	309 737	338 957	355 644
Vote 2 - Directorate - Municipal Manager		79 494	72 883	89 362	154 644	192 873	192 873	191 028	192 372	222 030
Vote 3 - Directorate - Human Settlement		218 348	216 633	171 503	136 025	136 661	136 661	107 401	128 205	167 331
Vote 4 - Directorate - Chief Financial Officer		622 904	505 675	651 010	558 213	479 436	479 436	503 480	554 558	552 406
Vote 5 - Directorate - Corporate Services		123 906	137 998	158 063	171 518	141 212	141 212	157 617	164 689	166 711
Vote 6 - Directorate - Infrastructure Services		2 929 285	3 230 074	3 359 054	3 497 257	3 406 532	3 406 532	3 748 890	4 050 595	4 394 507
Vote 7 - Directorate - Spatial Planning and Development		192 940	173 858	281 373	274 152	264 732	264 732	305 497	325 368	334 296
Vote 8 - Directorate - Health / Public Safety & Emergency Services		264 371	297 183	354 842	396 961	379 036	379 036	420 235	444 448	489 114
Vote 9 - Directorate - Municipal Services		573 172	649 970	705 733	674 962	605 882	605 882	653 407	724 498	790 374
Vote 10 - Directorate - Economic Development & Agencies		62 256	55 972	70 226	92 052	91 873	91 873	105 975	110 364	124 776
Total Expenditure by Vote	2	5 225 837	5 517 949	6 045 159	6 188 080	5 940 897	5 940 897	6 503 267	7 034 055	7 597 189
Surplus/(Deficit) for the year	2	369 505	645 030	252 774	796 234	981 454	981 454	805 533	1 006 983	1 090 533

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

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

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	794 519	872 354	978 231	1 225 285	1 121 175	1 121 175	1 121 175	1 421 961	1 549 938	1 673 933
Service charges - electricity revenue	2	1 463 543	1 629 604	1 670 646	1 806 439	1 865 136	1 865 136	1 865 136	1 992 712	2 129 013	2 274 638
Service charges - water revenue	2	374 223	463 290	551 615	479 127	511 438	511 438	511 438	563 043	619 854	676 136
Service charges - sanitation revenue	2	212 287	218 992	314 102	365 998	293 156	293 156	293 156	322 143	355 623	387 914
Service charges - refuse revenue	2	199 912	215 764	306 754	336 766	266 917	266 917	266 917	294 388	323 199	352 546
Service charges - other		24 018	43 539	24 852	23 566	-	-	-	-	-	-
Rental of facilities and equipment		17 430	16 583	19 062	23 174	25 119	25 119	25 119	17 563	18 968	20 466
Interest earned - external investments		124 166	154 706	148 011	157 002	131 002	131 002	131 002	140 172	149 985	160 483
Interest earned - outstanding debtors		34 999	32 661	50 425	36 844	42 844	42 844	42 844	54 405	57 494	60 758
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5 500	5 594	16 896	9 157	9 894	9 894	9 894	16 591	17 919	19 334
Licences and permits		14 034	12 612	14 107	17 556	16 254	16 254	16 254	14 597	15 765	17 011
Agency services		-	-	-	49 763	44 763	44 763	44 763	30 280	32 703	35 286
Transfers and subsidies		948 513	1 334 131	1 304 827	1 368 106	1 375 658	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053
Other revenue	2	593 520	274 870	213 376	290 226	238 467	238 467	238 467	165 371	178 601	192 710
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4 806 666	5 274 702	5 612 906	6 189 006	5 941 824	5 941 824	5 941 824	6 504 900	7 041 561	7 604 268

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Expenditure By Type											
Employee related costs	2	1 233 305	1 411 212	1 560 996	1 733 321	1 733 321	1 733 321	1 733 321	1 939 391	2 031 568	2 245 183
Remuneration of councillors		48 360	53 845	55 482	62 398	60 381	60 381	60 381	64 185	67 651	71 372
Debt impairment	3	365 110	210 111	310 916	317 788	317 788	317 788	317 788	343 696	387 605	437 826
Depreciation & asset impairment	2	685 336	857 419	807 050	778 273	778 273	778 273	778 273	895 013	943 344	995 228
Finance charges		60 674	63 335	49 359	54 318	45 240	45 240	45 240	59 808	104 627	121 876
Bulk purchases	2	1 213 642	1 426 744	1 558 514	1 578 167	1 578 167	1 578 167	1 578 167	1 698 510	1 828 118	1 967 713
Other materials	8			–	–	77 711	77 711	77 711	86 376	92 796	99 031
Contracted services		14 607	–	–	38 960	832 922	832 922	832 922	857 589	981 518	1 030 763
Transfers and subsidies		234 151	240 922	394 807	328 637	77 970	77 970	77 970	94 851	98 234	100 271
Other expenditure	4, 5	1 337 880	1 253 861	1 276 299	1 296 218	430 046	430 046	430 046	463 848	498 594	527 925
Loss on disposal of PPE		32 772	500	31 097	–	9 078	9 078	9 078	–	–	–
Total Expenditure		5 225 837	5 517 949	6 044 521	6 188 080	5 940 897	5 940 897	5 940 897	6 503 267	7 034 055	7 597 189
Surplus/(Deficit)		(419 171)	(243 247)	(431 615)	926	926	926	926	1 633	7 506	7 079
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	–	–	229	229	229	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		196 321	427 147	238 165	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Taxation				638							
Surplus/(Deficit) after taxation		196 321	427 147	237 527	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		196 321	427 147	237 527	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Share of surplus/ (deficit) of associate	7	22 359	30 383	15 248							
Surplus/(Deficit) for the year		218 681	457 530	252 774	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533

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

1. Total operating revenue is R6.5 billion in 2018/19 and escalates to R7.0 billion and R7.6 billion by 2019/20 and 2020/21 respectively. This represents a year-on-year increase of 10% for 2018/19 financial year, 8% for 2019/20 financial year and remains at 8% for the 2020/21 financial year. A growth of 1% has been taken into account in each year over the 2018/19 MTREF period after considering new developments that will be happening in the City.
2. Revenue to be generated from property rates is R1.4 billion in the 2018/19 financial year and increases to R1.5 billion in 2019/20 and further increase to R1.6 billion in 2020/21. The property rates represent 22% of the operating revenue base of the City and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term. There is no tariff increase in the 2018/19 financial but the tariff increases by 9.0% and 8.0% for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the City totalling R3.2 billion for the 2018/19 financial year and increasing to R3.7 billion by 2020/21. For the 2018/19 financial year, services charges amount to 49% of the total revenue base and it remains stagnant over the MTREF period. Transfers recognised – operating includes the local government equitable share, fuel levy and other operating grants from national and provincial government. It needs to be noted that the grant receipts from national government increased by 7.4% from 2017/18 to 2018/19 financial year, it further increase by 8.2% from 2018/19 to 2019/20 financial year and increases by 9% from 2019/20 to 2020/21 financial year.
4. Bulk Purchases have increased from 2017/18 financial year as a result of annual increase. The amount has also increased over the 2018/19 to 2020/21 period escalating from R1.70 billion to R1.97 billion. The increases of 16% from 2018/19 to 2020/21 can be attributed to the increase in the cost of bulk electricity from Eskom and water from Amatola Water which supplies about 40% of BCMM water.

5. The Employee Related Costs depicts an increase from R1.94 billion in the 2018/19 financial year to R2.2 billion in the 2020/21 financial year due to annual increase projection of CPI plus one.
6. Employee Related Costs and Bulk Purchases are the main cost drivers within the municipality. The institution has attempted to identify operational efficiencies in other expenditure items by undertaking a line by line analysis to determine where budgeted expenditure can be reduced. Ongoing operational gains and efficiencies are continuously identified to lessen the impact of wage and bulk tariff increases in future years.

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

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital Expenditure - Functional											
<i>Governance and administration</i>		14 918	22 113	139 320	129 320	258 242	258 242	258 242	288 951	277 780	60 080
Executive and council		6 773	777	56 842	25 500	46 439	46 439	46 439	55 340	44 340	30 580
Finance and administration		3 282	362	82 478	97 820	211 804	211 804	211 804	233 611	233 440	29 500
Internal audit		4 863	20 975	-	6 000	-	-	-			
<i>Community and public safety</i>		165 241	431	232 830	316 087	262 038	262 038	262 038	189 625	179 665	305 818
Community and social services		11 918	33	21 498	42 250	21 672	21 672	21 672	21 820	19 250	37 680
Sport and recreation		4 788	-	24 023	57 277	59 271	59 271	59 271	55 200	23 250	42 550
Public safety		3 751	326	10 753	30 205	11 980	11 980	11 980	7 700	13 200	21 100
Housing		144 783	73	176 555	186 355	168 315	168 315	168 315	104 005	122 965	204 488
Health		-	-	-	-	800	800	800	900	1 000	-
<i>Economic and environmental services</i>		369 799	285 401	410 843	548 777	618 885	618 885	618 885	453 477	656 728	1 033 200
Planning and development		37 437	17 870	106 386	277 821	223 604	223 604	223 604	204 365	348 114	360 520
Road transport		322 624	261 228	304 457	270 956	385 900	385 900	385 900	244 685	308 614	672 680
Environmental protection		9 738	6 304	-	-	9 382	9 382	9 382	4 427	-	-
<i>Trading services</i>		379 734	878 382	493 309	628 020	584 043	584 043	584 043	737 298	1 075 904	638 505
Energy sources		150 386	137 712	121 231	148 000	148 309	148 309	148 309	122 200	155 100	159 000
Water management		91 521	702 173	173 706	130 000	146 119	146 119	146 119	203 451	313 500	228 625
Waste water management		106 938	9 135	195 471	284 198	240 458	240 458	240 458	331 194	496 304	230 881
Waste management		30 889	29 362	2 901	65 822	49 157	49 157	49 157	80 452	111 000	20 000
<i>Other</i>		358	-	-	23 000	51 098	51 098	51 098	81 500	98 500	136 800
Total Capital Expenditure - Functional	3	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403
Funded by:											
National Government		565 914	670 394	669 780	795 307	971 262	971 262	971 262	803 900	999 477	1 083 453
Provincial Government		49 578	-	-	-	9 036	9 036	9 036	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	69 000	-	-	-	69 000	377 000	206 000
Internally generated funds		314 558	515 933	606 521	780 897	794 007	794 007	794 007	877 950	912 100	884 950
Total Capital Funding	7	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2018/19 R1.75 billion has been allocated. This allocation increases to R2.29 billion in 2019/20 and slightly decreases to R2.17 billion in 2020/21.
3. The capital programme is funded from National and Provincial Grants (Capital Transfers), Internally Generated Funds from prior and current year surpluses and Long-Term-Borrowings. For 2018/19, Capital transfers represent 46% of Capital Expenditure and increases slightly to 50% by 2020/21.
4. It needs to be noted that the institution has made a strategic decision to utilize own funds to mainly replace existing infrastructure assets in the urban core of the City. The total amount of own funding is R878 million in 2018/19, it increases to R912 million in the 2019/20 financial year and decreases to R885 million in 2020/21 financial year.
5. New long-term-borrowing has been provided for the 2018/19 financial year at R69 million, increasing to R377 million in 2019/20 and decreasing to R206 million in the 2020/21 financial year.

Table 24: MBRR Table A6 - Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		63 353	222 736	24 591	80 000	80 000	80 000	80 000	80 000	80 000	80 000
Call investment deposits	1	2 137 189	2 151 164	1 665 511	2 459 412	1 604 191	1 604 191	1 604 191	1 588 920	1 607 298	1 689 329
Consumer debtors	1	692 676	1 156 031	558 665	915 237	915 237	915 237	915 237	937 997	1 156 565	1 396 989
Other debtors		85 592	99 778	886 552	118 870	800 000	800 000	800 000	880 000	968 000	1 064 800
Current portion of long-term receivables		18	–	–	17	17	17	17	19	20	23
Inventory	2	44 878	36 030	38 570	117 128	117 128	117 128	117 128	128 841	141 725	155 897
Total current assets		3 023 705	3 665 739	3 173 889	3 690 664	3 516 573	3 516 573	3 516 573	3 615 776	3 953 608	4 387 037
Non current assets											
Long-term receivables		9	–	–	73	73	73	73	80	88	97
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		328 302	342 030	408 315	442 030	442 030	442 030	442 030	486 233	534 856	588 342
Investment in Associate		81 908	112 292	127 539	99 109	99 109	99 109	99 109	109 020	119 922	131 914
Property, plant and equipment	3	12 481 255	13 024 536	15 875 782	14 556 391	14 545 507	14 545 507	14 545 507	19 405 703	22 606 624	25 791 405
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		95 115	85 956	7 073	60 000	60 000	60 000	60 000	66 000	72 600	79 860
Other non-current assets		66 444	69 045	72 329	90 944	90 944	90 944	90 944	100 038	110 042	121 046
Total non current assets		13 053 034	13 633 859	16 491 039	15 248 547	15 237 662	15 237 662	15 237 662	20 167 073	23 444 131	26 712 664
TOTAL ASSETS		16 076 739	17 299 597	19 664 928	18 939 211	18 754 235	18 754 235	18 754 235	23 782 850	27 397 739	31 099 701
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	48 835	50 709	47 642	48 748	52 572	52 572	52 572	57 974	54 396	45 191
Consumer deposits		48 505	53 708	57 321	65 401	65 401	65 401	65 401	71 941	79 135	87 048
Trade and other payables	4	811 540	1 309 322	1 079 482	1 038 209	1 038 209	1 038 209	1 038 209	1 060 015	1 166 017	1 282 618
Provisions		166 235	174 891	186 724	183 654	183 654	183 654	183 654	202 019	222 221	244 443
Total current liabilities		1 075 115	1 588 630	1 371 169	1 336 012	1 339 835	1 339 835	1 339 835	1 391 948	1 521 768	1 659 300
Non current liabilities											
Borrowing		497 244	445 768	398 126	421 212	349 495	349 495	349 495	360 581	737 581	943 581
Provisions		498 291	498 372	517 066	724 999	724 999	724 999	724 999	797 489	877 228	964 940
Total non current liabilities		995 534	944 139	915 192	1 146 211	1 074 494	1 074 494	1 074 494	1 158 069	1 614 808	1 908 521
TOTAL LIABILITIES		2 070 650	2 532 770	2 286 361	2 482 223	2 414 329	2 414 329	2 414 329	2 550 018	3 136 576	3 567 821
NET ASSETS	5	14 006 089	14 766 828	17 378 567	16 456 988	16 339 906	16 339 906	16 339 906	21 232 832	24 261 163	27 531 880
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		9 383 408	10 152 887	10 405 663	13 055 940	12 938 858	12 938 858	12 938 858	17 491 680	20 145 896	23 005 086
Reserves	4	4 622 681	4 613 941	6 972 905	3 401 047	3 401 047	3 401 047	3 401 047	3 741 152	4 115 267	4 526 794
TOTAL COMMUNITY WEALTH/EQUITY	5	14 006 089	14 766 828	17 378 567	16 456 988	16 339 906	16 339 906	16 339 906	21 232 832	24 261 163	27 531 880

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 25: MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		794 519	872 354	978 231	1 133 389	1 037 087	1 037 087	1 037 087	1 315 314	1 433 692	1 548 388
Service charges		2 424 753	2 758 689	2 867 970	2 786 003	2 716 398	2 716 398	2 716 398	2 934 363	3 170 613	3 414 391
Other revenue		96 243	(17 288)	199 489	360 634	309 410	309 410	309 410	226 073	244 159	263 447
Government - operating	1	948 513	963 670	894 796	1 368 106	1 375 658	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053
Government - capital	1	615 492	670 394	669 780	795 307	980 527	980 527	980 527	803 900	999 477	1 083 453
Interest		159 221	187 368	198 437	193 846	173 846	173 846	173 846	194 578	207 478	221 241
Dividends		-	-	-	0	0	0	0	-	-	-
Payments											
Suppliers and employees		(3 730 816)	(3 736 460)	(4 718 985)	(4 709 064)	(4 643 915)	(4 643 915)	(4 643 915)	(5 109 898)	(5 500 245)	(5 941 988)
Finance charges		(60 674)	(63 335)	(49 359)	(54 318)	(45 240)	(45 240)	(45 240)	(59 808)	(104 627)	(121 876)
Transfers and Grants	1	(234 151)	(240 922)	(394 807)	(64 056)	(77 970)	(77 970)	(77 970)	(94 851)	(98 234)	(100 271)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 013 101	1 394 471	645 551	1 809 846	1 825 802	1 825 802	1 825 802	1 681 344	1 944 813	2 099 839
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6 983	10 928	(542)	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		111	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		16	27	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(930 433)	(1 180 721)	(1 278 098)	(1 582 484)	(1 765 092)	(1 765 092)	(1 765 092)	(1 750 850)	(2 288 577)	(2 174 403)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(923 323)	(1 169 766)	(1 278 640)	(1 582 484)	(1 765 092)	(1 765 092)	(1 765 092)	(1 750 850)	(2 288 577)	(2 174 403)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	69 000	-	-	-	69 000	377 000	206 000
Increase (decrease) in consumer deposits		3 667	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(57 336)	(49 602)	(50 709)	(48 748)	(47 642)	(47 642)	(47 642)	(59 038)	(61 392)	(56 139)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(53 669)	(49 602)	(50 709)	20 252	(47 642)	(47 642)	(47 642)	9 962	315 608	149 861
NET INCREASE/ (DECREASE) IN CASH HELD		36 108	175 103	(683 798)	247 614	13 068	13 068	13 068	(59 544)	(28 155)	75 296
Cash/cash equivalents at the year begin:	2	2 164 433	2 198 797	2 373 900	2 291 798	1 686 754	1 686 754	1 686 754	1 699 822	1 640 278	1 612 123
Cash/cash equivalents at the year end:	2	2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The cash and cash equivalents slightly decreases from R1.70 billion in the 2017/18 period to R1.64 billion in the 2018/19 financial year but increases over the MTREF to R1.69 billion by 2020/21 financial year. The slight increase can be attributed to tariff increases over the MTREF period.

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419
Other current investments > 90 days		0	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419
Application of cash and investments											
Unspent conditional transfers		191 539	211 266	252 319	136 488	136 488	136 488	136 488	150 137	165 150	181 666
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(71 224)	(100 662)	(578 320)	(47 339)	(669 613)	(669 613)	(669 613)	(753 144)	(943 114)	(1 152 063)
Other provisions		176 668	185 113	176 492	304 327	304 327	304 327	304 327	334 760	368 236	405 059
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		296 984	295 718	(149 508)	393 476	(228 798)	(228 798)	(228 798)	(268 247)	(409 728)	(565 338)
Surplus(shortfall)		1 903 557	2 078 182	1 839 610	2 145 936	1 928 620	1 928 620	1 928 620	1 908 525	2 021 851	2 252 757

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2018/19 to 2020/21 the surplus improves from R1.9 billion to R2.3 billion.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2018/19 MTREF is funded with a slight surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2018/19 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 27: MBRR Table A9 – Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	427 751	484 154	560 430	811 116	1 119 916	1 119 916	1 059 142	1 410 833	1 202 144
<i>Roads Infrastructure</i>		116 893	261 228	110 353	138 274	291 170	291 170	244 869	372 327	533 626
<i>Storm water Infrastructure</i>		-	-	-	16 813	22 691	22 691	9 066	19 124	33 790
<i>Electrical Infrastructure</i>		38 944	137 712	26 582	48 500	138 820	138 820	138 070	200 920	106 600
<i>Water Supply Infrastructure</i>		-	-	-	20 503	74 372	74 372	62 848	62 456	168 018
<i>Sanitation Infrastructure</i>		-	9 135	-	121 721	266 253	266 253	306 480	451 697	236 050
<i>Solid Waste Infrastructure</i>		30 727	29 362	2 157	65 822	43 062	43 062	59 852	100 400	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		1 341	17 870	75 449	28 600	36 759	36 759	38 000	36 000	15 000
Infrastructure		187 905	455 306	214 541	440 233	873 127	873 127	859 186	1 242 923	1 093 084
Community Facilities		50 846	6 304	20 212	145 017	11 150	11 150	31 150	35 900	22 800
Sport and Recreation Facilities		-	-	1 149	-	1 414	1 414	4 500	-	-
Community Assets		50 846	6 304	21 360	145 017	12 564	12 564	35 650	35 900	22 800
Heritage Assets		-	-	-	3 150	1 832	1 832	3 390	2 200	2 700
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		145 316	73	-	-	-	-	-	-	-
Investment properties		145 316	73	-	-	-	-	-	-	-
Operational Buildings		5 983	-	1 887	40 900	34 930	34 930	5 150	2 000	1 000
Housing		-	-	184 941	-	250	250	-	-	-
Other Assets		5 983	-	186 828	40 900	35 180	35 180	5 150	2 000	1 000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	31	30 804	17 656	17 656	47 750	56 500	1 500
Intangible Assets		-	-	31	30 804	17 656	17 656	47 750	56 500	1 500
Computer Equipment		1 718	20 975	53 546	23 600	5 125	5 125	30 553	7 370	17 100
Furniture and Office Equipment		10 178	1 171	10 223	8 000	18 576	18 576	21 448	10 780	4 080
Machinery and Equipment		688	326	3 337	86 213	34 902	34 902	20 015	13 840	22 880
Transport Assets		25 117	-	70 565	33 200	120 955	120 955	36 000	39 320	37 000
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	502 299	702 173	715 871	604 088	149 214	149 214	179 485	259 494	394 773
<i>Roads Infrastructure</i>		212 002	-	182 441	88 000	84 376	84 376	63 085	112 994	206 634
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		79 994	-	95 506	60 000	100	100	8 100	10 100	10 100
<i>Water Supply Infrastructure</i>		90 752	702 173	178 539	90 000	43 280	43 280	61 500	80 000	98 939
<i>Sanitation Infrastructure</i>		107 707	-	205 528	243 698	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		490 455	702 173	662 014	481 698	127 756	127 756	132 685	203 094	315 673

MBRR Table A9 – Asset Management (Continued)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
Community Facilities		293	–	–	29 752	9 036	9 036	6 000	5 000	27 000
Sport and Recreation Facilities		4 495	–	22 150	50 205	6 622	6 622	29 000	50 000	50 000
Community Assets		4 788	–	22 150	79 957	15 658	15 658	35 000	55 000	77 000
Heritage Assets		–	–	–	850	600	600	600	200	500
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		7 056	–	30 324	41 582	4 000	4 000	10 000	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		7 056	–	30 324	41 582	4 000	4 000	10 000	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	376	–	–	–	–	–	–
Intangible Assets		–	–	376	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	1 005	–	–	–	–	–	–
Transport Assets		–	–	–	–	1 200	1 200	1 200	1 200	1 600
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets	6	–	–	–	230 000	505 175	505 175	512 223	618 250	577 486
Roads Infrastructure		–	–	–	80 000	164 400	164 400	103 000	145 500	290 500
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	40 000	57 509	57 509	39 000	40 000	35 000
Water Supply Infrastructure		–	–	–	40 000	47 500	47 500	94 551	184 000	45 655
Sanitation Infrastructure		–	–	–	40 000	71 881	71 881	95 000	113 000	54 881
Solid Waste Infrastructure		–	–	–	–	–	–	15 000	13 500	20 000
Infrastructure		–	–	–	200 000	341 289	341 289	346 551	496 000	446 036
Community Facilities		–	–	–	20 000	115 416	115 416	104 955	92 250	97 850
Sport and Recreation Facilities		–	–	–	10 000	14 365	14 365	11 004	8 400	300
Community Assets		–	–	–	30 000	129 780	129 780	115 959	100 650	98 150
Heritage Assets		–	–	–	–	700	700	1 010	600	600
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	24 846	24 846	44 296	21 000	32 700
Housing		–	–	–	–	1 500	1 500	1 000	–	–
Other Assets		–	–	–	–	26 346	26 346	45 296	21 000	32 700
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	7 059	7 059	3 407	–	–

MBRR Table A9 – Asset Management (Continued)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
Total Capital Expenditure	4									
<i>Roads Infrastructure</i>		328 894	261 228	292 794	306 274	539 946	539 946	410 954	630 821	1 030 760
<i>Storm water Infrastructure</i>		–	–	–	16 813	22 691	22 691	9 066	19 124	33 790
<i>Electrical Infrastructure</i>		118 938	137 712	122 088	148 500	196 429	196 429	185 170	251 020	151 700
<i>Water Supply Infrastructure</i>		90 752	702 173	178 539	150 503	165 152	165 152	218 899	326 456	312 613
<i>Sanitation Infrastructure</i>		107 707	9 135	205 528	405 420	338 134	338 134	401 480	564 697	290 931
<i>Solid Waste Infrastructure</i>		30 727	29 362	2 157	65 822	43 062	43 062	74 852	113 900	20 000
<i>Information and Communication Infrastructure</i>		1 341	17 870	75 449	28 600	36 759	36 759	38 000	36 000	15 000
Infrastructure		678 360	1 157 479	876 556	1 121 931	1 342 172	1 342 172	1 338 422	1 942 017	1 854 793
Community Facilities		51 139	6 304	20 212	194 769	135 602	135 602	142 105	133 150	147 650
Sport and Recreation Facilities		4 495	–	23 299	60 205	22 401	22 401	44 504	58 400	50 300
Community Assets		55 635	6 304	43 511	254 974	158 002	158 002	186 609	191 550	197 950
Heritage Assets		–	–	–	4 000	3 132	3 132	5 000	3 000	3 800
Non-revenue Generating		145 316	73	–	–	–	–	–	–	–
Investment properties		145 316	73	–	–	–	–	–	–	–
Operational Buildings		13 039	–	32 211	82 482	63 776	63 776	59 446	23 000	33 700
Housing		–	–	184 941	–	1 750	1 750	1 000	–	–
Other Assets		13 039	–	217 152	82 482	65 526	65 526	60 446	23 000	33 700
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	407	30 804	17 656	17 656	47 750	56 500	1 500
Intangible Assets		–	–	407	30 804	17 656	17 656	47 750	56 500	1 500
Computer Equipment		1 718	20 975	53 546	23 600	5 125	5 125	30 553	7 370	17 100
Furniture and Office Equipment		10 178	1 171	10 223	8 000	18 576	18 576	21 448	10 780	4 080
Machinery and Equipment		688	326	4 342	86 213	34 902	34 902	20 015	13 840	22 880
Transport Assets		25 117	–	70 565	33 200	122 155	122 155	37 200	40 520	38 600
Zoo's, Marine and Non-biological Animals		–	–	–	–	7 059	7 059	3 407	–	–
TOTAL CAPITAL EXPENDITURE - Asset class		930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403

MBRR Table A9 – Asset Management (Continued)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Roads Infrastructure</i>		4 429 858	4 319 555	4 931 768	4 772 197	4 866 549	4 866 549	5 877 747	7 047 460	8 078 220
<i>Storm water Infrastructure</i>						8 212	8 212	9 066	28 190	61 980
<i>Electrical Infrastructure</i>		1 785 115	2 212 580	3 728 277	2 531 496	2 530 975	2 530 975	4 201 475	4 442 495	5 546 071
<i>Water Supply Infrastructure</i>		2 112 739	2 278 195	2 693 585	2 663 882	2 682 880	2 682 880	2 885 899	3 712 355	4 024 967
<i>Sanitation Infrastructure</i>		1 641 539	2 245 809	1 959 588	3 081 878	3 049 678	3 049 678	3 285 118	3 849 815	4 140 745
<i>Solid Waste Infrastructure</i>		593 364			936 649	891 136	891 136	965 715	1 030 567	1 095 420
<i>Information and Communication Infrastructure</i>					97 600	97 600	97 600	135 600	171 600	186 600
Infrastructure		10 562 614	11 056 139	13 313 217	14 083 702	14 127 030	14 127 030	17 360 621	20 282 482	23 134 003
Community Facilities		482 721	468 886	910 841	51 500	62 425	62 425	191 680	313 830	476 630
Sport and Recreation Facilities		183 774	166 822	245 163	45 903	45 834	45 834	90 337	148 737	199 037
Community Assets		666 495	635 708	1 156 004	97 403	108 259	108 259	282 018	462 568	675 668
Heritage Assets		49 633	49 633	49 780	49 633	49 633	49 633	54 780	57 780	61 580
Non-revenue Generating		328 302	342 030	408 315	442 030	488 975	488 975	486 233	534 856	588 342
Investment properties		328 302	342 030	408 315	442 030	488 975	488 975	486 233	534 856	588 342
Operational Buildings		499 540	986 874	1 024 061	60 400	82 794	82 794	1 142 411	1 165 411	1 199 111
Housing					188 855	144 815	144 815	145 815	145 815	145 815
Other Assets		499 540	986 874	1 024 061	249 255	227 609	227 609	1 288 226	1 311 226	1 344 926
Biological or Cultivated Assets					-	-	-			
Servitudes		98 374	71 374	-	-	-	-			
Licences and Rights			14 582	7 073	60 000	60 000	60 000	66 000	72 600	79 860
Intangible Assets		98 374	85 956	7 073	60 000	60 000	60 000	66 000	72 600	79 860
Computer Equipment		17 687	44	356	1 000	990	990	31 553	38 923	56 023
Furniture and Office Equipment		23 965	43 829	36 763	33 257	33 257	33 257	54 705	65 485	69 565
Machinery and Equipment		27 814	38 877	32 419	5 525	40 358	40 358	42 149	55 989	78 869
Transport Assets		188 851	213 434	263 488	84 000	98 795	98 795	285 995	326 515	365 115
Zoo's, Marine and Non-biological Animals					2 250	2 250	2 250	5 657	5 657	5 657
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	12 463 276	13 452 522	16 291 476	15 108 054	15 237 155	15 237 155	19 957 936	23 214 080	26 459 607

MBRR Table A9 – Asset Management (Continued)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
EXPENDITURE OTHER ITEMS										
Depreciation	7	685 336	857 418	807 050	778 273	778 273	778 273	895 013	943 344	995 228
Repairs and Maintenance by Asset Class	3	287 393	350 106	382 959	462 450	450 642	450 642	405 327	446 523	495 812
<i>Roads Infrastructure</i>		75 418	98 350	97 036	130 688	111 594	111 594	122 753	135 028	148 531
<i>Storm water Infrastructure</i>		8 619	8 493	9 116	-	10 660	10 660	11 726	12 898	14 188
<i>Electrical Infrastructure</i>		94 200	92 819	121 098	139 116	37 309	37 309	41 040	45 144	49 658
<i>Water Supply Infrastructure</i>		34 412	43 011	47 523	52 376	2 959	2 959	3 255	3 581	3 939
<i>Sanitation Infrastructure</i>		24 862	28 972	35 221	40 530	30 673	30 673	33 740	37 114	40 825
<i>Solid Waste Infrastructure</i>		17 116	21 968	26 210	28 064	6 374	6 374	7 011	7 713	8 484
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		254 627	293 613	336 204	390 774	199 568	199 568	219 525	241 477	265 625
Community Facilities		10 132	15 419	13 631	15 261	6 597	6 597	7 257	7 983	8 781
Sport and Recreation Facilities		2 914	4 329	5 140	4 052	1 666	1 666	1 833	2 016	2 218
Community Assets		13 046	19 748	18 771	19 313	8 263	8 263	9 090	9 999	10 999
Heritage Assets		-	-	-	-	9	9	10	11	12
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		17 897	35 398	25 885	37 058	41 077	41 077	45 185	49 703	54 674
Housing		-	-	-	-	-	-	-	-	-
Other Assets		17 897	35 398	25 885	37 058	41 077	41 077	45 185	49 703	54 674
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	1 092	1 092	1 092	1 201	1 321	1 453
Intangible Assets		-	-	-	1 092	1 092	1 092	1 201	1 321	1 453
Computer Equipment		671	118	922	1 307	1 606	1 606	1 767	1 943	2 138
Furniture and Office Equipment		2	1	0	210	7 069	7 069	7 776	8 554	9 409
Machinery and Equipment		-	-	-	7 899	161 388	161 388	87 148	96 525	110 815
Transport Assets		1 022	1 008	1 178	3 272	30 555	30 555	33 610	36 972	40 669
Libraries		128	219	-	307	14	14	15	17	19
Zoo's, Marine and Non-biological Animals		-	-	-	1 218	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		972 728	1 207 524	1 190 010	1 240 723	1 228 915	1 228 915	1 300 341	1 389 867	1 491 040
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		54.0%	59.2%	56.1%	50.7%	36.9%	36.9%	39.5%	38.4%	44.7%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		73.3%	81.9%	88.7%	107.2%	84.1%	84.1%	77.3%	93.0%	97.7%
<i>R&M as a % of PPE</i>		2.3%	2.7%	2.4%	3.2%	3.1%	3.1%	2.1%	2.0%	1.9%
<i>Renewal and upgrading and R&M as a % of PPE</i>		6.0%	8.0%	7.0%	9.0%	7.0%	7.0%	5.0%	6.0%	6.0%

Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to acquiring new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. In the 2018/19 financial year BCMM has allocated 39.5% of its capital budget towards asset upgrading and renewal and 2.8% for Repairs and Maintenance as a percentage of PPE, which is at current replacement.
3. National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. It should be borne in mind that Buffalo City Metropolitan Municipality budgets has valued certain of its assets on the revaluation model and therefore the above percentage allocations should be adjusted accordingly to reflect the increase in asset values due to different valuation methodologies. The City has taken a strategic decision to move in the direction of allocating 60% of its capital budget to replacing and/or refurbishment of existing infrastructure.

Table 28: MBRR Table A10 – Basic Service Delivery Measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		118 000	118 000	118 000	121 683	121 800	121 800	121 800	122 054	122 308
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min. service level)	2	103 000	104 000	105 000	125 972	126 730	126 730	126 730	127 476	128 222
Other water supply (at least min. service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		221 000	222 000	223 000	247 655	248 530	248 530	248 530	249 530	250 530
Using public tap (< min. service level)	3	1 000	1 000	-	-	-	-	-	-	-
Other water supply (< min. service level)	4	-	-	-	-	-	-	-	-	-
No water supply		2 000	1 000	1 000	5 822	4 947	4 947	4 947	3 947	2 947
<i>Below Minimum Service Level sub-total</i>		3 000	2 000	1 000	5 822	4 947	4 947	4 947	3 947	2 947
Total number of households	5	224 000	224 000	224 000	253 477	253 477	253 477	253 477	253 477	253 477
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		156 374	157 011	158 671	159 671	159 671	159 671	160 671	161 171	161 671
Flush toilet (with septic tank)		5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437
Chemical toilet		3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544
Pit toilet (ventilated)		26 719	31 309	36 298	39 536	39 536	39 536	40 536	41 036	41 536
Other toilet provisions (> min. service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		192 074	197 301	203 950	208 188	208 188	208 188	210 188	211 188	212 188
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min. service level)		26 027	21 790	19 754	19 754	19 754	19 754	19 754	19 754	19 754
No toilet provisions		5 467	4 477	-	25 535	25 535	25 535	23 535	22 535	21 535
<i>Below Minimum Service Level sub-total</i>		31 494	26 267	19 754	45 289	45 289	45 289	43 289	42 289	41 289
Total number of households	5	223 568	223 568	223 704	253 477	253 477	253 477	253 477	253 477	253 477
Energy:										
Electricity (at least min. service level)		8 449	7 298	5 873	5 903	5 903	5 903	5 903	-	-
Electricity - prepaid (min. service level)		108 082	119 832	118 628	120 353	119 192	119 192	119 619	-	-
<i>Minimum Service Level and Above sub-total</i>		116 531	127 130	124 501	126 256	125 095	125 095	125 522	-	-
Electricity (< min. service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		41 915	40 241	39 241	38 041	37 841	37 841	36 841	31 841	26 841
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		41 915	40 241	39 241	38 041	37 841	37 841	36 841	31 841	26 841
Total number of households	5	158 446	167 371	163 742	164 297	162 936	162 936	162 363	31 841	26 841
Refuse:										
Removed at least once a week		130 000	126 044	126 500	126 500	126 500	127 000	130 000	140 000	140 000
<i>Minimum Service Level and Above sub-total</i>		130 000	126 044	126 500	126 500	126 500	127 000	130 000	140 000	140 000
Removed less frequently than once a week		1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980
Using communal refuse dump		2	2	2	2	2	2	2	2	2
Using own refuse dump		1	1	1	1	1	1	1	1	1
Other rubbish disposal		-	-	-	-	-	2	4	4	4
No rubbish disposal		3	3	3	3	3	3	3	3	3
<i>Below Minimum Service Level sub-total</i>		1 986	1 986	1 986	1 986	1 986	1 988	1 990	1 990	1 990
Total number of households	5	131 986	128 030	128 486	128 486	128 486	128 988	131 990	141 990	141 990

MBRR Table A10 – Basic Service Delivery Measurement – Continue

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		58 797	65 536	57 252	48 915	48 915	48 915	51 415	55 415	59 415
Sanitation (free minimum level service)		58 797	65 536	57 252	48 915	48 915	48 915	51 415	55 415	59 415
Electricity/other energy (50kwh per household per month)		76 891	73 750	75 540	68 180	68 180	68 180	70 680	74 680	78 680
Refuse (removed at least once a week)		58 797	65 536	57 252	48 915	48 915	48 915	51 415	55 415	59 415
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		20 058	31 348	39 897	165 512	145 156	145 156	158 220	172 460	186 257
Sanitation (free sanitation service to indigent households)		66 545	76 354	53 273	77 229	64 351	64 351	70 143	76 456	82 572
Electricity/other energy (50kwh per indigent household per month)		2 271	8 778	17 391	58 300	55 360	55 360	59 146	63 192	67 514
Refuse (removed once a week for indigent households)		61 895	71 020	79 459	148 747	118 420	118 420	129 077	140 694	151 950
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	9 845	9 845	10 367	10 927	11 528
Total cost of FBS provided		150 769	187 499	190 020	449 788	393 132	393 132	426 954	463 729	499 822
Highest level of free service provided per household										
Property rates (R value threshold)		120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000	120 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		81	89	96	105	105	105	114	124	124
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		170	170	170	170	170	170	170	170	170
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		23 198	33 739	–	44 278	142 220	142 220	180 375	196 608	212 337
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
Total revenue cost of subsidised services provided		23 198	33 739	–	44 278	142 220	142 220	180 375	196 608	212 337

Table 29: MBRR Table A1 – Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	794 519	872 354	978 231	1 225 285	1 121 175	1 121 175	1 121 175	1 421 961	1 549 938	1 673 933
Service charges	2 273 984	2 571 189	2 867 970	3 011 895	2 936 647	2 936 647	2 936 647	3 172 285	3 427 689	3 691 234
Investment revenue	124 166	154 706	148 011	157 002	131 002	131 002	131 002	140 172	149 985	160 483
Transfers recognised - operational	948 513	1 334 131	1 304 827	1 368 106	1 375 658	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053
Other own revenue	665 483	342 320	313 867	426 719	377 341	377 341	377 341	298 808	321 449	345 566
Total Revenue (excluding capital transfers and contributions)	4 806 666	5 274 702	5 612 906	6 189 006	5 941 824	5 941 824	5 941 824	6 504 900	7 041 561	7 604 268
Employee costs	1 233 305	1 411 212	1 560 996	1 733 321	1 733 321	1 733 321	1 733 321	1 939 391	2 031 568	2 245 183
Remuneration of councillors	48 360	53 845	55 482	62 398	60 381	60 381	60 381	64 185	67 651	71 372
Depreciation & asset impairment	685 336	857 419	807 050	778 273	778 273	778 273	778 273	895 013	943 344	995 228
Finance charges	60 674	63 335	49 359	54 318	45 240	45 240	45 240	59 808	104 627	121 876
Materials and bulk purchases	1 213 642	1 426 744	1 558 514	1 578 167	1 655 877	1 655 877	1 655 877	1 784 885	1 920 914	2 066 744
Transfers and grants	234 151	240 922	394 807	328 637	77 970	77 970	77 970	94 851	98 234	100 271
Other expenditure	1 750 369	1 464 472	1 618 312	1 652 966	1 589 834	1 589 834	1 589 834	1 665 134	1 867 717	1 996 515
Total Expenditure	5 225 837	5 517 949	6 044 521	6 188 080	5 940 897	5 940 897	5 940 897	6 503 267	7 034 055	7 597 189
Surplus/(Deficit)	(419 171)	(243 247)	(431 615)	926	926	926	926	1 633	7 506	7 079
Transfers and subsidies - capital (monetary allocations)	615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Contributions recognised - capital & contributed assets	-	-	-	-	229	229	229	-	-	-
Surplus/(Deficit) after capital transfers & contributions	196 321	427 147	238 165	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Share of surplus/ (deficit) of associate	22 359	30 383	15 248	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	218 681	457 530	253 413	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Capital expenditure & funds sources										
Capital expenditure	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403
Transfers recognised - capital	615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	69 000	-	-	-	69 000	377 000	206 000
Internally generated funds	314 558	515 933	606 521	780 897	794 007	794 007	794 007	877 950	912 100	884 950
Total sources of capital funds	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	794 519	872 354	978 231	1 225 285	1 121 175	1 121 175	1 121 175	1 421 961	1 549 938	1 673 933
Service charges - electricity revenue	2	1 463 543	1 629 604	1 670 646	1 806 439	1 865 136	1 865 136	1 865 136	1 992 712	2 129 013	2 274 638
Service charges - water revenue	2	374 223	463 290	551 615	479 127	511 438	511 438	511 438	563 043	619 854	676 136
Service charges - sanitation revenue	2	212 287	218 992	314 102	365 998	293 156	293 156	293 156	322 143	355 623	387 914
Service charges - refuse revenue	2	199 912	215 764	306 754	336 766	266 917	266 917	266 917	294 388	323 199	352 546
Service charges - other		24 018	43 539	24 852	23 566	-	-	-	-	-	-
Rental of facilities and equipment		17 430	16 583	19 062	23 174	25 119	25 119	25 119	17 563	18 968	20 466
Interest earned - external investments		124 166	154 706	148 011	157 002	131 002	131 002	131 002	140 172	149 985	160 483
Interest earned - outstanding debtors		34 999	32 661	50 425	36 844	42 844	42 844	42 844	54 405	57 494	60 758
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		5 500	5 594	16 896	9 157	9 894	9 894	9 894	16 591	17 919	19 334
Licences and permits		14 034	12 612	14 107	17 556	16 254	16 254	16 254	14 597	15 765	17 011
Agency services		-	-	-	49 763	44 763	44 763	44 763	30 280	32 703	35 286
Transfers and subsidies		948 513	1 334 131	1 304 827	1 368 106	1 375 658	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053
Other revenue	2	593 520	274 870	213 376	290 226	238 467	238 467	238 467	165 371	178 601	192 710
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4 806 666	5 274 702	5 612 906	6 189 006	5 941 824	5 941 824	5 941 824	6 504 900	7 041 561	7 604 268

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Expenditure By Type											
Employee related costs	2	1 233 305	1 411 212	1 560 996	1 733 321	1 733 321	1 733 321	1 733 321	1 939 391	2 031 568	2 245 183
Remuneration of councillors		48 360	53 845	55 482	62 398	60 381	60 381	60 381	64 185	67 651	71 372
Debt impairment	3	365 110	210 111	310 916	317 788	317 788	317 788	317 788	343 696	387 605	437 826
Depreciation & asset impairment	2	685 336	857 419	807 050	778 273	778 273	778 273	778 273	895 013	943 344	995 228
Finance charges		60 674	63 335	49 359	54 318	45 240	45 240	45 240	59 808	104 627	121 876
Bulk purchases	2	1 213 642	1 426 744	1 558 514	1 578 167	1 578 167	1 578 167	1 578 167	1 698 510	1 828 118	1 967 713
Other materials	8			-	-	77 711	77 711	77 711	86 376	92 796	99 031
Contracted services		14 607	-	-	38 960	832 922	832 922	832 922	857 589	981 518	1 030 763
Transfers and subsidies		234 151	240 922	394 807	328 637	77 970	77 970	77 970	94 851	98 234	100 271
Other expenditure	4, 5	1 337 880	1 253 861	1 276 299	1 296 218	430 046	430 046	430 046	463 848	498 594	527 925
Loss on disposal of PPE		32 772	500	31 097	-	9 078	9 078	9 078	-	-	-
Total Expenditure		5 225 837	5 517 949	6 044 521	6 188 080	5 940 897	5 940 897	5 940 897	6 503 267	7 034 055	7 597 189
Surplus/(Deficit)		(419 171)	(243 247)	(431 615)	926	926	926	926	1 633	7 506	7 079
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	229	229	229	-	-	-
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		196 321	427 147	238 165	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Taxation				638							
Surplus/(Deficit) after taxation		196 321	427 147	237 527	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		196 321	427 147	237 527	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Share of surplus/ (deficit) of associate	7	22 359	30 383	15 248							
Surplus/(Deficit) for the year		218 681	457 530	252 774	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533

Table 31: MBRR Table A6 – Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		63 353	222 736	24 591	80 000	80 000	80 000	80 000	80 000	80 000	80 000
Call investment deposits	1	2 137 189	2 151 164	1 665 511	2 459 412	1 619 822	1 619 822	1 619 822	1 560 278	1 532 123	1 607 419
Consumer debtors	1	692 676	1 156 031	558 665	915 237	915 237	915 237	915 237	937 997	1 156 565	1 396 989
Other debtors		85 592	99 778	886 552	118 870	800 000	800 000	800 000	880 000	968 000	1 064 800
Current portion of long-term receivables		18	–	–	17	17	17	17	19	20	23
Inventory	2	44 878	36 030	38 570	117 128	117 128	117 128	117 128	128 841	141 725	155 897
Total current assets		3 023 705	3 665 739	3 173 889	3 690 664	3 532 204	3 532 204	3 532 204	3 587 135	3 878 433	4 305 128
Non current assets											
Long-term receivables		9	–	–	73	73	73	73	80	88	97
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		328 302	342 030	408 315	442 030	442 030	442 030	442 030	486 233	534 856	588 342
Investment in Associate		81 908	112 292	127 539	99 109	99 109	99 109	99 109	109 020	119 922	131 914
Property, plant and equipment	3	12 481 255	13 024 536	15 875 782	14 556 391	14 685 492	14 685 492	14 685 492	19 381 553	22 613 474	25 783 105
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		95 115	85 956	7 073	60 000	60 000	60 000	60 000	10 000	11 000	12 100
Other non-current assets		66 444	69 045	72 329	90 944	90 944	90 944	90 944	100 038	110 042	121 046
Total non current assets		13 053 034	13 633 859	16 491 039	15 248 547	15 377 648	15 377 648	15 377 648	20 086 923	23 389 381	26 636 604
TOTAL ASSETS		16 076 739	17 299 597	19 664 928	18 939 211	18 909 852	18 909 852	18 909 852	23 674 058	27 267 814	30 941 732
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	48 835	50 709	47 642	48 748	52 572	52 572	52 572	59 038	61 392	56 139
Consumer deposits		48 505	53 708	57 321	65 401	65 401	65 401	65 401	71 941	79 135	87 048
Trade and other payables	4	811 540	1 309 322	1 079 482	1 038 209	1 038 209	1 038 209	1 038 209	1 060 015	1 166 017	1 282 618
Provisions		166 235	174 891	186 724	183 654	183 654	183 654	183 654	202 019	222 221	244 443
Total current liabilities		1 075 115	1 588 630	1 371 169	1 336 012	1 339 835	1 339 835	1 339 835	1 393 013	1 528 764	1 670 249
Non current liabilities											
Borrowing		497 244	445 768	398 126	421 212	349 495	349 495	349 495	360 581	737 581	943 581
Provisions		498 291	498 372	517 066	724 999	724 999	724 999	724 999	797 489	877 228	964 940
Total non current liabilities		995 534	944 139	915 192	1 146 211	1 074 494	1 074 494	1 074 494	1 158 069	1 614 808	1 908 521
TOTAL LIABILITIES		2 070 650	2 532 770	2 286 361	2 482 223	2 414 329	2 414 329	2 414 329	2 551 082	3 143 572	3 578 770
NET ASSETS	5	14 006 089	14 766 828	17 378 567	16 456 988	16 495 522	16 495 522	16 495 522	21 122 976	24 124 242	27 362 962
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		9 383 408	10 152 887	10 405 663	13 055 940	13 094 475	13 094 475	13 094 475	17 411 530	20 091 146	22 929 026
Reserves	4	4 622 681	4 613 941	6 972 905	3 401 047	3 401 047	3 401 047	3 401 047	3 741 152	4 115 267	4 526 794
TOTAL COMMUNITY WEALTH/EQUITY	5	14 006 089	14 766 828	17 378 567	16 456 988	16 495 522	16 495 522	16 495 522	21 152 682	24 206 413	27 455 820

Table 32: MBRR Table A7 – Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		794 519	872 354	978 231	1 133 389	1 037 087	1 037 087	1 037 087	1 315 314	1 433 692	1 548 388
Service charges		2 424 753	2 758 689	2 867 970	2 786 003	2 716 398	2 716 398	2 716 398	2 934 363	3 170 613	3 414 391
Other revenue		96 243	(17 288)	199 489	360 634	309 410	309 410	309 410	226 073	244 159	263 447
Government - operating	1	948 513	963 670	894 796	1 368 106	1 375 658	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053
Government - capital	1	615 492	670 394	669 780	795 307	980 527	980 527	980 527	803 900	999 477	1 083 453
Interest		159 221	187 368	198 437	193 846	173 846	173 846	173 846	194 578	207 478	221 241
Dividends		-	-	-	0	0	0	0	-	-	-
Payments											
Suppliers and employees		(3 730 816)	(3 736 460)	(4 718 985)	(4 709 064)	(4 643 915)	(4 643 915)	(4 643 915)	(5 109 898)	(5 500 245)	(5 941 988)
Finance charges		(60 674)	(63 335)	(49 359)	(54 318)	(45 240)	(45 240)	(45 240)	(59 808)	(104 627)	(121 876)
Transfers and Grants	1	(234 151)	(240 922)	(394 807)	(64 056)	(77 970)	(77 970)	(77 970)	(94 851)	(98 234)	(100 271)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 013 101	1 394 471	645 551	1 809 846	1 825 802	1 825 802	1 825 802	1 681 344	1 944 813	2 099 839
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6 983	10 928	(542)	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		111	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		16	27	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(930 433)	(1 180 721)	(1 278 098)	(1 582 484)	(1 765 092)	(1 765 092)	(1 765 092)	(1 750 850)	(2 288 577)	(2 174 403)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(923 323)	(1 169 766)	(1 278 640)	(1 582 484)	(1 765 092)	(1 765 092)	(1 765 092)	(1 750 850)	(2 288 577)	(2 174 403)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	69 000	-	-	-	69 000	377 000	206 000
Increase (decrease) in consumer deposits		3 667	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(57 336)	(49 602)	(50 709)	(48 748)	(47 642)	(47 642)	(47 642)	(59 038)	(61 392)	(56 139)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(53 669)	(49 602)	(50 709)	20 252	(47 642)	(47 642)	(47 642)	9 962	315 608	149 861
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	2 164 433	2 198 797	2 373 900	2 291 798	1 686 754	1 686 754	1 686 754	1 699 822	1 640 278	1 612 123
Cash/cash equivalents at the year end:	2	2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419
Other current investments > 90 days		0	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419
Application of cash and investments											
Unspent conditional transfers		191 539	211 266	252 319	136 488	136 488	136 488	136 488	150 137	165 150	181 666
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(71 224)	(100 662)	(578 320)	(47 339)	(669 613)	(669 613)	(669 613)	(753 144)	(943 114)	(1 152 063)
Other provisions		176 668	185 113	176 492	304 327	304 327	304 327	304 327	334 760	368 236	405 059
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		296 984	295 718	(149 508)	393 476	(228 798)	(228 798)	(228 798)	(268 247)	(409 728)	(565 338)
Surplus(shortfall)		1 903 557	2 078 182	1 839 610	2 145 936	1 928 620	1 928 620	1 928 620	1 908 525	2 021 851	2 252 757

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

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

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

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

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

2.1.1 IDP/Budget Process Overview

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

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

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

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

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

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

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

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

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

Section 28 (1) of the Municipal Systems Act requires each municipality to adopt a process in writing to guide the planning, drafting, adoption and review of its integrated development plan. In compliance with this requirement Buffalo City Metropolitan Municipality adopted the plan on 30 August 2017.

Table 34: Key activities in the review of the 2017/18 IDP and MTREF Budget

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
June 2017				
Advertise adoption of the approved 2017-18 IDP and 2017/18 to 2019/20 MTREF Budget (local newspaper, BCMM website and notice boards)	IDP/ BUDGET	MSA 25(4)(a)(b)	02 June 2017	Yes
Budget to MEC for Local Government and Traditional Affairs, Provincial Treasury and National Treasury (in both electronic and printed formats) <ul style="list-style-type: none"> Make public a copy of the tariff book and resolutions for public inspection at municipal offices 	IDP/ BUDGET	MFMA 24(3) and MBRR 20	5 June 2017	Yes
Top Management Meeting: <ul style="list-style-type: none"> Tabling of IDP/Budget/PMS Process Plan for 2018/19 IDP Review 	IDP/PMS	MSA/MFMA	12 June 2017	Yes
City Manager submits final SDBIP 17/18 to Executive Mayor 14 days after the approval of budget	IIDP/BUDGET/COMM	MFMA 69(3)(a)(b)	09 June 2017	Yes
Submission of Specifications to the Bid Specifications Committee	Finance	MFMA	17 June 2017	Submission of specifications is an ongoing process
State of the Metro Address	Office of the Executive Mayor	MSA/MFMA	22 June 2017	Yes
Executive Mayor approves 17/18 final SDBIP 28 days after the adoption of IDP & Budget	IDP/PMS	MFMA (53) (1)(c)(ii)	23 June 2017	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
July 2017				
IDP and Organisational Performance Management Portfolio Committee: <ul style="list-style-type: none"> • Tabling of IDP/Budget/PMS Process Plan for 2018-19 Review 	IDP/PMS	MSA/MFMA	05 July 2017	Yes
Publicise approved SDBIP 2017/18 <ul style="list-style-type: none"> • Advertise • Place on website • Distribute in libraries • Submit to National & Provincial Treasury, MEC for local government & traditional affairs 	IDP/PMS	MFMA 53 (3)(a)(b), Budget Regulations Chapter 2, Part 3, 15(3) MSA/MFMA 52 (d)	July 2017	Yes
Annual Built Environment Plan (BEPP) Evaluation	IDP/PMS	MFMA 53 (3)(a)(b), Budget Regulations Chapter 2, Part 3, 15(3) MSA/MFMA 52 (d)	July 2017	Yes
Annual Built Environment Plan (BEPP) Evaluation	Enterprise Project Management Office (EPMO)	Division of Revenue Act (DORA)	13 July 2017	Yes
Submission of the Business Plans for consideration by Top Management for the rollover adjustment budget (excluding Conditional Grant Funded Projects) of 2015/16.	IDP/PMS/Budget & Treasury	MFMA	26 July 2017	Yes
Submission of the fourth Quarter SDBIP report to Council	IDP/PMS and Finance	MFMA circular 62	26 July 2017	Yes
Consolidate inputs for 2016/17 Annual Report	IDP/PMS	MSA	July/August 2017	Yes
BEPP Internal Preparations and Workshops	Enterprise Project Management Office (EPMO)	Division of Revenue Act (DORA)	20 July 2016 1 August – 31 October 2016	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
August 2017				
Budget Steering Committee Meeting: <ul style="list-style-type: none"> Consideration of 2016/17 roll over adjustment budget (excluding Conditional Grant Funded Projects). With potential impact on 2017/18. 	IDP/PMS/Budget & Treasury	MFMA 28 & MBRR 23	02 August 2017	Yes
BCMM Political IGR Forum (Afternoon 14:00 – 17:00 after Mayoral Committee Meeting)	IDP/PMS Deputy Executive Mayor BCMM IGR Secretariat	MSA / IGR Framework 13 Act of 2005	8 August 2017	Technical IGR Session will be held on the 15/12/2017 Followed by Political session
Publicize draft process plan on BCMM website, local newspaper and notice boards	IDP/PMS	MSA (28) (2)(3)	11 August 2017	Yes
Review and registration of BCMM stakeholders for participation in the IDP review processes: Advertise and invite new stakeholders to register on BCMM database	IDP/PMS	MSA	16 August 2017	Yes
IDP/Budget/PMS workshop (All Cllrs, Heads of Directorates and General Managers) <ul style="list-style-type: none"> 2016/17 BCMM Institutional Performance Report Presentation of draft IDP Review Process Plan 2017/18 	IDP/PMS, Finance, Office of the Executive Mayor and Office of the Speaker	MSA/MFMA	17 August 2017	Yes
Submission of Annual Financial Statements to the Audit Committee	Finance	MFMA	24-25 August 2017	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
August 2017				
Submit Annual Performance Report including annual financial statements to the Combined Audit / Performance Committee	Chief Financial Officer and Accounting Officer	MFMA Circular No 63 MSA 46 MFMA 121	24-25 August 2017	Yes
IDP Representative Forum: <ul style="list-style-type: none"> 2016/17 BCMM Institutional Performance Report Presentation of draft IDP Review Process Plan 2017/18 	IDP /PMS Budget & Treasury	MSA 16 (a)(i) MFMA	24 August 2017	Yes
Submission of roll-over requests and business plans by Directorates for consideration by Top Management for the roll-over adjustment budget (Conditional Grant funded projects) of 2016/17	IDP/PMS/ Budget & Treasury	MFMA Budget Guiding circulars	24 August 2017	Yes
Council meeting: -Adoption of IDP/Budget/PMS process plan for 2018/19 IDP Review -Submission of 2017/18 SDBIP and performance plans to Council for NOTING	IDP/PMS/Budget & Treasury	MSA Sec 28(1)/MFMA Sec 21(1) MSA Sec 28(1)/MFMA Sec 21(1)	25 August 2017	Yes
Workshop to present Delegations Framework as well as IDP & Budget related policies & By-laws	IDP/PMS Office of the City Manager	MFMA	29-31 August 2017	Yes, rescheduled for 28 th -30 the August 2017
Assessments of Section 57 managers	PMS	MSA MFMA	31 August 2017	No

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
August 2017				
<ul style="list-style-type: none"> Submit draft Annual Performance Report and evidence to Internal Auditors including annual financial statements and financial and non-financial information. [Note that the annual performance report and the annual financial statements form part of an Annual Report.] 	Chief Financial Officer [Annual Financial Statements] and HOD: Executive Support Services [Performance Report	MFMA Circular No 63 MSA 46 MFMA 121	31 August 2017	Yes
<ul style="list-style-type: none"> Formulation and Issuing of Guidelines 	EPMO/National Treasury	MSA/DORA	31 August 2017	Yes
Submission of roll-over requests to National Treasury (Conditional Grant funded projects) of 2016/17	Budget & Treasury	MFMA Budget Guiding Circulars	31 August 2017	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
September 2017				
Internal Departmental BEPP Workshops	EPMO	MSA/DORA	1 September – 30 November 2017	Yes
Advertise adopted IDP/Budget/PMS Process Plan -Publication of process plan on BCMM website, local newspaper and notice boards	IDP/PMS	MSA 21, 28(3)	5 September 2017	Yes
Submit adopted process plan to MEC for Local Government and Traditional Affairs	IDP/PMS	MSA 31 (a)(b)(c)(d)	5 September 2017	Yes
IDP and Organisational Performance Management Portfolio Committee	IDP/PMS	MSA/MFMA	6 September 2017	It was rescheduled to 13 September due to scheduling of Mayoral Committee
<ul style="list-style-type: none"> • Review of ward needs and priorities • Solicit external stakeholders needs and priorities 	IDP/PMS	MSA	5-30 September 2017	Yes
IDP Technical Steering Committee Meeting	IDP/PMS	MSA	8 September 2017	Yes
Circulate the 2017/18 Annual Report Process Plan	IDP/PMS	MFMA circular 62	08 September 2017	Yes
Publication of 17/18 SDBIP Advertise Place on website Distribute in libraries	IDP/PMS	MFMA 53 (3)(a)(b), Budget Regulations Chapter 2, Part 3, 15(3)	08 September 2017	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
September 2017				
Submit adopted 2017/18 SDBIP to National Treasury and MEC Local Government and Traditional Affairs	IDP/PMS	MFMA 53(3)(a)(b), Budget Regulations Chapter 2, Part 3, 15(3)	08 September 2017	Yes
<ul style="list-style-type: none"> Submit to National Treasury 2016/17 Roll-over adjustment budget (excluding conditional grants) in terms of National Treasury reporting requirements Publicise 2016/17 Roll-Over Adjustment Budget 	Budget and Treasury	MSA 21(b), MFMA 28(7) & MBRR 24, 26 & 27(2) (b).	13 September 2017	Yes
IDP Technical Work Stream meeting <ul style="list-style-type: none"> Progress on situational analysis 	IDP/PMS	MSA	13 September 2017	No, postponed due Top management technical planning session which was going to give guidance on a way forward regarding a consolidated approach for situational analysis
IDP Technical Work Stream meeting <ul style="list-style-type: none"> Progress on situational analysis 	IDP/PMS	MSA	18 September 2017	No, a technical strategic planning session was scheduled for 18-19 September 2017
BCMM Technical IGR Forum Meeting: <ul style="list-style-type: none"> Process plan and expectations Progress report on programmes and projects 	IDP/PMS	MSA / IGR Framework Act	22 September 2017	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
October 2017				
IDP Technical Work Stream Meetings <ul style="list-style-type: none"> Progress on situational analysis 	IDP/PMS	MSA	2 October 2017	Alternative approach was used to meet with individual Directorates, consultations completed
IDP and Organisational Performance Management Portfolio Committee: Table progress report on IDP Review Process	IDP/PMS	MFMA Budget Guiding circulars	04 October 2017	Yes
Top Management Meeting: <ul style="list-style-type: none"> Consideration of 2016/17 roll over adjustment budget for Conditional Grant Funded Projects 	IDP/PMS	MFMA	09 October 2017	No. Roll-overs on conditional grants were only approved by NT on 16 Oct 2017
Executive Mayoral Imbizo <ul style="list-style-type: none"> Executive Mayor interacts with ward communities to listen to needs and concerns Executive Mayor provides feedback on approved programmes and projects 	Office of the Executive Mayor	MSA	10-13 October 2017	Yes:10,12,13&15 October 2017
Publicise 2017/18 First Quarter SDBIP Report <ul style="list-style-type: none"> Place on BCMM website 	PMS	MFMA Sec 75	16 October 2017	Time frame was not met due to website upgrade
Mayoral Lekgotla Session: <ul style="list-style-type: none"> Review of strategic objectives for service delivery and development 	Executive Mayor's office	MSA / MFMA	19-21 October 2017	Yes, rescheduled for 26-28 October 2017
Council meeting: <ul style="list-style-type: none"> Table 2017/18 SDBIP 1st quarter report to Council 	IDP/PMS/Budget and Treasury	MSA MSA/MFMA Sec 52 (d)	25 October 2017	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
November 2017				
Top Management meeting <ul style="list-style-type: none"> Consideration of 2016/17 roll over adjustment budget for Conditional Grant Funded Projects 	BTO	MSA / MFMA	06 November 2017	No, NT insisted that the municipality must not table a separate adjustment budget report for the approved conditional grant roll-over but rather wait for the mid-year adjustment budget.
<ul style="list-style-type: none"> Councillors Session on Outcomes of the Mayoral Lekgotla 	IDP/PMS, Office of the Speaker & Office of the Executive Mayor	MSA/MFMA	7-8 November 2017	Yes
Budget Steering Committee: <ul style="list-style-type: none"> Consideration of 2016/17 roll over adjustment budget for Conditional Grant Funded Projects 	Budget and Treasury	MFMA	8 November 2017	No, NT insisted that the municipality must not table a separate adjustment budget report for the approved conditional grant roll-over but rather wait for the mid-year adjustment budget
Technical Work Stream Meetings Commencement of situation analysis	IDP/PMS	MSA	9- 10 November 2017	Alternative approach was used to meet with individual Directorates, consultations completed

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
November 2017				
Budget Workshops – with all Directorates	Budget and Treasury	MFMA	13 - 17 Nov 2017	Yes
<ul style="list-style-type: none"> IDP Technical Work Stream Meeting 	IDP/PMS	MSA 34(a)(i)(ii)	15-16 November 2017	Alternative approach was used to meet with individual Directorates, consultations completed
IDP Political Work Stream Meetings <ul style="list-style-type: none"> Consider draft situational analysis report Confirmation of cluster priorities 	Office of the Executive Mayor	MSA/MFMA	22-23 November 2017	During Council Lekgotla convened on 07-08 November, political arm endorsed once more the 10 mayoral priorities and recommended that the priorities that couldn't find expression in the previous cycle be considered from 2018/19-2021
Council Meeting <ul style="list-style-type: none"> Approval of 2016/17 Roll-over adjustment budget for conditional grant funded projects 	Office of the Speaker/BTO	MSA / MFMA	29 November 2017	Rescheduled for 06 th December 2017
- BCMM Technical IGR Forum	City Manager BCMM IGR Secretariat	MSA / IGR Framework 13 Act of 2005	10 November 2016 30 November 2017	Rescheduled for 15 th December 2017

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
December 2017				
IDP Political Steering Committee Meeting	IDP/PMS	MSA/MFMA	1 December 2017	Rescheduled for February 2018
IDP Representative Forum: <ul style="list-style-type: none"> • Presentation of BCMM Situational Analysis report • Presentation of draft reviewed IDP objectives and strategies 	IDP/PMS	MSA/MFMA MSA Sec 16(1)(a) MFMA Sec 52(d)	7 December 2017	Rescheduled for February 2018
BCMM political IGR Forum	Deputy Executive Mayor BCMM IGR Secretariat	MSA / IGR Framework13 Act of 2005	12 December 2017	Political IGR will follow Technical session scheduled for 15/12/2017. Rescheduled for February 2018
Submit to National Treasury 2016/17 Roll-over Adjustment Budget for Conditional Grant Funded Projects	Budget and Treasury	MFMA	13 December 2017	No, NT insisted that the municipality must not table a separate adjustment budget report for the approved conditional grant roll-over but rather wait for the mid-year adjustment budget.
Publicise 17/18 roll-over adjustment budget for conditional grant funded projects	Budget and Treasury	MFMA	13 December 2017	

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
January 2018				
Submission of adjustment budget request together with the revised Business Plans for consideration by Top Management for the 2017/18 Mid-Year Adjustment budget.	IDP/PMS/Budget & Treasury	MFMA Budget Guiding circulars	08 January 2018	Yes
Top Management Technical Planning Session: Confirmation of draft reviewed IDP Objectives, Strategies and Projects 2018/19 MTREF Budget <ul style="list-style-type: none"> Consideration of 2017/18 mid-year adjustment budget 	IDP/PMS	MSA	10-12 January 2018	Rescheduled for 09-10 February 2018
Submission of 2017/18 mid-year assessment report to the Executive Mayor	IDP/PMS/Budget and Treasury	MFMA Sec 72 & 51(a), Budget Regulation Part 5 (32) & PM Regulations 2001 (2)(a)	25 January 2018	Yes
2017/18 Mid-year Budget and BEPP Review including strategic thrust of BEPP 2018/19 (IGR Engagement)	EPMO	DORA/MFMA	25 January – 26 February 2018	No, rescheduled for 13-14 February 2018
<ul style="list-style-type: none"> Performance Assessment of the City Manager and Section 57 Managers 	IDP/PMS	MFMA, 72(1), PM Regulations 2006	30 January 2018	No, rescheduled to 07 February for City Manager and 26-28 February for Section 57 Managers

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
January 2018				
Mayor tables draft Annual Report and audited financial statements to Council	Executive Mayor	MFMA Circular No 63 MSA 46 MFMA 121	31 January 2018	Yes
Submission and publication of the 2017/18 MID Year Assessment Report	IDP/PMS/Budget and Treasury	MFMA Sec 51(a), Sec 72, Budget Regulation Part 5 (35) & PM Regulations 2001 (2)(a)	31 January 2018	Yes
Council Meeting: Consider 2017/18 SDBIP 2nd quarter reports (Mid -year report) Draft Annual Report 2016/17	IDP/PMS/Budget and Treasury	MFMA Sec 52(d) & 51(a), Sec 72, Budget Regulation Part 5 (32) & PM Regulations 2001 (2)(a)	31 January 2018	Yes
Municipal Entity to submit the proposed budget, priorities and objectives to the municipality.	Municipal Entity/ BTO/IDP/PMS	MFMA 87 (i) (ii) & (iii) and 88	31 January 2018	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
February 2018				
Publication of the 2017/18 MID Year Assessment Reports and SDBIP	IDP/PMS/Budget and Treasury/ Communication	MFMA Sec 52(d) & 51(a), Sec 72, Budget Regulation Part 5 (34) & PM Regulations 2001 (2)(a)	01 February 2018	Yes
Submission of the 2017/18 2nd quarter Report to both National and Provincial Treasury	IDP/PMS/Budget and Treasury	MFMA Sec 51(a), 52 (d) Sec 72, Budget Regulation Part 5 (35) & PM Regulations 2001 (2)(a)	07 February 2018	Yes
National Treasury Mid-year Budget and Performance Assessment Review	IDP/PMS/Finance/ Compliance Office	MFMA	12 & 13 February 2018	Yes
Budget Steering Committee Meeting: <ul style="list-style-type: none"> Consideration of 2017/18 Mid-year adjustment budget 	IDP/PMS/Budget & Treasury	MFMA	14 February 2018	Yes
IDP Political Work Stream Meetings <ul style="list-style-type: none"> Consideration of draft 2018/19 IDP review and MTREF Budget 	IDP/PMS/Budget & Treasury	MSA/MFMA	15-16 February 2018	Yes
Top Management Meeting: Consideration of draft IDP 2018/19 to 2020/21 MTREF budget.	IDP/PMS/Budget & Treasury	MFMA	26 February 2018	No, rescheduled for 13 March 2018.
Council considers and approve the 2017/18 Mid- Year Adjustment Budget, IDP, BEPP and SDBIP	IDP/PMS/Budget & Treasury	MFMA 28, 54(1)(c) and MBRR 23	28 February 2018	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
March 2018				
Council Workshop (all Cllrs, HODs and GMs) <ul style="list-style-type: none"> Review and confirm draft 2018/19 IDP, BEPP and MTREF Budget Review of budget related policies 	IDP/PMS/Finance	MSA/MFMA	6-7 March 2018	No, rescheduled for 19 & 20 March 2018
<ul style="list-style-type: none"> Submits to National Treasury 2017/2018 Mid-Year Adjustment Budget in terms of the National Treasury Reporting Requirements. Publicise 2017/2018 Mid-Year Adjustment Budget for public comment. Place 2017/2018 Mid-Year Adjustment Budget on BCMM website. Publish mid-year adjustment budget and Service Delivery targets. 	IDP/PMS/Budget and Treasury	MSA/MFMA	14 March 2018	Yes
IDP & Organisational Performance Management Portfolio Committee Meeting: <ul style="list-style-type: none"> Presentation of draft 2018/19 IDP review and MTREF Presentation of the IDP/Budget Road Shows process plan 	IDP/PMS	MSA	14 March 2018	No. Rescheduled due to passing of one of the Councillors. To be combined with the Cllrs Policy Workshop to be held on 19 & 20 March 2018.
BCMM IGR Forum Meeting: <ul style="list-style-type: none"> Presentation of draft 2018/19 IDP review and MTREF 	IDP/PMS	MSA / IGR Framework Act	16 March 2018	No.

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
March 2018				
The City to consider the proposed budget of the entity and assess the entity's priorities and objectives	Municipal Entity/BTO/IDP/PMS	MFMA 87 (i) (ii) & and 88	23 March 2018	Yes
Council Meeting: <ul style="list-style-type: none"> • Approve 2018/19 Draft IDP review and MTREF Budget • Approve draft BEPP 	Budget and Treasury	MFMA MSA	28 March 2018	Yes
Tabling Oversight report on the Annual Report.	Chairperson of MPAC	MFMA Circular No 63 MSA 46 MFMA 121	30 March 2018	Yes

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
April 2018				
IDP/Budget/PMS Technical Steering Committee Meeting: <ul style="list-style-type: none"> • Present state of readiness for IDP/Budget roadshows 	IDP/PMS	MSA/MFMA	4 April 2018	State of readiness was presented during Senior Management Session held on the 15 April 2018
City Manager submit annual report and oversight report within seven days after the municipal council has adopted	PMS	MFMA 132	4 April 2018	Yes
IDP/Budget/PMS Political Steering Committee Meeting: <ul style="list-style-type: none"> • Present state of readiness for IDP/Budget roadshows 	IDP/PMS	MSA/MFMA	5 April 2018	Yes
<ul style="list-style-type: none"> • Submits to MEC for Local Government and Traditional Affairs, National Treasury 2018/19 Draft IDP, SDBIP and MTREF Budget • Advertise 2018/19 Draft IDP, SDBIP and MTREF Budget for public comment • Place 2018/19 Draft IDP and MTREF Budget on BCMM website 	IDP/PMS/Budget and Treasury	MSA/MFMA	11 April 2018	Yes

Submission of 2017/18 3 rd quarter SDBIP report and MFMA Section 52 (d) report to Council	IDP/PMS	MFMA (52) (d)	25 April 2018	Yes
Top Management Meeting: Consideration of final 2018/19 to 2020/21 MTREF budget.	IDP/PMS/Budget & Treasury	MFMA	07 May 2018	Rescheduled to 20 May 2018
Consultation with Organised Business and Traditional Leadership on the Draft 2018/19 IDP & Budget <ul style="list-style-type: none"> • Business Breakfast • Session with traditional leadership 	IDP/PMS/ Budget and Treasury	MSA 16(1)(a)(b)(c)	9-10 May 2018	Yes
Budget Steering Committee Meeting: Consideration of final 2018/19 to 2020/21 MTREF budget.	IDP/PMS/Budget & Treasury	MFMA Budget Guiding circulars	09 May 2018	Yes
Council Open Day	Office of the Speaker	MSA Sec 16(1)(a)	16 May 2018	Yes

<p>IDP Budget Road Shows:</p> <ul style="list-style-type: none"> • Present summarised draft IDP & Budget • BCMM response to key issues raised by wards • Highlight planned projects and programmes 	IDP/PMS/Budget & Treasury	MSA/MFMA	18 April – 14 May 2018	Yes
Council Workshop on the final IDP/Budget before adoption	IDP/PMS	MSA, MFMA	24-25 May 2018	Yes, Rescheduled for 20-22 May 2018
<p>Council Meeting:</p> <ul style="list-style-type: none"> • Approval of final 2018/19 IDP review and MTREF Budget • Approval of final BEPP 	Budget and Treasury	MFMA MSA	30 May 2018	Forthcoming

Activity	Co-ordinating Department	Legislative requirement	Timeframe	Was the timeframe met?
June 2018				
Share BEPPs 2018/19 MTREF with IGR Stakeholders	EPMO	MSA/DORA	06 June 2018	Forthcoming
BCMM Technical IGR Forum	City Manager BCMM IGR Secretariat	MSA / IGR Framework 13 Act of 2005	8 June 2018	Forthcoming
Top Management Meeting: <ul style="list-style-type: none"> • Tabling of IDP/Budget/PMS Process Plan for 2018/19 Review • Draft SDBIP 2018/19 • Demand Management Plans • Presentation of the final State of the Metro inputs 	IDP/PMS	MSA/MFMA	12 June 2018	Forthcoming
Publicise BCMM adopted tariffs <ul style="list-style-type: none"> • BCMM website and newspaper • Make public a copy of the tariff book and resolutions for public inspection at municipal offices • Submits to MEC for Co-operative Governance and Traditional Affairs a copy of the tariff resolution and public advert 	Budget & Treasury	MSA, MFMA	13 June 2018	Forthcoming

Advertise Adoption of final 2018/19 IDP review and Budget (<i>local newspaper & libraries</i>)	IDP/PMS	MSA	13 June 2018	Forthcoming
<ul style="list-style-type: none"> • Submit to MEC for Local Government and Traditional Affairs, Provincial Treasury, National Treasury and • Place on BCMM web site the final 2018/19 IDP review/ Budget (MTREF) / BEPP 	IDP, PMS/Budget & Treasury	MSA 32(1) /MFMA 22/ DORA sec 14	13 June 2018	Forthcoming
Advertise Adoption of final 2018/19 IDP review and Budget (<i>local newspaper & libraries</i>)	IDP/PMS	MSA	13 June 2018	Forthcoming
State of the Metro Address	Office of the Executive Mayor	MSA/MFMA	22 June 2018	Forthcoming
BCMM political IGR Forum	Deputy Executive Mayor BCMM IGR Secretariat	MSA / IGR Framework 13 Act of 2005	26 June 2018	Forthcoming
Executive Mayor approves 18/19 SDBIP & section 56 Performance Agreements 28 days after the adoption of IDP & Budget	IDP/PMS	MFMA	29 June 2018	Forthcoming

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The review of the 2018/2019 Integrated Development Plan commenced in September 2017 after the adoption of the IDP/Budget Process Plan by Council and the Budget Time Schedule for the 2018/19 MTREF.

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

With the compilation of the 2018/19 MTREF, each function/directorate had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2017/18 Service Delivery and Budget Implementation Plan. Business planning responds to the Metro's priority needs, reviewed strategic objectives and informs the detail operating budget appropriations and three-year capital programme.

The Final Service Delivery and Budget Implementation Plan (SDBIP) with Final Performance Agreements will be submitted to the Executive Mayor after the approval of the IDP and Budget; and the Final SDBIP will be tabled to Council for approval with the Performance Agreements before 27 June 2018.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2017/18 MTREF:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89, and 91 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The Draft 2018/19 Integrated Development Plan review and MTREF Budget as well as BEPP were tabled at Council on 28 March 2018 and these documents will be tabled as final on 30 May 2018 for Council approval and consideration. Thereafter the final documents will be made available for community on the municipality's website, and hard copies will be made available at customer care offices and municipal libraries.

IDP/Budget road shows to present the draft IDP and Budget were held from 19 April – 14 May 2018. Consultation with Business Community and Traditional Leaders on the Draft IDP and Budget Review 2018/19 was also undertaken. A platform was afforded all municipal stakeholders to engage the Draft IDP/Budget Review, through a Council Open Day held on the 16th May 2018

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

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

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

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

Table 35: IDP’S Five Strategic Objectives

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

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

Table 36: Alignment of BCMM Strategic Objectives with National and Provincial Priorities

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

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

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

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

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

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

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

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

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

The 2018/19 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 37: MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

BUF Buffalo City - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Innovative and Productive City	Promote sound financial and administrative capabilities			128 741	128 241	146 680	167 700	160 586	160 586	175 629	189 767	204 660
	Maintain Inclusive and sustainable economic Growth											
	Enhance land productivity through sustainable agriculture land-use technologies											
A green city	To Promote an environmentally Friendly City			322 630	346 672	392 894	449 199	430 144	430 144	470 437	508 306	548 200
A connected city	Develop and maintain world class logistics infrastructure			65 802	87 267	59 147	67 623	64 755	64 755	70 821	76 521	82 527
A spatially Transformed city	To promote an integrated spatial form			1 985 279	2 299 115	2 708 025	3 450 996	2 964 770	2 964 770	3 242 495	3 503 502	3 774 471
A well governed city	Promote sound financial and administrative capabilities			2 304 213	2 413 407	2 116 139	2 053 488	2 316 768	2 316 768	2 545 517	2 763 465	2 994 410
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	4 806 666	5 274 702	5 422 886	6 189 006	5 937 024	5 937 024	6 504 900	7 041 561	7 604 268

Table 38: MBRR Table SA5 - Reconciliation between the IDP Strategic Objectives and budgeted operating expenditure

BUF Buffalo City - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Innovative and Productive City	Promote sound financial and administrative capabilities			369 166	441 610	505 424	518 269	496 358	496 358	564 782	599 235	657 361	
A green city	To Promote an environmentally Friendly City			326 867	369 279	394 296	404 316	387 223	387 223	366 863	414 683	427 000	
A connected city	Develop and maintain world class logistics infrastructure			827 229	876 902	1 016 569	1 042 404	998 334	998 334	1 175 243	1 263 132	1 367 888	
A spatially Transformed city	To promote an integrated spatial form			2 788 799	3 002 831	3 176 501	3 257 230	3 119 522	3 119 522	3 443 485	3 728 463	4 035 848	
A well governed city	Promote sound financial and administrative capabilities			913 776	827 327	951 731	965 860	939 460	939 460	952 894	1 028 542	1 109 092	
Allocations to other priorities													
Total Expenditure				1	5 225 837	5 517 949	6 044 521	6 188 080	5 940 897	5 940 897	6 503 267	7 034 055	7 597 189

Table 39: MBRR Table SA6 – Reconciliation between the IDP Strategic Objectives and budgeted Capital Expenditure

BUF Buffalo City - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Innovative and Productive City	Promote sound financial and administrative capabilities	A		25 256	–	324 818	418 948	415 933	415 933	124 827	120 450	193 400
A green city	To Promote an environmentally Friendly City			30 727	29 362	80 465	103 784	103 037	103 037	68 772	110 150	21 780
A connected city	Develop and maintain world class logistics infrastructure			357 070	300 072	328 137	423 229	420 183	420 183	422 875	510 874	865 760
A spatially Transformed city	To promote an integrated spatial form			347 776	855 323	376 866	485 118	622 568	622 568	974 638	1 363 883	1 087 363
A well governed city	Promote sound financial and administrative capabilities			169 220	1 570	166 015	214 125	212 584	212 584	159 738	183 220	6 100
Allocations to other priorities			3									
Total Capital Expenditure			1	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

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

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

Table 40: MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Vote 1 - Infrastructure Services										
Function 1 - Water and Sanitation										
Sub-function 1 - Water Services										
		99.0%	99.0%	99.0%	100.0%	98.0%	98.0%	99.0%	100.0%	100.0%
To ensure that households within BCMM have access to basic level of water	% of households with access to basic level of water supply									
Provision of high quality drinking water in BCMM	% Compliance of water treatment works with SANS 241 requirements	N/A	N/A	99.0%	100.0%	>95%	>95%	>95%	>95%	>95%
Implement the water demand and conservation projects	Number of kilo-litres reduced (physical water losses in terms of system losses)	3 274 573 kl	41.0%	4 198 MI	1300 MI	1300 MI	1300 MI	600 MI	600 MI	600 MI
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - Energy and electricity										
Sub-function 1 - Electricity										
		98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Address energy backlogs and invest in human capital	% of households with access to a basic level of electricity within BCMM area of supply									
	Number of informal dwellings provided with a basic electricity service	1787	1768	1002	1200	1000	1000	1000	5000	5000
	Number of new highmast lights installed	0	0	5	5	8	8	10	10	10
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 3 - (Roads)										
Sub-function 1 - (name)										
Insert measure/s description	Number of bridges rehabilitated		1	3	3	3	3	3	3	3
	Km of surfaced roads		25 km	25 km	30km	30km	30km	30km	30km	30km
	Km of gravel roads rehabilitated (regavelled)		100km	120km	80km	80km	80km	80km	80km	80km
	Km of roads maintained		1200km	700km	700km	700km	700km	700km	700km	700km
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

Table 41: MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Credit Rating		A1-/A	A1-/A	A1-/A	A1-/A	A1-/A	A1-/A	A1-/A			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.3%	2.0%	1.7%	1.7%	1.6%	1.6%	1.6%	1.8%	2.4%	2.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.1%	2.9%	2.3%	2.1%	2.0%	2.0%	2.0%	2.4%	3.0%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	8.1%	0.0%	0.0%	0.0%	7.3%	29.2%	18.9%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	10.8%	9.7%	5.7%	12.4%	10.3%	10.3%	10.3%	9.6%	17.9%	20.8%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2.8	2.3	2.3	2.8	2.6	2.6	2.6	2.6	2.5	2.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.7	1.3	2.0	1.8	1.8	1.8	1.7	1.7	1.7
Liquidity Ratio	Monetary Assets/Current Liabilities	2.0	1.5	1.2	1.9	1.3	1.3	1.3	1.2	1.1	1.0
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		104.9%	105.4%	100.0%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		104.9%	105.4%	100.0%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%	92.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	16.2%	23.8%	25.7%	16.7%	28.9%	28.9%	28.9%	27.9%	30.2%	32.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	24.4%	21.2%	20.5%	9.5%	9.5%	9.5%	9.5%	8.3%	7.2%	7.2%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		28.2%	46.3%	48.9%	35.5%	53.0%	53.0%	53.0%	55.5%	62.1%	65.2%

MBRR Table SA8 - Performance indicators and benchmarks (continued)

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	233 606	215 005	255 384	271 621	271620525	271 621	271620525	229 581	215 764	230 867
	Total Cost of Losses (Rand '000)	162 812	180 455	218 820	249 891	249 891	249 891	249 891	218 102	220 079	256 263
	% Volume (units purchased and generated less units sold)/units purchased and generated	15.8%	14.5%	16.1%	17.9%	17.9%	17.9%	17.9%	15.0%	14.0%	12.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	22 982	27 328	21 330	19 996	19 996	19 996	19 996	19 996	19 996	19 996
	Total Cost of Losses (Rand '000)	99	117	101	85405	85405	85405	85405	85	85	85
	% Volume (units purchased and generated less units sold)/units purchased and generated	34.4%	41.0%	34.1%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	25.7%	26.8%	27.8%	28.0%	29.2%	29.2%	29.2%	29.8%	28.9%	29.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	25.8%	26.9%	28.3%	29.0%	30.2%	30.2%		30.8%	29.8%	30.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.0%	6.6%	6.8%	7.5%	7.6%	7.6%		6.2%	6.3%	6.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	15.5%	17.5%	15.3%	13.5%	13.9%	13.9%	13.9%	14.7%	14.9%	14.7%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	16.3	15.8	17.8	21.8	21.8	21.8	18.0	18.7	19.6	21.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	25.2%	36.3%	37.4%	24.3%	42.0%	42.0%	42.0%	39.4%	42.5%	45.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	7.7	7.8	5.0	7.1	4.3	4.3	4.3	3.8	3.4	3.3

2.3.1.1 Borrowing management

The City has a credit rating of A1 (Short Term) and A (Long Term) together with a low gearing ratio thus enabling the city to borrow capital to fund its revenue generating infrastructure. However, the city adopts a conservative approach in its ability to borrow due to repayment constraints associated with operational surpluses.

The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF budget:

Capital charges to operating expenditure is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steadily increasing from 1.8% in 2018/19 to 2.3% in 2020/21 over the MTREF. This increase can be attributed to new loan funding being sourced during 2018/19 MTREF period.

2.3.1.2 Safety of capital

The debt-to-equity ratio over the MTREF period increases from 9.6% in the 2018/19 period to 20.8% in the 2020/21 period. The ratio indicates the taking up of new loan funding.

2.3.1.3 Liquidity

Current ratio for the 2018/19 financial year is 2.6:1 and remains constant over the MTREF. The city is in a position to repay its current liabilities and thus strives to maintain this ratio above the public sector norm of 1.5:1. Included in the current assets is the city's debt book which has a collection ratio of 92.5% and the recoverability of this is considered to be obtainable.

The liquid ratio for the 2018/19 financial year is 1.2:1 and decreases to 1.0:1 in the 2020/21 financial year. The city aims to maintain a consistent stock level over the MTREF period to adequately respond to emergency situations relating to service delivery considerations.

2.3.1.4 Revenue Management

The city has adopted an aggressive Revenue Enhancement Strategy, which includes revenue generation, accuracy of meter reading, regular supplementary valuations, and ensuring all residents receive a correct bill that the city has rendered thereby contributing to the confidence of the consumers. The current collection rate of 86% as at 30 April 2018 is expected to improve to 92.5% over the MTREF period.

2.3.1.5 Creditors Management

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

2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue is 30% in the 2018/19 financial year and remains constant over the MTREF. Though this rate is still within the norm, the increasing trend is a concern that require close monitoring.
- The Electricity distribution losses is 14.9% as at 30 April 2018 and through interventions the City anticipate to decrease losses to 12% by 2020/21. This continues to an area of focus to reduce electricity losses. There is a program that is undertaken by the City to electrify informal dwellings which would also assist in reducing illegal connects.
- The City has established a Revenue Protection Unit, the main aim of this unit is to reduce the losses; however, there is a limit to what can be done with limited resources in the short term and the extent to which losses can be limited.
- The overall average of non-revenue water amounts to 41.5% at 30 April 2018 and the City anticipates to decrease to 30% by 2020/21.
- BCMM has developed a Water Conservation and Water Demand Management (WC/WDM) Strategy, which focuses primarily on reducing the level of non-revenue water to enhance both the financial viability of and water supply sustainability to BCMM.

- The goals set in terms of this Strategy, are the following:
 - Reduction of non-revenue water:
 - Increased billed metered consumption:
 - Reduction of raw water treatment losses:
 - Ability to undertake detailed water balances:
 - Promotion of water use efficiency
- Repairs and maintenance as a percentage of total operating revenue is on average 6.3% over the 2018/19 MTREF period.

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

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

The target is to register an average of at least the following indigent households by the end of 2018/19 financial year, this process is reviewed annually: The City has a total of 77 070 registered indigent households. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water (R74.85), and 50 kwh of electricity (R61.94).

Registered indigents are also to receive the following monthly rebates in the 2018/19 financial year:

- Property Rates – R159.90 (based on a property value of R120 000)
- Refuse Removal – R175.93
- Sewerage Charges - R95.24
- Fire Levy – R46.85

2.3.3 Providing Clean Water and Managing Waste Water

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

The primary responsibility for Water Services Authority includes:

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

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

2.3.3.1 Blue Drop Status

Buffalo City Metropolitan Municipality is achieved 72.9% on Blue Drop Score as it was audited by Department of Water and Sanitation in 2014. The BCMM achieved 99% compliance with SANS 241 drinking water quality standards in 2016/17.

2.3.3.2 Green Drop Status

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

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

- Capacity of the existing treatment works is inadequate to cater for current and future water demands
- Aging water infrastructure
- High rate of non-revenue water, which is approximately 34%
- Total required funding to build new Water Treatment Works (Kei Road) and bulk pipe lines to Bhishe and Berlin to meet housing backlogs, new developments and Bhishe Precinct and demand is R500 million

2.4 OVERVIEW OF BUDGET-RELATED POLICIES

2.4.1 Tariff Policy

In terms of Section 74(1) of the Municipal Systems Act No 32 of 2000, as amended, Council adopted the Tariffs Policy on 30 May 2018. The amended policy is attached as annexure F (amendments are highlighted in the policy for easy reference).

2.4.2 Rates Policy

In terms of Section 3 of the Municipal Property Rates Act No. 6 of 2004, the municipality has adopted a Rates Policy on 30 May 2018. The amended policy is attached as annexure H (amendments are highlighted in the policy for easy reference).

2.4.3 Immovable Asset Management policy

The Immovable Asset Management Policy was adopted by Council on 30 May 2018. The amended policy is attached as annexure J (amendments are highlighted in the policy for easy reference).

2.4.4 Budget Implementation & Management Policy (Budget Virement Policy)

The Budget Implementation & Management Policy (Budget Virement Policy) was adopted by Council on 30 May 2018 and is to effectively and efficiently manage the budget transfers to ensure optimum service delivery. The amended policy is attached as annexure K (amendments are highlighted in the policy for easy reference).

2.4.5 Supply Chain Management Policy

In terms of Section 111 of the Municipal Finance and Management Act No. 56 of 2003 the municipality must adopt a Supply Chain Management policy. The reviewed policy was approved by Council on 30 May 2018. The amended policy is attached as annexure I (amendments are highlighted in the policy for easy reference).

2.4.6 Credit Control Policy

The reviewed Credit Control and Debt Collection Policy was approved by Council on 26 May 2017. No amendments have been made to the policy.

2.4.7 Indigent Policy

The reviewed Indigent policy was approved by Council on 26 May 2017. No amendments have been made to the policy.

2.4.8 Investment and Cash Management Policy

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

2.4.9 Long-Term Borrowings Policy

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

2.4.10 Movable Asset Policy

The Movable policy was adopted on 26 May 2017 and no amendments have been made to the policy.

2.4.11 Capital Infrastructure Investment Policy

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

2.4.12 Funding and Reserves Policy

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

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

2.4.13 Policy on Long-Term Financial Planning

The Policy on Long Term Financial Planning was adopted by Council on 29 May 2013 and encompasses the development, implementation and evaluation of a plan for the provision of basic municipal services and capital assets. No amendments have been made to the policy.

2.4.14 Budget Policy

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

2.4.15 Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy

This policy has been formulated in terms of the provisions of section 29 and section 32 of the Local Government Municipal Finance Management Act (MFMA), 56 of 2003. The Unauthorised, Irregular, Fruitless and Wasteful Policy was adopted by Council on 26 May 2017. No amendments have been made to the policy.

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

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The 2018/19 – 2020/21 annual budget and MTREF was prepared using 2016/17 financial year's audit outcome and lessons learned from the 2017/18 budget and adjustment budget as a base. The guidelines and assumptions as outlined in the MFMA Circulars (89 and 91), National and Provincial Government priorities, including making reference to the Municipal Reporting and Budget Regulations;

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

- Efficient revenue management, which aims to ensure a 92.5% annual collection rate over the medium term for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Move from a flat-rate billing system to all consumers billed according to consumption;
- Implementation of an automated billing system as opposed to a manual meter reading process;
- Regular Supplementary Valuations performed.
- Implementation of a General Valuation every four years in terms of the Municipal Property Rates Act.
- Creating a conducive environment to attract potential investors.
- Review of the Spatial Development Plan to allow for human capital resources to be closer to economic and job opportunities.

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

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

2.5.1 Depreciation

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

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

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

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

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

2.5.2 General inflation outlook and its impact on the municipal activities

The following are the key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

- National Government macro-economic targets for inflation is set to be 5.3% for the 2018/19 financial year.
- Salaries are set to increase by CPI plus one (6.3% in 2018) as guided by SALGA.
- Water bulk purchases are set to increase by 9.46% as negotiated with Amatola Water Board.
- Electricity bulk purchases are set to increase by 7.32% as per the guidelines received from NERSA.
- The City's General Expenses and Contracted Services are set to increase by CPI.
- Repairs and maintenance constitute 6.2% of the total operating expenditure. The City has recognized the target to be reached is 10%, however cognizance should be given to the impact on tariffs in this regard.
- The City approved an Asset Management Policy in the 2012/13 financial year. In developing this policy, it decided that the most appropriate valuation model for the City's roads and storm-water infrastructure as well as municipal properties is adopting the revaluation approach. The reason for this approach being used was specifically to allow for additional funding to be accumulated to replace and/or refurbish these infrastructure assets in the future. It needs to be recognized that if this approach was not followed there would be significant risk to the national fiscal and by implication National Treasury would not be able to allow for significant additional funding for the replacement of these assets in the future. It is further emphasized that this approach is in line with National Treasury guidelines to ensure the institution remains financially viable. The resulting impact of this policy is a significant increase in depreciation being charged on an annual basis which is placing pressure on our operational budget and by inference our tariffs. An attempt has however been made in the 2018/19 MTREF budget to keep tariff increases at affordable levels.

The table below indicate the budget assumptions that were used in preparing the 2018/19 MTREF budget:

Table 42: 2017/2018 to 2020/2021 Budget Assumptions

DESCRIPTION	2017/2018	2018/2019	2019/2020	2020/2021
National Treasury Headline Inflation Forecasts	6.40%	5.30%	5.40%	5.50%
Salaries	7.40%	6.30%	5.40%	5.50%
Electricity Purchases	0.31%	7.32%	7.32%	7.32%
Water Purchases	10.00%	9.46%	9.46%	9.46%
Free Basic Electricity	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.	50 kwh p.m.
Free Basic Water	6 kl p.m.	6 kl p.m.	6 kl p.m.	6 kl p.m.
Basic Welfare Package	R 623.11	R 614.71	R 668.45	R 721.16
Equitable Share Allocation	R 705 277 000	R 778 048 000	R 844 411 000	R 918 677 000
Bad Debt Provision	7.50%	7.50%	7.50%	7.50%
Property Rates	9.60%	0.00%	9.00%	8.00%
Refuse Tariff	9.80%	9.20%	8.70%	8.00%
Sewerage Tariff	9.80%	8.80%	9.30%	8.00%
Electricity Tariff	1.88%	6.84%	6.84%	6.84%
Water Tariff	9.50%	9.00%	9.00%	8.00%
Fire Levy	9.20%	9.00%	9.00%	8.00%
Sundry Income	9.20%	9.00%	8.00%	7.90%

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

Table 43: Indigent Subsidy Package

	Total Per Household 2017/2018	Total Per Household 2018/2019	Total Per Household 2019/2020	Total Per Household 2020/2021
Rates	133.25	159.90	174.29	188.23
Refuse	161.11	175.93	191.24	206.54
Sewerage	87.54	95.24	104.10	112.43
Fire Levy	42.98	46.85	51.06	55.15
<u>Total Monthly Subsidy</u>	424.88	477.92	520.69	562.35
Electricity - 50kwh p.m	57.97	61.94	66.17	70.70
Water - 6kl p.m.	68.67	74.85	81.59	88.11
<u>Total Poor Relief</u>	551.52	614.71	668.45	721.16

The guidance received from National Treasury in respect of DoRA and fuel levy has been included in the 2018/19 MTREF budget.

Table 44: Tariff increases over the medium-term

Description	2017/2018	2018/2019	2019/2020	2020/2021
Rates	9.60%		9.00%	8.00%
Refuse	9.80%	9.00%	9.00%	8.00%
Sewerage	9.80%	9.00%	9.00%	8.00%
Electricity	1.88%	6.84%	6.84%	6.84%
Water	9.50%	9.00%	9.00%	8.00%
Fire Levy	9.20%	9.00%	9.00%	8.00%
Sundry Income	9.20%	9.00%	8.00%	7.90%

2.5.3 Credit rating outlook

Table 45: Credit rating outlook

Security class	Currency	Rating	Annual rating 2016/17	Previous Rating
Short term	Rand	A1	June 2017	A1
Long-term	Rand	A	June 2017	A
Outlook	Rand	Stable	June 2017	Stable

The rating definitions are:

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

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

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City engages in financing arrangements to minimise its interest rate costs and risk. The average interest rate for borrowings is currently 10.17%. The municipality has budgeted R59 million in the 2018/19 financial year, R104 million and R121 million in the two outer years respectively in respect of its existing long term borrowings and the new loan that is being sought by the City. The City is investing its cash reserves on various investing institution in line with the MFMA. The interest rate is currently 6.5% on primary bank account and 6.5% on investment call accounts. An amount of R140 million has been projected in the 2018/19 financial year, R150 million in the 2019/20 financial year and R160 million in the 2020/21 financial year.

2.5.5 Collection rate for revenue services

The rate of revenue collection is currently at 86% (30 April 2018) of annual billings and arrear debt. Stricter control measures of the Credit Control Policy are being enforced, the collection of arrear debt will be utilised as a source of additional cash in-flow for funding future capital infrastructure projects. An amount of R344 million contribution towards bad debts has been provided for the 2018/19 financial year and is based on projected average collection ratio of 92.5% set as a target in the 2017/18 SDBIP.

2.5.6 Growth in the tax base of the municipality

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

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

2.5.7 Salary and Wage increases

The guidance provided on MFMA Circular 91 as well as SALGA guideline has been followed in projecting salary and wage increases of CPI plus one. This is in line with the existing Salary and Wage Collective Agreement regarding salaries/wages.

2.5.8 Impact of National, Provincial and Local policies

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

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

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

2.5.9 Ensuring maintenance of existing assets

Repairs and maintenance has been budgeted at 6.2% of the total operating expenditure. The city has recognised the target to be reached is 10%, however cognizance should be given to the impact on tariffs in this regard. Substantial budget allocation has been made for renewal of existing assets as detailed in the capital program section.

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

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

2.6 OVERVIEW OF BUDGET FUNDING

The 2018/19 MTREF budget is fully funded utilising receipts from the following funding sources:

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

2.6.1 Tariff Increases over the Medium-term

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

The table below reflects the proposed tariffs for the 2018/2019 MTREF period.

Table 46: Tariff increases 2017/18 to 2020/21

Description	2017/2018	2018/2019	2019/2020	2020/2021
Rates	9.60%	0.00%	9.00%	8.00%
Refuse	9.80%	9.20%	8.70%	8.00%
Sewerage	9.80%	8.80%	9.30%	8.00%
Electricity	1.88%	6.84%	6.84%	6.84%
Water	9.50%	9.00%	9.00%	8.00%
Fire Levy	9.20%	9.00%	9.00%	8.00%
Sundry Income	9.20%	9.00%	8.00%	7.90%

2.6.2 Detailed Investment

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

Table 47: MBRR Table SA15 – Detail Investment Information

Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		2 137 189	2 151 164	1 665 511	2 459 412	1 604 191	1 604 191	1 588 920	1 607 298	1 689 329
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	2 137 189	2 151 164	1 665 511	2 459 412	1 604 191	1 604 191	1 588 920	1 607 298	1 689 329
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		2 137 189	2 151 164	1 665 511	2 459 412	1 604 191	1 604 191	1 588 920	1 607 298	1 689 329

Table 48: MBRR Table SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
RMB		Various	Short Term / Call	No	Variable	0.0655	0	0	Various	401 527	35 043	(46 501)	-	390 070
Standard Bank		Various	Short Term / Call	No	Variable	0.0655	0	0	Various	200 764	17 522	(23 250)	-	195 035
Stanib		Various	Short Term / Call	No	Variable	0.0751	0	0	Various	200 764	17 522	(23 250)	-	195 035
ABSA		Various	Short Term / Call	No	Variable	0.0655	0	0	Various	401 527	35 043	(46 501)	-	390 070
Nedbank		Various	Short Term / Call	No	Variable	0.0655	0	0	Various	401 527	35 043	(46 501)	-	390 070
														-
														-
Municipality sub-total										1 606 108		(186 003)	-	1 560 278
Entities														
														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									1 606 108		(186 003)	-	1 560 278

2.6.3 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2018/19 medium-term capital programme:

Table 49: MBRR Table A5 - Sources of capital revenue over the MTREF

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Funded by:											
National Government		565 914	670 394	669 780	795 307	971 262	971 262	971 262	803 900	999 477	1 083 453
Provincial Government		49 578	-	-	-	9 036	9 036	9 036	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	615 492	670 394	669 780	795 307	980 298	980 298	980 298	803 900	999 477	1 083 453
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	69 000	-	-	-	69 000	377 000	206 000
Internally generated funds		314 558	515 933	606 521	780 897	794 007	794 007	794 007	877 950	912 100	884 950
Total Capital Funding	7	930 050	1 186 327	1 276 301	1 645 204	1 774 305	1 774 305	1 774 305	1 750 850	2 288 577	2 174 403

2.6.4 Details of Borrowings

The repayment of capital and interest (debt services costs) has substantially increased over the past three years. The City will be acquiring additional loan in the 2018/19 MTREF period amounting to approximately R434 million to fund the Sewer Diversion Tunnel Project. This project is critical in unlocking development in the Amalinda Junction, Wilsonia, Fort Jackson and Reeston area. The development would contribute to the revenue base of the City. A further loan of R170 million will be acquired for Umzonyana Dam Upgrade which is a crucial project for improving the City's capacity in water supply at affordable tariffs.

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

Table 50: MBRR Table SA17 - Details of borrowings

Borrowing - Categorised by type R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock		496 477	445 768	398 126	417 271	345 554	345 554	355 516	671 125	820 985
Instalment Credit										
Financial Leases										
PPP liabilities		767	-	-	3 941	3 941	3 941	-	-	-
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	497 244	445 768	398 126	421 212	349 495	349 495	355 516	671 125	820 985
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	497 244	445 768	398 126	421 212	349 495	349 495	355 516	671 125	820 985

2.6.5 Capital Transfers and Grant Receipts

Table 51: MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		697 778	1 078 932	1 193 355	1 260 713	1 267 680	1 267 680	1 399 602	1 501 221	1 610 372
Local Government Equitable Share		654 723	655 141	678 191	705 277	705 277	705 277	778 048	844 411	918 677
General Fuel Levy			370 461	410 031	467 978	467 978	467 978	513 844	550 520	594 898
Finance Management		1 500	1 180	1 200	1 200	1 300	1 300	1 150	1 000	1 000
EPWP Incentive		1 890	1 149	1 188	4 952	4 952	4 952	4 050	-	-
Urban Settlement Development Grant		34 265	33 348	88 745	63 044	67 744	67 744	77 810	78 923	85 297
Public Transport Network Grant				5 000	7 702	9 869	9 869	14 000	15 850	-
Infrastructure Skills Development Grant		5 400	8 400	9 000	10 560	10 560	10 560	10 700	10 517	10 500
Municipal Human Settlement Capacity Grant			9 253							
Other transfers/grants [insert description]										
Provincial Government:		106 798	100 414	31 315	105 800	105 800	105 800	72 071	91 279	122 681
Human Settlement Development Grant		106 798	90 776	16 315	90 800	90 800	90 800	56 201	74 520	105 000
DSRAC - Library Subsidy			9 638	15 000	15 000	15 000	15 000	15 870	16 759	17 681
Department of Public Works				-	-	-	-	-	-	-
Office of the Premier				-	-	-	-	-	-	-
DEDEA (BCMDA)				-	-	-	-	-	-	-
District Municipality:		1 004	376	-	-	-	-	-	-	-
State Health-Environmental		1 004	376	-	-	-	-	-	-	-
Other grant providers:		2 911	3 026	-	1 593	1 683	1 683	-	-	-
SETA - Skills Development		2 264	2 309	-	-	-	-	-	-	-
Donor Funding - Leiden		648	-	-	138	138	138	-	-	-
Salaida / Gavle			222	-	1 455	1 544	1 544	-	-	-
City of Oldenburg			496	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	808 491	1 182 748	1 224 670	1 368 106	1 375 162	1 375 162	1 471 673	1 592 500	1 733 053
Capital Transfers and Grants										
National Government:		664 712	719 609	704 223	795 307	928 805	928 805	803 900	999 477	1 083 453
Urban Settlement Development Grant		639 025	679 784	642 754	705 084	860 384	860 384	685 182	722 849	760 589
Public Transport and Systems				30 289	48 167	49 165	49 165	81 165	218 614	247 020
Neighbourhood Development Partnership		5 000	-	-	10 000	-	-	13 250	14 120	21 210
Integrated National Electrification Programme		20 587	30 000	25 000	25 000	7 300	7 300	6 200	22 400	32 000
Electricity Demand Side Management		-	4 000	-	-	5 000	5 000	8 000	10 000	10 000
Integrated City Development Grant			5 605	6 080	6 956	6 956	6 956	10 003	11 494	12 134
Finance Management		-	120	100	100	-	-	-	-	-
Infrastructure Skills Development Grant		100	100	-	-	-	-	100	-	500
Provincial Government:		-	-	-	-	-	-	-	-	-
Dept of Local Government and Traditional Affairs										
Dept Sport, Recreation, Arts and Culture (DSRAC)										
Department of Public Works										
District Municipality:		-	-	-	-	-	-	-	-	-
State Health-Environmental										
Other grant providers:		102	41	-	-	-	-	-	-	-
Salaida / Gavle		-	41	-	-	-	-	-	-	-
Public Funding		102	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	664 813	719 650	704 223	795 307	928 805	928 805	803 900	999 477	1 083 453
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1 473 305	1 902 398	1 928 893	2 163 413	2 303 968	2 303 968	2 275 573	2 591 977	2 816 506

2.6.6 Cash Flow Management

BCMM is projecting a favourable cash position of R1.64 billion at 30 June 2019 and it is projected to be R1.61 billion at 30 June 2020 (2021: R1.69 billion).

Table 52: MBRR Table A7 – Budgeted cash flow

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		794 519	872 354	978 231	1 133 389	1 037 087	1 037 087	1 037 087	1 315 314	1 433 692	1 548 388
Service charges		2 424 753	2 758 689	2 867 970	2 786 003	2 716 398	2 716 398	2 716 398	2 934 363	3 170 613	3 414 391
Other revenue		96 243	(17 288)	199 489	360 634	309 410	309 410	309 410	226 073	244 159	263 447
Government - operating	1	948 513	963 670	894 796	1 368 106	1 375 658	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053
Government - capital	1	615 492	670 394	669 780	795 307	980 527	980 527	980 527	803 900	999 477	1 083 453
Interest		159 221	187 368	198 437	193 846	173 846	173 846	173 846	194 578	207 478	221 241
Dividends		-	-	-	0	0	0	0	-	-	-
Payments											
Suppliers and employees		(3 730 816)	(3 736 460)	(4 718 985)	(4 709 064)	(4 643 915)	(4 643 915)	(4 643 915)	(5 109 898)	(5 500 245)	(5 941 988)
Finance charges		(60 674)	(63 335)	(49 359)	(54 318)	(45 240)	(45 240)	(45 240)	(59 808)	(104 627)	(121 876)
Transfers and Grants	1	(234 151)	(240 922)	(394 807)	(64 056)	(77 970)	(77 970)	(77 970)	(94 851)	(98 234)	(100 271)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 013 101	1 394 471	645 551	1 809 846	1 825 802	1 825 802	1 825 802	1 681 344	1 944 813	2 099 839
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6 983	10 928	(542)	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		111	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		16	27	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(930 433)	(1 180 721)	(1 278 098)	(1 582 484)	(1 765 092)	(1 765 092)	(1 765 092)	(1 750 850)	(2 288 577)	(2 174 403)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(923 323)	(1 169 766)	(1 278 640)	(1 582 484)	(1 765 092)	(1 765 092)	(1 765 092)	(1 750 850)	(2 288 577)	(2 174 403)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	69 000	-	-	-	69 000	377 000	206 000
Increase (decrease) in consumer deposits		3 667	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(57 336)	(49 602)	(50 709)	(48 748)	(47 642)	(47 642)	(47 642)	(59 038)	(61 392)	(56 139)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(53 669)	(49 602)	(50 709)	20 252	(47 642)	(47 642)	(47 642)	9 962	315 608	149 861
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	2 164 433	2 198 797	2 373 900	2 291 798	1 686 754	1 686 754	1 686 754	1 699 822	1 640 278	1 612 123
Cash/cash equivalents at the year end:	2	2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419

2.6.6.1 Cash Backed Reserves/Accumulated Surplus Reconciliation

The table below indicates the cash and investments available after some provisions which increases from R1.64 billion in the 2018/19 financial year to R1.69 billion in the 2020/21 financial year. With the introduction of GRAP the institution was required to account for all assets, including those which had been implemented historically by both pre and post 1994 Governments. This resulted in a significant increase in the accumulated surplus associated with the take on of assets. Furthermore, the institution has implemented the revaluation model for accounting for roads and storm water as well as municipal properties which has contributed further to additional surpluses

Table 53: MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419
Other current investments >90 days		0	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419
Application of cash and investments											
Unspent conditional transfers		191 539	211 266	252 319	136 488	136 488	136 488	136 488	150 137	165 150	181 666
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(71 224)	(100 662)	(578 320)	(47 339)	(669 613)	(669 613)	(669 613)	(753 144)	(943 114)	(1 152 063)
Other provisions		176 668	185 113	176 492	304 327	304 327	304 327	304 327	334 760	368 236	405 059
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		296 984	295 718	(149 508)	393 476	(228 798)	(228 798)	(228 798)	(268 247)	(409 728)	(565 338)
Surplus(shortfall)		1 903 557	2 078 182	1 839 610	2 145 936	1 928 620	1 928 620	1 928 620	1 908 525	2 021 851	2 252 757

2.6.6.2 Funding compliance measurement

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

Table 54: MBRR Table SA10 – Funding compliance measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	2 200 541	2 373 900	1 690 102	2 539 412	1 699 822	1 699 822	1 699 822	1 640 278	1 612 123	1 687 419
Cash + investments at the yr end less applications - R'000	18(1)b	2	1 903 557	2 078 182	1 839 610	2 145 936	1 928 620	1 928 620	1 928 620	1 908 525	2 021 851	2 252 757
Cash year end/monthly employee/supplier payments	18(1)b	3	7.7	7.8	5.0	7.1	4.3	4.3	4.3	3.8	3.4	3.3
Surplus/(Deficit) excluding deprecation offsets: R'000	18(1)	4	196 321	427 147	238 165	796 234	981 454	981 454	981 454	805 533	1 006 983	1 090 533
Service charge rev % change - macro CPI-X target exclusive	18(1)a,(2)	5	NA.	6.2%	5.7%	4.2%	(10.2%)	(6.0%)	(6.0%)	7.2%	2.3%	1.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	88.8%	95.5%	97.3%	91.8%	91.6%	91.6%	91.6%	91.5%	91.5%	91.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	11.9%	6.1%	8.1%	7.5%	7.8%	7.8%	7.8%	7.5%	7.8%	8.2%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	99.5%	100.1%	96.2%	99.5%	99.5%	99.5%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	8.1%	0.0%	0.0%	0.0%	7.3%	29.2%	18.9%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								231.3%	216.5%	216.2%
Current consumer debtors % change - incr/decr	18(1)a	11	NA.	61.4%	15.1%	(28.4%)	65.9%	0.0%	0.0%	6.0%	16.9%	15.9%
Long term receivables % change - incr/decr	18(1)a	12	NA.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.3%	2.7%	2.4%	3.2%	3.1%	3.1%	2.8%	2.1%	2.0%	1.9%
Asset renewal % of capital budget	20(1)(vi)	14	54.0%	59.2%	56.1%	36.7%	8.4%	8.4%	0.0%	10.3%	11.3%	18.2%

2.6.6.3 Cash/cash equivalent position

BCMM is also projecting a favourable cash position, which currently is projected to be R1.70 billion at 30 June 2018 and is projected to be R1.64 billion at 30 June 2019 (2020: R1.61 billion and 2021: R1.69 billion).

2.6.6.4 Cost Coverage

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

2.6.6.5 Surplus/deficit

The City has adopted the approach to cash back its depreciation on a year-to-year basis in order to renew and/or refurbish its existing infrastructure assets. The projected surplus for the 2018/19 financial year is R1.63 million (2019/20: R7.51 million and 2020/21 R7.10 million).

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

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

2.6.6.7 Cash receipts as a percentage of ratepayer and other revenue

The rate of revenue collection is currently at 86% (30 April 2018) of annual billings and arrear debt. Stricter control measures of the Credit Control Policy are being enforced, the collection of arrear debt will be utilised as a source of additional cash in-flow for funding future capital infrastructure projects. It is projected that the average collection rate at 30 June 2019 will be 92.5%.

2.6.6.8 Debt impairment expense as a percentage of billable revenue

An amount of R344 million contribution towards bad debts has been provided for in the 2018/19 financial year of the MTREF and is based on an average collection ratio of 92.5%.

2.6.6.9 Repairs and maintenance expenditure level

The City is having a consistent trend of spending above 90% of its repairs and maintenance budget. The allocation of repairs and maintenance is 6.2% of operating expenditure budget in the MTREF. Substantial own funding has been allocated to renew existing assets. Budget details are contained in SA34C.

2.6.6.10 Asset renewal/rehabilitation expenditure level

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

2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

Table 55: MBRR Table SA19 - Expenditure on transfers and grant programmes

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		743 481	1 133 997	1 176 718	1 260 713	1 267 680	1 267 680	1 399 602	1 501 221	1 610 372
Local Government Equitable Share		656 949	655 141	678 191	705 277	710 077	710 077	778 048	844 411	918 677
General Fuel Levy			370 461	410 031	467 978	467 978	467 978	513 844	550 520	594 898
Finance Management		1 474	1 194	1 254	1 200	1 300	1 300	1 150	1 000	1 000
EPWP Incentive		1 596	1 034	1 187	4 952	4 952	4 952	4 050	–	–
Urban Settlement Development Grant		78 087	98 783	77 408	63 044	62 944	62 944	77 810	78 923	85 297
Public Transport Network Grant				1 888	7 702	9 869	9 869	14 000	15 850	–
Infrastructure Skills Development Grant		5 376	4 186	6 760	10 560	10 560	10 560	10 700	10 517	10 500
Municipal Human Settlement Capacity Grant		–	3 198							
Other transfers/grants [insert description]										
Provincial Government:		115 928	104 300	31 315	105 800	105 800	105 800	72 071	91 279	122 681
Human Settlement Development Grant		106 798	90 776	16 315	90 800	90 800	90 800	56 201	74 520	105 000
DSRAC - Library Subsidy			9 638	15 000	15 000	15 000	15 000	15 870	16 759	17 681
Department of Public Works				–						
Office of the Premier				–						
DEDEA (BCMDA)				–						
Dept of Economic Development, Environmental Affairs and		3 462	–							
Local Government & Traditional Affairs		5 587	3 130							
Dept Sport, Recreation, Arts and Culture (DSRAC)		–	30							
Department of Land Affairs		82	727							
Other transfers/grants [insert description]										
District Municipality:		1 004	376	262	–	–	–	–	–	–
State Health-Environmental		1 004	376	262						
Other grant providers:		3 363	2 424	3 163	1 593	2 178	2 178	–	–	–
SETA - Skills Development		2 324	2 309	2 935						
Donor Funding - Leiden		41	–		138	138	138			
Salaïda / Gavle				229	1 455	1 544	1 544			
BCMET Funding		522	–							
European Commission		467	116							
City of Oldenburg		9	–		–	496	496			
Total operating expenditure of Transfers and Grants:		863 777	1 241 097	1 211 458	1 368 106	1 375 658	1 375 658	1 471 673	1 592 500	1 733 053

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:	1									
Capital expenditure of Transfers and Grants										
National Government:		565 914	596 567	662 257	795 307	971 262	971 262	803 900	999 477	1 083 453
Urban Settlement Development Grant		540 452	576 870	645 076	705 084	860 384	860 384	685 182	722 849	760 589
Public Transport and Systems					48 167	79 114	79 114	81 165	218 614	247 020
Neighbourhood Development Partnership		4 885			10 000			13 250	14 120	21 210
Integrated National Electrification Programme		20 577	10 517	11 142	25 000	19 809	19 809	6 200	22 400	32 000
Electricity Demand Side Management			3 998			5 000	5 000	8 000	10 000	10 000
Integrated City Development Grant			4 908	5 963	6 956	6 956	6 956	10 003	11 494	12 134
Finance Management			102	45	100					
Infrastructure Skills Development Grant			88	31				100		500
Municipal Human Settlement Capacity Grant			83							
Other capital transfers/grants [insert desc]										
Provincial Government:		49 322	73 827	7 523		9 036	9 036			
Dept of Local Government and Traditional Affairs						9 036	9 036			
Dept Sport, Recreation, Arts and Culture (DSRAC)		1 377	3 603	7 376						
Department of Public Works										
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		117								
Human Settlement Development Grant		47 829	70 224	147						
District Municipality:										
State Health-Environmental										
Other grant providers:		256				229	229			
Salaida / Gavle						229	229			
Public Funding										
BCMET Funding		256								
Total capital expenditure of Transfers and Grants		615 492	670 394	669 780	795 307	980 527	980 527	803 900	999 477	1 083 453
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 479 269	1 911 491	1 881 239	2 163 413	2 356 186	2 356 186	2 275 573	2 591 977	2 816 506

2.8 COUNCILLOR AND EMPLOYEE BENEFITS

Table 57: MBRR Table SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		29 335	30 991	33 999	36 515	36 515	36 515	801	845	891
Pension and UIF Contributions		3 047	3 306	3 495	3 754	3 754	3 754			
Medical Aid Contributions		1 539	1 783	1 987	2 134	2 134	2 134	31	33	35
Motor Vehicle Allowance		11 247	11 682	13 412	14 405	14 405	14 405			
Cellphone Allowance		-	2 147	2 279	2 447	2 447	2 447	43	46	48
Housing Allowances		2 515	2 847	2 927	3 144	3 144	3 144			
Other benefits and allowances		-	1 465	-	-	-	-	63 309	66 728	70 398
Sub Total - Councillors		47 682	54 220	58 099	62 398	62 398	62 398	64 185	67 651	71 372
% increase	4		13.7%	7.2%	7.4%	-	-	2.9%	5.4%	5.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 086	5 998	12 192	13 917	13 917	13 917	15 446	16 176	17 884
Pension and UIF Contributions		662	1 166	2 216	2 568	2 568	2 568	2 851	2 985	3 301
Medical Aid Contributions		94	136	262	255	255	255	284	297	328
Motor Vehicle Allowance	3	755	1 370	2 630	2 974	2 974	2 974	3 311	3 467	3 833
Cellphone Allowance	3	-	195	414	-	-	-	-	-	-
Housing Allowances	3	2	1	-	469	469	469	520	545	603
Other benefits and allowances	3	1 188	1 559	2 202	2 468	2 468	2 468	217	227	251
Payments in lieu of leave		-	237	-	-	-	-	-	-	-
Long service awards		-	(1)	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	2 528	2 648	2 927
Sub Total - Senior Managers of Municipality		6 788	10 659	19 916	22 650	22 650	22 650	25 157	26 346	29 128
% increase	4		57.0%	86.8%	13.7%	-	-	11.1%	4.7%	10.6%
Other Municipal Staff										
Basic Salaries and Wages		705 601	799 646	913 258	1 040 444	1 040 444	1 040 444	1 167 270	1 222 972	1 351 202
Pension and UIF Contributions		134 721	147 844	174 823	198 381	198 381	198 381	221 985	232 471	257 019
Medical Aid Contributions		52 819	60 245	81 759	93 096	93 096	93 096	104 778	109 728	121 315
Overtime		107 200	117 408	72 218	73 819	73 819	73 819	85 052	89 070	98 475
Motor Vehicle Allowance	3	19 718	21 069	30 051	33 980	33 980	33 980	37 813	39 599	43 781
Cellphone Allowance	3	-	3 965	3 884	4 392	4 392	4 392	4 903	5 134	5 676
Housing Allowances	3	3 505	11 887	14 767	16 980	16 980	16 980	19 130	20 033	22 149
Other benefits and allowances	3	116 479	159 504	179 077	202 711	202 711	202 711	221 303	231 757	256 230
Payments in lieu of leave		29 230	1 917	16 209	18 327	18 327	18 327	20 475	21 442	23 707
Long service awards		16 270	18 030	18 925	21 399	21 399	21 399	23 922	25 052	27 697
Post-retirement benefit obligations	6	-	10 039	6 181	7 143	7 143	7 143	7 604	7 963	8 804
Sub Total - Other Municipal Staff		1 185 543	1 351 555	1 511 153	1 710 671	1 710 671	1 710 671	1 914 233	2 005 222	2 216 056
% increase	4		14.0%	11.8%	13.2%	-	-	11.9%	4.8%	10.5%
Total Parent Municipality		1 240 013	1 416 435	1 589 167	1 795 719	1 795 719	1 795 719	2 003 576	2 099 219	2 316 555
			14.2%	12.2%	13.0%	-	-	11.6%	4.8%	10.4%
Board Members of Entities										
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		1 240 013	1 416 435	1 589 167	1 795 719	1 795 719	1 795 719	2 003 576	2 099 219	2 316 555
% increase	4		14.2%	12.2%	13.0%	-	-	11.6%	4.8%	10.4%
TOTAL MANAGERS AND STAFF	5,7	1 192 331	1 362 215	1 531 068	1 733 321	1 733 321	1 733 321	1 939 391	2 031 568	2 245 183

Table 58: MBRR Table SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		733 358	126 738	413 110			1 273 206
Chief Whip			687 522	140 140	343 628			1 171 290
Executive Mayor			908 050	39 704	616 605			1 564 359
Deputy Executive Mayor			733 358	46 273	493 574			1 273 205
Executive Committee			6 187 705	897 245	3 909 883			10 994 833
Total for all other councillors			29 820 764	4 862 345	13 225 043			47 908 151
Total Councillors	8	–	39 070 757	6 112 446	19 001 842			64 185 045
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 759 401	292 506	772 531			2 824 438
Chief Finance Officer			1 514 528	325 487	618 865			2 458 880
Head of Department Infrastructure Services			1 505 166	286 927	653 730			2 445 823
Head of Department Health, Public Safety and Emergency Services			1 505 166	285 036	699 524			2 489 726
Head of Department Municipal Services			1 505 166	285 036	699 524			2 489 726
Other			–	–	–			–
<i>List of each official with packages >= senior manager</i>								
Head of Department Economic Development and Agencies			1 505 166	285 036	699 524			2 489 726
Head of Department Spatial Planning & Development			1 505 166	285 036	699 524			2 489 726
Head of Department Human Settlements			1 505 166	285 036	699 524			2 489 726
Head of Department Executive Support Services			1 505 166	285 036	699 524			2 489 726
Head of Department Corporate Services			1 505 166	285 036	699 524			2 489 726
Total Senior Managers of the Municipality	8,10	–	15 315 256	2 900 175	6 941 793	–		25 157 224
A Heading for Each Entity	6,7							
List each member of board by designation								
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	54 386 013	9 012 621	25 943 635	–		89 342 269

Table 59: MBRR Table SA24 – summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		119	–	119	120	–	120	101	–	101
Board Members of municipal entities	4	6	–	6	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	12	11	1	10	9	1	13	11	2
Other Managers	7	40	23	17	48	31	17	39	24	8
Professionals		160	160	–	161	161	–	154	115	–
<i>Finance</i>		65	65	–	29	29	–	61	41	–
<i>Spatial/town planning</i>		10	10	–	13	13	–	9	7	–
<i>Information Technology</i>		3	3	–	1	1	–	3	3	–
<i>Roads</i>		3	3	–	5	5	–	4	3	–
<i>Electricity</i>		8	8	–	7	7	–	8	6	–
<i>Water</i>		5	5	–	10	10	–	7	5	–
<i>Sanitation</i>		4	4	–	8	8	–	5	4	–
<i>Refuse</i>		1	1	–	1	1	–	2	2	–
<i>Other</i>		61	61	–	87	87	–	55	44	–
Technicians		285	285	–	296	296	–	285	212	–
<i>Finance</i>		9	9	–	9	9	–	9	7	–
<i>Spatial/town planning</i>		15	15	–	13	13	–	14	11	–
<i>Information Technology</i>		13	13	–	13	13	–	13	9	–
<i>Roads</i>		6	6	–	5	5	–	7	4	–
<i>Electricity</i>		10	10	–	3	3	–	10	6	–
<i>Water</i>		27	27	–	54	54	–	21	15	–
<i>Sanitation</i>		16	16	–	10	10	–	17	14	–
<i>Refuse</i>		7	7	–	7	7	–	3	1	–
<i>Other</i>		182	182	–	182	182	–	191	145	–
Clerks (Clerical and administrative)		1 204	1 172	32	1 198	1 178	20	1 202	1 023	31
Service and sales workers		1 276	1 264	12	1 276	1 273	3	1 281	1 116	9
Skilled agricultural and fishery workers		212	212	–	212	212	–	207	195	–
Craft and related trades		381	381	–	381	381	–	382	352	–
Plant and Machine Operators		750	750	–	750	750	–	751	715	–
Elementary Occupations		1 408	1 408	–	1 408	1 408	–	1 415	1 265	–
TOTAL PERSONNEL NUMBERS	9	5 853	5 666	187	5 860	5 699	161	5 830	5 028	151
% increase					0.1%	0.6%	(13.9%)	(0.5%)	(11.8%)	(6.2%)
Total municipal employees headcount	6, 10	5 728	5 666	62	5 739	5 698	41	5 830	5 028	158
Finance personnel headcount	8, 10	745	733	12	745	733	12	738	620	11
Human Resources personnel headcount	8, 10	216	212	4	216	212	4	184	154	3

2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 60: MBRR Table SA25 - Budgeted Monthly Revenue and expenditure (Source and Type)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand																	
Revenue By Source																	
Property rates		234 404	109 743	107 832	107 001	109 586	108 279	107 997	107 452	107 001	107 832	107 001	107 832	1 421 961	1 549 938	1 673 933	
Service charges - electricity revenue		277 365	42 659	171 650	167 264	170 603	173 529	151 753	160 060	167 264	171 650	167 264	171 650	1 992 712	2 129 013	2 274 638	
Service charges - water revenue		46 100	11 539	52 257	77 831	4 328	32 336	25 791	47 111	77 831	52 257	77 831	57 832	563 043	619 854	676 136	
Service charges - sanitation revenue		34 303	26 176	25 595	25 453	26 672	27 272	26 285	25 687	25 453	25 595	25 453	28 198	322 143	355 623	387 914	
Service charges - refuse revenue		23 956	26 470	23 912	24 049	24 018	23 884	24 030	24 701	24 049	23 912	24 049	27 360	294 388	323 199	352 546	
Service charges - other													-	-	-	-	
Rental of facilities and equipment		1 414	1 232	1 295	1 736	1 541	1 128	1 731	1 425	1 736	1 295	1 736	1 295	17 563	18 968	20 466	
Interest earned - external investments		13 426	11 675	12 641	12 106	10 332	9 030	11 660	9 808	12 106	12 641	12 106	12 641	140 172	149 985	160 483	
Interest earned - outstanding debtors		4 942	4 540	3 769	4 856	4 168	5 021	6 106	3 754	4 856	3 769	4 856	3 769	54 405	57 494	60 758	
Dividends received													-	-	-	-	
Fines, penalties and forfeits		174	810	2 666	1 402	815	1 036	583	969	1 402	2 666	1 402	2 666	16 591	17 919	19 334	
Licences and permits		119	1 112	931	1 887	1 863	1 622	1 500	622	1 587	931	1 587	836	14 597	15 765	17 011	
Agency services		1 248	2 306	1 932	3 914	3 864	2 364	3 112	1 290	3 292	1 932	3 292	1 734	30 280	32 703	35 286	
Transfers and subsidies		441 342	236 113	3 348	13 268	29 255	646 036	6 787	62 191	13 268	3 348	13 268	3 448	1 471 673	1 592 500	1 733 053	
Other revenue		13 715	13 662	12 815	13 882	14 038	14 681	15 007	14 176	13 882	12 815	13 882	12 815	165 371	178 601	192 710	
Gains on disposal of PPE													-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		1 092 506	488 037	420 643	454 650	401 083	1 046 218	382 341	459 246	453 728	420 643	453 728	432 076	6 504 900	7 041 561	7 604 268	
Expenditure By Type																	
Employee related costs		163 112	164 336	165 126	164 385	161 657	166 445	164 582	165 476	164 385	165 126	164 385	130 378	1 939 391	2 031 568	2 245 183	
Remuneration of councillors		5 063	4 995	4 995	5 038	5 168	5 092	5 129	8 638	5 038	4 995	5 038	4 995	64 185	67 651	71 372	
Debt impairment		25 024	32 259	28 641	28 641	24 853	32 430	28 641	28 641	28 641	28 641	28 641	28 641	343 696	387 605	437 826	
Depreciation & asset impairment		30 582	35 070	35 037	35 040	217 006	118 769	218 309	65 050	35 040	35 037	35 040	35 037	895 013	943 344	995 228	
Finance charges		1 702	1 702	1 702	8 683	3 338	3 431	3 280	3 001	8 683	1 702	8 683	13 902	59 808	104 627	121 876	
Bulk purchases		204 887	200 161	136 528	123 433	138 361	120 956	128 090	126 170	123 433	136 528	123 433	136 528	1 698 510	1 828 118	1 967 713	
Other materials		329	6 287	10 611	4 347	8 247	7 424	7 865	7 478	4 347	10 611	4 347	14 483	86 376	92 796	99 031	
Contracted services		15 534	52 873	78 196	88 565	95 621	90 126	90 395	53 221	88 565	78 196	88 565	37 732	857 589	981 518	1 030 763	
Transfers and subsidies		1 002	276	4 079	14 899	6 193	5 943	5 156	7 774	14 899	4 079	14 899	15 651	94 851	98 234	100 271	
Other expenditure		12 116	39 958	19 159	57 056	37 175	32 587	25 416	28 670	57 056	19 159	57 056	78 439	463 848	498 594	527 925	
Loss on disposal of PPE													-	-	-	-	
Total Expenditure		459 350	537 917	484 075	530 086	697 621	583 203	676 864	494 117	530 086	484 075	530 086	495 786	6 503 267	7 034 055	7 597 189	
Surplus/(Deficit)		633 156	(49 879)	(63 432)	(75 436)	(296 538)	463 015	(294 523)	(34 871)	(76 358)	(63 432)	(76 358)	(63 710)	1 633	7 506	7 079	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	40 373	97 398	79 903	69 100	129 345	50 000	43 279	79 903	97 398	79 903	37 298	803 900	999 477	1 083 453	
Transfers and subsidies - capital (in-kind - all)													-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		633 156	(9 506)	33 966	4 467	(227 437)	592 360	(244 523)	8 407	3 545	33 966	3 545	(26 413)	805 533	1 006 983	1 090 533	
Taxation													-	-	-	-	
Attributable to minorities													-	-	-	-	
Share of surplus/ (deficit) of associate													-	-	-	-	
Surplus/(Deficit)	1	633 156	(9 506)	33 966	4 467	(227 437)	592 360	(244 523)	8 407	3 545	33 966	3 545	(26 413)	805 533	1 006 983	1 090 533	

Table 61: MBRR Table SA26 - Budgeted Monthly Revenue and expenditure (Municipal Vote)

Description	Ref	Budget Year 2018/19											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																
Vote 1 - Directorate - Executive Support Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - Municipal Manager		-	251	90	4 131	2 580	8 618	318	2 508	4 131	90	4 131	90	26 940	24 003	25 377
Vote 3 - Directorate - Human Settlement		-	188	9 325	17 813	15 822	18 339	4 684	39 338	17 813	9 325	17 813	9 325	159 786	197 071	309 081
Vote 4 - Directorate - Chief Financial Officer		490 372	346 300	146 233	133 411	135 397	524 613	139 390	133 764	133 411	146 233	133 411	29 929	2 492 463	2 699 730	2 920 341
Vote 5 - Directorate - Corporate Services		-	589	1 614	644	1 002	798	622	1 017	644	1 614	644	1 614	10 801	10 518	11 001
Vote 6 - Directorate - Infrastructure Services		519 215	107 626	310 608	317 225	218 063	520 187	235 552	247 333	316 302	310 608	316 302	313 591	3 732 612	3 988 153	4 293 270
Vote 7 - Directorate - Spatial Planning and Development		3 406	28 552	6 261	12 193	50 256	28 664	11 086	18 237	12 193	6 261	12 193	6 261	195 565	313 716	333 781
Vote 8 - Directorate - Health / Public Safety & Emergency Ser		13 177	9 084	10 486	13 937	13 182	14 502	7 349	11 499	13 937	10 486	13 937	28 677	160 250	173 070	186 743
Vote 9 - Directorate - Municipal Services		64 822	34 262	31 098	31 903	31 343	57 803	31 798	47 763	31 903	31 098	31 903	77 561	503 257	587 480	556 518
Vote 10 - Directorate - Economic Development & Agencies		1 514	1 559	2 325	3 298	2 538	2 041	1 541	1 066	3 298	2 325	3 298	2 325	27 126	47 296	51 611
Total Revenue by Vote		1 092 506	528 411	518 040	534 553	470 184	1 175 564	432 341	502 525	533 631	518 040	533 631	469 373	7 308 800	8 041 038	8 687 722
Expenditure by Vote to be appropriated																
Vote 1 - Directorate - Executive Support Services		20 336	19 028	22 253	27 462	20 778	18 546	23 246	23 269	27 462	22 253	27 462	57 642	309 737	338 957	355 644
Vote 2 - Directorate - Municipal Manager		6 209	25 372	8 470	28 678	10 991	15 513	9 723	13 757	28 678	8 470	28 678	6 490	191 028	192 372	222 030
Vote 3 - Directorate - Human Settlement		3 638	4 162	6 894	8 251	5 755	11 443	31 492	5 062	8 251	6 894	8 251	7 309	107 401	128 205	167 331
Vote 4 - Directorate - Chief Financial Officer		31 076	31 083	31 473	62 195	42 722	41 249	39 780	39 943	62 195	31 473	62 195	28 097	503 480	554 558	552 406
Vote 5 - Directorate - Corporate Services		11 703	14 018	12 034	13 764	11 078	14 048	15 375	12 801	13 764	12 034	13 764	13 233	157 617	164 689	166 711
Vote 6 - Directorate - Infrastructure Services		310 062	348 682	310 107	262 004	405 453	338 034	387 668	235 430	262 004	310 107	262 004	317 335	3 748 890	4 050 595	4 394 507
Vote 7 - Directorate - Spatial Planning and Development		7 961	7 470	9 327	8 686	77 596	33 666	57 179	64 323	8 686	9 327	8 686	12 590	305 497	325 368	334 296
Vote 8 - Directorate - Health / Public Safety & Emergency Ser		30 566	32 049	35 932	40 019	32 024	33 820	36 334	34 344	40 019	35 932	40 019	29 177	420 235	444 448	489 114
Vote 9 - Directorate - Municipal Services		33 529	50 524	41 209	69 286	75 550	65 442	65 352	56 297	69 286	41 209	69 286	16 435	653 407	724 498	790 374
Vote 10 - Directorate - Economic Development & Agencies		4 271	5 527	6 376	9 741	15 674	11 443	10 713	8 891	9 741	6 376	9 741	7 479	105 975	110 364	124 776
Total Expenditure by Vote		459 350	537 917	484 075	530 086	697 621	583 203	676 864	494 117	530 086	484 075	530 086	495 786	6 503 267	7 034 055	7 597 189
Surplus/(Deficit) before assoc.		633 156	(9 506)	33 966	4 467	(227 437)	592 360	(244 523)	8 407	3 545	33 966	3 545	(26 413)	805 533	1 006 983	1 090 533
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	633 156	(9 506)	33 966	4 467	(227 437)	592 360	(244 523)	8 407	3 545	33 966	3 545	(26 413)	805 533	1 006 983	1 090 533

Table 62: MBRR Table SA27 - Budgeted Monthly Revenue and expenditure (Functional Classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Revenue - Functional																	
Governance and administration		490 097	348 432	151 285	141 053	142 075	526 023	179 799	153 089	140 131	151 285	140 131	(25 313)	2 538 086	2 742 764	2 965 904	
Executive and council		-	249	90	4 130	2 570	8 640	322	2 498	4 130	90	4 130	90	26 940	24 003	25 377	
Finance and administration		490 097	348 183	151 195	136 923	139 505	517 384	179 477	150 591	136 000	151 195	136 000	(25 403)	2 511 147	2 718 761	2 940 527	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		13 677	7 655	16 487	25 018	23 338	29 680	13 350	63 271	25 018	16 487	25 018	34 678	293 677	341 294	464 295	
Community and social services		1 145	1 403	1 252	999	1 264	676	1 088	17 568	999	1 252	999	1 252	29 896	31 907	34 026	
Sport and recreation		30	258	261	390	451	161	1 775	562	390	261	390	261	5 190	5 605	6 048	
Public safety		12 502	5 806	5 648	5 816	5 800	10 504	5 779	5 803	5 816	5 648	5 816	23 839	98 778	106 681	115 108	
Housing		-	188	9 325	17 813	15 822	18 339	4 684	39 338	17 813	9 325	17 813	9 325	159 786	197 071	309 081	
Health		-	1	1	-	-	-	24	-	-	1	-	1	27	29	31	
Economic and environmental services		3 130	32 179	27 418	39 893	81 038	73 247	11 697	31 859	39 893	27 418	39 893	27 418	435 083	576 256	779 357	
Planning and development		992	9 653	8 339	11 727	56 935	31 394	9 400	19 109	11 727	8 339	11 727	8 339	187 683	305 203	324 595	
Road transport		2 133	22 511	18 610	27 683	23 983	41 781	2 099	12 713	27 683	18 610	27 683	18 610	244 101	267 940	450 918	
Environmental protection		6	15	468	482	120	73	198	37	482	468	482	468	3 299	3 562	3 844	
Trading services		584 023	136 815	321 379	325 153	221 087	544 486	225 889	253 194	325 153	321 379	325 153	431 119	4 014 827	4 333 428	4 426 554	
Energy sources		363 028	51 447	158 316	155 412	132 597	297 237	136 527	141 712	155 412	158 316	155 412	164 405	2 069 822	2 236 272	2 389 712	
Water management		76 279	14 637	66 623	88 131	9 334	67 286	27 430	63 720	88 131	66 623	88 131	143 443	799 770	854 414	992 726	
Waste water management		81 655	38 285	67 356	51 578	49 673	123 505	32 687	17 391	51 578	67 356	51 578	47 723	680 364	696 338	531 516	
Waste management		63 062	32 445	29 084	30 031	29 484	56 458	29 244	30 371	30 031	29 084	30 031	75 547	464 872	546 405	512 600	
Other		1 578	3 329	1 472	3 437	2 646	2 127	1 606	1 111	3 437	1 472	3 437	1 472	27 126	47 296	51 611	
Total Revenue - Functional		1 092 506	528 411	518 040	534 553	470 184	1 175 564	432 341	502 525	533 631	518 040	533 631	469 373	7 308 800	8 041 038	8 687 722	
Expenditure - Functional																	
Governance and administration		109 412	76 405	94 379	152 048	92 384	109 337	120 447	105 567	152 048	94 379	152 048	130 091	1 388 546	1 499 267	1 566 616	
Executive and council		21 797	42 470	24 625	49 223	25 962	27 656	27 021	29 876	49 223	24 625	49 223	57 002	428 705	455 504	500 559	
Finance and administration		86 494	32 881	68 191	101 710	65 317	80 496	92 089	74 252	101 710	68 191	101 710	71 679	944 722	1 027 882	1 048 859	
Internal audit		1 121	1 054	1 562	1 115	1 105	1 185	1 338	1 439	1 115	1 562	1 115	1 410	15 119	15 881	17 199	
Community and public safety		33 789	25 628	40 550	49 511	69 443	59 068	87 550	47 516	49 511	40 550	49 511	33 807	586 435	636 960	736 911	
Community and social services		6 015	13 565	7 194	7 869	9 158	8 850	8 368	8 858	7 869	7 194	7 869	5 809	98 621	104 607	121 681	
Sport and recreation		13 870	(3 559)	16 002	16 500	43 380	26 511	34 697	21 760	16 500	16 002	16 500	12 380	230 543	243 861	271 391	
Public safety		6 958	7 940	7 084	13 140	7 542	8 864	9 310	8 417	13 140	7 084	13 140	5 637	108 256	115 990	128 386	
Housing		3 638	4 162	6 894	8 251	5 755	11 443	31 492	5 062	8 251	6 894	8 251	7 309	107 401	128 205	167 331	
Health		3 308	3 520	3 377	3 751	3 608	3 400	3 682	3 419	3 751	3 377	3 751	2 672	41 614	44 298	48 122	
Economic and environmental services		42 096	60 289	48 805	48 193	242 516	124 501	196 985	71 791	48 193	48 805	48 193	47 043	1 027 409	1 096 529	1 172 077	
Planning and development		2 298	5 290	2 406	2 647	57 552	20 885	35 875	3 522	2 647	2 406	2 647	4 400	142 574	149 940	146 061	
Road transport		38 803	44 013	45 423	44 526	184 127	102 596	159 942	67 295	44 526	45 423	44 526	41 996	863 194	923 748	1 000 850	
Environmental protection		996	10 987	976	1 020	837	1 019	1 167	975	1 020	976	1 020	647	21 641	22 841	25 166	
Trading services		269 535	375 819	293 595	270 029	276 696	278 193	260 549	259 837	270 029	293 595	270 029	276 997	3 394 903	3 690 934	3 996 809	
Energy sources		214 984	249 523	164 175	115 267	227 229	163 188	170 423	128 315	115 267	164 175	115 267	161 701	1 989 513	2 140 141	2 305 469	
Water management		40 950	47 403	75 743	56 407	33 915	51 173	43 516	21 401	56 407	75 743	56 407	82 413	641 479	705 149	777 398	
Waste water management		-	53 037	35 630	54 982	(9 444)	33 617	23 328	84 284	54 982	35 630	54 982	34 345	455 370	486 216	535 725	
Waste management		13 601	25 856	18 048	43 373	24 996	30 215	23 282	25 838	43 373	18 048	43 373	(1 461)	308 541	359 429	378 217	
Other		4 518	(225)	6 746	10 305	16 582	12 105	11 333	9 406	10 305	6 746	10 305	7 848	105 975	110 364	124 776	
Total Expenditure - Functional		459 350	537 917	484 075	530 086	697 621	583 203	676 864	494 117	530 086	484 075	530 086	495 786	6 503 267	7 034 055	7 597 189	
Surplus/(Deficit) before assoc.		633 156	(9 506)	33 966	4 467	(227 437)	592 360	(244 523)	8 407	3 545	33 966	3 545	(26 413)	805 533	1 006 983	1 090 533	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	633 156	(9 506)	33 966	4 467	(227 437)	592 360	(244 523)	8 407	3 545	33 966	3 545	(26 413)	805 533	1 006 983	1 090 533	

Table 63: MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Directorate - Executive Support Services		42	42	42	42	42	42	42	42	42	42	42	3 042	3 500	500	500
Vote 2 - Directorate - Municipal Manager		3 313	3 313	3 313	3 313	3 313	3 313	3 313	3 313	3 313	3 313	3 313	15 393	51 840	43 840	30 080
Vote 3 - Directorate - Human Settlement		8 625	8 625	8 625	8 625	8 625	8 625	8 625	8 625	8 625	8 625	8 625	9 125	104 005	122 965	204 488
Vote 4 - Directorate - Chief Financial Officer		9 622	9 622	9 622	9 622	9 622	9 622	9 622	9 622	9 622	9 622	9 622	46 691	152 538	183 120	2 500
Vote 5 - Directorate - Corporate Services		292	292	292	292	292	292	292	292	292	292	292	392	3 600	500	2 000
Vote 6 - Directorate - Infrastructure Services		72 619	72 619	72 619	72 619	72 619	72 619	72 619	72 619	72 619	72 619	72 619	116 369	915 180	1 284 838	1 305 185
Vote 7 - Directorate - Spatial Planning and Development		21 320	21 320	21 320	21 320	21 320	21 320	21 320	21 320	21 320	21 320	21 320	29 320	263 838	377 614	362 520
Vote 8 - Directorate - Health / Public Safety & Emergency Services		960	960	960	960	960	960	960	960	960	960	960	3 710	14 270	24 950	30 280
Vote 9 - Directorate - Municipal Services		11 009	11 009	11 009	11 009	11 009	11 009	11 009	11 009	11 009	11 009	11 009	39 484	160 579	151 750	100 050
Vote 10 - Directorate - Economic Development & Agencies		3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 875	3 875	38 875	81 500	98 500	136 800
Capital multi-year expenditure sub-total	2	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	302 400	1 750 850	2 288 577	2 174 403
Single-year expenditure to be appropriated																
Vote 1 - Directorate - Executive Support Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Directorate - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Directorate - Chief Financial Officer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Directorate - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Directorate - Infrastructure Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Directorate - Spatial Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Directorate - Health / Public Safety & Emergency Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Directorate - Municipal Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Directorate - Economic Development & Agencies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	302 400	1 750 850	2 288 577	2 174 403

Table 64: MBRR Table SA29 - Budgeted monthly capital expenditure (Functional classification)

Description	Ref	Budget Year 2018/19											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		19 909	19 909	19 909	19 909	19 909	19 909	19 909	19 909	19 909	19 909	19 909	69 957	288 951	277 780	60 080
Executive and council		3 355	3 355	3 355	3 355	3 355	3 355	3 355	3 355	3 355	3 355	3 355	18 435	55 340	44 340	30 580
Finance and administration		16 554	16 554	16 554	16 554	16 554	16 554	16 554	16 554	16 554	16 554	16 554	51 522	233 611	233 440	29 500
Internal audit													-	-	-	-
<i>Community and public safety</i>		13 575	13 575	13 575	13 575	13 575	13 575	13 575	13 575	13 575	13 575	13 575	40 300	189 625	179 665	305 818
Community and social services		1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	1 429	6 104	21 820	19 250	37 680
Sport and recreation		2 929	2 929	2 929	2 929	2 929	2 929	2 929	2 929	2 929	2 929	2 929	22 979	55 200	23 250	42 550
Public safety		517	517	517	517	517	517	517	517	517	517	517	2 017	7 700	13 200	21 100
Housing		8 625	8 625	8 625	8 625	8 625	8 625	8 625	8 625	8 625	8 625	8 625	9 125	104 005	122 965	204 488
Health		75	75	75	75	75	75	75	75	75	75	75	75	900	1 000	-
<i>Economic and environmental services</i>		35 731	35 731	35 731	35 731	35 731	35 731	35 731	35 731	35 731	35 731	35 731	60 431	453 477	656 728	1 033 200
Planning and development		16 180	16 180	16 180	16 180	16 180	16 180	16 180	16 180	16 180	16 180	16 180	26 380	204 365	348 114	360 520
Road transport		19 182	19 182	19 182	19 182	19 182	19 182	19 182	19 182	19 182	19 182	19 182	33 682	244 685	308 614	672 680
Environmental protection		369	369	369	369	369	369	369	369	369	369	369	369	4 427	-	-
<i>Trading services</i>		58 587	58 587	58 587	58 587	58 587	58 587	58 587	58 587	58 587	58 587	58 587	92 837	737 298	1 075 904	638 505
Energy sources		8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	29 892	122 200	155 100	159 000
Water management		16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	16 621	20 621	203 451	313 500	228 625
Waste water management		27 183	27 183	27 183	27 183	27 183	27 183	27 183	27 183	27 183	27 183	27 183	32 183	331 194	496 304	230 881
Waste management		6 392	6 392	6 392	6 392	6 392	6 392	6 392	6 392	6 392	6 392	6 392	10 142	80 452	111 000	20 000
<i>Other</i>													81 500	81 500	98 500	136 800
Total Capital Expenditure - Functional	2	127 802	127 802	127 802	127 802	127 802	127 802	127 802	127 802	127 802	127 802	127 802	345 025	1 750 850	2 288 577	2 174 403
Funded by:																
National Government		66 027	66 027	66 027	66 027	66 027	66 027	66 027	66 027	66 027	66 027	66 027	77 607	803 900	999 477	1 083 453
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		66 027	66 027	66 027	66 027	66 027	66 027	66 027	66 027	66 027	66 027	66 027	77 607	803 900	999 477	1 083 453
Public contributions & donations													-	-	-	-
Borrowing		6 083	6 083	6 083	6 083	6 083	6 083	6 083	6 083	6 083	6 083	6 083	2 083	69 000	377 000	206 000
Internally generated funds		59 567	59 567	59 567	59 567	59 567	59 567	59 567	59 567	59 567	59 567	59 567	222 710	877 950	912 100	884 950
Total Capital Funding		131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	131 677	302 400	1 750 850	2 288 577	2 174 403

Table 65: MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source														1		
Property rates	144 938	96 129	87 738	102 077	113 353	92 915	89 893	170 185	105 392	85 139	105 268	122 287	1 315 314	1 433 692	1 548 388	
Service charges - electricity revenue	94 196	82 389	146 434	137 322	146 998	191 335	135 267	209 693	172 443	176 327	176 482	174 374	1 843 258	1 969 337	2 104 040	
Service charges - water revenue	26 762	7 615	41 446	37 759	32 192	69 300	22 254	55 659	30 453	27 021	133 339	37 013	520 814	573 365	625 426	
Service charges - sanitation revenue	23 190	23 642	22 796	23 596	24 076	23 481	24 913	37 927	26 741	22 948	26 970	17 699	297 982	328 951	358 820	
Service charges - refuse revenue	15 748	22 707	21 026	21 741	21 889	21 830	20 770	31 747	24 110	19 604	23 792	27 345	272 309	298 959	326 105	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	652	1 356	983	1 058	1 089	1 030	1 442	1 594	1 255	857	2 220	2 710	16 246	17 545	18 931	
Interest earned - external investments	11 030	14 968	13 221	12 015	11 195	10 115	10 723	10 473	10 541	13 137	11 689	11 067	140 172	149 985	160 483	
Interest earned - outstanding debtors	3 557	4 313	4 418	4 518	4 666	4 720	4 815	4 878	4 587	4 173	4 935	4 824	54 405	57 494	60 758	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	109	866	1 595	1 020	1 211	666	594	1 564	1 095	1 580	2 517	2 529	15 347	16 575	17 884	
Licences and permits	283	1 355	1 023	843	1 141	1 031	927	1 481	1 456	590	1 529	1 844	13 503	14 583	15 735	
Agency services	5 634	2 561	1 081	872	869	6 133	2 300	945	1 317	845	937	4 517	28 009	30 250	32 640	
Transfer receipts - operational	361 562	183 223	7 413	16 673	685	467 477	1 232	25 917	393 591	-	8 109	5 793	1 471 673	1 592 500	1 733 053	
Other revenue	7 882	8 786	9 911	9 391	10 497	3 762	12 841	14 728	36 482	7 858	15 399	15 430	152 968	165 206	178 257	
Cash Receipts by Source	695 544	449 911	359 084	368 883	369 862	893 795	327 970	566 792	809 463	360 078	513 185	427 433	6 142 001	6 648 442	7 180 520	
Other Cash Flows by Source																
Transfer receipts - capital	247 170	-	96	47 752	283 835	-	7 133	210 782	7 132	-	-	-	803 900	999 477	1 083 453	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	7 782	13 177	19 740	15 771	8 301	4 228	69 000	377 000	206 000	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	942 714	449 911	359 180	416 635	653 697	893 795	342 886	790 752	836 336	375 850	521 486	431 661	7 014 901	8 024 919	8 469 974	

MBRR Table SA30 - Budgeted monthly cash flow (Continued)

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Payments by Type																
Employee related costs	128 890	167 920	165 595	148 137	152 170	147 057	157 269	152 960	158 574	359 870	168 903	32 047	1 939 391	2 031 568	2 245 183	
Remuneration of councillors	5 260	4 846	5 234	5 262	5 313	5 208	5 220	6 491	5 325	5 307	5 302	5 416	64 185	67 651	71 372	
Finance charges	4 911	4 911	4 911	5 391	5 399	5 399	4 699	4 699	4 699	4 932	4 932	4 922	59 808	104 627	121 876	
Bulk purchases - Electricity	176 080	160 531	110 903	110 378	101 317	99 761	117 917	92 288	103 563	108 586	101 932	168 644	1 451 899	1 558 178	1 672 237	
Bulk purchases - Water & Sewer	19 129	22 354	23 286	21 006	19 729	20 780	19 621	21 050	18 086	21 768	17 272	22 529	246 611	269 940	295 476	
Other materials	6 700	7 829	8 156	7 357	6 910	7 278	6 872	7 373	6 334	7 624	6 049	7 891	86 376	92 796	99 031	
Contracted services	2 067	42 902	55 646	58 631	134 405	44 843	2 048	30 980	250 081	43 926	87 290	104 771	857 589	981 518	1 030 763	
Transfers and grants - other municipalities	-	0	0	0	0	0	0	0	0	0	0	0	0	-	-	
Transfers and grants - other	922	1 053	9 848	11 170	462	5 122	8 021	6 254	8 656	4 560	29 971	8 812	94 851	98 234	100 271	
Other expenditure	10 189	41 548	43 056	32 356	46 959	55 292	27 991	32 092	34 311	31 118	40 244	68 692	463 848	498 594	527 925	
Cash Payments by Type	354 149	453 896	426 635	399 688	472 664	390 742	349 658	354 187	589 629	587 691	461 894	423 723	5 264 557	5 703 106	6 164 135	
Other Cash Flows/Payments by Type																
Capital assets	2 370	57 661	126 974	115 452	182 857	237 524	38 965	103 070	239 327	64 678	121 912	460 060	1 750 850	2 288 577	2 174 403	
Repayment of borrowing	-	-	16 122	-	-	14 600	-	-	15 478	-	-	12 838	59 038	61 392	56 139	
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Payments by Type	356 519	511 557	569 731	515 140	655 522	642 865	388 623	457 257	844 434	652 369	583 807	896 621	7 074 445	8 053 074	8 394 677	
NET INCREASE/(DECREASE) IN CASH HELD	586 195	(61 647)	(210 551)	(98 505)	(1 825)	250 930	(45 738)	333 495	(8 099)	(276 519)	(62 321)	(464 960)	(59 544)	(28 155)	75 296	
Cash/cash equivalents at the month/year begin:	1 699 822	2 286 017	2 224 371	2 013 820	1 915 315	1 913 490	2 164 420	2 118 682	2 452 177	2 444 078	2 167 559	2 105 238	1 699 822	1 640 278	1 612 123	
Cash/cash equivalents at the month/year end:	2 286 017	2 224 371	2 013 820	1 915 315	1 913 490	2 164 420	2 118 682	2 452 177	2 444 078	2 167 559	2 105 238	1 640 278	1 640 278	1 612 123	1 687 419	

2.10 ANNUAL BUDGET AND SDBIP'S – INTERNAL DEPARTMENTS

In terms of Section 53(1)(c)(ii) the Mayor of a Municipality must take all reasonable steps to ensure that the municipality's Service Delivery and Budget Implementation Plan is approved by the Mayor within 28 days after the approval of the budget. Once the budget has been approved by Council on 30 May 2018, the Service Delivery Budget and Implementation Plan will be submitted to the Mayor for consideration and approval by Council.

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

The municipality's only entity, Buffalo City Metro Development Agency (BCMDA) whose mandate is to drive Buffalo City Metropolitan Municipality's development has started to operate. Appointment of Board members and administrative staff was done and the Agency is expected to start with the implementation of some developmental projects in the MTREF period within the City in line with its mandate. This is an attempt to grow the local economy through encouraging private sector investment. To allow the agency to realise its mandate, the City has set aside an amount of (inclusive of vat) R34.3 million for 2018/19 financial year as an operational grant to the agency. This amount will be escalated with CPI increase for the two outer years to R36.1 million and R38.1 million respectively. The City will also transfer an amount of (inclusive of vat) R25.0 million and R50.0 million in each of the two outer year for capital projects that will be implemented by the entity. The above figures are vat inclusive. Due to the fact that BCMDA is still at the forming stage, it anticipates to receive funding mainly from the parent municipality (BCMM) for its operations. The other relevant D budget table are presented below as required by the MBRR.

Table 66: MBRR Table D1 – Budget Summary – (BCMDA)

Description	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	200	238	238	238	789	828	867
Transfers recognised - operational	-	764	16 882	23 100	23 100	23 100	59 324	86 178	88 168
Other own revenue	-	-	877	10 784	8 976	8 976	11 534	4 811	4 060
Total Revenue (excluding capital transfers and contributions)	-	764	17 959	34 122	32 315	32 315	71 647	91 817	93 094
Employee costs	-	760	10 144	15 178	17 545	17 545	21 727	23 570	25 647
Remuneration of councillors	-	156	459	850	756	756	850	2 140	2 140
Depreciation & asset impairment	-	3	332	471	858	858	1 412	1 284	901
Finance charges	-	-	0	2	6	6	10	10	10
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	-	276	4 751	16 659	12 415	12 415	20 356	14 514	13 957
Total Expenditure	-	1 194	15 686	33 160	31 579	31 579	44 355	41 519	42 655
Surplus/(Deficit)	-	(430)	2 274	962	736	736	27 292	50 298	50 439
Transfers and subsidies - capital (monetary allocations) (National)	-	-	-	962	737	737	27 292	50 298	50 439
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
	-	(430)	2 274	1 925	1 473	1 473	54 583	100 597	100 879
Surplus/(Deficit) after capital transfers & contributions									
Taxation	-	-	638	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	(430)	1 635	1 925	1 473	1 473	54 583	100 597	100 879
Capital expenditure & funds sources									
Capital expenditure	-	-	2 364	962	737	737	27 292	50 298	50 439
Transfers recognised - capital	-	-	2 364	962	737	737	27 292	298	439
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	2 364	962	737	737	27 292	298	439
Financial position									
Total current assets	-	-	4 400	3 183	1 532	1 532	1 187	2 565	2 765
Total non current assets	-	52	2 098	1 113	1 113	1 113	2 370	1 346	728
Total current liabilities	-	482	5 293	2 518	2 323	2 323	1 965	2 917	3 282
Total non current liabilities	-	-	-	1 391	-	-	-	-	-
Community wealth/Equity	-	(430)	1 206	387	321	321	1 592	994	210
Cash flows									
Net cash from (used) operating	-	55	5 662	2 628	1 309	1 309	27 921	51 679	51 870
Net cash from (used) investing	-	(55)	(2 314)	(962)	(737)	(737)	(27 292)	(50 298)	(50 439)
Net cash from (used) financing	-	-	-	(526)	(573)	-	(629)	(1 380)	(1 491)
Cash/cash equivalents at the year end	-	(0)	3 348	1 141	3 348	3 921	3 921	3 921	3 861

Table 67: MBRR Table D2 – Budgeted Financial Performance (revenue and expenditure) – (BCMDA)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Revenue by Source	1									
Property rates		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-
Interest earned - external investments		-	-	200	238	238	238	789	828	867
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	-	-	3 630	1 822	1 822	990	2 795	4 000
Transfers and subsidies		-	764	16 882	22 138	22 363	22 363	32 033	35 879	37 728
Other revenue		-	-	877	7 154	7 154	7 154	10 544	2 016	60
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	764	17 959	33 160	31 578	31 578	44 355	41 519	42 655
Expenditure By Type										
Employee related costs		-	760	10 144	15 178	17 545	17 545	21 727	23 570	25 647
Remuneration of councillors		-	156	459	850	756	756	850	2 140	2 140
Debt impairment	4	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	3	332	471	858	858	1 412	1 284	901
Finance charges		-	-	0	2	6	6	10	10	10
Bulk purchases	2	-	-	-	-	-	-	-	-	-
Other materials	5	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	6 287	6 287	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure	3	-	276	4 751	16 659	6 128	6 128	20 356	14 514	13 957
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		-	1 194	15 686	33 160	31 579	31 579	44 355	41 519	42 655
Surplus/(Deficit)		-	(430)	2 274	0	(1)	(1)	(0)	(0)	0
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	962	737	737	27 292	50 298	50 439
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	(430)	2 274	962	736	736	27 292	50 298	50 439
Taxation		-	-	638	-	-	-	-	-	-
Surplus/ (Deficit) for the year		-	(430)	1 635	962	736	736	27 292	50 298	50 439

Table 68: MBRR Table D3 – Capital Budget by vote and funding – (BCMDA)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands	1									
Capital expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	25 000	50 000	50 000
Sport and Recreation Facilities		-	-	-	-	-	-	25 000	50 000	50 000
Outdoor Facilities		-	-	-	-	-	-	25 000	50 000	50 000
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	1 807	853	628	628	1 829	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	1 807	853	628	628	1 829	-	-
Computer Software and Applications		-	-	1 779	715	489	489	1 829	-	-
Unspecified		-	-	27	138	138	138	-	-	-
Computer Equipment		-	-	459	99	99	99	193	208	342
Computer Equipment		-	-	459	99	99	99	193	208	342
Furniture and Office Equipment		-	-	99	10	10	10	270	90	98
Furniture and Office Equipment		-	-	99	10	10	10	270	90	98
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total capital expenditure on assets	1	-	-	2 364	962	737	737	27 292	50 298	50 439
Funded by:										
National Government		-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-
Parent Municipality		-	-	2 364	962	737	737	27 292	298	439
District Municipality		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	2 364	962	737	737	27 292	298	439
Public contributions & donations	6	-	-	-	-	-	-	-	-	-
Borrowing	3	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total Capital Funding	4	-	-	2 364	962	737	737	27 292	298	439

Table 69: MBRR Table D4 – Budgeted Financial Position – (BCMDA)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
ASSETS										
Current assets										
Cash		-	-	1 654	713	713	713	155	500	700
Call investment deposits		-	-	1 694	2 469	818	818	1 032	2 065	2 065
Consumer debtors		-	-	45	-	-	-	-	-	-
Other debtors		-	-	982	-	-	-	-	-	-
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-
Inventory		-	-	25	-	-	-	-	-	-
Total current assets		-	-	4 400	3 183	1 532	1 532	1 187	2 565	2 765
Non current assets										
Long-term receivables	3	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	-	44	448	485	485	485	341	170	68
Agricultural		-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-
Intangible		-	9	1 586	628	628	628	2 029	1 176	660
Other non-current assets		-	-	64	-	-	-	-	-	-
Total non current assets		-	52	2 098	1 113	1 113	1 113	2 370	1 346	728
TOTAL ASSETS		-	52	6 498	4 296	2 645	2 645	3 557	3 911	3 492
LIABILITIES										
Current liabilities										
Bank overdraft		-	0	-	-	-	-	-	-	-
Borrowing		-	93	4	526	573	573	629	1 380	1 491
Consumer deposits		-	-	-	-	-	-	-	-	-
Trade and other payables		-	389	5 010	1 000	1 000	1 000	-	-	-
Provisions	3	-	-	279	992	750	750	1 335	1 537	1 791
Total current liabilities		-	482	5 293	2 518	2 323	2 323	1 965	2 917	3 282
Non current liabilities										
Borrowing		-	-	-	1 391	-	-	-	-	-
Provisions	3	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	1 391	-	-	-	-	-
TOTAL LIABILITIES		-	482	5 293	3 909	2 323	2 323	1 965	2 917	3 282
NET ASSETS	2	-	(430)	1 206	387	321	321	1 592	994	210
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		-	(430)	1 206	387	321	321	1 592	994	210
Reserves		-	-	-	-	-	-	-	-	-
Share capital		-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	-	(430)	1 206	387	321	321	1 592	994	210

Table 70: MBRR Table D5 – Budgeted Cash Flow – (BCMDA)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Other revenue		-	-	36	10 784	8 976	8 976	11 534	4 811	4 000
Government - operating		-	764	20 559	23 100	23 100	23 100	34 324	36 178	38 168
Government - capital		-	-	-	-	-	-	25 000	50 000	50 000
Interest		-	-	200	238	238	238	789	828	867
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	2	-	(709)	(15 134)	(31 492)	(31 000)	(31 000)	(43 716)	(40 128)	(41 154)
Finance charges		-	-	(0)	(2)	(6)	(6)	(10)	(10)	(10)
Dividends paid		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	55	5 662	2 628	1 309	1 309	27 921	51 679	51 870
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	22	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	(55)	(2 336)	(962)	(737)	(737)	(27 292)	(50 298)	(50 439)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(55)	(2 314)	(962)	(737)	(737)	(27 292)	(50 298)	(50 439)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	(526)	(573)	-	(629)	(1 380)	(1 491)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	(526)	(573)	-	(629)	(1 380)	(1 491)
NET INCREASE/ (DECREASE) IN CASH HELD	1	-	(0)	3 348	1 141	0	573	(0)	-	(60)
Cash/cash equivalents at the year begin:	2	-	-	(0)	-	3 348	3 348	3 921	3 921	3 921
Cash/cash equivalents at the year end:	2	-	(0)	3 348	1 141	3 348	3 921	3 921	3 921	3 861

Table 71: MBRR Table SD1 – Measurable Performance Targets (BCMDA)

Performance target description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Establishment of city improvement district	Security and Safety services rendered	-	-	-	1 000	600	600	1 000	1 000	1 000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Implementation of a Financial Sustainability Strategy	% Collection of Project	-	-	-	-	-	-	990	2 795	4 000
Implementation of a organisational structure	Filled vacancies	-	760	10 144	15 178	17 545	17 545	21 727	23 570	25 647
Implementation of the Risk Register and Internal Audit Plan	Functional Internal Audit and Risk Services	-	-	-	170	220	220	255	340	425

Table 72: MBRR Table SD2 – Financial and Non-Financial Indicators (BCMDA)

Description of indicator	Basis of calculation	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Borrowing Management											
Credit Rating			0	0	0	0	0	0			
Capital Charges to Operating Expenditure	Finance charges & Depreciation / Operating Expenditure		0%	0%	0%	0%	0%	0%	0%	0%	0%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing / Funds & Reserves		0%	0%	0%	359%	0%	0%	0%	0%	0%
Liquidity											
Current Ratio	Current assets / current liabilities		0.00	0.00	0.83	1.26	0.66	0.66	0.60	0.88	0.84
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0.00	0.00	0.83	1.26	0.66	0.66	0.60	0.88	0.84
Liquidity Ratio	Monetary Assets / Current Liabilities		0.00	0.00	0.63	1.26	0.66	0.66	0.60	0.88	0.84
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts / Last 12 Mths Billing			0%	0%	0%	0%	0%	0%	0%	0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0%	0%	6%	0%	0%	0%	0%	0%	0%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered / Total Debtors > 12 Months Old		0%	0%	0%	0%	0%	0%	0%	0%	0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		0%	0%	0%	0%	0%	0%	0%	0%	0%
Creditors to Cash and Investments			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funding of Provisions											
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions		0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	1	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Total Cost of Losses (Rand '000)		0%	0%	0%	0%	0%	0%	0%	0%	0%
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated		0%	0%	0%	0%	0%	0%	0%	0%	0%
	Total Volume Losses (kℓ)		0%	0%	0%	0%	0%	0%	0%	0%	0%
Employee costs	Total Cost of Losses (Rand '000)		0%	0%	0%	0%	0%	0%	0%	0%	0%
	% Volume (units purchased and generated less units sold)/units purchased and generated		0%	0%	0%	0%	0%	0%	0%	0%	0%
Employee costs	Employee costs/Total Revenue - capital revenue		0.0%	99.4%	56.5%	46%	56%	56%	49%	57%	60%
Remuneration	Total remuneration/(Total Revenue - capital revenue)		0.0%	0.0%	59.0%	48.3%	58.0%	58.0%	50.9%	61.9%	65.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)		0.0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
Financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		-	-	2.0	19.1	1 675.4	14.4	8.9	3.8	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		0%	-0.0	0.4	0.2	0.1	0.1	0.0	0.1	0.1

Table 73: MBRR Table SD3 – Budgeted Investment Portfolio (BCMDA)

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID		Yrs/Months												
First National Bank - 62098719358			Money Market Call Account	No	Variable	0	Commission Paid (Rands)	N/A	N/A	300	732	(20 000)	20 000	1 032
	1				-	0	-			300		(20 000)	20 000	1 032

Table 74: MBRR Table SD4 – Board member allowances and staff benefits (BCMDA)

Summary of Employee and Board Member remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		A	B	C	D	E	F	G	H	I
R thousands										
Remuneration										
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Board Fees		-	-	459	850	756	756	850	2 140	2 140
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	459	850	756	756	850	2 140	2 140
% increase				#DIV/0!	0	0	0	0	0	0.0%
Senior Managers of Entities										
Basic Salaries and Wages		-	-	4 393	4 881	5 134	5 134	5 785	7 244	7 751
Pension and UIF Contributions		-	-	-	523	537	537	579	725	776
Performance Bonus		-	-	-	528	324	324	378	443	474
Motor Vehicle Allowance		-	-	408	408	228	228	-	-	-
Other benefits and allowances		-	-	475	-	129	129	61	76	80
Payments in lieu of leave		-	-	-	-	132	132	172	218	228
Sub Total - Senior Managers of Entities		-	-	5 275	6 339	6 485	6 485	6 975	8 706	9 308
% increase				#DIV/0!	0	0	0	0	0	6.9%
Other Staff of Entities										
Basic Salaries and Wages		-	-	3 678	7 277	9 852	9 852	12 957	12 766	13 695
Pension and UIF Contributions		-	-	316	732	692	692	850	1 042	1 342
Performance Bonus		-	-	473	315	148	148	518	554	698
Motor Vehicle Allowance		-	-	50	126	60	60	60	60	60
Other benefits and allowances		-	-	351	173	161	161	100	121	153
Payments in lieu of leave		-	-	-	216	145	145	267	322	392
Sub Total - Other Staff of Entities		-	-	4 868	8 839	11 059	11 059	14 752	14 864	16 339
% increase				#DIV/0!	0	0	0	0	0	9.9%
Total Municipal Entities remuneration		-	-	10 603	16 028	18 300	18 300	22 577	25 710	27 787

Table 75: MBRR Table SD5 – Summary of personnel numbers (BCMDA)

Summary of Personnel Numbers		Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number		1	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			-	-	-	-	-	-	-	-	-
Board Members of municipal entities	3		6	-	6	6	-	6	6	-	6
Municipal entity employees											
CEO and Senior Managers	2		4	-	4	4	-	4	4	-	4
Other Managers	6		6	2	4	7	2	5	7	2	5
Professionals			-	-	-	-	-	-	1	1	-
<i>Finance</i>			-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>			-	-	-	-	-	-	-	-	-
<i>Information Technology</i>			-	-	-	-	-	-	1	1	-
Technicians			-	-	-	-	-	-	-	-	-
<i>Finance</i>			-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>			-	-	-	-	-	-	-	-	-
<i>Information Technology</i>			-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)			5	4	1	6	5	1	2	2	-
Service and sales workers			-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers			-	-	-	-	-	-	-	-	-
Craft and related trades			-	-	-	-	-	-	-	-	-
Plant and Machine Operators			-	-	-	-	-	-	-	-	-
Elementary Occupations			-	-	-	-	-	-	-	-	-
Total Personnel Numbers			21	6	15	23	7	16	24	9	15
% increase				(71.4%)	150.0%	53.3%	(53.3%)	6.7%	50.0%	(62.5%)	66.7%
Total entity employees headcount											
Finance personnel headcount	5										
Human Resources personnel headcount	7		4	1	3	4	1	3	4	1	3
	7		1	-	1	1	-	1	4	3	1

Table 76: MBRR Table SD6 – Budget Monthly Cash and Revenue/Expenditure - (BCMDA)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousands																
Operating Revenue By Source																
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	66	66	66	66	66	66	66	66	66	66	66	66	789	828	867	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	83	83	83	83	83	83	83	83	83	83	83	83	990	2 795	4 000	
Transfers and subsidies	8 008	-	-	8 008	-	-	8 008	-	-	8 008	-	-	32 033	35 879	37 728	
Other revenue	879	879	879	879	879	879	879	879	879	879	879	879	10 544	2 016	60	
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	9 035	1 027	1 027	9 035	1 027	1 027	9 035	1 027	1 027	9 035	1 027	1 027	44 355	41 519	42 655	
Operating Expenditure By Type																
Employee related costs	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	1 811	21 727	23 570	25 647	
Remuneration of Board Members	-	213	-	-	213	-	-	213	-	-	213	-	850	2 140	2 140	
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	118	118	118	118	118	118	118	118	118	118	118	118	1 412	1 284	901	
Finance charges	3	-	-	3	-	-	3	-	-	-	-	3	10	10	10	
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	1 696	20 356	14 514	13 957	
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	3 627	3 837	3 625	3 627	3 837	3 625	3 627	3 837	3 625	3 625	3 837	3 627	44 355	41 519	42 655	

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

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands															
Capital expenditure by Asset Class/Sub-class															
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	6 250	2 250	2 250	6 250	8 000	25 000	50 000	50 000
Community Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	6 250	2 250	2 250	6 250	8 000	25 000	50 000	50 000
<i>Indoor Facilities</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>	-	-	-	-	-	-	-	6 250	2 250	2 250	6 250	8 000	25 000	50 000	50 000
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	1 025	100	304	100	-	100	-	200	-	-	-	-	1 829	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights	1 025	100	304	100	-	100	-	200	-	-	-	-	1 829	-	-
<i>Computer Software and Applications</i>	1 025	100	304	100	-	100	-	200	-	-	-	-	1 829	-	-
Computer Equipment	193	-	-	-	-	-	-	-	-	-	-	-	193	208	342
Computer Equipment	193	-	-	-	-	-	-	-	-	-	-	-	193	208	342
Furniture and Office Equipment	270	-	-	-	-	-	-	-	-	-	-	-	270	90	98
Furniture and Office Equipment	270	-	-	-	-	-	-	-	-	-	-	-	270	90	98
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total capital expenditure	1 488	100	304	100	-	100	-	6 450	2 250	2 250	6 250	8 000	27 292	50 298	50 439

Table 77: MBRR Table SD7a – Capital Expenditure on New Assets by Asset Class - (BCMDA)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class	1									
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-
<u>Community Assets</u>		-	-	-	-	-	-	-	-	-
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
<u>Other assets</u>		-	-	-	-	-	-	-	-	-
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<u>Intangible Assets</u>		-	-	1 807	853	628	628	1 829	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	1 807	853	628	628	1 829	-	-
Computer Software and Applications		-	-	1 779	715	489	489	1 829	-	-
Unspecified		-	-	27	138	138	138	-	-	-
<u>Computer Equipment</u>		-	-	459	99	99	99	193	208	342
Computer Equipment		-	-	459	99	99	99	193	208	342
<u>Furniture and Office Equipment</u>		-	-	99	10	10	10	270	90	98
Furniture and Office Equipment		-	-	99	10	10	10	270	90	98
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
<u>Land</u>		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	-	-	2 364	962	737	737	2 292	298	439

Table 78: MBRR Table SD7e – Capital Expenditure on Upgrading of Existing Assets by Asset Class - (BCMDA)

Description R thousand	Ref 1	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
<i>Power Plants</i>		-	-	-	-	-	-	-	-	-
<i>HV Substations</i>		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
<i>Dams and Weirs</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	25 000	50 000	50 000
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	25 000	50 000	50 000
<i>Outdoor Facilities</i>		-	-	-	-	-	-	25 000	50 000	50 000
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total capital expenditure on upgrading of existing assets	1	-	-	-	-	-	-	25 000	50 000	50 000

Table 79: MBRR Table SD9 – Detailed Capital Budget - (BCMDA)

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	2018/19 Medium Term Revenue & Expenditure Framework				
													Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Entities:																	
<i>List all capital projects grouped by Entity</i>																	
Entity: BCMDA																	
Intangible Assets		Strategic Management Software (Hosted software solution)	N/A	New	Responsive, accountable, effective and efficient local government			Non-revenue Generating	Computer Software and Applications	BCMDA Offices	N/A	N/A			25	-	-
Furniture and Office Equipment		Occupational Health and Safety_First Aid	N/A	New	A long and healthy life for all South Africans			Non-revenue Generating	Unspecified	BCMDA Offices	N/A	N/A			11	-	-
Computer Equipment		Computer Equipment	N/A	New	Responsive, accountable, effective and efficient local government			Computer Equipment	Unspecified	BCMDA Offices	N/A	N/A			261	208	342
Furniture and Office Equipment		Furniture and Office Equipment_Acquisitions	N/A	New	Responsive, accountable, effective and efficient local government			Furniture and Office Equipment	Unspecified	BCMDA Offices	N/A	N/A			49	90	98
Intangible Assets		Implementation of Enterprise Backup and Recovery Solution	N/A	New	Responsive, accountable, effective and efficient local government			Non-revenue Generating	Computer Software and Applications	BCMDA Offices	N/A	N/A			85	-	-
Intangible Assets		Enterprise wide Antivirus and Internet Protection	N/A	New	Responsive, accountable, effective and efficient local government			Non-revenue Generating	Computer Software and Applications	BCMDA Offices	N/A	N/A			57	-	-
Intangible Assets		Procurement and Implementation of ePDMS	N/A	New	Responsive, accountable, effective and efficient local government			Non-revenue Generating	Computer Software and Applications	BCMDA Offices	N/A	N/A			162	-	-
Recreational Facility		Upgrading and expansion of the current facility	N/A	Upgrading	An efficient, effective and development-oriented public service			Sport and Recreation Facilities	Outdoor Facilities	Waterworld	N/A	N/A			10 000	25 000	19 280
Recreational Facility		Upgrading and expansion of court crescent land into a multi-use recreational area	N/A	Upgrading	An efficient, effective and development-oriented public service			Sport and Recreation Facilities	Outdoor Facilities	Court Crescent	N/A	N/A			10 000	15 000	23 000
Recreational Facility		Upgrading and expansion of the Esplanade land into an aesthetically pleasing and functional recreational spaces	N/A	Upgrading	An efficient, effective and development-oriented public service			Sport and Recreation Facilities	Outdoor Facilities	Esplanade	N/A	N/A			5 000	10 000	7 720
Entity Capital expenditure													-	-	25 353	50 090	50 098

2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

Table 81: MBRR Table SA35 – Future financial implications of the capital budget

Vote Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Directorate - Executive Support Services		3 500	500	500				
Vote 2 - Directorate - Municipal Manager		51 840	43 840	30 080				
Vote 3 - Directorate - Human Settlement		104 005	122 965	204 488				
Vote 4 - Directorate - Chief Financial Officer		152 538	183 120	2 500				
Vote 5 - Directorate - Corporate Services		3 600	500	2 000				
Vote 6 - Directorate - Infrastructure Services		915 180	1 284 838	1 305 185				
Vote 7 - Directorate - Spatial Planning and Development		263 838	377 614	362 520				
Vote 8 - Directorate - Health / Public Safety & Emergency Ser		14 270	24 950	30 280				
Vote 9 - Directorate - Municipal Services		160 579	151 750	100 050				
Vote 10 - Directorate - Economic Development & Agencies		81 500	98 500	136 800				
Total Capital Expenditure		1 750 850	2 288 577	2 174 403	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Directorate - Executive Support Services		309 737	338 957	355 644				
Vote 2 - Directorate - Municipal Manager		191 028	192 372	222 030				
Vote 3 - Directorate - Human Settlement		107 401	128 205	167 331				
Vote 4 - Directorate - Chief Financial Officer		503 480	554 558	552 406				
Vote 5 - Directorate - Corporate Services		157 617	164 689	166 711				
Vote 6 - Directorate - Infrastructure Services		3 748 890	4 050 595	4 394 507				
Vote 7 - Directorate - Spatial Planning and Development		305 497	325 368	334 296				
Vote 8 - Directorate - Health / Public Safety & Emergency Ser		420 235	444 448	489 114				
Vote 9 - Directorate - Municipal Services		653 407	724 498	790 374				
Vote 10 - Directorate - Economic Development & Agencies		105 975	110 364	124 776				
Total future operational costs		6 503 267	7 034 055	7 597 189	-	-	-	-
Future revenue by source	3							
Property rates		1 421 961	1 549 938	1 673 933				
Service charges - electricity revenue		1 992 712	2 129 013	2 274 638				
Service charges - water revenue		563 043	619 854	676 136				
Service charges - sanitation revenue		322 143	355 623	387 914				
Service charges - refuse revenue		294 388	323 199	352 546				
Service charges - other		-	-	-				
Rental of facilities and equipment		17 563	18 968	20 466				
List other revenues sources if applicable		1 893 091	2 044 966	2 218 636				
List entity summary if applicable								
Total future revenue		6 504 900	7 041 561	7 604 268	-	-	-	-
Net Financial Implications		1 749 218	2 281 070	2 167 324	-	-	-	-

2.13 CAPITAL EXPENDITURE DETAILS

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

Table 82: MBRR Table SA34a – Capital expenditure on new assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		187 905	455 306	214 541	440 233	873 127	873 127	859 186	1 242 923	1 093 084
Roads Infrastructure		116 893	261 228	110 353	138 274	291 170	291 170	244 869	372 327	533 626
<i>Roads</i>		116 893	261 228	110 353	138 274	139 307	139 307	117 204	116 413	247 496
<i>Road Structures</i>		–	–	–	–	143 264	143 264	104 665	230 114	259 020
<i>Road Furniture</i>		–	–	–	–	8 600	8 600	23 000	25 800	27 110
Storm water Infrastructure		–	–	–	16 813	22 691	22 691	9 066	19 124	33 790
<i>Drainage Collection</i>		–	–	–	–	22 691	22 691	9 066	19 124	33 790
<i>Storm water Conveyance</i>		–	–	–	16 813	–	–	–	–	–
Electrical Infrastructure		38 944	137 712	26 582	48 500	138 820	138 820	138 070	200 920	106 600
<i>Power Plants</i>		38 944	137 712	26 582	48 500	–	–	–	–	–
<i>MV Substations</i>		–	–	–	–	24 210	24 210	46 500	50 000	50 000
<i>MV Switching Stations</i>		–	–	–	–	19 390	19 390	–	–	–
<i>MV Networks</i>		–	–	–	–	18 900	18 900	11 000	10 000	13 000
<i>LV Networks</i>		–	–	–	–	76 320	76 320	80 570	140 920	43 600
Water Supply Infrastructure		–	–	–	20 503	74 372	74 372	62 848	62 456	168 018
<i>Dams and Weirs</i>		–	–	–	–	600	600	1 500	6 500	15 000
<i>Reservoirs</i>		–	–	–	–	23 418	23 418	9 318	3 500	12 000
<i>Pump Stations</i>		–	–	–	–	1 500	1 500	–	2 500	–
<i>Water Treatment Works</i>		–	–	–	20 503	5 700	5 700	6 000	5 500	20 000
<i>Bulk Mains</i>		–	–	–	–	18 500	18 500	20 500	20 000	61 030
<i>Distribution</i>		–	–	–	–	1 200	1 200	2 000	3 000	3 500
<i>Distribution Points</i>		–	–	–	–	22 454	22 454	18 531	17 456	51 488
<i>PRV Stations</i>		–	–	–	–	1 000	1 000	5 000	4 000	5 000
Sanitation Infrastructure		–	9 135	–	121 721	266 253	266 253	306 480	451 697	236 050
<i>Reticulation</i>		–	–	–	–	97 676	97 676	70 286	68 393	60 050
<i>Waste Water Treatment Works</i>		–	9 135	–	121 721	55 000	55 000	18 000	5 000	–
<i>Outfall Sewers</i>		–	–	–	–	110 578	110 578	215 194	374 304	176 000
<i>Toilet Facilities</i>		–	–	–	–	3 000	3 000	3 000	4 000	–
Solid Waste Infrastructure		30 727	29 362	2 157	65 822	43 062	43 062	59 852	100 400	–
<i>Landfill Sites</i>		–	–	–	–	43 062	43 062	59 852	100 400	–
<i>Waste Transfer Stations</i>		30 727	29 362	2 157	65 822	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
<i>Capital Spares</i>		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
<i>Sand Pumps</i>		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		1 341	17 870	75 449	28 600	36 759	36 759	38 000	36 000	15 000
<i>Data Centres</i>		–	–	–	–	15 294	15 294	2 000	1 000	5 000
<i>Core Layers</i>		–	–	42 853	–	9 465	9 465	23 000	23 000	5 000
<i>Distribution Layers</i>		–	–	–	–	12 000	12 000	13 000	12 000	5 000
<i>Capital Spares</i>		1 341	17 870	32 596	28 600	–	–	–	–	–

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

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class										
Community Assets		50 846	6 304	21 360	145 017	12 564	12 564	35 650	35 900	22 800
Community Facilities		50 846	6 304	20 212	145 017	11 150	11 150	31 150	35 900	22 800
Halls		10 968	–	10 778	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	250	–
Cemeteries/Crematoria		9 738	6 304	8 982	–	–	–	500	750	–
Public Open Space		–	–	451	5 500	1 000	1 000	5 250	–	1 000
Nature Reserves		–	–	–	–	1 500	1 500	4 500	–	4 500
Public Ablution Facilities		–	–	–	–	3 050	3 050	900	400	300
Stalls		–	–	–	–	5 000	5 000	8 500	9 000	15 000
Taxi Ranks/Bus Terminals		25 256	–	–	139 517	600	600	11 500	25 500	2 000
Capital Spares		4 885	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	1 149	–	1 414	1 414	4 500	–	–
Outdoor Facilities		–	–	1 149	–	1 414	1 414	4 500	–	–
Heritage assets		–	–	–	3 150	1 832	1 832	3 390	2 200	2 700
Monuments		–	–	–	60	160	160	70	200	200
Works of Art		–	–	–	3 090	1 672	1 672	3 320	2 000	2 500
Investment properties		145 316	73	–	–	–	–	–	–	–
Non-revenue Generating		145 316	73	–	–	–	–	–	–	–
Improved Property		145 316	73	–	–	–	–	–	–	–
Other assets		5 983	–	186 828	40 900	35 180	35 180	5 150	2 000	1 000
Operational Buildings		5 983	–	1 887	40 900	34 930	34 930	5 150	2 000	1 000
Municipal Offices		5 983	–	1 887	40 900	26 311	26 311	–	–	–
Pay/Enquiry Points		–	–	–	–	200	200	250	–	–
Stores		–	–	–	–	6 500	6 500	–	–	–
Laboratories		–	–	–	–	1 919	1 919	4 900	2 000	1 000
Housing		–	–	184 941	–	250	250	–	–	–
Social Housing		–	–	184 941	–	250	250	–	–	–
Intangible Assets		–	–	31	30 804	17 656	17 656	47 750	56 500	1 500
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	31	30 804	17 656	17 656	47 750	56 500	1 500
Computer Software and Applications		–	–	–	26 700	17 656	17 656	47 750	56 500	1 500
Unspecified		–	–	31	4 104	–	–	–	–	–
Computer Equipment		1 718	20 975	53 546	23 600	5 125	5 125	30 553	7 370	17 100
Computer Equipment		1 718	20 975	53 546	23 600	5 125	5 125	30 553	7 370	17 100
Furniture and Office Equipment		10 178	1 171	10 223	8 000	18 576	18 576	21 448	10 780	4 080
Furniture and Office Equipment		10 178	1 171	10 223	8 000	18 576	18 576	21 448	10 780	4 080
Machinery and Equipment		688	326	3 337	86 213	34 902	34 902	20 015	13 840	22 880
Machinery and Equipment		688	326	3 337	86 213	34 902	34 902	20 015	13 840	22 880
Transport Assets		25 117	–	70 565	33 200	120 955	120 955	36 000	39 320	37 000
Transport Assets		25 117	–	70 565	33 200	120 955	120 955	36 000	39 320	37 000
Total Capital Expenditure on new assets	1	427 751	484 154	560 430	811 116	1 119 916	1 119 916	1 059 142	1 410 833	1 202 144

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		490 455	702 173	662 014	481 698	127 756	127 756	132 685	203 094	315 673
Roads Infrastructure		212 002	–	182 441	88 000	84 376	84 376	63 085	112 994	206 634
Roads		212 002	–	182 441	88 000	75 376	75 376	57 085	101 994	190 634
Road Structures		–	–	–	–	9 000	9 000	6 000	11 000	16 000
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		79 994	–	95 506	60 000	100	100	8 100	10 100	10 100
Power Plants		79 994	–	95 506	60 000	–	–	–	–	–
Capital Spares		–	–	–	–	100	100	8 100	10 100	10 100
Water Supply Infrastructure		90 752	702 173	178 539	90 000	43 280	43 280	61 500	80 000	98 939
Reservoirs		–	–	–	–	6 500	6 500	9 700	14 000	12 000
Pump Stations		–	–	–	–	1 256	1 256	2 000	5 000	5 000
Water Treatment Works		90 752	702 173	178 539	90 000	1 000	1 000	2 000	6 000	26 939
Bulk Mains		–	–	–	–	16 000	16 000	22 250	26 800	26 800
Distribution Points		–	–	–	–	18 524	18 524	25 550	28 200	28 200
Sanitation Infrastructure		107 707	–	205 528	243 698	–	–	–	–	–
Waste Water Treatment Works		107 707	–	205 528	243 698	–	–	–	–	–
Community Assets		4 788	–	22 150	79 957	15 658	15 658	35 000	55 000	77 000
Community Facilities		293	–	–	29 752	9 036	9 036	6 000	5 000	27 000
Theatres		–	–	–	–	–	–	2 000	1 000	2 000
Nature Reserves		293	–	–	19 752	–	–	–	–	–
Markets		–	–	–	10 000	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	9 036	9 036	4 000	4 000	25 000
Sport and Recreation Facilities		4 495	–	22 150	50 205	6 622	6 622	29 000	50 000	50 000
Indoor Facilities		–	–	7 894	–	–	–	–	–	–
Outdoor Facilities		4 495	–	14 256	50 205	6 622	6 622	29 000	50 000	50 000
Heritage assets		–	–	–	850	600	600	600	200	500
Monuments		–	–	–	850	600	600	600	200	500
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Other assets		7 056	–	30 324	41 582	4 000	4 000	10 000	–	–
Operational Buildings		7 056	–	30 324	41 582	4 000	4 000	10 000	–	–
Municipal Offices		7 056	–	30 324	41 582	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	4 000	4 000	10 000	–	–
Intangible Assets		–	–	376	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	376	–	–	–	–	–	–
Unspecified		–	–	376	–	–	–	–	–	–
Machinery and Equipment		–	–	1 005	–	–	–	–	–	–
Machinery and Equipment		–	–	1 005	–	–	–	–	–	–
Transport Assets		–	–	–	–	1 200	1 200	1 200	1 200	1 600
Transport Assets		–	–	–	–	1 200	1 200	1 200	1 200	1 600
Total Capital Expenditure on renewal of existing asset	1	502 299	702 173	715 871	604 088	149 214	149 214	179 485	259 494	394 773
<i>Renewal of Existing Assets as % of total capex</i>		<i>0.0%</i>	<i>59.2%</i>	<i>56.1%</i>	<i>36.7%</i>	<i>8.4%</i>	<i>8.4%</i>	<i>10.3%</i>	<i>11.3%</i>	<i>18.2%</i>
<i>Renewal of Existing Assets as % of deprecn"</i>		<i>73.3%</i>	<i>81.9%</i>	<i>88.7%</i>	<i>77.6%</i>	<i>19.2%</i>	<i>19.2%</i>	<i>20.1%</i>	<i>27.5%</i>	<i>39.7%</i>

Table 84: MBRR Table SA34e – Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	200 000	341 289	341 289	346 551	496 000	446 036
Roads Infrastructure		–	–	–	80 000	164 400	164 400	103 000	145 500	290 500
Roads		–	–	–	80 000	164 400	164 400	103 000	145 500	290 500
Electrical Infrastructure		–	–	–	40 000	57 509	57 509	39 000	40 000	35 000
Power Plants		–	–	–	40 000	–	–	–	–	–
MV Substations		–	–	–	–	14 100	14 100	–	–	–
MV Networks		–	–	–	–	4 000	4 000	39 000	40 000	35 000
LV Networks		–	–	–	–	39 409	39 409	–	–	–
Water Supply Infrastructure		–	–	–	40 000	47 500	47 500	94 551	184 000	45 655
Dams and Weirs		–	–	–	–	30 000	30 000	78 951	170 000	30 000
Reservoirs		–	–	–	–	6 575	6 575	8 400	2 400	–
Pump Stations		–	–	–	–	4 158	4 158	2 200	2 000	3 155
Water Treatment Works		–	–	–	40 000	–	–	–	–	–
Bulk Mains		–	–	–	–	3 967	3 967	4 000	4 000	9 500
Distribution		–	–	–	–	2 800	2 800	1 000	5 600	3 000
Sanitation Infrastructure		–	–	–	40 000	71 881	71 881	95 000	113 000	54 881
Pump Station		–	–	–	–	4 000	4 000	4 000	5 000	–
Reticulation		–	–	–	–	19 000	19 000	29 000	36 000	25 000
Waste Water Treatment Works		–	–	–	40 000	25 000	25 000	29 000	37 000	–
Outfall Sewers		–	–	–	–	23 881	23 881	33 000	35 000	29 881
Solid Waste Infrastructure		–	–	–	–	–	–	15 000	13 500	20 000
Waste Transfer Stations		–	–	–	–	–	–	15 000	13 500	20 000
Community Assets		–	–	–	30 000	129 780	129 780	115 959	100 650	98 150
Community Facilities		–	–	–	20 000	115 416	115 416	104 955	92 250	97 850
Halls		–	–	–	10 000	10 000	10 000	7 500	–	20 000
Centres		–	–	–	–	26 971	26 971	32 473	11 500	12 000
Cemeteries/Crematoria		–	–	–	10 000	10 000	10 000	9 500	9 250	11 850
Public Open Space		–	–	–	–	5 750	5 750	5 700	5 500	29 000
Nature Reserves		–	–	–	–	6 831	6 831	7 232	3 000	5 000
Public Ablution Facilities		–	–	–	–	350	350	700	–	–
Markets		–	–	–	–	12 287	12 287	–	18 000	20 000
Stalls		–	–	–	–	4 026	4 026	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	39 200	39 200	29 000	34 000	–
Capital Spares		–	–	–	–	–	–	12 850	11 000	–
Sport and Recreation Facilities		–	–	–	10 000	14 365	14 365	11 004	8 400	300
Indoor Facilities		–	–	–	–	3 037	3 037	3 130	200	100
Outdoor Facilities		–	–	–	10 000	11 328	11 328	7 874	8 200	200
Heritage assets		–	–	–	–	700	700	1 010	600	600
Monuments		–	–	–	–	700	700	1 010	600	600
Other assets		–	–	–	–	26 346	26 346	45 296	21 000	32 700
Operational Buildings		–	–	–	–	24 846	24 846	44 296	21 000	32 700
Municipal Offices		–	–	–	–	8 546	8 546	33 596	16 000	2 500
Pay/Enquiry Points		–	–	–	–	7 800	7 800	2 500	–	–
Stores		–	–	–	–	200	200	200	–	–
Training Centres		–	–	–	–	2 000	2 000	1 000	1 000	1 000
Manufacturing Plant		–	–	–	–	3 000	3 000	4 000	1 000	5 000
Depots		–	–	–	–	3 300	3 300	3 000	3 000	24 200
Housing		–	–	–	–	1 500	1 500	1 000	–	–
Social Housing		–	–	–	–	1 500	1 500	1 000	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	7 059	7 059	3 407	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	7 059	7 059	3 407	–	–
Total Capital Expenditure on upgrading of existing assets	1	–	–	–	230 000	505 175	505 175	512 223	618 250	577 486
Upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	14.0%	28.5%	28.5%	29.3%	27.0%	26.6%
Upgrading of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	29.6%	64.9%	64.9%	57.2%	65.5%	58.0%

Table 85: MBRR Table SA34c – Repairs and maintenance expenditure by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
<u>Heritage assets</u>		-	-	-	-	9	9	10	11	12
Other Heritage						9	9	10	11	12
<u>Other assets</u>		17 897	35 398	25 885	37 058	41 077	41 077	45 185	49 703	54 674
Operational Buildings		17 897	35 398	25 885	37 058	41 077	41 077	45 185	49 703	54 674
Municipal Offices		5 031	24 793	18 073	23 852	35 421	35 421	38 963	42 859	47 145
Pay/Enquiry Points		-	-	-	762	5 406	5 406	5 947	6 542	7 196
Workshops		-	-	-	2 280	250	250	275	303	333
Capital Spares		12 865	10 605	7 811	10 164	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<u>Intangible Assets</u>		-	-	-	1 092	1 092	1 092	1 201	1 321	1 453
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	1 092	1 092	1 092	1 201	1 321	1 453
Computer Software and Applications		-	-	-	1 092	1 092	1 092	1 201	1 321	1 453
<u>Computer Equipment</u>		671	118	922	1 307	1 606	1 606	1 767	1 943	2 138
Computer Equipment		671	118	922	1 307	1 606	1 606	1 767	1 943	2 138
<u>Furniture and Office Equipment</u>		2	1	0	210	7 069	7 069	7 776	8 554	9 409
Furniture and Office Equipment		2	1	0	210	7 069	7 069	7 776	8 554	9 409
<u>Machinery and Equipment</u>		-	-	-	7 899	161 388	161 388	87 148	96 525	110 815
Machinery and Equipment		-	-	-	7 899	161 388	161 388	87 148	96 525	110 815
<u>Transport Assets</u>		1 022	1 008	1 178	3 272	30 555	30 555	33 610	36 972	40 669
Transport Assets		1 022	1 008	1 178	3 272	30 555	30 555	33 610	36 972	40 669
<u>Libraries</u>		128	219	-	307	14	14	15	17	19
Libraries		128	219	-	307	14	14	15	17	19
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	1 218	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	1 218	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	287 393	350 106	382 959	462 450	450 642	450 642	405 327	446 523	495 812
R&M as a % of PPE		2.3%	2.7%	2.4%	3.2%	3.1%	3.1%	2.8%	2.3%	2.2%
R&M as % Operating Expenditure		5.5%	6.3%	6.3%	7.5%	7.6%	7.6%	6.8%	6.9%	7.0%

Table 86: MBRR Table SA34d – Depreciation by Asset Class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		571 222	712 798	662 591	617 671	617 671	617 671	710 321	748 679	789 856
Roads Infrastructure		211 202	353 133	333 946	309 121	309 121	309 121	355 490	374 686	395 294
<i>Roads</i>		211 202	353 133	333 946	308 909	308 909	308 909	355 245	374 429	395 022
<i>Road Structures</i>					212	212	212	244	257	272
Storm water Infrastructure		22 821	–	–	–	–	–	–	–	–
<i>Drainage Collection</i>		22 821			–	–	–	–	–	–
Electrical Infrastructure		106 450	110 828	104 984	89 089	89 089	89 089	102 453	107 985	113 925
<i>Power Plants</i>					89 089	89 089	89 089	102 453	107 985	113 925
<i>MV Networks</i>		106 450	110 828	104 984	–	–	–	–	–	–
Water Supply Infrastructure		140 312	141 871	116 398	75 158	75 158	75 158	86 432	91 099	96 109
<i>Dams and Weirs</i>		26 485			–	–	–	–	–	–
<i>Water Treatment Works</i>		3 171			75 158	75 158	75 158	86 432	91 099	96 109
<i>Distribution</i>		110 657	141 871	116 398	–	–	–	–	–	–
Sanitation Infrastructure		90 437	106 965	107 264	138 326	138 326	138 326	159 075	167 665	176 887
<i>Reticulation</i>		71 132	106 965	107 264	–	–	–	–	–	–
<i>Waste Water Treatment Works</i>		19 305			138 326	138 326	138 326	159 075	167 665	176 887
Solid Waste Infrastructure		–	–	–	5 976	5 976	5 976	6 872	7 243	7 641
<i>Landfill Sites</i>					5 976	5 976	5 976	6 872	7 243	7 641
Rail Infrastructure		–	–	–	–	–	–	–	–	–
<i>Rail Lines</i>					–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
<i>Sand Pumps</i>					–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
<i>Data Centres</i>					–	–	–	–	–	–

MBRR Table SA34d – Depreciation by Asset Class (Continued)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Depreciation by Asset Class/Sub-class										
Community Assets		57 583	59 746	54 839	23 759	23 759	23 759	27 323	28 798	30 382
Community Facilities		40 299	42 326	38 765	12 091	12 091	12 091	13 904	14 655	15 461
Halls		14 672	42 326	38 765	997	997	997	1 147	1 209	1 275
Clinics/Care Centres		2 341			917	917	917	1 054	1 111	1 172
Fire/Ambulance Stations		2 937			2 773	2 773	2 773	3 189	3 361	3 546
Testing Stations										
Museums					653	653	653	751	791	835
Libraries		2 641								
Cemeteries/Crematoria		3 516			2 355	2 355	2 355	2 708	2 854	3 011
Police					2 554	2 554	2 554	2 937	3 096	3 266
Public Open Space		1 373								
Nature Reserves					1 392	1 392	1 392	1 601	1 687	1 780
Markets					449	449	449	517	545	575
Taxi Ranks/Bus Terminals		12 819								
Sport and Recreation Facilities		17 284	17 420	16 075	11 668	11 668	11 668	13 418	14 143	14 921
Indoor Facilities					389	389	389	447	471	497
Outdoor Facilities		17 284	17 420	16 075	2 472	2 472	2 472	2 843	2 997	3 162
Capital Spares					8 807	8 807	8 807	10 128	10 675	11 262
Other assets		31 713	33 247	32 442	91 691	91 691	91 691	105 445	111 139	117 252
Operational Buildings		31 713	33 247	32 442	87 810	87 810	87 810	100 981	106 434	112 288
Municipal Offices		31 713	33 247	32 442	32 718	32 718	32 718	37 625	39 657	41 838
Building Plan Offices					43 189	43 189	43 189	49 667	52 349	55 229
Workshops					4 880	4 880	4 880	5 613	5 916	6 241
Capital Spares					7 022	7 022	7 022	8 076	8 512	8 980
Housing					3 882	3 882	3 882	4 464	4 705	4 964
Staff Housing										
Social Housing					3 882	3 882	3 882	4 464	4 705	4 964
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Intangible Assets		391	9 167	9 306	6 942	6 942	6 942	7 984	8 415	8 878
Servitudes			9 167	9 306						
Licences and Rights		391			6 942	6 942	6 942	7 984	8 415	8 878
Computer Software and Applications		391			6 723	6 723	6 723	7 731	8 149	8 597
Unspecified					219	219	219	252	266	281
Computer Equipment		2 514	2	106	-	-	-	-	-	-
Computer Equipment		2 514	2	106						
Furniture and Office Equipment		3 158	20 056	17 703	17 759	17 759	17 759	20 423	21 526	22 710
Furniture and Office Equipment		3 158	20 056	17 703	17 759	17 759	17 759	20 423	21 526	22 710
Machinery and Equipment		8 616	9 358	7 932	12 167	12 167	12 167	13 992	14 748	15 559
Machinery and Equipment		8 616	9 358	7 932	12 167	12 167	12 167	13 992	14 748	15 559
Transport Assets		10 139	13 045	22 131	7 587	7 587	7 587	8 725	9 196	9 701
Transport Assets		10 139	13 045	22 131	7 587	7 587	7 587	8 725	9 196	9 701
Libraries		-	-	-	178	178	178	205	216	228
Libraries					178	178	178	205	216	228
Zoo's, Marine and Non-biological Animals		-	-	-	519	519	519	596	629	663
Zoo's, Marine and Non-biological Animals					519	519	519	596	629	663
Total Depreciation	1	685 336	857 418	807 050	778 273	778 273	778 273	895 013	943 344	995 228

Table 87: MBRR Table SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prio year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality: List all capital projects grouped by Municipal Vote																
Directorate - Chief Financial Officer		Capital/Non-Infrastructure:New Computer Equipment				Computer Equipment	Computer Equipment		-	-	-	17 268	100	2 100		NEW
Directorate - Chief Financial Officer		Capital/Infrastructure:New Electrical Infrastructure:Lv Networks				Electrical Infrastructure	Lv Networks		-	-	51 520	64 120	100 120	-		NEW
Directorate - Chief Financial Officer		Capital/Non-Infrastructure:New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	2 028	500	500	500	-		NEW
Directorate - Chief Financial Officer		Capital/Non-Infrastructure:New Intangible Assets:Computer Software And Applications				Licences And Rights	Computer Software And Applications		-	-	15 000	40 750	56 500	1 500		NEW
Directorate - Chief Financial Officer		Capital/Non-Infrastructure:Existing Upgrading Other Assets:Operational Buildings:Municipal Offices				Operational Buildings	Municipal Offices		-	-	4 000	20 000	15 000	-		UPGRADING
Directorate - Chief Financial Officer		Capital/Non-Infrastructure:New Other Assets:Operational Buildings:Municipal Offices				Operational Buildings	Municipal Offices		-	-	-	-	-	-		NEW
Directorate - Chief Financial Officer		Capital/Non-Infrastructure:New Transport Assets				Transport Assets	Transport Assets		-	-	10 000	10 000	10 000	-		NEW
Directorate - Corporate Services		Capital/Non-Infrastructure:New Computer Equipment				Computer Equipment	Computer Equipment		-	331	1 500	-	-	-		NEW
Directorate - Corporate Services		Capital/Non-Infrastructure:New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	473	657	600	500	500		NEW
Directorate - Corporate Services		Capital/Non-Infrastructure:New Intangible Assets:Computer Software And Applications				Licences And Rights	Computer Software And Applications		-	-	1 456	3 000	-	-		NEW
Directorate - Corporate Services		Capital/Non-Infrastructure:Existing Upgrading Other Assets:Operational Buildings:Municipal Offices				Operational Buildings	Municipal Offices		-	125	-	-	-	1 500		UPGRADING
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Upgrading Community Assets:Community Facilities:Centres				Community Facilities	Centres		-	-	13 052	5 000	11 000	12 000		UPGRADING
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Upgrading Community Assets:Community Facilities:Markets				Community Facilities	Markets		-	30 502	12 267	-	18 000	20 000		UPGRADING
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:New Community Assets:Community Facilities:Nature Reserves				Community Facilities	Nature Reserves		-	-	1 500	4 500	-	4 500		NEW
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:New Community Assets:Community Facilities:Public Open Space				Community Facilities	Public Open Space		-	-	1 000	4 500	-	1 000		NEW
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Upgrading Community Assets:Community Facilities:Stals				Community Facilities	Stals		-	-	4 026	-	-	-		UPGRADING
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:New Community Assets:Community Facilities:Stals				Community Facilities	Stals		-	-	5 000	8 000	9 000	15 000		NEW
Directorate - Economic Development & Agencies		Capital/Infrastructure:New Electrical Infrastructure:Mv Networks				Electrical Infrastructure	Mv Networks		-	-	-	3 000	-	3 000		NEW
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	367	500	500	500	500		NEW
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Renewal Heritage Assets:Monuments				Heritage Assets	Monuments		-	-	600	600	200	500		RENEWAL
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:New Heritage Assets:Monuments				Heritage Assets	Monuments		-	-	160	70	200	200		NEW
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Upgrading Heritage Assets:Monuments				Heritage Assets	Monuments		-	-	700	1 010	600	600		UPGRADING
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:New Heritage Assets:Works Of Art				Heritage Assets	Works Of Art		-	-	1 672	3 320	2 000	2 500		NEW
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:New Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	2 094	600	4 000	5 000	10 000		NEW
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Upgrading Other Assets:Operational Buildings:Manufacturing Plant				Operational Buildings	Manufacturing Plant		-	-	-	4 000	1 000	5 000		UPGRADING
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Renewal Other Assets:Operational Buildings:Pay/Enquiry Points				Operational Buildings	Pay/Enquiry Points		-	-	-	10 000	-	-		RENEWAL
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Upgrading Other Assets:Operational Buildings:Training Centres				Operational Buildings	Training Centres		-	-	3 000	1 000	1 000	1 000		UPGRADING
Directorate - Economic Development & Agencies		Capital/Infrastructure:Existing Upgrading Roads:Infrastructure:Roads				Roads Infrastructure	Roads		-	-	2 000	3 000	-	5 000		UPGRADING
Directorate - Economic Development & Agencies		Capital/Non-Infrastructure:Existing Renewal Community Assets:Sport And Recreation Facilities:Outdoor				Sport And Recreation Facilities	Outdoor Facilities		-	-	5 000	25 000	50 000	50 000		RENEWAL
Directorate - Economic Development & Agencies		Capital/Infrastructure:New Water Supply Infrastructure:Bulk Mains		SD03_OS04_Water		Water Supply Infrastructure	Bulk Mains		5 500	-	-	4 000	-	6 000	HESSEQUA_W_IW10	NEW
Directorate - Executive Support Services		Capital/Non-Infrastructure:New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	2 454	7 229	3 500	500	500		NEW
Directorate - Health / Public Safety & Emergency Services		Capital/Non-Infrastructure:New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	472	1 506	500	1 000	1 000		NEW
Directorate - Health / Public Safety & Emergency Services		Capital/Non-Infrastructure:New Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	3 644	17 628	4 720	1 150	8 230		NEW
Directorate - Health / Public Safety & Emergency Services		Capital/Non-Infrastructure:Existing Upgrading Other Assets:Operational Buildings:Depots				Operational Buildings	Depots		-	-	-	-	-	21 000		UPGRADING
Directorate - Health / Public Safety & Emergency Services		Capital/Non-Infrastructure:New Other Assets:Operational Buildings:Laboratories				Operational Buildings	Laboratories		-	-	800	900	-	1 000		NEW
Directorate - Health / Public Safety & Emergency Services		Capital/Non-Infrastructure:New Other Assets:Operational Buildings:Municipal Offices				Operational Buildings	Municipal Offices		-	1 887	19 111	-	-	-		NEW
Directorate - Health / Public Safety & Emergency Services		Capital/Non-Infrastructure:Existing Renewal Transport Assets				Transport Assets	Transport Assets		-	-	1 200	1 200	1 200	1 600		RENEWAL
Directorate - Health / Public Safety & Emergency Services		Capital/Non-Infrastructure:New Transport Assets				Transport Assets	Transport Assets		-	4 751	9 000	5 000	9 000	12 000		NEW

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

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality:																
<i>List all capital projects grouped by Municipal Vote</i>																
Directorate - Human Settlement		Capital Non-Infrastructure New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	80	920	500	500	500		NEW
Directorate - Human Settlement		Capital Non-Infrastructure New Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	1 200	-	-	-	-		NEW
Directorate - Human Settlement		Capital Non-Infrastructure Existing Upgrading Other Assets Operational Buildings/Municipal Offices				Operational Buildings	Municipal Offices		-	750	-	-	-	-		UPGRADING
Directorate - Human Settlement		Capital Infrastructure New Roads Infrastructure/Roads				Roads Infrastructure	Roads		-	21 059	11 204	24 493	32 160		NEW	
Directorate - Human Settlement		Capital Infrastructure New Sanitation Infrastructure/Retikulation				Sanitation Infrastructure	Retikulation		-	86 636	70 286	68 393	60 050		NEW	
Directorate - Human Settlement		Capital Infrastructure New Storm Water Infrastructure/Drainage Collection				Storm Water Infrastructure	Drainage Collection		-	14 479	6 566	14 624	33 790		NEW	
Directorate - Human Settlement		Capital Infrastructure Existing Upgrading Water Supply Infrastructure/Bulk Mains				Water Supply Infrastructure	Bulk Mains		-	-	-	-	4 500		UPGRADING	
Directorate - Human Settlement		Capital Infrastructure New Water Supply Infrastructure/Bulk Mains	SD03_OS04_Water			Water Supply Infrastructure	Bulk Mains		5 500	-	-	-	27 500	HESSEQUA_W_W10	NEW	
Directorate - Human Settlement		Capital Infrastructure New Water Supply Infrastructure/Distribution				Water Supply Infrastructure	Distribution		-	184 941	-	-	500		NEW	
Directorate - Human Settlement		Capital Infrastructure New Water Supply Infrastructure/Distribution Points				Water Supply Infrastructure	Distribution Points		-	17 272	15 448	14 956	45 488		NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Renewal Electrical Infrastructure/Capital Spares				Electrical Infrastructure	Capital Spares		-	-	8 000	10 000	10 000		RENEWAL	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Electrical Infrastructure/Lv Networks	A123			Electrical Infrastructure	Lv Networks	100 2001	1 000	122 088	34 409	-	-	W123	UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Electrical Infrastructure/Lv Networks				Electrical Infrastructure	Lv Networks		-	-	25 130	16 450	40 800	43 600	NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Electrical Infrastructure/Mv Networks				Electrical Infrastructure	Mv Networks		-	-	4 000	29 000	30 000	35 000	UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Electrical Infrastructure/Mv Networks				Electrical Infrastructure	Mv Networks		-	-	18 900	8 000	10 000	10 000	NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Electrical Infrastructure/Mv Substations				Electrical Infrastructure	Mv Substations		-	-	14 100	-	-	-	UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Electrical Infrastructure/Mv Substations				Electrical Infrastructure	Mv Substations		-	-	24 210	46 500	50 000	50 000	NEW	
Directorate - Infrastructure Services		Capital Infrastructure New Electrical Infrastructure/Mv Switching Stations				Electrical Infrastructure	Mv Switching Stations		-	-	19 390	-	-	-	NEW	
Directorate - Infrastructure Services		Capital Non-Infrastructure New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	1 373	500	1 000	1 200	-	NEW	
Directorate - Infrastructure Services		Capital Non-Infrastructure New Intangible Assets/Computer Software And Applications				Licenses And Rights	Computer Software And Applications		-	1 000	-	-	-	-	NEW	
Directorate - Infrastructure Services		Capital Non-Infrastructure New Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	2 000	1 000	5 000	1 000	-	NEW	
Directorate - Infrastructure Services		Capital Non-Infrastructure New Other Assets/Operational Buildings/Laboratories				Operational Buildings	Laboratories		-	1 119	4 000	2 000	-	-	NEW	
Directorate - Infrastructure Services		Capital Non-Infrastructure Existing Upgrading Other Assets/Operational Buildings/Municipal Offices				Operational Buildings	Municipal Offices		-	670	1 000	500	1 000	-	UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Roads Infrastructure/Road Furniture				Roads Infrastructure	Road Furniture		-	-	4 000	4 300	7 610	Whole of Municipality	NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Renewal Roads Infrastructure/Road Structures				Roads Infrastructure	Road Structures		-	8 000	6 000	11 000	16 000		RENEWAL	
Directorate - Infrastructure Services		Capital Infrastructure Existing Renewal Roads Infrastructure/Roads				Roads Infrastructure	Roads		292 794	66 556	57 065	101 994	190 634		RENEWAL	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Roads Infrastructure/Roads				Roads Infrastructure	Roads		-	145 400	100 000	145 500	285 500		UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Roads Infrastructure/Roads				Roads Infrastructure	Roads		-	45 000	68 000	34 420	160 336		NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Sanitation Infrastructure/Outfall Sewers				Sanitation Infrastructure	Outfall Sewers		-	23 881	33 000	35 000	29 881		UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Sanitation Infrastructure/Outfall Sewers				Sanitation Infrastructure	Outfall Sewers		-	110 578	215 194	374 304	176 000		NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Sanitation Infrastructure/Pump Station				Sanitation Infrastructure	Pump Station		-	4 000	4 000	5 000	-		UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Sanitation Infrastructure/Retikulation				Sanitation Infrastructure	Retikulation		-	205 983	19 000	29 000	36 000	25 000	UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Sanitation Infrastructure/Toilet Facilities				Sanitation Infrastructure	Toilet Facilities		-	3 000	3 000	4 000	-		NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Sanitation Infrastructure/Waste Water Treatment Works				Sanitation Infrastructure	Waste Water Treatment Works		-	25 000	29 000	37 000	-		UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Sanitation Infrastructure/Waste Water Treatment Works				Sanitation Infrastructure	Waste Water Treatment Works		-	50 000	18 000	5 000	-		NEW	
Directorate - Infrastructure Services		Capital Non-Infrastructure New Transport Assets				Transport Assets	Transport Assets		-	65 137	101 985	21 000	20 320	25 000	NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Renewal Water Supply Infrastructure/Bulk Mains				Water Supply Infrastructure	Bulk Mains		-	-	16 000	22 250	26 800	26 800	RENEWAL	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Water Supply Infrastructure/Bulk Mains				Water Supply Infrastructure	Bulk Mains		-	-	3 967	4 000	4 000	5 000	UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Water Supply Infrastructure/Bulk Mains	SD03_OS04_Water			Water Supply Infrastructure	Bulk Mains		5 500	-	15 500	16 500	20 000	27 530	HESSEQUA_W_W10	NEW
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Water Supply Infrastructure/Dams And Weirs				Water Supply Infrastructure	Dams And Weirs		-	-	30 000	78 951	170 000	30 000	UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Water Supply Infrastructure/Dams And Weirs				Water Supply Infrastructure	Dams And Weirs		-	-	600	1 500	6 500	15 000	NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Upgrading Water Supply Infrastructure/Distribution			Yes	Water Supply Infrastructure	Distribution		12	178 075	2 800	1 000	5 600	3 000	UPGRADING	
Directorate - Infrastructure Services		Capital Infrastructure New Water Supply Infrastructure/Distribution				Water Supply Infrastructure	Distribution		-	-	1 200	2 000	3 000	3 000	NEW	
Directorate - Infrastructure Services		Capital Infrastructure Existing Renewal Water Supply Infrastructure/Distribution Points				Water Supply Infrastructure	Distribution Points		-	-	17 244	25 500	28 200	28 200	RENEWAL	

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

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year+1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
										R thousand	4					
Parent municipality: List all capital projects grouped by Municipal Vote																
Directorate - Infrastructure Services		Capital/Infrastructure/New Water Supply Infrastructure/Distribution Points				Water Supply Infrastructure	Distribution Points		-	-	3 582	3 082	2 500	6 000		NEW
Directorate - Infrastructure Services		Capital/Infrastructure/New Water Supply Infrastructure/Pvi Stations				Water Supply Infrastructure	Pvi Stations		-	-	1 000	5 000	4 000	5 000		NEW
Directorate - Infrastructure Services		Capital/Infrastructure/Existing/Renewal/Water Supply Infrastructure/Pump Stations				Water Supply Infrastructure	Pump Stations		-	-	1 266	2 000	5 000	5 000		RENEWAL
Directorate - Infrastructure Services		Capital/Infrastructure/Existing/Upgrading/ Water Supply Infrastructure/Pump Station				Water Supply Infrastructure	Pump Stations		-	-	4 168	2 200	2 000	3 155		UPGRADING
Directorate - Infrastructure Services		Capital/Infrastructure/New Water Supply Infrastructure/Pump Station				Water Supply Infrastructure	Pump Stations		-	-	1 500	-	2 500	-		NEW
Directorate - Infrastructure Services		Capital/Infrastructure/Existing/Renewal/ Water Supply Infrastructure/Reservoirs				Water Supply Infrastructure	Reservoirs		-	-	6 500	9 700	14 000	12 000		RENEWAL
Directorate - Infrastructure Services		Capital/Infrastructure/Existing/Upgrading/ Water Supply Infrastructure/Reservoirs				Water Supply Infrastructure	Reservoirs		-	-	4 575	8 400	2 400	-		UPGRADING
Directorate - Infrastructure Services		Capital/Infrastructure/New Water Supply Infrastructure/Reservoirs				Water Supply Infrastructure	Reservoirs		-	-	15 418	9 318	3 500	12 000		NEW
Directorate - Infrastructure Services		Capital/Infrastructure/Existing/Renewal/ Water Supply Infrastructure/Water Treatment Works	C123		Yes	Water Supply Infrastructure	Water Treatment Works	100 200	10 000	-	1 000	2 000	6 000	26 939	Ward1	RENEWAL
Directorate - Infrastructure Services		Capital/Infrastructure/New Water Supply Infrastructure/Water Treatment Works				Water Supply Infrastructure	Water Treatment Works		-	-	5 700	6 000	5 500	20 000		NEW
Directorate - Municipal Manager		Capital/Non-Infrastructure/New Computer Equipment				Computer Equipment	Computer Equipment		-	-	53 541	2 000	13 260	7 260	15 000	NEW
Directorate - Municipal Manager		Capital/Non-Infrastructure/New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	-	858	600	580	580	80	NEW
Directorate - Municipal Manager		Capital/Infrastructure/New Information And Communication Infrastructure/Core Layers				Information And Communication Infrastructure	Core Layers		-	-	9 465	23 000	23 000	5 000	Admin/Head Office	NEW
Directorate - Municipal Manager		Capital/Infrastructure/New Information And Communication Infrastructure/Data Centres				Information And Communication Infrastructure	Data Centres		-	-	15 144	2 000	1 000	5 000		NEW
Directorate - Municipal Manager		Capital/Infrastructure/New Information And Communication Infrastructure/Distribution Layers				Information And Communication Infrastructure	Distribution Layers		-	-	12 000	13 000	12 000	5 000		NEW
Directorate - Municipal Manager		Capital/Non-Infrastructure/New/Other Assets/Operational Buildings/Municipal Offices				Operational Buildings	Municipal Offices		-	-	3 200	-	-	-		NEW
Directorate - Municipal Manager		Capital/Non-Infrastructure/Existing/Renewal/Community Assets/Sport And Recreation Facilities/Outdoor				Sport And Recreation Facilities	Outdoor Facilities		-	-	-	-	-	-		RENEWAL
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Community Facilities/Cemeteries/Crematoria				Community Facilities	Cemeteries/Crematoria		-	-	10 000	9 500	9 250	27 000		UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Community Assets/Community Facilities/Cemeteries/Crematoria				Community Facilities	Cemeteries/Crematoria		-	-	8 982	-	500	750		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Community Facilities/Halls				Community Facilities	Halls		-	-	10 778	10 000	7 500	-	20 000	UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Community Facilities/Nature Reserves				Community Facilities	Nature Reserves		-	-	6 831	7 232	3 000	5 000		UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Community Facilities/Public Ablution				Community Facilities	Public Ablution Facilities		-	-	350	700	-	-		UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Community Assets/Community Facilities/Public Ablution Facilities				Community Facilities	Public Ablution Facilities		-	-	3 050	900	400	300		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Community Facilities/Public Open Space				Community Facilities	Public Open Space		-	-	451	5 750	5 700	5 500	28 000	UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Community Assets/Community Facilities/Public Open Space				Community Facilities	Public Open Space		-	-	-	750	-	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Community Assets/Community Facilities/Stals				Community Facilities	Stals		-	-	-	500	-	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Community Assets/Community Facilities/Theatres				Community Facilities	Theatres		-	-	-	-	250	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/New Computer Equipment				Computer Equipment	Computer Equipment		-	-	135	25	10	-		NEW
Directorate - Municipal Services		Capital/Infrastructure/Existing/Renewal/Electrical Infrastructure/Capital Spares				Electrical Infrastructure	Capital Spares		-	-	100	100	100	100		RENEWAL
Directorate - Municipal Services		Capital/Infrastructure/New/Electrical Infrastructure/Lv Networks				Electrical Infrastructure	Lv Networks		-	-	-	-	-	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/New Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment		-	-	1 195	1 661	3 768	2 000	1 000	NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Other Assets/Housing/Social Housing				Housing	Social Housing		-	-	250	-	-	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Other Assets/Housing/Social Housing				Housing	Social Housing		-	-	1 100	1 000	-	-		UPGRADING
Directorate - Municipal Services		Capital/Infrastructure/New Information And Communication Infrastructure/Data Centres				Information And Communication Infrastructure	Data Centres		-	-	150	-	-	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/New Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	3 705	9 464	10 295	2 690	3 650	NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Other Assets/Operational Buildings/Depots				Operational Buildings	Depots		-	-	3 000	1 000	3 000	3 200		UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Other Assets/Operational Buildings/Municipal Offices				Operational Buildings	Municipal Offices		-	-	866	396	500	-		UPGRADING

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

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 5	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Other Assets/Operational Buildings/Pay/Enquiry Points				Operational Buildings	Pay/Enquiry Points		-	-	7 800	2 500	-	-		UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Other Assets/Operational Buildings/Pay/Enquiry Points				Operational Buildings	Pay/Enquiry Points		-	-	200	250	-	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Other Assets/Operational Buildings/Stores				Operational Buildings	Stores		-	-	200	200	-	-		UPGRADING
Directorate - Municipal Services		Capital/Infrastructure/New/Roads/Infrastructure/Road Furniture				Roads Infrastructure	Road Furniture		-	-	500	-	-	-	Whole of Municipality	NEW
Directorate - Municipal Services		Capital/Infrastructure/New/Roads/Infrastructure/Roads				Roads Infrastructure	Roads		-	-	500	-	-	-		NEW
Directorate - Municipal Services		Capital/Infrastructure/New/Solid Waste/Infrastructure/Landfill Sites				Solid Waste Infrastructure	Landfill Sites		-	2 157	35 075	59 852	100 400	-		NEW
Directorate - Municipal Services		Capital/Infrastructure/Existing/Upgrading/Solid Waste/Infrastructure/Waste Transfer Stations				Solid Waste Infrastructure	Waste Transfer Stations		-	-	3 500	5 000	3 500	20 000		UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Sport And Recreation Facilities/Indoo				Sport And Recreation Facilities	Indoor Facilities		-	2 155	3 037	3 130	200	100		UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Renewal/Community Assets/Sport And Recreation Facilities/Outdoor				Sport And Recreation Facilities	Outdoor Facilities		-	18 557	6 822	4 000	-	-		RENEWAL
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Sport And Recreation Facilities/Outdoor				Sport And Recreation Facilities	Outdoor Facilities			-	11 328	7 874	8 200	200		UPGRADING
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Community Assets/Sport And Recreation Facilities/Outdoor Facilities			SO3_OS04_Sports	Sport And Recreation Facilities	Outdoor Facilities			-	1 414	4 500	-	-	HESSEQUIA_W_IB	NEW
Directorate - Municipal Services		Capital/Infrastructure/New/Storm Water/Infrastructure/Drainage Collection				Storm Water Infrastructure	Drainage Collection			-	-	2 500	4 500	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/New/Transport Assets				Transport Assets	Transport Assets			-	-	-	-	-		NEW
Directorate - Municipal Services		Capital/Non-Infrastructure/Existing/Upgrading/Zoos, Marine And Non-Biological Animals				Zoos, Marine And Non-Biological Animals	Zoos, Marine And Non-Biological Animals			439	7 059	3 407	-	-		UPGRADING
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Community Facilities/Centres				Community Facilities	Centres			-	13 919	27 473	500	-		UPGRADING
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Renewal/Community Assets/Community Facilities/Taxi Ranks/Bus Ter				Community Facilities	Taxi Ranks/Bus Terminals			47 553	9 036	4 000	4 000	25 000		RENEWAL
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Upgrading/Community Assets/Community Facilities/Taxi Ranks/Bus T				Community Facilities	Taxi Ranks/Bus Terminals			-	39 200	29 000	34 000	-		UPGRADING
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/New/Community Assets/Community Facilities/Taxi Ranks/Bus Terminals				Community Facilities	Taxi Ranks/Bus Terminals			-	600	11 500	25 500	2 000		NEW
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Renewal/Community Assets/Community Facilities/Theatres				Community Facilities	Theatres			-	-	2 000	1 000	2 000		RENEWAL
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/New/Computer Equipment				Computer Equipment	Computer Equipment			-	1 500	-	-	-		NEW
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/New/Furniture And Office Equipment				Furniture And Office Equipment	Furniture And Office Equipment			412	4 502	10 000	3 500	-		NEW
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Renewal/Other Assets/Housing/Social Housing				Housing	Social Housing			-	-	-	-	-		RENEWAL
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Upgrading/Other Assets/Housing/Social Housing				Housing	Social Housing			-	400	-	-	-		UPGRADING
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/New/Intangible Assets/Computer Software And Applications				Licences And Rights	Computer Software And Applications			-	200	4 000	-	-		NEW
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Upgrading/Other Assets/Operational Buildings/Depots				Operational Buildings	Depots			-	300	2 000	-	-		UPGRADING
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Upgrading/Other Assets/Operational Buildings/Municipal Offices				Operational Buildings	Municipal Offices			25 869	6 400	12 200	-	-		UPGRADING
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Renewal/Other Assets/Operational Buildings/Pay/Enquiry Points				Operational Buildings	Pay/Enquiry Points			-	4 000	-	-	-		RENEWAL
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/New/Other Assets/Operational Buildings/Stores				Operational Buildings	Stores			-	6 500	-	-	-		NEW
Directorate - Spatial Planning And Development		Capital/Infrastructure/New/Roads/Infrastructure/Road Furniture				Roads Infrastructure	Road Furniture			-	6 100	19 000	21 500	19 500	Whole of Municipality	NEW
Directorate - Spatial Planning And Development		Capital/Infrastructure/New/Roads/Infrastructure/Road Structures				Roads Infrastructure	Road Structures			-	142 255	104 655	230 114	259 020		NEW
Directorate - Spatial Planning And Development		Capital/Infrastructure/New/Roads/Infrastructure/Roads				Roads Infrastructure	Roads			-	12 700	38 000	57 500	55 000		NEW
Directorate - Spatial Planning And Development		Capital/Non-Infrastructure/Existing/Renewal/Community Assets/Sport And Recreation Facilities/Outdoor				Sport And Recreation Facilities	Outdoor Facilities			-	-	-	-	-		RENEWAL
Parent Capital expenditure	1									1 276 301	1 634 320	1 718 000	2 257 577	2 189 553		
Entities: <i>List all capital projects grouped by Entity</i>																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure										1 276 301	1 634 320	1 718 000	2 257 577	2 189 553		

Table 89: MBRR Table SA38 – Consolidated detailed operational projects

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location
R thousand	4			2	6			5							
Parent municipality:															
<i>List all operational projects grouped by Municipal Vote</i>															
Directorate - Chief Financial Officer		Operational:Typical Work Streams:Strategic Management And Governance:Strategic Planning:Revenue Prot							-	-	21 000	6 750	7 400	3 500	
Directorate - Chief Financial Officer		Operational:Typical Work Streams:Efficient And Effective Public Service							-	-	10 000	2 000	3 000	-	
Directorate - Chief Financial Officer		Operational:Typical Work Streams:Meter Conversion And Replacement							-	-	2 750	3 500	9 778	-	
Directorate - Chief Financial Officer		Operational:Typical Work Streams:Strategic Management And Governance:Administrative Strategy And Pla							-	-	-	1 531	2 500	-	
Directorate - Chief Financial Officer		Operational:Typical Work Streams:Strategic Management And Governance:Idp Implementation And Monitri							-	-	10 000	8 000	5 000	-	
Directorate - Chief Financial Officer		Operational:Typical Work Streams:Strategic Management And Governance:Strategic Planning:Plan Develop							-	-	500	-	16 900	-	
Directorate - Chief Financial Officer		Operational:Typical Work Streams:Strategic Management And Governance:Strategic Planning:Transformat							-	-	2 500	2 500	2 500	-	
Directorate - Chief Financial Officer		Operational:Typical Work Streams:Financial Management Grant Budget And Treasury Office							-	-	1 200	2 050	2 900	900	
Directorate - Chief Financial Officer		Operational:Municipal Running Cost	M123		No			100000	100	650 372	506 650	477 321	505 712	535 653	Whole of Municipality
Directorate - Chief Financial Officer		Default Transadons							-	-	-	-	-	-	
Directorate - Chief Financial Officer		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Furniture And Of				Furniture And Office Equipment	Furniture And Office Equipment		-	-	119	130	144	158	
Directorate - Chief Financial Officer		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Furniture And Office Equip				Furniture And Office Equipment	Furniture And Office Equipment		-	-	14	15	16	18	
Directorate - Chief Financial Officer		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	821	750	824	907	
Directorate - Chief Financial Officer		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices		-	-	1 401	1 541	1 696	1 865	
Directorate - Chief Financial Officer		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Pay/Enquiry Points		-	-	762	68	75	83	
Directorate - Chief Financial Officer		Operational:Maintenance:Infrastructure:Corredive Maintenance:Planned:Roads Infrastructure:Roads Pav				Roads Infrastructure	Roads		-	-	168	184	203	223	
Directorate - Chief Financial Officer		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets		-	-	-	-	-	-	
Directorate - Chief Financial Officer		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets		-	-	328	515	566	623	
Directorate - Corporate Services		Operational:Typical Work Streams:Capacity Building Training And Development:Workshops, Seminars And							-	-	-	8 335	8 829	-	whole of municipality
Directorate - Corporate Services		Operational:Typical Work Streams:Community Development:Youth Projects:Youth Development							-	-	10 560	10 700	10 517	10 500	Whole of Municipality
Directorate - Corporate Services		Operational:Typical Work Streams:Human Resources:Human Resource Management							-	-	2 000	2 000	2 000	-	
Directorate - Corporate Services		Operational:Typical Work Streams:Strategic Management And Governance:Risk Management							-	-	7	7	7	-	
Directorate - Corporate Services		Operational:Typical Work Streams:Tourism:Tourism Skills Development							-	-	-	-	-	-	
Directorate - Corporate Services		Operational:Municipal Running Cost	M123		No			100000	100	158 063	143 313	133 237	140 432	148 156	Whole of Municipality
Directorate - Corporate Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Furniture And Of				Furniture And Office Equipment	Furniture And Office Equipment		-	-	2 322	1 784	1 962	2 159	
Directorate - Corporate Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	3	3	3	3	
Directorate - Corporate Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices		-	-	208	229	252	277	
Directorate - Corporate Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets		-	-	-	-	-	-	
Directorate - Corporate Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets		-	-	112	124	136	150	
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:Agricultural:Assistance And Support							-	-	8 300	11 770	12 850	11 550	
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:City Cleanliness And Clean-Up:Clean-Up Actions							-	-	-	300	-	300	whole of municipality
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:Community Development:Burials							-	-	500	700	700	965	Whole of Municipality
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:Functions And Events:Special Events And Functions							-	-	2 000	2 100	2 100	2 440	
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:Local Economic Development:Project Implementation							-	-	11 878	11 900	13 950	20 700	
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:Music, Arts And Culture:Productions And Shows							-	-	1 500	1 490	2 330	2 350	
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:Tourism:Tourism Development							-	-	500	1 000	-	1 000	

MBRR Table SA38 – Consolidated detailed operational projects (Continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand	4				6			5							
Parent municipality:															
<i>List all operational projects grouped by Municipal Vote</i>															
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:Tourism:Tourism Service Awareness Campaign							-	-	500	500	20	510	
Directorate - Economic Development & Agencies		Operational:Typical Work Streams:Tourism:Tourism Skills Development							-	-	1 500	3 000	1 500	1 310	
Directorate - Economic Development & Agencies		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Computer Equipment				Computer Equipment	Computer Equipment		-	-	699	329	362	398	
Directorate - Economic Development & Agencies		Operational:Municipal Running Cost	M123		No			100000	100	70 226	63 767	70 674	75 841	80 561	Whole of Municipality
Directorate - Economic Development & Agencies		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Furniture And Of				Furniture And Office Equipment	Furniture And Office Equipment		-	-	11	12	13	14	
Directorate - Economic Development & Agencies		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	460	616	678	746	
Directorate - Economic Development & Agencies		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices		-	-	154	169	186	205	
Directorate - Economic Development & Agencies		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets		-	-	-	-	-	-	
Directorate - Economic Development & Agencies		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets		-	-	(17)	311	342	376	
Directorate - Executive Support Services		Operational:Typical Work Streams:Capacity Building Training And Development:Workshops, Seminars And							-	203 993	-	1 914	1 815	2 000	whole of municipality
Directorate - Executive Support Services		Operational:Typical Work Streams:City Cleanliness And Clean-Up:Clean-Up Actions							-	-	-	1 500	-	-	whole of municipality
Directorate - Executive Support Services		Operational:Typical Work Streams:Communication And Public Participation:Awareness Campaign							-	-	250	350	-	-	whole of municipality
Directorate - Executive Support Services		Operational:Typical Work Streams:Community Development:Community Development Initiatives							-	-	1 138	-	-	-	Whole of Municipality
Directorate - Executive Support Services		Operational:Typical Work Streams:Community Development:Youth Projects:Youth Development							-	-	80	300	-	-	Whole of Municipality
Directorate - Executive Support Services		Operational:Typical Work Streams:Efficient And Effective Public Service							-	-	-	-	-	-	
Directorate - Executive Support Services		Operational:Typical Work Streams:Research And Development							-	-	600	300	300	-	
Directorate - Executive Support Services		Operational:Typical Work Streams:Strategic Management And Governance:Administrative Strategy And Pla							-	-	-	1 321	1 400	1 483	
Directorate - Executive Support Services		Operational:Typical Work Streams:Strategic Management And Governance:Communication And Development							-	-	570	1 150	3 450	-	
Directorate - Executive Support Services		Operational:Typical Work Streams:Strategic Management And Governance:Government Information System							-	-	350	-	-	-	
Directorate - Executive Support Services		Operational:Typical Work Streams:Strategic Management And Governance:Inter Governmental Relations (I							-	-	355	-	-	-	
Directorate - Executive Support Services		Operational:Typical Work Streams:Strategic Management And Governance:Master Plan							-	-	1 400	-	-	-	
Directorate - Executive Support Services		Operational:Typical Work Streams:Strategic Management And Governance:Policy Review							-	-	250	-	-	-	
Directorate - Executive Support Services		Operational:Typical Work Streams:Strategic Management And Governance:Strategic Planning:Plan Develop							-	-	-	306	325	344	
Directorate - Executive Support Services		Operational:Typical Work Streams:Ward Committees:Ward Initiatives							-	-	740	400	400	500	
Directorate - Executive Support Services		Operational:Typical Work Streams:Electrification							-	-	(90)	-	-	-	
Directorate - Executive Support Services		Operational:Municipal Running Cost	M123		No			100000	100	-	222 867	262 741	276 929	292 160	Whole of Municipality
Directorate - Executive Support Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Furniture And Of				Furniture And Office Equipment	Furniture And Office Equipment		-	-	6	7	7	8	
Directorate - Executive Support Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Intangible Assets				Licences And Rights	Computer Software And Applications		-	-	1 092	1 201	1 321	1 453	
Directorate - Executive Support Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	10	11	12	13	
Directorate - Executive Support Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices		-	-	1 949	2 144	2 358	2 594	
Directorate - Executive Support Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets		-	-	-	-	-	-	
Directorate - Executive Support Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets		-	-	640	704	774	852	
Directorate - Health / Public Safety & Emergency S		Operational:Typical Work Streams:Capacity Building Training And Development:Workshops, Seminars And							-	-	250	300	350	-	whole of municipality
Directorate - Health / Public Safety & Emergency S		Operational:Typical Work Streams:Emergency And Disaster Management:Annual Review Of Disaster Managem							-	-	120	300	140	-	
Directorate - Health / Public Safety & Emergency S		Operational:Typical Work Streams:Emergency And Disaster Management:Disaster Management							-	-	340	459	460	-	Whole of Municipality
Directorate - Health / Public Safety & Emergency S		Operational:Typical Work Streams:Environmental:Air Quality Management							-	-	600	-	600	-	Whole of Municipality
Directorate - Health / Public Safety & Emergency S		Operational:Typical Work Streams:Public Protection And Safety							-	-	100	120	140	-	
Directorate - Health / Public Safety & Emergency S		Operational:Typical Work Streams:Strategic Management And Governance:Administrative Strategy And Pla							-	-	450	-	-	-	

MBRR Table SA38 – Consolidated detailed operational projects (Continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand	4				6			5							
Parent municipality:															
<i>List all operational projects grouped by Municipal Vote</i>															
Directorate - Health / Public Safety & Emergency S		Operational:Typical Work Streams:Strategic Management And Governance:Master Plan													
Directorate - Health / Public Safety & Emergency S		Operational:Municipal Running Cost	M123		No			100000	100	354 842	388 217	419 315	444 835	470 535	Whole of Municipality
Directorate - Health / Public Safety & Emergency S		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Furniture And Office Equip				Furniture And Office Equipment	Furniture And Office Equipment				290	319	351	386	
Directorate - Health / Public Safety & Emergency S		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment				2 182	1 763	1 940	2 134	
Directorate - Health / Public Safety & Emergency S		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices				123	355	391	430	
Directorate - Health / Public Safety & Emergency S		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Pay/Enquiry Points				54	59	65	72	
Directorate - Health / Public Safety & Emergency S		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets								
Directorate - Health / Public Safety & Emergency S		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets				3 404	3 745	4 119	4 531	
Directorate - Health / Public Safety & Emergency S		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Transport Assets				Transport Assets	Transport Assets				831	254	280	308	Whole of Municipality
Directorate - Human Settlement		Operational:Typical Work Streams:Agricultural Assistance And Support												100	
Directorate - Human Settlement		Operational:Typical Work Streams:Community Development:Housing Projects								171 503	91 300	56 271	74 520	109 945	Whole of Municipality
Directorate - Human Settlement		Operational:Typical Work Streams:Efficient And Effective Public Service													
Directorate - Human Settlement		Operational:Municipal Running Cost	M123		No			100000	100		44 602	50 580	53 311	56 244	Whole of Municipality
Directorate - Human Settlement		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets								
Directorate - Human Settlement		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets				123	135	148	163	
Directorate - Infrastructure Services		Operational:Typical Work Streams:Asset Protection:Vehicle Management System									2 500	2 000	2 000	6 000	Whole of Municipality
Directorate - Infrastructure Services		Operational:Typical Work Streams:Community Development:Community Development Initiatives												2 550	Whole of Municipality
Directorate - Infrastructure Services		Operational:Typical Work Streams:Efficient And Effective Public Service									1 000			700	
Directorate - Infrastructure Services		Operational:Typical Work Streams:Indigent And Cultural Management And Services									40 000	55 000	55 000	60 000	
Directorate - Infrastructure Services		Operational:Typical Work Streams:Strategic Management And Governance:Master Plan													
Directorate - Infrastructure Services		Operational:Typical Work Streams:Energy Saving Initiatives									(496)				
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:Hv T				Electrical Infrastructure	Hv Transmission Conductors				13 549	7 204	7 924	8 717	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:Lv N				Electrical Infrastructure	Lv Networks				5 204	21 124	23 237	25 561	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:Mv N				Electrical Infrastructure	Mv Networks				2 466	1 613	1 774	1 951	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:Mv S				Electrical Infrastructure	Mv Substations				13 890	11 099	12 209	13 430	
Directorate - Infrastructure Services		Operational:Municipal Running Cost	M123		No			100000	100	3 359 054	2 837 234	3 288 539	3 546 980	3 900 733	Whole of Municipality
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Furniture And Off				Furniture And Office Equipment	Furniture And Office Equipment				61	67	74	81	
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Furniture And Office Equip				Furniture And Office Equipment	Furniture And Office Equipment				1	1	2	2	
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment				149 797	160 523	176 575	194 232	
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices				57	62	69	75	
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices				6 232	6 855	7 540	8 294	
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Pay/Enquiry Points				5 290	5 819	6 401	7 041	
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Other Assets:Oper				Operational Buildings	Workshops				(250)	275	303	333	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Roads Infrastructure:Road Stru				Roads Infrastructure	Road Structures				4 936	5 430	5 972	6 570	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Roads Infrastructure:Roads Pav				Roads Infrastructure	Roads				110 330	117 046	128 751	141 626	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Sanitation Infrastructure:Ref				Sanitation Infrastructure	Reticulation				30 868	33 670	37 037	40 740	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Storm Water Infrastructure:Dr				Storm Water Infrastructure	Drainage Collection				10 660	11 726	12 898	14 188	
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets								
Directorate - Infrastructure Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets				9 429	10 353	11 388	12 527	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Bu				Water Supply Infrastructure	Bulk Mains				1 616	1 778	1 955	2 151	
Directorate - Infrastructure Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Re				Water Supply Infrastructure	Reservoirs				1 343	1 478	1 625	1 788	

MBRR Table SA38 – Consolidated detailed operational projects (Continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand	4				6			5							
Parent municipality:															
<i>List all operational projects grouped by Municipal Vote</i>															
Directorate - Municipal Manager		Operational:Typical Work Streams:Efficient And Effective Public Service							-	-	-	-	-	-	
Directorate - Municipal Manager		Operational:Typical Work Streams:Expanded Public Works Programme:Project							-	-	4 952	4 050	-	-	
Directorate - Municipal Manager		Operational:Typical Work Streams:Shared Service Centre							-	-	13 000	10 000	6 000	23 000	
Directorate - Municipal Manager		Operational:Typical Work Streams:Strategic Management And Governance:Administrative Strategy And Pla							-	-	1 095	-	-	-	
Directorate - Municipal Manager		Operational:Typical Work Streams:Strategic Management And Governance:Risk Management							-	-	27 737	23 496	24 610	25 287	
Directorate - Municipal Manager		Operational:Typical Work Streams:Strategic Management And Governance:Strategic Planning Plan Develop							-	-	-	7	7	10	
Directorate - Municipal Manager		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Computer Equipment				Computer Equipment	Computer Equipment		-	-	1 307	1 437	1 581	1 739	
Directorate - Municipal Manager		Operational:Municipal Running Cost	M123		No			100000	100	89 362	114 170	148 103	156 101	164 686	Whole of Municipality
Directorate - Municipal Manager		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Furniture And Off				Furniture And Office Equipment	Furniture And Office Equipment		-	-	4 592	5 052	5 557	6 112	
Directorate - Municipal Manager		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	27	30	33	36	
Directorate - Municipal Manager		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices		-	-	707	778	855	941	
Directorate - Municipal Manager		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets		-	-	-	-	-	-	
Directorate - Municipal Manager		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets		-	-	-	-	-	-	
Directorate - Municipal Services		Operational:Typical Work Streams:Environmental:Alien And Invasive Trees				Trees			89 810	-	2 000	2 500	3 000	6 000	
Directorate - Municipal Services		Operational:Typical Work Streams:Capacity Building Training And Development:Workshops, Seminars And							-	-	1 000	-	-	-	whole of municipality
Directorate - Municipal Services		Operational:Typical Work Streams:City Cleanliness And Clean-Up:Clean-Up Actions							-	-	4 591	2 750	3 950	17 400	whole of municipality
Directorate - Municipal Services		Operational:Typical Work Streams:Efficient And Effective Public Service							-	-	(5 754)	-	-	-	
Directorate - Municipal Services		Operational:Typical Work Streams:Environmental:Air Quality Management							-	-	-	550	525	4 000	Whole of Municipality
Directorate - Municipal Services		Operational:Typical Work Streams:Local Economic Development:Project Implementation							-	-	300	150	100	-	
Directorate - Municipal Services		Operational:Typical Work Streams:Municipal Properties							-	-	100	100	100	1 000	
Directorate - Municipal Services		Operational:Typical Work Streams:Public Protection And Safety							-	-	(354)	-	-	-	
Directorate - Municipal Services		Operational:Typical Work Streams:Research And Development							-	-	1 000	500	500	-	
Directorate - Municipal Services		Operational:Typical Work Streams:Strategic Management And Governance:Strategic Planning Plan Develop							-	-	200	350	325	3 000	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Community Assets:Community				Community Facilities	Cemeteries/Crematoria		-	-	(829)	1 288	1 417	1 559	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Community Assets:Community				Community Facilities	Halls		-	-	(1 898)	2 315	2 546	2 801	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Community Assets:Community				Community Facilities	Libraries		-	-	(408)	651	716	788	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Community Assets:Community				Community Facilities	Public Open Space		-	-	(1 276)	3 003	3 303	3 634	
Directorate - Municipal Services		Operational:Municipal Running Cost	M123		No			100000	100	705 733	616 187	619 409	656 136	693 982	Whole of Municipality
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Furniture And Off				Furniture And Office Equipment	Furniture And Office Equipment		-	-	65	72	79	87	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Furniture And Office Equip				Furniture And Office Equipment	Furniture And Office Equipment		-	-	191	210	231	254	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Heritage Assets:Other Heri				Heritage Assets	Other Heritage		-	-	9	10	11	12	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Libraries				Libraries	Libraries		-	-	14	15	17	19	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment		-	-	9 901	10 891	11 981	13 179	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices		-	-	(462)	592	651	716	
Directorate - Municipal Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Roads Infrastructure:Roads:Pav				Roads Infrastructure	Roads		-	-	84	93	102	112	
Directorate - Municipal Services		Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Sanitation Infrastructure:Refl				Sanitation Infrastructure	Refitulation		-	-	64	70	77	85	
Directorate - Municipal Services		Operational:Maintenance:Infrastructure:Preventative Maintenance:Condition Based:Solid Waste Disposal				Solid Waste Infrastructure	Landfill Sites		-	-	20 384	7 011	7 713	8 484	
Directorate - Municipal Services		Operational:Infrastructure Projects:New:Solid Waste Infrastructure:Landfill Sites							-	-	13 754	8 000	33 000	6 000	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Community Assets:Sport And				Sport And Recreation Facilities	Outdoor Facilities		-	-	(336)	1 833	2 016	2 218	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets		-	-	-	-	-	-	
Directorate - Municipal Services		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets		-	-	16 380	15 818	17 399	19 139	
Directorate - Spatial Planning And Development		Operational:Typical Work Streams:Spacial Planning							-	-	9 152	15 500	17 850	1 700	
Directorate - Spatial Planning And Development		Operational:Municipal Running Cost	M123		No			100000	100	281 373	233 627	255 853	270 758	286 092	Whole of Municipality
Directorate - Spatial Planning And Development		Default Transactions							-	-	-	-	-	-	
Directorate - Spatial Planning And Development		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Furniture And Off				Furniture And Office Equipment	Furniture And Office Equipment		-	-	-	93	102	124	

MBRR Table SA38 – Consolidated detailed operational projects (Continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class
R thousand	4			2	6		
Parent municipality:							
<i>List all operational projects grouped by Municipal Vote</i>							
Directorate - Spatial Planning And Development		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Furniture And Office Equip				Furniture And Office Equipment	Furniture And Office Equipment
Directorate - Spatial Planning And Development		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Machinery And Equipment				Machinery And Equipment	Machinery And Equipment
Directorate - Spatial Planning And Development		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Other Assets:Operational B				Operational Buildings	Municipal Offices
Directorate - Spatial Planning And Development		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Interval Based:Transport Assets				Transport Assets	Transport Assets
Directorate - Spatial Planning And Development		Operational:Maintenance:Non-Infrastructure:Preventative Maintenance:Condition Based:Transport Assets				Transport Assets	Transport Assets
Directorate - Spatial Planning And Development		Operational:Maintenance:Non-Infrastructure:Corrective Maintenance:Planned:Transport Assets				Transport Assets	Transport Assets
Parent operational expenditure	1						
Entities:							
<i>List all operational projects grouped by Entity</i>							
Entity A							
Water project A							
Entity B							
Electricity project B							
Entity Operational expenditure							
Total Operational expenditure							

2.14 LEGISLATION COMPLIANCE STATUS

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

1. In year reporting

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

2. Internship programme

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

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail draft SDBIP document has been prepared as part of the 2018/19 IDP review and MTREF budget preparation in compliance with MFMA, Section 53(1)(c).

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements. The Annual report for 2016/17 financial year was prepared in line with MFMA Circular 63 guideline and tabled at Council on 31 January 2018.

7. National Treasury Competency Programme

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

8. Policies

Policies are available on the BCMM website at www.buffalocitymetro.gov.za

9. Councillors Remuneration

Remuneration of Councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

Table 90: MBRR Table SA1 – Supporting detail to budgeted financial performance

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	817 717	906 094	978 231	1 269 563	1 263 395	1 263 395	1 263 395	1 602 336	1 746 546	1 886 270
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		23 198	33 739		44 278	142 220	142 220	142 220	180 375	196 608	212 337
Net Property Rates		794 519	872 354	978 231	1 225 285	1 121 175	1 121 175	1 121 175	1 421 961	1 549 938	1 673 933
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	1 465 814	1 638 382	1 688 037	1 864 739	1 920 496	1 920 496	1 920 496	2 051 858	2 192 205	2 342 152
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>											
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		2 271	8 778	17 391	58 300	55 360	55 360	55 360	59 146	63 192	67 514
Net Service charges - electricity revenue		1 463 543	1 629 604	1 670 646	1 806 439	1 865 136	1 865 136	1 865 136	1 992 712	2 129 013	2 274 638
Service charges - water revenue											
Total Service charges - water revenue	6	394 282	494 638	591 512	644 639	656 595	656 595	656 595	721 263	792 314	862 393
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		20 058	31 348	39 897	165 512	145 156	145 156	145 156	158 220	172 460	186 257
Net Service charges - water revenue		374 223	463 290	551 615	479 127	511 438	511 438	511 438	563 043	619 854	676 136
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		278 832	295 347	367 376	443 227	357 507	357 507	357 507	392 286	432 079	470 486
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		66 545	76 354	53 273	77 229	64 351	64 351	64 351	70 143	76 456	82 572
Net Service charges - sanitation revenue		212 287	218 992	314 102	365 998	293 156	293 156	293 156	322 143	355 623	387 914
Service charges - refuse revenue											
Total refuse removal revenue	6	261 807	286 783	386 214	485 513	385 336	385 336	385 336	423 465	463 894	504 496
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		61 895	71 020	79 459	148 747	118 420	118 420	118 420	129 077	140 694	151 950
Net Service charges - refuse revenue		199 912	215 764	306 754	336 766	266 917	266 917	266 917	294 388	323 199	352 546

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
Other Revenue by source											
Fuel Levy		361 639			–	–	–	–			
Commission - Market		18 084			25 386	25 386	25 386	25 386	27 429	29 624	31 964
Fire levy charges		58 358			72 607	56 803	56 803	56 803	63 249	68 309	73 705
Plan approval fees		6 174			11 559	11 559	11 559	11 559	12 871	13 900	14 998
Reconnection fees		14 822			18 534	18 534	18 534	18 534			
Electricity service connection fees		22 848			11 750	–	–	–			
Vehicle registration		31 342			–	–	–	–			
Other revenue		80 253	274 870	213 376	150 390	126 185	126 185	126 185	61 823	66 769	72 043
BCMDA		–			–	–	–	–			
Total 'Other' Revenue	1	593 520	274 870	213 376	290 226	238 467	238 467	238 467	165 371	178 601	192 710
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	750 662	1 197 011	1 560 996	1 054 361	1 054 361	1 054 361	1 054 361	1 182 716	1 239 148	1 369 087
Pension and UIF Contributions		135 383	214 201		200 949	200 949	200 949	200 949	213 925	224 031	247 688
Medical Aid Contributions		52 913			93 350	93 350	93 350	93 350	105 062	110 025	121 643
Overtime		107 200			73 819	73 819	73 819	73 819	85 052	89 070	98 475
Performance Bonus		–			–	–	–	–			
Motor Vehicle Allowance		20 473			36 954	36 954	36 954	36 954	41 124	43 066	47 614
Cellphone Allowance		–			4 392	4 392	4 392	4 392	4 903	5 134	5 676
Housing Allowances		3 508			17 488	17 488	17 488	17 488	19 650	20 578	22 751
Other benefits and allowances		117 667			205 139	205 139	205 139	205 139	232 430	243 410	269 113
Payments in lieu of leave		29 230			18 327	18 327	18 327	18 327	20 475	21 442	23 707
Long service awards		16 270			21 399	21 399	21 399	21 399	23 922	25 052	27 697
Post-retirement benefit obligations	4	–			7 143	7 143	7 143	7 143	10 132	10 611	11 731
sub-total	5	1 233 305	1 411 212	1 560 996	1 733 321	1 733 321	1 733 321	1 733 321	1 939 391	2 031 568	2 245 183
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	1 233 305	1 411 212	1 560 996	1 733 321	1 733 321	1 733 321	1 733 321	1 939 391	2 031 568	2 245 183
Contributions recognised - capital											
List contributions by contract						229	229	229			
Total Contributions recognised - capital		–	–	–	–	229	229	229	–	–	–
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		685 336	857 419	807 050	778 273	778 273	778 273	778 273	887 529	935 456	986 906
Lease amortisation		–			–	–	–	–	7 484	7 888	8 322
Capital asset impairment		–			–	–	–	–			
Depreciation resulting from revaluation of PPE	10	–			–	–	–	–			
Total Depreciation & asset impairment	1	685 336	857 419	807 050	778 273	778 273	778 273	778 273	895 013	943 344	995 228
Bulk purchases											
Electricity Bulk Purchases		1 043 186	1 241 905	1 360 784	1 352 869	1 352 869	1 352 869	1 352 869	1 451 899	1 558 178	1 672 237
Water Bulk Purchases		170 456	184 839	197 730	225 297	225 297	225 297	225 297	246 611	269 940	295 476
Total bulk purchases	1	1 213 642	1 426 744	1 558 514	1 578 167	1 578 167	1 578 167	1 578 167	1 698 510	1 828 118	1 967 713
Transfers and grants											
Cash transfers and grants		27 586	23 554	35 773	59 959	54 459	54 459	54 459	68 693	72 402	76 384
Non-cash transfers and grants		206 565	217 368	359 034	268 678	23 512	23 512	23 512	26 158	25 832	23 886
Total transfers and grants	1	234 151	240 922	394 807	328 637	77 970	77 970	77 970	94 851	98 234	100 271

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

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
EXPENDITURE ITEMS:											
Contracted services											
List services provided by contract				–		–	–	–			
Contractor Payments		2				5 821	5 821	5 821			
Co-Operatives Contracts		–			5 821	–	–	–			
Grass mowing		2 969			–	4 316	4 316	4 316			
Landfill Contractor		–			4 316	–	–	–			
One-man contracts		11 636			–	12 350	12 350	12 350			
Refuse Removal Contracts		–			12 350	6 300	6 300	6 300			
Transfer Contract		–			6 300	–	–	–			
Hiring of labour		–			–	6 805	6 805	6 805			
Traffic Fines Management - TCS		–			6 805	3 369	3 369	3 369			
Repairs and Maintenance		–			3 369	449 404	449 404	449 404			
Operating Projects		–			–	251 089	251 089	251 089			
mSCOA Adjustments		–			–	93 469	93 469	93 469			
Contractors		–			–	–	–	–	648 997	744 586	827 458
Outsourced Services		–			–	–	–	–	136 013	145 807	143 691
Consultants & Professionals		–			–	–	–	–	72 580	91 125	59 615
sub-total	1	14 607	–	–	38 960	832 922	832 922	832 922	857 589	981 518	1 030 763
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		14 607	–	–	38 960	832 922	832 922	832 922	857 589	981 518	1 030 763
Other Expenditure By Type											
Collection costs		17 030	18 825		36 174	22 453	22 453	22 453	23 629	24 905	26 275
Contributions to 'other' provisions		–	–		–	–	–	–	–	–	–
Consultant fees		26 791	27 364		16 640	–	–	–	–	–	–
Audit fees		12 868	13 148		12 240	12 240	12 240	12 240	12 881	13 577	14 324
General expenses	3	410 383	215 299		236 136	156 774	156 774	156 774	180 787	205 577	210 046
List Other Expenditure by Type				1 276 299		–	–	–	–	–	–
Repairs and Maintenance		287 393	344 238		462 450	–	–	–	–	–	–
Chemicals and disinfectants		12 279	13 214		22 013	–	–	–	–	–	–
Diesel fuel oil and petrol		38 274	35 011		49 917	–	–	–	–	–	–
Hired plant/Lease rentals		3 147	423		62 388	92 926	92 926	92 926	87 581	92 310	97 387
Insurance		20 850	19 649		21 070	21 070	21 070	21 070	22 174	23 371	24 657
Levies - SALGA		11 096	11 903		14 108	14 108	14 108	14 108	15 284	16 109	16 995
Rental - Offices (Trust Bank)		10 343	11 865		12 604	12 604	12 604	12 604	17 938	18 907	19 947
Departmental sanitary costs		–	901		–	–	–	–	–	–	–
Telephones		23 029	19 385		13 889	13 889	13 889	13 889	15 015	15 817	16 672
Travel and subsistence allowances		11 331	12 283		10 853	10 853	10 853	10 853	16 711	17 586	18 566
Housing Projects		194 288	183 810		91 300	–	–	–	–	–	–
Operating Projects		145 993	182 056		208 673	47 366	47 366	47 366	34 073	30 618	41 051
Computer licences		8 515	–		25 763	25 763	25 763	25 763	37 776	39 816	42 006
Other mSCOA Adjustments		–	–		–	–	–	–	–	–	–
Total 'Other' Expenditure	1	1 337 880	1 253 861	1 276 299	1 296 218	430 046	430 046	430 046	463 848	498 594	527 925
by Expenditure Item											
Employee related costs	8										
Other materials						1 238	1 238	1 238	1 362	1 498	1 648
Contracted Services						449 404	449 404	449 404	403 965	445 025	494 164
Other Expenditure		287 393	350 106	382 959	462 450	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9	287 393	350 106	382 959	462 450	450 642	450 642	450 642	405 327	446 523	495 812

Table 91: MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Ref	Vote 1 - Directorate - Executive Support Services	Vote 2 - Directorate - Municipal Manager	Vote 3 - Directorate - Human Settlement	Vote 4 - Directorate - Chief Financial Officer	Vote 5 - Directorate - Corporate Services	Vote 6 - Directorate - Infrastructure Services	Vote 7 - Directorate - Spatial Planning and Development	Vote 8 - Directorate - Health / Public Safety & Emergency	Vote 9 - Directorate - Municipal Services	Vote 10 - Directorate - Economic Development & Agencies	Total
R thousand	1											
Revenue By Source												
Property rates		-	-	-	1 421 961	-	-	-	-	-	-	1 421 961
Service charges - electricity revenue		-	-	-	20 828	-	1 971 883	-	-	-	-	1 992 712
Service charges - water revenue		-	-	-	-	-	563 043	-	-	-	-	563 043
Service charges - sanitation revenue		-	-	-	-	-	322 143	-	-	-	-	322 143
Service charges - refuse revenue		-	-	-	-	-	-	-	294 388	-	-	294 388
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	80	-	-	-	10 629	-	5 335	1 519	17 563
Interest earned - external investments		-	-	-	140 172	-	-	-	-	-	-	140 172
Interest earned - outstanding debtors		-	-	-	54 405	-	-	-	-	-	-	54 405
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	1 236	-	-	-	14 927	428	-	16 591
Licences and permits		-	-	-	-	-	-	-	14 446	152	-	14 597
Agency services		-	-	-	-	-	-	-	30 280	-	-	30 280
Other revenue		-	-	-	12 630	1	19 435	18 772	65 372	23 555	25 607	165 371
Transfers and subsidies		-	26 860	56 201	841 230	10 700	342 510	14 000	35 225	144 947	-	1 471 673
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributi		-	26 860	56 281	2 492 463	10 701	3 219 014	43 400	160 250	468 805	27 126	6 504 900

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

Description	Ref	Vote 1 - Directorate - Executive Support Services	Vote 2 - Directorate - Municipal Manager	Vote 3 - Directorate - Human Settlement	Vote 4 - Directorate - Chief Financial Officer	Vote 5 - Directorate - Corporate Services	Vote 6 - Directorate - Infrastructure Services	Vote 7 - Directorate - Spatial Planning and Development	Vote 8 - Directorate - Health / Public Safety & Emergency	Vote 9 - Directorate - Municipal Services	Vote 10 - Directorate - Economic Development & Agencies	Total
R thousand	1											
Expenditure By Type												
Employee related costs		81 280	51 166	31 507	250 978	94 278	483 491	112 914	369 916	429 469	34 392	1 939 391
Remuneration of councillors		64 185	-	-	-	-	-	-	-	-	-	64 185
Debt impairment		-	-	-	98 325	-	199 908	-	5 991	39 473	-	343 696
Depreciation & asset impairment		2 521	11 690	9 996	2 489	12 317	709 193	116 215	7 696	17 170	5 726	895 013
Finance charges		-	-	-	-	-	52 000	1 151	2 873	2 356	1 428	59 808
Bulk purchases		-	-	-	-	-	1 698 510	-	-	-	-	1 698 510
Other materials		3 258	1 251	577	3 458	630	41 193	5 293	6 952	20 584	3 179	86 376
Contracted services		24 153	53 168	58 746	45 790	14 693	495 969	52 140	12 025	83 818	17 087	857 589
Transfers and subsidies		58 196	-	750	-	-	10 367	-	-	236	25 301	94 851
Other expenditure		76 144	73 754	5 825	102 439	35 698	58 260	17 783	14 783	60 301	18 861	463 848
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		309 737	191 028	107 401	503 480	157 617	3 748 890	305 497	420 235	653 407	105 975	6 503 267
Surplus/(Deficit)		(309 737)	(164 168)	(51 120)	1 988 984	(146 916)	(529 877)	(262 096)	(259 985)	(184 602)	(78 848)	1 633
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	80	103 505	-	100	513 598	152 165	-	34 452	-	803 900
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(309 737)	(164 088)	52 385	1 988 984	(146 816)	(16 279)	(109 931)	(259 985)	(150 150)	(78 848)	805 533

Table 92: MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Call investment deposits											
Call deposits		2 137 189	2 151 164	1 665 511	2 459 412	1 619 822	1 619 822	1 619 822	1 560 278	1 532 123	1 607 419
Other current investments			–								
Total Call investment deposits	2	2 137 189	2 151 164	1 665 511	2 459 412	1 619 822	1 619 822	1 619 822	1 560 278	1 532 123	1 607 419
Consumer debtors											
Consumer debtors		1 592 421	2 253 343	1 273 518	2 610 087	2 610 087	2 610 087	2 610 087	1 540 957	1 695 052	1 864 557
Less: Provision for debt impairment		(899 745)	(1 097 312)	(714 853)	(1 694 850)	(1 694 850)	(1 694 850)	(1 694 850)	(602 959)	(538 487)	(467 568)
Total Consumer debtors	2	692 676	1 156 031	558 665	915 237	915 237	915 237	915 237	937 997	1 156 565	1 396 989
Debt impairment provision											
Balance at the beginning of the year		686 126	899 745	763 291	1 387 378	1 387 378	1 387 378	1 387 378	661 570	602 959	538 487
Contributions to the provision		365 110	210 111	132 723	322 651	322 651	322 651	322 651	160 595	176 655	194 320
Bad debts written off		(151 491)	(12 544)	(181 162)	(15 179)	(15 179)	(15 179)	(15 179)	(219 206)	(241 127)	(265 239)
Balance at end of year		899 745	1 097 312	714 853	1 694 850	1 694 850	1 694 850	1 694 850	602 959	538 487	467 568
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		27 926 106	28 712 476	36 190 575	31 604 909	31 734 010	31 734 010	31 734 010	39 579 606	41 868 183	44 042 586
Leases recognised as PPE						–	–	–	–	–	–
Less: Accumulated depreciation		15 444 852	15 687 940	20 314 794	17 048 518	17 048 518	17 048 518	17 048 518	20 198 053	19 254 709	18 259 481
Total Property, plant and equipment (PPE)	2	12 481 255	13 024 536	15 875 782	14 556 391	14 685 492	14 685 492	14 685 492	19 381 553	22 613 474	25 783 105
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)			–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		48 835	50 709	47 642	48 748	52 572	52 572	52 572	59 038	61 392	56 139
Total Current liabilities - Borrowing		48 835	50 709	47 642	48 748	52 572	52 572	52 572	59 038	61 392	56 139
Trade and other payables											
Trade and other creditors		619 831	1 098 056	827 162	901 721	901 721	901 721	901 721	909 878	1 000 866	1 100 953
Unspent conditional transfers		191 539	211 266	252 319	136 488	136 488	136 488	136 488	150 137	165 150	181 666
VAT		170	–	–	–	–	–	–	–	–	–
Total Trade and other payables	2	811 540	1 309 322	1 079 482	1 038 209	1 038 209	1 038 209	1 038 209	1 060 015	1 166 017	1 282 618

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

Total municipal services	Ref.		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	118 000	118 000	118 000	121 683	121 800	121 800	121 800	122 054	122 308
		Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
8		Using public tap (at least min.service level)	103 000	104 000	105 000	125 972	126 730	126 730	126 730	127 476	128 222
10		Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	221 000	222 000	223 000	247 655	248 530	248 530	248 530	249 530	250 530
9		Using public tap (< min.service level)	1 000	1 000	-	-	-	-	-	-	-
10		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	2 000	1 000	1 000	5 822	4 947	4 947	4 947	3 947	2 947
		<i>Below Minimum Service Level sub-total</i>	3 000	2 000	1 000	5 822	4 947	4 947	4 947	3 947	2 947
		Total number of households	224 000	224 000	224 000	253 477	253 477	253 477	253 477	253 477	253 477
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	156 374	157 011	158 671	159 671	159 671	159 671	160 671	161 171	161 671
		Flush toilet (with septic tank)	5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437
		Chemical toilet	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544
		Pit toilet (ventilated)	26 719	31 309	36 298	39 536	39 536	39 536	40 536	41 036	41 536
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	192 074	197 301	203 950	208 188	208 188	208 188	210 188	211 188	212 188
		Bucket toilet	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	26 027	21 790	19 754	19 754	19 754	19 754	19 754	19 754	19 754
		No toilet provisions	5 467	4 477	-	25 535	25 535	25 535	23 535	22 535	21 535
		<i>Below Minimum Service Level sub-total</i>	31 494	26 267	19 754	45 289	45 289	45 289	43 289	42 289	41 289
		Total number of households	223 568	223 568	223 704	253 477	253 477	253 477	253 477	253 477	253 477
		Energy:									
		Electricity (at least min.service level)	8 449	7 298	5 873	5 903	5 903	5 903	5 903	-	-
		Electricity - prepaid (min.service level)	108 082	119 832	118 628	120 353	119 192	119 192	119 619	-	-
		<i>Minimum Service Level and Above sub-total</i>	116 531	127 130	124 501	126 256	125 095	125 095	125 522	-	-
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	41 915	40 241	39 241	38 041	37 841	37 841	36 841	31 841	26 841
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	41 915	40 241	39 241	38 041	37 841	37 841	36 841	31 841	26 841
		Total number of households	158 446	167 371	163 742	164 297	162 936	162 936	162 363	31 841	26 841
		Refuse:									
		Removed at least once a week	130 000	126 044	126 500	126 500	126 500	127 000	130 000	140 000	140 000
		<i>Minimum Service Level and Above sub-total</i>	130 000	126 044	126 500	126 500	126 500	127 000	130 000	140 000	140 000
		Removed less frequently than once a week	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980
		Using communal refuse dump	2	2	2	2	2	2	2	2	2
		Using own refuse dump	1	1	1	1	1	1	1	1	1
		Other rubbish disposal	-	-	-	-	-	2	4	4	4
		No rubbish disposal	3	3	3	3	3	3	3	3	3
		<i>Below Minimum Service Level sub-total</i>	1 986	1 986	1 986	1 986	1 986	1 988	1 990	1 990	1 990
		Total number of households	131 986	128 030	128 486	128 486	128 486	128 988	131 990	141 990	141 990

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

Municipal in-house services	Ref.	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	118 000	118 000	118 000	121 683	121 800	121 800	121 800	122 054	122 308
8		Piped water inside yard (but not in dwelling)									
10		Using public tap (at least min.service level)	103 000	104 000	105 000	125 972	126 730	126 730	126 730	127 476	128 222
		Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	221 000	222 000	223 000	247 655	248 530	248 530	248 530	249 530	250 530
9		Using public tap (< min.service level)	1 000	1 000							
10		Other water supply (< min.service level)									
		No water supply	2 000	1 000	1 000	5 822	4 947	4 947	4 947	3 947	2 947
		<i>Below Minimum Service Level sub-total</i>	3 000	2 000	1 000	5 822	4 947	4 947	4 947	3 947	2 947
		Total number of households	224 000	224 000	224 000	253 477	253 477	253 477	253 477	253 477	253 477
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	156 374	157 011	158 671	159 671	159 671	159 671	160 671	161 171	161 671
		Flush toilet (with septic tank)	5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437	5 437
		Chemical toilet	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544	3 544
		Pit toilet (ventilated)	26 719	31 309	36 298	39 536	39 536	39 536	40 536	41 036	41 536
		Other toilet provisions (> min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	192 074	197 301	203 950	208 188	208 188	208 188	210 188	211 188	212 188
		Bucket toilet									
		Other toilet provisions (< min.service level)	26 027	21 790	19 754	19 754	19 754	19 754	19 754	19 754	19 754
		No toilet provisions	5 467	4 477		25 535	25 535	25 535	23 535	22 535	21 535
		<i>Below Minimum Service Level sub-total</i>	31 494	26 267	19 754	45 289	45 289	45 289	43 289	42 289	41 289
		Total number of households	223 568	223 568	223 704	253 477	253 477	253 477	253 477	253 477	253 477
		Energy:									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		Refuse:									
		Removed at least once a week	130 000	126 044	126 500	126 500	126 500	127 000	130 000	140 000	140 000
		<i>Minimum Service Level and Above sub-total</i>	130 000	126 044	126 500	126 500	126 500	127 000	130 000	140 000	140 000
		Removed less frequently than once a week	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980	1 980
		Using communal refuse dump	2	2	2	2	2	2	2	2	2
		Using own refuse dump	1	1	1	1	1	1	1	1	1
		Other rubbish disposal						2	4	4	4
		No rubbish disposal	3	3	3	3	3	3	3	3	3
		<i>Below Minimum Service Level sub-total</i>	1 986	1 986	1 986	1 986	1 986	1 988	1 990	1 990	1 990
		Total number of households	131 986	128 030	128 486	128 486	128 486	128 988	131 990	141 990	141 990

Table 94: MBRR Table SA32 – List of External Mechanism

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

2.15 CITY MANAGER'S QUALITY CERTIFICATE

I **Andile Sihlahla**, City Manager of Buffalo City Metropolitan Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

City Manager of Buffalo City Metropolitan Municipality (BUF)

Signature _____

Date _____

ANNEXURES:

- C: 2018/19 MTREF Capital Projects
- D: 2018/19 MTREF Operating Projects
- E: BCMM MSCOA Project Plan
- F: 2018/2019 Tariff Book
- G: 2018/2019 Tariff Policy
- H: 2018/2019 Property Rates Policy & Property Rates By-Law
- I: 2018/2019 Supply Chain Management Policy
- J: 2018/2019 Immovable Asset Policy
- K: 2018/19 Budget Virement Policy
- L: 2018/2019 Built Environmental Performance Plan
- M: 2018/2019 Service Level Standards
- N: Circular 88 and Circular 89 of the MFMA
- O: 2018/2019 D Budget Schedules
- P: 2018/2019 Parent Budget Schedules
- Q: 2018/2019 Consolidated Budget Schedules