

ANNEXURE B

IDP and BUDGET

2019/20 – 2021/22



ANNEXURE “B”

DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FORECASTS

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Abbreviations and Acronyms

AARTO	Administrative Adjudication of Road Traffic Offences	L	Litre
AGSA	Auditor-General South Africa	LMCDP	Lungile Mtshali Community Development Project
ARS	Application Rationalisation Strategy	M&E	Monitoring and Evaluation
ASGISA	Accelerated and Shared Growth Initiative	MBRR	Municipal Budget and Reporting Regulations
BSC	Budget Steering Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act
CBO	Community Based Organisation	MHDP	Municipal Housing Development Plan
CBP	Community Based Projects	MIG	Municipal Infrastructure Grant
CCA	Customer Care Areas	MMC	Member of Mayoral Committee
CCC	Customer Care Centres	MOU	Memorandum of Understanding
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
CIF	Capital Investment Framework	MSA	Municipal Systems Act
CIPC	Companies and Intellectual Property Commission	MSDF	Metropolitan Spatial Development Framework
CITP	Comprehensive Integrated Transport Plan	MTEF	Medium-term Expenditure Framework
CM	City Manager	MTREF	Medium-term Revenue and Expenditure Framework
CODESA	Convention for a Democratic South Africa	MVRA/ DLTC	Motor Vehicle Registering Authority / Driver's Licensing Testing Centre
COO	Chief Operating Officer	NDP	National Development Plan
CPI	Consumer Price Index	NDPG	Neighbourhood Development Programme Grant
CPIX	Consumer Price Index excluding mortgage costs	NERSA	National Energy Regulator South Africa
CRM	Customer Relations Management	NGO	Non-Governmental Organisations
CSIR	Council of Scientific and Industrial Research	NKPIs	National Key Performance Indicators
DCS	Digital City Systems	NOC	Network Operation Centre
DEMS	Disaster and Emergency Management Services	NSDP	National Spatial Development Perspective
DMTN	Domestic Medium-term Note	NT	National Treasury
DORA	Division of Revenue Act	NUSP	National Upgrading Support Programme
EDC	Ekurhuleni Development Company	OHS	Occupational Health and Safety
EE	Employment Equity	OPCA	Operation Clean Audit
EIA	Environmental Impact Assessment	OPM	Organisational Performance Management

EM	Executive Mayor	PBO	Public Benefit Organisations
EMIS	Engineering Management Information System	PDI	Previously Disadvantaged Individuals
CoE	City of Ekurhuleni	PHC	Provincial Health Care
EMPD	Ekurhuleni Metro Police Department	PMO	Project Management Office
EPWP	Expanded Public Works Programme	PMS	Performance Management System
ERM	Environmental Resource Management	PPE	Property Plant and Equipment
ERP	Enterprise Resource Planning	PPI	Producer Price Index
FBE	Free basic electricity	PPP	Public Private Partnership
FBS	Free basic services	PRASA	Passenger Rail Agency of South Africa
GAMAP	Generally Accepted Municipal Accounting Practice	PSI	Public Services Infrastructure
GDP	Gross domestic product	PTIS	Public Transport Infrastructure System
GDS	Growth and Development Strategy	RFP	Request for Proposal
GFS	Government Financial Statistics	RG	Restructuring Grant
GGDS	Gauteng Growth and Development Strategy	R&M	Repair & Maintenance
GPG	Gauteng Provincial Government	RMEP	Revenue Management
GRAP	General Recognised Accounting Practice	RMTC	Road Management Traffic Corporation
HR	Human Resources	RSDF	Regional Spatial Development Framework
HSDG	Human Settlement Development Grant	SALGA	South African Local Government Association
HSDP	Human Settlement Development Plan	SAMSA	South African Maritime Safety Authority
IBALCO	IDP Budget Asset and Liability Committee	SAPS	South African Police Services
IBT	Inclining Block Tariff	SCOA	Standard Chart of Accounts
ICT	Information Communication Technology	SDBIP	Service Delivery Budget Implementation Plan
IDP	Integrated Development Strategy	SIP	Strategic Implementation Plan
IMS	Intelligent Metering Systems	SMME	Small Micro and Medium Enterprises
INEP	Integrated National Electrification Programme	SRAC	Sports, Recreation, Arts and Culture
IR	Institutional Review	STS	Standard Transfer Specification
IRPTN	Integrated Rapid Public Transport Network	UCC	Unified Command Centre
IT	Information Technology	USDG	Urban Settlement Development Grant
KPA	Key Performance Area	VAT	Value Added Tax
KPI	Key Performance Indicator	WMS	Waste Management Services
kWh	kilowatt hour		

Part 1 – Annual Budget

1.1 Mayor's Report

The 2016/17 to 2018/19 Medium Term Revenue and Expenditure Framework (MTREF), which was the first of our five-year term, has come to a close. Accordingly, this budget book unveils our second MTREF which will cover the 2019/2020 to 2021/2022 period- which is the final budgeting framework for the current term of office. This budget builds from the experience and successes of the previous budgeting framework and carries forward a series of invaluable insights that we have acquired over time.

In commencing with our term of office, we outlined a clear programme of action to advance a pro-poor agenda as our guiding philosophy. We defined this agenda as a deliberate and systematic bias to rollout service delivery and economic development opportunities in a manner that uplifts the poorest sections of Ekurhuleni. This arose from the reality that, in our city, the demographic tension that binds race, class and gender- in the context of stubborn apartheid spatial planning- is dramatically defined.

In the context of that radical agenda, we have borne it in mind that the budget would be our strategic instrument by which we can make an impact. This means that we have had to maintain a prudent but committed approach to fiscal management; rearticulating the spending priorities of the city whilst striving to maximize the impact per-rand spent on our capital and service delivery projects.

As the primary instrument of policy to finance city wide projects, the previous budgetary framework has shown us key pointers about how best to organize financial resources. These pointers have reflected the need to improve the revenue base, clamp down on non-revenue expenditure and institutionalizing a robust governance system that anticipates and mitigates against corruption.

Overall, the previous MTREF consolidated serious advances with regards to the delivery of services and infrastructure to the people of Ekurhuleni as intended. The output in terms of roads construction, clinics, education bursaries, human settlements, waste management and the provision of essential services such as water and electricity has been tremendous.

As we venture into the second medium term revenue and expenditure framework in this term of office, we bear in mind the wise words of the first democratic President of the Republic of South Africa, Nelson Rholihlahla Mandela, who accurately observed that,

“After climbing a great hill, one only finds that there are many more hills to climb.”

In preparing this budget framework, we were confronted by the reality that the structure of the Ekurhuleni economy has changed. This is another mountain that we have to urgently climb. Labour intensive sectors such as mining, manufacturing and agriculture have experienced a steady decline in the 15-year period from 2000 – 2015. There has been a shift in the contribution of various sectors to the economy, with sectors such as manufacturing and mining giving way to business services and construction. By implication, our revenue base has been steadily eroding.

It has therefore become more crucial that we engage in a countercyclical fiscal policy strategy. The pressures on our revenue are real but have been met by an equally realistic planning capability on our part to intervene in a manner that reverses the decline in our revenue base without shifting the pressure to households as clients of the city.

As a stopgap measure, we have tried to maintain a low level of rates and taxes in an effort to minimize the high pressure that households are currently experiencing. In the long-term, we will only be able to avoid rates hikes if we can grow our revenue base through expanded economic activity within the city.

It is in pursuit of this long-term outcome that we have designed our budget in a manner that helps us to increase expenditure in capital projects that will serve as a platform for higher regional economic growth. These projects will provide employment, business opportunities for local entrepreneurs and the baseline infrastructure for private investors to come in and build a variety of industrial and commercial assets.

In this regard, this medium term revenue and expenditure framework outlines a dynamic budgetary framework that is geared towards sustained service delivery and economic growth. It provides an outlook of a sustainable revenue and expenditure plan that will systematically pursue and achieve both objectives. Importantly, it centres the aspirations and concerns of all citizens of Ekurhuleni across the divides of social class and the wealth gap.

I am therefore confident that we have a good platform, through this budget as our primary instrument, to achieve greater levels of service delivery and local economic development

progress in the medium term. It is with hope that all the citizens of Ekurhuleni, organized as various stakeholders, will partner with us in discharging the plans outlined in this budget.

Yours in service delivery,

Cllr Mzwandile Masina,
Executive Mayor

1.2 Council Resolutions

On 28th March 2019, the Executive Mayor will table to the City of Ekurhuleni's Council the draft 2019/20 MTREF in terms of section 16(2) of the MFMA. The Council will consider the following resolutions:

1. The Council of the City Of Ekurhuleni, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) **APPROVES** and **ADOPTS**:
 - 1.1 The budget of the municipality and the entities for the financial year 2019/20 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 22 on page 56;
 - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 23 on page 59;
 - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 25 on page 62; and
 - 1.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 26 on page 65.
 - 1.1.5 The entities budget is depicted on the following tables:
 - 1.1.5.1 Ekurhuleni Housing Company contained in Table 70 on page 202
 - 1.1.5.2 Brakpan Bus Company contained in Table 79 on page 230
 - 1.1.5.3 ERWAT contained in Table 81 on page 239
 - 1.2 The financial position, cash flow budget, cash backed reserve / accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1 Budgeted Financial Position as contained in Table 27 on page 70
 - 1.2.2 Budgeted Cash Flows as contained in Table 28 on page 73
 - 1.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table 29 on page 74
 - 1.2.4 Asset management as contained in Table 30 on page 76, and
 - 1.2.5 Basic service delivery measurement as contained in Table 31 on page 82.
2. The Council of the City of Ekurhuleni, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2019:
 - 2.1 Schedule 1 - Tariffs for property rates.
 - 2.2 Schedule 2 – Tariffs for electricity.
 - 2.3 Schedule 3 - Tariffs for the supply of water.
 - 2.4 Schedule 4 - Tariffs for the supply of sewer.
 - 2.5 Schedule 5 – Tariffs for waste management services.

– As set out in Annexure C
3. The Council of the City of Ekurhuleni, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES** and **ADOPTS** with effect from 1 July 2019 the tariffs for other services, as set out in the various tariff schedules as contained in Annexure C.
4. To give proper effect to the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES**:

- 4.1 **That** cash backing is implemented through the utilisation of a portion of the revenue generated from property rates and user charges for services to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by Section 8 of the Municipal Budget and Reporting Regulations.
- 4.2 **That** the municipality **BE PERMITTED** to enter into long-term borrowings for the funding of the capital programmes in respect of the 2019/20 financial year limited to an amount of R4.077 billion, 2020/21 financial year limited to an amount of R3.954 billion and 2021/22 financial year limited to an amount of R3.476 billion, in terms of Section 46 of the Municipal Finance Management Act.
- 4.3 **That** the Municipal Manager **BE AUTHORISED** to sign all necessary agreements and documents to give effect to the above lending programme.
- 4.4 **That** the taking up of an external loan of R4.077 billion to fund the 2019/20 Capital Budget **BE APPROVED** for a term of 10 to 15 years and that a further report be submitted to Council to give feedback on the public comments received in this regard before the transaction is finalised.
5. To guide the implementation of the municipality's annual budget, the Council of the City of Ekurhuleni **APPROVES** the policies as set out in the Annexures of this document.

Annexure D1	Medium-term Budget Policy Statement (reviewed)
Annexure D2	Pricing Policy Statement (reviewed)
Annexure D3	Property Rates Policy (reviewed)
Annexure D4	Provision of Free Basic Electricity Policy (reviewed) & Provision of Free Basic Water Supply Services Policy (reviewed)
Annexure D5	Waste Management Services Tariff Policy (reviewed)
Annexure D6	Consumer Deposit Policy (remains unchanged)
Annexure D7	Indigent Policy (remains unchanged)
Annexure D8	Credit Control & Debt Collection Policy (reviewed)
Annexure D9	Provision for Doubtful Debtors and Debtors Write Off (reviewed)
Annexure D10	Budget Implementation and Monitoring Policy (remain unchanged)
Annexure D11	Municipal Entity Financial Support Policy (reviewed)
Annexure D12	Accounting Policy (reviewed)
Annexure D13	Electricity Metering for Residential and business Customers (reviewed)
Annexure D14	Policy for the Vending of Pre-Paid Electricity (reviewed)
Annexure D15	Policy for Correction of Meter Reading and Billing Data (reviewed)
Annexure D16	Electricity Tariff policy (reviewed)
Annexure D17	Virement Policy (remains unchanged)
Annexure D18	Consumer Agreement Policy (remains unchanged)
Annexure D19	Supply Chain Management Policy (remains unchanged)
Annexure D20	Treasury Policy (reviewed)
Annexure D21	Grants-in-Aid Policy (remains unchanged)
Annexure D22	Asset Management Policy (reviewed)

6. To ensure oversight of the municipal entities, as required by Section 89 of the Municipal Finance Management Act, Council **APPROVES** the salaries and benefits of the Municipal Entities to be in line with the proposed increases as set out in the budget of City of Ekurhuleni.
7. **That** the Chief Financial Officer in consultation with the City Manager **BE DELEGATED** the authority to adjust the 2019/20 Operating and Capital Budgets (income and expenditure) with:
 - 7.1 all operating and capital grants received in addition to the currently gazetted DORA grants
 - 7.2 income received for recoverable jobs
 - 7.3 insurance claims received
 - 7.4 developers' contributions received
 - 7.5 transactions on the internal cost management structure
 - 7.6 disbursement of centralised budgets
8. **That** the Chief Financial Officer **BE AUTHORISED** to amend the structure on the financial system, in collaboration with the Heads of Departments, to align the financial system to the outcome of the Institutional Review and the new Standard Chart of Accounts (SCOA), structure proposed by National Treasury.
9. **That**, in order to facilitate multi-year budgeting, departments **BE AUTHORISED** to commit projects on the 2020/21 and 2021/22 budgets, on both internal and confirmed external funding sources.
10. **That** authority **BE GRANTED** to the City Manager and the Chief Financial Officer, to negotiate a bridging finance to a maximum amount of R200 m, in respect of bank overdraft facilities and/or the raising of short-term loans, including loans at call from Council's bankers, for the financial year ending 30 June 2020 in order to finance temporarily –
 - Expenditure on the Capital Budget; or
 - Expenditure on the Operating Budget incurred in anticipation of the receipt of revenue estimated and from which the expenditure would have been defrayed.
11. **That** the City Of Ekurhuleni's IDP for 2019/20 as contained in **Annexure "A" BE ADOPTED**.
12. **That** the copy of the IDP **BE SUBMITTED** to the MEC for Local Government and Relevant provincial department.
13. **That** the MEC for Local Government **BE REQUESTED** to approve the City of Ekurhuleni IDP for 2019/20 as its Land Development Objectives as envisaged in Section 72a of the Development Facilitation Act."
14. **That** the Built Environment Performance Plan (BEPP) for the 2019/20 to 2021/2022 financial period attached to the report as **Annexure G BE ADOPTED**.
15. **That** the Draft SDBIP for the 2019/20 as required by the National Treasury Circular 94 dated 8th March 2019 **BE NOTED**.

1.3 Executive Summary

Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner, which is consistent with its IDP. This includes the compilation of the Medium-term Revenue and Expenditure Framework.

The City's GDS and IDP are its principal strategic planning instruments, which directly guide and inform 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 2019/20 Medium-Term Revenue and Expenditure Framework (MTREF), each department/function had to review its business planning processes taking into account their individual departmental strategies. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital programme.

The current slowdown of the economy will continue to pressurise municipal revenue generation and collection hence a conservative approach was followed for projecting revenue. These circumstances make it essential for municipalities to reprioritise expenditure and implement stringent cost-containment measures.

The compilation of the 2019/20 MTREF therefore remains a huge challenge to balance the budget between the limited revenue resources available and the immense need to provide quality service delivery to our community. Tariff increases must be limited to be within the affordability levels of our community and must still promote economic growth to ensure financial sustainability.

The 2019/20 budget is based on an expected growth rate of 1% for waste removal and property rates with the exception of the water and electricity services. No growth was factored in Water & Sanitation and Energy services due to the anticipated reduction in consumption as results of negative economic downturn affecting industrials.

The draft MTREF used the guidelines set by the Minister of Finance in his Medium-term Budget Policy Statement Speech as well as the guidelines in terms of Circular No.94 dated 08 March 2019 as issued by National Treasury. The **inflation outlook** as set out in the Circular is at **5.2%** for the 2019/20 financial year.

It is proposed that the **property rate tariff increase by 7.5%** for the 2019/20 financial year.

National Treasury Circular No.94 provided that municipalities must align the energy tariffs to NERSA guidelines when available. The CoE has estimated **electricity tariff increase that ranges between 13% and 14%** to its customers, depending on the block of the customer.

Rand Water indicated a proposed tariff increase **15%, with the inclusive of the Water research levy of 0, 065**. In terms of Water Research Act. 1971, Rand Water was tasked to collect the Water research levy which is not part of the Rand Water's tariff, for payment to Water Research Commission.

The cost of sewer purification rendered by ERWAT will increase by 11% due to increases in prices of chemicals, labour costs and CPI and demand for the maintenance of the sanitation networks. CoE will increase sanitation **tariff with 11% as proposed**.

Refuse removal tariff increase was set at 7.5% for all users. This is largely based on the increase of the main cost drivers of the service.

Sundry tariff increases will be limited, in most instances, to be within the CPI rate. A summary of the increases is contained later in this report.

The impact of the above tariff increases on households is estimated to vary between 10.7% and 13.4%, as set out in Table 15 MBRR Table SA14 – household bills on page 41.

In order to sustain the services rendered to our community the **repair and maintenance** budget has been increased to R3.0 billion in 2019/20 as compared to R2.3 billion in 2018/19.

The financial sustainability of the 2019/20 draft MTREF is largely dependent on the collection level of billed income. Provision is made for a **collection level of 94%**.

The **Capital Budget of R7.8 billion for 2019/20 is 16.4% more** when compared to the 2018/19 Adjusted Budget of **R6.7 billion**. Entities are also included in the Capital Budget of **R7.6 billion**.

The Capital Budget is largely driven by projects emanating from the GDS 2055, IDP and projects identified by the community as well as the backlog in services.

In terms of Council's social commitment to assist the poorer communities in Ekurhuleni provision was also made for the supply of free basic services and social contributions to identified structures in Ekurhuleni.

All residential owners will **continue to receive assessment rate exemption on the value of their homes. The first R150 000 is exempted for assessment rates**. Various other grants on assessment rates, such as pensioners' rebate, rebate to low income people, properties zoned for religious purposes, will continue in the new year.

The slow pace in registering indigents forced Council to consider an alternative option in addressing the indigents. Similar to the process followed by other cities in SA, Council adopted the targeted approach. This implies that **all residents with property values of less than R150 000 are regarded as deemed indigent**.

The following policies relating the provision of free of basic services have been reviewed:

- The **indigent qualifying criteria** has been amended as follows:
 - “combined household income of all occupants / residents and/or dependents residing on the property and are over the age of 18 years of age, is less than two (2) monthly minimum wage determination based on Area “A” Domestic worker who work more than 27 ordinary hours per week, as amended by Minister of Labour from time to time; this brings the total household income for qualifying indigents to R5, 090 per month;
- The free basic electricity policy remains at 100kWh for all households subject to IBT. This policy requires further review in the coming years to bring it in line with national policy, which provides that free electricity be limited to 50kWh for indigent households only. The City of Ekurhuleni will provide free basic water and sewer services (6kl) to registered indigent households and all properties with a value not exceeding R750 000. The City will also provide an additional 3kl free basic water services to registered indigent household as prescribed in the Council's approved Indigent Policy;

The total amount budgeted for **free basic services** and social grants to our community amounts to **R4.1 billion compared to R4.2 billion in 2018/19 adjusted budget**.

The draft 2019/20 Multi-year budget, with comparative information is as follows:

Table 1 Consolidated Operating Budget Summary

Category	ADJUSTED BUDGET 1819	ACTUALS as at end Feb 2019	% SPENT	2019/20 DRAFT BUDGET	2020/21 DRAFT BUDGET	2021/22 DRAFT BUDGET
1_TOTAL INCOME	(38 684 488 070)	(24 378 040 620)	63.0%	(41 602 651 079)	(45 297 348 120)	(49 587 280 812)
1.1_NON - EXCHANGE REVENUE	(15 075 399 344)	(8 643 984 272)	57.3%	(15 359 132 283)	(16 362 130 477)	(17 664 930 353)
102_PROPERTY RATES	(5 632 288 291)	(3 569 953 852)	63.4%	(6 140 478 219)	(6 662 418 864)	(7 328 660 751)
104_FINES PENALTIES AND FORFEITS	(238 197 268)	(77 499 616)	32.5%	(145 107 136)	(152 942 917)	(161 201 844)
106_LICENCES AND PERMITS	(338 744 807)	(204 002 358)	60.2%	(305 915 543)	(322 434 985)	(339 846 476)
107_INTEREST DIV RENT ON LAND NON-EXCHANGE	(52 763 928)	(52 983 566)	100.4%	(55 402 125)	(58 393 841)	(61 547 108)
114_OPERATIONAL : MONETARY	(6 355 840 827)	(4 081 769 707)	64.2%	(5 928 708 891)	(6 339 766 181)	(6 890 825 160)
124_CAPITAL : MONETARY	(2 457 564 223)	(657 775 172)	26.8%	(2 783 520 369)	(2 826 173 689)	(2 882 849 014)
1.2_EXCHANGE REVENUE	(23 609 088 726)	(15 734 056 348)	66.6%	(26 243 518 796)	(28 935 217 643)	(31 922 350 459)
132_SERVICE CHARGES	(20 922 144 523)	(13 972 449 813)	66.8%	(23 728 239 443)	(26 171 639 742)	(28 866 539 991)
134_INTEREST DIVIDENDS AND RENT ON LAND	(893 401 908)	(482 227 487)	54.0%	(943 863 586)	(994 606 486)	(1 048 393 549)
138_OPERATIONAL REVENUE	(25 082 630)	(17 772 449)	70.9%	(25 514 853)	(26 892 898)	(28 345 361)
140_RENTAL FROM FIXED ASSETS	(127 762 558)	(92 254 020)	72.2%	(136 271 005)	(143 676 467)	(151 484 384)
142_SALES OF GOODS AND RENDERING OF SERVICES	(1 640 697 107)	(1 169 352 579)	71.3%	(1 409 629 910)	(1 598 402 051)	(1 827 587 173)
2_TOTAL EXPENDITURE	36 210 484 981	22 308 200 230	61.6%	38 789 376 091	42 441 259 349	46 674 028 925
2.1_Employee Related Cost	8 656 028 416	5 633 108 537	65.1%	9 531 410 726	10 299 056 116	11 163 647 450
203_SM - SALARIES ALLOW AND SERV BENEFITS	66 024 654	44 141 264	66.9%	74 668 053	80 414 612	86 527 599
205_SM - SOCIAL CONTRIBUTIONS	3 406 858	3 422 183	100.4%	6 598 899	7 093 566	7 603 771
211_MS - SALARIES ALLOW AND SERV BENEFITS	7 092 483 475	4 547 803 151	64.1%	7 631 449 622	8 241 607 978	8 934 477 899
213_MS - SOCIAL CONTRIBUTIONS	1 563 284 692	964 909 937	61.7%	1 731 252 608	1 875 135 305	2 032 135 163
214_MS - POST RETIREMENT BENEFITS	99 156 366	64 463 458	65.0%	99 566 053	107 741 528	116 634 939
215_MS - COST CAPITALISED TO PPE	(176 696 173)	-	0.0%	(22 637 740)	(24 448 758)	(26 404 658)
216_BOARD MEMBERS	8 368 544	8 368 544	100.0%	10 513 230	11 511 885	12 672 737
2.2_Remuneration of Councilors	151 061 797	92 256 407	61.1%	139 695 066	150 870 667	162 940 314
221_ALLOWANCES & SRB	146 272 489	89 233 435	61.0%	134 887 973	145 679 006	157 333 320
222_SOCIAL CONTRIBUTIONS	4 789 308	3 022 971	63.1%	4 807 093	5 191 661	5 606 994
2.3_Contracted Services	4 510 452 412	2 128 558 473	47.2%	4 443 503 791	4 740 141 310	5 228 414 660
226_OUTSOURCE SERVICES	2 267 113 417	1 336 462 730	58.9%	2 408 089 309	2 590 819 341	2 788 638 148
227_CONSULTANTS AND PROFESSIONAL SERVICES	454 794 550	182 325 925	40.1%	363 041 390	368 736 362	375 757 392
228_CONTRACTORS	1 788 544 445	609 769 818	34.1%	1 672 373 092	1 780 585 606	2 064 019 120
2.4_Other Expenditure	22 892 942 356	14 454 276 813	63.1%	24 674 766 508	27 251 191 256	30 119 026 500
230_OPERATIONAL COST	1 177 787 193	718 596 505	61.0%	1 209 762 189	1 293 544 447	1 378 015 000
232_INVENTORY	2 331 603 379	1 022 375 553	43.8%	2 058 926 754	2 222 295 362	2 398 655 464
234_BULK PURCHASES	13 579 633 336	8 955 857 463	66.0%	15 703 689 808	17 313 739 628	19 089 159 322
236_INTEREST DIVIDENDS AND RENT ON LAND	821 438 456	498 335 973	60.7%	1 327 361 666	1 808 762 996	1 913 266 423
238_OPERATING LEASES	45 044 234	31 770 594	70.5%	49 804 422	53 853 795	58 481 437
240_BAD DEBTS WRITTEN OFF	1 503 081 147	971 149 337	64.6%	1 579 646 272	1 736 825 929	1 909 803 239
259_OPERATIONAL : MONETARY	1 088 197 620	577 989 408	53.1%	774 166 002	824 826 002	760 129 802
269_CAPITAL MONETARY	829 130	829 130	100.0%	867 149	1 011 238	1 189 569
272_DEPRECIATION & AMORTISATION	2 285 339 278	1 617 384 266	70.8%	1 970 542 246	1 996 331 859	2 610 326 244
280_INCOME TAX	59 988 583	59 988 583	100.0%	-	-	-
4_TOTAL GAINS AND LOSSES	15 278 401	908 684	5.9%	15 307 321	16 133 916	17 005 147
4.1_Gains and Losses	15 278 401	908 684	5.9%	15 307 321	16 133 916	17 005 147
320_DISP OF FIXED AND INTANGIBLE ASSETS	14 578 401	-	0.0%	15 307 321	16 133 916	17 005 147
370_INVENTORY	700 000	908 684	0.0%	-	-	-
(Surplus)/Deficit	(2 458 724 688)	(2 068 931 706)		(2 797 967 667)	(2 839 954 855)	(2 896 246 740)

The surplus of R2.7 billion reflected in 2019/20 is including the capital grant income recognised to fund Capital Expenditure. The mSCOA Framework does not provide for transfer to capital budget as an line item, with the result that the operating surplus includes the capital grant income of R2.7 billion. Table 2 below depicts R14.4 million in 2019/20 as the surplus after the capital grants. The R14.4 million includes the R12.9 million surplus reported by BBC.

Table 2 Consolidated Overview of the 2019/20 MTREF

CONSOLIDATED	Adjusted Budget 2018/19	Actuals as at end Feb 2019	Draft Budget 2019/20	Draft Budget 2020/21	Draft Budget 2021/22
Total Operating Revenue	(38 684 488 070)	(24 378 040 620)	(41 602 651 079)	(45 297 348 120)	(49 587 280 812)
Total Operating Expenditure	36 210 484 981	22 308 200 230	38 789 376 091	42 441 259 349	46674028925
Total Gains and Losses	15 278 401	908 684	15 307 321	16 133 916	17 005 147
Surplus/(Deficit) for the year	(2 458 724 688)	(2 068 931 706)	(2 797 967 667)	(2 839 954 855)	(2 896 246 740)
Less Grant Income recognised to fund Capital Expenditure	2 457 564 223	657 775 172	2 783 520 369	2 826 173 689	2 882 849 014
(Surplus)/Deficit for the year after Capital Grants	(1 160 465)	(1 411 156 534)	(14 447 298)	(13 781 166)	(13 397 726)

Alignment of the financial structure to SCOA Framework has resulted in the classification changes for some of the categories (the cost of free basic services is netted of against services charges).

Total operating **revenue** (which includes capital grant income) has grown by **7.5%** or **R2.9 billion** for the 2019/20 financial year when compared to the 2018/19 Adjusted Budget. For the two outer years, operational revenue is increasing with 8.9% and 9.5% respectively, equating to a total revenue growth of R7.9 billion over the MTREF when compared to the 2019/20 financial year.

Total operating **expenditure** amounts to **R38.7 billion** in the 2019/20 financial year. Thus, it translates into a **budgeted surplus of R14 million**. When compared to the 2018/19 Adjustments Budget, operational expenditure has grown by 7.1% in the 2019/20 budget. The operating surplus for the two outer years amounts to R13.7 million and R13.3 million respectively.

1.4 Operating Revenue Framework

Statistics from the 2011 National Census show that the population of City of Ekurhuleni has increased by an average of 3.14% annually. A large portion of these residents are unemployed, which results in an increase in services and expenditure but not necessarily an increase in the income base of Council.

For the City of Ekurhuleni 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 poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the city and continued economic development;
- Efficient revenue management, which aims to ensure a 94% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;

-
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
 - The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
 - Increase ability to extend new services and recover costs;
 - The municipality's Indigent Policy and rendering of free basic services; and
 - Tariff policies of the city.

The following table is a summary of the City’s 2019/20 MTREF (classified by main revenue source):

Table 3 CoE Summary of revenue classified by main revenue source (Source: NT Table A4)

EKU Ekurhuleni Metro - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source										
Property rates	3,946,659	4,053,558	5,200,065	5,615,665	5,632,288	5,632,288	5,632,288	6,140,478	6,662,419	7,328,661
Service charges - electricity revenue	11,826,299	12,906,311	12,893,182	13,732,952	13,868,905	13,868,905	13,868,905	15,553,417	17,101,796	18,804,637
Service charges - water revenue	3,217,167	3,395,581	3,152,220	4,119,535	4,119,535	4,119,535	4,119,535	4,870,108	5,440,102	6,074,648
Service charges - sanitation revenue	1,054,668	1,109,672	1,168,271	1,594,808	1,594,808	1,041,447	1,041,447	1,771,371	1,966,130	2,182,308
Service charges - refuse revenue	961,447	1,273,529	1,190,279	1,338,897	1,338,897	1,338,897	1,338,897	1,533,344	1,663,611	1,804,947
Rental of facilities and equipment	59,256	67,521	108,641	127,763	127,763	127,763	127,763	136,271	143,676	151,484
Interest earned - external investments	632,624	536,303	620,079	422,568	422,568	422,568	422,568	438,356	462,001	486,923
Interest earned - outstanding debtors	459,031	304,694	338,101	523,506	523,506	523,506	523,506	560,910	591,000	623,018
Dividends received	–	–	66	92	92	92	92	–	–	–
Fines, penalties and forfeits	319,360	346,153	175,878	138,197	238,197	238,197	238,197	145,107	152,943	161,202
Licences and permits	51,651	50,249	293,199	338,745	338,745	338,745	338,745	305,916	322,435	339,846
Agency services	276,375	282,219								
Transfers and subsidies	4,464,972	5,047,640	5,426,464	6,014,349	6,355,841	6,411,250	6,411,250	5,928,709	6,339,766	6,890,825
Other revenue	231,590	218,332	1,962,006	1,350,581	1,665,080	1,665,080	1,665,080	1,435,145	1,625,295	1,855,933
Gains on disposal of PPE	–	–	1,705	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	27,501,101	29,591,762	32,530,157	35,317,657	36,226,224	35,728,273	35,728,273	38,819,131	42,471,174	46,704,432

Table 4 Percentage growth in revenue by main revenue source (this represents the revenue per source as a percentage of the total revenue)

Description	Year 2017/18	Current year 2018/19		2019/20 Medium Term Revenue & Expenditure Framework						Proportionate % of Total Budget		
	Audited Actual R' 000	Adjusted Budget R' 000	%	Budget Year 2019/20 R '000	%	Budget Year +1 2020/21 R '000	%	Budget Year +2 2021/22 R '000	%	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Source												
Property Rates	5,200,065	5,632,288	15.5%	6,140,478	15.8%	6,662,419	15.7%	7,328,661	15.7%	15.8%	15.7%	15.7%
Service Charges - Electricity Revenue	12,893,182	13,868,905	38.2%	15,553,417	40.1%	17,101,796	40.3%	18,804,637	40.3%	40.1%	40.3%	40.3%
Service Charges - Water Revenue	3,152,220	4,119,535	11.4%	4,870,108	12.5%	5,440,102	12.8%	6,074,648	13.0%	12.5%	12.8%	13.0%
Service Charges - Sanitation Revenue	1,168,271	1,594,808	4.4%	1,771,371	4.6%	1,966,130	4.6%	2,182,308	4.7%	4.6%	4.6%	4.7%
Service Charges - Refuse Revenue	1,190,279	1,338,897	3.7%	1,533,344	3.9%	1,663,611	3.9%	1,804,947	3.9%	3.9%	3.9%	3.9%
Rental of Facilities and Equipment	108,641	127,763	0.4%	136,271	0.4%	143,676	0.3%	151,484	0.3%	0.4%	0.3%	0.3%
Interest earned - External Investments	620,079	422,568	1.2%	438,356	1.1%	462,001	1.1%	486,923	1.0%	1.1%	1.1%	1.0%
Interest earned -Outstanding Debtors	338,101	523,506	1.4%	560,910	1.4%	591,000	1.4%	623,018	1.3%	1.4%	1.4%	1.3%
Fines, penalties and forfeits	175,878	238,197	0.7%	145,107	0.4%	152,943	0.4%	161,202	0.3%	0.4%	0.4%	0.3%
Licenses and Permits	293,199	338,745	0.9%	305,916	0.8%	322,435	0.8%	339,846	0.7%	0.8%	0.8%	0.7%
Transfers Recognised - Operational	5,426,464	6,411,250	17.7%	5,928,709	15.3%	6,339,766	14.9%	6,890,825	14.8%	15.3%	14.9%	14.8%
Other Revenue	1,962,072	1,665,172	4.6%	1,435,145	3.7%	1,625,295	3.8%	1,855,933	4.0%	3.7%	3.8%	4.0%
Gains on Disposal of PPE	1,705	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	0.0%	0.0%
Total Revenue (Excluding Capital Transfers and Contributions)	32,530,157	36,281,633	100.0%	38,819,131	100.0%	42,471,174	100.0%	46,704,432	100.0%	100.0%	100.0%	100.0%
Total Revenue from Rates and Service Charges	23,604,018	26,554,433	73.2%	29,868,718	76.9%	32,834,059	77.3%	36,195,201	77.5%			

Revenue generated from rates and services charges contributes 76.9% (in 2019/20) of the total revenue basket for the city. The percentage is slightly higher than the previous year mainly as a result of increases in tariffs that are higher than the previous year. .

Details in this regard are contained in Table 25 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) on page 62.

Electricity is the biggest source of income and represents R15.5 billion or 40.1% of the total income budget in 2019/20. This contribution from electricity increases also to 40.3% in both outer years.

Property rates revenue amount to 15.7% or R6.6 billion. This includes income forgone.

Transfers and subsidies recognised amount to R5.9 billion or 15.3% of total income budget in the 2019/20 financial year and increases to R6.8 billion by 2021/22. The following table gives a breakdown of the various operating grants and subsidies allocated to the City over the medium-term.

Table 5 Operating Transfers and Grant Receipts

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:									
Operating Transfers and Grants									
National Government:	4,126,532	4,740,102	5,179,595	5,559,028	5,439,267	5,439,267	5,501,712	5,909,925	6,460,707
Local Government Equitable Share									
Equitable Share	2,181,182	2,381,367	2,719,861	3,145,138	3,145,138	3,145,138	3,478,292	3,830,583	4,229,656
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	13,709	22,125	44,718	25,054	25,054	25,054	22,022	-	-
Local Government Financial Management Grant [Schedule 5B]	1,050	1,050	1,050	1,000	1,000	1,000	1,000	1,000	1,000
Provincial Disaster Recovery Grant [Schedule 5B]	21,569	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]	30,000	40,000	120,000	216,592	272,932	272,932	110,632	137,750	330,201
Public Transport Network Operations Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Electricity Demand Side Management	-	-	-	-	280	280	915	1,050	700
RSC Levy Replacement	1,528,809	1,625,872	1,694,256	1,734,629	1,734,629	1,734,629	1,711,291	1,741,922	1,797,591
Urban Settlement Development Grant	292,706	669,688	599,710	436,615	260,234	260,234	177,560	197,620	101,559
Integrated National Electrification Programme	14,313	-	-	-	-	-	-	-	-
Intergrated City Development Grant	43,194	-	-	-	-	-	-	-	-
Provincial Government:	379,050	292,977	356,729	333,985	795,238	795,238	352,955	354,055	354,055
Agricultural Research and Technology	223	-	-	-	-	-	-	-	-
Disaster and Emergency Services	143,043	150,624	158,155	167,328	167,328	167,328	176,698	176,698	176,698
Health	129,933	136,853	143,577	161,657	151,878	151,878	170,757	171,357	171,357
Housing	99,447	-	51,203	-	470,932	470,932	-	-	-
Libraries Archives and Museums	6,404	5,500	3,794	5,000	5,100	5,100	5,500	6,000	6,000
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	1,553	9,025	10,797	25,132	25,132	25,132	25,132	25,132	25,132
National Library South Africa	-	-	-	-	-	-	-	-	-
Public Sector SETA	1,553	9,025	10,797	25,132	25,132	25,132	25,132	25,132	25,132
Total Operating Transfers and Grants	4,507,136	5,042,103	5,547,121	5,918,145	6,259,637	6,259,637	5,879,798	6,289,112	6,839,894

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
RECEIPTS:									
Capital Transfers and Grants									
National Government:	1,954,852	1,792,444	2,269,238	2,192,969	2,335,558	2,335,558	2,614,920	2,637,174	2,723,849
Energy Efficiency and Demand-side	18,000	15,000	12,000	–	–	–	12,150	13,950	9,300
Integrated City Development Grant	–	38,078	48,646	45,537	45,537	45,537	54,295	51,069	54,878
Integrated National Electrification Programme	50,000	40,000	40,000	59,000	58,720	58,720	–	–	–
Metro Informal Settlements Partnership Grant	–	–	–	–	–	–	–	416,495	611,615
Municipal Infrastructure Grant	–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant	20,000	68,700	102,574	75,262	60,000	60,000	65,000	80,000	74,999
Public Transport Infrastructure Grant	–	–	–	–	–	–	–	–	–
Public Transport Network Grant	309,296	410,002	580,718	478,048	421,708	421,708	568,521	578,716	440,000
Urban Settlement Development Grant	1,550,181	1,220,664	1,485,300	1,535,122	1,749,593	1,749,593	1,914,954	1,496,944	1,533,057
WIFI Connectivity	7,375	–	–	–	–	–	–	–	–
Provincial Government:	31,487	7,500	9,800	8,700	64,506	64,506	9,000	9,000	9,000
Housing	28,312	–	–	–	55,409	55,409	–	–	–
Libraries; Archives and Museums	3,175	7,500	9,800	8,700	9,097	9,097	9,000	9,000	9,000
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	–	–	–	–	–	–	–	–	–
<i>Discount Benefit Scheme (Housing)</i>	–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	1,986,339	1,799,944	2,279,038	2,201,669	2,400,064	2,400,064	2,623,920	2,646,174	2,732,849
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,493,475	6,842,047	7,826,159	8,119,814	8,659,701	8,659,701	8,503,719	8,935,286	9,572,743

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

The principles set out in the Medium-term Budget Policy and Pricing Policy Statement formed the basis of tariff settings.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason, municipalities must justify in their budget documentation all increases in excess of the 5.2% upper boundary of the South African Reserve Bank's inflation target in the budget narratives. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Rand Water tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's water tariffs is largely outside the control of the City. Discounting the impact of these price increases in lower consumer tariffs will erode the City's future financial position and viability.

The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework, the City has undertaken the tariff setting process relating to service charges as follows:

1.4.1 Property Rates

The Municipal Property Rates Act (MPRA) came into effect on the 1 July 2009. In terms of section 46 of the Act, the market value of a property, if sold on the date of valuation in the open market by a willing seller to a willing buyer, is to be realised in the valuation roll.

In terms of section 8 of the Act, a municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property, which may include categories determined according to the –

- a. Use of the property
- b. Permitted use of the property
- c. A Combination of (a) and (b).

In terms of section 15(1) of the Act, a municipality may in terms of criteria set out in its rates policy –

- a. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property; or
- b. Grant to a specific category of owners of properties, or to the owners of a specific category of properties a rebate on or a reduction in the rates payable in respect of their properties.

Categories of properties and owners in respect of which rebates are granted may in accordance with section 15(2) include the following:

- (a) residential properties;
- (b) industrial properties;

-
- (c) business and commercial properties;
 - (d) agricultural properties;
 - (e) mining and quarries;
 - (f) public service purpose properties;
 - (g) public service infrastructure;
 - (h) public benefit activity property;
 - (i) vacant land;

Other Categories

- (j) state-owned properties;
- (k) municipal properties;
- (l) privately owned towns serviced by the owner;
- (m) informal settlements;
- (n) protected areas;
- (o) properties on which national monuments are proclaimed;
- (p) Places of worship

In terms of section 17 of the Act, the following rates, are deemed to be “impermissible”:

- a. the first 30% of the market value of Public Services Infrastructure;
- b. on any property referred to in paragraphs (a), (b), (e), (g) and (h) of the definition of public service infrastructure
- c. on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or a national botanical garden;
- d. on mineral rights within the meaning of paragraph (b) of the definition of “property” in section 1;
- e. on the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality –
 - i. for residential purposes; or
 - ii. for properties used for multiple purposes, provided one or more components of the property are used for residential purposes;
- f. on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residential residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

The Municipal Property Rates amendment act (29 of 2014) will become effective 1 July 2019 and Property Rates Policy have been amended to included changes.

FUNDING REQUIREMENTS

The following factors were taken into consideration in the determination of proposed rates:

- i. Operational and capital funding requirements.
- ii. Market values of properties as published in second general valuation roll (GV 2017), including supplementary valuation rolls published after implementation date, compiled in terms of Municipal Property Rates act.
- iii. Anticipated property developments and growth in supplementary property values.

Values of properties as per published general and supplementary valuation rolls, can be summarized as follows:

Rating Code	Rate Code Description	Number	Market Value
1	Residential	576,716	354,251,704,100
2	Industrial	8,469	47,760,837,497
3	Business And Commercial	14,488	83,886,357,699
4	Agricultural	3,036	6,519,212,810
8	Municipal Properties	2,047	4,214,340,000
9	Public Service Infrastructure	2,531	25,018,867,200
11	Informal Settlements	5,542	459,964,000
12	Mining And Quarries	97	120,301,450
13	Vacant Land	49,498	12,730,888,250
14	Protected Areas	30	109,104,000
25	Private Towns	3	2,600,000
30	Public Service Purpose Properties	696	6,505,560,000
31	Public Service Benefit Properties	2	166,538,000
		663,155	541,746,275,006

In order to realize required funding and based on differential rating ratio's in respect of individual categories of properties, it is proposed that residential base rate remain unchanged with 0,01052c, but be based on market value of property as reflected in valuation roll.

Tariffs per rating category will be as follows:

Table 6 Comparison of proposed rates to be levied for the 2019/20 financial year

Rate Code	Category	Ratio	Current Tariff (1 July 2018)	Proposed tariff (from 1 July 2019)
1	Residential	1	0.00979	0.01052
2	Industrial	2.5	0.02448	0.02630
3	Business and Commercial	2	0.01958	0.02104
4	Agriculture	0.25	0.00245	0.00263
30	State Owned Properties	2	0.01958	0.02104
8	Municipal Properties	2	0.01958	0.02104
9	Public Services Infrastructure (PSI)	0.25	0.00245	0.00263
10	Public Service Purpose Properties (PSP)	2	0.01958	0.02104
35	Public Benefit Activity Properties	0.25	0.00245	0.00263
25	Private Towns	1	0.00979	0.01052
11	Informal Settlements	1	0.00979	0.01052
12	Mining and Quarries	3	0.02938	0.03156
13	Vacant Land	4	0.03917	0.04208
14	National Monuments	1	0.00979	0.01052

EXCLUSIONS AND REBATES

With the exception of Aged / Pensioners rebate, Disability grantees and medically boarded persons, exclusions and rebates as per item 4 of tariff schedule, will remain unchanged.

Sliding scale in respect of item 4.5 - Aged / Pensioners rebate, Disability grantees and medically boarded persons have been amended as follows:

Average Monthly earnings in respect of preceding 12 months.	
R0.00 to R 3 440.00 (2 x State pensions when amended)	100 % rebate on property rates
R3,440.01 to R7,350.00	85% rebate on property rates
R7,350.01 to R10,750.00	70% rebate on property rates
R10,750.01 to R11,900.00	55% rebate on property rates
R11,900.01 to R17,800.00	40% rebate on property rates

1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases

The water tariff increase of 15% is proposed which includes a water research levy of 0.0065%. In terms of Water Research Act. 1971, Rand Water was tasked to collect the Water research levy which is not part of the Rand Water's tariff, for payment to Water Research Commission This is entirely as a result of the expected equal increase of the bulk purchases from Rand Water.

The factors considered for the proposed tariff increase include the following:

- DWS Raw water abstraction costs – this includes the pumping of untreated water from the Sterkfontein Dam (source) to the Vaal River System and the treatment of AMD (acid mine drainage)
- TCTA raw water charge – this talks to the Augmentation Scheme – Lesotho Highlands Water Project (Phase 2)
- Chemical costs – water treatment and purification to drinking water standards as per SANS 241
- Energy Costs – pumping purified water from the Rand Water Plants into the municipal reservoirs/towers
- Labour costs, Inflation and other expenses (Asset Replacement Value, Operations and Maintenance costs)
- 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.

Table 7 Summary of tariffs: water

CATEGORY	CURRENT TARIFFS 2018/19	PROPOSED TARIFFS 2019/20
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
0 – 6 kℓ per 30-day period	10.21	11.74
7 – 15 kℓ per 30-day period	16.81	19.34
16 – 30 kℓ per 30-day period	20.60	23.69
31 – 45 kℓ per 30-day period	25.63	29.47
46 kℓ or more per 30-day period	31.61	36.35
NON-RESIDENTIAL		
0 – 5 000 kℓ per 30-day period	22.06	25.37
5 001 – 25 000 kℓ per 30-day period	22.41	25.77
25 001 > kℓ per 30-day period	23.38	26.89

***Assume that 0-6 kl is at no cost for the household with property value below 750 000

The residential tariff structure is designed to charge higher levels of consumption at a higher rate, steadily increasing to a rate of R36.35 per kilolitre for consumption in excess of 45kℓ per 30-day period.

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

Table 8 Impact of water increases for a single dwelling house

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
5	0.00	0.00	0.00	15%
10	67.27	77.36	10.09	15%
20	254.39	292.51	38.12	15%
30	460.43	529.41	68.98	15%
40	716.74	824.11	107.37	15%
50	1,002.92	1,153.21	150.29	15%
80	1,951.11	2,243.71	292.60	15%
100	2,583.23	2,970.71	387.48	15%

The sanitation tariff increase is based on the increase in purification cost as received from ERWAT. The draft ERWAT increase for the 2019/20 financial year is 11% and it is proposed that the sanitation tariffs to the customers be increased by the same tariff.

The tariffs proposed for the sanitation service are as follows:

Table 9 Summary of tariffs: sanitation

CATEGORY	CURRENT TARIFFS 2018/19	PROPOSED TARIFFS 2019/20
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
0 – 6 kℓ per 30-day period	14.68	16.29
7 – 15 kℓ per 30-day period	11.74	13.03
16 – 30 kℓ per 30-day period	4.99	5.54
31 – 45 kℓ per 30-day period	4.59	5.03
46 kℓ or more per 30-day period	3.13	3.47
NON-RESIDENTIAL		
0 – 5 000 kℓ per 30-day period	9.21	10.22
5 001 – 25 000 kℓ per 30-day period	4.90	5.45
25 000 > kℓ per 30-day period	3.19	3.54

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

Table 10 Impact of sanitation increases on a single dwelling house

Monthly consumption kl	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
5	0.00	0.00	0.00	
10	46.96	52.12	5.16	11%
20	130.61	144.97	14.36	11%
30	180.51	200.37	19.86	11%
40	226.41	251.27	24.86	11%
50	265.01	294.07	29.06	11%
80	358.91	398.17	39.26	11%
100	421.51	467.57	46.06	11%

1.4.3 Sale of Electricity and Impact of Tariff Increases

At the time of compiling draft MTREF budget no formal announcement was made with regard to the municipal tariff increase. The Municipal Tariff Guideline gets released by NERSA upon the Eskom tariffs. The bulk purchase figure is estimated at 16% increase for the purchases of electricity.

The proposed electricity tariff increases and changes are designed to generate revenue amounting to 12.1% more than the 2018/19 adjusted budget income for CoE. The additional income figure is predicted after taking into account a zero percent growth, and then adding the new tariff increase ranging between 13% and 14% to the current 2018/19 tariffs.

There is no proposed change in the Tariff structure. To be in line with the guidelines the following tariffs will be applicable as from 1 July 2019:

- Tariff A IBT 14% (Tariff matching eskom exact values in block 1)
- Tarrif A IBT 13 %(Existing rate for Tembisa customers on the IMMS system)
- Tariff B 13%
- Tariff C 13%
- Tariff D 13%
- Tariff E 13%

An amount equal to 4% of the income is to be ring-fenced and placed in a maintenance budget that will only be used to fund critical electricity maintenance and refurbishment. Provision for the maintenance in the 2019/20 financial year amount to R619 million.

An amount equal to 0.25% of the income is to be ring-fenced and placed into an energy efficiency demand side management budget that will only be used to fund critical energy efficiency and demand side management projects. Provision for R38 million has been made in the 2019/20 financial year. The funding will be used to convert council-owned assets to become energy efficient with projects such as streetlight efficiency; building efficiency and possibly the installation of solar geysers at Council owned properties.

The following table provides a brief summary of the proposed July 2019 tariff increase:

Table 11 Summary of tariff increases: electricity

	APPROVED TARIFFS 2018/19 R	PROPOSED TARIFFS 2019/20 R	% Increase
Tariff A (Business)			
Energy charge	1.94,67	2.19,97	13%
Tariff A (IBT) Energy charge			
A.1 Block (1 to 600 kWh)	1.11,19	1.26,61	13.87%
A.2 Block (>600 to <=700 kWh)	1.89,00	2.15,21	13.87%
A.3 Block (>700 kWh)	5.36,78	6.06,51	13%
A.4 Flat rate in the case of a billing system that cannot accommodate the inclining block rate.	1.17,61	1.33,93	13.87%
Tariff B (Residential and Bulk Residential) Energy charge			
Energy charge	1.66,79	1.88,48	13%
Tariff B (Business, Mixed business and Residential, Commercial or Industrial) Energy charge			
Energy charge (High Demand)	1.84,50	2.08,48	13%
Energy charge (Low Demand)	1.46,20	1.65,21	13%
Tariff C Energy charge			
High Demand Season			
230/400 V	1.88,00	2.12,44	13%
230/400 V, direct from substation	1.84,50	2.08,49	13%
>230/400V & < = 11kV	1.81,00	2.04,53	13%
Low Demand Season			
230/400 V	1.12,44	1.27,06	13%
230/400 V, direct from substation	1.10,44	1.24,80	13%
>230/400V & < = 11kV	1.08,42	1.22,52	13%
Tariff D Energy charge			
High Demand Season (Peak)			
230/400 V, direct from substation	4.04,00	4.56,52	13%
>230/400V & < = 11kV	3.96,50	4.48,05	13%
>11kV	3.67,50	4.15,28	13%
High Demand Season (Standard)			
230/400 V, direct from substation	1.41,74	1.60,17	13%
>230/400V & < = 11kV	1.39,50	1.57,64	13%
>11kV	1.29,00	1.45,77	13%
High Demand Season (Off-Peak)			
230/400 V, direct from substation	0.85,47	0.96,59	13%

	APPROVED TARIFFS 2018/19 R	PROPOSED TARIFFS 2019/20 R	% Increase
>230/400V & < = 11kV	0.83,94	0.94,85	13%
>11kV	0.77,75	0.87,86	13%
Low Demand Season (Peak)			
230/400 V, direct from substation	1.50,20	1.69,73	13%
>230/400V & < = 11kV	1.47,50	1.66,68	13%
>11kV	1.36,57	1.54,32	13%
Low Demand Season (Standard)			
230/400 V, direct from substation	0.98,53	1.11,34	13%
>230/400V & < = 11kV	0.96,74	1.09,31	13%
>11kV	0.89,66	1.01,32	13%
Low Demand Season (Off-Peak)			
230/400 V, direct from substation	0.77,75	0.87,86	13%
>230/400V & < = 11kV	0.76,29	0.86,20	13%
>11kV	0.70,62	0.79,80	13%
Tariff E Energy charge			
High Demand Season (Peak)			
230/400 V	5.59,30	6.32,01	13%
230/400 V, direct from substation	5.49,30	6.20,71	13%
>230/400V & < = 11kV	5.39,50	6.09,64	13%
>11kV	4.99,50	5.64,44	13%
High Demand Season (Standard)			
230/400 V	1.60,00	1.80,80	13%
230/400 V, direct from substation	1.57,00	1.77,41	13%
>230/400V & < = 11kV	1.54,50	1.74,59	13%
>11kV	1.43,00	1.61,59	13%
High Demand Season (Off-Peak)			
230/400 V	0.94,26	1.06,51	13%
230/400 V, direct from substation	0.92,52	1.04,54	13%
>230/400V & < = 11kV	0.90,82	1.02,62	13%
>11kV	0.84,10	0.95,03	13%
Low Demand Season (Peak)			
230/400 V	1.70,05	1.92,16	13%
230/400 V, direct from substation	1.67,14	1.88,87	13%
>230/400V & < = 11kV	1.64,03	1.85,35	13%
>11kV	1.51,87	1.71,61	13%

	APPROVED TARIFFS 2018/19 R	PROPOSED TARIFFS 2019/20 R	% Increase
Low Demand Season (Standard)			
230/400 V	1.11,65	1.26,17	13%
230/400 V, direct from substation	1.09,75	1.24,02	13%
>230/400V & < = 11kV	1.07,69	1.21,69	13%
>11kV	0.99,72	1.12,68	13%
Low Demand Season (Off-Peak)			
230/400 V	0.83,80	0.94,69	13%
230/400 V, direct from substation	0.82,37	0.93,07	13%
>230/400V & < = 11kV	0.80,81	0.91,31	13%
>11Kv	0.74,84	0.84,57	13%

MITIGATION MEASURE ON TARIFF A (IBT) TO PREVENT RISK TO CITY OF EKURHULENI REVENUE

Free Basic Electricity is targeted to only low consumption customers.

Tariff A (IBT) is the City of Ekurhuleni tariff suitable for lower-end users of electricity. The tariff has inclining blocks (where energy is progressively more expensive, as more energy is used) and is heavily subsidised.

The tariff places financial risk on City of Ekurhuleni, should higher end users migrate to this pro-poor tariff. Mitigation measures are the following:

- The last block of the tariff, as in the previous financial year, is at a very high level of R6.06. This block aims to prevent higher end users from abusing this subsidized tariff. In effect, if customers use enough electricity to reach the very high block (i.e. above 700 units per calendar month), they should migrate to Tariff B;

Revenue enhancement projects will see a continued focus on tampered prepayment meters (as well as protecting them), with a view to also assisting finance in achieving proposed payment levels. Revenue is also enhanced by the continual refinement of energy tariffs, derived from the analysis of Eskom supply tariffs, as well as those of other key players in the South African Energy market. Finally, back office work will see more business processes implemented and these will lead to better efficiencies and a better service to energy customers.

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

Table 12 Comparison between current electricity charges and increases (Domestic)

Monthly consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
100 (Tariff A)	0.00	0.00	R0.00	0.00%
250 (Tariff A)	166.79	189.92	23.13	13.87%
500 (Tariff B)	844.63	954.47	109.84	13.00%
750 (Tariff B)	1 261.61	1425.67	164.06	13.00%
1 000 (Tariff B)	1 678.58	1896.87	218.29	13.00%
2 000 (Tariff B)	3 346.48	3781.67	435.19	13.00%

1.4.4 Waste Removal and Impact of Tariff Increases

The proposed tariff increase for rendering of refuse removal services and disposal services is 7.5%. The proposed tariff increase yielded a total revenue increase of 7.57%. The growth rate of 1% is assumed in the 2019/20 financial year.

The following is the list of the fundamental services of the department:

- ✓ Income generating services
 - Round collection
 - Bulk container services
 - Litter picking in commercial and industrial areas
 - Operation and management of landfill sites
- ✓ Non income generating services
 - Mini refuse disposal sites/transfer stations
 - Litter picking –all areas excluding commercial and industrial areas
 - Rehabilitation of old disposal sites
 - Removal of illegal dumping

The main cost drivers for Waste Management Services are as follows:

– Increase in transport costs:

Waste management services, with the exception of landfills, are in essence a transport intensive operation and are therefore sensitive to the substantial and constant increases in the price of the following key transport inputs:

- Oils and lubricants
- Fuel costs
- General repairs and maintenance of the fleet

- Labour costs

Refuse removal is a labour intensive operation and labour costs tend to have a ripple effect on tariffs.

The following table compares current and proposed amounts payable from 1 July 2019:

Table 13 Comparison between current waste removal fees and increases

Residential Stand Size (for Bags Removal)	CURRENT TARIFFS FOR 2018/19	PROPOSED TARIFFS FOR 2019/20	INCREASE	%
Property Value BELOW R300 000				
0 - 300 m ² (Properties with value of R300 000 and less)	R 111.78	N/A	N/A	N/A
Property Value ABOVE R300 000				
0- 300 m ²	R 137.90			
301- 600 m ²	R 154.90	N/A	N/A	N/A
601 - 900 m ²	R 172.87	N/A	N/A	N/A
901 - 1200 m ²	R 190.92	N/A	N/A	N/A
1201 - 1500 m ²	R 220.96	N/A	N/A	N/A
1501 - 2000 m ²	R 251.00	N/A	N/A	N/A
2000 m ² +	R 281.02	N/A	N/A	N/A
Residential Stand Size (for 240l Bins Removal)	CURRENT TARIFFS FOR 2018/19	PROPOSED TARIFFS FOR 2019/20	INCREASE	%
Property Value BELOW R300 000				
0 - 300 m ² (Properties with value of R300 000 and less)	R 137.90	R 148.24	R 10.34	7.5%
Property Value ABOVE R300 000				
Other Properties with Property Value more than R300 000	R 162.24	R 174.41	R 12.17	7.5%

1.4.5 Other Tariff Increases

The Finance Department has embarked on a process to compile a consolidated report of all sundry tariffs of all the departments. The tariffs were determined by departments and consolidated by the Finance Department. Sundry tariff increases were guided by the CPI rate in most cases. In cases where the increase is not in line with the CPI rate, brief comments/motivations from departments were included.

Table 14 Summary of the Sundry Tariff Increases

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2018/19	PROPOSED TARIFFS INCREASES 2019/20	COMMENTS
Financial Services (Schedule 6)	Avg. 5.6% (Ranges between 5.3% - 14.3%)	5.2%	
Building Plans & Related Services (Schedule 7)	Avg.5% (Ranges between 3% - 5.8 %)	Avg.5.2% (Ranges between 2.04% - 5.56 %)	The determination of the tariffs was set in line with the tariff structure of other metropolitan municipalities and also in line with the budget instructions imposed for the determination of revenue, taking into consideration National Treasury guidelines and revenue targets set for Building Control revenue.
Roads Related Services (Schedule 8)	Avg.4% (Ranges between 3% - 4.7 %)	5.2%	
EMPD Services (Schedule 9)	Avg.6.9% (Ranges between -75.4% - 17.6%)	Avg.5.2% (Ranges between 0% -10%)	The determination of the tariffs increase was set in line with the Consumer Price Index (CPI) and to uphold market related values. To consider the affordability of the service rendered to the community by looking to the fees charged, and thus determine what it is actually charging the EMPD to render the service – thus not trying to make a profit from the community.
Transport Planning (Schedule 10)	5%	5.2%	

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2018/19	PROPOSED TARIFFS INCREASES 2019/20	COMMENTS
Disaster Management Services (Schedule 11)	7.63%	7.63%	The determination of the tariffs increase was set in line with the Producer Price Index (PPI) and to uphold values. The tariffs increased are motivated by the tariffs in the neighbouring Metros.
Emergency Services (Schedule 12)	7.63%.	7.63%	The determination of the tariffs increase was set in line with the Producer Price Index (PPI) and to uphold values. The tariffs increased are motivated by the tariffs in the neighbouring Metros.
Libraries & Information Services (schedule 13)	No increase	No increase	
Library Auditorium (schedule 14)	No increase	No increase	
Arts, Culture & Heritage (schedule 15)	No increase	No increase	
Sports & Recreation (schedule 16)	No increase	No increase	
Removal of Street (schedule 17)	10%	10%	Tariffs for the removal of street trees in Ekurhuleni Metropolitan Municipality are amended annually. The tariffs was created for the unauthorised removal of Council owned trees to assist the council in protecting the valuable green assets we have and our green heritage.

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2018/19	PROPOSED TARIFFS INCREASES 2019/20	COMMENTS
Cemeteries & Crematoriums (schedule 18)	No increase for EMM Residents. 6.5% for Non-Residents	5.2% increase for Residents, 6.5% for EMM Non-Residents.	The cemetery tariff increase is based on CPI which is recommended that a minimum nominal percentage increase be applied to cover inflationary increases in costs and reduce overall subsidization of interment. Increase in tariffs is for a basic adjustment to improve councils cost recovery and to recoup expenses from all burial subsidies.
Advertising Signs (schedule 19)	Avg. 5.17 % (between 3% - 5.8%)	10%	
City Planning (schedule 20)	6%	6%	The tariffs increase was set in line with the tariff CPI, and fees were compared with the fees from Tshwane and Joburg Metros and in some cases the new fees were amended to compare better with that of other Metros.
Economic Development (schedule 21)	6%	6%	
Environmental Health Services (schedule 22)	6%	6%	
Municipal Bus Services (schedule 23)	Avg. 6.83 % (between 4.17% - 17.65%)	Avg. 12% (between 4% - 25%)	In order to ensure that the EMM bus fares are market-related compared to the fares charged by alternative modes of transport, cognizance needs to be taken of the tariffs being charged by the mini-bus taxis and other bus operators such

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2018/19	PROPOSED TARIFFS INCREASES 2019/20	COMMENTS
			as City to City, who currently operate the routes previously operated by Putco, in the same area. To cover various other factors such as salaries, maintenance and repair costs and other general expenses have necessitated the required increase in the bus tariffs.
Hire of or use of Parks Facilities (schedule 24)	10%	5.2%	The increase is necessary to keep abreast with inflation and the rising costs of maintenance .The cost of hiring facilities also allows income generation for the Council which in turn ensures that a cost effective service can be rendered to the community.
Real Estate (schedule 25)	Avg. 5.8 % (between 5% - 6%)	Avg. 6.83% (between 5% - 6.83%)	The determination of the tariffs was set in line with the tariff structure of other metropolitan municipalities and also in line with the budget instructions imposed for the determination of revenue, taking into consideration National Treasury guidelines and revenue targets set.

1.4.6 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.

Table 15 MBRR Table SA14 – household bills

EKU Ekurhuleni Metro - Supporting Table SA14 Household bills										
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2018/19 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20 % incr.	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	406.65	437.14	489.59	523.26	523.26	523.26	7.5%	562.50	604.68	650.03
Electricity: Basic levy	30.58	34.00	34.64	37.01	37.01	37.01	13.0%	41.82	46.00	50.60
Electricity: Consumption	1,423.40	1,532.20	1,561.10	1,667.90	1,667.90	1,667.90	13.0%	1,884.80	2,073.28	2,280.60
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	339.93	370.56	407.61	460.38	460.38	460.38	15.0%	529.41	582.35	640.58
Sanitation	139.21	151.92	165.63	180.51	180.51	180.51	11.0%	200.37	220.40	242.44
Refuse removal	138.51	149.59	160.81	172.87	172.87	172.87	0.9%	174.41	187.49	201.55
Other	-	-	-	-	-	-	-	-	-	-
sub-total	2,478.28	2,675.41	2,819.38	3,041.93	3,041.93	3,041.93	11.6%	3,393.31	3,714.20	4,065.80
VAT on Services	290.03	313.35	326.17	377.80	377.80	377.80	-	424.62	466.42	512.36
Total large household bill:	2,768.31	2,988.76	3,145.55	3,419.73	3,419.73	3,419.73	11.6%	3,817.93	4,180.62	4,578.16
% increase/-decrease		8.0%	5.2%	8.7%	-	-		11.6%	9.5%	9.5%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	272.09	292.49	327.58	350.18	350.18	350.18	7.5%	376.44	404.67	435.02
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	378.04	415.84	424.98	454.04	454.04	454.04	13.0%	513.06	564.36	620.80
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	263.87	287.66	316.41	357.38	357.38	357.38	15.0%	410.96	452.05	497.26
Sanitation	119.93	130.92	142.73	155.56	155.56	155.56	11.0%	172.67	189.93	208.93
Refuse removal	138.51	149.59	160.81	172.87	172.87	172.87	0.9%	174.41	187.49	201.55
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1,172.44	1,276.50	1,372.51	1,490.03	1,490.03	1,490.03	10.6%	1,647.54	1,798.50	1,963.56
VAT on Services	126.05	137.76	146.29	170.97	170.97	170.97	-	190.66	209.07	229.28
Total small household bill:	1,298.49	1,414.26	1,518.80	1,661.00	1,661.00	1,661.00	10.7%	1,838.20	2,007.57	2,192.84
% increase/-decrease		8.9%	7.4%	9.4%	-	-		10.7%	9.2%	9.2%
			(0.17)	0.27	(1.00)	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Electricity: Consumption	236.28	259.90	265.61	283.77	283.77	283.77	13.0%	320.66	352.26	387.99
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	150.56	164.14	180.54	203.92	203.92	203.92	15.0%	234.49	257.93	283.73
Sanitation	73.55	80.28	87.52	95.39	95.39	95.39	11.0%	105.88	116.46	128.11
Refuse removal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
sub-total	460.39	504.32	533.67	583.08	583.08	583.08	13.4%	661.03	726.65	799.83
VAT on Services	64.45	70.60	74.71	87.46	87.46	87.46	-	99.15	108.99	119.97
Total small household bill:	524.84	574.92	608.38	670.54	670.54	670.54	13.4%	760.18	835.64	919.80
% increase/-decrease		9.5%	5.8%	10.2%	-	-		13.4%	9.9%	10.1%

Cognisance must be taken of the following factors affecting the average monthly household bills as indicated in the above schedule:

-
- In the above example, the overall impact of tariff increases on the household bills in 2019/20 ranges between to 10.7% and 13.4%. The estimated increases in the outer years are reflected in the above table as well.
 - The calculation with regard to electricity is based on the assumption that Tariff B would be applicable for middle income households. These households are not entitled to free basic electricity (FBE). Tariff A (IBT) is applicable for the indigent households in the above example.
 - All consumers with property value below R750, 000 will receive 6kl of water free, whilst indigents receive 9kl of water free.

1.5 Operating Expenditure Framework

The City's expenditure framework for the 2019/20 budget and MTREF is informed by the following:

- The asset renewal and the repairs and maintenance requirements as identified in the backlog study that was conducted in 2016/17.
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing, uncommitted, cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term, as informed by Section 18 and 19 of the MFMA.
- The capital programme is aligned to the asset renewal needs and backlog eradication goals.
- The prioritisation of capital needs was based on the Capital Investment Framework.
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2019/20 budget and MTREF (classified per main type of operating expenditure):

Table 16 Summary of the City’s operating expenditure by standard classification item (Table A4)

EKU Ekurhuleni Metro - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Expenditure By Type										
Employee related costs	6,338,421	6,051,006	7,417,447	8,708,334	8,656,028	8,656,028	6,129,568	9,531,411	10,299,056	11,163,647
Remuneration of councillors	105,696	119,944	132,700	151,062	151,062	151,062	103,705	139,695	150,871	162,940
Debt impairment	1,434,058	2,609,579	1,471,479	1,453,081	1,503,081	1,503,081	974,005	1,579,646	1,736,826	1,909,803
Depreciation & asset impairment	2,144,071	2,013,797	2,478,458	2,385,339	2,285,339	2,285,339	1,590,778	1,970,542	1,996,332	2,610,326
Finance charges	848,639	901,847	983,370	992,048	821,438	821,438	471,736	1,327,362	1,808,763	1,913,266
Bulk purchases	11,662,156	12,402,511	12,245,412	13,479,345	13,579,633	13,579,633	8,655,910	15,703,690	17,313,740	19,089,159
Other materials	1,660,851	2,005,713	2,096,508	1,946,750	2,332,195	2,332,195	1,058,739	2,058,927	2,222,295	2,398,655
Contracted services	856,564	1,061,354	3,922,824	4,080,213	4,510,266	4,510,266	2,293,684	4,443,504	4,740,141	5,228,415
Transfers and subsidies	1,096,477	1,206,630	972,951	897,027	1,089,027	1,089,027	620,706	775,033	825,837	761,319
Other expenditure	1,529,914	1,763,820	1,151,428	1,148,730	1,222,425	1,222,425	676,518	1,259,567	1,347,398	1,436,496
Loss on disposal of PPE	–	(7,951)	2,982	14,578	14,578	14,578	1,636	15,307	16,134	17,005
Total Expenditure	27,676,848	30,128,249	32,875,559	35,256,508	36,165,075	36,165,075	22,576,984	38,804,683	42,457,393	46,691,034
Surplus/(Deficit)	(175,747)	(536,487)	(345,402)	61,149	61,149	116,559	2,592,165	14,447	13,781	13,398
Transfers and subsidies - capital (monetary allocations) (National / Provincial and	2,147,158	1,788,457	2,001,283	2,187,669	2,386,344	2,386,344	587,479	2,623,480	2,645,174	2,732,849
Transfers and subsidies - capital (in-kind - all	–	–	1,627	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	1,971,411	1,251,969	1,657,508	2,320,318	2,518,713	2,574,123	3,228,249	2,797,968	2,839,955	2,896,247
Surplus/(Deficit) after taxation	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	2,514,134	3,228,249	2,797,968	2,839,955	2,896,247
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	2,514,134	3,228,249	2,797,968	2,839,955	2,896,247
Surplus/(Deficit) for the year	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	2,514,134	3,228,249	2,797,968	2,839,955	2,896,247

The City has a Job-creating project in place to eradicate lack of employment while providing safe and security of the resident as follows:

- 266 learners who will be completing their learnership programme in June 2019 will be permanently employed as Metro Police Officers.
- 500 trainee constables will be enrolled on the learnership programme as from the 1st July 2019.

A detailed analysis is supplied with the discussion regarding employee related costs as set out in MBRR Tables SA22 - 24 in this document.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget. The salary and benefits increase of 7% has been provided in the 2019/20 financial year.

The **provision of debt impairment** was determined based on an annual collection rate of 94% and the principles as set out in the Provision for Doubtful Debt and Debt Write-off Policy. For the 2019/20 financial year this amount equates to R1.5 billion and escalates to R1.9 billion by 2021/22.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the asset consumption rate. Budget appropriations in this regard total approximately R2.0 billion for the 2019/20 financial year.

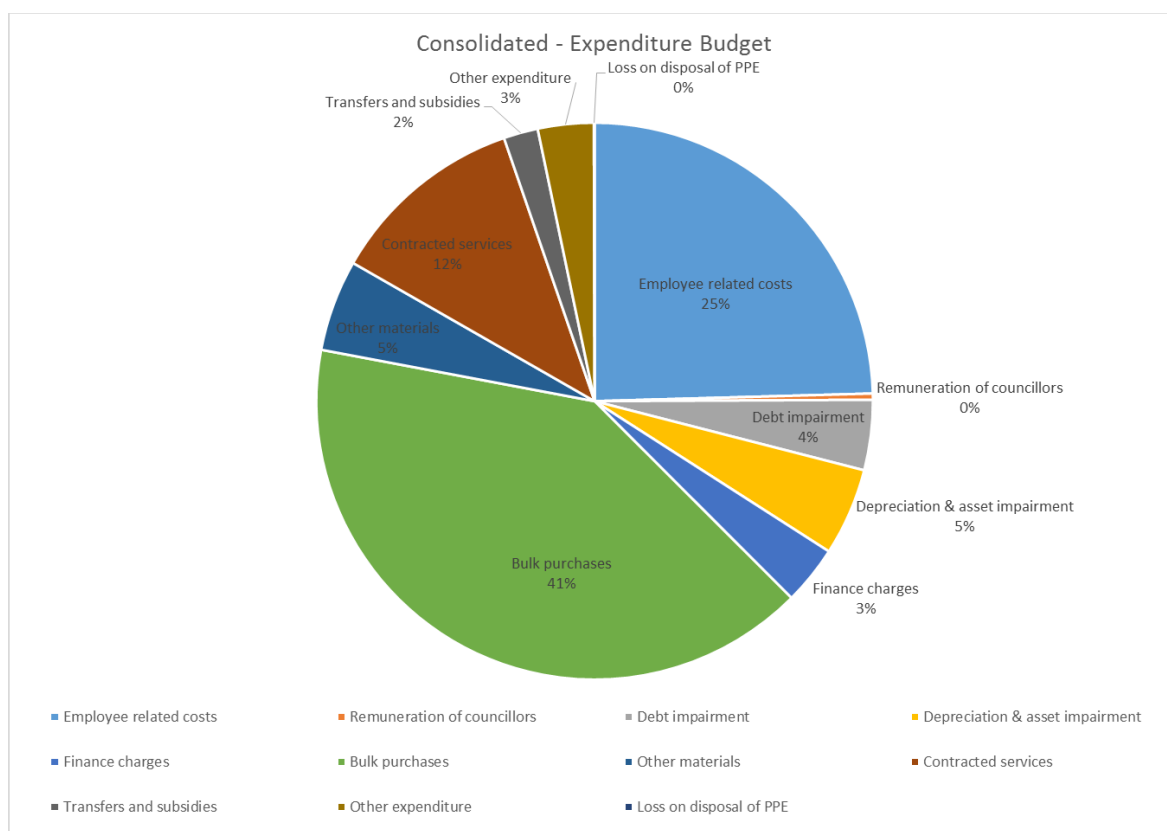
Interest on External Loans and Borrowings (excludes the annual redemption) reflects an increase from R821 million in 2018/19 to R1.3 billion in the 2019/20. This is due to Council decision to borrow R4 billion in 2019/20 to fund capital budget. The interest on external loan is calculated based on the estimated rate of 10.5%.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repairs and Maintenance comprise of, amongst others, the purchase of materials for maintenance and the appointment of external contractors to perform maintenance works. In line with the City's repairs and maintenance plan this type of expenditure has been prioritised to ensure sustainability of the City's infrastructure. The budget allocation for 2019/20 against this group of expenditure is R3 billion which represents 7.9% of the total operating expenditure.

The following graph gives a breakdown of the main expenditure categories for the 2019/20 Budget.

Figure 1 Main operational expenditure categories for the 2019/20 financial year



1.5.1 Repairs and maintenance

Aligned to the priority given to preserving and maintaining the City’s current infrastructure, the 2019/20 budget and MTREF provide for growth in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance requirements of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. The following table is extracted from MBRR Table SA1 to reflect the amount provided for repairs and maintenance in context with the amounts provided for PPE, depreciation and the renewal of assets.

Table 17 Operational repairs and maintenance (SA1)

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Repairs and Maintenance by Expenditure Item										
Employee related costs	575,114									
Other materials	1,085,737	2,106,148	1,296,827	1,529,853	1,344,967	1,344,967	827,068	1,654,978	1,801,492	1,958,513
Contracted Services	-	-	821,743	886,313	1,003,664	1,003,664	446,747	1,391,594	1,467,121	1,546,765
Other Expenditure										
Total Repairs and Maintenance Expenditure	1660851257	2,106,148	2,118,570	2,416,166	2,348,630	2,348,630	1,273,816	3,046,572	3,268,613	3,505,278

The table below provides a breakdown of repairs and maintenance in relation to asset class as summarised from MBRR SA34c:

Table 18 Consolidated repairs and maintenance by asset class (SA34c)

EKU Ekurhuleni Metro - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1,167,721	1,739,371	1,747,514	1,960,068	2,013,275	2,013,275	2,183,788	2,357,835	2,543,608
Roads Infrastructure	262,839	587,575	590,014	651,068	748,771	748,771	692,412	729,802	769,212
Roads	262,839	587,575	572,952	631,395	725,098	725,098	671,461	707,719	745,936
Road Structures	–	–	17,062	19,673	23,673	23,673	20,951	22,083	23,275
Road Furniture	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	43,794	45,404	46,733	38,970	45,250	45,250	41,503	43,744	46,106
Drainage Collection	–	45,404	46,733	38,970	45,250	45,250	41,503	43,744	46,106
Storm water Conveyance	43,794	–	–	–	–	–	–	–	–
Electrical Infrastructure	584,083	571,233	572,281	747,101	730,492	730,492	892,503	972,055	1,059,159
Power Plants	529,860	–	–	–	–	–	–	–	–
HV Substations	54,222	27,655	27,091	46,713	44,934	44,934	50,135	53,224	56,519
HV Transmission Conductors	–	–	565	2,312	2,312	2,312	6,312	7,361	8,659
MV Substations	–	497,088	18,685	21,533	20,358	20,358	23,686	24,965	26,313
MV Switching Stations	–	–	–	–	–	–	–	–	–
MV Networks	–	–	479,186	597,976	586,709	586,709	657,958	723,754	796,129
LV Networks	–	46,491	46,754	78,567	76,179	76,179	154,412	162,750	171,539
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	116,998	219,379	221,544	244,457	205,707	205,707	272,065	295,634	321,453
Bulk Mains	–	5,566	5,566	7,606	6,813	6,813	8,100	8,538	8,999
Distribution	116,998	213,813	215,979	236,851	198,894	198,894	263,964	287,096	312,454
Sanitation Infrastructure	107,918	266,193	267,353	220,190	230,696	230,696	223,234	251,177	278,724
Pump Station	–	–	114,057	73,673	88,186	88,186	78,461	82,698	87,164
Reticulation	107,918	266,193	57,779	48,280	44,272	44,272	51,418	54,195	57,121
Waste Water Treatment Works	–	–	95,517	98,238	98,238	98,238	93,355	114,284	134,438
Capital Spares	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	52,090	49,588	49,588	58,283	52,360	52,360	62,071	65,423	68,956
Landfill Sites	52,090	49,588	49,588	58,283	52,360	52,360	62,071	65,423	68,956
Community Assets	93,593	125	125	937	1,416	1,416	998	1,052	1,109
Community Facilities	87,924	125	125	937	1,416	1,416	998	1,052	1,109
Halls	5,110	–	–	–	–	–	–	–	–
Centres	1,604	–	–	–	–	–	–	–	–
Clinics/Care Centres	1,058	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	16,871	–	–	–	–	–	–	–	–
Museums	832	–	–	–	–	–	–	–	–
Libraries	962	–	–	–	–	–	–	–	–
Cemeteries/Crematoria	10,905	–	–	–	–	–	–	–	–
Public Open Space	29,508	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	21,077	125	125	937	1,416	1,416	998	1,052	1,109
Sport and Recreation Facilities	5,669	–	–	–	–	–	–	–	–
Indoor Facilities	740	–	–	–	–	–	–	–	–
Outdoor Facilities	4,836	–	–	–	–	–	–	–	–
Capital Spares	93	–	–	–	–	–	–	–	–
Heritage assets	132,252	–	–	–	–	–	–	–	–
Other Heritage	132,252	–	–	–	–	–	–	–	–
Investment properties	21,593	42,268	42,276	48,083	46,671	46,671	56,967	60,043	63,286
Revenue Generating	–	42,268	–	–	–	–	–	–	–
Improved Property	–	42,268	–	–	–	–	–	–	–
Non-revenue Generating	21,593	–	42,276	48,083	46,671	46,671	56,967	60,043	63,286
Improved Property	21,593	–	42,276	48,083	46,671	46,671	56,967	60,043	63,286
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	25,375	145,284	145,646	193,459	72,170	72,170	340,994	360,503	381,373
Operational Buildings	–	145,284	145,646	193,459	72,170	72,170	340,994	360,503	381,373
Municipal Offices	–	145,284	145,646	193,459	72,170	72,170	340,994	360,503	381,373
Social Housing	25,375	–	–	–	–	–	–	–	–
Computer Equipment	89,085	30,422	4	4,172	4,172	4,172	4	4	4
Computer Equipment	89,085	30,422	4	4,172	4,172	4,172	4	4	4
Furniture and Office Equipment	21,368	–	30,454	30,792	31,764	31,764	263,033	277,237	292,207
Furniture and Office Equipment	21,368	–	30,454	30,792	31,764	31,764	263,033	277,237	292,207
Machinery and Equipment	–	4,326	4,338	4,471	4,332	4,332	1,568	1,666	1,766
Machinery and Equipment	–	4,326	4,338	4,471	4,332	4,332	1,568	1,666	1,766
Transport Assets	109,864	144,351	148,214	174,184	174,830	174,830	199,221	210,273	221,926
Transport Assets	109,864	144,351	148,214	174,184	174,830	174,830	199,221	210,273	221,926
Total Repairs and Maintenance Expenditure	1,660,851	2,106,148	2,118,570	2,416,166	2,348,630	2,348,630	3,046,572	3,268,613	3,505,278

The amount budgeted for repairs and maintenance in the 2019/20 financial year represents 5.6% of the value of Property, Plant and Equipment (see table above). The challenge is that

as the allocation for repairs and maintenance increases, capital expenditure also increases, thus making it difficult to meet the National Treasury norm of 8% of the value of Property, Plant and Equipment.

1.5.2 Free Basic Services: Basic Social Services Package

Council renders free basic services (FBS) to residents, and services grants based on certain conditions. FBS imply the service is rendered for free to residents.

The cost of FBS is regarded as “Income Forgone” and the cost is deducted from the income of the relevant service. In other words, it would have been income but Council opted not to charge residents for the service rendered.

Various grants or rebates are allocated to residents based on their specific socio-economic circumstances. Such grants and rebates are only supplied if the terms and conditions are adhered to. As these grants or rebates are not applicable to all residents, it is not treated like FBS (and subsequently deducted from the income budget), but is recorded in the budget as a grant expenditure item in the expenditure of the budget.

The following table reflects the costs of the FBS and grants and rebates:

Table 19 Cost of Free Basic Services and Indigents

Description	YActual-June 2017/18	Adjusted Budget 2018/19	Draft Budget 2019/20	% Increase	Draft Budget 2020/21	Draft Budget 2021/22
Residential Prop: Developed (COST)	873,714,392	901,520,340	969,872,238	7.6%	1,052,311,378	1,157,542,517
Income Forgone: Sanitation 6Kl	396,593,179	311,569,376	358,304,782	15.0%	397,718,308	441,467,322
Income Forgone: Water 6Kl	543,822,184	429,646,101	476,907,172	11.0%	529,366,961	587,597,327
TOTAL FREE BASIC SERVICE	1,814,129,755	1,642,735,817	1,805,084,192	9.9%	1,979,396,647	2,186,607,166
Grants: Indigent Rates	58,882,566	70,442,904	63,260,673	-10.2%	68,637,829	75,501,613
Grants: Pensioner Rebate	56,577,138	66,587,560	72,678,268	9.1%	78,855,920	86,741,514
Grants: Free Basic Electricity	245,304,035	264,944,486	319,387,269	20.5%	329,325,996	362,258,596
Eskom Supplied Area	73,874,352	147,405,959	170,990,912	16.0%	188,090,003	206,899,003
Tankering of Water	23,166,001	22,124,788	25,443,506	15.0%	28,242,292	31,348,944
Grants: Refuse Removal	137,378,422	170,680,703	183,481,756	7.5%	199,077,705	215,999,310
Refuse Removal: Informal Settlements	14,295,009	20,000,000	51,700,000	158.5%	56,094,500	60,862,533
Grants: Sanitation 3Kl	35,757,144	46,851,968	53,879,763	15.0%	59,806,537	66,385,256
Grants: Water 3Kl	50,903,833	67,167,601	74,556,037	11.0%	82,757,201	91,860,493
chemical toilets funded by own revenue	557,848,424	913,810,425	550,000,000	-39.8%	579,700,000	611,003,800
Excess Consumption(Water residential-cost)	502,392,802	650,717,961	615,579,192	-5.4%	648,820,469	683,856,775
TOTAL GRANT INDIGENTS	1,756,379,726	2,440,734,355	2,180,957,376	-10.6%	2,319,408,452	2,492,717,837
DISCRETIONARY GRANTS: SOCIAL SUPPORT	95,335,466	40,000,000	40,000,000	0.0%	40,000,000	40,000,000
INDIGENT BURIALS	3,666,294	-	-	0.0%	-	-
SUBSIDY: SPCA	3,368,675	2,896,943	3,041,790	5.0%	3,041,790	3,041,790
GRANTS: EDUCATION (EXTERNAL)	115,654,046	100,000,000	100,000,000	0.0%	100,000,000	100,000,000
GRANTS: INDIGENT MANAGEMENT	5,471,429	5,599,276	5,901,637	5.4%	5,901,637	5,901,637
TOTAL OTHER GRANTS	223,495,910	148,496,219	148,943,427	0.3%	148,943,427	148,943,427
GRAND TOTAL	3,794,005,391	4,231,966,391	4,134,984,995	-2.3%	4,447,748,526	4,828,268,430

The total cost of FBS and grants and subsidies as budgeted in 2019/20 amounts to R4.1 billion.

Cognisance must be taken that in addition to the above recognised costs, there are some other grants not recorded as expenditure line items, such as:

-
- Electricity supply to all Tariff A users is heavily subsidised and sold below cost to residents. The cost to subsidise the tariff is not included in the above table.
 - The provision of ablution facilities to informal settlements previously funded from USDG is not included. The table above includes the ablution facilities funded from the City's own revenue.
 - The Council's Indigent Policy prescribes various concessions to registered indigents on sundry services, such as cemetery fees, use of halls and community centres, ambulance and emergency fees, etc.

Further detail relating to FBS, the cost of FBS, revenue lost owing to FBS and basic service delivery measurement is contained in Table 31 MBBR A10 (Basic Service Delivery Measurement) on page 82.

1.6 Capital expenditure

The Capital Investment Framework (CIF) is a legislative requirement of the Municipal Systems Act, as per Section 4(e) of the Municipal Planning and Performance Management Regulations, 2001; and fulfills the function of a Capital Expenditure Framework as required in terms of Section 21(n) of the Spatial Planning and Land Use Management Act, 2013. The CIF is a component of the council approved Built Environment Performance Plan (BEPP) and incorporates elements from the Growth and Development Strategy (GDS), Integrated Development Plan (IDP), and the City Spatial Development Framework (CSDF). The function of the CIF is to spatially and strategically influence, guide and prioritize the allocation of the municipal capital budget in a coordinated manner across all sectors.

The objectives of the CIF are implemented through institutionalization of the Capital Prioritisation Model (CPM) Capital Prioritisation Model is a tool which provides a way to sort a diverse set of items / projects into an order of importance. It also identifies their relative importance by deriving a numerical value for the priority of each item / project. The model provides a means for ranking projects (or project requests) based on criteria that are the most important to focus on first in terms of meeting the city's overarching developmental objectives and strategies. This also assists in promoting coordinated and aligned departmental planning and budgeting. Project prioritisation can therefore be described as a process for assessing a project against a number of variables such as, economic, social, environmental, legislative and financial variables, in order to determine a capital project's alignment with or contribution to such variables. It provides for a systematic and objective assessment of an ongoing or completed project. The CPM Manual identified a three-tier approach to project prioritisation for the budget evaluation process and this includes capital budget evaluation.

The budget evaluation process is informed by the strategic priorities emanating from the IDP process, Mayoral Lekgotla and manifesto as documented by the Strategy & Corporate Planning Department.

The process was also informed by the Ekurhuleni Growth and Development Strategy 2055 imperatives as follows:

- Re-industrialize in order to achieve job creating economic growth;
- Re-urbanise in order to achieve sustainable urban integration;
- Re-generate in order to achieve environmental well-being;
- Re-mobilise in order to achieve social empowerment;
- Re-govern in order to achieve effective cooperative governance

The Capital Budget will be funded as follows:

- ▶ **USDG grant** to be based on Housing Department's integrated planning and funding strategy and in compliance with the USDG framework;
- ▶ **ISUPG** to be introduced in 2020/21 from a portion of the USDG
- ▶ **Other grant** funding to be used to fund social projects that will not necessarily generate revenue;
- ▶ **External Loans** to be used to fund economic infrastructure that will stimulate economic growth and job creation;
- ▶ **Cash** generated from revenue will be used to fund movable assets;

Projects already approved and already commenced with that have to be completed during the 2018/19 to 2020/21 financial period were allocated funding as per the approved MTREF.

Projects previously approved in the 2018/19 to 2020/21 MTREF but not yet planned nor commenced with, were subjected to departmental project prioritisation taking changed priorities and service delivery pressures into account.

Impact of proposed projects on the operational budgets of future years was evaluated. It is not sustainable to construct facilities where there are not sufficient operating funds available to operationalise the facilities.

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

Table 20 2019/20 Medium-term Capital Budget per vote–

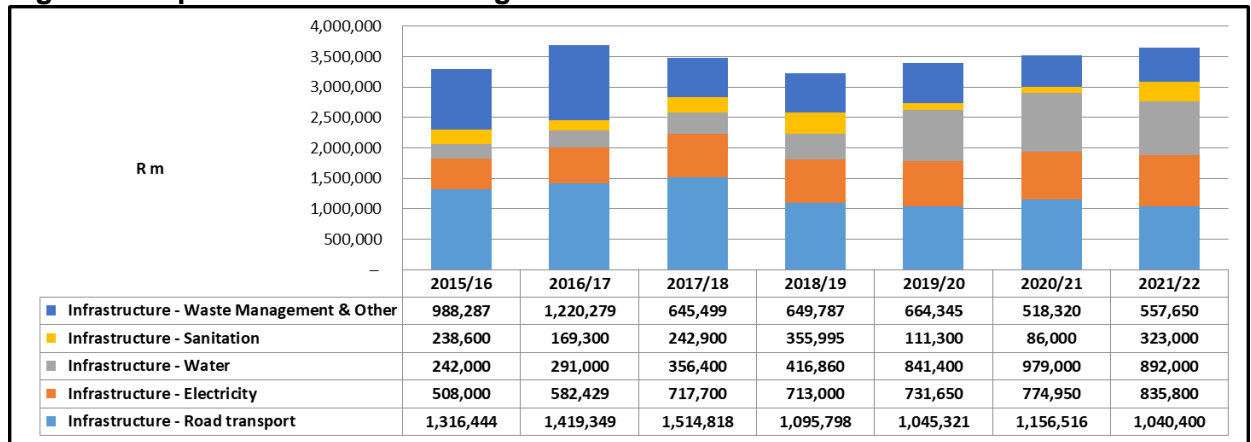
Vote Description	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	%	Budget Year 2020/21	%	Budget Year 2021/22	%
R thousand										
Capital Expenditure - Standard										
Chief Operating Officer	119,289,532	1.77%	113,325,055	113,325,055	156,500,000	2.00%	122,040,000	1.55%	114,540,000	1.56%
City Manager	208,175	0.00%	197,766	197,766	50,000	0.00%	50,000	0.00%	75,000	0.00%
City Planning	1,761,384	0.03%	1,673,315	1,673,315	600,000	0.01%	600,000	0.01%	600,000	0.01%
Communication and Brand Management	574,020	0.01%	545,319	545,319	50,000	0.00%	50,000	0.00%	50,000	0.00%
Corporate Legal Services	330,069	0.00%	313,566	313,566	280,000	0.00%	280,000	0.00%	280,000	0.00%
Council General	538,084,525	8.00%	511,180,299	511,180,299	654,127,125	8.37%	651,698,077	8.27%	655,982,682	8.91%
Services	129,686,706	1.93%	123,202,371	123,202,371	160,300,000	2.05%	167,000,000	2.12%	124,300,000	1.69%
Economic Development	159,839,207	2.38%	151,847,247	151,847,247	193,300,000	2.47%	183,000,000	2.32%	164,000,000	2.23%
Ekurhuleni Metro Police Department	228,410,381	3.40%	216,989,862	216,989,862	193,300,000	2.47%	275,800,000	3.50%	148,000,000	2.01%
Energy	735,600,745	10.94%	698,820,708	698,820,708	736,850,450	9.43%	780,150,000	9.90%	841,000,000	11.43%
Environmental Resources & Waste Management	511,785,150	7.61%	486,195,893	486,195,893	432,600,000	5.53%	464,500,000	5.90%	496,400,000	6.74%
Executive Office	1,800,000	0.03%	1,710,000	1,710,000	1,000,000	0.01%	1,000,000	0.01%	1,000,000	0.01%
Finance	18,230,638	0.27%	17,319,106	17,319,106	270,000	0.00%	340,000	0.00%	300,000	0.00%
Health and Social Development	27,300,000	0.41%	25,935,000	25,935,000	77,950,000	1.00%	139,200,000	1.77%	129,900,000	1.76%
Human Resources Management	1,365,080	0.02%	1,296,826	1,296,826	150,000	0.00%	150,000	0.00%	150,000	0.00%
Human Settlements	1,382,777,862	20.57%	1,313,638,969	1,313,638,969	1,386,648,919	17.74%	1,179,757,689	14.97%	1,288,549,014	17.51%
Information and Communication Technology	487,936,776	7.26%	463,539,937	463,539,937	952,244,768	12.18%	890,819,768	11.31%	610,550,000	8.30%
Internal Audit	320,466	0.00%	304,443	304,443	30,000	0.00%	34,000	0.00%	36,000	0.00%
Legislature	5,979,850	0.09%	5,680,858	5,680,858	-	0.00%	-	0.00%	-	0.00%
Real Estate	145,148,251	2.16%	137,890,838	137,890,838	210,753,335	2.70%	149,910,000	1.90%	123,520,000	1.68%
Risk Management	232,326	0.00%	220,710	220,710	10,000	0.00%	10,000	0.00%	10,000	0.00%
Roads and Stormwater	696,957,853	10.37%	662,109,960	662,109,960	662,650,000	8.48%	711,550,000	9.03%	674,600,000	9.17%
Sport Recreation Arts and Culture	100,399,494	1.49%	95,379,519	95,379,519	143,000,000	1.83%	145,020,000	1.84%	148,500,000	2.02%
Strategy & Corporate Planning	358,743	0.01%	340,806	340,806	120,000	0.00%	127,339	0.00%	127,339	0.00%
Transport Planning & Provision	549,183,736	8.17%	521,724,549	521,724,549	794,746,360	10.17%	867,154,304	11.01%	589,361,360	8.01%
Water and Sanitation	706,380,168	10.51%	671,061,160	671,061,160	894,800,000	11.45%	966,000,000	12.26%	1,161,000,000	15.77%
Brakpan Bus Company (BBC)	350,000	0.01%	332,500	332,500	2,990,000	0.04%	380,000	0.00%	530,000	0.01%
Ekurhuleni Housing Company (EHC)	8,549,000	0.13%	8,121,550	8,121,550	40,007,971	0.51%	47,450,050	0.60%	1,537,052	0.02%
ERWAT	164,204,889	2.44%	155,994,645	155,994,645	121,400,000	1.55%	135,000,000	1.71%	85,000,000	1.15%
Total Capital Budget	6,723,045,026	100.00%	6,386,892,775	6,386,892,775	7,816,728,928	100.00%	7,879,071,227	100.00%	7,359,898,447	100.00%

For 2019/20 an amount of R3.394 billion has been appropriated for the development of infrastructure which represents 43.4% of the total Capital Budget. In the outer years, this amount totals R3.515 billion, 44.61% and R3.649 billion, 49.58% respectively for each of the financial years. Infrastructure development relates to roads and stormwater, electricity, water and wastewater management, and waste management. According to National Treasury, Housing has now been classified as Investment Properties and Transport as Transport Assets and not Infrastructure.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 27 MBRR A9 (Asset Management) of Annexure B. In addition to the MBRR Table A9, MBRR Tables SA34a,b,c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

The following graph provides a breakdown of the Capital Budget to be spent on infrastructure-related projects over the MTREF.

Figure 2 Capital Infrastructure Programme



1.7 Annual Budget Tables – Consolidated

The following pages in this section presents the 10 main budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF to be tabled to Council. Each table is accompanied by explanatory notes.

Table 21 MBRR Table A1 - Budget Summary

EKU Ekurhuleni Metro - Table A1 Budget Summary										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	3,946,659	4,053,558	5,200,065	5,615,665	5,632,288	5,632,288	5,632,288	6,140,478	6,662,419	7,328,661
Service charges	17,059,582	18,685,093	18,403,953	20,786,191	20,922,145	20,368,784	20,368,784	23,728,239	26,171,640	28,866,540
Investment revenue	632,624	536,303	620,079	422,568	422,568	422,568	422,568	438,356	462,001	486,923
Transfers recognised - operational	4,464,972	5,047,640	5,426,464	6,014,349	6,355,841	6,411,250	6,411,250	5,928,709	6,339,766	6,890,825
Other own revenue	1,397,264	1,269,168	2,879,596	2,478,884	2,893,382	2,893,382	2,893,382	2,583,349	2,835,349	3,131,483
Total Revenue (excluding capital transfers and contributions)	27,501,101	29,591,762	32,530,157	35,317,657	36,226,224	35,728,273	35,728,273	38,819,131	42,471,174	46,704,432
Employee costs	6,338,421	6,051,006	7,417,447	8,708,334	8,656,028	8,656,028	8,656,028	9,531,411	10,299,056	11,163,647
Remuneration of councillors	105,696	119,944	132,700	151,062	151,062	151,062	151,062	139,695	150,871	162,940
Depreciation & asset impairment	2,144,071	2,013,797	2,478,458	2,385,339	2,285,339	2,285,339	2,285,339	1,970,542	1,996,332	2,610,326
Finance charges	848,639	901,847	983,370	992,048	821,438	821,438	821,438	1,327,362	1,808,763	1,913,266
Materials and bulk purchases	13,323,007	14,408,224	14,341,920	15,426,095	15,911,829	15,911,829	15,911,829	17,762,617	19,536,035	21,487,815
Transfers and grants	1,096,477	1,206,630	972,951	897,027	1,089,027	1,089,027	1,089,027	775,033	825,837	761,319
Other expenditure	3,820,536	5,426,801	6,548,714	6,696,602	7,250,351	7,250,351	7,250,351	7,298,024	7,840,499	8,591,719
Total Expenditure	27,676,848	30,128,249	32,875,559	35,256,508	36,165,075	36,165,075	36,165,075	38,804,683	42,457,393	46,691,034
Surplus/(Deficit)	(175,747)	(536,487)	(345,402)	61,149	61,149	(436,802)	(436,802)	14,447	13,781	13,398
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,147,158	1,788,457	2,001,283	2,187,669	2,386,344	2,386,344	2,386,344	2,623,480	2,645,174	2,732,849
Contributions recognised - capital & contributed assets	-	-	1,627	71,500	71,220	71,220	71,220	160,040	181,000	150,000
Surplus/(Deficit) after capital transfers & contributions	1,971,411	1,251,969	1,657,508	2,320,318	2,518,713	2,020,762	2,020,762	2,797,968	2,839,955	2,896,247
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1,971,411	1,251,969	1,657,508	2,320,318	2,518,713	2,020,762	2,020,762	2,797,968	2,839,955	2,896,247

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro - Table A1 Budget Summary										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Capital expenditure & funds sources										
Capital expenditure	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	1,581,020	7,816,729	7,879,071	7,359,898
Transfers recognised - capital	2,146,263	1,788,457	2,003,877	2,258,969	2,346,344	2,346,344	599,962	2,781,960	2,824,374	2,808,849
Public contributions & donations										
Borrowing	–	1,300,000	2,873,286	3,519,944	3,193,898	3,193,898	660,874	4,077,075	3,953,888	3,475,933
Internally generated funds	1,947,602	1,613,578	854,664	1,125,300	1,182,859	1,182,859	320,184	957,693	1,100,810	1,075,117
Total sources of capital funds	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	1,581,020	7,816,729	7,879,071	7,359,898
Financial position										
Total current assets	14,992,995	12,283,090	12,087,899	17,393,078	17,393,078	17,393,078	17,393,078	12,739,895	16,058,868	18,441,611
Total non current assets	50,650,310	53,416,188	57,549,065	63,642,721	63,461,610	63,461,610	63,461,610	62,732,481	68,127,476	72,435,454
Total current liabilities	8,718,839	8,296,580	9,997,123	14,613,128	14,613,128	14,613,128	13,587,199	10,100,232	10,544,067	11,022,772
Total non current liabilities	9,155,154	8,254,489	8,874,402	13,637,087	13,637,087	13,637,087	13,637,087	11,074,604	14,915,178	18,312,146
Community wealth/Equity	47,769,312	49,148,208	50,765,440	52,785,584	52,604,473	52,604,473	53,630,402	54,297,540	58,727,099	61,542,147
Cash flows										
Net cash from (used) operating	5,092,414	3,267,504	3,184,145	6,700,603	7,648,282	7,648,282	7,648,282	6,090,629	6,480,877	7,343,311
Net cash from (used) investing	(4,524,965)	(5,239,077)	(6,463,614)	(6,542,143)	(6,361,032)	(6,361,032)	(6,361,032)	(6,596,725)	(7,465,327)	(6,977,305)
Net cash from (used) financing	(82,115)	(334,667)	936,933	3,425,791	2,429,471	2,429,471	2,429,471	2,913,477	2,812,681	2,363,503
Cash/cash equivalents at the year end	8,307,062	6,000,822	3,658,286	9,394,204	7,206,597	7,206,597	7,206,597	5,897,256	7,725,487	10,454,996
Cash backing/surplus reconciliation										
Cash and investments available	9,554,427	7,575,959	5,835,494	16,511,453	16,511,453	16,511,453	16,511,453	8,026,741	11,691,029	14,420,538
Application of cash and investments	3,019,269	2,848,059	3,524,055	8,191,740	8,188,765	8,123,556	8,123,556	5,240,956	5,994,586	6,796,225
Balance - surplus (shortfall)	6,535,158	4,727,900	2,311,439	8,319,714	8,322,689	8,387,898	8,387,898	2,785,785	5,696,443	7,624,313

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro - Table A1 Budget Summary										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Asset management										
Asset register summary (WDV)	51,935,405	55,916,626	60,785,549	60,604,438	60,604,438	60,604,438	60,604,438	61,590,105	67,000,100	71,308,078
Depreciation	2,144,071	2,013,797	2,478,458	2,385,339	2,285,339	2,285,339	2,285,339	1,970,542	1,996,332	2,610,326
Renewal of Existing Assets	1,928,851	2,240,835	4,332,720	6,062,272	5,816,463	5,816,463	5,816,463	6,713,379	6,781,135	6,423,052
Repairs and Maintenance	1,660,851	2,106,148	2,118,570	2,416,166	2,348,630	2,348,630	2,348,630	3,046,572	3,268,613	3,505,278
Free services										
Cost of Free Basic Services provided	2,067,504	2,589,856	2,725,557	3,190,981	3,680,611	3,680,611	3,680,611	3,677,008	4,064,876	4,560,594
Revenue cost of free services provided	1,714,127	1,821,559	2,150,361	1,905,106	1,959,495	1,959,495	1,959,495	2,133,875	2,369,101	2,645,445
Households below minimum service level										
Water:	11	11	11	11	11	11	11	11	11	11
Sanitation/sewerage:	35	35	35	35	35	35	35	35	35	35
Energy:	27	27	27	10	10	10	5	5	5	5
Refuse:	165	165	164	165	165	165	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City of Ekurhuleni'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 from operating performance and resources deployed to capital expenditure, financial position, cash and funding compliance, and the City of Ekurhuleni's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of funding for the municipal budget. 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 are 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 cash-backing/surplus reconciliation shows that in previous financial years the liquidity position of the municipality was placed under pressure and consequently many of its obligations were not cash-backed. This placed the municipality in a very vulnerable financial position. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. The cash position of the Council improved over the last year and it is anticipated that the goal of having all obligations cash-back was achieved prior to the current MTREF year, when surpluses are reflected.
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 FBS shows that the amount spent on FBS 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 22 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by function classification)

EKU Ekurhuleni Metro - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)									
Functional Classification Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional									
<i>Governance and administration</i>	7,018,104	7,184,466	8,447,404	8,851,664	8,912,026	8,912,026	9,527,961	10,207,644	11,048,224
Executive and council	1,562	1,344	–	–	–	–	–	–	–
Finance and administration	7,016,344	7,182,294	8,447,404	8,851,664	8,912,026	8,912,026	9,527,961	10,207,644	11,048,224
Internal audit	198	828	–	–	–	–	–	–	–
<i>Community and public safety</i>	877,435	1,074,631	1,789,719	1,805,857	2,638,558	2,693,968	2,173,825	2,271,587	2,318,462
Community and social services	31,219	36,791	196,461	215,642	215,742	215,742	228,051	231,027	233,637
Sport and recreation	30,694	22,490	14,733	15,699	16,096	16,096	16,391	16,790	17,211
Public safety	2,974	1,700	174,465	138,721	239,481	239,481	145,962	153,844	162,152
Housing	581,065	812,838	1,250,792	1,262,022	2,003,246	2,058,655	1,599,573	1,684,772	1,719,564
Health	231,483	200,810	153,268	173,773	163,994	163,994	183,847	185,154	185,899
<i>Economic and environmental services</i>	1,235,254	894,535	833,398	1,074,835	1,082,535	1,082,535	1,028,150	1,232,604	1,414,595
Planning and development	88,136	53,975	114,907	69,664	69,664	69,664	67,291	47,714	50,290
Road transport	1,131,550	840,530	718,464	1,005,034	1,012,734	1,012,734	960,715	1,184,738	1,364,144
Environmental protection	15,569	30	27	138	138	138	144	152	160
<i>Trading services</i>	20,260,444	21,970,566	23,147,403	25,481,132	25,687,332	25,687,332	28,540,978	31,235,862	34,437,468
Energy sources	12,799,857	13,814,230	13,738,776	14,689,418	14,825,371	14,825,371	16,533,647	17,910,572	19,683,329
Water management	5,021,194	5,204,690	4,940,478	6,224,242	6,294,488	6,294,488	6,954,240	7,708,767	8,490,668
Waste water management	1,057,132	1,112,771	2,136,370	2,619,350	2,619,350	2,619,350	2,892,460	3,266,783	3,703,698
Waste management	1,382,261	1,838,876	2,331,779	1,948,122	1,948,122	1,948,122	2,160,631	2,349,740	2,559,773
<i>Other</i>	257,022	256,021	315,143	363,337	363,337	363,337	331,737	349,651	368,532
Total Revenue - Functional	29,648,259	31,380,219	34,533,067	37,576,825	38,683,788	38,739,198	41,602,651	45,297,348	49,587,281

EKU Ekurhuleni Metro - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)									
Functional Classification Description R thousand	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure - Functional									
<i>Governance and administration</i>	3,314,846	2,160,069	3,807,134	4,997,930	4,882,181	4,882,181	5,087,113	5,664,522	6,444,668
Executive and council	647,638	683,447	484,208	516,748	534,343	534,343	523,577	557,959	595,086
Finance and administration	2,383,668	1,114,165	3,266,187	4,416,788	4,253,519	4,253,519	4,484,041	5,021,926	5,759,412
Internal audit	283,540	362,457	56,738	64,393	94,320	94,320	79,495	84,638	90,170
<i>Community and public safety</i>	3,179,407	3,367,974	6,157,244	5,379,973	5,972,259	5,972,259	5,958,791	6,396,396	6,812,282
Community and social services	286,904	410,040	967,397	732,377	715,527	715,527	791,530	852,064	916,827
Sport and recreation	860,004	904,770	983,630	1,013,021	1,049,917	1,049,917	1,106,951	1,189,756	1,279,091
Public safety	379,419	223,814	1,752,898	1,556,189	1,662,636	1,662,636	1,880,675	2,014,809	2,159,108
Housing	510,969	556,533	1,075,540	652,253	1,116,093	1,116,093	541,259	575,444	557,551
Health	1,142,112	1,272,818	1,377,780	1,426,133	1,428,086	1,428,086	1,638,377	1,764,323	1,899,706
<i>Economic and environmental services</i>	3,233,648	3,592,028	2,812,738	3,324,161	3,419,033	3,419,033	3,176,508	3,395,268	3,817,568
Planning and development	411,355	545,430	636,081	702,082	675,066	675,066	659,630	673,349	711,833
Road transport	2,746,632	2,949,545	2,085,810	2,529,595	2,653,072	2,653,072	2,413,712	2,610,591	2,985,567
Environmental protection	75,661	97,053	90,846	92,484	90,894	90,894	103,166	111,328	120,168
<i>Trading services</i>	17,731,329	20,804,114	19,897,042	21,364,448	21,694,962	21,694,962	24,300,446	26,698,040	29,290,322
Energy sources	11,780,257	14,348,856	11,986,258	12,993,486	13,058,946	13,058,946	15,012,940	16,471,771	18,073,634
Water management	4,022,628	4,663,467	5,751,893	6,174,295	6,436,661	6,436,661	6,868,659	7,549,598	8,235,986
Waste water management	633,113	595,423	881,484	1,030,021	1,031,445	1,031,445	1,060,346	1,230,481	1,440,700
Waste management	1,295,331	1,196,367	1,277,407	1,166,645	1,167,909	1,167,909	1,358,501	1,446,190	1,540,002
<i>Other</i>	217,618	204,065	242,839	249,985	256,629	256,629	281,825	303,167	326,194
Total Expenditure - Functional	27,676,848	30,128,249	32,916,997	35,316,496	36,225,063	36,225,063	38,804,683	42,457,393	46,691,034
Surplus/(Deficit) for the year	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	2,514,134	2,797,968	2,839,955	2,896,247

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional 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 municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that the Total Revenue in this table includes capital revenues (transfers recognised – capital) and so does not balance with the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for Trading Services should exceed expenditures. The table highlights that this is the case for electricity, water and waste water and the solid waste management (refuse removal) functions.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Corporate Services.

Table 23 MBRR Table A3 Consolidated – Budgeted Financial Performance (revenue and expenditure by municipal vote)

EKU Ekurhuleni Metro - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)									
Vote Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote									
Vote 1 - Executive and Council	–	–	272,911	277,085	277,085	277,085	307,440	327,841	328,265
Vote 2 - Finance and Corporate Services	7,039,113	7,467,422	8,154,832	8,534,743	8,595,105	8,595,105	9,178,698	9,835,721	10,673,497
Vote 3 - Energy	12,778,786	13,715,715	13,738,776	14,689,418	14,825,371	14,825,371	16,533,647	17,910,572	19,683,329
Vote 4 - Water and Sanitation	6,233,781	6,477,290	7,076,847	8,843,592	8,913,839	8,913,839	9,846,700	10,975,550	12,194,366
Vote 5 - Waste Management	1,447,413	1,694,152	2,332,602	1,948,862	1,948,862	1,948,862	2,161,704	2,350,870	2,560,964
Vote 6 - Human Settlements	497,331	716,872	1,282,866	1,301,118	2,042,341	2,097,751	1,640,324	1,727,723	1,764,835
Vote 7 - City Planning	65,156	31,754	70,133	44,610	44,610	44,610	45,269	47,714	50,290
Vote 8 - Economic Development	31,767	36,339	66,531	49,486	49,486	49,486	47,675	27,039	28,499
Vote 9 - Disaster and Emergency Management Services	55,630	73,748	173,979	191,048	191,048	191,048	202,661	204,063	205,541
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	(35,233)	(36,046)	20,758	22,896	23,393	23,393	24,223	25,248	25,801
Vote 11 - Health and Social Development	189,267	165,026	135,283	165,983	156,204	156,204	175,265	176,108	176,365
Vote 12 - Environmental Resource Management	(4,994)	(22,318)	24,425	33,861	33,861	33,861	35,554	37,474	39,497
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	65,760	145,715	171,273	130,184	230,944	230,944	136,693	144,075	151,855
Vote 14 - Transport Planning & Provisioning	900,663	746,346	815,694	1,191,458	1,191,458	1,191,458	1,166,313	1,229,638	1,310,489
Vote 15 - Roads and Stormwater	383,820	168,204	196,155	152,481	160,181	160,181	100,485	277,713	393,689
Total Revenue by Vote	29,648,259	31,380,219	34,533,067	37,576,825	38,683,788	38,739,198	41,602,651	45,297,348	49,587,281

EKU Ekurhuleni Metro - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)									
Vote Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure by Vote to be appropriated									
Vote 1 - Executive and Council	328,600	349,497	1,168,508	1,641,695	1,502,282	1,502,282	1,234,165	1,140,821	1,620,862
Vote 2 - Finance and Corporate Services	3,006,860	1,829,254	2,239,309	2,810,886	2,848,765	2,848,765	3,253,169	3,883,177	4,139,627
Vote 3 - Energy	11,774,155	14,316,223	11,986,258	12,993,486	13,058,900	13,058,900	15,012,940	16,471,771	18,073,634
Vote 4 - Water and Sanitation	4,647,317	5,242,947	6,619,297	7,189,241	7,451,242	7,451,242	7,913,324	8,763,539	9,659,226
Vote 5 - Waste Management	1,295,331	1,196,367	1,277,477	1,166,758	1,168,136	1,168,136	1,358,597	1,446,291	1,540,109
Vote 6 - Human Settlements	510,988	556,540	1,433,633	1,118,846	1,549,563	1,549,563	1,053,068	1,120,881	1,138,967
Vote 7 - City Planning	240,259	254,360	297,539	318,750	329,345	329,345	326,259	346,926	369,185
Vote 8 - Economic Development	172,372	295,838	300,999	323,046	305,279	305,279	282,467	271,752	283,907
Vote 9 - Disaster and Emergency Management Services	749,238	649,056	912,695	828,980	837,830	837,830	944,033	1,017,509	1,096,816
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	588,255	728,461	883,078	708,780	710,042	710,042	759,049	817,369	879,886
Vote 11 - Health and Social Development	779,400	879,978	916,309	1,017,484	1,017,929	1,017,929	1,146,671	1,233,500	1,326,648
Vote 12 - Environmental Resource Management	633,993	683,010	738,258	786,889	796,372	796,372	863,728	927,663	996,499
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	1,191,695	1,396,498	1,715,659	1,518,343	1,624,873	1,624,873	1,836,766	1,968,064	2,109,334
Vote 14 - Transport Planning & Provisioning	352,028	397,210	657,188	951,744	995,078	995,078	848,957	929,185	1,178,016
Vote 15 - Roads and Stormwater	1,406,357	1,353,010	1,770,792	1,941,568	2,029,427	2,029,427	1,971,491	2,118,945	2,278,319
Total Expenditure by Vote	27,676,848	30,128,249	32,916,997	35,316,496	36,225,063	36,225,063	38,804,683	42,457,393	46,691,034
Surplus/(Deficit) for the year	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	2,514,134	2,797,968	2,839,955	2,896,247

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance

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 vote's operating surplus or deficit. The following table is an analysis of the surplus or deficit for refuse removal, electricity and water (including sanitation) trading services.

Table 24 Surplus/ (deficit) calculations for trading services as per MBRR Table A3

Description	1516	1617	1718	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full year Forecast	Budget	Budget	Budget
							2019/20	2020/21	2021/22
Electricity									
Total Revenue (incl. capital grants and transfers)	12,778,786	13,715,715	13,547,736	14,689,418	14,687,765	14,687,765	16,382,279	17,751,031	19,515,172
Operating Expenditure	11,774,155	14,316,223	11,985,557	12,993,486	13,058,900	13,058,900	15,012,940	16,471,771	18,073,634
Surplus/ (Deficit) for the year	1,004,631	(600,508)	1,562,179	1,695,931	1,628,865	1,628,865	1,369,339	1,279,260	1,441,538
Percentage Surplus	7.86%	-4.38%	11.53%	11.55%	11.09%	11%	8.36%	7%	7%
Water									
Total Revenue (incl capital grants and transfers)	6,233,781	6,477,290	6,642,822	8,843,592	8,536,456	8,536,456	9,336,087	10,318,334	11,351,154
Operating Expenditure	4,647,317	5,242,947	5,790,357	7,189,241	6,476,699	6,476,699	6,913,635	7,597,886	8,287,836
Surplus/ (Deficit) for the year	1,586,464	1,234,342	852,465	1,654,352	2,059,757	2,059,757	2,422,452	2,720,448	3,063,318
Percentage Surplus	25.45%	19.06%	12.83%	18.71%	24.13%	24%	25.95%	26%	27%
Refuse									
Total Revenue (incl capital grants and transfers)	1,447,413	1,694,152	2,330,304	1,948,862	1,946,427	1,946,427	2,158,393	2,347,378	2,557,281
Operating Expenditure	1,295,331	1,196,367	1,277,407	1,166,758	1,168,024	1,168,024	1,358,501	1,446,190	1,540,002
Surplus/ (Deficit) for the year	152,082	497,784	1,052,897	782,104	778,403	778,403	799,892	901,188	1,017,279
Percentage Surplus	11%	29%	45%	40%	40%	40%	37%	38%	40%
Total for Trading Services									
Total Revenue (incl capital grants and transfers)	20,459,980	21,887,157	22,520,862	25,481,872	25,170,648	25,170,648	27,876,759	30,416,743	33,423,607
Operating Expenditure	17,716,803	20,755,537	19,053,321	21,349,485	20,703,623	20,703,623	23,285,076	25,515,847	27,901,472
Surplus/ (Deficit) for the year	2,743,178	1,131,619	3,467,541	4,132,387	4,467,025	4,467,025	4,591,683	4,900,896	5,522,135
Percentage Surplus	13%	5%	15%	16%	18%	18%	16%	16%	17%

The electricity-trading surplus is decreasing from R1.6 in 2018/19 adjusted budget to R1.3 billion over 2019/20 MTREF. This is due to the higher bulk purchase tariff in the latter year.

Due to improved efficiencies in the water and sanitation account the surplus is increasing from R2.0 billion to R2.4 billion in 2019/20. The surplus in the two outer years is R2.7 billion and R3.0 billion respectively.

Waste Management reflects a surplus of R799 million in 2019/20. In the outer years, the surplus is R901 million and R1 billion respectively.

Table 25 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EKU Ekurhuleni Metro - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source										
Property rates	3,946,659	4,053,558	5,200,065	5,615,665	5,632,288	5,632,288	5,632,288	6,140,478	6,662,419	7,328,661
Service charges - electricity revenue	11,826,299	12,906,311	12,893,182	13,732,952	13,868,905	13,868,905	13,868,905	15,553,417	17,101,796	18,804,637
Service charges - water revenue	3,217,167	3,395,581	3,152,220	4,119,535	4,119,535	4,119,535	4,119,535	4,870,108	5,440,102	6,074,648
Service charges - sanitation revenue	1,054,668	1,109,672	1,168,271	1,594,808	1,594,808	1,041,447	1,041,447	1,771,371	1,966,130	2,182,308
Service charges - refuse revenue	961,447	1,273,529	1,190,279	1,338,897	1,338,897	1,338,897	1,338,897	1,533,344	1,663,611	1,804,947
Rental of facilities and equipment	59,256	67,521	108,641	127,763	127,763	127,763	127,763	136,271	143,676	151,484
Interest earned - external investments	632,624	536,303	620,079	422,568	422,568	422,568	422,568	438,356	462,001	486,923
Interest earned - outstanding debtors	459,031	304,694	338,101	523,506	523,506	523,506	523,506	560,910	591,000	623,018
Dividends received	–	–	66	92	92	92	92	–	–	–
Fines, penalties and forfeits	319,360	346,153	175,878	138,197	238,197	238,197	238,197	145,107	152,943	161,202
Licences and permits	51,651	50,249	293,199	338,745	338,745	338,745	338,745	305,916	322,435	339,846
Agency services	276,375	282,219								
Transfers and subsidies	4,464,972	5,047,640	5,426,464	6,014,349	6,355,841	6,411,250	6,411,250	5,928,709	6,339,766	6,890,825
Other revenue	231,590	218,332	1,962,006	1,350,581	1,665,080	1,665,080	1,665,080	1,435,145	1,625,295	1,855,933
Gains on disposal of PPE	–	–	1,705	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	27,501,101	29,591,762	32,530,157	35,317,657	36,226,224	35,728,273	35,728,273	38,819,131	42,471,174	46,704,432

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Expenditure By Type										
Employee related costs	6,338,421	6,051,006	7,417,447	8,708,334	8,656,028	8,656,028	8,656,028	9,531,411	10,299,056	11,163,647
Remuneration of councillors	105,696	119,944	132,700	151,062	151,062	151,062	151,062	139,695	150,871	162,940
Debt impairment	1,434,058	2,609,579	1,471,479	1,453,081	1,503,081	1,503,081	1,503,081	1,579,646	1,736,826	1,909,803
Depreciation & asset impairment	2,144,071	2,013,797	2,478,458	2,385,339	2,285,339	2,285,339	2,285,339	1,970,542	1,996,332	2,610,326
Finance charges	848,639	901,847	983,370	992,048	821,438	821,438	821,438	1,327,362	1,808,763	1,913,266
Bulk purchases	11,662,156	12,402,511	12,245,412	13,479,345	13,579,633	13,579,633	13,579,633	15,703,690	17,313,740	19,089,159
Other materials	1,660,851	2,005,713	2,096,508	1,946,750	2,332,195	2,332,195	2,332,195	2,058,927	2,222,295	2,398,655
Contracted services	856,564	1,061,354	3,922,824	4,080,213	4,510,266	4,510,266	4,510,266	4,443,504	4,740,141	5,228,415
Transfers and subsidies	1,096,477	1,206,630	972,951	897,027	1,089,027	1,089,027	1,089,027	775,033	825,837	761,319
Other expenditure	1,529,914	1,763,820	1,151,428	1,148,730	1,222,425	1,222,425	1,222,425	1,259,567	1,347,398	1,436,496
Loss on disposal of PPE	–	(7,951)	2,982	14,578	14,578	14,578	14,578	15,307	16,134	17,005
Total Expenditure	27,676,848	30,128,249	32,875,559	35,256,508	36,165,075	36,165,075	36,165,075	38,804,683	42,457,393	46,691,034
Surplus/(Deficit)	(175,747)	(536,487)	(345,402)	61,149	61,149	(436,802)	(436,802)	14,447	13,781	13,398
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,147,158	1,788,457	2,001,283	2,187,669	2,386,344	2,386,344	2,386,344	2,623,480	2,645,174	2,732,849
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	71,500	71,220	71,220	71,220	160,040	181,000	150,000
Transfers and subsidies - capital (in-kind)	–	–	1,627	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	1,971,411	1,251,969	1,657,508	2,320,318	2,518,713	2,020,762	2,020,762	2,797,968	2,839,955	2,896,247
Taxation	–	–	41,438	59,989	59,989	59,989	59,989	–	–	–
Surplus/(Deficit) after taxation	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	1,960,773	1,960,773	2,797,968	2,839,955	2,896,247
Attributable to minorities	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	1,960,773	1,960,773	2,797,968	2,839,955	2,896,247
Surplus/(Deficit) for the year	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	1,960,773	1,960,773	2,797,968	2,839,955	2,896,247

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

Revenue generated from **rates and service charges** forms a significant percentage of the revenue basket for the city. Rates and service charge revenues comprise around 77.0% of the total revenue mix. In the 2019/20 financial year, revenue from rates and service charges totalled R29.8 billion in the income budget. It increases to R32.8 billion and R36.1 billion in the respective outer years.

Details in this regard are contained in Table 96 MBRR Table SA1 - Supporting detail to budgeted financial performance on page 246.

Transfers and subsidies recognised amount to R5.9 billion or 15.3% of total income budget in the 2019/20 financial year and increases to R6.9 billion by 2021/22. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium-term.

Bulk purchases increases by R2.1 billion from R13.5 billion to R15.7 billion in 2019/20 and to R19 billion by 2021/22.

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

The following graph illustrates the major expenditure items per type.

Figure 3 Expenditure by major type

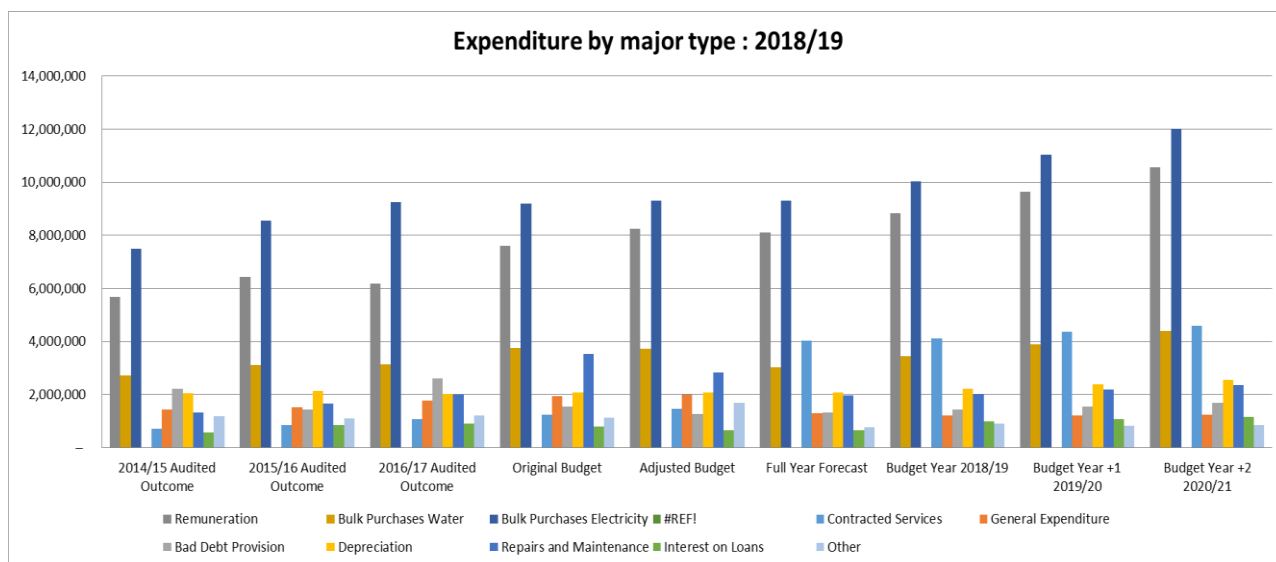


Table 26 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

EKU Ekurhuleni Metro - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Executive and Council	–	–	851,376	683,284	658,369	658,369	181,337	769,407	765,018	769,303
Vote 2 - Finance and Corporate Services	547,317	951,422	451,998	607,967	516,039	516,039	44,510	995,305	901,454	613,671
Vote 3 - Energy	470,552	576,437	709,831	736,700	735,601	735,601	116,426	736,850	780,150	841,000
Vote 4 - Water and Sanitation	458,502	319,118	625,799	866,055	870,585	870,585	354,093	1,016,200	1,101,000	1,232,710
Vote 5 - Waste Management	91,263	82,912	137,744	165,500	197,523	197,523	58,158	128,000	190,500	294,900
Vote 6 - Human Settlements	422,671	658,389	1,186,380	1,422,311	1,536,475	1,536,475	390,346	1,637,410	1,377,118	1,398,606
Vote 7 - City Planning	–	–	–	3,050	1,761	1,761	492	600	600	600
Vote 8 - Economic Development	52,570	143,187	145,546	203,200	159,839	159,839	25,450	193,300	183,000	164,000
Vote 9 - Disaster and Emergency Management Services	65,069	101,416	–	167,140	129,687	129,687	38,082	160,300	167,000	124,300
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	157,886	105,564	123,105	114,365	100,758	100,758	21,739	143,120	145,147	148,627
Vote 11 - Health and Social Development	99,392	58,277	86,784	42,275	27,300	27,300	13,590	77,950	139,200	129,900
Vote 12 - Environmental Resource Management	70,014	53,754	171,644	304,150	314,263	314,263	89,006	304,600	274,000	216,500
Vote 13 - Ekurhuleni Metropolitan Police Department (EM)	19,533	40,450	143,171	153,100	177,660	177,660	44,678	100,800	125,800	109,000
Vote 14 - Transport Planning & Provisioning	613,850	513,905	412,172	739,165	600,284	600,284	118,136	966,116	1,030,974	642,181
Vote 15 - Roads and Stormwater	611,039	572,447	685,589	695,950	696,958	696,958	84,976	586,770	698,110	674,600
Capital multi-year expenditure sub-total	3,679,659	4,177,276	5,731,138	6,904,213	6,723,102	6,723,102	1,581,020	7,816,729	7,879,071	7,359,898

EKU Ekurhuleni Metro - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Capital expenditure - Vote										
Single-year expenditure to be appropriated										
Vote 1 - Executive and Council	6,018	17,078	689	-	-	-	-	-	-	-
Vote 2 - Finance and Corporate Services	60,042	75,834	-	-	-	-	-	-	-	-
Vote 3 - Energy	20,350	51,819	-	-	-	-	-	-	-	-
Vote 4 - Water and Sanitation	8,029	8,686	-	-	-	-	-	-	-	-
Vote 5 - Waste Management	37,571	42,774	-	-	-	-	-	-	-	-
Vote 6 - Human Settlements	2,125	1,377	-	-	-	-	-	-	-	-
Vote 7 - City Planning	2,981	3,587	-	-	-	-	-	-	-	-
Vote 8 - Economic Development	4,079	21,916	-	-	-	-	-	-	-	-
Vote 9 - Disaster and Emergency Management Services	47,878	88,999	-	-	-	-	-	-	-	-
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	31,375	15,219	-	-	-	-	-	-	-	-
Vote 11 - Health and Social Development	12,827	23,513	-	-	-	-	-	-	-	-
Vote 12 - Environmental Resource Management	62,045	88,073	-	-	-	-	-	-	-	-
Vote 13 - Ekurhuleni Metropolitan Police Department (EM)	57,040	54,768	-	-	-	-	-	-	-	-
Vote 14 - Transport Planning & Provisioning	39,848	5,168	-	-	-	-	-	-	-	-
Vote 15 - Roads and Stormwater	21,997	25,948	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	414,206	524,759	689	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	1,581,020	7,816,729	7,879,071	7,359,898

EKU Ekurhuleni Metro - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Capital Expenditure - Functional										
<i>Governance and administration</i>	613,377	1,044,335	1,263,489	1,497,489	1,326,483	1,326,483	268,026	2,047,141	1,921,770	1,594,780
Executive and council	11,528	407,217	94,935	121,700	119,955	119,955	1,942	115,000	113,040	113,040
Finance and administration	601,849	206,949	1,168,197	1,375,339	1,206,208	1,206,208	265,794	1,932,111	1,808,696	1,481,704
Internal audit	–	430,168	356	450	320	320	290	30	34	36
<i>Community and public safety</i>	1,038,179	1,277,676	1,700,687	1,941,656	2,078,725	2,078,725	542,742	2,132,707	1,949,728	1,889,286
Community and social services	236,509	191,742	382,288	167,140	129,687	129,687	38,082	160,300	167,000	124,300
Sport and recreation	75,135	58,746	99,745	356,650	352,751	352,751	97,902	367,000	290,520	251,000
Public safety	189,520	285,633	143,171	153,100	177,660	177,660	44,678	100,800	125,800	109,000
Housing	424,796	659,765	988,699	1,222,491	1,391,327	1,391,327	348,490	1,426,657	1,227,208	1,275,086
Health	112,219	81,790	86,784	42,275	27,300	27,300	13,590	77,950	139,200	129,900
<i>Economic and environmental services</i>	1,338,699	1,270,333	1,294,279	1,696,813	1,514,185	1,514,185	241,574	1,755,831	1,935,923	1,507,222
Planning and development	42,286	140,743	186,137	207,015	162,148	162,148	26,414	194,070	183,777	164,802
Road transport	1,286,735	1,117,468	1,097,762	1,428,498	1,290,127	1,290,127	202,606	1,481,161	1,623,646	1,228,420
Environmental protection	9,677	12,122	10,380	61,300	61,911	61,911	12,554	80,600	128,500	114,000
<i>Trading services</i>	1,086,267	1,081,745	1,473,373	1,768,255	1,803,708	1,803,708	528,678	1,881,050	2,071,650	2,368,610
Energy sources	490,902	628,256	709,831	736,700	735,601	735,601	116,426	736,850	780,150	841,000
Water management	293,306	223,472	591,644	744,250	706,380	706,380	252,362	894,800	966,000	1,161,000
Waste water management	173,225	104,331	34,155	121,805	164,205	164,205	101,731	121,400	135,000	71,710
Waste management	128,834	125,686	137,744	165,500	197,523	197,523	58,158	128,000	190,500	294,900
<i>Other</i>	17,344	27,946								
Total Capital Expenditure - Functional	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	1,581,020	7,816,729	7,879,071	7,359,898

EKU Ekurhuleni Metro - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Funded by:										
National Government	2,118,921	1,757,650	1,856,365	2,250,269	2,281,838	2,281,838	599,268	2,772,960	2,815,374	2,799,849
Provincial Government	27,342	30,807	11,087	8,700	64,506	64,506	694	9,000	9,000	9,000
District Municipality		-								
Other transfers and grants	-	-	136,426	-	-	-	-	-	-	-
Transfers recognised - capital	2,146,263	1,788,457	2,003,877	2,258,969	2,346,344	2,346,344	599,962	2,781,960	2,824,374	2,808,849
Public contributions & donations										
Borrowing	-	1,300,000	2,873,286	3,519,944	3,193,898	3,193,898	660,874	4,077,075	3,953,888	3,475,933
Internally generated funds	1,947,602	1,613,578	854,664	1,125,300	1,182,859	1,182,859	320,184	957,693	1,100,810	1,075,117
Total Capital Funding	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	1,581,020	7,816,729	7,879,071	7,359,898

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 2019/20, R7.302 billion has been allocated of the R7.817 billion Capital Budget, which totals 93%. This allocation escalates to R7.340 billion in 2020/21 and reduces to R6.890 billion in 2021/22.
3. Single-year capital expenditure has been appropriated at R514.2 million for the 2019/20 financial year and remains relatively constant over the MTREF at levels of R538.6 million and R470.3 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the city. For funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. In terms of Circular 58, any downward adjustments for 2019/20 (relating to the multi-year appropriation for 2019/20) in the 2018/19 budget must be explained. The following votes had downward adjustments:
 - The centralisation of the vehicles, Office furniture and ICT budgets to Transport, Real Estate and ICT departments respectively, resulted in decreases on all departments for the aforementioned areas.
 - **Energy** – The INEP grant has been discontinued.
 - **Health & Social Development** – The following projects have been removed from the MTREF budget; Community based substance abuse treatment centre, Food bank & daycare centre for mental patients. The construction of the new Tswelopele/ Winnie Mandela has been delayed to 2020/21.
6. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2019/20, capital grants and transfers totals R2.782 billion (35.59%) and increases to R2.824 billion by 2020/21 (35.85%) and R2.809 billion (38.16%) in 2021/22. A substantial portion of the Capital Budget will be funded from borrowing over MTREF, with anticipated borrowings of R4.077 billion in 2019/20. Borrowing is estimated at R3.954 billion in 2020/21 and R3.476 billion in the 2021/22 financial years. The balance will be funded from internally generated funding totalling R958 million in 2019/20, R1.101 billion in 2020/21 and R1.075 billion in the 2021/22 financial years. These funding sources are further discussed in detail in 2.6 (overview of budget funding).

Table 27 MBRR Table A6 - Budgeted Financial Position

EKU Ekurhuleni Metro - Table A6 Budgeted Financial Position										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS										
Current assets										
Cash	8,307,062	6,000,822	3,658,286	13,630,831	13,630,831	13,630,831	13,630,831	5,897,256	9,591,544	12,321,053
Call investment deposits	155,535	125,036	555,526	20,458	20,458	20,458	20,458	993,594	978,594	978,594
Consumer debtors	5,256,387	4,703,602	5,486,431	3,502,115	3,502,115	3,502,115	3,502,115	4,488,726	4,145,611	3,815,544
Other debtors	908,078	921,335	1,366,240	21,784	21,784	21,784	21,784	769,786	769,786	769,786
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	365,934	532,294	1,021,416	217,889	217,889	217,889	217,889	590,533	573,333	556,634
Total current assets	14,992,995	12,283,090	12,087,899	17,393,078	17,393,078	17,393,078	17,393,078	12,739,895	16,058,868	18,441,611
Non current assets										
Long-term receivables	9,395	6,765	6,758	32,593	32,593	32,593	32,593	6,761	6,761	6,761
Investments	1,091,831	1,450,100	1,621,681	2,860,164	2,860,164	2,860,164	2,860,164	1,135,891	1,120,891	1,120,891
Investment property	547,174	566,254	681,613	230,415	230,415	230,415	230,415	492,760	492,760	492,760
Investment in Associate	4,000	4,000	4,000	–	–	–	–	–	–	–
Property, plant and equipment	48,828,702	50,759,107	54,332,051	59,971,995	59,841,222	59,841,222	59,841,222	60,392,764	65,802,759	70,110,737
Agricultural										
Biological										
Intangible	75,932	550,590	826,739	506,915	456,578	456,578	456,578	628,081	628,081	628,081
Other non-current assets	93,277	79,371	76,224	40,639	40,639	40,639	40,639	76,224	76,224	76,224
Total non current assets	50,650,310	53,416,188	57,549,065	63,642,721	63,461,610	63,461,610	63,461,610	62,732,481	68,127,476	72,435,454
TOTAL ASSETS	65,643,305	65,699,277	69,636,964	81,035,799	80,854,688	80,854,688	80,854,688	75,472,376	84,186,344	90,877,065

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro - Table A6 Budgeted Financial Position										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
LIABILITIES										
Current liabilities										
Bank overdraft										
Borrowing	419,128	457,961	558,974	–	–	–	54,279	973,974	958,974	958,974
Consumer deposits	754,288	806,763	866,331	780,561	780,561	780,561	780,561	835,561	890,561	945,561
Trade and other payables	7,114,514	6,516,869	7,953,411	9,577,254	9,577,254	9,577,254	9,577,254	7,755,697	8,143,482	8,550,656
Provisions	430,909	514,988	618,407	4,255,314	4,255,314	4,255,314	3,175,106	535,000	551,050	567,582
Total current liabilities	8,718,839	8,296,580	9,997,123	14,613,128	14,613,128	14,613,128	13,587,199	10,100,232	10,544,067	11,022,772
Non current liabilities										
Borrowing	5,649,844	5,219,460	5,995,069	13,525,284	13,525,284	13,525,284	13,525,284	8,246,604	11,963,258	15,230,634
Provisions	3,505,311	3,035,029	2,879,333	111,803	111,803	111,803	111,803	2,828,000	2,951,920	3,081,512
Total non current liabilities	9,155,154	8,254,489	8,874,402	13,637,087	13,637,087	13,637,087	13,637,087	11,074,604	14,915,178	18,312,146
TOTAL LIABILITIES	17,873,994	16,551,069	18,871,525	28,250,215	28,250,215	28,250,215	27,224,286	21,174,836	25,459,245	29,334,918
NET ASSETS	47,769,312	49,148,208	50,765,440	52,785,584	52,604,473	52,604,473	53,630,402	54,297,540	58,727,099	61,542,147
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	47,769,312	49,148,208	50,765,440	52,785,584	52,604,473	52,604,473	53,630,402	54,297,540	58,727,099	61,542,147
Reserves	–	–	–	0	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	47,769,312	49,148,208	50,765,440	52,785,584	52,604,473	52,604,473	53,630,402	54,297,540	58,727,099	61,542,147

Explanatory notes to MBRR Table A6 - Budgeted Financial Position

1. Table MBRR A6 is consistent with international standards of good financial management practice, and improves councilors' and management's understanding 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 98 MBRR Table SA3 – supporting detail to the statement of financial position is supported by an extensive table of notes (SA3 which can be found on 249) 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.
 - 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. For 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 28 MBRR Table A7 - Budgeted Cash Flow Statement

EKU Ekurhuleni Metro - Table A7 Budgeted Cash Flows										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	3,890,105	3,703,938	4,878,058	4,833,913	4,850,537	4,850,537	4,850,537	5,572,050	6,262,674	6,888,941
Service charges	15,103,140	17,307,596	17,351,018	18,823,618	18,959,571	18,959,571	18,959,571	22,304,545	24,601,341	27,134,548
Other revenue	762,696	827,316	1,115,220	3,968,520	4,383,019	4,383,019	4,383,019	1,936,330	2,146,832	2,397,109
Government - operating	4,345,583	4,753,667	5,732,817	5,406,054	5,727,547	5,727,547	5,727,547	5,928,709	6,339,766	6,890,825
Government - capital	2,164,403	1,794,427	2,001,283	2,259,169	2,457,564	2,457,564	2,457,564	2,623,480	2,645,174	2,732,849
Interest	983,979	554,436	619,175	868,670	868,670	868,670	868,670	999,266	1,053,000	1,109,941
Dividends	150	555	66	90	90	90	90	-	-	-
Payments										
Suppliers and employees	(20,313,648)	(23,932,027)	(26,142,478)	(27,570,356)	(28,072,250)	(28,072,250)	(28,072,250)	(29,987,363)	(32,666,755)	(35,786,009)
Finance charges	(655,515)	(618,440)	(719,976)	(992,048)	(821,438)	(821,438)	(821,438)	(1,327,362)	(1,808,763)	(1,913,266)
Transfers and Grants	(1,188,479)	(1,123,963)	(1,651,039)	(897,027)	(705,027)	(705,027)	(705,027)	(1,959,026)	(2,092,392)	(2,111,626)
NET CASH FROM/(USED) OPERATING ACTIVITIES	5,092,414	3,267,504	3,184,145	6,700,603	7,648,282	7,648,282	7,648,282	6,090,629	6,480,877	7,343,311
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Decrease (increase) other non-current receivables				-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(245,338)	(226,682)	(601,770)	(52,183)	(52,183)	(52,183)	(52,183)	751,000	(59,000)	(59,000)
Payments										
Capital assets	(4,283,883)	(5,012,448)	(5,861,651)	(6,489,960)	(6,308,849)	(6,308,849)	(6,308,849)	(7,347,725)	(7,406,327)	(6,918,305)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,524,965)	(5,239,077)	(6,463,614)	(6,542,143)	(6,361,032)	(6,361,032)	(6,361,032)	(6,596,725)	(7,465,327)	(6,977,305)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Borrowing long term/refinancing	233,922	(351)	1,299,761	3,375,487	2,938,142	2,938,142	2,938,142	3,832,451	3,716,655	3,267,377
Increase (decrease) in consumer deposits	37,213	56,995	60,311	50,304	50,304	50,304	50,304	55,000	55,000	55,000
Payments										
Repayment of borrowing	(353,251)	(391,312)	(423,139)	-	(558,974)	(558,974)	(558,974)	(973,974)	(958,974)	(958,874)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(82,115)	(334,667)	936,933	3,425,791	2,429,471	2,429,471	2,429,471	2,913,477	2,812,681	2,363,503
NET INCREASE/ (DECREASE) IN CASH HELD	485,334	(2,306,239)	(2,342,536)	3,584,251	3,716,721	3,716,721	3,716,721	2,407,380	1,828,231	2,729,509
Cash/cash equivalents at the year begin:	7,821,729	8,307,062	6,000,822	5,809,954	3,489,876	3,489,876	3,489,876	3,489,876	5,897,256	7,725,487
Cash/cash equivalents at the year end:	8,307,062	6,000,822	3,658,286	9,394,204	7,206,597	7,206,597	7,206,597	5,897,256	7,725,487	10,454,996

Table 29 MBRR Table A8 – Cash-backed Reserves/Accumulated Surplus Reconciliation

EKU Ekurhuleni Metro - Table A8 Cash backed reserves/accumulated surplus reconciliation										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available										
Cash/cash equivalents at the year end	8,307,062	6,000,822	3,658,286	9,394,204	7,206,597	7,206,597	7,206,597	5,897,256	7,725,487	10,454,996
Other current investments > 90 days	155,534	125,036	555,526	4,257,085	6,444,692	6,444,692	6,444,692	993,594	2,844,651	2,844,651
Non current assets - Investments	1,091,831	1,450,100	1,621,681	2,860,164	2,860,164	2,860,164	2,860,164	1,135,891	1,120,891	1,120,891
Cash and investments available:	9,554,427	7,575,959	5,835,494	16,511,453	16,511,453	16,511,453	16,511,453	8,026,741	11,691,029	14,420,538
Application of cash and investments										
Unspent conditional transfers	445,923	126,092	597,883	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements										
Other working capital requirements	1,224,335	1,267,867	1,308,799	6,175,258	6,172,283	6,107,074	6,107,074	2,918,619	3,588,189	4,297,902
Other provisions				924,856	924,856	924,856	924,856	786,600	865,260	951,786
Long term investments committed	1,349,011	1,454,100	1,617,373	1,091,626	1,091,626	1,091,626	1,091,626	1,535,737	1,541,137	1,546,537
Reserves to be backed by cash/investme	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments	3,019,269	2,848,059	3,524,055	8,191,740	8,188,765	8,123,556	8,123,556	5,240,956	5,994,586	6,796,225
Surplus(shortfall)	6,535,158	4,727,900	2,311,439	8,319,714	8,322,689	8,387,898	8,387,898	2,785,785	5,696,443	7,624,313

Explanatory notes to MBRR 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 inflow versus cash outflow that is likely to result from the implementation of the budget.
3. It can be seen that the City of Ekurhuleni's cash levels are increasing steadily.
4. The cash and cash equivalents increase because of healthy increases in operational activities due to implementations of various interventions, i.e. extensive debt collection drive.
5. The 2019/20 draft MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents are expected to improve steadily to R5.8 billion in 2019/20. This increase is in line with the city's aim to achieve a three-month operating expenses coverage with its available cash and cash equivalents balances in the near future. As can be seen from the table, the city has a healthy net cash inflow from its operating activities. This result steadily increases over the MTREF period. This indicates that the cash inflows (inflows from ratepayers, etc.) generated from operating activities substantially exceeds the cash outflows (outflows to suppliers, employees etc.) of the operating activities. The significant net cash outflows from investing activities indicates inter alia that the metro is spending vast amounts of capital assets (property, plant and equipment etc.). This is made possible largely due to the healthy net cash inflows from operating activities mentioned above. The net cash inflows from financing activities is largely due to existing bonds and new bonds that will be taken up during the MTREF, as discussed in various sections within this document.

Explanatory notes to MBRR 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. It is also in line with Council's Funding and Reserves Policy.
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.

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5. The end objective of the medium-term framework is to ensure the budget is funded and aligned to Section 18 of the MFMA.
 6. From the table it can be seen that the cash surplus is increasing over the years.
 7. As part of the budgeting and planning guidelines that informed the compilation of the draft 2019/20 MTREF and considering the requirements of Section 18 of the MFMA, it can be concluded that the 2019/20 MTREF is funded due to the significant cash surplus.

Table 30 MBRR Table A9 - Asset Management

EKU Ekurhuleni Metro - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	2,165,014	2,461,200	1,399,107	841,941	906,638	906,638	1,103,350	1,097,937	936,847
<i>Roads Infrastructure</i>		788,867	692,706	13,751	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		390,713	465,247	44,098	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		204,276	161,203	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		126,126	40,683	-	-	-	-	121,400	135,000	71,710
<i>Solid Waste Infrastructure</i>		38,472	135,542	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	201	-	-	-	-	-	-
Infrastructure		1,548,453	1,495,382	58,050	-	-	-	121,400	135,000	71,710
Community Facilities		102,594	31,847	7,303	307,400	280,754	280,754	377,000	359,118	415,000
Sport and Recreation Facilities		16,068	7,476	-	-	-	-	-	-	-
Community Assets		118,662	39,322	7,303	307,400	280,754	280,754	377,000	359,118	415,000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		281,214	581,005	-	-	-	-	-	-	-
Investment properties		281,214	581,005	-	-	-	-	-	-	-
Operational Buildings		197,747	345,490	-	127,700	121,230	121,230	253,700	254,542	88,700
Housing		-	-	-	-	-	-	-	-	-
Other Assets		197,747	345,490	-	127,700	121,230	121,230	253,700	254,542	88,700
Licences and Rights		-	-	1,223	-	-	-	-	-	-
Intangible Assets		-	-	1,223	-	-	-	-	-	-
Computer Equipment		-	-	504,735	9,086	9,086	9,086	578	556	585
Furniture and Office Equipment		-	-	37,533	65,618	39,954	39,954	71,509	85,757	88,071
Machinery and Equipment		-	-	70,934	101,515	139,115	139,115	14,141	14,179	14,220
Transport Assets		18,938	-	324,046	230,622	316,500	316,500	265,022	248,785	258,561
Libraries		-	-	395,282	-	-	-	-	-	-

EKU Ekurhuleni Metro - Table A9 Asset Management										
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CAPITAL EXPENDITURE										
Total Renewal of Existing Assets	2	1,928,851	2,240,835	2,254,825	5,626,029	5,520,069	5,520,069	5,856,897	5,991,359	6,025,131
<i>Roads Infrastructure</i>		404,944	346,823	952,550	1,061,798	1,022,944	1,022,944	947,191	1,135,766	1,010,500
<i>Storm water Infrastructure</i>		–	–	56,571	34,000	26,050	26,050	19,500	20,500	29,500
<i>Electrical Infrastructure</i>		79,839	111,189	630,547	713,000	712,720	712,720	719,500	761,000	826,500
<i>Water Supply Infrastructure</i>		74,076	46,317	414,771	426,660	466,720	466,720	738,500	844,000	981,000
<i>Sanitation Infrastructure</i>		47,100	57,360	167,252	234,520	175,395	175,395	92,800	86,000	149,000
<i>Solid Waste Infrastructure</i>		91,263	82,912	4,012	127,600	130,100	130,100	84,000	142,500	212,900
<i>Information and Communication Infrastructure</i>		333,876	432,297	–	522,187	459,187	459,187	580,345	375,820	332,550
Infrastructure		1,031,098	1,076,898	2,225,703	3,119,765	2,993,116	2,993,116	3,181,836	3,365,586	3,541,950
Community Facilities		169,036	109,257	11,342	530,150	434,853	434,853	480,700	573,300	357,000
Sport and Recreation Facilities		41,311	33,469	750	76,500	78,940	78,940	130,500	131,820	148,500
Community Assets		210,346	142,726	12,092	606,650	513,793	513,793	611,200	705,120	505,500
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		52,264	77,384	16,916	1,213,242	1,382,778	1,382,778	1,386,649	1,179,758	1,288,549
Non-revenue Generating		–	–	–	561,085	529,085	529,085	540,668	614,851	620,362
Investment properties		52,264	77,384	16,916	1,774,327	1,911,862	1,911,862	1,927,316	1,794,608	1,908,911
Operational Buildings		255,905	464,471	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		255,905	464,471	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	21	–	–	–	–	–	–
Furniture and Office Equipment		59,685	81,742	93	–	–	–	–	–	–
Machinery and Equipment		33,300	62,030	–	125,287	101,298	101,298	136,545	126,045	68,770
Transport Assets		286,254	335,584	–	–	–	–	–	–	–

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro - Table A9 Asset Management									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	–	–	2,077,895	436,243	296,394	296,394	856,481	789,776	397,921
<i>Solid Waste Infrastructure</i>	–	–	3,811	–	–	–	–	–	–
Infrastructure	–	–	3,811	–	–	–	–	–	–
Community Facilities	–	–	3,663	52,557	50,006	50,006	512,250	518,998	228,921
Sport and Recreation Facilities	–	–	3,433	–	–	–	–	–	–
Community Assets	–	–	7,096	52,557	50,006	50,006	512,250	518,998	228,921
Revenue Generating	–	–	314,490	–	–	–	–	–	–
Investment properties	–	–	314,490	–	–	–	–	–	–
Operational Buildings	–	–	1,684,582	381,186	243,888	243,888	344,231	270,778	169,000
Housing	–	–	67,916	2,500	2,500	2,500	–	–	–
Other Assets	–	–	1,752,498	383,686	246,388	246,388	344,231	270,778	169,000
Total Capital Expenditure	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	7,816,729	7,879,071	7,359,898
<i>Roads Infrastructure</i>	1,193,811	1,039,529	966,302	1,061,798	1,022,944	1,022,944	947,191	1,135,766	1,010,500
<i>Storm water Infrastructure</i>	–	–	56,571	34,000	26,050	26,050	19,500	20,500	29,500
<i>Electrical Infrastructure</i>	470,552	576,437	674,644	713,000	712,720	712,720	719,500	761,000	826,500
<i>Water Supply Infrastructure</i>	278,352	207,520	414,771	426,660	466,720	466,720	738,500	844,000	981,000
<i>Sanitation Infrastructure</i>	173,225	98,043	167,252	234,520	175,395	175,395	214,200	221,000	220,710
<i>Solid Waste Infrastructure</i>	129,735	218,454	7,822	127,600	130,100	130,100	84,000	142,500	212,900
<i>Information and Communication Infrastructure</i>	333,876	432,297	201	522,187	459,187	459,187	580,345	375,820	332,550
Infrastructure	2,579,551	2,572,280	2,287,564	3,119,765	2,993,116	2,993,116	3,303,236	3,500,586	3,613,660
Community Facilities	271,630	141,104	22,309	890,107	765,613	765,613	1,369,950	1,451,415	1,000,921
Sport and Recreation Facilities	57,379	40,945	4,183	76,500	78,940	78,940	130,500	131,820	148,500
Community Assets	329,009	182,049	26,492	966,607	844,553	844,553	1,500,450	1,583,235	1,149,421
Revenue Generating	333,478	658,389	331,406	1,213,242	1,382,778	1,382,778	1,386,649	1,179,758	1,288,549
Non-revenue Generating	–	–	–	561,085	529,085	529,085	540,668	614,851	620,362
Investment properties	333,478	658,389	331,406	1,774,327	1,911,862	1,911,862	1,927,316	1,794,608	1,908,911
Operational Buildings	453,652	809,961	1,684,582	508,886	365,118	365,118	597,931	525,320	257,700
Housing	–	–	67,916	2,500	2,500	2,500	–	–	–
Other Assets	453,652	809,961	1,752,498	511,386	367,618	367,618	597,931	525,320	257,700
Licences and Rights	–	–	1,223	–	–	–	–	–	–
Intangible Assets	–	–	1,223	–	–	–	–	–	–
Computer Equipment	–	–	504,756	9,086	9,086	9,086	578	556	585
Furniture and Office Equipment	59,685	81,742	37,626	65,618	39,954	39,954	71,509	85,757	88,071
Machinery and Equipment	33,300	62,030	70,934	226,802	240,413	240,413	150,686	140,224	82,990
Transport Assets	305,191	335,584	324,046	230,622	316,500	316,500	265,022	248,785	258,561
Libraries	–	–	395,282	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	7,816,729	7,879,071	7,359,898

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro – Table A9 Asset Management									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
CAPITAL EXPENDITURE									
ASSET REGISTER SUMMARY - PPE (WDV)	51,935,405	55,916,626	60,785,549	60,604,438	60,604,438	60,604,438	61,590,105	67,000,100	71,308,078
<i>Roads Infrastructure</i>	16,521,504	18,520,424	21,210,380	20,041,048	20,211,927	20,211,927	21,732,731	22,109,530	23,790,077
<i>Storm water Infrastructure</i>									
<i>Electrical Infrastructure</i>	11,732,712	11,949,930	12,029,670	14,019,223	14,018,943	14,018,943	14,834,345	14,618,557	15,325,133
<i>Water Supply Infrastructure</i>	2,996,887	3,188,303	4,045,083	3,875,734	3,875,424	3,875,424	4,765,540	5,505,250	6,296,626
<i>Sanitation Infrastructure</i>	2,837,378	3,881,266	2,948,443	187,320	142,565	142,565	3,278,883	3,413,883	3,485,593
<i>Solid Waste Infrastructure</i>				61,437	2,409,691	2,412,191	1,133,411	2,323,911	2,618,811
<i>Information and Communication Infrastructure</i>	479,310	655,734	523,252	598,169	590,169	590,169	660,452	701,453	745,412
Infrastructure	34,567,791	38,195,656	40,818,265	41,131,184	41,251,219	41,251,219	46,405,363	48,672,583	52,261,652
Community Facilities									
Community Assets	3,653,089	4,707,691	5,266,183	7,000,214	9,923,886	9,923,886	9,082,036	11,031,764	12,921,050
Heritage Assets	59,454	76,224	76,224	76,224	76,224	76,224	76,500	76,500	76,500
Revenue Generating	14,231,159								
Non-revenue Generating	2,996,887								
Investment properties	499,316	434,632	486,143	490,415	490,415	490,415	490,000	493,000	497,000
Other Assets	9,744,786	8,231,341	9,505,406	7,097,583	4,067,916	4,067,916	662,244	1,746,987	493,306
Biological or Cultivated Assets									
Intangible Assets	73,509	543,772	820,120	606,915	656,578	656,578	850,000	890,000	900,000
Computer Equipment	139,255	184,480	182,371	182,367	185,006	185,006	190,439	193,797	198,554
Furniture and Office Equipment	226,584	228,385	246,569	260,542	258,142	258,142	250,142	255,102	260,150
Machinery and Equipment	183,589	193,038	203,385	368,052	317,787	317,787	312,627	304,905	314,183
Transport Assets	781,486	895,975	961,261	801,971	804,839	804,839	970,254	985,412	995,633
Libraries	2,006,546	2,225,432	2,219,622	2,588,972	2,572,428	2,572,428	2,300,500	2,350,050	2,390,050
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	51,935,405	55,916,626	60,785,549	60,604,438	60,604,438	60,604,438	61,590,105	67,000,100	71,308,078
EXPENDITURE OTHER ITEMS	3,804,922	4,119,945	4,597,028	4,801,505	4,633,970	4,633,970	5,017,114	5,264,945	6,115,604
Depreciation	2,144,071	2,013,797	2,478,458	2,385,339	2,285,339	2,285,339	1,970,542	1,996,332	2,610,326
Repairs and Maintenance by Asset Class	1,660,851	2,106,148	2,118,570	2,416,166	2,348,630	2,348,630	3,046,572	3,268,613	3,505,278
<i>Roads Infrastructure</i>	262,839	587,575	590,014	651,068	748,771	748,771	692,412	729,802	769,212
<i>Storm water Infrastructure</i>	43,794	45,404	46,733	38,970	45,250	45,250	41,503	43,744	46,106
<i>Electrical Infrastructure</i>	584,083	571,233	572,281	747,101	730,492	730,492	892,503	972,055	1,059,159
<i>Water Supply Infrastructure</i>	116,998	219,379	221,544	244,457	205,707	205,707	272,065	295,634	321,453
<i>Sanitation Infrastructure</i>	107,918	266,193	267,353	220,190	230,696	230,696	223,234	251,177	278,724
<i>Solid Waste Infrastructure</i>	52,090	49,588	49,588	58,283	52,360	52,360	62,071	65,423	68,956
Infrastructure	1,167,721	1,739,371	1,747,514	1,960,068	2,013,275	2,013,275	2,183,788	2,357,835	2,543,608
Community Facilities	87,924	125	125	937	1,416	1,416	998	1,052	1,109
Sport and Recreation Facilities	5,669	–	–	–	–	–	–	–	–
Community Assets	93,593	125	125	937	1,416	1,416	998	1,052	1,109
Heritage Assets	132,252	–	–	–	–	–	–	–	–
Revenue Generating	–	42,268	–	–	–	–	–	–	–
Non-revenue Generating	21,593	–	42,276	48,083	46,671	46,671	56,967	60,043	63,286
Investment properties	21,593	42,268	42,276	48,083	46,671	46,671	56,967	60,043	63,286
Operational Buildings	–	145,284	145,646	193,459	72,170	72,170	340,994	360,503	381,373
Housing	25,375	–	–	–	–	–	–	–	–
Other Assets	25,375	145,284	145,646	193,459	72,170	72,170	340,994	360,503	381,373
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	89,085	30,422	4	4,172	4,172	4,172	4	4	4
Furniture and Office Equipment	21,368	–	30,454	30,792	31,764	31,764	263,033	277,237	292,207
Machinery and Equipment	–	4,326	4,338	4,471	4,332	4,332	1,568	1,666	1,766
Transport Assets	109,864	144,351	148,214	174,184	174,830	174,830	199,221	210,273	221,926
TOTAL EXPENDITURE OTHER ITEMS	3,804,922	4,119,945	4,597,028	4,801,505	4,633,970	4,633,970	5,017,114	5,264,945	6,115,604

Explanatory notes to MBRR Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40% of their Capital Budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The City meets the 40% renewal requirement.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the city's strategy to address the maintenance backlog.

Table 31 MBRR Table A10 - Basic Service Delivery Measurement

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	508,458	509,658	510,858	512,058	512,058	512,058	532,258	545,458	550,458
Piped water inside yard (but not in dwelling)	381,762	381,762	381,762	381,762	381,762	381,762	381,762	381,762	381,762
Using public tap (at least min.service level)	119,217	119,317	119,417	119,417	119,417	119,417	119,517	119,617	119,717
Other water supply (at least min.service level)	2,211	2,211	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1,011,648	1,012,948	1,012,037	1,013,237	1,013,237	1,013,237	1,033,537	1,046,837	1,051,937
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311
Total number of households	1,022,959	1,024,259	1,023,348	1,024,548	1,024,548	1,024,548	1,044,848	1,058,148	1,063,248
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	509,658	510,858	512,058	513,258	513,258	513,258	513,258	513,258	513,258
Flush toilet (with septic tank)	3,429	3,429	3,429	3,429	3,429	3,429	3,429	3,429	3,429
Chemical toilet	217,245	217,245	217,245	237,245	237,245	237,245	237,245	237,245	237,245
Pit toilet (ventilated)	80,613	80,613	80,613	80,613	80,613	80,613	80,613	80,613	80,613
Other toilet provisions (> min.service level)	179,824	179,824	179,824	179,824	179,824	179,824	179,824	179,824	179,824
<i>Minimum Service Level and Above sub-total</i>	990,769	991,969	993,169	1,014,369	1,014,369	1,014,369	1,014,369	1,014,369	1,014,369
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	23,594	23,594	23,594	23,594	23,594	23,594	23,594	23,594	23,594
No toilet provisions	11,806	11,806	11,806	11,806	11,806	11,806	11,806	11,806	11,806
<i>Below Minimum Service Level sub-total</i>	35,400	35,400	35,400	35,400	35,400	35,400	35,400	35,400	35,400
Total number of households	1,026,169	1,027,369	1,028,569	1,049,769	1,049,769	1,049,769	1,049,769	1,049,769	1,049,769

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets									
<u>Energy:</u>									
Electricity (at least min.service level)	150,000	150,000	150,000	109,462	109,462	109,462	86,400	77,760	69,984
Electricity - prepaid (min.service level)	394,101	398,042	454,007	466,497	466,497	466,497	496,530	505,245	515,350
<i>Minimum Service Level and Above sub-total</i>	544,101	548,042	604,007	575,959	575,959	575,959	582,930	583,005	585,334
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	27,000	27,000	27,000	10,000	10,000	10,000	5,000	5,000	5,000
<i>Below Minimum Service Level sub-total</i>	27,000	27,000	27,000	10,000	10,000	10,000	5,000	5,000	5,000
Total number of households	571,101	575,042	631,007	585,959	585,959	585,959	587,930	588,005	590,334
<u>Refuse:</u>									
Removed at least once a week	652,498	668,158	681,000	699,477	699,477	699,477	881,072	879,473	914,652
<i>Minimum Service Level and Above sub-total</i>	652,498	668,158	681,000	699,477	699,477	699,477	881,072	879,473	914,652
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	164,699	164,699	164,399	164,718	164,718	164,718	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	164,699	164,699	164,399	164,718	164,718	164,718	-	-	-
Total number of households	817,197	832,857	845,399	864,195	864,195	864,195	881,072	879,473	914,652

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	461,311	465,924	472,913	336,026	336,026	336,026	365,596	397,769	432,772
Sanitation (free minimum level service)	458,127	462,708	469,649	332,697	332,697	332,697	361,974	393,828	428,485
Electricity/other energy (50kwh per household per month)	336,100	368,288	371,971	356,133	356,133	356,133	363,256	370,521	374,226
Refuse (removed at least once a week)	98,523	115,000	115,000	135,000	135,000	135,000	150,000	150,000	150,000
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	399,710	566,241	493,478	484,506	484,506	484,506	543,884	612,260	676,192
Sanitation (free sanitation service to indigent households)	234,555	220,607	322,943	321,366	321,366	321,366	364,361	415,388	460,974
Electricity/other energy (50kwh per indigent household per month)	1,058,228	1,332,126	1,424,305	1,595,189	1,595,189	1,595,189	1,787,588	1,973,431	2,296,205
Refuse (removed once a week for indigent households)	214,061	256,567	269,577	291,072	291,072	291,072	315,070	354,773	373,212
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
	160,951	214,316	215,254	498,848	988,477	988,477	666,105	709,024	754,011
Total cost of FBS provided	2,067,504	2,589,856	2,725,557	3,190,981	3,680,611	3,680,611	3,677,008	4,064,876	4,560,594

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Highest level of free service provided per household									
Property rates (R value threshold)	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Water (kilolitres per household per month)	9	9	9	9	9	9	9	9	9
Sanitation (kilolitres per household per month)	9	9	9	9	9	9	9	9	9
Sanitation (Rand per household per month)	69	74	89	89	89	89			
Electricity (kwh per household per month)	100	100	100	100	100	100	100	100	100
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)									
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	738,434	743,106	989,174	984,162	1,038,551	1,038,551	1,105,811	1,199,805	1,319,786
Water (in excess of 6 kilolitres per indigent household per month)	418,454	446,975	461,745	324,201	324,201	324,201	355,794	412,498	475,795
Sanitation (in excess of free sanitation service to indigent households)	303,013	319,903	337,307	231,994	231,994	231,994	263,705	306,043	353,308
Electricity/other energy (in excess of 50 kwh per indigent household per month)	254,226	311,575	362,134	364,748	364,748	364,748	408,565	450,755	496,556
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of subsidised services provided	1,714,127	1,821,559	2,150,361	1,905,106	1,959,495	1,959,495	2,133,875	2,369,101	2,645,445

Explanatory note to MBRR Table A10 - Basic Service Delivery Measurement

1. It is anticipated that these FBS will cost the municipality R4.1 billion in 2019/20. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services.
2. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
3. The metro continues to make good progress with the eradication of backlogs:
4. The budget provides for 150 000 households to be registered as indigent in 2019/20, and therefore entitled to receiving FBS. The level of FBS will have to be reviewed to cover the cost of additional indigents given the rapid rate of immigration to the metro, especially by poor people seeking economic opportunities.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

Budget Steering Committee

The Budget Steering Committee was set up by the Executive Mayor in terms of Section 4 of the Municipal Budget and Reporting Regulations.

The Budget Steering Committee is chaired by the MMC Finance and the following Members of Mayoral Committee are members:

- MMC for Infrastructure Services
- MMC for Water, Sanitation and Energy
- MMC for Community Services
- MMC for Human Settlements
- MMC for Corporate and Shared Services

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

- That the process followed to compile the budget complies with legislation and good budget practices.
- That there is proper alignment between the policy and service delivery priorities set out in the metro'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.
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

The key deadlines for the compilation of the IDP and MTREF was submitted to Council for approval July 2018 as required by Section 21(b) of the MFMA. In terms of the schedule, the 2019/20 MTREF will be tabled in Council in March 2019 and the final budget be tabled in May 2019 for adoption.

Starting from the 2019/20 financial year, National Treasury requires municipalities to **compile their budgets directly from their financial systems and extract their monthly budget statements (Schedules B and C) directly from the systems in compliance with the mSCOA requirements.** The budget data strings that come directly from the system must also be generated. This process ensures that there is perfect alignment amongst the approved budget, the budget submitted to National Treasury, the data strings and the monthly budget statements.

The challenge with this new system is that it takes too long to upload data, almost 12 hours, it does not generate all Schedule A National Treasury tables (some tables have to be compiled manually) and in some instances generates incorrect reports that also need

manual correction. Also, too much reliance is placed on the service provider with the support.

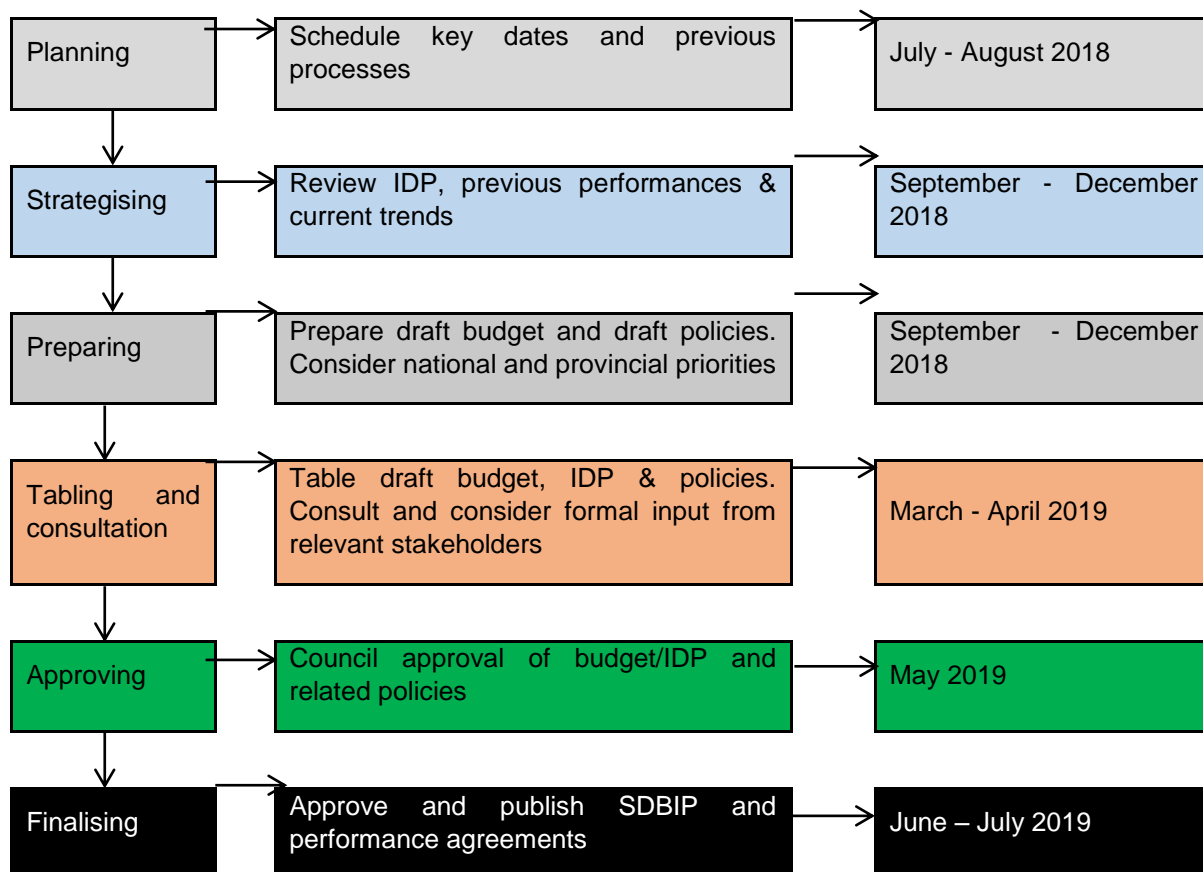
The departments received budget compilation guidelines on the 12th October 2018 detailing the process to be followed when capturing their Operating and Capital Budgets request on the Budget Management Tool. The Heads of Departments were requested to approve their budget on the financial system by the 2nd November 2018. From these submissions that draft budget was extracted that went through the Budget Steering Committee for refinement and finalisation.

Council adopted an approach that each ward was to identify its 5 key/top priorities for inclusion in the IDP for the term. The first round of engagements with communities was conducted in October 2017. These priorities are reviewed annually in accordance with section 34 of the MSA, 32 of 2000. In September 2018, ward councillors were requested to coordinate and facilitate their respective ward meetings; for the purpose of collating and confirming these 5 key/top ward priorities. Consolidated needs were then forwarded to departments for consideration during budgeting process. Further details on community engagements and extent to which the identified needs are being responded to be contained in chapter 6 of Annexure A.

The IDP Office engaged with each department between December 2018 and January 2019. This consisted of one-on-one engagement with departments to discuss the SDBIP and to finalise indicators and targets. The process also ensures that departmental outputs are aligned with national outcomes and the GDS.

Key dates as approved by Council in July 2018 were as follows:

Budget Process as per MFMA



2.1.2 IDP and Service Delivery and Budget Implementation Plan

The IDP is the City of Ekurhuleni's principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into planning statements covering the five-year objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The whole process was structured around supporting and working towards contributing to the achievement of the programmes set in the GDS 2055.

In terms of Section 34 of the Municipal Systems Act, 32 of 2000, the Council must annually review its IDP in terms of a predetermined process.

The review of the IDP in terms of the Municipal Systems Act is guided and informed by the following:

- It must support and work towards achieving the vision and mission of City of Ekurhuleni.
- Working towards the achievement of the City of Ekurhuleni GDS 2055 programmes.
- Addressing the national outcomes set by Parliament.
- Focus on basic service delivery in terms of the eradication of backlogs and the maintenance of existing infrastructure and community needs.
- Provincial plans and programmes applicable to the specific budget allocations by the respective provincial sector departments to these projects should also be reflected as far as possible.

All departments were part of the process of reviewing the IDP and SDBIP in terms of the newly approved GDS 2055.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2019/20 MTREF, 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 2019/20 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 2018/19 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 Circular 78-86 have been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

Section 29 (1) (b) of Chapter 5 of the Municipal Systems Act of 2000 states that municipalities through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Municipal Systems Act, 2000; must allow for communities to be consulted on their development needs and priorities; and that the local community to participate in drafting of the IDP.

The City of Ekurhuleni has adopted the Ward Committees system which has been designed to assist Ward Councilors with the facilitation and coordination of engagements between the City and its communities.

Consultation meetings were held in 19 CCAs between 11 and 26 September 2018 where all the Ward Councillors and ward committee members of the 112 wards comprising the City of Ekurhuleni were engaged in order to reprioritize and/or confirm ward priority needs identified during 2018/2019.

These working sessions were held in the CCA’s with all Ward Councilors with their ward committees, after they had consulted with their respective wards/communities. The focus of the meetings was as follows:

- Basic feedback on the past IDP / Budget Process – comments and process;
- Discussion and consideration of the 5 ward Priorities emanating 2018/19 IDP process and
- Signing off and submission of community needs per ward.

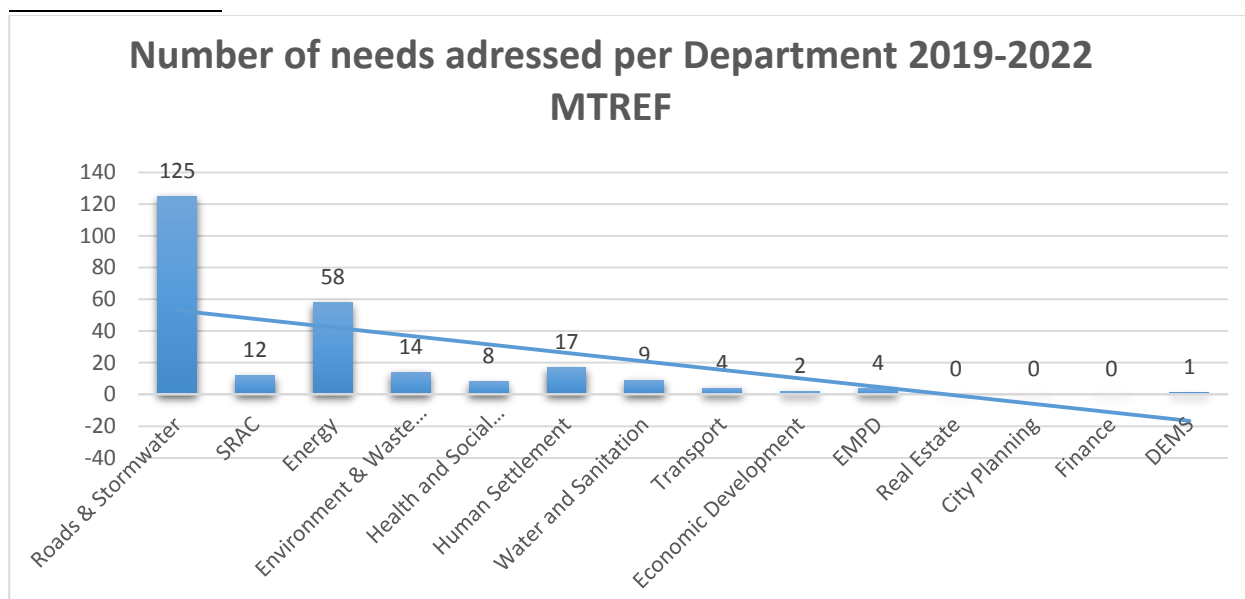
The City of Ekurhuleni decided prior to the latest review that the five priorities per ward should all be local government competencies. However, ward Councillors and their ward committees were also allowed an opportunity to indicate ward priorities outside local government. One hundred and forty-four (144) priorities from 112 wards were identified and consequently directed to the Gauteng Provincial Government.

Excluding the above 144 meant for Provincial and National spheres; a total of 560 IDP ward priorities were received in September 2018 as part of the 2019/20 IDP review. The 560 priorities represent the 5 priorities per ward for the 112 wards in Ekurhuleni. The table below indicates the number of priorities that will be addressed in the MTREF (2019/20 to 2021/22).

RESPONSE OF BUDGET TO IDP WARD PRIORITIES

NUMBER OF PRIORITIES RECEIVED	560
Number of priorities to be addressed in 2019-2022 (MTREF)	254
Number of priorities not addressed in 2019-2022 (MTREF)	306

A total of 254 (45% of the 560) IDP ward needs will be addressed in the MTREF (2019/2022) and 306 (55% of the 560) are non-committal from departments in terms of their implementation in the MTREF. The graph below provides an indication of ward needs addressed per department.



Overview of alignment of annual budget with IDP

Municipalities in South Africa are required to develop 5 year strategic plans (IDP) which are reviewed annually. The IDP must align the resources and the capacity of a municipality to its overall development aims and guide the budget of the municipality.

The alignment of the budget with the IDP has been achieved through the development of the City's IDP Strategic Objectives which are aligned to the City's long term plan (GDS 2055). The GDS 2055 is itself aligned to Provincial and National Plans (including the National Outcomes as outlined in the MTSF and the IUDF amongst other).

The IDP Strategic Objectives as follows:

GDS 2055	IDP Strategic Objectives
Re-urbanize: To achieve urban integration.	Strategic Objective 1 To promote integrated human settlements through massive infrastructure and services roll out.
Re-govern: To achieve effective cooperative governance.	Strategic Objective 2: To build a clean, capable and modernised local state.
Re Mobilize: To achieve social empowerment.	Strategic Objective 3: To promote safer, healthy and socially empowered communities.
Re-Generate: To achieve environmental well-being.	Strategic Objective 4: To protect the natural environment and promote resource sustainability.
Re-Industrialize: To achieve job creating economic growth.	Strategic Objective 5: To create an enabling environment for inclusive growth and job creation.

Indicators (Outcome) together with targets for the IDP aligned to the 5 Strategic Objectives have been developed, including the outcome indicators as regulated by MFMA Circular 88: Municipal Circular on Rationalisation Planning and Reporting Requirements for the 2019/20 MTREF.

Output indicators as well as targets that will address the outcome indicators in the IDP have been developed in the 2019/20 SDBIP; including output indicator as regulated by MFMA circular 88. An attempt has been made in the 2019/2020 SDBIP to align all the indicators to

the budget and/projects that are funded in the 2019-2022 MTREF; to ensure that the budget funds the priorities in the IDP. The funding of the ward priorities through the budget is also an indication of the alignment of the budget to community development priorities.

Table 32 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

EKU Ekurhuleni Metro - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
National Outcome 12 - An Efficient, Effective And Development-Oriented Public Service And An Empowered, Fair And Inclusive Citizenship			2,487	3,017	3,017	3,017	3,168	3,339	3,519
National Outcome 11 - Create A Better South Africa And Contribute To A Better And Safer Africa And World	(35,233)	(36,046)	20,758	22,896	23,393	23,393	24,223	25,248	25,801
National Outcome 10 - Environmental Assets And Natural Resources That Are Well Protected And Continually Enhanced	60,162	9,436	24,425	33,861	33,861	33,861	35,554	37,474	39,497
National Outcome 9 - A Responsive, Accountable, Effective And Efficient Local Government System	7,038,106	7,458,859	8,154,832	8,534,743	8,595,105	8,595,105	9,178,698	9,835,721	10,673,497
National Outcome 8 - Sustainable Human Settlements And Improved Quality Of Household Life	1,944,745	2,411,024	1,282,866	1,301,118	2,042,341	2,097,751	1,640,324	1,727,723	1,764,835
National Outcome 7 - Vibrant, Equitable And Sustainable Rural Communities With Food Security For All	(428)	(317)	270,424	274,068	274,068	279,292	304,272	324,502	324,746
National Outcome 6 - An Efficient, Competitive And Responsive Economic Infrastructure Network	20,297,049	21,107,555	23,148,226	25,481,872	25,688,071	25,129,487	28,542,050	31,236,992	34,438,659
National Outcome 5 - A Skilled And Capable Workforce To Support An Inclusive Growth Path	1,435	8,880	1,011,849	1,343,939	1,351,639	1,351,639	1,266,799	1,507,351	1,704,178
National Outcome 4 - Decent Employment Through Inclusive Economic Growth	31,767	36,339	136,664	94,095	94,095	94,095	92,944	74,752	78,789
National Outcome 3 - All People In South Africa Are And Feel Safe	121,389	219,462	345,251	321,232	421,992	421,992	339,355	348,138	357,396
National Outcome 2 - A Long And Healthy Life For All South Africans	189,267	165,026	135,283	165,983	156,204	156,204	175,265	176,108	176,365
Total Revenue (excluding	29,648,259	31,380,219	34,533,067	37,576,825	38,683,788	38,185,837	41,602,651	45,297,348	49,587,281

Table 33 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

EKU Ekurhuleni Metro - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
National Outcome 12 - An Efficient, Effective And Development-Oriented Public Service And An Empowered, Fair And Inclusive Citizenship	218,850	286,693	602,955	623,274	556,290	556,290	623,274	556,290	556,290
National Outcome 11 - Create A Better South Africa And Contribute To A Better And Safer Africa And World	588,255	728,461	1,193,299	1,152,026	1,178,172	1,178,172	1,152,026	1,178,174	1,178,174
National Outcome 10 - Environmental Assets And Natural Resources That Are Well Protected And Continually Enhanced	874,251	937,370	1,750,166	1,883,218	1,913,990	1,913,990	1,883,218	1,914,070	1,914,070
National Outcome 9 - A Responsive, Accountable, Effective And Efficient Local Government System	2,963,537	1,731,825	5,652,276	7,663,756	7,413,225	7,413,225	7,663,756	7,413,045	7,413,045
National Outcome 8 - Sustainable Human Settlements And Improved Quality Of Household Life	1,806,319	1,752,908	1,796,267	1,499,607	1,963,446	1,963,446	1,499,607	1,963,446	1,963,446
National Outcome 7 - Vibrant, Equitable And Sustainable Rural Communities With Food Security For All	–	–	1,277,407	1,166,645	1,167,909	1,167,909	1,166,645	1,168,024	1,168,024
National Outcome 6 - An Efficient, Competitive And Responsive Economic Infrastructure Network	18,194,111	21,332,177	20,421,785	22,333,054	22,799,590	22,799,590	22,333,054	22,799,744	22,799,744
National Outcome 5 - A Skilled And Capable Workforce To Support An Inclusive Growth Path	129,330	122,773	183,835	196,541	213,672	213,672	196,541	213,727	213,727
National Outcome 4 - Decent Employment Through Inclusive Economic Growth	172,372	295,838	431,941	425,713	412,763	412,763	425,713	412,763	412,763
National Outcome 3 - All People In South Africa Are And Feel Safe	1,950,423	2,060,226	4,829,072	4,287,953	4,521,907	4,521,907	4,287,953	4,521,247	4,521,247
National Outcome 2 - A Long And Healthy Life For All South Africans	779,400	879,978	1,515,456	1,670,233	1,666,294	1,666,294	1,670,233	1,666,254	1,666,254
Allocations to other priorities									
Total Expenditure	27,676,848	30,128,249	39,654,460	42,902,022	43,807,257	43,807,257	42,902,022	43,806,783	43,806,783

Table 34 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

EKU Ekurhuleni Metro - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
National Outcome 12 - An Efficient, Effective And Development-Oriented Public Service And An Empowered, Fair	-	-	-	7,117	14,890	14,890	144,011	211,437	177,283
National Outcome 11 - Create A Better South Africa And Contribute To A Better And Safer Africa And World	-	-	-	565	717	717	240	255	255
National Outcome 10 - Environmental Assets And Natural Resources That Are Well Protected And Continually Enhanced	63,976	-	10,380	307,800	570,137	570,137	529,800	420,700	320,200
National Outcome 9 - A Responsive, Accountable, Effective And Efficient Local Government System	1,153,619	1,678,397	1,449,765	1,603,361	848,532	848,532	2,958,052	2,768,154	2,461,997
National Outcome 8 - Sustainable Human Settlements And Improved Quality Of Household Life	2,664,874	2,744,349	1,114,833	1,289,997	1,546,983	1,546,983	1,432,169	1,301,318	1,345,259
National Outcome 7 - Vibrant, Equitable And Sustainable Rural Communities With Food Security For All	-	-	137,744	165,500	197,523	197,523	128,000	190,500	294,900
National Outcome 6 - An Efficient, Competitive And Responsive Economic Infrastructure Network	-	-	2,468,520	2,939,647	2,740,657	2,740,657	1,830,837	2,078,738	1,999,335
National Outcome 5 - A Skilled And Capable Workforce To Support An Inclusive Growth Path	-	-	1,325	1,700	1,365	1,365	150	150	150
National Outcome 4 - Decent Employment Through Inclusive Economic Growth	38,472	115,047	145,546	210,700	159,839	159,839	193,300	183,000	164,000
National Outcome 3 - All People In South Africa Are And Feel Safe	81,262	128,318	286,342	335,550	615,159	615,159	522,220	585,620	466,620
National Outcome 2 - A Long And Healthy Life For All South Africans	91,664	35,923	86,784	42,275	27,300	27,300	77,950	139,200	129,900
National Outcome 1 - Improved Quality Of Basic Education			30,589	-	-	-	-	-	-
Allocations to other priorities									
Total Capital Expenditure	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	7,816,729	7,879,071	7,359,898

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 Information, the metro has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

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

Table 35 MBRR Table SA7 - Measurable performance objectives

EKU Ekurhuleni Metro - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
City Planning										
HS2.22 Average number of days taken to process building plan applications	Number	-	-	-	30 days	-	30 days	30 days	30 days	30 days
Number of townships regularized	Number	-	5	39	23	-	23	0	0	0
Percentage of development planning applications finalized in accordance with the approved MSDP	Percentage	75.93%	94%	100%	96%	-	96%	0%	0%	0%
% of dolomitic land unlocked	Percentage	98.70%	80%	90%	83%	-	83%	90%	90%	90%
Energy										
EE1.11 Number of dwellings provided with connections to mains electricity supply by the municipality	Percentage	-	-	6,000	6,000	-	6,000	6,000	6,000	6,000
EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	Percentage	-	-	75%	75%	-	75%	75%	75%	75%
EE3.21 Percentage of planned maintenance performed	Percentage	-	-	90%	90%	-	90%	90%	90%	90%
EE4.12 Installed capacity of approved embedded generators on the municipal distribution network	MW	-	-	2MW	1MW	-	1MW	1MW	1MW	1MW
Number of high mast lights installed	Number	156	80	-	80	-	80	80	80	80
Number of street lights installed	Number	2,263	600	1,585	600	-	600	600	600	600
Percentage down time of network availability	Percentage	0.48%	0,8%	0,8%	0,8%	-	0,8%	0,8%	0,8%	0,8%
Percentage total electricity losses	Percentage	11.39%	11%	12%	11,8%	-	12%	12%	12%	12%
Number of PV Solar lighting units installed in informal settlements	Number	6,500	15,000	12,810	1,000	-	1,000	1,000	1,000	1,000
Environmental Resource and Waste Management Services										
ENV 3.11 Percentage of known informal settlements receiving integrated waste handling services	Percentage	100%	100%	100%	100%	-	100%	100%	100%	100%
ENV 4.11 Percentage of biodiversity priority areas within the metro	Percentage	-	-	-	100%	-	36%	36%	36%	36%
ENV 4.21 Proportion of biodiversity priority areas protected	Percentage	-	-	-	Baseline Study	-	1%	1%	1%	1%
Cleanliness level of Ekurhuleni Metro central business district (CBD) areas as determined by WMS Gauteng Waste Standards	Level	Level 2	Level 2	Level 2	Level 3	-	Level 3	Level 3	Level 3	Level 3
Number of formal households with access to refuse removal	Number		674,385	682,541	689,477	-	701,645	701,645	701,645	701,645
Number of parks upgraded.	Number	5	5	5	5	-	5	5	5	5
Number of cemeteries upgraded	Number	3	5	5	5	-	5	5	5	5
Human Settlements										

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EKU Ekurhuleni Metro - Supporting Table SA7 Measurable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Human Settlements										
HS 1.12 Number of formal sites serviced	Number			7006	4495	-	4495	2001	2001	2001
HS 1.32 Percentage of informal settlements using a participatory approach to planning or implementing upgrading	Percentage	-	-	-	8.0%	-	8.0%	12.5%	12.5%	12.5%
HS 1.11 Number of Subsidised BNG housing units built	Number			277	521	-	521	3659	3659	3659
Number of title deeds issued to beneficiaries	Number			3544	4000	-	4000	4500	4500	4500
Number of informal settlements upgraded to formal townships	Number	11	8	6	5	-	5	8	8	6
Number of informal settlements provided with interim services	Number	119	119	118	124	-	119	119	119	119
Roads and Storm Water										
TR6.11 Percentage of unsurfaced roads upgraded	Percentage	-	-	-	100%	-	100%	100%	100%	100%
TR6.12 Percentage of surfaced municipal road lanes which have been resurfaced and resealed	Percentage	-	-	-	100%	-	100%	100%	100%	100%
KM of roads constructed	KM	61	67	41	30	-	25	22	22	22
KM of road network maintained	KM	2,630	1,332	3,715	3,265	-	3,265	3,440	3,440	3,440
Number of systems added to the existing stormwater network	Number	104	64	83	38	-	30	23	23	23
Number of Stormwater systems maintained	Number	11	6,500	12,180	10,800	-	10,800	11,000	11,000	11,000
KM of Non-motorized transport network expanded	KM	-	-	-	15	-	25	15.45	15.45	15.45
Transport and Fleet Management										
TR1.12 Number of scheduled public transport access points added	Number	-	-	-	31	-	29	12	12	12
TR3.11 Number of weekdays scheduled municipal bus passenger trips-EBS	Number	-	-	-	5,500	-	5,500	6,500	6,500	6,500
TR3.11 Number of weekdays scheduled municipal bus passenger trips-Harambee	Number	-	-	-	500	-	1,000	500	500	500
TR4.21 Percentage of municipal contracted scheduled bus services 'on time'-Harambee	Percentage	-	-	-	90%	-	90%	90%	90%	90%
TR5.21 Percentage of municipally- contracted bus fleet that are low entry-Harambee	Percentage	-	-	-	25%	-	25%	100%	100%	100%
Length of pedestrian and cyclist paths completed (NMT	KM	10.33km	11	4.72	4	-	4	5	5	5

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Water and Sanitation										
WS1.11 Number new sewer connections meeting minimum standards	Number	-	-	2284	1200	-	1200	0	0	0
WS2.11 Number of new water connections meeting minimum standards	Number	-	-	2284	1200	-	1200	1500	1500	1500
WS3.11 Percentage of complaints/callouts resolved within 48 hours (Sanitation/Waste water)	Percentage	-	-	-	90%	-	90%	90%	90%	90%
WS3.21 Percentage of Complaints/Callouts resolved within 48 hours (water)	Percentage	-	-	-	90%	-	90%	90%	90%	90%
WS5.31 Water connections metered as a percentage of total connections	Percentage	-	-	-	92.5%	-	92.0%	93.0%	93.0%	93.0%
KM of water and sewer pipes replaced, upgraded and extended	KM	-	50	42	30	-	11	10	10	10
Number Reservoirs constructed	Number	-	20	45ML	2	-	2	4	4	4
Number of unbilled properties billed	Number	-	-	10,828	10,000	-	10,000	10,000	10,000	10,000
Percentage reduction in Non-Revenue Water (NRW)	Percentage	34.60%	34.00%	32.40%	33.30%	-	33.30%	32.45%	32.45%	32.45%
Total water losses	Percentage	-	-	-	30.13%	-	30.13%	30.13%	30.13%	30.13%
% compliance with Blue drop standards	Percentage	>95%	>95%	>95%	>95%	-	>95%	>95%	>95%	>95%
Disaster Management & Emergency										
FE1.11 Percentage compliance with the required attendance time for structural firefighting incidents	Percentage	63%	75%	76.75%	66%	-	66%	66%	66%	66%
Number of fire stations constructed	Number	2	2	1	1	-	0	1	1	1
EMPD										
Number of planned by-law enforcement policing operations	Number	0	60	119	60	-	60	60	60	60
Number of interventions implemented to reduce crime and related incidents	Number	0	80	390	80	-	180	360	360	360
Percentage increase in road policing operations	Percentage	67.00%	10%	9.60%	10%	-	10%	10%	10%	10%
Percentage decrease in road fatalities	Percentage	17.00%	2.0%	-53%	2%	-	2%	2%	2%	2%
Health and Social Development										
ENV 1.11 Percentage of atmospheric emission licenses (AELs) processed within guideline timeframes	Percentage	-	-	-	86.50%	-	78.00%	80%	80%	80%
ENV 1.12 Proportion of AQ monitoring stations providing adequate data over a reporting year	Percentage	-	-	-	80%	-	80%	80%	80%	80%
ENV 1.3 Percentage of households experiencing a problem with noise pollution	Percentage	-	-	-	0.015%	-	0.015%	0.013%	0.013%	0.013%
Percentage of babies tested HIV-positive (PCR) around 10 weeks	Percentage	1.30%	<2.11%	<0.7%	<2%	-	<2%	<2%	<2%	<2%
Number of informal settlements that received baiting interventions for rodent control	Number	119	119	122	119	-	119	119	119	119
Number of new indigent households approved	Number	4,962	5,300	10,369	7,000	-	7,000	9,000	9,000	9,000

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
SRAC										
Number of new sport and recreation facilities constructed	Number		-	-	2	-	2	1	1	1
Number of SRAC school activities implemented	Number	17	16	41	18	-	18	18	18	18
Real Estate										
Number of land parcels released for developments city wide	Number	-	15	557	100	-	100	25	25	25
City Manager										
GG 3.1 Audit Opinion	Audit Opinion	-	Unqualified	Unqualified	Unqualified without findings	-	Unqualified without findings	Unqualified without findings	Unqualified without findings	Unqualified without findings
GG 3.11 Number of repeat audit findings	Number	-	-	-	55	-	55	≤55	≤55	≤55
Financial Services										
HS2.21 Percentage of rateable residential properties in the subsidy housing market entering the municipal valuation roll	Percentage	-	-	-	100%	-	100%	100%	100%	100%
GG 6.11 Percentage of the municipality's operating budget spent on free basic services to indigent households	Percentage	-	-	-	11.40%	-	11.40%	14.70%	14.70%	14.70%
% of Billed Amounts Collected	Percentage	91%	94%	93.10%	94%	-	94%	94%	94%	94%
% of tenders completed within the valid period (120 days from date of close of advert)	Percentage	80%	85%	89.06%	90%	-	90%	90%	90%	90%
Human Resource Management and Development										
GG 1.21 Staff vacancy rate	Percentage	-	-	-	≤14%	-	≤14%	≤10%	≤10%	≤10%
GG5.11 Number of active suspensions longer than three months	Number	-	-	-	≤10%	-	≤10%	≤10%	≤10%	≤10%
GG5.12 Quarterly salary bill of suspended officials -	Rand	-	-	-	≤R750 000	-	≤R750 000	≤R750 000	≤R750 000	≤R750 000
Legislature										
GG 2.11 Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)	Percentage	-	-	-	98%	-	98%	98%	98%	98%
GG 2.12 Average number of councillor-convened community meetings per ward	Percentage	-	-	-	85%	-	85%	85%	85%	85%
GG 4.11 Number of agenda items deferred to the next council meeting	Number	-	-	-	<10	-	<10	<10	<10	<10
GG3.12 Percentage of councillors who have declared their financial interests	Percentage	-	-	-	100%	-	100%	100%	100%	100%
Number of Functional Section 79 Committees	Number	18	19	18	18	-	18	18	18	18
Percentage functionality of ward committees	Percentage	98	112	99%	98%	-	98%	98%	98%	98%
Corporate Legal Services										
Number of the Municipality By-laws reviewed	Number	-	40%	24	4	-	4	4	4	4

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Communications and Brand Management										
Number of Brand Visibility interventions implemented	Number	12	12	17	8	-	8	8	8	8
Number of media analysis reports developed	Number	16	41	12	12	-	12	4	4	4
Enterprise-wide Project Management Office										
Project Management maturity level	Level	3	3	3	3	-	3	3	3	3
Percentage capex spend against the budget for capital projects allocated to CoE departments	Percentage	82.28%	95.00%	88.56%	95.00%	-	95.00%	95.00%	95.00%	95.00%
ICT										
KM of (fibre) broadband installed and commissioned	KM	-	200	150.41	200	-	200	100	100	100
Number of Wi-Fi hotspots /nodes provided with Wi-Fi	Number	163	200	-	200	-	200	200	200	200
Number of ERP modules implemented	Number	-	5	6	5	-	5	5	5	5
Internal Audit										
% of forensic investigations finalized	Percentage		60%	66.67%	60%	0%	60%	60%	60%	60%
% completion of the approved internal audit plan	Percentage	90%	90%	67.30%	100%	0%	100%	100%	100%	100%
Risk Management										
Level of CoE compliance maturity recorded	Number	3	-	4	4	-	4	4	4	4
Office of the COO										
Percentage of customer queries resolved in accordance with Ekurhuleni Service Standards	Percentage	85%	85%	94.90%	90%	-	90%	93%	95%	95%
Economic Development										
GG 6.12 Number of work opportunities created through EPWP, CWP and other related infrastructure programmes	Number	9,793	18,000	2158	18000	-	18000	18000	18000	18000
Number of Tertiary Bursary recipients benefiting from the City of Ekurhuleni's Community Bursary Scheme	Number	-	-	502	400	1500	1500	400	400	400
Number Of Young People benefiting from Community Skills Programme	Number	-	-	1559	1500	-	1500	1500	1500	1500
Rand value of projects allocated to emerging contractors	Rand	0	0	R49,658,308.18	R50 m	-	R50 m	R50m	R50m	R50m
Rand value generated by SFPM	Rand	R20 m	R19 m	23230160.44	R24,150,000.00	-	R24,150,000.00	R24.150 m	R24.150 m	R24.150 m
Rand value of investment attracted	Rand	R8.356bn	R7 bn	R4,059,230.00	R5 bn	-	R5 bn	R6 bn	R6 bn	R6 bn

The following table sets out the City of Ekurhuleni main performance objectives and benchmarks for the 2019/20 MTREF.

Table 36 MBRR Table SA8 - Performance indicators and benchmarks

EKU Ekurhuleni Metro - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Current Year 2018/19				2018/19 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.3%	4.3%	4.3%	2.8%	2.3%	2.3%	2.3%	3.4%	4.3%	4.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.2%	5.3%	5.2%	3.4%	2.8%	2.8%	2.8%	4.0%	5.0%	4.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	12.0%	0.0%	34.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	#####	#####	#####	1164.5%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.7	1.5	1.2	1.2	1.2	1.2	1.1	-	-	-
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.5	1.2	1.2	1.2	1.2	1.1	-	-	-
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	0.7	0.4	0.9	0.9	0.9	0.2	-	-	-
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		90.4%	92.4%	94.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Outstanding Debtors to Revenue)	Total Outstanding Debtors to Annual Revenue	90.4%	92.4%	94.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	22.4%	19.0%	21.1%	10.1%	9.8%	10.0%	25.5%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' c										
Creditors to Cash and Investments		80.3%	106.2%	200.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	23.0%	20.4%	22.8%	24.7%	23.9%	24.2%	24.2%	24.6%	24.2%	23.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	23.4%	20.9%	23.2%	25.1%	24.3%	24.7%		24.9%	24.6%	24.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.0%	7.1%	6.5%	6.8%	6.5%	6.6%		7.8%	9.6%	7.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.9%	9.9%	10.6%	9.6%	8.6%	8.7%	8.7%	8.5%	9.0%	9.7%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24.4	23.5	-	-	-	-	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	29.3%	24.7%	28.9%	13.3%	13.2%	13.5%	34.9%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.4	2.9	1.6	-	-	-	-	-	-	-

2.3.1 Performance indicators and benchmarks

• 2.3.1.1 Borrowing Management

- Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long-term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, City of Ekurhuleni borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the metro's debt portfolio is dominated by municipal bonds. The following financial performance indicators have formed part of the compilation of the 2019/20 MTREF.
- 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 slightly increasing is 3.3% in 2018/19. The stable percentage is maintained despite the fact that Council's capital budget is increasing significantly over the MTREF period.
- Capital charges to Own Revenue is a measure of the cost of borrowing in relation to the Own Revenue. It can be seen that the cost of borrowing will decrease from 3.4% to 4.0% over 2019/20 MTREF.
- Borrowed funding of own capital expenditure measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The percentage for the 2019/20 MTREF is 72.6%

2.3.1.2 Safety of Capital

- The gearing ratio is a measure of the long-term borrowings (non-current) over funds and reserves.

2.3.1.3 Liquidity

- Current ratio is a measure of the city's ability to pay short-term obligations with its short-term assets. The higher the ratio, the better the metro's ability to adhere to its short-term obligations. The calculation is the current assets divided by the current liabilities and as a benchmark the city has set a limit of 1.2, hence at no point in time should this ratio be less than 1.2. For the 2019/20 MTREF the ratio is expected to be 1.5.
- The liquidity ratio is a measure of the ability of the city to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2019/20 financial year the ratio is projected to be 1.1 at the end of this year and as part of the financial planning strategy it is projected to remain at 1.4 by 2020/21.

2.3.1.4 Revenue Management

- The annual debtors' collection rate indicates the percentage payment levels of the metro. It indicates at what levels the metro receives payments owed, in terms of receivables, from its customers. It is also used to establish whether credit control has been efficiently managed. The city's payment level percentage, according to this calculation is expected to be at 89.9% over 2019/20 MTREF.

2.3.1.5 Creditors Management

- The efficiency ratio is predicted to improve to 85% as a results from the capacity building programme in the Supply Chain Management Division.

2.3.1.6 Other Indicators

- The electricity distribution losses, as per the audited financial statements, were as follows:
 - 2015/16– 15.64%
 - 2016/17– 15.64%
 - 2017/18 –12.39 %

It is forecasted at a rate of 10% for the MTREF period until 2021/22

- The water distribution losses, as per the audited financial statements, were as follows:
 - 2015/16– 30.60%
 - 2016/17 – 30.60%
 - 2017/18 – 30.57%

It is forecasted at a rate of 30% for the MTREF period until 2021/22.

- Employee costs and remuneration as a percentage of revenue (excluding capital Revenue) remains steady over the MTREF period. The averages of the ratios are 24.6% respectively over the MTREF period.
- Repairs and maintenance as a percentage of revenue (excluding capital revenue) needs to be at an appropriate level to ensure that capital assets remain efficient and perform and an optimal level. The average ratio is 6.9% over the MTREF period.
- Finance charges and depreciation as a percentage of revenue (excluding capital revenue) is dependent on borrowing, interest rate levels, and the rate of depreciation of capital assets. As a result of the increase in borrowing the rate increase from 8.4% in 2018/19 to 9.5% in 2019/20.

2.3.1.7 IDP regulation financial viability indicators

- Debt Coverage is the coverage of revenue (excluding operating grants) over debt-service and is an indication of the metro's ability to meet annual interest and principle payments on debt. The coverage is expected to be 31.9% in 2019/20.
- Outstanding service debtors to revenue ratio is an indication of what percentage of revenue is in outstanding service debtors. This is also an indicator of the city's +effectiveness in managing credit control and debt collection. The lower the ratio,

the more effective the management of receivables. The ratio is estimated to be 18.3% in 2019/20 and is expected to move to 16.7% in 2020/21

- Cost coverage is an indication of the City's ability to cover fixed operational expenditure with its cash and investment balances. The higher the ratio, the higher the ability. The ratio is estimated at 3.6% in 2019/20 and is expected to be at 4.6% over the 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.

For the 2019/20 financial year, 150 000 registered indigents have been provided for in the budget which includes the deemed indigents.

In terms of the municipality's Indigent Policy, registered indigent households are entitled to 9 kl free water, 100 kWh of electricity, 9 kl sanitation and free waste removal equivalent to a residential once a week service, and a full rebate on their property rates.

Further detail relating to the number of households receiving FBS, the cost of FBS, highest level of FBS and revenue cost associated with FBS is contained in Table 31 MBRR A10 (Basic Service Delivery Measurement) on page 82.

2.4 Overview of budget-related policies

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

The entire set of budget-related policies can be viewed on the City of Ekurhuleni website: <http://www.ekurhuleni.gov.za>

LIST OF BUDGET RELATED POLICIES

Annexure D1	Medium - term Budget Statement Policy (Reviewed)
Annexure D2	Pricing Policy Statement (reviewed)
Annexure D3	Property Rates Policy (reviewed)
Annexure D4	Provision of Free Basic Electricity Policy (reviewed)
Annexure D5	Waste Management Tariff Policy (reviewed)
Annexure D6	Consumer Deposit Policy (remains unchanged)
Annexure D7	Indigent Support Policy (remains unchanged)
Annexure D8	Credit Control & Debt Collection Policy (reviewed)
Annexure D9	Provision for Doubtful Debt & Debt Write-Off Policy (remains unchanged)
Annexure D10	Budget Implementation and Monitoring Policy (remains unchanged)
Annexure D11	Municipal Entity Financial Support Policy (reviewed)
Annexure D12	Accounting Policy (reviewed)
Annexure D13	Electricity Metering for Residential and business Customers (reviewed)
Annexure D14	Policy for the vending of pre-paid electricity (reviewed)
Annexure D15	Policy for Correction of Meter Reading and Billing Data (reviewed)
Annexure D16	Electricity Tariff Policy (reviewed)
Annexure D17	Virements Policy (remains unchanged)
Annexure D18	Consumer Agreement (remains unchanged)
Annexure D19	Supply Chain Management Policy (remains unchanged)
Annexure D20	Treasury Policy Consolidation of various policies) (reviewed)
Annexure D21	Grants-in aid Policy (remains unchanged)
Annexure D22	Asset Management Policy (reviewed)

All the policies that have been reviewed is marked on the same principles used by Government Printers to change existing policies. The additions are highlighted and underlined whilst the deletions of information are marked with a line.

The following is a summary of the changes on the policies:

Annexure D2 - Pricing Policy (Reviewed)

PROPERTY RATES PRICING

The policy will be effective as from 1 July 2017	The policy will be effective as from 1 July 2019
<p>6. ASSESMENT RATES PRICING</p> <p>Average Monthly earnings in respect of preceding 12 months.</p> <p>R0.00 to R 2 840 (2 x State pensions when amended) 100% rebate</p> <p>R 2 840.01 to R 5 610.00 85% rebate</p> <p>R 5 610.01 to R 7 310.00 70% rebate</p> <p>R 7 310.01 to R 9 060.00 55% rebate</p> <p>R 9 060.01 to R 13 640.00 40% rebate</p>	<p>Average Monthly earnings in respect of preceding 12 months.</p> <p>R0.00 to R 3 440.00 (2 x State pensions when amended) 100 % rebate on assessment rates</p> <p>R3,440.01 to R7,350.00 85% rebate on property rates</p> <p>R7,350.01 to R10,750.00 70% rebate on property rates</p> <p>R10,750.01 to R11,900.00 55% rebate on property rates</p> <p>R11,900.01 to R17,800.00 40% rebate on property rates</p>

Annexure 2 – PRICING POLICY (Reviewed)

ENERGY PRICING

<p>7. ENERGY PRICING</p> <p>CITY OF EKURHULENI follows the Eskom inclining block tariff ((IBT - Homelight Tariff 60A), given that the City has approximately 150 000 households supplied by Eskom, inside CITY OF EKURHULENI boundaries. Eskom is proposing a two-block IBT to NERSA, which will then also be followed by CITY OF EKURHULENI, with a third block added to mitigate migration to the subsidised tariff by CITY OF EKURHULENI higher-end customers. The first IBT block is proposed to stretch up to 600 units. The CITY OF EKURHULENI average for this category of consumer is 450 units per month.</p> <p><u>Current pricing approach</u></p>	<p>To be deleted</p>
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<p>CITY OF EKURHULENI, strategically, matches the lower than municipal rate Eskom Inclining Block Tariff, given the approximately 150 000 Eskom customers in the area. Ekurhuleni provides electricity at the Eskom priced Inclining Block Tariff and provides 100 units FBE to all on Tariff A (IBT).</p> <p>In July 2012, the IBT was reduced to match Eskom tariffs; this led to a substantial reduction in tariffs to consumers making use of the IBT tariffs.</p>	<p>The City, strategically and in part, matches the lower than municipal rate Eskom Inclining Block Tariff, given the approximately 160 000 direct Eskom supplied customers in the area. The City also provides 100 units FBE to all residential customers on Tariff A (IBT).</p>
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Annexure D3 - PROPERTY RATES POLICY (Reviewed)

Ekurhuleni Metropolitan Municipality	City of Ekurhuleni
	Definitions
	<p>Place of Public Worship – means property used primarily for the purpose of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium. Provided that the property is</p> <p>(a) registered in the name of the religious community,</p>
	<p>(b) registered in the name of a trust established for the sole benefit of a religious community, or subject to a land tenure right.</p>

Annexure D4 – POLICY ON FREE BASIC ELECTRICITY

(Reviewed)

<p>2. ALLOCATION OF FREE BASIC ELECTRICITY</p> <p>2. Throughout</p>	<p>Correction of grammar, several paragraphs, to read easier</p> <p>2.1 The procedure for application for the free basic electricity allocation for the user entity falling within the category defined in section 2.3 is described in section 4.</p>
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Annexure D5 - SOLID WASTE TARIFF POLICY (Reviewed)

The policy will be effective as from 1 July 2017	The policy will be effective as from 1 July 2019
5.4. None	5.4. Approved land use or zoning
7.2 Institutions The institutions recognized through this policy shall include: Orphanages, Children's homes and Old age homes where occupants do not have income and fully rely on grants/donations will be exempted from payment. Retirement Facilities/Villages/Other charity organizations registered as non-profit organizations	7.2 Institutions The institutions recognized through this policy shall include: Orphanages, Children's homes and Old age homes as well as charity organizations registered as non-profit organizations where occupants do not have income and fully rely on grants/ donations may apply for rebates in terms of chapter 11 of this policy.
7.3 Environmental levy -Vacant land residence -Vacant land business -All other properties not making use of CoE refuse removal services	7.3 Environmental levy The Environmental levy is used to defray the cost of the disposal of refuse generated by the use of goods. It's also used to defray the cost of operating and maintaining refuse disposal sites and for the preservation and enhancement of the environment. It is applicable to the following: -Vacant land owner -Vacant land business -All other properties not making use of CoE refuse removal services

Annexure D8 – Credit Control and Debt Collection Policy (Reviewed)

Ekurhuleni Metropolitan Municipality	City of Ekurhuleni
Director Income	Divisional Head Revenue
Final Demand / Final Notice	Final Demand / Pre Termination Notice

Annexure D11 – MUNICIPAL ENTITY FINANCIAL SUPPORT POLICY (Reviewed)

1. APPLICATION AND SCOPE	
The policy will be effective as from 1 July 2018	The policy as amended will be effective as from 1 July 2019
Throughout	
Ekurhuleni Metropolitan Municipality	City of Ekurhuleni

Annexure D12 – Accounting Policy (Reviewed)

1.3 Consolidation	
The group annual	The consolidated

<p>1.4 Investment property</p> <p>Useful life 50 - 60 years</p>	<p>32-60 years</p> <p>To be added</p> <p>Compensation from third parties for investment property that was impaired, lost or given up is recognised in the statement of financial performance when the compensation becomes receivable.</p>
<p>1.5 Property, plant and equipment</p> <p>Average useful life</p>	<p>Useful life 14 – 80 years</p>
	<p>NEW - LAST COLUMN TO BE ADDED</p> <p>The City assesses at each reporting date whether there is any indication that the City expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the City revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.</p> <p>The depreciation charge for each period is recognised in the statement of financial performance unless it is included in the carrying amount of another asset.</p> <p>Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.</p> <p>The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the statement of financial performance when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.</p>

<p>1.6 Intangible assets Average Useful life</p> <p>2 - 23 years</p>	<p>Useful life</p> <p>1 – 23 years</p> <p>An intangible asset arising from development (or from the development phase of an internal project) is recognised when:</p> <p>NEW – LAST COLUMN TO BE ADDED</p> <ul style="list-style-type: none"> • it is technically feasible to complete the asset so that it will be available for use or sale. • there is an intention to complete and use or sell it. • there is an ability to use or sell it. • it will generate probable future economic benefits or service potential. • there are available technical, financial and • other resources to complete the development and to use or sell the asset. • there are available technical, financial and • other resources to complete the development and to use or sell the asset. <p>the expenditure attributable to the asset during its development can be measured reliably.</p>
<p>1.11 Employee benefits</p> <p>Short-term employee benefits</p>	<p>NEW – COLUMN TO BE ADDED</p> <p>Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end, any unused leave days are forfeited six months after the end of lease cycle.</p>
	<p>Long services awards</p> <p>The City offers various types of long service awards to its employees. The provision is to recognise the present value of the obligation as at the reporting date.</p>
<p>1.12 PROVISIONS AND CONTINGENCIES</p>	<p>NEW PARAGRAPH TO BE ADDED</p> <p>1.12 Leases</p> <p>Finance leases – lessor</p>

	<p>Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.</p> <p>The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.</p> <p>Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.</p> <p>Any contingent rents are expensed in the period in which they are incurred.</p>
<p>1.13 IMPAIRMENT OF CASH-GENERATING ASSETS AND NON-CASH-GENERATING ASSETS</p> <p>The entity classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.</p>	<p>1.14 Impairment of cash-generating assets</p> <p>Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.</p> <p>A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.</p> <p>Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.</p> <p>Depreciation (amortisation) is the systematic allocation of the</p>

	<p>depreciable amount of an asset over its useful life.</p> <p>Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.</p> <p>Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.</p> <p>Useful life is either:</p> <p>(a) the period of time over which an asset is expected to be used by the City; or.</p> <p>(b) the number of production or similar units expected to be obtained from the asset by the City.</p> <p>Basis for estimates of future cash flows</p> <p>In measuring value in use the City:</p> <ul style="list-style-type: none"> • base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence; • base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. • Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and • Estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the
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<p>Reversal of impairment loss Redesignation</p> <p>The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.</p>	<p>asset is used, unless a higher rate can be justified.</p> <p>Composition of estimates of future cash flows</p> <p>Estimates of future cash flows include:</p> <ul style="list-style-type: none"> • projections of cash inflows from the continuing use of the asset; • projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and • Net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life. <p>Estimates of future cash flows exclude:</p> <ul style="list-style-type: none"> • cash inflows or outflows from financing activities; and • Income tax receipts or payments. <p>The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the City expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.</p> <p>Discount rate</p> <p>The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The City considers the weighted average cost of capital as their discount rate (time value of money).</p> <p>Reversal of impairment loss</p> <p>A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are</p>
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	<p>treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.</p> <p>In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:</p> <ul style="list-style-type: none"> • its recoverable amount (if determinable); and • The carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods. <p>The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.</p>
<p>1.14 REVENUE FROM EXCHANGE TRANSACTIONS</p> <p>1.15 REVENUE FROM NON-EXCHANGE TRANSACTIONS</p>	<p>CHANGED IN TOTAL</p> <p>1.15 Impairment of non-cash-generating assets</p> <p>Non-cash-generating assets are assets other than cash-generating assets.</p> <p>Identification</p> <p>When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.</p> <p>The City assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the City estimates the recoverable service amount of the asset.</p> <p>Irrespective of whether there is any indication of impairment, the City also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was</p>

	tested for impairment before the end of the current reporting period.

Annexure D13 – ELECTRICITY METERING FOR RESIDENTIAL AND BUSINESS CUSTOMER POLICY (Reviewed)

<p>5.4 Category D: COE Owned Property Rented to Own Staff</p> <ul style="list-style-type: none"> ▶ Established COE owned residential properties where credit and prepayment metering have been installed; ▶ Typically, properties are occupied by employees of various departments of the Council with similar employment benefits; and ▶ The properties may also take the form of communal living arrangements. 	<p>Remove paragraph entirely The section will be dealt with administratiely to deal with various implementation aspects.</p>
<p>6.2.1 METERING STRATEGY</p> <p>b) MIXED USE RESIDENTIAL AND BUSINESS</p> <p>Existing stands with mixed residential and business use, will be allowed to receive their electricity supply by means of multiple bulk meters (mostly only 2 meters).</p> <p>To comply with the Electricity by-laws and for the sake of standardisation, the following technical requirements shall apply:</p> <ul style="list-style-type: none"> • One main switch for the property only, isolating the entire property when switched off • From this main switch, the two (or more) meters may be supplied, one for the business part, and one for the residential part • Note: Cost associated with the service connections to the individual metering shall be for the owner's account • The meters may be on separate accounts and have separate tariffs 	<p>Removed sub – paragraph (b)</p>

<ul style="list-style-type: none"> • Credit control will be effected at the main switch only, and not one of the sub-switches. 	
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Annexure D14 – POLICY FOR THE VENDING OF PREPAYMENT ELECTRICITY (Reviewed)

Minor Changes throughout	
2.15 The vending system must be regularly upgraded to stay current with the latest release.	2.15 The CIO shall ensure that contracts are place in order for the vending system to be regularly upgraded to stay current with the latest release.

Annexure D15 – POLICY FOR CORRECTION OF METER READING AND BILLING DATA (Reviewed)

2. METHODOLOGY	
4. Where a customer requested an adjustment, and it can be proven to the satisfaction of the Council, that the customer was not in occupation of the premises for a part of the period, or the full period, the account will be adjusted in accordance with the period the customer was in occupation	4. Where a customer requested an adjustment due to the property being unoccupied,
3. COMMUNICATION	
3.2 Should the customer fail to make any representations in the prescribed period, then Council is entitled to adjust the account as per the report referred to in 3.1.2.	3.2 a report must be prepared and communicated with the customer for discussion. Such a report must contain sufficient details to enable the customer to submit representations within 21 calendar days, if necessary. If the customer refers the bill correction report to his/her attorneys, the COE legal section must be informed to enable COE to take the required legal action if required.

Annexure D16 - ELECTRICITY TARIFF POLICY (Reviewed)

4. TARIFF STRUCTURE	
2a Tariff A - Flat Rate Tariff F - This tariff exists for COE own street light and traffic light consumption	2a Tariff A - Single Rate Tariff F - This tariff exists for all street light and traffic light consumption

Annexure D20 – TREASURY POLICY (Reviewed)

1.4.1.1 FRONT OFFICE A. DEFINITION	TO BE ADDED
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<p>B. ROLES</p> <p>Management - Head of Dealing 1.4.1.2 MIDDLE OFFICE</p> <p>A. DEFINITION B. ROLES</p>	<p>The driver of this process is:</p> <ol style="list-style-type: none"> 1. The surplus cash because of daily cash flow analysis and monitoring of income inflows and expenditure outflows. 2. The overall strategic funding policy that would drive the CoE to meet targets and to accumulate cash for future projects and funding requirements, <p>Management - Head of Division</p>
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2.5 Overview of budget assumptions

2.5.1 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/20 MTREF:

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

The inflation outlook for the MTREF is as follows:

In terms of National Treasury Budget Circular No. 94 dated 08 March 2019 municipalities were advised to take the following macro-economic forecasts into consideration:

Fiscal year	2018/19 Estimate	2019/20	2020/21 Forecast	2021/22 Forecast
CPI Inflation	4.7%	5.2%	5.4%	5.5%
Real GDP growth	0.7%	1..5%	1.7%	2.1%

2.5.2 Credit rating outlook

Table 37 Credit rating outlook

Security class	Currency	Rating	Annual rating 2018/2019	Previous rating 2017/18
National Scale Rating	Rand	Moody's	Aaa.za	Aaa.za
Short-term	Rand	Moody's	P-3.	P-3
Long-term	Rand	Moody's	P-1.za	P-1.za
Outlook	Rand	Moody's	Stable	Stable

- Short-term: Prime – 1 (highest quality)
- Short-term Debt Ratings (maturities of less than one year)
- Long-term: Aa2za
- Defined as high grade. “Aaa” rated prime quality and subject to very low credit risk.
- Senior unsecured debt (rating attached to municipal bond programme): Aaa.za
- Defined as high grade. “Aa+” rated upper median grade are judged to be of high quality and are subject to very low credit risk.
- Long-term: Aa3.za
- Defined as high grade: “Aa” rated upper median grade are judged to be of high quality and subject to very low risk for long-term debt and the best ability to repay short-term debt.
- Long-term: A1.za

Defined as high grade: “A” rated are judged to be of upper medium grade and subject to very low risk for long-term debt and the best ability to repay short-term debt.

2.5.3 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 have a R8 billion Domestic Medium-term Note Programme registered with Johannesburg Stock Exchange which was applicable to last six financial years for the capital expenditure funding and formed the basis of the borrowings programme. For the 2019/20 the council approved external funding for R4 billion which will be drawn down from the existing Domestic Medium-term Note programme. It is based on the assumption that borrowings are undertaken using fixed interest rates (assumed at 10.5% p.a.) for external funding requiring semi-annual interest payments for a bullet facility or semi-annual capital and interest repayments for a mortising facility.

2.5.4 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (94%) of annual billings. Cash flow is assumed to be 94% of billings. No provision has been made for increased collection of arrear debt and any revenue yielded from this will be used to strengthen the liquidity position of the City.

2.5.5 Growth or decline in tax base of the municipality

- Growth projections – growth projections refer to the increase in the number of units consumed for the service. It does not refer to the increase in the tariff, nor does it reflect the total increase in income. It is expressed as a percentage which represents the percentage increase in units consumed. Growth projections are determined per service which is driven by service specific trends. No growth was factored in Water & Sanitation and Energy services due to anticipated reduction in consumption as a result of negative economic down turn affecting industrials.

- Assessment rates: 1%
- Electricity: 0%
- Water: 0%
- Sanitation: 0%
- Solid Waste: 1%

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 FBS.

2.5.6 Salary increases

The parties to the council have concluded a multi-year (3 year) Salary and Wage Collective Agreement for the period 1 July 2018 to 30 June 2021. With effect from 1 July 2019, an increase based on the projected CPI percentage for 2019, plus one comma five percent (1, 5%).

2.5.7 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:

- National Development Plan addressing inter alia economic growth and job creation.
- Enhancing education and skills development.
- Improving health services.
- Rural development and agriculture.
- Fighting crime and corruption.

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

It is estimated that a spending rate of at least 95% is achieved on operating expenditure and 90% on the capital programme for the 2019/20 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term Outlook: Operating Revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.).

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

- Growth in the city and economic development.
- Revenue management and enhancement.
- Achievement of a 94% annual collection rate for consumer revenue.
- National Treasury guidelines.
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval.
- Achievement of full cost recovery of specific user charges.
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).
 - The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers, aligned to the economic forecasts.

The proposed tariff increases for the 2019/20 MTREF on the different revenue categories are:

Table 38 Proposed tariff increases over the MTREF

Revenue category	2019/20 Proposed tariff increase	2020/21 Proposed tariff increase	2021/22 Proposed tariff increase
	%	%	%
Property rates	7.5	7.5	0.0
Sanitation	11.0	10.0	10.0
Refuse removal	7.5	7.5	7.5
Water	15.0	10.0	10.0
Electricity	13.0	10.0	10.0

The following table is a detailed analysis of the methodology in the calculation of the income rates and services:

Table 39 Detailed Budget Assumption for services

INCREASE IN SERVICES INCOME	2018/2019 Approved	2019/2020 Draft Proposed	2020/2021 Draft Proposed	2021/2022 Draft Proposed	Comments
Base Adjustment/ Efficiency Adjustment					
- Assessment Rates Income	0.00%	0.13%	0.00%	9.00%	
- Electricity Sales	-1.56%	-0.79%	0.00%	0.00%	
- Water Sales	-0.99%	0.00%	1.00%	1.00%	
- Sanitation Sales	0.00%	0.00%	1.00%	1.00%	
- Refuse Removal	-0.93%	8.12%	0.00%	0.00%	Base adjustment as a result of service point audit that
Growth in Consumption of Services					
- Assessment Rates Income	1.00%	1.00%	1.00%	1.00%	
- Electricity Sales	0.00%	0.00%	0.00%	0.00%	
- Water Sales	1.00%	0.00%	0.00%	0.00%	
- Sanitation Sales	1.00%	0.00%	0.00%	0.00%	
- Refuse Removal	1.00%	1.00%	1.00%	1.00%	
Tariff Increases					
- Assessment Rates Income	6.90%	7.50%	7.50%	0.00%	
- Electricity Sales	6.84%	13.00%	10.00%	10.00%	
- Water Sales	12.96%	15.00%	10.00%	10.00%	
- Sanitation Sales	9.00%	11.00%	10.00%	10.00%	
- Refuse Removal	7.50%	7.50%	7.50%	7.50%	
Total Income Increases					
- Assessment Rates Income	7.90%	8.63%	8.50%	10.00%	
- Electricity Sales	5.28%	12.21%	10.00%	10.00%	
- Water Sales	12.97%	15.00%	11.00%	11.00%	
- Sanitation Sales	10.00%	11.00%	11.00%	11.00%	
- Refuse Removal	7.57%	16.62%	8.50%	8.50%	
Bulk purchase increase					
- Electricity	7.32%	15.65%			
- Water	12.96%	15.00%			
- Sanitation	9.00%	11.00%			
OTHER BUDGET ASSUMPTIONS					
Salary Increase	8.00%				
CPI	5.20%				

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

Table 40 MBRR SA15 – Detailed Investment Information

EKU Ekurhuleni Metro - Supporting Table SA15 Investment particulars by type									
Investment type	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Parent municipality									
Securities - National Government Listed Corporate Bonds									
Deposits - Bank	147,225	116,916	547,105	136,986	136,986	136,986	150,685	165,754	182,329
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Bankers Acceptance Certificates							-	-	-
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	1,096,140	1,454,221	1,626,102	2,739,636	2,739,636	2,739,636	1,974,800	1,929,731	1,913,156
Repurchase Agreements - Banks									
Municipality sub-total	1,247,365	1,575,137	2,177,207	2,880,622	2,880,622	2,880,622	2,129,485	2,099,485	2,099,485
Entities									
Securities - National Government Listed Corporate Bonds									
Deposits - Bank	-	-	-	-	-	-	-	-	-
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	1,247,365	1,575,137	2,177,207	2,880,622	2,880,622	2,880,622	2,129,485	2,099,485	2,099,485

Table 41 MBRR SA16 – Investment particulars by maturity

EKU Ekurhuleni Metro - Supporting Table SA16 Investment particulars by maturity									
Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment	Yrs/Months								
Parent municipality									
Investec Bank	Call Deposit	Y	V	0	1,212			48,759	
Investec Bank (Sinking Fund)	Sinking Fund	Y	F	9.2278%	24,875	42,880	93,053	587,184	
Stanlib	Call Deposit	Y	V	0	217			5,297	
Sanlam	Call Deposit	Y	V	0				144	
RMB	Guaranteed Trus	Y	F	13.25%	(31)			12,602	
RMB	Unit Trust	Y	F	6.07%	1,384			39,650	
RMB	Guaranteed Trus	Y	F	14.76%	1,025			29,361	
RMB (Sinking Fund)	Sinking Fund	Y	F	9.23%	28,949	85,755	92,062	651,543	
Nedbank (Sinking Fund)	Sinking Fund	Y	F	8.24%	21,432	41,092	68,706	537,994	
Nedbank	Call Deposit	Y	V	0	1,173	374,100		1,173	
									-
									-
Municipality sub-total					2,123,478	80,236	543,827	253,820	1,913,707
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST					2,123,478		543,827	253,820	1,913,707

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2019/20 medium-term capital programme:

Table 42 Sources of capital revenue over the MTREF

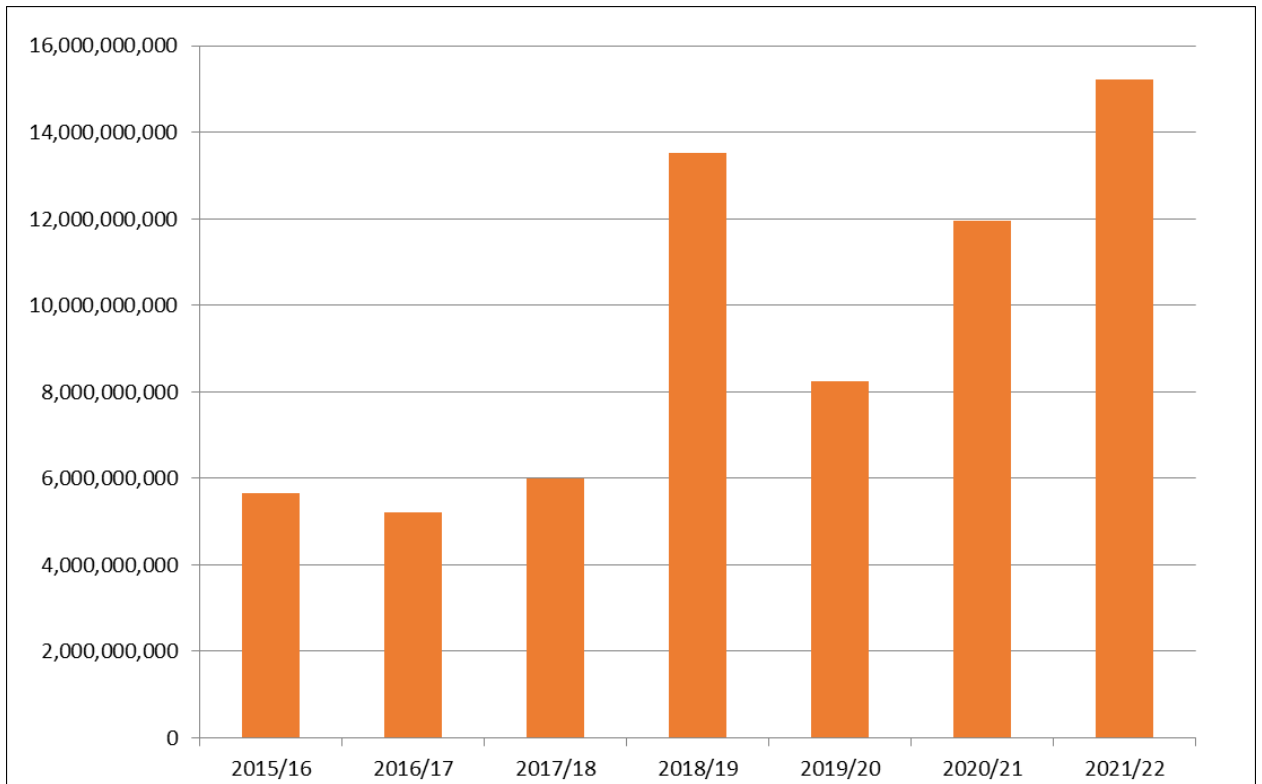
2019/20 - 2021/22 MULTI YEAR CAPITAL BUDGET - PER SOURCES OF FINANCE								
Source Of Finance	Adjusted Budget 2018/19	%	Budget Year 2019/20	%	Budget Year 2020/21	%	Budget Year 2021/22	%
Energy Efficiency & Demand Side Management (EEDMS)	13,720,000	0.20%	12,150,450	0.16%	13,950,000	0.18%	9,300,000	0.13%
External Loans	3,153,898,201	46.91%	4,077,075,228	52.16%	3,953,887,845	50.18%	3,475,932,682	47.23%
Intergrated City Development Grant (ICDG)	45,537,000	0.68%	54,295,000	0.69%	51,069,000	0.65%	54,878,000	0.75%
Intergrated National Electrification Programme (INEP)	45,000,000	0.67%	-	0.00%	-	0.00%	-	0.00%
Neighborhood Development Partnership Grant (NDPG)	60,000,000	0.89%	65,000,000	0.83%	80,000,000	1.02%	74,999,000	1.02%
SRAC Provincial Grant	9,096,777	0.14%	7,000,000	0.09%	6,200,000	0.08%	-	0.00%
Public Transport Network Grant (PTNG)	421,708,000	6.27%	568,521,000	7.27%	578,716,000	7.34%	440,000,000	5.98%
Revenue	1,076,682,602	16.01%	957,693,331	12.25%	1,100,809,693	13.97%	1,075,116,751	14.61%
Urban Settlement Development Grant (USDG)	1,841,992,991	27.40%	2,074,993,919	26.55%	1,677,943,689	21.30%	1,618,057,014	21.98%
Human Settlement Development Grant (HSDG)	55,409,455	0.82%		0.00%		0.00%		0.00%
Informal Settlement Upgrading Partnership Grant (ISUPG)		0.00%	-	0.00%	416,495,000	5.29%	611,615,000	8.31%
Total	6,723,045,026	100.00%	7,816,728,928	100.00%	7,879,071,227	100.00%	7,359,898,447	100.00%

Table 43 MBRR Table SA17 - Detail of borrowings

EKU Ekurhuleni Metro - Supporting Table SA17 Borrowing									
Borrowing - Categorised by type	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Parent municipality									
Annuity and Bullet Loans	821,189	755,963	502,569	439,681	439,681	439,681	2,317,204	2,317,204	2,317,204
Marketable Bonds	4,192,434	3,858,134	5,492,500	12,586,959	12,586,959	12,586,959	5,430,317	9,146,971	12,414,347
Other Securities									
Municipality sub-total	5,013,623	4,614,097	5,995,069	13,026,640	13,026,640	13,026,640	7,747,521	11,464,175	14,731,551
Entities									
Annuity and Bullet Loans	633,309	605,363		498,644	498,644	498,644	499,083	499,083	499,083
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit	2,912								
Financial Leases									
Other Securities									
Entities sub-total	636,221	605,363	–	498,644	498,644	498,644	499,083	499,083	499,083
Total Borrowing	5,649,844	5,219,460	5,995,069	13,525,284	13,525,284	13,525,284	8,246,604	11,963,258	15,230,634

The following graph illustrates the growth in outstanding borrowing for the 2015/16 to 2021/22 period.

Figure 4 Growth in outstanding borrowing (long-term liabilities)



Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash-backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash-backed reserves and accumulated funds reconciliation, as discussed below.

Table 44 MBRR Table SA18 - Capital transfers and grant receipts

The following table illustrates the capital grants for 2019/20 to 2021/22 financial year:

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
RECEIPTS:									
Operating Transfers and Grants									
National Government:	4,126,532	4,740,102	5,179,595	5,559,028	5,439,267	5,439,267	5,501,712	5,909,925	6,460,707
Local Government Equitable Share									
Equitable Share	2,181,182	2,381,367	2,719,861	3,145,138	3,145,138	3,145,138	3,478,292	3,830,583	4,229,656
Expanded Public Works Programme									
Integrated Grant for Municipalities [Schedule 5B]	13,709	22,125	44,718	25,054	25,054	25,054	22,022	-	-
Local Government Financial Management Grant [Schedule 5B]	1,050	1,050	1,050	1,000	1,000	1,000	1,000	1,000	1,000
Provincial Disaster Recovery Grant [Schedule 5B]	21,569	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]	30,000	40,000	120,000	216,592	272,932	272,932	110,632	137,750	330,201
Public Transport Network Operations Grant [S	-	-	-	-	-	-	-	-	-
Electricity Demand Side Management	-	-	-	-	280	280	915	1,050	700
RSC Levy Replacement	1,528,809	1,625,872	1,694,256	1,734,629	1,734,629	1,734,629	1,711,291	1,741,922	1,797,591
Urban Settlement Development Grant	292,706	669,688	599,710	436,615	260,234	260,234	177,560	197,620	101,559
Integrated National Electrification Programme	14,313	-	-	-	-	-	-	-	-
Intergrated City Development Grant	43,194	-	-	-	-	-	-	-	-
Provincial Government:	379,050	292,977	356,729	333,985	795,238	795,238	352,955	354,055	354,055
Agricultural Research and Technology	223	-	-	-	-	-	-	-	-
Disaster and Emergency Services	143,043	150,624	158,155	167,328	167,328	167,328	176,698	176,698	176,698
Health	129,933	136,853	143,577	161,657	151,878	151,878	170,757	171,357	171,357
Housing	99,447	-	51,203	-	470,932	470,932	-	-	-
Libraries Archives and Museums	6,404	5,500	3,794	5,000	5,100	5,100	5,500	6,000	6,000
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	1,553	9,025	10,797	25,132	25,132	25,132	25,132	25,132	25,132
<i>National Library South Africa</i>	-	-	-	-	-	-	-	-	-
<i>Public Sector SETA</i>	1,553	9,025	10,797	25,132	25,132	25,132	25,132	25,132	25,132
Total Operating Transfers and Grants	4,507,136	5,042,103	5,547,121	5,918,145	6,259,637	6,259,637	5,879,798	6,289,112	6,839,894
Capital Transfers and Grants									
National Government:	1,954,852	1,792,444	2,269,238	2,192,969	2,335,558	2,335,558	2,614,920	2,637,174	2,723,849
Energy Efficiency and Demand-side	18,000	15,000	12,000	-	-	-	12,150	13,950	9,300
Integrated City Development Grant	-	38,078	48,646	45,537	45,537	45,537	54,295	51,069	54,878
Integrated National Electrification Programme	50,000	40,000	40,000	59,000	58,720	58,720	-	-	-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-	-	416,495	611,615
Municipal Infrastructure Grant	-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant	20,000	68,700	102,574	75,262	60,000	60,000	65,000	80,000	74,999
Public Transport Infrastructure Grant	-	-	-	-	-	-	-	-	-
Public Transport Network Grant	309,296	410,002	580,718	478,048	421,708	421,708	568,521	578,716	440,000
Urban Settlement Development Grant	1,550,181	1,220,664	1,485,300	1,535,122	1,749,593	1,749,593	1,914,954	1,496,944	1,533,057
WIFI Connectivity	7,375	-	-	-	-	-	-	-	-
Provincial Government:	31,487	7,500	9,800	8,700	64,506	64,506	9,000	9,000	9,000
Housing	28,312	-	-	-	55,409	55,409	-	-	-
Libraries; Archives and Museums	3,175	7,500	9,800	8,700	9,097	9,097	9,000	9,000	9,000
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>Discount Benefit Scheme (Housing)</i>	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	1,986,339	1,799,944	2,279,038	2,201,669	2,400,064	2,400,064	2,623,920	2,646,174	2,732,849
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,493,475	6,842,047	7,826,159	8,119,814	8,659,701	8,659,701	8,503,719	8,935,286	9,572,743

2.6.3 Cash Flow Management

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

- Clear separation of receipts and payments within each cash flow category.
- Clear separation of capital and operating receipts from government, which also enables cash from 'ratepayers and other' to be provide for as cash inflow based on actual performance. In other words, the actual collection rate of billed revenue.
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term-borrowing (debt).

Table 45 MBRR Table A7 - Budget cash flow statement

EKU Ekurhuleni Metro - Table A7 Budgeted Cash Flows										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				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 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	3,890,105	3,703,938	4,878,058	4,833,913	4,850,537	4,850,537	4,850,537	5,572,050	6,262,674	6,888,941
Service charges	15,103,140	17,307,596	17,351,018	18,823,618	18,959,571	18,959,571	18,959,571	22,304,545	24,601,341	27,134,548
Other revenue	762,696	827,316	1,115,220	3,968,520	4,383,019	4,383,019	4,383,019	1,936,330	2,146,832	2,397,109
Government - operating	4,345,583	4,753,667	5,732,817	5,406,054	5,727,547	5,727,547	5,727,547	5,928,709	6,339,766	6,890,825
Government - capital	2,164,403	1,794,427	2,001,283	2,259,169	2,457,564	2,457,564	2,457,564	2,623,480	2,645,174	2,732,849
Interest	983,979	554,436	619,175	868,670	868,670	868,670	868,670	999,266	1,053,000	1,109,941
Dividends	150	555	66	90	90	90	90	-	-	-
Payments										
Suppliers and employees	(20,313,648)	(23,932,027)	(26,142,478)	(27,570,356)	(28,072,250)	(28,072,250)	(28,072,250)	(29,987,363)	(32,666,755)	(35,786,009)
Finance charges	(655,515)	(618,440)	(719,976)	(992,048)	(821,438)	(821,438)	(821,438)	(1,327,362)	(1,808,763)	(1,913,266)
Transfers and Grants	(1,188,479)	(1,123,963)	(1,651,039)	(897,027)	(705,027)	(705,027)	(705,027)	(1,959,026)	(2,092,392)	(2,111,626)
NET CASH FROM/(USED) OPERATING ACTIVITIES	5,092,414	3,267,504	3,184,145	6,700,603	7,648,282	7,648,282	7,648,282	6,090,629	6,480,877	7,343,311
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Decrease (increase) other non-current receivables				-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(245,338)	(226,682)	(601,770)	(52,183)	(52,183)	(52,183)	(52,183)	751,000	(59,000)	(59,000)
Payments										
Capital assets	(4,283,883)	(5,012,448)	(5,861,651)	(6,489,960)	(6,308,849)	(6,308,849)	(6,308,849)	(7,347,725)	(7,406,327)	(6,918,305)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,524,965)	(5,239,077)	(6,463,614)	(6,542,143)	(6,361,032)	(6,361,032)	(6,361,032)	(6,596,725)	(7,465,327)	(6,977,305)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Borrowing long term/refinancing	233,922	(351)	1,299,761	3,375,487	2,938,142	2,938,142	2,938,142	3,832,451	3,716,655	3,267,377
Increase (decrease) in consumer deposits	37,213	56,995	60,311	50,304	50,304	50,304	50,304	55,000	55,000	55,000
Payments										
Repayment of borrowing	(353,251)	(391,312)	(423,139)	-	(558,974)	(558,974)	(558,974)	(973,974)	(958,974)	(958,874)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(82,115)	(334,667)	936,933	3,425,791	2,429,471	2,429,471	2,429,471	2,913,477	2,812,681	2,363,503
NET INCREASE/ (DECREASE) IN CASH HELD	485,334	(2,306,239)	(2,342,536)	3,584,251	3,716,721	3,716,721	3,716,721	2,407,380	1,828,231	2,729,509
Cash/cash equivalents at the year begin:	7,821,729	8,307,062	6,000,822	5,809,954	3,489,876	3,489,876	3,489,876	3,489,876	5,897,256	7,725,487
Cash/cash equivalents at the year end:	8,307,062	6,000,822	3,658,286	9,394,204	7,206,597	7,206,597	7,206,597	5,897,256	7,725,487	10,454,996

2.6.4 Cash-backed Reserves/Accumulated Surplus Reconciliation

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

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

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with Section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with Section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 46 MBRR Table A8 – Cash-backed reserves/accumulated surplus reconciliation

EKU Ekurhuleni Metro - Table A8 Cash backed reserves/accumulated surplus reconciliation										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available										
Cash/cash equivalents at the year end	8,307,062	6,000,822	3,658,286	9,394,204	7,206,597	7,206,597	7,206,597	5,897,256	7,725,487	10,454,996
Other current investments > 90 days	155,534	125,036	555,526	4,257,085	6,444,692	6,444,692	6,444,692	993,594	2,844,651	2,844,651
Non current assets - Investments	1,091,831	1,450,100	1,621,681	2,860,164	2,860,164	2,860,164	2,860,164	1,135,891	1,120,891	1,120,891
Cash and investments available:	9,554,427	7,575,959	5,835,494	16,511,453	16,511,453	16,511,453	16,511,453	8,026,741	11,691,029	14,420,538
Application of cash and investments										
Unspent conditional transfers	445,923	126,092	597,883	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements										
Other working capital requirements	1,224,335	1,267,867	1,308,799	6,175,258	6,172,283	6,107,074	6,107,074	2,918,619	3,588,189	4,297,902
Other provisions				924,856	924,856	924,856	924,856	786,600	865,260	951,786
Long term investments committed	1,349,011	1,454,100	1,617,373	1,091,626	1,091,626	1,091,626	1,091,626	1,535,737	1,541,137	1,546,537
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments	3,019,269	2,848,059	3,524,055	8,191,740	8,188,765	8,123,556	8,123,556	5,240,956	5,994,586	6,796,225
Surplus(shortfall)	6,535,158	4,727,900	2,311,439	8,319,714	8,322,689	8,387,898	8,387,898	2,785,785	5,696,443	7,624,313

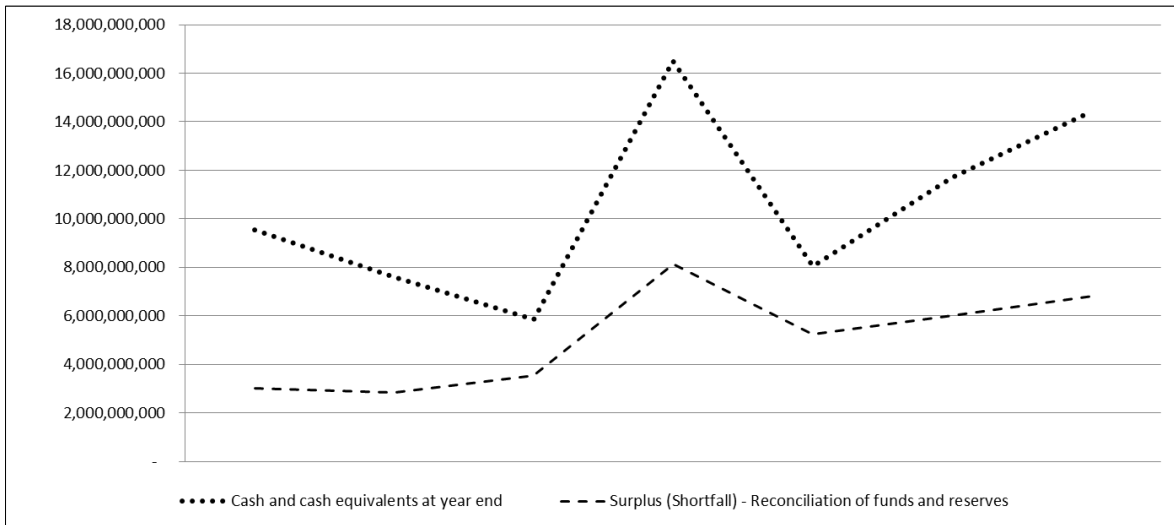
From the above table and the discussion of Table A8 on page it can be seen that the cash and investments available will increase to R19.7 billion by 2020/21, which includes the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions meaning revenue is only recognised when the conditions are met. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national and provincial revenue fund at the end of the financial year. In the past unspent funds had been allowed to be 'rolled-over' and be spent in the next financial year, but with the priorities like "fees must fall" the practise is slowly phasing away therefore there is not guarantee to retain unspent conditional.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. For the purpose of the cash-backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 90 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the metro to meet its creditor obligations.
- Long-term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long-term investments and must be 'held to maturity' and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash-backing policy. These include the rehabilitation of landfill sites and quarries.

For the current year a cash surplus is forecasted and for future years an increase of surplus cash is predicted as indicated on the above table. In conclusion, from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible for the MTREF. The challenge for the metro will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash-backed reserves/accumulated funds reconciliation over a seven-year perspective.

Figure 5 Cash and cash equivalents / Cash-backed reserves and accumulated funds



2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against 14 different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 47 MBRR SA10 – Funding compliance measurement

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Funding measures										
Cash/cash equivalents at the year end - R'000	8,307,062	6,000,822	3,658,286	9,394,204	7,206,597	7,206,597	7,206,597	5,897,256	7,725,487	10,454,996
Cash + investments at the yr end less applications - R'000	6,535,158	4,727,900	2,311,439	8,319,714	8,322,689	8,387,898	8,387,898	2,785,785	5,696,443	7,624,313
Cash year end/monthly employee/supplier payments	4.4	2.9	1.6	3.6	2.8	2.8	2.8	2.1	2.5	3.1
Surplus/(Deficit) excluding depreciation offsets: R'000	1,971,411	1,251,969	1,657,508	2,320,318	2,518,713	2,020,762	2,020,762	2,797,968	2,839,955	2,896,247
Service charge rev % change - macro CPIX target exclusive	N.A.	2.2%	(2.2%)	5.9%	(5.4%)	(8.1%)	(6.0%)	6.5%	3.9%	4.2%
Cash receipts % of Ratepayer & Other revenue	88.2%	91.0%	88.2%	95.7%	95.7%	97.6%	97.6%	91.9%	92.5%	92.6%
Debt impairment expense as a % of total billable revenue	6.8%	11.5%	6.2%	5.5%	5.7%	5.8%	5.8%	5.3%	5.3%	5.3%
Capital payments % of capital expenditure	104.6%	106.6%	102.3%	94.0%	93.8%	93.8%	399.0%	94.0%	94.0%	94.0%
Borrowing receipts % of capital expenditure (excl. transfers)	12.0%	(0.0%)	34.9%	72.7%	67.1%	67.1%	299.5%	76.1%	73.5%	71.8%
Grants % of Govt. legislated/gazetted allocations								100.9%	100.8%	100.8%
Current consumer debtors % change - incr(decr)	N.A.	(8.8%)	21.8%	(48.6%)	0.0%	0.0%	0.0%	49.2%	(6.5%)	(6.7%)
Long term receivables % change - incr(decr)	N.A.	(28.0%)	(0.1%)	382.3%	0.0%	0.0%	0.0%	(79.3%)	0.0%	0.0%
R&M % of Property Plant & Equipment	3.4%	4.1%	3.9%	4.0%	3.9%	3.9%	5.1%	5.0%	5.0%	5.0%
Asset renewal % of capital budget	47.1%	47.7%	39.3%	81.5%	82.1%	82.1%	0.0%	74.9%	76.0%	81.9%

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
DoRA operating										
<i>Equitable Share</i>								3,478,292	3,830,583	4,229,656
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]								22,022	–	–
Local Government Financial Management Grant [Schedule 5B]								1,000	1,000	1,000
Public Transport Network Operations Grant [Schedule 5B]								110,632	137,750	330,201
Urban Settlement Development Grant								177,560	197,620	101,559
Energy Efficiency and Demand Management								915	1,050	700
DoRA capital								3,790,421	4,168,003	4,663,116
<i>Integrated City Development Grant</i>								54,295	51,069	54,878
Integrated National Electrification Programme								12,150	13,950	9,300
Neighbourhood Development Partnership								65,000	80,000	74,999
Public Transport Network Grant								568,521	578,716	440,000
Urban Settlement Development Grant								1,914,954	1,496,944	1,533,057
Energy Efficiency Demand Side Management Grant								–	416,495	611,615
								2,614,920	2,637,174	2,723,849

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2019/20-2021/22

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Total Operating Revenue	27,501,101	29,591,762	32,530,157	35,317,657	36,226,224	35,728,273	35,728,273	38,819,131	42,471,174	46,704,432
Total Operating Expenditure	27,676,848	30,128,249	32,875,559	35,256,508	36,165,075	36,165,075	36,165,075	38,804,683	42,457,393	46,691,034
Operating Performance Surplus/(Deficit)	(175,747)	(536,487)	(345,402)	61,149	61,149	(436,802)	(436,802)	14,447	13,781	13,398
Cash and Cash Equivalents (30 June 2012)								5,897,256		
Revenue										
% Increase in Total Operating Revenue		7.6%	9.9%	8.6%	2.6%	(1.4%)	(0.0%)	7.2%	9.4%	10.0%
% Increase in Property Rates Revenue		2.7%	28.3%	8.0%	0.3%	0.0%	0.0%	9.0%	8.5%	10.0%
% Increase in Electricity Revenue		9.1%	(0.1%)	6.5%	1.0%	0.0%	(0.0%)	12.1%	10.0%	10.0%
% Increase in Property Rates & Services Charges		8.2%	3.8%	11.9%	0.6%	(2.1%)	(0.0%)	12.5%	9.9%	10.2%
Expenditure										
% Increase in Total Operating Expenditure		8.9%	9.1%	7.2%	2.6%	0.0%	0.0%	7.3%	9.4%	10.0%
% Increase in Employee Costs		(4.5%)	22.6%	17.4%	(0.6%)	0.0%	0.0%	10.1%	8.1%	8.4%
% Increase in Electricity Bulk Purchases		8.1%	0.6%	7.7%	1.0%	0.0%	0.0%	15.9%	10.0%	10.0%
Average Cost Per Budgeted Employee Position (Remuneration)			350292.662	390420.7142				459610.8943		
Average Cost Per Councillor (Remuneration)			592410.264	674383.0223				626435.2735		
R&M % of PPE	3.4%	4.1%	3.9%	4.0%	3.9%	3.9%		5.0%	5.0%	5.0%
Asset Renewal and R&M as a % of PPE	7.0%	8.0%	11.0%	14.0%	13.0%	13.0%		15.0%	15.0%	14.0%
Debt Impairment % of Total Billable Revenue	6.8%	11.5%	6.2%	5.5%	5.7%	5.8%	5.8%	5.3%	5.3%	5.3%
Capital Revenue										
Internally Funded & Other (R'000)	1,947,602	1,613,578	854,664	1,125,300	1,182,859	1,182,859	320,184	957,693	1,100,810	1,075,117
Borrowing (R'000)	—	1,300,000	2,873,286	3,519,944	3,193,898	3,193,898	660,874	4,077,075	3,953,888	3,475,933
Grant Funding and Other (R'000)	2,146,263	1,788,457	2,003,877	2,258,969	2,346,344	2,346,344	599,962	2,781,960	2,824,374	2,808,849
Internally Generated funds % of Non Grant Funding	100.0%	55.4%	22.9%	24.2%	27.0%	27.0%	32.6%	19.0%	21.8%	23.6%
Borrowing % of Non Grant Funding	0.0%	44.6%	77.1%	75.8%	73.0%	73.0%	67.4%	81.0%	78.2%	76.4%
Grant Funding % of Total Funding	52.4%	38.0%	35.0%	32.7%	34.9%	34.9%	37.9%	35.6%	35.8%	38.2%
Capital Expenditure										
Total Capital Programme (R'000)	4,093,865	4,702,035	5,731,827	6,904,213	6,723,102	6,723,102	1,581,020	7,816,729	7,879,071	7,359,898
Asset Renewal	1,928,851	2,240,835	4,332,720	6,062,272	5,816,463	5,816,463	5,816,463	6,713,379	6,781,135	6,423,052
Asset Renewal % of Total Capital Expenditure	47.1%	47.7%	75.6%	87.8%	86.5%	86.5%	367.9%	85.9%	86.1%	87.3%
Cash										
Cash Receipts % of Rate Payer & Other	88.2%	91.0%	88.2%	95.7%	95.7%	97.6%	97.6%	91.9%	92.5%	92.6%
Cash Coverage Ratio	0	0	0	0	0	0	0	0	0	0
Credit Rating (2009/10)								0		
Capital Charges to Operating	4.3%	4.3%	4.3%	2.8%	3.8%	3.8%	3.8%	5.9%	6.5%	6.2%
Borrowing Receipts % of Capital Expenditure	12.0%	(0.0%)	34.9%	72.7%	67.1%	67.1%	299.5%	76.1%	73.5%	71.8%
Reserves										
Surplus/(Deficit)	6,535,158	4,727,900	2,311,439	8,319,714	8,322,689	8,387,898	8,387,898	2,785,785	5,696,443	7,624,313
Free Services										
Free Basic Services as a % of Equitable Share	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)	7.4%	7.4%	7.9%	6.5%	6.6%	6.7%		6.5%	6.6%	6.6%
High Level Outcome of Funding Compliance										
Total Operating Revenue	27,501,101	29,591,762	32,530,157	35,317,657	36,226,224	35,728,273	35,728,273	38,819,131	42,471,174	46,704,432
Total Operating Expenditure	27,676,848	30,128,249	32,875,559	35,256,508	36,165,075	36,165,075	36,165,075	38,804,683	42,457,393	46,691,034
Surplus/(Deficit) Budgeted Operating Statement	(175,747)	(536,487)	(345,402)	61,149	61,149	(436,802)	(436,802)	14,447	13,781	13,398
Surplus/(Deficit) Considering Reserves and Cash Backing	6,535,158	4,727,900	2,311,439	8,319,714	8,322,689	8,387,898	8,387,898	2,785,785	5,696,443	7,624,313
MTREF Funded (1) / Unfunded (0)	1	1	1	1	1	1	1	1	1	1
MTREF Funded v/ Unfunded v	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.6.5.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the Medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with Section 45 of the MFMA, which deals with the repayment of short-term debt at the end of the financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detailed reconciliation of the cash-backed reserves/surpluses is contained in Table 28, on page 73. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash inflow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the metro to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. During the MTREF the municipality's improving cash position causes the ratio between 4.4 and 5.5 over the MTREF period.

2.6.5.4 Surplus/deficit excluding depreciation offsets

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

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

2.6.5.5 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is expected to be at 94% this measure and performance objective will have to be meticulously managed.

A 94% collection target has been set for the City.

2.6.5.6 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 6% over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It should be noted that a timing discount may have an influence on the cash position forecasted over financial years. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

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

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 72.6%, 74% and 72.2% of own funded capital over the MTREF.

2.6.5.9 Transfers/grants revenue as a percentage of government transfers/grants available

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

2.6.5.10 Consumer debtors change (current and non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor, the change in current debtors and the change in long-term receivables, both from the Budgeted Financial Position.

2.6.5.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium- to long-term because the revenue budget is not being protected. Details of the City's strategy pertaining to asset management and repairs and maintenance are contained in Table 92 MBRR SA34c - repairs and maintenance expenditure by asset class on page 242.

2.6.5.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed Capital Budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 91 MBRR SA34b on page 241.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 48 MBRR SA19 - Expenditure on transfers and grant programmes

EKU Ekurhuleni Metro - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	4,129,614	4,702,382	4,912,435	5,559,028	5,439,267	5,439,267	5,501,712	5,909,925	6,460,707
Energy Efficiency and Demand Management				–	280	280	915	1,050	700
Equitable Share	2,181,182	2,381,367	2,719,861	3,145,138	3,145,138	3,145,138	3,478,292	3,830,583	4,229,656
Expanded Public Works Programme Integrated Grant for Municipality	13,709	22,123	44,623	25,054	25,054	25,054	22,022	–	–
Local Government Financial Management Grant [Schedule 5B]	1,050	1,050	1,050	1,000	1,000	1,000	1,000	1,000	1,000
Public Transport Network Grant [Schedule 5B]	28,455	780	119,215	216,592	272,932	272,932	110,632	137,750	330,201
Revenue Enhancement Grant: Debtors Book	27,205	7,156	–	–	–	–	–	–	–
RSC Levy Replacement	1,528,809	1,625,872	1,694,256	1,734,629	1,734,629	1,734,629	1,711,291	1,741,922	1,797,591
Urban Settlement Development Grant	307,571	664,034	333,430	436,615	260,234	260,234	177,560	197,620	101,559
Urban Settlement Development Grant [Schedule 4B]	–	–	–	–	–	–	–	–	–
Intergrated City Development Grant	41,634								
Provincial Government:	334,700	336,233	337,828	333,985	795,238	795,238	352,955	354,055	354,055
Agricultural Research and Technology	308	200	16	–	–	–	–	–	–
Health	272,961	287,477	301,732	328,985	319,206	319,206	347,455	348,055	348,055
Housing	40,984	34,805	31,204	–	470,932	470,932	–	–	–
Libraries Archives and Museums	6,440	6,199	4,876	5,000	5,100	5,100	5,500	6,000	6,000
Disaster Grant	14,007	7,553							
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	1,553	9,025	10,797	25,132	25,132	25,132	25,132	25,132	25,132
National Urban Reconstruction and Housing Agency (NURCH)	–	–		–	–	–	–	–	–
Public Sector SETA	1,553	9,025	10,797	25,132	25,132	25,132	25,132	25,132	25,132
Total operating expenditure of Transfers and Grants:	4,465,867	5,047,640	5,261,059	5,918,145	6,259,637	6,259,637	5,879,798	6,289,112	6,839,894

EKU Ekurhuleni Metro - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand									
Capital expenditure of Transfers and Grants									
National Government:	2,118,921	1,757,650	1,992,791	2,192,969	2,335,558	2,335,558	2,614,920	2,637,174	2,723,849
Energy Efficiency and Demand-side	17,808	15,000	12,000	14,000	13,720	13,720	12,150	13,950	9,300
Integrated City Development Grant	–	37,506	48,646	45,537	45,537	45,537	54,295	51,069	54,878
Integrated National Electrification Programme	49,755	40,000	40,000	45,000	45,000	45,000	–	–	–
Neighbourhood Development Partnership Grant	20,000	39,554	96,426	75,262	60,000	60,000	65,000	80,000	74,999
Informal Settlements Upgrading Partnership Grant	–	–	–	–	–	–	–	416,495	611,615
Public Transport Network Grant	294,079	419,338	346,563	478,048	421,708	421,708	568,521	578,716	440,000
Urban Settlement Development Grant	1,737,279	1,206,253	1,449,155	1,535,122	1,749,593	1,749,593	1,914,954	1,496,944	1,533,057
Provincial Government:	27,342	30,807	8,492	8,700	64,506	64,506	9,000	9,000	9,000
Housing	24,715	23,159	–	–	55,409	55,409	–	–	–
Libraries; Archives and Museums	2,628	7,648	8,492	8,700	9,097	9,097	9,000	9,000	9,000
Total capital expenditure of Transfers and Grants	2,146,263	1,788,457	2,001,283	2,201,669	2,400,064	2,400,064	2,623,920	2,646,174	2,732,849
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	6,612,130	6,836,096	7,262,342	8,119,814	8,659,701	8,659,701	8,503,719	8,935,286	9,572,743

Table 49 MBRR SA20 - Reconciliation between transfers, grant receipts and unspent funds

EKU Ekurhuleni Metro - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds									
Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	66,941	42,445	44,876	–	(119,761)	–	–	–	–
Current year receipts	4,105,117	4,704,814	4,704,814	5,559,028	5,319,506	5,439,267	5,501,712	5,909,925	6,460,707
Conditions met - transferred to revenue	4,129,614	4,702,382	4,912,435	5,559,028	5,439,267	5,439,267	5,501,712	5,909,925	6,460,707
Conditions still to be met - transferred to liabilities	42,445	44,876	280,999	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	8,580	74,304	31,838	–	441,254	–	–	–	–
Current year receipts	400,424	293,767	325,744	333,985	353,984	795,238	352,955	354,055	354,055
Conditions met - transferred to revenue	334,700	336,233	337,828	333,985	795,238	795,238	352,955	354,055	354,055
Conditions still to be met - transferred to liabilities	74,304	31,838	19,754	–	–	–	–	–	–
Balance unspent at beginning of the year									
Current year receipts				25,132	25,132	25,132	25,132	25,132	25,132
Conditions met - transferred to revenue	–	–	–	25,132	25,132	25,132	25,132	25,132	25,132
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	4,464,314	5,038,615	5,250,263	5,918,145	6,259,637	6,259,637	5,879,798	6,289,112	6,839,894
Total operating transfers and grants - CTBM	116,748	76,714	300,753	–	–	–	–	–	–
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	476,525	311,393	36,643	–	142,589	–	–	–	–
Current year receipts	1,953,789	1,482,901	2,231,055	2,192,969	2,335,558	2,335,558	2,614,920	2,637,174	2,723,849
Conditions met - transferred to revenue	2,118,921	1,757,650	1,992,791	2,192,969	2,335,558	2,335,558	2,614,920	2,637,174	2,723,849
Conditions still to be met - transferred to liabilities	311,393	36,643	274,908	–	–	–	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	1,000	5,145	52		55,806				
Current year receipts	31,487	25,714	9,800	8,700	8,700	64,506	9,000	9,000	9,000
Conditions met - transferred to revenue	27,342	30,807	8,492	8,700	64,506	64,506	9,000	9,000	9,000
Conditions still to be met - transferred to liabilities	5,145	52	1,360						
District Municipality:									
Total capital transfers and grants revenue	2,146,263	1,788,457	2,001,283	2,201,669	2,400,064	2,400,064	2,623,920	2,646,174	2,732,849
Total capital transfers and grants - CTBM	316,537	36,695	276,268	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	6,610,577	6,827,072	7,251,545	8,119,814	8,659,701	8,659,701	8,503,719	8,935,286	9,572,743
TOTAL TRANSFERS AND GRANTS - CTBM	433,286	113,409	577,021	–	–	–	–	–	–

2.8 Councillor and employee benefits

Table 50 MBRR SA22 - Summary of councillor and staff benefits

EKU Ekurhuleni Metro - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	50,275	54,309	57,443	77,745	77,745	77,745	61,822	66,768	72,110
Pension and UIF Contributions	7,386	4,053	4,396	4,789	4,789	4,789	4,807	5,192	5,607
Medical Aid Contributions	2,096	833	–	–	–	–	–	–	–
Motor Vehicle Allowance	11,719	7,003	7,882	8,230	8,230	8,230	9,549	10,313	11,138
Cellphone Allowance	4,252	5,078	9,117	9,779	9,779	9,779	9,128	9,859	10,647
Housing Allowances	29,968	48,667	53,861	50,518	50,518	50,518	54,388	58,739	63,439
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Sub Total - Councillors	105,696	119,944	132,700	151,062	151,062	151,062	139,695	150,871	162,940
% increase		13.5%	10.6%	13.8%	–	–	(7.5%)	8.0%	8.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	–	34,667	42,141	53,924	46,498	46,498	47,319	51,104	55,193
Pension and UIF Contributions	–	1,374	2,488	1,726	1,719	1,719	2,895	3,126	3,377
Performance Bonus	–	–	8,335	1,630	1,506	1,506	2,059	2,223	2,401
Motor Vehicle Allowance	–	2,434	3,364	2,381	2,227	2,227	3,738	4,037	4,360
Cellphone Allowance	–	718	990	834	759	759	1,027	1,109	1,198
Housing Allowances	–	156	512	–	–	–	465	503	543
Payments in lieu of leave	–	–	2,451	106	100	100	1,338	1,445	1,561
Sub Total - Senior Managers of Municipality	–	39,401	60,282	60,602	52,810	52,810	58,841	63,548	68,632
% increase		–	53.0%	0.5%	(12.9%)	–	11.4%	8.0%	8.0%
Other Municipal Staff									
Basic Salaries and Wages	3,930,115	3,717,753	4,867,037	6,045,192	6,004,920	6,004,920	6,237,438	6,709,531	7,245,228
Pension and UIF Contributions	718,555	868,783	433,458	1,023,554	1,021,528	1,021,528	1,160,869	1,253,738	1,354,038
Medical Aid Contributions	668,413	321,573	363,018	482,898	481,257	481,257	501,859	542,008	585,368
Overtime	638,657	734,664	763,955	211,730	211,730	211,730	407,580	440,186	475,401
Motor Vehicle Allowance	208,394	219,831	227,692	267,967	267,393	267,393	273,991	295,910	319,583
Cellphone Allowance	17,384	18,079	19,125	19,011	19,011	19,011	19,328	20,874	22,544
Housing Allowances	57,074	56,017	55,337	83,552	83,552	83,552	60,625	65,475	70,713
Payments in lieu of leave	105,370	120,245	148,348	9,894	9,894	9,894	264,454	285,610	308,459
Long service awards	(5,541)	(45,339)	65,019	8,383	8,383	8,383	9,006	9,727	10,505
Post-retirement benefit obligations	–	–	95,454	96,837	96,837	96,837	97,127	104,897	113,289
Sub Total - Other Municipal Staff	6,338,421	6,011,605	7,038,443	8,249,018	8,204,504	8,204,504	9,032,276	9,727,956	10,505,127
% increase		(5.2%)	17.1%	17.2%	(0.5%)	–	10.1%	7.7%	8.0%
Total Parent Municipality	6,444,117	6,170,950	7,231,425	8,460,681	8,408,376	8,408,376	9,230,812	9,942,375	10,736,699
		(4.2%)	17.2%	17.0%	(0.6%)	–	9.8%	7.7%	8.0%
Board Members of Entities									
Basic Salaries and Wages	–	–	–	–	–	–	10,513	11,512	12,673
Sub Total - Board Members of Entities	–	–	–	–	–	–	10,513	11,512	12,673
% increase		–	–	–	–	–	–	9.5%	10.1%
Senior Managers of Entities									
Basic Salaries and Wages	–	–	30,318	20,852	20,852	20,852	11,163	11,855	12,579
Pension and UIF Contributions	–	–	2,645	1,191	1,191	1,191	3,188	3,420	3,647
Medical Aid Contributions	–	–	1,041	497	497	497	516	548	580
Performance Bonus	–	–	1,747	1,288	1,288	1,288	1,115	1,182	1,253
Motor Vehicle Allowance	–	–	1,124	720	720	720	84	91	97
Cellphone Allowance	–	–	526	177	177	177	6,208	6,703	7,171
Housing Allowances	–	–	27	41	41	41	84	91	97
Payments in lieu of leave	–	–	118	225	225	225	67	71	75
Sub Total - Senior Managers of Entities	–	–	37,578	24,990	24,990	24,990	22,426	23,960	25,499
Other Staff of Entities									
Basic Salaries and Wages	–	–	199,370	247,097	247,097	247,097	250,021	290,508	340,508
Pension and UIF Contributions	–	–	49,228	58,997	58,997	58,997	66,822	77,518	90,663
Medical Aid Contributions	–	–	1,392	1,503	1,503	1,503	1,703	1,871	2,067
Overtime	–	–	26,612	25,644	25,644	25,644	30,606	35,571	41,690
Performance Bonus	–	–	(17,202)	9,110	9,110	9,110	8,550	9,783	11,290
Motor Vehicle Allowance	–	–	5,107	7,067	7,067	7,067	8,118	9,433	11,058
Cellphone Allowance	–	–	3,394	2,896	2,896	2,896	15,421	17,035	18,848
Housing Allowances	–	–	2,545	2,263	2,263	2,263	3,990	4,568	5,260
Payments in lieu of leave	–	–	11,739	15,606	15,606	15,606	18,359	21,402	25,168
Long service awards	–	–	520	1,221	1,221	1,221	1,326	1,547	1,819
Post-retirement benefit obligations	–	–	(1,604)	2,320	2,320	2,320	2,439	2,845	3,346
Sub Total - Other Staff of Entities	–	–	281,102	373,724	373,724	373,724	407,355	472,080	551,716
% increase		–	–	32.9%	–	–	9.0%	15.9%	16.9%
Total Municipal Entities	–	–	318,680	398,714	398,714	398,714	440,294	507,552	589,888
TOTAL SALARY, ALLOWANCES & BENEFITS	6,444,117	6,170,950	7,550,105	8,859,396	8,807,090	8,807,090	9,671,106	10,449,927	11,326,588
% increase		(4.2%)	22.3%	17.3%	(0.6%)	–	9.8%	8.1%	8.4%
TOTAL MANAGERS AND STAFF	6,338,421	6,051,006	7,417,405	8,708,334	8,656,028	8,656,028	9,531,411	10,299,056	11,163,647

A 7% provision has been made on the remuneration of councillor's budget.

Table 51 MBRR SA23 – Salaries, allowances & benefits

EKU Ekurhuleni Metro - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	Total Package
Rand per annum		1.			2.
Councillors					
Speaker	465,978	69,897	607,105		1,142,980
Chief Whip	997,121	–	75,870		1,072,991
Executive Mayor	1,316,953	–	87,695		1,404,648
Deputy Executive Mayor	–	–	–		–
Executive Committee	4,083,179	462,908	6,183,821		10,729,908
Total for all other councillors	54,959,136	4,274,288	66,111,115		125,344,539
Total Councillors	61,822,367	4,807,093	73,065,606		139,695,066
Senior Managers of the Municipality					
MUNICIPAL MANAGER (MM)	3,176,693	72,217	330,533	185,541	3,764,984
CHIEF FINANCE OFFICER	1,873,998	136,685	251,474	–	2,262,157
SM D01- CHIEF OPERATING OFFICER	2,129,743	379,787	306,500	–	2,816,030
SM D02-LEGISLATURE	1,559,790	276,644	542,095	–	2,378,529
SM D03-CITY PLANNING	1,643,953	194,221	362,718	112,797	2,313,689
SM D04-CHIEF OF POLICE	1,878,454	106,268	249,974	67,603	2,302,299
SM D05-HEALTH & SOCIAL DEVELOPMENT	1,791,651	173,723	172,992	131,136	2,269,502
SM D06-CHIEF AUDIT EXECUTIVE (INTERNAL A	2,157,316	2,092	–	–	2,159,408
SM D07-ENVIRONMENTAL RESOURCE AND WA	2,157,316	2,092	–	–	2,159,408
SM D08-CHIEF INFORMATION OFFICER (ICT)	1,742,951	136,685	302,934	–	2,182,570
SM D09-HUMAN SETTLEMENT	1,803,736	102,287	277,494	109,821	2,293,338
SM D10-ROADS & STORMWATER	2,228,217	2,208	327,624	135,745	2,693,794
SM D11-TRANSPORT	1,928,846	2,003	303,848	–	2,234,697
SM D12-ENERGY	2,021,796	189,955	604,279	170,667	2,986,697
					–
<i>List of each official with packages >= senior manager</i>					
SM D04- DISASTER & EMERGENCY MANAGEMEN	1,719,895	212,711	243,799	92,783	2,269,188
SM D05-CUSTOMER RELATION MANAGEMENT	–	–	–	–	–
SM D05-SPORTS, RECREATION, ARTS & CULTUR	2,005,166	2,003	227,528	211,581	2,446,278
SM D06-STRATEGY & CORPORATE SERVICES	1,728,245	227,424	294,117	52,903	2,302,689
SM D06-HUMAN RESOURCES	1,817,066	82,139	221,264	–	2,120,469
SM D06-CORPORATE LEGAL SERVICE	2,249,670	139,379	253,153	233,304	2,875,506
SM D06-COMMUNICATION & BRANDING MANA	1,785,051	159,132	239,334	106,423	2,289,940
SM D06-RISK MANAGEMENT	1,789,301	2,208	261,536	120,946	2,173,991
SM D08-ECONOMIC DEVELOPMENT	2,300,098	2,003	328,348	138,093	2,768,542
SM D10-FACILITIES MANAGEMENT & REAL ESTA	2,120,594	128,758	163,109	126,372	2,538,833
SM D10-ENTERPRISE PROGRAMME MANAGEMEN	–	–	–	–	–
SM D12-WATER & SANITATION MANAGEMEN	1,709,131	162,275	303,848	63,055	2,238,309
					–
Total Senior Managers of the Municipality	47,318,677	2,894,899	6,568,501	2,058,770	58,840,847
A Heading for Each Entity					
Brakpan Bus Company	3,465,003				3,465,003
BM D01					–
BM D02	3,748,227				3,748,227
	3,300,000				3,300,000
Total for municipal entities	10,513,230	–	–	–	10,513,230
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	119,654,274	7,701,992	79,634,107	2,058,770	209,049,143

Table 52 MBRR SA24 – Summary of personnel numbers

EKU Ekurhuleni Metro - Supporting Table SA24 Summary of personnel numbers									
Summary of Personnel Numbers	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number	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 p	224	–	224	224	–	224	223	–	223
Board Members of municipal entities	13	–	13		–			–	
Municipal employees									
Municipal Manager and Senior Manag	197	–	197	205	–	145	216	–	127
Other Managers	366	366		966	648		1,346	895	
Professionals	1,943	1,939	4	1,528	1,105	14		895	–
<i>Finance</i>	200	199	1	189	117	–	129	79	–
<i>Spatial/town planning</i>	42	42		101	71	–	61	54	–
<i>Information Technology</i>	29	29		10	5	–	19	16	–
<i>Roads</i>	57	57		39	19	–	16	12	–
<i>Electricity</i>	51	51		65	48	–	48	39	–
<i>Water</i>	67	67		91	55	–	55	38	–
<i>Sanitation</i>				–	–	–	–	–	–
<i>Refuse</i>	23	23		6	3	–			–
<i>Other</i>	1,474	1,471	3	1,027	787	14	741	657	–
Technicians	2,227	2,227	–	1,953	1,503	1	1,760	1,353	–
<i>Finance</i>	59	59		21	14	1	62	39	
<i>Spatial/town planning</i>	98	98		105	90	–	84	32	–
<i>Information Technology</i>	41	41		30	22	–	60	48	–
<i>Roads</i>	194	194		78	59	–	43	17	–
<i>Electricity</i>	366	366		235	216	–	137	93	–
<i>Water</i>	184	184		122	70	–	143	110	–
<i>Sanitation</i>	–	–		–	–	–	–	–	–
<i>Refuse</i>	43	43		15	10	–	14	13	–
<i>Other</i>	1,242	1,242		1,347	1,022	–	1,217	1,001	–
Clerks (Clerical and administrative)	3,989	3,989		5,025	3,452	586	4,120	3,295	48
Service and sales workers	5,579	5,579		5,110	4,563	1	4,536	3,994	271
Skilled agricultural and fishery worke	96	96		79	69	–	258	208	–
Craft and related trades	–	–		753	749	–	1,015	929	–
Plant and Machine Operators	1,891	1,891		2,166	1,722	–	2,379	1,976	–
Elementary Occupations	4,874	4,874		4,520	3,534	–	4,039	3,550	3
TOTAL PERSONNEL NUMBERS	21,399	20,961	438	22,529	17,345	971	20,961	17,095	672
% increase	–	–	4,766.7%	5.3%	(17.3%)	121.7%	(7.0%)	(1.4%)	(30.8%)
Total municipal employees headcount									
Finance personnel headcount	1,379	1,369	10	1,291	992	3	1,291	952	1
Human Resources personnel headcou	1,282	1,275	7	282	195	–	273	186	–

Table 54 MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)

EKU Ekurhuleni Metro - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)	Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22		
	Revenue by Vote																	
	Vote 1 - Executive and Council	381,740	93,718	297,627	124,157	291,862	930,162	373,585	381,716	1,111,467	307,440	307,440	307,440	327,841	9,835,721	10,673,497	328,265	
	Vote 2 - Finance and Corporate Services	896,213	983,465	1,970,768	1,404,127	1,657,285	971,426	1,310,347	1,125,873	772,759	870,922	870,922	870,922	16,533,647	17,910,572	19,683,329	19,683,329	
	Vote 3 - Energy	906,131	1,292,480	638,790	655,595	593,106	449,625	423,596	377,508	260,090	653,080	653,080	653,080	9,846,700	10,975,550	12,194,366	12,194,366	
	Vote 4 - Water and Sanitation	321,256	104,211	116,620	119,968	119,044	314,359	108,477	111,344	241,576	117,999	117,999	117,999	2,161,704	2,350,870	2,560,964	2,560,964	
	Vote 5 - Waste Management	23,349	23,947	31,356	163,374	47,202	12,860	62,256	28,615	25,974	25,490	25,490	25,490	1,640,324	1,727,723	1,764,835	1,764,835	
	Vote 6 - Human Settlements	4,965	4,100	3,324	4,290	4,154	3,996	2,571	3,593	2,049	1,215	1,215	1,215	45,269	47,714	50,290	50,290	
	Vote 7 - City Planning	1,429	1,414	1,626	1,554	1,647	1,572	1,475	1,238	1,329	1,303	1,303	1,303	47,675	27,039	28,499	28,499	
	Vote 8 - Economic Development	1,469	1,796	10,025	1,414	21,538	21,694	2,184	1,302	1,785	1,303	1,303	1,303	202,661	204,063	205,541	205,541	
	Vote 9 - Disaster and Emergency Management	51	52	101	101	101	111	89	101	101	101	101	101	24,223	25,248	25,801	25,801	
	Vote 10 - Sports, Recreation, Arts & Culture (SRA)	15,103	0	6,151	2,658	9,090	34,034	923	1,953	17,572	4,888	4,888	4,888	175,265	176,108	176,365	176,365	
	Vote 11 - Health and Social Development	-	-	-	-	-	-	-	-	-	-	-	-	35,554	37,474	39,497	39,497	
	Vote 12 - Environmental Resource Management	5,284	11,331	9,317	10,404	10,463	5,662	10,263	6,409	13,994	10,514	10,514	10,514	136,693	144,075	151,855	151,855	
	Vote 13 - Ekurhuleni Metropolitan Police Department	35,407	45,107	34,296	87,830	187,809	17,413	2,442	171,198	97,314	30,007	30,007	30,007	1,166,313	1,229,638	1,310,489	1,310,489	
	Vote 14 - Transport Planning & Provisioning	4,134	2,264	11,126	13,021	20,535	17,270	22,261	22,060	15,254	12,662	12,662	12,662	100,485	277,713	393,689	393,689	
	Vote 15 - Roads and Stormwater	2,596,531	2,581,885	3,131,128	2,588,493	2,969,837	2,780,184	2,320,469	2,232,931	2,561,114	2,118,544	2,118,544	2,118,544	41,602,651	45,297,348	49,587,281	49,587,281	
	Total Revenue by Vote																	
	Expenditure by Vote to be appropriated																	
	Vote 1 - Executive and Council	19,248	22,071	21,057	23,145	23,696	25,885	29,046	30,265	31,027	28,623	28,623	28,623	1,234,165	1,140,821	1,620,862	1,620,862	
	Vote 2 - Finance and Corporate Services	170,822	518,771	390,335	434,311	359,299	108,772	118,027	113,645	206,369	368,303	368,303	368,303	3,253,169	3,883,177	4,139,627	4,139,627	
	Vote 3 - Energy	708,516	1,240,164	1,110,222	1,294,845	449,484	940,592	597,646	679,811	335,421	828,372	828,372	828,372	15,012,940	16,471,771	18,073,634	18,073,634	
	Vote 4 - Water and Sanitation	484,761	467,693	686,350	502,141	672,400	488,722	593,281	454,128	634,636	326,523	326,523	326,523	7,913,324	8,763,539	9,659,226	9,659,226	
	Vote 5 - Waste Management	51,171	79,538	56,043	108,243	119,812	112,352	111,645	112,952	123,314	104,623	104,623	104,623	1,358,597	1,446,291	1,540,109	1,540,109	
	Vote 6 - Human Settlements	19,654	51,223	41,837	40,040	65,032	104,797	36,305	37,382	103,442	29,636	29,636	29,636	1,053,068	1,120,881	1,138,967	1,138,967	
	Vote 7 - City Planning	21,972	22,872	22,022	21,905	22,449	21,671	21,917	24,742	21,500	21,604	21,604	21,604	326,259	346,926	369,185	369,185	
	Vote 8 - Economic Development	12,886	19,635	15,392	15,149	18,077	15,209	11,897	17,653	10,665	19,754	19,754	19,754	282,467	271,752	283,907	283,907	
	Vote 9 - Disaster and Emergency Management	59,462	62,001	73,812	60,135	63,820	61,430	64,857	63,840	79,485	64,918	64,918	64,918	944,033	1,017,509	1,096,816	1,096,816	
	Vote 10 - Sports, Recreation, Arts & Culture (SRA)	28,178	58,677	67,855	46,635	49,224	47,865	44,267	50,800	52,852	63,807	63,807	63,807	759,049	817,369	879,886	879,886	
	Vote 11 - Health and Social Development	56,852	71,883	63,946	66,055	65,117	66,123	62,233	62,816	83,875	66,879	66,879	66,879	1,146,671	1,233,500	1,326,648	1,326,648	
	Vote 12 - Environmental Resource Management	44,428	49,791	54,548	56,139	60,998	57,208	58,632	63,215	69,772	56,445	56,445	56,445	863,728	927,663	996,499	996,499	
	Vote 13 - Ekurhuleni Metropolitan Police Department	77,213	95,293	93,432	91,407	97,196	96,161	105,864	96,298	95,318	89,786	89,786	89,786	1,836,766	1,968,064	2,109,334	2,109,334	
	Vote 14 - Transport Planning & Provisioning	36,779	43,827	43,281	43,052	51,150	37,031	41,548	48,277	48,911	41,171	41,171	41,171	848,957	929,185	1,178,016	1,178,016	
	Vote 15 - Roads and Stormwater	17,710	184,388	139,661	137,102	136,437	123,767	116,170	130,761	121,629	121,783	121,783	121,783	1,971,491	2,118,945	2,278,319	2,278,319	
	Total Expenditure by Vote	1,809,652	2,987,826	2,879,795	2,940,303	2,254,192	2,307,586	2,013,334	1,986,586	2,018,216	2,232,226	2,232,226	2,232,226	38,804,683	42,457,393	46,691,034	46,691,034	
	Surplus/(Deficit) before assoc. Taxation	786,879	(405,940)	251,333	(351,811)	715,645	472,599	307,135	246,345	542,897	(113,682)	(113,682)	(113,682)	2,797,968	2,839,955	2,896,247	2,896,247	
	Surplus/(Deficit)	786,879	(405,940)	251,333	(351,811)	715,645	472,599	307,135	246,345	542,897	(113,682)	(113,682)	(113,682)	2,797,968	2,839,955	2,896,247	2,896,247	

Table 55 MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue - Functional															
Governance and administration	369,564	1,127,171	342,895	495,866	478,118	1,008,802	576,810	645,249	987,714	710,964	764,925	2,019,882	9,527,961	10,207,644	11,048,224
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration	369,564	1,127,171	342,895	495,866	478,118	1,008,802	576,810	645,249	987,714	710,964	764,925	2,019,882	9,527,961	10,207,644	11,048,224
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	52,547	32,779	44,417	136,194	62,219	68,474	61,712	38,382	51,760	39,357	78,489	1,507,496	2,173,825	2,271,587	2,318,462
Community and social services	235	195	308	144	408	311	507	465	89	755	218	224,416	228,051	231,027	233,637
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	16,391	16,790	17,211	-
Public safety	15,271	15,271	15,271	15,271	15,271	15,271	15,271	15,271	15,271	15,271	15,271	(22,019)	145,962	153,844	162,152
Housing	16,881	17,313	22,669	118,114	37,424	18,762	45,009	20,688	18,778	18,428	31,612	1,233,896	1,599,573	1,684,772	1,719,564
Health	20,160	0	6,169	2,665	9,116	34,131	926	1,958	17,622	4,902	31,388	54,811	183,847	185,154	185,899
Economic and environmental services	33,374	94,769	32,396	82,354	175,823	16,568	2,525	160,230	91,211	24,528	198,123	1,028,150	1,232,604	1,414,595	
Planning and development	284	279	344	273	306	294	242	237	266	223	282	64,261	67,291	47,714	50,290
Road transport	33,089	94,490	32,051	82,082	175,517	16,274	2,283	159,993	90,945	24,305	197,841	51,845	960,715	1,184,738	1,364,144
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	144	144	152	160
Trading services	2,138,977	1,325,136	2,708,913	1,872,094	2,251,447	1,684,201	1,677,657	1,387,342	1,428,494	1,342,069	1,088,939	9,635,709	28,540,978	31,235,862	34,437,468
Energy sources	772,323	697,950	1,740,598	995,087	1,424,766	910,993	800,173	595,359	640,269	579,015	306,260	7,070,854	16,533,647	17,910,572	19,683,329
Water management	849,666	396,918	656,212	569,213	512,523	441,455	515,899	470,649	455,364	441,212	439,872	1,205,258	6,954,240	7,708,767	8,490,668
Waste water management	208,581	208,581	208,581	208,581	208,581	208,581	208,581	208,581	208,581	208,581	208,581	598,065	2,892,460	3,266,783	3,703,698
Waste management	308,407	21,687	103,522	99,213	105,576	123,172	153,004	112,753	124,280	113,260	134,225	761,532	2,160,631	2,349,740	2,559,773
Other	2,069	2,032	2,507	1,985	2,230	2,140	1,765	1,727	1,934	1,625	2,054	309,668	331,737	349,651	368,532
Total Revenue - Functional	2,596,531	2,581,886	3,131,128	2,588,492	2,969,836	2,780,185	2,320,470	2,232,931	2,561,113	2,118,544	2,132,550	13,589,006	41,602,651	45,297,348	49,587,281
	3,280,310	4,872,378	4,872,378	3,583,996	4,395,317	3,691,782	3,121,392	2,828,992	3,201,737	2,698,537	2,439,290				
Expenditure - Functional															
Governance and administration	342,416	511,865	226,600	343,285	329,646	480,336	503,945	569,184	509,534	95,842	78,701	1,095,759	5,087,113	5,664,522	6,444,668
Executive and council	38,131	83,968	90,437	90,526	69,161	68,719	56,365	57,138	60,358	44,978	38,131	(174,335)	523,577	557,959	595,086
Finance and administration	304,286	427,898	136,164	252,759	260,485	411,617	447,580	512,045	449,175	50,864	40,571	1,190,599	4,484,041	5,021,926	5,759,412
Internal audit	-	-	-	-	-	-	-	-	-	-	-	79,495	79,495	84,638	90,170
Community and public safety	89,674	143,908	129,280	129,753	146,078	182,670	114,340	116,066	183,569	112,479	145,722	4,465,251	5,958,791	6,396,396	6,812,282
Community and social services	14,433	23,300	24,552	24,569	20,436	20,350	17,960	18,110	18,733	18,110	19,743	1,106,951	1,106,951	1,189,756	1,279,091
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	1,907	4,198	4,522	4,526	3,458	3,436	2,818	2,857	3,018	2,249	1,907	1,845,779	1,880,675	2,014,809	2,159,108
Housing	17,651	46,003	37,574	35,960	58,406	94,119	32,606	33,573	79,666	26,616	31,547	47,537	541,259	575,444	557,551
Health	55,684	70,406	62,633	64,698	63,779	64,765	60,954	61,526	82,152	65,505	92,525	893,752	1,638,377	1,764,323	1,899,706
Economic and environmental services	349,481	546,112	603,950	470,643	520,162	549,325	395,916	397,361	533,482	351,287	293,379	(1,834,611)	3,176,508	3,395,268	3,817,568
Planning and development	122,415	40,042	171,119	51,134	137,578	167,505	35,449	35,578	266,114	85,578	116,983	(569,864)	659,630	673,949	711,833
Road transport	221,947	497,805	424,122	410,794	375,334	374,601	354,096	355,379	260,724	259,285	169,392	(1,289,769)	2,413,712	2,610,591	2,985,567
Environmental protection	5,120	8,265	8,709	8,715	7,249	7,219	6,671	6,424	6,645	6,424	7,003	25,022	103,166	111,328	120,168
Trading services	1,026,652	1,783,636	1,917,536	1,994,192	1,256,284	1,093,243	997,357	902,164	789,778	1,670,827	1,508,423	9,360,354	24,300,446	26,698,040	29,290,322
Energy sources	808,516	1,240,164	1,110,222	1,294,945	449,484	740,592	597,646	679,811	335,421	828,372	763,004	6,164,862	15,012,940	16,471,771	18,073,634
Water management	93,160	374,914	661,404	495,513	643,404	213,274	64,417	320,307	653,248	518,946	518,946	2,673,142	6,868,659	7,549,598	8,235,986
Waste water management	72,241	86,589	65,097	92,265	89,673	79,322	71,380	71,226	55,709	71,081	84,612	221,151	1,060,346	1,230,481	1,440,700
Waste management	52,735	81,969	80,812	111,551	74,085	115,786	115,057	86,709	78,611	118,126	141,860	1,358,501	1,446,190	1,540,002	1,540,002
Other	1,428	2,305	2,428	2,430	2,021	2,013	1,776	1,791	1,853	1,791	1,953	260,036	281,825	303,167	326,194
Total Expenditure - Functional	1,809,651	2,987,826	2,879,795	2,940,303	2,254,192	2,307,586	2,013,334	1,986,585	2,018,216	2,232,226	2,028,178	13,346,790	38,804,683	42,457,393	46,691,034
Surplus/(Deficit) before assoc.	786,880	(405,940)	251,333	(351,811)	715,645	472,598	307,136	246,345	542,897	(113,682)	104,352	242,216	2,797,968	2,839,955	2,896,247
Surplus/(Deficit)	786,880	(405,940)	251,333	(351,811)	715,645	472,598	307,136	246,345	542,897	(113,682)	104,352	242,216	2,797,968	2,839,955	2,896,247

Table 57 MBRR SA29 – Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	Budget Year 2018/19												Budget Year 2020/21	Budget Year 2021/22	
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year 2020/21	Budget Year 2021/22
Capital Expenditure - Functional															
Governance and administration	6,849	41,022	83,393	151,618	101,837	143,300	163,771	184,243	204,714	225,105	245,657	495,550	2,047,141	1,921,770	1,594,780
Executive and council	385	2,304	4,685	8,517	5,721	8,050	9,200	10,350	11,500	12,650	13,800	27,838	115,000	113,040	113,040
Finance and administration	6,465	38,717	78,707	143,099	96,115	135,248	154,569	173,890	193,211	212,532	231,853	467,705	1,932,111	1,808,696	1,481,704
Internal audit	0	1	1	2	1	2	2	3	3	3	4	7	30	34	36
Community and public safety	7,136	42,737	86,879	157,956	106,093	149,289	170,617	191,944	213,271	234,598	255,925	516,263	2,132,707	1,949,728	1,889,266
Community and social services	536	3,212	6,530	11,872	7,974	11,221	12,824	14,427	16,030	17,633	19,236	38,804	160,300	167,000	124,300
Sport and recreation	1,228	7,354	14,950	27,181	18,257	25,690	29,360	33,030	36,700	40,370	44,040	88,940	367,000	290,520	251,000
Public safety	337	2,020	4,106	7,466	5,014	7,056	8,064	9,072	10,080	11,088	12,096	24,401	100,800	125,800	109,000
Housing	4,773	28,588	58,117	105,663	70,970	99,866	114,133	128,399	142,666	156,932	171,199	345,350	1,426,657	1,227,208	1,275,066
Health	261	1,562	3,175	5,773	3,878	5,457	6,236	7,016	7,795	8,575	9,354	18,869	77,950	139,200	129,900
Economic and environmental services	5,875	35,185	71,526	130,043	87,345	122,908	140,466	158,025	175,583	193,141	210,700	425,033	1,755,831	1,955,923	1,507,222
Planning and development	649	3,889	7,906	14,373	9,654	13,595	15,526	17,466	19,407	21,348	23,288	46,978	194,070	183,777	164,802
Road transport	4,956	29,681	60,337	109,700	73,682	103,681	118,493	133,304	148,116	162,928	177,739	358,544	1,481,161	1,623,646	1,228,420
Environmental protection	270	1,615	3,283	5,970	4,010	5,642	6,448	7,254	8,060	8,866	9,672	19,511	80,600	128,500	114,000
Trading services	6,294	37,694	76,627	139,317	93,574	131,674	150,484	169,295	188,105	206,916	225,726	455,345	1,881,050	2,071,650	2,368,610
Energy sources	2,465	14,766	30,007	54,574	36,655	51,590	58,948	66,317	73,685	81,054	88,422	178,369	736,850	780,150	841,000
Water management	2,994	17,931	36,451	66,272	44,513	62,636	71,584	80,532	89,480	98,428	107,376	216,004	894,800	966,000	1,161,000
Waste water management	406	2,433	4,945	8,991	6,039	8,498	9,712	10,926	12,140	13,354	14,568	29,387	121,400	135,000	71,710
Waste management	428	2,565	5,214	9,480	6,367	8,960	10,240	11,520	12,800	14,080	15,360	30,365	128,000	190,500	294,900
Total Capital Expenditure - Funded by:	26,154	156,637	318,426	578,934	388,850	547,171	625,338	705,506	781,673	859,940	938,007	1,892,192	7,816,729	7,879,071	7,359,898
National Government	7,839	46,951	95,446	173,531	116,555	164,011	187,441	210,871	234,301	257,731	281,161	997,122	2,772,960	2,815,374	2,799,949
Provincial Government	33	200	407	741	497	700	800	900	1,000	1,100	1,200	1,421	9,000	9,000	9,000
Transfers recognised - capital	7,873	47,151	95,863	174,272	117,053	164,711	188,341	211,771	235,301	258,831	282,361	998,343	2,781,960	2,824,374	2,808,849
Borrowing	14,442	86,494	175,684	319,685	214,721	302,145	345,339	388,473	431,636	474,800	517,963	805,573	4,077,075	3,953,888	3,475,933
Internally generated funds	3,839	22,992	46,739	84,977	57,076	80,315	91,789	103,262	114,736	126,209	137,683	88,077	957,693	1,100,810	1,075,117
Total Capital Funding	26,154	156,637	318,426	578,934	388,850	547,171	625,338	705,506	781,673	859,940	938,007	1,892,192	7,816,729	7,879,071	7,359,898

Table 58 MBRR SA30 – Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22	
	Cash Receipts By Source	481,004	481,004	481,004	481,004	481,004	481,004	481,004	481,004	481,004	481,004	481,004	481,004	481,004	5,572,050	6,262,674
Property rates	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	1,218,351	14,620,212	16,075,688	17,676,358
Service charges - electricity revenue	381,492	381,492	381,492	381,492	381,492	381,492	381,492	381,492	381,492	381,492	381,492	381,492	381,492	4,577,901	5,113,696	5,710,169
Service charges - water revenue	138,757	138,757	138,757	138,757	138,757	138,757	138,757	138,757	138,757	138,757	138,757	138,757	138,757	1,665,088	1,848,162	2,051,370
Service charges - sanitation revenue	120,112	120,112	120,112	120,112	120,112	120,112	120,112	120,112	120,112	120,112	120,112	120,112	120,112	1,441,344	1,567,795	1,696,651
Service charges - refuse revenue	11,356	11,356	11,356	11,356	11,356	11,356	11,356	11,356	11,356	11,356	11,356	11,356	11,356	136,271	149,676	151,484
Service charges - other	36,530	36,530	36,530	36,530	36,530	36,530	36,530	36,530	36,530	36,530	36,530	36,530	36,530	438,356	462,001	486,923
Rental of facilities and equipment	46,743	46,743	46,743	46,743	46,743	46,743	46,743	46,743	46,743	46,743	46,743	46,743	46,743	560,910	591,000	623,018
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	12,092	12,092	12,092	12,092	12,092	12,092	12,092	12,092	12,092	12,092	12,092	12,092	12,092	145,107	152,943	161,202
Dividends received	25,493	25,493	25,493	25,493	25,493	25,493	25,493	25,493	25,493	25,493	25,493	25,493	25,493	305,316	322,435	339,846
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	494,059	494,059	494,059	494,059	494,059	494,059	494,059	494,059	494,059	494,059	494,059	494,059	494,059	5,928,709	6,338,766	6,890,825
Agency services	112,420	112,420	112,420	112,420	112,420	112,420	112,420	112,420	112,420	112,420	112,420	112,420	112,420	1,349,056	1,527,777	1,744,577
Transfer receipts - operational	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	3,078,408	36,740,899	40,403,613	44,421,364
Other revenue	218,623	218,623	218,623	218,623	218,623	218,623	218,623	218,623	218,623	218,623	218,623	218,623	218,623	2,623,480	2,845,174	2,732,849
Other Cash Flows by Source	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	3,832,451	3,716,655	3,267,377
Transfer receipts - capital	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	55,000	55,000	55,000
Proceeds on disposal of PPE	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	751,000	(59,000)	(59,000)
Borrowing (long term)/refinancing	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000	55,000	55,000
Increase (decrease) in consumer deposits	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	(5,333)	751,000	(59,000)	(59,000)
Decrease (increase) in non-current investment	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	3,296,282	40,002,830	46,761,441	50,447,550
Total Cash Receipts by Source	746,627	746,627	746,627	746,627	746,627	746,627	746,627	746,627	746,627	746,627	746,627	746,627	746,627	8,959,526	9,681,113	10,483,829
Cash Payments by Type	11,641	11,641	11,641	11,641	11,641	11,641	11,641	11,641	11,641	11,641	11,641	11,641	11,641	139,055	150,871	162,940
Employee related costs	110,613	110,613	110,613	110,613	110,613	110,613	110,613	110,613	110,613	110,613	110,613	110,613	110,613	1,327,362	1,808,763	1,913,266
Remuneration of councillors	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	1,230,122	14,761,468	16,274,915	17,948,810
Finance charges	161,283	161,283	161,283	161,283	161,283	161,283	161,283	161,283	161,283	161,283	161,283	161,283	161,283	1,935,391	2,088,958	2,254,756
Bulk purchases - Electricity	348,074	348,074	348,074	348,074	348,074	348,074	348,074	348,074	348,074	348,074	348,074	348,074	348,074	4,176,894	4,455,733	4,914,710
Other materials	98,666	98,666	98,666	98,666	98,666	98,666	98,666	98,666	98,666	98,666	98,666	98,666	98,666	1,183,993	1,266,554	1,350,307
Contracted services	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	14,389	15,166	15,985
Transfers and grants - other	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	2,772,813	33,273,751	36,567,910	39,810,902
Other expenditure	598,931	598,931	598,931	598,931	598,931	598,931	598,931	598,931	598,931	598,931	598,931	598,931	598,931	7,347,725	7,406,327	6,918,305
Cash Payments by Type	81,165	81,165	81,165	81,165	81,165	81,165	81,165	81,165	81,165	81,165	81,165	81,165	81,165	973,974	958,974	958,874
Capital assets	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	41,595,460	44,935,211	47,688,080
Repayment of borrowing	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	2,407,300	1,828,231	2,729,509
Other Cash Flows/Payments	3,489,876	3,333,249	3,176,623	3,019,996	2,863,370	2,706,743	2,550,117	2,393,490	2,236,863	2,080,236	1,923,609	1,766,982	1,610,355	3,489,876	3,489,876	3,489,876
Total Cash Payments by Type	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	3,452,908	41,595,460	44,935,211	47,688,080
NET INCREASE/(DECREASE) IN CASH HELD	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	(156,626)	2,407,300	1,828,231	2,729,509
Cash/cash equivalents at the month/year begin	3,333,249	3,333,249	3,176,623	3,019,996	2,863,370	2,706,743	2,550,117	2,393,490	2,236,863	2,080,236	1,923,609	1,766,982	1,610,355	3,489,876	3,489,876	3,489,876
Cash/cash equivalents at the month/year end:	3,333,249	3,176,623	3,019,996	2,863,370	2,706,743	2,550,117	2,393,490	2,236,863	2,080,236	1,923,609	1,766,982	1,610,355	1,453,729	5,897,256	7,725,487	10,454,996

2.10 Annual budgets and SDBIPs – internal departments

The detail Capital Budget of Departments is reflected in “Annexure F”

2.10.1 CITY MANAGER

Operating Budget of the City Manager

The main cost drivers of relevant departments are salaries and office overhead costs.

Table 59 Operating Budget of the City Manager

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19		2018/19 YTD		2019/20 FINAL BUDGET		2020/21 FINAL BUDGET		2021/22 FINAL BUDGET	
DEP	ART	2018/19 Original	2018/19 APPROVED	2018/19 Movement - FEB '19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
MAYCO	2019-03-20	(2,201,755,440)	(2,400,151,088)	(2,010,358,107)	(2,662,236,239)	(2,642,333,140)	(2,730,057,477)				
	201 EMPLOYEE RELATED COST	71,328,623	49,282,216	29,971,465	73,045,021	78,888,621	85,199,710				
	226 OUTSOURCE SERVICES	227,809	377,809	332,731	227,809	229,242	230,753				
	227 CONSULTANTS AND PROFESSIONALS	15,000,000	23,274,333	5,390,169	15,796,077	15,796,077	15,796,077				
	228 CONTRACTORS	391,462	141,208	1,449	141,635	149,283	157,345				
	230 OPERATIONAL COST	2,392,094	2,420,899	890,357	2,209,567	2,319,897	2,438,813				
	232 INVENTORY	1,064,424	2,505,170	1,087,769	1,117,751	1,138,076	1,159,498				
	238 OPERATING LEASES	-	-	-	-	-	-				
	272 DEPRECIATION & AMORTISATION	165,396	165,396	110,264	146,794	161,473	177,620				
	2 Total TOTAL EXPENDITURE	90,569,808	78,167,091	37,794,205	92,684,654	98,682,669	105,159,816				
	390 RECOVERIES AND CHARGES	52,293	52,293	2,764	52,293	52,293	52,293				
	3 Total TOTAL GAINS & LOSSES/COSTING	52,293	52,293	2,764	52,293	52,293	52,293				
	CITY MANAGER Total	90,622,101	78,219,324	37,796,969	92,736,947	98,734,962	105,212,109				

2.10.2 CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION

The overall objective of the Office of the Chief Operations Officer (OCCO) is ***to provide seamless, automated, uniform and reliable customer service in a clean, safe and functional urban environment.*** This objective can be achieved through the following key interventions:

- Usage of all available technology to understand CoE's customer;
- Systematisation and automation of customer relationship management;
- Identification of feasible game changers for Urban Management;
- Provision of integrated and sustainable service delivery to ensure consistent perceived value across the city;
- Provision of customer relations management that is responsive, efficient and effective (customer centricity)

Strategic Positioning of the Ocoo

In its quest to provide ongoing integrated service offering for the City of Ekurhuleni communities, the Office of the Chief Operations Officer (OCCO) will require an improved efficiency and effectiveness in delivering municipal services and thereby provide an environment of a seamless system that pursues a 360-degree view of an Ekurhuleni's customer.

The OCCO is governed through four strategic pillars of Customer Interface, Citizen Education, Stakeholder Management and the development of a Sustainable Urban Management Framework. Therefore, the strategic objectives of the office are:

- Optimize customer interface channels
- Implement CRM social media strategy
- Enhance Citizen Education/Communication
- Facilitate Batho Pele education to front line staff
- Stakeholder segmentation & communication
- Facilitate Ward councilor/CDW education/ engagement

OPERATING BUDGET OF THE OCCO

The OCCO is not a revenue generating department but serves as the link/conduit between the customers/residents of CoE and all other departments with the primary focus being placed on effective service delivery and the resolution of customer queries and complaints. In addition, OCCO oversees the coordination of holding of public participation events such as Izimbizos, Siyaqhuba and other the day to day operational responsibility of community engagements and educational awareness programmes.

Table 60 Operating Budget of the Chief Operating Officer: Delivery Co-Ordination

2019/20 MTRF OPERATING BUDGET PER DEPARTMENT		2018/19	2018/19 YTD	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
MAYCO 2019-03-20		(2,201,755,440)	(2,400,151,088)	(2,662,236,239)	(2,642,333,140)	(2,730,057,477)
DEP	ART SUB	APPROVED	2018/19 YTD			
T- d	IN TOT	ADJUSTED	Movement - FEB'19			
	DESCRIPTION	2018/19 Original		BUDGET	BUDGET	BUDGET
	132 SERVICE CHARGES	-	-	-	-	-
	142 SALES OF GOODS AND RENDERING OF SERVICES	-	65,647	-	-	-
	1 Total INCOME	-	65,647	-	-	-
	201 EMPLOYEE RELATED COST	209,277,438	128,870,933	226,862,442	245,011,443	264,612,351
	226 OUTSOURCE SERVICES	2,910,973	446,976	2,908,407	3,058,553	3,216,806
	227 CONSULTANTS AND PROFESSIONAL SERVICES	3,126,169	1,185,781	171,471	171,471	171,471
	228 CONTRACTORS	562,495	474,720	599,048	631,397	665,497
	230 OPERATIONAL COST	5,721,100	4,061,474	6,000,872	6,341,049	6,706,475
	232 INVENTORY	11,073,886	9,640,949	11,681,893	12,160,241	12,664,417
	272 DEPRECIATION & AMORTISATION	54,898,397	36,598,934	48,723,810	53,596,191	58,955,810
	2 Total EXPENDITURE	287,570,458	180,808,947	296,947,943	320,970,345	346,992,827
	390 RECOVERIES AND CHARGES	609,147	738,770	609,147	609,147	609,147
	3 Total GAINS & LOSSES/COSTING	609,147	738,770	609,147	609,147	609,147
	CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION	288,179,605	181,613,363	297,557,090	321,579,492	347,601,974

2.10.3 CITY PLANNING

The mandate of the City Planning Department is to:

- Provide spatial leadership towards creating vibrant, safe and sustainable City;
- Play a strategic role in developing and promoting an integrated City that addresses spatial injustices;
- Implement initiatives that enhance a developmental City; and
- Accounting for end-to-end built environment.

The department is responsible for driving, sharpening and shaping the City's spatial form from development agenda within the built environment. In the revision of current strategies and developing policies and frameworks ensure the implementation of spatial form as expressed in the IDP. The spatial development agenda will be advanced through various city development policies, plans, growth management initiatives and budget (and capacity).

The City Planning Department provides services to the communities in the assessment of development applications, building plans and provision of maps for geographical

investigations. These services are recognised revenue collected for sundry income such as Zoning certificates, copies and maps

The following are the services that are available to communities at the Department's CCAs:

- Provision of geographic information services to stakeholders (i.e. internal Departments, developers, private & public sector and the community) through mapping services, spatial data, land surveying services and geo technical services;
- Advisory built environment services to the public;
- Granting of development approvals;
- Spatial co-ordination of sectoral plans;
- Building control and outdoor advertising services.

The result statements of the department are contained in the IDP in Annexure A.

Key Strategic Projects of the City Planning Department

Project Name	Brief Description	Project Status/Progress
Development of Regional Spatial Development Frameworks (RSDFs) for Regions B, C, D, E & F and review of the metropolitan Spatial Development Framework (MSDF).	The aim of the project is to develop RSDFs and review the current (2011) MSDF to provide updated context to the built environment and application of city form and city identity for the metro.	The spatial strategies MSDF and the RSDFs have been completed and approved by Council in November 2014.
Regularisation of unproclaim townships.	This programme includes the investigation of the current legislative status quo of the townships in terms of the Town Planning requirements, Land Survey requirements and Conveyancing requirements as well as the current use of the properties on the ground (i.e. contraventions to the scheme, contraventions to the NBRs, illegal occupation of municipal/government land, encroachments etc.). The programme further ensures the completion of due processes in terms of the aforementioned fields in order to eventually ensure that the township has been registered at the Deeds Office and the ownership has been upgraded from leasehold to freehold (Upgrading of Land Tenure Right)	General plans of various townships in the metro have been endorsed; the townships registers opened and tenure upgraded in Alberton (1), Benoni (8), Germiston 9, Springs (1)
Development Ekurhuleni Town Planning Scheme.	The project aims to put in place the new consolidated Ekurhuleni Town Planning Scheme (ETOPS) by 30 June 2014, which will replace the current 17 Town Planning Schemes that are currently operational and apply a uniform approach in the	The ETOPS was approved by Council in November 2014 and is in the process of being implemented across the City. Zonings of former town planning schemes and identified policies have been

Project Name	Brief Description	Project Status/Progress
	assessment of land use applications across the metro.	rescinded. Maps of the ETOPS are GIS database linked.
Development and Implementation of the Capital Investment Framework (CIF)	The CIF aims to drive CAPEX spend within defined geographic priority areas within the metro thus having a catalytic effect with regards to return on investment in relation to its social and developmental objectives.	The results of the Capital Investment Framework (CIF) evaluation of the MTREF Capital Budget was presented to IBALCO on 3 December 2015. Quarter 2 saw the continuation of the drafting of the BEPP and CIF for 2015/16 and the rest of the MTREF period. Additional CIF modelling was concluded, refinements were made to the CIF's Capital Prioritisation Model (CPM), and data was sourced for the 2016 /17 BEPP.
Development of the (annual) Built Environment Framework (BEPP)	The Built Environment Performance Plan (BEPP) is a legislated document as described in the Division of Revenue Act, which seeks to assess and evaluate the development of the built environment fabric of the city and the impact thereof of major projects which utilise infrastructure grant funding within the built environment. These grants include ICDG, USDG, NDPG, PTIS, INEP	The BEPP is reviewed and submitted annually in line with the timeframes prescribed by national treasury. The City continues to receive tranche payments from the National Treasury for these identified infrastructure grants.

Project 1: Urban Design Policy

The Urban Design Policy is to inform the city design as aligned to the new planning language and Theory of change embedded in the Municipal Spatial Development Framework (MSDF). The Policy will address aesthetic principles of developments in relation to building designs, landscape planning, beautification of urban and open spaces, urban space elements used in street furniture, interface of mixed uses etc. The policy will inform urban renewal and management in a manner that enhances identified nodes and precincts of the City. Research work for this project has commenced and there is a preliminary policy outline in place.

Project 2: Parking feasibility studies

The feasibility studies are to investigate the viability of parkades in Kempton Park, Germiston and other nodal areas. Feasibility studies, architectural concepts, landscaping, quantity survey costs were undertaken.

This is an attempt to promote non-motorised transport in CBDs and to rejuvenate decaying urban areas, most important to enhance revenue for the City of Ekurhuleni and promote new urban design that improves property development. An estimated cost of 6,5million will be spent on the parkade studies.

Project 3: Regularisation of unproclaimed townships

There are over 200 townships which township establishment procedures were not completed at the time that the townships were established. The aim is to complete all the processes so that the townships are fully established and registered. This will enable the communities in the townships to obtain freehold titles to their properties and therefore to use them as tradable assets. The CITY OF EKURHULENI will also be able to develop and/or dispose of municipal land within the townships. In addition, the CITY OF EKURHULENI will obtain valuable data relating to land use contraventions such as illegal development, encroachments, etc.

To date, the Department has fully completed three townships, with an additional 12 in various stages of progress. It is estimated that at the end of the financial year, 24 townships will be completed, including those carried over from last year in Germiston, Alberton, Benoni, Tembisa and Springs at an estimated cost of approximately R4.8 million. A target of 50 townships per year beginning in 2015/16, at a cost of R10m per year for the next four years has been set.

Project 4: Precinct Plans

Precinct plans are to attract investment and to rejuvenate decaying areas. It is envisaged that 3 precinct plans are to be formulated have been identified and they are: (1) Kempton Park CBD; (2) Germiston Lake; and (3) Bredell. Status quo analysis for the three precinct plans has commenced. It is estimated that the project will cost R5million.

Project 5: Rehabilitation of sinkholes and unlocking of dolomitic land

This project is to rehabilitate sinkholes and unlock land for development. The municipal landscape is 52% dolomitic. Service providers' contracts in place to assist with the management of geo-hazards, i.e. Consultant for rendering of professional services and management of contractors; contractor for the rehabilitation of sinkholes; contractor for the geo-physical investigations; and contractor for the percussion drilling. The department is continuously unlocking the undevelopable land and rehabilitating sinkholes as and when they occur.

The estimated cost of the project is R50mil for the 2019/20 financial year

Project 6: Improved functionality of the GIS data management

This project centralizes the spatial data and information of the city. Continuously cleanses and matches the datasets of the GIS, Valuation Roll and Billing. The integrative GIS system of the city is continuously being improved and set up of Geo Hub or Portal is in progress.

Table 61 Operating Budget of the City Planning Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19		2018/19 YTD		2019/20 FINAL BUDGET		2020/21 FINAL BUDGET		2021/22 FINAL BUDGET	
MAYCO 2019-03-20		(2,201,755,440) (2,400,151,088)		(2,010,358,107)		(2,662,236,239)		(2,642,333,140)		(2,730,057,477)	
DEPT	SUB	2018/19 Original	2018/19 APPROVED ADJUSTED	2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	
ART	IN TOT	ADJUSTED									
T-	CAT	DESCRIPTION									
		125 CAPITAL : MONETARY	(147,679)	(147,679)	(303,583)	(419,691)	(466,242)	(44,849,368)	(47,271,235)	(49,823,883)	
		138 OPERATIONAL REVENUE	(44,461,924)	(44,461,924)	(21,291,550)	(45,269,059)	(50,290,125)	223,848,213	241,756,066	261,096,560	
		142 SALES OF GOODS AND RENDERING OF SERVICES	214,571,596	214,571,596	120,332,263	237,978	260,755	51,770,843	51,770,843	51,770,843	
1		Total INCOME	214,571,596	214,571,596	120,332,263	237,978	260,755	51,770,843	51,770,843	51,770,843	
		201 EMPLOYEE RELATED COST	240,467	440,467	118,792	237,978	260,755	51,770,843	51,770,843	51,770,843	
		226 OUTSOURCE SERVICES	52,557,118	71,753,927	48,100,562	41,433,054	46,028,642	41,433,054	43,670,439	46,028,642	
		227 CONSULTANTS AND PROFESSIONAL SERVICES	38,959,634	32,925,425	19,245,714	3,880,973	4,159,331	3,880,973	4,159,331	4,459,178	
		228 CONTRACTORS	7,832,092	4,199,199	2,191,206	1,847,440	1,882,743	1,847,440	1,864,628	1,882,743	
		230 OPERATIONAL COST	1,814,602	2,189,602	1,101,248	2,371,489	2,634,525	2,371,489	2,499,550	2,634,525	
		232 INVENTORY	1,795,728	2,245,728	1,393,604	868,999	1,051,489	868,999	955,899	1,051,489	
		238 OPERATING LEASES	979,124	979,124	652,750	326,258,989	369,184,735	326,258,989	346,925,823	369,184,735	
		272 DEPRECIATION & AMORTISATION	318,750,361	329,305,068	193,136,138	418,215	418,215	418,215	418,215	418,215	
2		Total EXPENDITURE	319,611	305,253	27,612	418,215	418,215	418,215	418,215	418,215	
		390 RECOVERIES AND CHARGES	319,611	305,253	27,612	418,215	418,215	418,215	418,215	418,215	
3		Total GAINS & LOSSES/COSTING	274,460,369	285,000,718	171,568,619	281,408,145	299,630,449	281,408,145	299,630,449	319,312,825	
		CITY PLANNING Total	274,460,369	285,000,718	171,568,619	281,408,145	299,630,449	281,408,145	299,630,449	319,312,825	

2.10.4 COMMUNICATION & BRANDING DEPARTMENT

Key Strategic Projects of the Communication and Branding

Key Strategic Projects of the Communication and Branding

Operational Budget

Key strategic projects of the Communication and Brand Management Department

Strategic objective 1: A clear single brand identity

PROJECT NAME	PROJECT DESCRIPTION
A clear single brand identity	This objective is about tracking the brand promotion interventions implemented during the reporting period in pursuit of a clear single brand identity. The unit of analysis is the "brand promotion

PROJECT NAME	PROJECT DESCRIPTION
	interventions", and the unit of measure is the "number of brand visibility interventions implemented".

Description

Corporate Identity

This speaks to the branding done of all municipal buildings and facilities. A corporate identity provides a uniform way in which the City of Ekurhuleni brand is to be applied on all these facilities. An audit is normally performed which guides signage needs. There is also Ad-hoc requests from departments who requests signage on new facilities such as clinics, fire stations and libraries.

Campaigns

this refers to campaigns carried out by the department and in supporting other departments, e.g. It includes SoCA, Budget, Chris Hani, OR Tambo, Infrastructure cluster support campaigns, Social cluster support campaigns, Corporate and Governance cluster support campaigns, Investment Promotion Destination Marketing

Destination Profiling

Looks at profiling of the City as a destination for tourism and investment. This is through events which will profile the City, which could be SA Open, or Investment Promotions platforms such as the investment conference, and other avenues such as Tourism/Investment campaign in media (digital print, media broadcast) the three categories are used as the three targets per quarter and within each there are a number of items that relate to that category per quarter. A clear single brand identity refers to the application of the city of Ekurhuleni, and ensuring consistency in its application, as well as frequently of activation. One brand identity will ensure recognition of the City brand

Strategic objective 2: Reputation enhancement

PROJECT NAME	PROJECT DESCRIPTION
Reputation enhancement	The indicator tracks the reporting on media analyses reports related to the City of Ekurhuleni. The media analysis report tracks the AVE (Average Value Earned) from media releases placed by media houses.

Description

Reputation enhancement

The number of media analysis reports that are developed, aims to indicate the overall perception of service delivery in the CoE as well as all media releases placed by the media houses and the average value earned from the releases.

KPI 3: ENHANCED CITY STAKEHOLDER RELATIONS

PROJECT NAME	PROJECT DESCRIPTION
Enhanced City stakeholder relations	This strengthens existing platforms and also create new ones. It includes coordination of integrated stakeholder engagements.

Description

Examples of some of the platforms developed and utilized are listed below:

City Meets Business

This platform looks at strengthening the relations between the business community and the City. The implementation of this output ensures that the Executive Mayor, MMCs and HoDs are provided with a quarterly platform to address the business fraternity on developments within the City of particular relevance to them.

Investment Tours

This tool was developed specifically to provide the City with a formal platform to showcase key investment opportunities across the City. The rollout of this tour is planned as a monthly activity and is directed at investors, business media and incoming trade delegations.

Employee Roadshows

This platform looks at strengthening the relations between the City and its employees. The platform ensures that employees from across the spectrum are engaged and information about developments in the City.

Press Club

This platform looks at strengthening the relations between the media and Council. The implementation of this output ensures that various HODs and MMCs are afforded a monthly platform to address the media on various issues in relations to their service delivery departments. The Press Club involves all media from national to local media.

KPI:4 BRAND VISIBILITY INTERVENTIONS IMPLEMENTED

PROJECT NAME	PROJECT DESCRIPTION
Brand visibility interventions implemented	Number of Signage projects completed

Description

The indicator tracks the execution of permanent branding on buildings according to the CI manual e.g. new clinics, fire stations, libraries, new and refurbishment of offices, stadiums, swimming pools, halls, parks, investment facilitation centres, taxi ranks etc.

Table 62 Operating Budget of the Communication & Branding Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19		2018/19 YTD		2019/20 FINAL BUDGET		2020/21 FINAL BUDGET		2021/22 FINAL BUDGET	
MAYCO 2019-03-20		(2,400,151,088)		(2,010,358,107)		(2,662,236,239)		(2,642,333,140)		(2,730,057,477)	
DEP	ART SUB	2018/19 APPROVED		2018/19 YTD		2019/20 FINAL BUDGET		2020/21 FINAL BUDGET		2021/22 FINAL BUDGET	
MEM In TOT	T. d CAT DESCRIPTION	2018/19 Original	ADJUSTED	2018/19 FEB '19	MOVEMENT - FEB '19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2021/22 FINAL BUDGET	2021/22 FINAL BUDGET
	CITY PLANNING Total	274,460,369	285,000,718	171,568,619		281,408,145	299,630,449	299,630,449	319,312,825	319,312,825	319,312,825
	201 EMPLOYEE RELATED COST	51,470,503	51,470,503	28,199,215		50,736,954	54,795,911	54,795,911	59,179,585	59,179,585	59,179,585
	226 OUTSOURCE SERVICES	163,332	163,332	81,193		163,332	166,830	166,830	170,517	170,517	170,517
	227 CONSULTANTS AND PROFESSIONALS	-	-	-		-	-	-	-	-	-
	228 CONTRACTORS	22,653	9,353	-		23,588	24,862	24,862	26,205	26,205	26,205
	230 OPERATIONAL COST	16,448,329	18,586,329	4,971,706		16,935,643	16,995,621	16,995,621	17,060,328	17,060,328	17,060,328
	232 INVENTORY	2,120,514	2,200,814	1,513,121		2,235,569	2,239,588	2,239,588	2,243,824	2,243,824	2,243,824
	238 OPERATING LEASES	3,374,116	4,874,116	2,972,106		5,147,066	5,425,007	5,425,007	5,717,958	5,717,958	5,717,958
	272 DEPRECIATION & AMORTISATION	263,187	263,187	175,462		233,586	256,945	256,945	282,640	282,640	282,640
	2 Total TOTAL EXPENDITURE	73,862,684	77,567,684	37,912,803		75,475,738	79,904,764	79,904,764	84,681,057	84,681,057	84,681,057
	390 RECOVERIES AND CHARGES	45,847	45,847	11,404		45,847	45,847	45,847	45,847	45,847	45,847
	3 Total TOTAL GAINS & LOSSES/COSTING	45,847	45,847	11,404		45,847	45,847	45,847	45,847	45,847	45,847
	COMMUNICATION & BRANDING Total	73,908,481	77,613,481	37,924,207		75,521,585	79,950,611	79,950,611	84,726,904	84,726,904	84,726,904

2.10.5 CORPORATE LEGAL SERVICES

The Corporate Legal Services Department contributes to ALL GDS imperatives with a strong focus being on GDS THERMATIC AREA 4 – Effective Corporate Governance through being an enterprise that drives legal compliance and specialized legal advisory services that cut across CITY OF EKURHULENI Departments and its Entities, focusing its resources on ensuring sustainable proper governance systems and processes focusing on promoting good governance. To ensure that this is attained, the focus is on all legal matters of Council in specialised fields such as Supply Chain Management, Intellectual Property, Housing and Development, Compliance Management which includes managing CITY OF EKURHULENI Contracts, Municipal Court Operations, Infrastructure, Legal Research, and, specialised litigation.

The Department's main objective is to institutionalise legal compliance, guided by the following principles:

- To create a regulatory environment that enhances the capacity of the municipality to deliver consistent and qualitative legal advisory services;

- To ensure compliance with legislation applicable to Local Government throughout the **CITY OF EKURHULENI** and municipal Entities;
- To review the improvement and expansion of the governance model support to facilitate the implementation of the separation of powers;
- To strengthen the legal support service to the organization;
- To increase levels of legal compliance throughout the CITY OF EKURHULENI and within its Entities, and,
- To manage and reduce legal costs on cases by / against Council

Key Strategic Projects of the Corporate Legal Services Department

PROJECT NAME	PROJECT DESCRIPTION
Functionality of the municipal courts for the prosecution of By-Law contraventions & other legislation providing jurisdiction to municipalities e.g. building contraventions	To ensure strengthening By-law enforcement through the existing municipal courts; and to extend to the courts in the COE magisterial districts. These courts are an additional Magistrate's Courts with the sole purpose of enforcing By-laws and other National or Provincial legislation to improve effective governance and grant law-enforcement access throughout the City of Ekurhuleni
Effective management of Public Protector issues	The department receives complaints from Public Protector, and refer to relevant internal Departments; and facilitate adequate and timeous responses to this Chapter 9 institution
A functional Contract Management System	The department receives instructions to vet/ draft SLAs after the award by BAC/ City Manager and responds within 10 (vetting) /20(drafting) days as applicable. The function also include vetting and drafting of other contracts other than SLAs
Improved effectiveness of the executive process-flow system	The process flow system is a system in terms of which reports are created throughout the Municipality and submitted electronically for inclusion on the Agenda of various committees until reports are submitted to the Mayoral committee for approval. The system tracks the item flow until resolution by Mayoral committee or recommendations of the MAYCO are referred to Council (Legislature) for consideration.
Compliance with the requirements of the Records Management System	To promote appropriate government record management strategies that ensure compliance with the National Archives and Records Service of South Africa Act (No43 of 1996, as amended).
A harmonised single body of By-laws for the city of Ekurhuleni	To develop a harmonious set of City By-laws to ensure certainty, uniformity and enforceable by-laws. To ensure that By-laws are applicable to the entire CoE; and are in line with superior legislation and court decisions so that they can be an effective governance tool, and be enforced in a court of law.
Mitigation of risks occasioned by litigation against the CEO	To ensure compliance with various pieces of legislation, by providing legal comments and guidance to Council and its structures. To assess legal risk and to identify issues arising from other departments with a view to reducing legal risk and unnecessary litigation.

PROJECT NAME	PROJECT DESCRIPTION
	To provide interventions in the form of workshops and information sessions to address problems that cause legal risk and which have a potential for litigation.
Compliance with draft/new legislation	To ensure that all functionaries are aware of new legislation and comply with such, so as to prevent any compromise of governance of the City.

Operating Budget of the Corporate Legal Services Department

By the nature of its core business, the Department is not an income-generating Unit for the Metro and, therefore, its Operating Budget is primarily focused on the expenditure component. However, there is income generated in the form of sundry income derived from legal cost recoveries.

The expenditure component is comprised of various cost drivers i.e. general expenses, contracted services, compensation of employees, repairs and maintenance (external and internal) and Grants-in-Aid categories. The major drivers are compensation of employees and contracted service categories. The biggest single cost item is Contracts: Legal Services, in the contracted services category spent on legal fees for Contracted Attorneys from Council's Panel in the defense of legal cases that proceed to Court by / against Council. Legal fees, unpredictable by their nature, significantly escalated during the past financial years and this has been identified as an area where the Department should continue developing and applying very stringent cost management mechanisms to reduce costs. One such key control mechanism is the two-pronged Due Diligence study first undertaken a year or so ago, to develop a CITY OF EKURHULENI Litigation Strategy, to highlight litigation triggers, generate management reports to analyse disputes, enable management of the performance of contracted Attorneys, critical appraisal of services rendered to client Departments and cooperation from client Departments, amongst others, is beginning to bring desired results i.e. contractual disputes and related litigation being drastically reduced

- I. Development of a Case Management Framework which has been finalised used to manage litigious matters of the CITY OF EKURHULENI, submitted to the Senior Management Team for noting and, to be referred to the Corporate Services & Finance Mayoral Cluster, for further noting after which it will be implemented.
- II. The 2nd Phase currently underway is the identification of actual legal cases to be analysed and a survey to be conducted amongst the contracted Attorneys.

Focus is not only be on cutting costs but rather on getting value for money. The more applicable compliance legislation is promulgated; the more legal costs will go up due to stringent requirements for the municipality to comply with in ensuring compliance. The connotation is that balance should be struck between rendering quality and efficient legal advisory services and strictly managing costs.

Legal costs are monitored and referred for taxation when warranted and regular meetings are held in this regard. The Department has no influence on the Court roster as the scheduling of matters heard by the Court is a process completely controlled by the Courts, therefore, the duration of legal cases is based on the nature of legal cases and is not influenced in any way except that the Departmental Legal Advisors manage all aspects of the case to ensure that when a matter is set down to be heard, whatever that is within the

control of the Department in preparation of the Court hearing, is strictly complied with to avoid unnecessary delays that may result in the matter being postponed.

Legal cases result directly from actions and/or a failure to act (omissions) by different CITY OF EKURHULENI client Departments. Corporate Legal Services continues to manage all aspects of litigation services until conclusion through external legal Practitioners on a contracted basis.

Table 63 Operating Budget of the Corporate Legal Services Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19		2018/19 YTD		2019/20 FINAL BUDGET		2020/21 FINAL BUDGET		2021/22 FINAL BUDGET	
DEPT	ART	2018/19 Original	2018/19 APPROVED	2018/19 FEB'19	2018/19 YTD Movement -	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2021/22 FINAL BUDGET
MAYCO	2019-03-20	(2,201,755,440)	(2,400,151,088)	(2,010,358,107)	(2,010,358,107)	(2,662,236,239)	(2,642,333,140)	(2,730,057,477)	(2,642,333,140)	(2,730,057,477)	(2,730,057,477)
	SUB										
	MEM In TOT										
	T. d CAT DESCRIPTION										
	142 SALES OF GOODS AND RENDERING OF	(1,508,500)	(1,508,500)	(1,004,335)	(1,004,335)	(1,583,925)	(1,669,457)	(1,759,608)	(1,669,457)	(1,759,608)	(1,759,608)
	1 Total TOTAL INCOME	(1,508,500)	(1,508,500)	(1,004,335)	(1,004,335)	(1,583,925)	(1,669,457)	(1,759,608)	(1,669,457)	(1,759,608)	(1,759,608)
	201 EMPLOYEE RELATED COST	52,632,858	52,632,858	27,472,404	27,472,404	50,797,480	54,861,279	59,250,180	54,861,279	59,250,180	59,250,180
	226 OUTSOURCE SERVICES	143,691	143,691	7,442	7,442	141,620	148,310	155,362	148,310	155,362	155,362
	227 CONSULTANTS AND PROFESSIONALS	30,643,945	57,421,445	25,959,855	25,959,855	50,622,529	50,622,529	50,622,529	50,622,529	50,622,529	50,622,529
	228 CONTRACTORS	27,178	22,683	-	-	24,523	25,847	27,242	25,847	27,242	27,242
	230 OPERATIONAL COST	1,251,508	1,860,263	624,377	624,377	1,516,557	1,576,351	1,640,930	1,576,351	1,640,930	1,640,930
	232 INVENTORY	331,958	611,447	337,339	337,339	350,111	352,960	355,962	352,960	355,962	355,962
	259 OPERATIONAL : MONETARY	102,896,943	42,896,943	2,816,943	2,816,943	43,041,790	43,041,790	43,041,790	43,041,790	43,041,790	43,041,790
	272 DEPRECIATION & AMORTISATION	1,629,317	1,629,317	1,086,214	1,086,214	1,446,062	1,590,668	1,749,735	1,590,668	1,749,735	1,749,735
	2 Total TOTAL EXPENDITURE	189,557,398	157,218,647	58,304,575	58,304,575	147,940,672	152,219,734	156,843,730	152,219,734	156,843,730	156,843,730
	390 RECOVERIES AND CHARGES	105,571	294,691	189,120	189,120	992,367	992,367	992,367	992,367	992,367	992,367
	3 Total TOTAL GAINS & LOSSES/COSTING	105,571	294,691	189,120	189,120	992,367	992,367	992,367	992,367	992,367	992,367
	CORPORATE LEGAL Total	188,154,469	156,004,838	57,489,360	57,489,360	147,349,114	151,542,644	156,076,489	151,542,644	156,076,489	156,076,489

2.10.6 DISASTER AND EMERGENCY MANAGEMENT SERVICES

The result statements of the department are contained in the IDP in Annexure A.

Disaster and Emergency Management Services Department provides the following services to the community of Ekurhuleni:

- Fire Suppression;
- Fire Prevention and Fire Safety;
- Rescue Services;
- Emergency Medical Services;

- Management and handling of hazardous material incidents;
- Emergency Communications and Emergency Operations Centre, and;
- Disaster Management

Some of the Deliverables to date for the Department

The Department constructed and operationalized the following eight (8) new major fire stations (Construction value more than R260 million):

- Daveyton
- Etwatwa
- Tsakane
- Zonkizizwe
- Duduza
- Kwa Thema
- Thokoza
- New Germiston Central Fire Station

Implementation of programme to establish major fire stations in all previously subserviced areas:

- Albertina Sisulu Corridor Fire Station
- Olifantsfontein Fire Station
- Elandsfontein / Isando Fire Station
- Katlehong Fire Station

Established the following Four (4) New Disaster Management Satellite Offices (Value: R20.5 million):

- Tsakane
- Katlehong
- Kempton Park
- Tembisa

Commissioning of Specialised Vehicles (Fire-fighting Vehicles)

- ❖ DEMS Department managed to procure seven (7) completed Specialised Vehicles (Firefighting Vehicles) , 3 x TLB's for assistance, as well as 3 x rollback transporters to move the TLB's during trench rescue and fire fighting in **2018/2019 Financial Year** for the total amount of R36m
- ❖ Department made provision for R30m in **2019/2020 Financial Year** to procure the following:
 - Complete 5 x Specialized vehicles (Fire Engines);
 - 1 x Crane Truck;

Operating Budget of the Disaster and Emergency Management Services Department

This department is also partly funded by the Gauteng Provincial Government for the provision of ambulance services. The majority of the department's costs are subsidised by assessment rates.

The main cost drivers are salaries and cost of provision of emergency services. The Emergency Services section operates on a 24/7 basis increasing the salary cost.

The provision of funds for disasters and emergency management is done within this cost centre. Disasters are dealt with as follows, in terms of the MFMA. Section 12 of the MFMA outlines the process of setting up relief funds to deal with disasters. The process to develop a disaster management funding model for the city and to ensure that both proactive and reactive activities of disaster management are catered for sufficiently, is underway as part of the SDBIP targets.

The City of Ekurhuleni's declared asset values for assets that are insurable amounts to R34 Billion. Excluded from these declared values, and subsequently cover thereon, are items such as roads, bridges, water and sewer network, and electricity network (because you can either not source cover for these items or if you could, it would simply be too expensive). However, items such as sub stations, pump stations (in other words, machinery-related) are covered.

Cover is capped at R1.5 Billion for any single event. Events covered are:

Fire and allied perils - which means fire, spontaneous combustion, spontaneous fermentation, spontaneous charring, spontaneous heating, lightning, thunderbolt, explosions, implosions, earthquakes and tremors, riot and strike, malicious damage, volcanic eruptions, subsidence and landslip, and acts of authorities.

Special perils - which means storm, wind, snow, water, hail, aircraft or other aerial devices or articles dropped therefrom, impact by vehicles (including railway) or animals, falling trees, accidental leakage from tanks, pipes etc.

Key Strategic OPEX Programmes of the Disaster and Emergency Management Services Department

Increasing the capacity of the Disaster & Emergency Management Services Department to be able to respond effectively to emergency situations is crucial. A strong 200 Fire Brigade Reserve Force is deployed in line with the City of Ekurhuleni Fire Brigade Reserve Force Policy which was approved by Council. These individuals are called upon to supplement staff shortages and will be paid for every shift they are called for. They will also become handy during Disasters and Major incidents where additional properly trained human capacity is required. This contributes significantly to job creation and poverty alleviation efforts.

As part of the municipality's Informal Settlement Management Plan, the reduction of devastating fire incidents at Informal Settlements remain a priority.

The Community Emergency Response Teams (CERT) Programme has seen more than 488 CERT members deployed in all 119 Informal Settlements. The spinoffs from this noble service delivery programme are: job creation, poverty alleviation and community education and participation in life safety matters that affect them.

The Community Emergency Response Teams are also used in major emergency incidents They assist the DEMS Department with the following activities:

- Salvaging the roofs;
- Assessment of the damaged structures; and
- Distribution of humanitarian assistance such as food, dignity packs and blankets.

Fire Brigade Services is a very high risk occupation. Personal Protective Equipment for operational staff in the department is paramount and a legal requirement to achieve compliance to the Occupational Health and Safety Act and to protect the staff from the perils of the job, such as occupational disease, being knocked over by traffic at accident scenes, exposure to flames and heat, as well as exposure to dangerous chemicals.

Table 64 Operating Budget Disaster and Emergency Management Services

2019/20 MTRF OPERATING BUDGET PER DEPARTMENT		2018/19	2018/19 YTD	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
MAYCO 2019-03-20		(2,201,755,440)	(2,010,358,107)	(2,662,236,239)	(2,642,333,140)	(2,730,057,477)
DEP	ART SUB	2018/19 APPROVED	2018/19 YTD	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
T- d	IN TOT	2018/19 Original	MOVEMENT - FEB'19	BUDGET	BUDGET	BUDGET
ME	DESCR	ADJUSTED				
NT						
	117 OPERATIONAL : MONETARY	(167,328,000)	(167,453,668)	(176,698,000)	(176,698,000)	(176,698,000)
	125 CAPITAL : MONETARY	-	-	-	-	-
	138 OPERATIONAL REVENUE	(334,750)	(334,750)	(351,722)	(370,715)	(390,733)
	140 RENTAL FROM FIXED ASSETS	(146)	(146)	(153)	(161)	(170)
	142 SALES OF GOODS AND RENDERING OF SERVICES	(23,384,944)	(8,976,810)	(25,611,324)	(26,994,335)	(28,452,030)
	1 Total INCOME	(191,047,840)	(176,433,047)	(202,661,199)	(204,063,211)	(205,540,933)
	201 EMPLOYEE RELATED COST	698,423,646	488,694,913	805,032,523	869,435,133	938,989,938
	226 OUTSOURCE SERVICES	43,270,808	18,472,660	37,529,602	40,516,907	43,742,707
	227 CONSULTANTS AND PROFESSIONAL SERVICES	1,451,399	-	396,399	396,399	396,399
	228 CONTRACTORS	22,088,249	19,004,256	26,741,317	28,185,352	29,707,365
	230 OPERATIONAL COST	26,696,535	19,259,626	35,323,145	37,337,837	39,485,416
	232 INVENTORY	15,656,117	10,207,850	20,022,751	20,751,430	21,519,456
	238 OPERATING LEASES	-	-	-	-	-
	272 DEPRECIATION & AMORTISATION	21,393,512	14,262,342	18,987,320	20,886,052	22,974,657
	2 Total EXPENDITURE	828,980,266	569,901,648	944,033,057	1,017,509,110	1,096,815,988
	390 RECOVERIES AND CHARGES	24,789,446	58,923,076	74,847,158	74,847,158	74,847,158
	3 Total GAINS & LOSSES/COSTING	24,789,446	58,923,076	74,847,158	74,847,158	74,847,158
	DISASTER AND EMERGENCY MANAGEMENT SERVICES	662,721,872	452,391,676	816,219,016	888,293,057	966,122,163

2.10.7 ECONOMIC DEVELOPMENT

The result statements of the department are contained in the IDP in Annexure A

The Economic Development Department (EDD) accounts to the Economic Development Oversight Committee which is responsible for driving urban and economic development of the City in line with the development imperatives of the National Development Plan, Vision 2030 (NDP), the Gauteng Ten Pillars Programme of Transformation, Modernisation and Reindustrialisation (TMR), the City's GDS 2055, the Integrated Development Plan (IDP) and Municipal Spatial Development Framework (MSDF).

In collaboration with various national and provincial structures, the department facilitate job

creation, skills development, poverty alleviation and enhancement of industrial competitiveness. We focus on arresting flight of strategic investments by facilitating reduction in the cost of doing business within Ekurhuleni. Last, but not least, it also facilitates SMME and co-operatives development; Investment Promotion, Facilitation & Retention; and EPWP and CWP development and CoE's Job Creation programmes.

In terms of the National Outcomes, the Economic Development Department is tasked with leading, facilitating and promoting economic growth and development within the City of Ekurhuleni, with a targeted commitment to enhancing inclusivity and competitiveness of the Ekurhuleni economy through Economic Planning, Investment & Trade Facilitation and Tourism Destination Marketing in the City of Ekurhuleni, it strives to achieve the following strategic outcomes:

Outcome 4: Decent employment through inclusive growth. Including addressing spatial imbalances in economic opportunities through expanded employment in agriculture, the built environment and the densification of Metro's; specific to the EDD is the rollout of the township economies strategy. Also, the expansion of public employment schemes through the EPWP Phase III and CWP.

Outcome 7: Vibrant, equitable, sustainable rural communities contributing towards food security for all. The EDD plays a supportive role, particularly to community agriculture towards addressing economic inequities The Department does however, and have a direct role to play in developing the agricultural sector.

Outcome 9: Responsive, accountable, effective and efficient local government. The role EDD play a collaborative support of others in ensuring the provision of basic services, in strengthening cooperative governance, sound financial and administrative management and support for the Integrated Urban Development Framework (IUDF). To lead in the promotion of social and economic development by positioning local government to create an enabling economic environment that stimulates competitive, inclusive and sustainable local economies - catalytic economic development programmes, and reducing the cost of doing business by reducing red tape.

During the 2018/19 financial year, the Department is aiming at implementing innovative programs and initiatives to create economic renewal and prosperity.

Operating Budget 2018/2019

The budget structure is informed by the new organizational structure and categorized as per the following cost centers:

- Office of the HoD: Economic Development
- Support Services
- Community Enterprise Development
- Industrial Investment Facilitation
- Job Creation and Skills
- Economic Partnership
- Tourism Development & Marketing
- Springs Fresh Produce Market

Operating Income

The income is mostly generated from Springs Fresh Produce Market (SFPM). The department also receives an Incentive Grant for the Expanded Public Work Programme (EPWP) through the Division of Revenue Act (DoRA).

Operating Expenditure

The operating expenditure of Economic Development is dedicated to various programme to enhance the economy of Ekurhuleni. The quick wins, aligned to the longer term imperatives, are be aimed at stimulating ongoing motivation and related action towards implementation of the business plan of EDD.

In the area of enhancing the delivery of its core products and services to end-user beneficiaries, the EDD shall:

- 1) Effectively plan and package its strategic projects and game changers for investment and trade facilitation and operationalisation.
- 2) Develop and review the Ekurhuleni Economic Partnership Policy, Strategic Framework, Programme and Plan of Action to crowd-in Corporate Social Investment, Social Labour Plans and related external funding instruments for the benefit of communities in the city
- 3) Develop alternative funding models, incentive policies and business practices that are investor friendly and reduce the cost of doing business in the City, for domestic and export markets.
- 4) Develop a range of tourism products and services to attract business and recreational tourists.
- 5) Prioritise its resources, interventions and infrastructure development programme towards targeted sectors that stimulate the building of the City as an Aerotropolis and improve the revenue generating capability of the City.
- 6) Implement skills development and enterprise development programmes that stimulate human capital and entrepreneurial development.
- 7) Intervene in and drive job creation programmes such as the EPWP and CWP to alleviate unemployment in the short term.

In the area of enhancing the enabling services that support the delivery of its core products and services, the EDD shall:

- 1) Engage in strategic, formalised partnerships with public and private sector investment role-players to ensure programme alignment and optimal effectiveness.
- 2) Market and communicate a uniquely Ekurhuleni value proposition and package of products and services that creates brand visibility and positions the City as a destination of choice to investors and tourists alike.
- 3) Build its business intelligence and knowledge management capability through economic research and impact analysis that informs the economic development programmes of the Department.
- 4) Better manage stakeholder relations and establish community participation and engagement platforms that facilitate buy-in to the economic development programmes being pursued.

- 5) Be responsive to customer needs, complaints and queries.
- 6) Develop economic policies and strategies that stimulate economic development and transformation, are investor friendly and make it easier to do business in the City.

In the area of optimising internal systems, processes, governance and controls, the EDD shall:

- 1) Clearly define its role in the broader regional economic development value chain (eastern corridor development and Aerotropolis), and ensure that systems and processes are established that ensure the efficacy of services towards creating the desired impact at community and citizen level.
- 2) Ensure that sound financial, governance and risk management policies and procedures are in place that enables compliance, while being supportive to the service delivery value chain.
- 3) Establish delegations of authority that facilitate speedy decision making and decentralised accountability.
- 4) Put in place performance monitoring and evaluation systems, processes and reporting mechanisms that enable compliance and reduced audit findings.
- 5) Ensure it receives value for money from service providers / contractors through improved management controls, checks and balances.

In the area of optimising human capital management and development and building a high-performance organisation, the EDD shall:

- 1) Review its organisational structure to be in line with this strategic plan, supported by a comprehensive job design and evaluation process and the matching of skills to job profiles.
- 2) Resource its organisational structure, prioritising the identified areas of high impact as defined by this strategic framework.
- 3) Implement a values-based performance management system, focused on rewarding high performing – outcomes and values oriented – individuals and performance managing underperformers.
- 4) Train and up-skill staff to improve the capacity of the Department to deliver on its service delivery commitments.
- 5) Better communicate with management and staff through established communication mediums – face to face, electronic and print.
- 6) Build a conducive working environment – health, safety and wellness, teamwork, openness, transparency and accountability.

The Economic Development Department will focus on implementing job creation programmes and Mega and Flagship projects to deal with the challenges such as higher unemployment rates as large number of employment seekers cannot enter the labour markets due to low education and poor skills base.

Mega and Flagship Projects as pronounced by the Executive Mayor

Activity	Description
1. Coordination of the metro-wide job creation programme	
Purpose of the project	Coordinate a city-wide intervention that creates short- medium- and long-term work opportunities through the provision of training, experiential learning, and private sector placement opportunities.
Current progress on project	<p>The department is implementing the following Skills Development Programmes:</p> <p>1. Expanded Public Works Programme (EPWP)</p> <p>The EPWP is a programme that draws a significant number of unemployed people into productive work by giving them work opportunities coupled with skills development. The opportunities are offered through both capex and opex projects implemented by all Departments within the municipality. To date, the programme has recorded 9600 work opportunities.</p> <ul style="list-style-type: none"> • EPWP Vukuphile Contractor Learnership Programme The Department is also implementing EPWP Vukuphile Contractor Learnership Programme, which is a programme focusing on developing emerging contractors. Currently there are 102 learner contractors and 102 learner supervisors that were on the programme since 2016. <p>2. Community Skills Development</p> <p>The following programmes are implemented under Community Skills Development:</p> <ul style="list-style-type: none"> • Community Learnerships Learnerships are implemented in partnership with various organizations. The young people enrolled on this Learnerships were recruited from the Job Summit & Career Expo. The Department has introduced and implemented several learnership programmes. Such learnership programmes are implemented in variety of departments within the city and varies in terms of duration and minimum entry requirements. The skills are offered primarily for effective and efficient service delivery initiatives. This in turn, uplifts the skills levels of the employees and allows members of the community for self-employment, for now and in the future. In essence, learnerships strive to align training interventions (courses) more closely to labour market needs. The programmes implemented includes; Electrical Apprenticeship, Pharmacy Assistance, Municipal Finance Management, Call Centre Learnership, Disaster Management, Horticulture, Community House Building, Project Management, Early Childhood Development • Youth Placement Programme Ekurhuleni faces unprecedented challenges that are manifested through amongst other things; higher unemployment rates, large number of employment seekers who cannot enter the labour markets, low education and poor skills base. Young people are mostly affected by this challenge of unemployment. The Department continues to place learners through the

Activity	Description
	<p>Work Readiness Placement Programme. The Department continues to place learners through the Work Readiness Placement Programme.</p> <ul style="list-style-type: none"> • Bursary Provision As part of Community Development, the Economic Development has been cascaded the responsibility of Bursary provision in the City. This is part of the overall Organizational Youth Development Programme for the Municipality. The aim of the bursary scheme is to increase the knowledge and also to improve the employability of bursary holders after studies have been completed. This is a strategic project that supports the achievement of service delivery goals (Youth Development Programme and Job Creation). <p>Bursaries are offered in the third quarter when learners have obtained their examination results.</p> <p>The Department is currently preparing for 2019 community bursary allocation</p> <ul style="list-style-type: none"> • Unemployed Graduates Youth Work Readiness Placement Programme The City of Ekurhuleni offers a placement opportunity to the youth of the City, this programme is one of the Mayoral priorities to enhance skills development and job creation <p>Ekurhuleni faces unprecedented challenges that are manifested through amongst other things; higher unemployment rates, large number of employment seekers who cannot enter the labour markets, low education and poor skills base. Young people are mostly affected by this challenge of unemployment. The programme is a continuation of the current youth placement programme and seeks to place at least 2000 unemployed youth with third party institutions.</p>
Future activities of the project	The department will continuously implement and coordinate the Coordinate of the metro-wide job creation programme. All these are projects are budgeted for in the Operating budget.
Activity	Description
2. Revitalisation of Township Economies	
Purpose of the project	Systematic intervention in the economic rejuvenation in the townships in a manner that addresses spatial inequalities through the development of economic infrastructure to drive economic activity.
Current progress on project	The initiative by the city of a flagship project to transform township economies to be efficient and successful. The project is implemented in two fold; one is the development of a proper and comprehensive strategy and implementation plan to turn around to Township economies. The other is the ongoing programme to roll-out economic infrastructure in townships, coupled with the intense SMME development programme. The work on Strategy has been completed save to say the department has initiated the process to get the approval of the strategy by council. This goes hand in hand with the process to finalise the implementation plan as well as the applications to the National treasury for NDGP funding.

Future activities of the project	<p>The development and pursuit of Township Economies Development programme has necessitated that the ownership and design of municipal shops be looked-into.</p> <ul style="list-style-type: none"> ▪ The transformation of five CoE township complexes into prosperous, compact, sustainable and better managed urban centres with vibrant economies, better transport linkages, well managed public spaces and infrastructure. The goal is to redevelop CoE townships into great places to live, work and play. ▪ Targeted investment in public spaces, public infrastructure and public buildings is prioritised to boost private investor confidence.t ▪ The focus of the economic sector is to develop and grow a diversified economy that goes beyond the prominent retail developments and seeks to attract investment in other sectors such as light industrial, manufacturing, agriculture and tourism. A combination of attracting external investment and supporting local entrepreneurs, particularly in the SMME and co-operatives sector, is at the centre of the economic strategy
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Activity	Description
3. Revitalisation of Manufacturing Sector	
Purpose of the project	To stimulate industrial activity, efficiencies and competitiveness of industrial and manufacturing sector entities through the implementation of the 13 Pillar Programmes.
Current progress on project	<p>The Revitalization of the Manufacturing Sector project is being implemented through the 13 Pillar Programme where a number of instruments have been identified to activate the 13 Pillars and these are as follows:</p> <ul style="list-style-type: none"> • 5-year Industrial Development Policy, Strategy and Programme • 10-year Industrial Development & Upgrade, Productivity Improvement and Competitiveness Programme • 10-year Economic Development Strategy and Programme of Action • National Cleaner Production Centre (NCPC-SA) • Investment and Development Facilitation Strategic Policy Framework • The Manufacturing Indaba • Aerotropolis Annual Investment Conference and Exhibition <p>The strategies and programmes listed above are undertaken to inform a more organised industrial development the City is pursuing and to identify value chain opportunities to inform the development of the industrial sectors cluster programmes. The City's strategies and programmes are developed in alignment with the National Government strategies, programmes and priorities such as the Industrial Policy Action Plan (IPAP).</p>
Future activities of the project	<p>Facilitation of the Manufacturing sector is an ongoing programme and budgeted for 2018/19).</p> <p>The pipeline projects are as follows: upgrade in Wadeville and Labore. As part of the Revitalisation of the manufacturing sector, the department is in the process of looking at the feasibility of developing new industrial areas.</p>

Activity	Description
	The feasibility will inform future capital investments into this flagship programme.
Activity	Description
4. Ekurhuleni Aerotropolis Development Programme	
Purpose of the project	To implement the Ekurhuleni Aerotropolis Development Programme.
Current progress on project	<p>The Aerotropolis Master Plan was approved by Council on the 24th of October 2017 and is ready for implementation. Special Purpose Vehicle (SPV) Legal Framework and Aerotropolis Advisory Panel has not yet been concluded but will be finalised in the current financial year.</p> <p>The 30 years Aerotropolis Master Plan has highlighted the importance of the initial 5 years of the programme to be crucial in building investor confidence and improving the traction of the Aerotropolis programme. as a result, the greening and beautification of the Airport Core and related corridors of N17; N12; R21; R23, R24, etc. has become urgent in order to improve the environment and look and feel of these priority areas.</p> <p>The 30 years Aerotropolis Master Plan has necessitated the establishment of the PMU office, hence suitable offices have been identified. These offices required refurbishment in order to entrench the Aerotropolis Project Management Office at OR Tambo International Airport.</p> <p>To date the following has been achieved:</p> <ul style="list-style-type: none"> • Stakeholder engagement process continued and produced valuable insights that are critical in shaping the thinking as the project unfolds. These engagements are the first set of engagements with government, business, civil society, academic institutions and organised groups to share thinking and the direction that the Ekurhuleni Aerotropolis should take. The second set of engagements will take place once the longer term strategy is concluded. • Parallel to the development of the longer term strategic plan, a need to operationalize the Aerotropolis concept in the short term has been identified, to enable rolling out of the vision tangibly. This meant deciding on Priority Projects that must be developed now and positioning CITY OF EKURHULENI for their implementation. 19 short term priority projects have also been identified in the Strategic Road Map, addresses and advances critical Aerotropolis concepts identified in the Strategic Road Map, Planning and Land Use Guidelines (PLUG) and the Five Year Implementation Plan. These projects vary in complexity, implementation requirements and realization, but they address the common goals and themes of the Ekurhuleni Aerotropolis. • Business case for the establishment of an Ekurhuleni Aerotropolis Management Agency has been developed.

Activity	Description
Future activities of the project	<p>The 30 years Aerotropolis Master Plan has necessitated that strategic Aerotropolis projects should be activated as per the Master Plan in order to attract and bring crowd-in investments. In this regard, CITY OF EKURHULENI shall invest in land acquisitions, external engineering infrastructure and top building structures that will enable and attract strategic private investments in the Aerotropolis Core.</p> <p>Master Plans Aerotropolis Implementation (Project Facilitation)</p> <p>Appointment of a team leader and team of consultants to render Turnkey Administration, Project Management and related Professional Services for implementation of the 30 Years Aerotropolis Master Plan in the Economic Development Department from 01 July 2016 until 30 June 2019 on a rate base structure.</p> <p>The 30 years Ekurhuleni AMP prescribes the acute prerequisite of the establishment of a Programme Management Unit (PMU) as an interim governance structure for the initial 3 years with the following competencies: Administration and Secretariat Service; Legal Services and Conveyancing; Structured Project Finance and PPP; Property Planning & Development; Communications, Marketing and Stakeholder Management; and Strategic Investment Packaging, Promotion and Facilitation.</p> <p>One of the Council Resolution on Aerotropolis Masterplan was the following</p> <p>“That a special budget provision and funding model on a public-private-partnership basis (PPP) to raise and/or leverage external funding for Aerotropolis Catalytic projects and for the installation of external engineering service requirements, BE ESTABLISHED.” This will be budgeted for 208/19 financial year.</p>

Table 65 Operating Budget of the Economic Development Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19 Original	2018/19 APPROVED	2018/19 YTD	2019/20 FINAL	2020/21 FINAL	2021/22 FINAL
MAYCO 2019-03-20		(2,201,755,440)	(2,400,151,088)	(2,010,358,107)	(2,662,236,239)	(2,642,333,140)	(2,730,057,477)
DBP					BUDGET	BUDGET	BUDGET
ART							
SUB							
IN TOT							
T- d							
CAT							
DESCRIPTION				2018/19 YTD			
				Movement -			
				FEB'19			
	117 OPERATIONAL - MONETARY	(25,054,000)	(25,054,000)	(14,812,823)	(22,022,000)	-	-
	134 INTEREST DIVIDENDS AND RENT ON LAND	(27,825)	(27,825)	16,049	(29,216)	(30,794)	(32,457)
	138 OPERATIONAL REVENUE	(22,115,508)	(22,115,508)	(15,042,622)	(23,221,284)	(24,475,234)	(25,796,896)
	140 RENTAL FROM FIXED ASSETS	(2,284,866)	(2,284,866)	(624,962)	(2,399,109)	(2,528,661)	(2,665,208)
	142 SALES OF GOODS AND RENDERING OF SERV	(3,480)	(3,480)	(3,211)	(3,654)	(3,851)	(4,059)
	1 Total TOTAL INCOME	(49,485,679)	(49,485,679)	(30,467,568)	(47,675,263)	(27,038,540)	(28,498,620)
	201 EMPLOYEE RELATED COST	182,176,962	165,976,962	73,506,954	125,614,660	111,880,073	120,830,478
	226 OUTSOURCE SERVICES	65,039	65,039	59,492	60,061	60,061	60,061
	227 CONSULTANTS AND PROFESSIONAL SERVICE	4,975,082	5,183,816	960,471	19,762,450	19,762,450	19,762,450
	228 CONTRACTORS	3,086,471	1,812,317	949,492	1,846,560	1,946,273	2,051,372
	230 OPERATIONAL COST	74,071,230	74,708,586	13,859,933	71,991,931	72,122,477	72,263,178
	232 INVENTORY	15,622,804	21,446,357	13,017,206	16,484,532	16,581,110	16,682,901
	236 INTEREST DIVIDENDS AND RENT ON LAND	38,848,216	31,285,769	19,346,310	42,344,555	44,631,161	47,041,244
	238 OPERATING LEASES	-	600,000	-	633,600	667,814	703,876
	272 DEPRECIATION & AMORTISATION	4,200,617	4,200,617	2,800,414	3,728,161	4,100,977	4,511,075
	2 Total TOTAL EXPENDITURE	323,046,421	305,279,463	124,500,272	282,466,510	271,752,396	283,906,635
	390 RECOVERIES AND CHARGES	524,184	619,781	98,921	664,346	664,346	664,346
	3 Total TOTAL GAINS & LOSSES/COSTING	524,184	619,781	98,921	664,346	664,346	664,346
	ECONOMIC DEVELOPMENT Total	274,084,926	256,413,565	94,131,625	235,455,593	245,378,202	256,072,361

2.10.8 CITY OF EKURHULENI METRO POLICE DEPARTMENT (EMPD)

The result statements of the department are contained in the IDP in Annexure A

Key projects of the Ekurhuleni Metro Police Department

- Improve organisational effectiveness in policing services (crime prevention, by-law enforcement, security and traffic law enforcement).
- Improve organisational governance vs. creating a better/improved enabling environment in EMPD.
- Build a new 'officer core' and improve discipline among the ranks.
- Grow community engagement (through social crime prevention programmes and Community Policing Forums).

Operating Budget of the City of Ekurhuleni Metro Police Department

The EMPD Operating Expenditure Budget comprises mainly of remuneration-related (salaries etc.) expenses which is 67% of the total budget. Contracted services which include the security contract comprises a further 25% of the budget. The balance of 8% in budgeted for the other general expenses including the operational costs, inventory and operating leases.

One of the single greatest cost components of the EMPD (excluding salaries) is that of the outsourced contracted services (which includes the security contract) with a total of 22% of the total OPEX budget.

The Operating Budget per category is attached hereto.

Table 66 Operating Budget of the City of Ekurhuleni Metro Police Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19	2018/19 YTD	2019/20 FINAL	2020/21 FINAL	2021/22 FINAL
DEP	MAYCO 2019-03-20	APPROVED	MOVEMENT -	BUDGET	BUDGET	BUDGET
ART	(2,201,755,440)	(2,400,151,088)	(2,010,358,107)	(2,662,236,239)	(2,642,333,140)	(2,730,057,477)
IN						
TOT						
DESCRIPTION	2018/19 Original	ADJUSTED	FEB'19	BUDGET	BUDGET	BUDGET
104 FINES PENALTIES AND FORFEITS	(129,044,100)	(229,044,100)	(73,715,656)	(135,496,305)	(142,813,106)	(150,525,014)
106 LICENSES AND PERMITS	(338,744,807)	(338,744,807)	(204,002,358)	(305,915,543)	(322,434,985)	(339,846,476)
125 CAPITAL : MONETARY	-	-	-	-	-	-
138 OPERATIONAL REVENUE	(994,847)	(1,199,357)	(740,223)	(1,044,588)	(1,100,998)	(1,160,452)
142 SALES OF GOODS AND RENDERING OF SERV	(244,885)	(800,185)	(1,133,490)	(256,929)	(270,803)	(285,426)
1 Total TOTAL INCOME	(469,028,639)	(569,788,449)	(279,591,728)	(442,713,365)	(466,619,892)	(491,817,368)
201 EMPLOYEE RELATED COST	1,290,936,595	1,290,936,595	1,030,496,178	1,597,327,276	1,725,113,460	1,863,122,533
226 OUTSOURCE SERVICES	301,395,610	346,219,902	228,192,607	293,535,078	309,385,574	326,091,996
227 CONSULTANTS AND PROFESSIONAL SERVICE	22,892,560	36,172,080	14,105,027	37,275,000	37,275,000	37,275,000
228 CONTRACTORS	5,109,444	5,706,878	2,129,733	10,218,352	10,770,145	11,351,730
230 OPERATIONAL COST	91,424,354	84,537,596	53,182,785	98,407,873	103,075,212	108,041,974
232 INVENTORY	31,164,331	43,088,303	27,804,685	57,728,263	59,719,621	61,818,511
238 OPERATING LEASES	-	-	-	-	-	-
240 BAD DEBTS WRITTEN OFF	-	50,000,000	-	-	-	-
2 Total TOTAL EXPENDITURE	1,742,922,894	1,856,661,354	1,355,911,015	2,094,491,842	2,245,339,012	2,407,701,744
390 RECOVERIES AND CHARGES	10,349,927	10,448,552	2,313,589	11,152,232	11,152,232	11,152,232
3 Total TOTAL GAINS & LOSSES/COSTING	10,349,927	10,448,552	2,313,589	11,152,232	11,152,232	11,152,232
EKURHULENI METRO POLICE DEPARTMENT Total	1,284,244,182	1,297,321,457	1,078,632,876	1,662,930,709	1,789,871,352	1,927,036,608

2.10.9 ENERGY

The result statements of the department are contained in the IDP in Annexure A

The result statements of the department are contained in the IDP in Annexure A

Key Strategic Projects of the Energy Department

Key performance indicator	Key strategic interventions
Unaccounted for electricity	Removal of illegal connections; monitor possible tampering with meters, reduction of interim meter readings.
PV solar lighting units installed in informal settlements	Identify informal settlements for installation
Installed capacity of alternative/renewable power	Conclude power purchase agreements; install photovoltaic solar panels on Council owned buildings roof tops
Electrification of subsidised households and households in informal settlements	Re-block of informal settlements; beneficiary audit; permission to occupy (private land); guidance on beneficiaries with no identity documents. (All to be concluded by Human Settlements department).
Street lights installed	Linked with electrification
High mast lights installed	Linked with electrification
%age downtime of network availability	Maintain/improve security of distribution equipment; refurbishment or repair of medium and high voltage cables

Operating Budget of the Energy Department

The Operating Budget of the Energy Department consists mainly of the repairs and maintenance and bulk purchases in terms of operating expenses and electricity sales in respect of operating income.

An amount of R619m is allocated for preventative maintenance of the electrical infrastructure and energy efficiency.

Refurbishment / Preventative maintenance

Work with regard to the refurbishment budget is prioritised based on the department's approved asset management refurbishment programme and will be amended as and when required in order to address newly identified priorities. Forced interruption statistics, local knowledge, asset age and inspection results are used to identify refurbishment projects. A detailed multi-year refurbishment plan has been compiled and is currently being implemented by the department.

Repairs and Maintenance

Repairs and maintenance forms part of the department's daily asset management activities. Repairs are carried out as and when required. Maintenance is done in accordance with the department's approved maintenance plan.

OPERATING INCOME

Energy Department will continue to focus efforts on accurate metering, a reduction in energy losses and migrate indigent customers to prepayment metering. Efforts to reduce meter tampering and illegal connections will continue, as will the fight against cable and copper theft. Finally, the continued installation of energy efficient streetlights and also LED signals for all traffic lights would assist in reducing energy consumption in municipal operations.



The table above shows the Energy income budget of R8,5 billion is almost perfectly achieved at the 2nd quarter of 2018/2019. Similarly, bulk purchases are at 100, 6% of budget, being only 0, 6% over the predicted budget of almost R6 billion. Electricity unit losses are at 12, 2%, which is slightly above the SDBIP target of 12%. Projects are underway to bring the value down to within the target set.

The Operating Budget per category is shown below.

Table 67 Operating Budget of the Energy Department

2019/20 MITREF OPERATING BUDGET PER DEPARTMENT		2018/19	2018/19	2018/19 YTD	2019/20 FINAL	2020/21 FINAL	2021/22 FINAL
DEP	MAYCO 2019-03-20	Original	ADJUSTED	Movement -	BUDGET	BUDGET	BUDGET
ART				FEB '19			
Sub							
MEM In TOT							
T- d CAT DESCRIPTION							
	104 FINES PENALTIES AND FORFEITS	(7,561,785)	(7,561,785)	(3,464,933)	(7,939,874)	(9,368,627)	(8,820,533)
	117 OPERATIONAL : MONETARY	(552,581,943)	(552,861,943)	(399,436,373)	(590,666,712)	(650,533,887)	(717,847,603)
	125 CAPITAL : MONETARY	(289,000,000)	(288,720,000)	(14,041,437)	(262,150,450)	(23,950,000)	(19,300,000)
	132 SERVICE CHARGES	(13,595,345,291)	(13,731,298,743)	(9,509,192,101)	(15,402,049,982)	(16,942,254,984)	(18,636,480,488)
	134 INTEREST DIVIDENDS AND RENT ON LAND	(84,800,000)	(84,800,000)	(28,157,733)	(95,824,000)	(100,998,496)	(106,452,415)
	138 OPERATIONAL REVENUE	(10,719)	(10,719)	-	(11,259)	(11,871)	(12,510)
	140 RENTAL FROM FIXED ASSETS	(4,068,636)	(4,068,636)	(2,693,364)	(4,272,068)	(4,502,760)	(4,745,909)
	142 SALES OF GOODS AND RENDERING OF SERV	(18,442,971)	(18,442,971)	(17,060,001)	(19,365,119)	(20,410,836)	(21,513,020)
	1 Total TOTAL INCOME	(14,551,811,345)	(14,687,764,797)	(9,974,045,942)	(16,382,279,464)	(17,751,031,461)	(19,515,172,478)
	201 EMPLOYEE RELATED COST	403,082,974	403,082,974	351,710,847	547,034,556	590,797,313	638,061,111
	226 OUTSOURCE SERVICES	366,569,300	358,919,748	224,291,118	395,548,071	419,816,419	445,256,086
	227 CONSULTANTS AND PROFESSIONAL SERVICE	5,060,752	8,010,752	1,674,666	-	-	-
	228 CONTRACTORS	68,581,508	66,737,990	36,856,850	91,062,628	96,361,988	101,985,719
	230 OPERATIONAL COST	25,225,840	25,707,027	16,213,879	30,867,904	32,709,268	34,667,218
	232 INVENTORY	675,257,999	664,893,937	333,248,095	759,461,940	828,962,337	905,220,567
	234 BULK PURCHASES	10,028,837,258	10,129,125,637	6,690,669,046	11,735,605,954	12,909,166,550	14,200,083,205
	236 INTEREST DIVIDENDS AND RENT ON LAND	94,479,813	76,077,291	47,077,476	102,982,996	108,544,078	114,405,458
	240 BAD DEBTS WRITTEN OFF	862,904,995	862,904,995	575,270,000	939,019,478	1,032,921,426	1,136,213,569
	272 DEPRECIATION & AMORTISATION	463,485,929	463,485,929	308,990,630	411,356,274	452,491,902	497,741,093
	277 COST OF FREE BASIC SERVICES DELIVERED	-	-	-	-	-	-
	2 Total TOTAL EXPENDITURE	12,993,486,368	13,058,946,280	8,586,002,607	15,012,939,801	16,471,771,281	18,073,634,026
	300 GAINS AND LOSSES	-	-	(3,101)	-	-	-
	390 RECOVERIES AND CHARGES	854,110,079	844,091,289	266,290,127	861,141,255	861,141,255	861,141,255
	3 Total TOTAL GAINS & LOSSES/COSTING	854,110,079	844,091,289	266,287,025	861,141,255	861,141,255	861,141,255
	ENERGY Total	(704,214,898)	(784,727,228)	(1,121,756,309)	(508,198,408)	(418,118,925)	(580,397,197)

2.10.10 ENVIRONMENTAL RESOURCE AND WASTE MANAGEMENT

The mandate and core business of the department is given gravitas and reinforced by Section 24 of the Constitution which makes provisions that everyone has the right to:

- (a) An environment that is not harmful to their health or well-being;
- (b) Have the environment protected, for the benefit of present and future generation.

The Department is the custodian of the environment in Ekurhuleni and therefore have a responsibility to foster sustainable development that promotes clean and green environment. As ambassadors of the environment in the City, it seek to promote the health and safety of residents by enhancing the quality of life through provision of clean environment including amenities such as parks. Departmental programmes are strategically designed to respond to the GDS theme namely: Re-generate to achieve environmental wellbeing and Re-mobilize to achieve social empowerment. Its operations are guided by national strategic goal of Sustainable Resource Management which has the following goals:

- Protect and manage natural resources and environment;
- Promote good waste management including diversion of waste from landfill through maximising recycling and to contribute to sustainable employment;
- Support the development and utilisation of green technologies and processes

The City is home to a hub of manufacturing, logistics and transport industries, therefore the risk of environmental pollution is impacted by various sources from these industries. The role of the Pollution of the environment impacts on the quality of water resources, land and air and this can have negative health and social impacts for the city. Sustainable development of these industries requires protection of the environment to benefit both current and future generation. The services rendered by the Environmental Resources Management and Waste Management Services Department are, for budget purposes, divided into two categories, namely:

(a) Income generating services:

This include services such as the weekly household and daily business collection, Bulk container services; Litter picking in commercial and industrial areas; Operation and management of landfill sites as well as Parks and cemeteries.

(b) Non-income generating services

These services include mini refuse disposal sites/transfer stations; Litter picking in all areas excluding commercial and industrial areas; parks, rehabilitation of old disposal sites; removal of illegal dumping and all services provided in the informal settlements.

STRATEGIC OUTCOME ORIENTED GOALS FOR THE DEPARTMENT AND LINKAGES TO MSTF OUTCOMES

Strategic Outcome Orientated Goal	Sustainable Natural Resource Management	
Goal Statement	<p>The intention of this goal is to:</p> <ul style="list-style-type: none"> • Protect and manage natural resources and environment. • Promote good waste management including diversion of waste from landfill through maximising recycling and to contribute to sustainable employment. • Support the development and utilisation of green technologies and processes • Boost energy security including through the development of suitable energy mix solutions 	
Justification	This goal responds to the situation analysis and performance environment derived from the socio-economic directives contained in the NDP, the MTSF, and the June 2014 SONA, Gauteng SOPA and the COE GDS 2055	
Links	NATIONAL OUTCOME	OUTPUT
	OUTCOME 8: Sustainable Human Settlements and an improved quality of household life	OUTPUT 2: Improve Access to basic service
	OUTCOME 9: Responsive, accountable, effective and efficient local government system	OUTPUT 2: Improving Access to Basic Services
	OUTCOME 10: Environmental assets and natural resources that are well protected and continually enhanced	OUTPUT 2: Reduced greenhouse gas emissions, climate change impacts and improved air/atmospheric quality OUTPUT 3: Sustainable environmental management

Departmental strategic focus areas for the 2016-2021 term

BUSINESS AS USUAL	KEY STRATEGIC INTERVENTIONS
<ul style="list-style-type: none"> • Management of burials and promoting alternative burials • Maintaining and development of parks • Wetland rehabilitation Strategic guidance and advice on climate change resilience • Enforcement of environmental legislation • Protection of natural resources • Promoting a clean and green environment • Improving the aesthetics of the city • Promoting green building principles for all new developments 	<ul style="list-style-type: none"> • Development of Environmental Outlook Report • Develop a baseline quantification of a low carbon emission plan for the City of Ekurhuleni • Comprehensive spatial assessment of the status of biodiversity within COE (Update of bioregional plan) • Water quality monitoring programme for environmental indicators • Develop biodiversity stewardship programmes • Enhance and strengthen partnerships with various stakeholders e.g. CBO, NGO, Industries etc. • Follow-up and Implementation of identified projects from EBOSS, AQMP, Climate Change Strategy • 2010 Legacy Projects revitalized (Entrance Beautification & viewing areas) • Community Area-based grass-cutting contract operational

BUSINESS AS USUAL	KEY STRATEGIC INTERVENTIONS
<ul style="list-style-type: none"> Improve norms and standard profile for the department 	<ul style="list-style-type: none"> 25 Parks developed as per standards Parks and Cemeteries renamed Medicinal Nursery developed and operationalized Additional Cemetery Land procured Intensify maintenance of water bodies and rehabilitation programmes Development of heroes acre policy
Provision of waste management services	Development of new airspace in the northern service delivery region
Roll-out of the 240 litre bins	Bins that are being rolled out are fitted with an RFID chip. This would enable the department to track mobility of the bins to minimize loss
Maintaining the cleanliness of all CBDs	Introduction of night shift in all townships
Provision of services in the informal settlements	Installation of bulk walk-in containers in all informal settlements
Promoting waste minimization activities	Creating strategic partnerships with civil society and the community for recycling as well as upgrading infrastructure to support these initiatives in Township areas.
Waste to energy project	Creation of strategic partnerships to grow the green energy into the electricity grid
By –law enforcement	Strategic partnerships with the community to monitor and report on by-law compliance and enforcement as well as review of all environmental by-laws

Amongst a list of obligation the department would execute, there are strategic focus areas that are aligned to the local government manifesto and mayoral Lekgotla resolutions. In lieu of the recent structural rationalization and re-alignment the following will be key focal areas:

Business process reengineering

The department will continue to embark on a Business Process Re-engineering (BPR) to ensure that the management of the department introspectively analyses and redesigns key operations within the department in order to achieve improvements in critical operations, reduce costs, stabilize, standardize and modernize service delivery operations. In this regard, the department undertook multiple assignments to rationalize its key operations aimed at bringing not only efficiencies but also cost saving measures through:

- Creation of a new micro organizational structure with defined and refined responsibilities.
- Reviewing the existing by-laws and policies
- Crafting and reviewing operational plans
- Up scaling of services in previously disadvantaged areas
- Promoting alternative burial methods

- Improving vertical and horizontal coordination of dependency factors to minimize its impact on service delivery
- Undertake scientific investigation to improve the quality and predictability of services
- Provision of bulk walk-in containers in the informal settlements
- Pursue a turnaround strategy to improve service delivery.
- Progressive maintenance programme for existing all facilities, infrastructures and equipment.

Developmental contract model

As part of the contribution towards the revitalization of the township economy, the department appointed Development Contractors to render comprehensive refuse removal services and through the Community Based Contractors. This economic intervention will create 48 new entrepreneurs within the waste sector township economy with 852 sustainable jobs created over a period of five years. Furthermore, the department will employ community based Cooperatives to render basic waste management services in the informal settlements. Plans are afoot to appoint six Development Contractors and 36 Community Based Contractor, 11 Recycling Cooperatives and 17 local cooperatives to clean townships and informal human settlements.

Keep Ekurhuleni Clean Program

Clean City Programme was established with a key objective of localizing cleaning programmes by offering a platform for communities to take charge of cleaning the spaces in which they live, play and work. Just to ponder on a few highlights since this programme was established, the launch took place in Tsakane on the 24th October 2015 with a huge clean-up operation in Tsakane. Communities got on board and helped the team clean up. This programme has seen more than 3000 brigades being contractually engaged.

Lessons learned from previous episode of the campaign led to the City to remodeling the campaign and make it a ward based programme. In the new model service providers are going to be engaged for each service delivery region to act as project managers. The participants will be recruited from the wards to minimize travelling off participants to areas of work. There would be 20 brigades recruited per ward totaling 2240 brigades, 112 supervisors and 20 coordinators each deployed per customer care area.

The effects of littering and illegal dumping, poor waste management practices take away the economic potential of the city. After a successful implementation of the programme during the previous financial year, clean city programme will be reintroduced in 2018/19 with a new approach.

Development and upgrading of parks

The department has developed a parks classification policy named urban parks modernisation and classification policy. The purpose of the policy is to. The intention of the Urban Parks Modernization and Classification Policy is to guide the Parks and Cemeteries Division of CoE in its modernization and classification of all parks. The Policy will also assist all other internal CoE departments in planning of functions relating to their role within CoE Parks. Green spaces, quiet streets and recreational parks are important for relaxation, health and sport, nature watching and social activities. Open areas and green parks are important building blocks for promoting quality of life in urban environments.

Climate change imperatives and interventions

The department has developed a climate change response strategy. The strategy will aid the organization in dealing with the issues and impacts related to the fast changing climate. The Climate Change Response Strategy is the overarching framework for climate change actions for the Ekurhuleni city. Addressing the effects of climate change, environmental

degradation and reduction of GHG emissions not only improves the natural environment, ecosystem services and living habitat, but also helps municipalities in three dimensions of sustainability: economic, environmental, and social.

Promote environmental awareness and environmental education

Education and public awareness is an integral part of sustainable development and an important part of a community's understanding of the environmental impacts and how these relate to their actions. Lack of knowledge by industry and community members can cause the degradation of the environment. The empowerment of industry and communities with regards to the environment not only enables them to understand what may be wrong and how they can rectify this, but also enables understanding and appreciation, which in turn leads to a desire to conserve and protect the surrounding environment. Promoting environmental education and awareness will enhance the understanding of environmental rights, responsibilities and the protection and appreciation of the environment.

Development and upgrading of cemeteries

The department has been able to seamlessly provide graves and burial services to the community. Upgrading of cemeteries took place in the various regions according to backlogs in development and infrastructure requirements. The following cemeteries were upgraded; North 4; South 6 and East 8. Additional land for cemetery development is constantly being investigated and additional land next to Thomas Nkobi Cemetery was procured.

Maintaining sufficient burial space is a challenge in Ekurhuleni. Various alternative burial services have been added to council's menu of choices however the majority of burials still use the old traditional methods. The constant challenge is to educate the public and to encourage new alternative burial services. The procurement of additional land is a very lengthy and bureaucratic process and not always successful as sellers of land are impatient.

Beautification of open spaces around prioritized lakes, dams and township entrances

To date the department has completed the beautification of Boksburg Lake, Upgrade of Murray Park at Alexander or President Dam, cleaning of dams and upgrading Bunny Park. Beautification of seven township entrances were completed. The department will continue to beautify spaces around lakes and dams. Projects in the 2019/20 FY include Rehabilitation of Boksburg Lake, planning for the rehabilitation of Brakpan dam, continuation of developing and upgrading Murray Park in springs.

2.10.11 EXECUTIVE OFFICE

The Executive Office cost centre is the cost centre of the executive arm of the political office being the Office of the Executive Mayor and the Members of Mayoral Committee.

Operating Budget of the Executive Office Department

The budget consists mainly of salaries, councillor remuneration and operational expenditure-related to the administration of the function.

Table 66 Operating Budget of Executive Office

2019/20 MAYCO DPT ART MEN T-	SUB IN TOT CAT	DESCRIPTION	2018/19		2018/19 YTD		2019/20 FINAL		2020/21 FINAL		2021/22 FINAL	
			Original	APPROVED ADJUSTED	APPROVED ADJUSTED	Movement - FEB'19	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
		201 EMPLOYEE RELATED COST	77,758,040	77,758,040	40,506,212		79,514,173	85,875,306		92,745,330		
		220 REMUNERATION OF COUNCILLORS	12,761,052	12,761,052	8,047,520		12,134,556	13,105,318		14,153,738		
		226 OUTSOURCE SERVICES	305,771	455,771	328,584		305,771	305,771		305,771		305,771
		228 CONTRACTORS	155,595	138,537	120,383		138,537	146,018		153,903		153,903
		230 OPERATIONAL COST	36,931,226	36,761,226	1,956,190		35,945,178	36,082,841		36,231,394		36,231,394
		232 INVENTORY	8,493,183	9,628,183	5,051,204		9,006,307	9,010,338		9,014,586		9,014,586
		259 OPERATIONAL : MONETARY	4,080,202	6,080,202	3,576,869		4,284,212	4,284,212		4,284,212		4,284,212
		272 DEPRECIATION & AMORTISATION	938,445	938,445	625,630		832,895	916,185		1,007,804		1,007,804
		2 Total TOTAL EXPENDITURE	141,423,514	144,521,456	60,212,593		142,161,629	149,725,989		157,896,738		157,896,738
		390 RECOVERIES AND CHARGES	26,198	26,198	-		26,198	26,198		26,198		26,198
		3 Total TOTAL GAINS & LOSSES/COSTING	26,198	26,198	-		26,198	26,198		26,198		26,198
		EXECUTIVE OFFICE Total	141,449,712	144,547,654	60,212,593		142,187,827	149,752,187		157,922,936		157,922,936

2.10.12 FINANCE DEPARTMENT

The result statements of the department is contained in the IDP in Annexure A

Flagship projects of the Finance Department: Siyakhokha Siyathuthuka “We Pay; We Progress”

The Finance Department Revenue Enhancement flagship project is Siyakhokha Siyathuthuka “**We pay and We Progress**”. This flagship project has been launched throughout the City of Ekurhuleni at the various CCA’s and various communication messages have been sent out to notify the public and staff of this platform via e-mail, sms, and radio and customer statements. An online platform has also been created to facilitate the registration of consumers for them to view and pay their accounts online without having to stand in queues which is hassle free. This in turn has assisted with achieving the collections as budgeted.

Following the launch, the department started with the Customer Care promotions where the focus was on the following:

- ✓ Creating an exciting and positive vibe around the campaign
- ✓ Indigent Registration Programme
- ✓ e-Siyakhokha Registration
- ✓ Promote payment for services & encourage customers to pay via online platform
- ✓ Receive queries from customers
- ✓ Update customer details on City of Ekurhuleni billing system
- ✓ Assist CCAs with credit control.

Total of 207 000 users registered through e-Siyakhokha online facility with average monthly account payment processing on R 65 million.

This project will continue in 2019/20 especially in respect of the development and use of electronic media platform.

Operating Budget of the Finance Department

The Finance Department renders a financial service to the municipality and Council. It therefore has to secure sound and sustainable management of the fiscal and financial affairs of the municipality; and ensure transparent, accountable and appropriate lines of responsibility in the fiscal and financial affairs of the municipality and its entities.

The department manages the borrowing, investments, supply chain management, revenue, expenditure, assets and liabilities of the municipality and therefore has to draw up the budgets and ensure that financial planning processes are followed and complied with in terms of legislation and other regulations and to coordinate these not only within the municipality but also with other organs of state in the different spheres of government. The Operating Budget will enable the department to perform the above functions and duties and many other functions that it would be expected to be perform that include:

Revenue Management

Revenue services bill customers in respect of consumer services and applicable property rates and taxes. Consumer Services are rendered through service departments - Water, Electricity and Waste Management. Revenue services is responsible for collection of billed services from customers, the implementation of credit control measures and to ensure that the City pay points systems and networks are operating efficiently and effectively. The 2018/19 collection rate performance indicator target of ninety four percent (94%) revenue collection to be maintained in 2019/20.

Expenditure and cost management

Through the expenditure the payments are processed for goods and services procured on behalf of the City departments. The 2018/19 performance indicator target of eighty percent (85%) payment of creditors within 30 days as per MFMA will remain at eighty five percent (85%) in 2019/20.

Budget and Management Accounting

The Budget & Management Accounting is responsible for the costing, drafting and compiling of the City's Annual Budget. The budget consists of the Operational & Capital budget which is used for the allocating of financial resources for the rendering of service delivery. The Budget and Accounting Division's key deliverable with the 2018/19 budget include be fully compliant with the latest Municipal Standard Chart of Accounts (MSCOA) version 6.3.

Supply Chain Management

The Supply Chain Management (SCM) provides a SCM platform that ensures efficient and effective procurement of requisite goods and services for City.

Its key objective are to ensures optimisation of the financial delivery value chain, through strategic planning and alignment of SCM practices and processes, ensuring delivery of and compliance with protocols and Acts through:

- Demand Management
- Acquisition Management
- Logistics Management
- Inventory Management
- Disposal Management
- Performance Management
- Contract Management Legal Compliance

The performance of the City in terms of service delivery is largely affected by the effectiveness of the Supply Chain Management (SCM) processes. The SCM Division's key deliverables with the 2019/20 budget is to execute the SCM operations and improve capacity to process tenders within targeted turnaround times (adjudicate within 120 days after bids' closing date) with the performance indicator for 2019/20 remaining at 90%. This will ensure continuous improvement of the SCM processes that will benefit the City's departments, the community and businesses to ensure that the service delivery is not compromised.

Financial Reporting, MIS and Treasury Services

Financial Reporting is responsible for the preparation and presentation of the group Annual Financial Statements and Asset Management function for the City, to ensure compliance with accounting standards. The maintenance of relations with the National Treasury and Provincial Treasury regarding statutory reporting processes and submission of financial reports as required. The implementation of the budget also brings in-year financial reporting requirement. In-year reporting and Annual Financial Statements are prepared in compliance with relevant legislation. The 2019/20 core deliverable is to achieve the unqualified audit opinion without findings.

The Finance Department's budget includes the full income for the assessment rates, regardless of the utilisation of the rates. The cost centre shows a surplus, but it is not technically a surplus generating function

The City's treasury office (Treasury) serves as internal banker of City and municipal owned entities (MOEs) and is, in general terms, responsible for cash management and borrowings. The decisions taken by Treasury are investments, funding and hedging decisions in the financial market place and in accordance with the provisions of the MFMA. The role of Treasury is to provide liquidity to City and its MOEs by sourcing the most efficient financial instruments at the best price and to administer and account for such instruments within the bounds of relevant legal framework. Treasury division ensure that this function contributes positively to the cash collections of the City to sustain the City to meet its expenditure commitments and to remain in a positive cash coverage in line with the targeted cash coverage to sustain the City as ensure financial viability.

The City has also increased its revenue collection base to improve its revenue collection facilities, customers can pay via, rates halls, internet, banks, E – Siyakhokha and other Third Party Payments vendors like Easy Pay, Post Office, SYNTELL, Deposita (KIOSKs), Ideal, Pay@ this facilitates for pre-paid electricity and bill payments at the following but not limited to Pick 'n Pay, Spar, Shoprite, Checkers, Woolworths, Pep stores etc.

The Treasury section is also facilitating the Transport Section for Harambee (IRPTN) in ensuring that the process of revenue collection is under its domain with the relevant monitoring and controls in place.

The City's enjoys a favourable credit rating of Aaa.za/Prime-1 national scale rating, a four notch upgrade from a previous rating of A1.za/Prime-1 this is before the county got downgraded. This facilitates the City of Ekurhuleni to attract favourable investments and funding.

The Operating Budget per category is attached hereto

Table 70 Operating Budget of the Financial Services Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19 Original	2018/19 APPROVED ADJUSTED	2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
DEP	ART	2018/19	2018/19	2018/19 YTD	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
MTREF	SUB	2018/19	2018/19	2018/19 YTD	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
2019-03-20	IN TOT	2018/19	2018/19	2018/19 YTD	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
T-	CAT	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
	102	PROPERTY RATES	(5,615,664,764)	(5,632,288,291)	(3,569,953,852)	(6,140,478,219)	(7,328,660,751)
	104	FINES PENALTIES AND FORFEITS	-	-	(154)	-	-
	107	INT DIV RENT ON LAND NON-EXC	(52,763,928)	(52,763,928)	(52,983,566)	(55,402,125)	(58,393,841)
	117	OPERATIONAL : MONETARY	(2,380,382,290)	(2,380,382,290)	(1,640,432,094)	(2,435,775,736)	(2,539,683,264)
	132	SERVICE CHARGES	513,111,510	513,111,510	221,150,020	464,212,094	489,279,548
	134	INTEREST DIVIDENDS AND RENT ON LAND	(437,676,435)	(437,676,435)	(229,021,059)	(459,442,585)	(484,252,486)
	138	OPERATIONAL REVENUE	(197,650)	(94,650)	(105,628)	(99,426)	(104,799)
	140	RENTAL FROM FIXED ASSETS	-	-	-	-	-
	142	SALES OF GOODS AND RENDERING OF SERVICES	(10,926,543)	(54,768,099)	(44,569,505)	(49,768,099)	(52,455,577)
	1	TOTAL INCOME	(7,984,500,100)	(8,044,862,183)	(5,315,915,837)	(8,676,754,096)	(9,308,029,283)
	201	EMPLOYEE RELATED COST	531,885,668	531,942,322	298,473,781	554,926,202	599,036,299
	226	OUTSOURCE SERVICES	123,565,398	125,632,195	54,217,566	129,109,919	136,064,177
	227	CONSULTANTS AND PROFESSIONAL SERVICES	38,426,942	43,106,684	14,894,767	47,135,991	47,135,991
	228	CONTRACTORS	29,661,493	29,568,300	13,084,467	35,553,344	37,473,228
	230	OPERATIONAL COST	248,621,991	274,059,015	176,317,978	273,554,563	281,065,745
	232	INVENTORY	20,376,643	20,063,706	8,360,755	19,159,306	19,578,190
	236	INTEREST DIVIDENDS AND RENT ON LAND	257,403,933	211,141,562	118,348,757	530,570,287	971,732,031
	238	OPERATING LEASES	4,113,786	10,909,075	5,730,491	11,519,983	12,142,061
	240	BAD DEBTS WRITTEN OFF	361,425,397	361,425,397	240,950,272	392,468,046	431,714,851
	272	DEPRECIATION & AMORTISATION	20,185,322	20,185,322	14,282,537	17,915,017	19,706,519
	278	REVENUE COST OF FREE BASIC SERVICES	-	-	-	-	-
	2	TOTAL EXPENDITURE	1,635,666,573	1,628,033,578	944,661,370	2,011,912,658	2,555,649,092
	300	GAINS AND LOSSES	-	-	254,075	-	-
	390	RECOVERIES AND CHARGES	(1,542,910,924)	(1,951,852,895)	(823,834,835)	(1,909,366,639)	(1,909,366,639)
	3	TOTAL GAINS & LOSSES/COSTING	(1,542,910,924)	(1,951,852,895)	(823,580,760)	(1,909,366,639)	(1,909,366,639)
		FINANCE Total	(7,891,744,451)	(8,368,681,500)	(5,194,835,227)	(8,574,208,077)	(9,308,746,830)

2.10.13 HEALTH AND SOCIAL DEVELOPMENT

The core business of the department is characterised by key elements of service delivery and resources which are linked to the Integrated Development programme (IDP) and Growth Development Strategy (GDS) 2055. Guided by the Social Empowerment and Sustainable Integration as the long-term imperatives, key programmes and strategic interventions outlined in the departmental Service Delivery Budget Improvement Plan (SDBIP) mainly find expression in the GDS 2055.

The Health and Social Development Department renders integrated health and social development services in partnership with stakeholders to contribute towards the long and healthy life of communities in Ekurhuleni through the provision of Primary Health Care, and Social Development Services.

Key Strategic Projects of the Health and Social Development Department

The Health and Social Development Department is comprised of the programme related line function divisions and support divisions. The line function divisions are Primary Health Care; Social Development; and Environmental Health. The administrative, operational and strategic departmental functions are provided through other divisions, namely, Support Services; Health Projects; Strategy and Planning; and Governance, Risk and Compliance.

The Health and Social Development Department will, in the 2019/20 financial year conclude on the feasibility studies initiated during previous financial years. The outcome of the studies will be made available to the Gauteng Department of Health for consideration. The construction of new facilities are referred to Gauteng Department of Health.

Table 67 Operating Budget of the Health and Social Development

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19		2018/19 YTD		2019/20 FINAL BUDGET		2020/21 FINAL BUDGET		2021/22 FINAL BUDGET	
DBP	SUB ART MEN In TOT T- d CAT DESCRIPTION	2018/19 Original	2018/19 APPROVED ADJUSTED	2018/19 FEB'19	2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2021/22 FINAL BUDGET
	117 OPERATIONAL : MONETARY	(161,657,000)	(151,878,000)	(146,790,291)	(146,790,291)	(170,757,000)	(171,357,000)	(171,357,000)	(171,357,000)	(171,357,000)	(171,357,000)
	125 CAPITAL : MONETARY	-	-	-	-	-	-	-	-	-	-
	138 OPERATIONAL REVENUE	(128,000)	(128,000)	(523,487)	(523,487)	(134,400)	(141,658)	(149,308)	(141,658)	(149,308)	(149,308)
	142 SALES OF GOODS AND RENDERING OF	(4,198,413)	(4,198,413)	(3,175,937)	(3,175,937)	(4,373,583)	(4,609,757)	(4,858,685)	(4,609,757)	(4,858,685)	(4,858,685)
	1 Total INCOME	(165,983,413)	(156,204,413)	(150,489,715)	(150,489,715)	(175,264,983)	(176,108,415)	(176,364,999)	(176,108,415)	(176,364,999)	(176,364,999)
	201 EMPLOYEE RELATED COST	915,131,889	913,505,452	575,790,952	575,790,952	1,031,651,099	1,111,349,525	1,199,238,071	1,111,349,525	1,199,238,071	1,199,238,071
	226 OUTSOURCE SERVICES	3,894,726	6,199,658	1,655,297	1,655,297	7,387,133	7,790,899	8,163,767	7,790,899	8,163,767	8,163,767
	227 CONSULTANTS AND PROFESSIONALS	1,576,837	4,639,200	28,403	28,403	8,008,338	8,008,338	8,008,338	8,008,338	8,008,338	8,008,338
	228 CONTRACTORS	6,346,502	6,248,059	2,318,063	2,318,063	5,901,676	6,220,364	6,556,271	6,220,364	6,556,271	6,556,271
	230 OPERATIONAL COST	28,967,970	20,965,355	12,204,061	12,204,061	29,918,990	33,528,317	35,036,876	33,528,317	35,036,876	35,036,876
	232 INVENTORY	32,965,360	37,841,133	19,749,600	19,749,600	38,420,545	38,681,019	38,930,468	38,681,019	38,930,468	38,930,468
	236 INTEREST DIVIDENDS AND RENT ON L	-	-	-	-	-	-	-	-	-	-
	238 OPERATING LEASES	-	-	-	-	-	-	-	-	-	-
	259 OPERATIONAL : MONETARY	-	-	-	-	-	-	-	-	-	-
	272 DEPRECIATION & AMORTISATION	28,600,352	28,600,352	19,066,902	19,066,902	25,383,585	27,921,944	30,714,138	27,921,944	30,714,138	30,714,138
	2 Total EXPENDITURE	1,017,483,636	1,017,999,209	630,813,279	630,813,279	1,146,671,366	1,233,500,406	1,326,647,929	1,233,500,406	1,326,647,929	1,326,647,929
	390 RECOVERIES AND CHARGES	15,528,576	21,335,934	9,980,610	9,980,610	87,691,743	87,691,743	87,691,743	87,691,743	87,691,743	87,691,743
	3 Total GAINS & LOSSES/COSTING	15,528,576	21,335,934	9,980,610	9,980,610	87,691,743	87,691,743	87,691,743	87,691,743	87,691,743	87,691,743
	HEALTH AND SOCIAL DEVELOPMENT Total	867,028,799	883,130,730	490,304,173	490,304,173	1,059,098,126	1,145,083,734	1,237,974,679	1,145,083,734	1,237,974,679	1,237,974,679

2.10.14 HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

The result statement of the department is contained in the IDP in Annexure A.

Key Strategic Projects of the Department

A key strategic project of the Department Human Resources Management and Development is the finalisation of the Institutional Review Process.

The HR strategy drives the actualisation of the following components:

- Strategies from a Human Capital perspective to support the GDS 2055.
- Ensure statutory and regulatory compliance.
- Develop a strategy driven and dynamic City of Ekurhuleni structure.
- Promote and preserve HR professionalism.

-
- Build and manage a performance culture.
 - Build and maintain sound labour relations.
 - Alignment and support all flagship projects.
 - Approval of the costing model for roll-out of IR (i.e. staff appointments and inclusive of post-retirement benefits)
 - Skills Audit

Operating Budget of the Human Resources Management and Development Department

The main cost driver of the department is personnel costs which comprises 70.10% of the total Operating Budget of the department.

The department is also responsible for the advertising and filling of positions, generic training programmes, addressing labour matters and facilitating employee wellbeing programmes, with subsequent cost and budgetary provision of the services.

Table 68 Operating Budget of the Human Resources Management and Development Department

2019/20 DEP ART MEN T- d	SUB IN TOT CAT DESCRIPTION	2018/19			2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
		2018/19 Original	APPROVED ADJUSTED	(25,131,515)				
	117 OPERATIONAL : MONETARY	(25,131,515)	(25,131,515)	(5,766,357)	(25,131,515)	(25,131,515)	(25,131,515)	
	142 SALES OF GOODS AND RENDERING OF SERVICES	(12,000,000)	(12,000,000)	-	(12,600,000)	(13,280,400)	(13,997,542)	
	1 Total TOTAL INCOME	(37,131,515)	(37,131,515)	(5,766,357)	(37,731,515)	(38,411,915)	(39,129,057)	
	201 EMPLOYEE RELATED COST	166,423,445	166,423,445	87,111,338	171,195,959	184,891,630	199,682,963	
	226 OUTSOURCE SERVICES	1,955,679	1,800,116	646,283	1,029,604	1,079,777	1,132,658	
	227 CONSULTANTS AND PROFESSIONAL SERVICES	220,266	1,420,266	270,330	149,780	149,780	149,780	
	228 CONTRACTORS	1,225,344	1,219,112	1,195,002	1,227,509	1,293,794	1,363,659	
	230 OPERATIONAL COST	9,004,134	9,294,697	6,288,343	8,919,463	9,123,462	9,343,499	
	232 INVENTORY	13,811,250	28,528,118	6,490,295	29,858,383	31,062,260	32,331,148	
	238 OPERATING LEASES	3,274,725	4,360,119	2,543,974	4,604,285	4,852,916	5,114,973	
	272 DEPRECIATION & AMORTISATION	626,437	626,437	417,630	555,980	611,578	672,736	
	2 Total TOTAL EXPENDITURE	196,541,280	213,672,310	104,963,194	217,540,963	233,065,197	249,791,416	
	390 RECOVERIES AND CHARGES	(58,664,938)	(58,656,030)	(24,072,702)	(58,507,103)	(58,507,103)	(58,507,103)	
	3 Total TOTAL GAINS & LOSSES/COSTING	(58,664,938)	(58,656,030)	(24,072,702)	(58,507,103)	(58,507,103)	(58,507,103)	
	HUMAN RESOURCES Total	100,744,827	117,884,765	75,124,135	121,302,345	136,146,179	152,155,256	

2.10.15 HUMAN SETTLEMENTS

The result statements of the department is contained in the IDP in Annexure A.

The result statements of the department is contained in the IDP in Annexure A.

Key Projects of the Department

1. CONSTRUCTION OF HOUSES PROGRAMME

Purpose: This programme entails the construction of houses on serviced stands for in-situ and Greenfield developments, where beneficiaries have been identified and approved. The programme constitutes the last phase and consolidates a housing project, apart from other socio-economic amenities and services that are required to achieve integrated and sustainable developments.

Progress: The house construction programme targeted to deliver 167 houses by end of the 2018/2019 financial year, with the approved 2017/18 roll over. The projects are in Mayfield Ext 32, Eden Park West and Ext 1, and Etwatwa Ext 35. Instruction to Perform Work has been issued and delivery is targeted at end of Q3 and in Q4.

There is HSDG funding that has been gazetted to the value of R74 million for construction of houses in Moleleki Ext 1 & 2(141 houses), Mayfield Ext 34 (186 houses), and Payneville Ext 1(247 houses). A further R211 m has been gazetted for Alliance Ext 1 for 1639 houses. The funds will be appropriated in the 2018/19 adjustment budget.

2. DEVELOPMENT OF SERVICED STANDS PROGRAMME

The department is further implementing the serviced stands programme aimed at delivering serviced erven for the purposes of upgrading informal settlements and/or allocation of beneficiaries from informal settlements and/or the waiting list / demand data base. The following services are provided:

- Electricity -The individual erven will be designed for a single residential dwelling with related outbuildings have access to Electrical Network Systems.
- Human Settlements Elements
- As the final phase of the programme the individual erven will be approved beneficiaries and future construction and urban management of the property:
 - An approved house-plan for the property, selected by the beneficiary from a range of typical house-plans;
 - A main foundation (minimum 40m² for a single storey or minimum 23m² for double story) for the house design selected by the beneficiary, on which the beneficiary can erect his temporary shelter and which in future the house designed can be constructed on.
 - A secondary foundation (minimum 17m²) for Temporary Settlement and Future Backyard Rental or family Accommodation, ONLY when a double storey design is selected by a beneficiary.
 - A bathroom or similar facility with a solar water heater/geyser, either to be erected on the foundation or on a suitable part of the erf/stand.

In line with the Mayoral pronouncement of delivering of 59000 serviced stands the department is planning to deliver a total of 59000 serviced stands in the next 5 years

In respect of the delivery of stands serviced, the over performance of 1100 stands in the 2nd quarter of the 2018/19 financial year is due to target not made for Q1. The Project that

attributed to the performance is the acquisition of serviced stands in Palmridge Ext 10 & 12.

Other projects are at various progress stages:

- **Alliance Ext 1** (1 580 Stands) – The Contractor was appointed by the HDA in 2018/19 financial year, and work is at advanced stage.
- **Alliance Ext 9** (634 Stands) – Housing Development Agency's (HDA) contractor appointed for the continuation of the second phase of the project which involves the construction of the roads and storm water network systems, project is at 65%, delayed by resettlement issues.
- **Apex Ext 12** (331 Stands) – The construction of the bulk outfall sewer is planned to be at 19% completion stage by end of 2018/19 financial year.
- **Balmoral Extension 4** (388 Stands) – Construction of Civil Engineering Services:
 - Construction of Roads & Stormwater Systems (Surfacing of Roads)
 - Construction of Bathroom (Fittings, Plumbing, Geysers for 259 bathrooms)
 - Construction Bulk Water & Sewer Lines and Linkages

The project was planned for completion in June 2017/18 Financial Year, however it was delayed due to the court order not obtained on time to demolish brick built religious and residential structures forming part of the informal settlement being upgraded with services. HDA Contractor to be appointed once the adjustment budget is approved.

- **Daveyton Extension 14** (958 Stands) – The project is planned for completion in 2018/19 FY with the construction of Civil Engineering Services:- Water & Sewer Network Systems
 - Construction of Bathroom (27 Bathrooms to be built with Fittings and Geysers). HDA Contractor to be appointed once the adjustment budget is approved.
- **Mayfield Extension 45** (632 Stands) – The project involves installation of water & sewer network systems, and construction of bathroom facilities. The project was delayed due to resettlement issues.
- **Moleleki Ext 2** (219 Stands) – In 2018/19 FY, the project will construct access roads & completion of the Pond, as well as construct 17 bathroom structures and internal plumbing for 209 stands. HDA Contractor to be appointed once the adjustment budget is approved.
- **Palm Ridge Extension 9** (414 Stands) – The project is aimed at construction of Civil Engineering Services: Installation of water & sewer network systems for 414 stands; construction of roads & stormwater systems; and Construction of 414 bathrooms. Project is delayed due to the re-designing of roads and stormwater designs; contractor's poor performance; delayed approval of construction permit, beneficiary management and available resettlement areas.
- **Palm Ridge Extension 10 & 12** (Bulk Services) – In 2018/19 financial the following civil engineering services will be provided: bulk Sewer; external intersections and bus routes; and bulk electricity infrastructure. The developer has been appointed.
- **Villa Lisa Extension 4** – The following civil engineering services will be provided in 2018/19 FY: Construction of access roads & completion of the retention pond;

construction of 17 bathroom structures and internal plumbing for 209 stands. DBSA contractor has been appointed.

- **Comet Ext 17 Serviced Stands** – The projects entails construction of water & sewer Infrastructure. The contractor has been appointed through the DBSA. The handover of the site to the contractor has been delayed due to the volatility of the area.

3. **UNDERTAKING DETAILED PLANNING TO ENABLE THE DEVELOPMENT OF STANDS FOR HUMAN SETTLEMENTS PROJECTS**

Purpose: This programme entails the detailed planning process per land portion to enable the appropriate upgrading and formalisation of informal settlements to provide secured tenure to housing beneficiaries. The major component of the programme involves undertaking feasibility studies to assess the suitability of various land parcels for human settlements development, undertaking of pre-planning studies including township establishments, environmental impact assessments and various specialist studies such as geotechnical investigations, traffic impact assessments, heritage studies and wetland delineation. All these activities are required to proclaim a township and allow ownership of property.

Progress: 4 town planning activities have been approved in 2018/19 financial year. This was possible as the 2017/18 Instructions to Perform Work (IPWs) issued are valid until end of March 2018. The rest of the planning work will be done by Professional Service Providers to be appointed in March 2019.

4. **THE IMPLEMENTATION OF THE INFORMAL SETTLEMENT MANAGEMENT PLAN**

Purpose: This plan enables the municipality to coordinate and manage informal settlements in a more comprehensive and integrated manner and also create improved access of interim basic municipal services to people living in informal settlements.

Progress: There are scheduled monthly inter-departmental meetings that are held to discuss, plan, monitor and assess the provision of interim basic municipal services to all informal settlements. Various departments responsible for infrastructure and services provision are being encouraged to budget for services in the informal settlements. Service departments are submitting their monthly reports on services rendered in the informal settlements. There are scheduled dates for site visits to the various informal settlement areas. The report on the provision of basic services in informal settlements is tabled at the COO's Service Delivery War Room meeting.

In respect of informal settlements, upgrading plans over the short-, medium- and long-term the National Department of Human Settlements are required through the National Upgrading Support Programme (NUSP) to develop service delivery intervention plans (business plans) and to fast-track the development on 18 category B informal settlement plans.

Reblocking

Reblocking is an initiative focused on informal settlements, which is driven through collaboration with community; public sector and non-governmental sector support. The initiative is aimed at improving the living conditions in non-formalized settlements through creating temporary township layouts designed to allow for construction of graded roads, installation of on-grid or off grid electrical, water and sanitation services,

provision of socio-economic amenities as well as security of tenure where possible thus making informal settlements more habitable and dignified.

There are 13 informal settlements that are work in progress. One is at implementation stage, and the rest are at procurement stage, however the social facilitation process has been concluded. Appointment of contractors is targeted by 26 February 2019.

5. LAND ACQUISITION

Purpose: To co-ordinate and manage the land acquisition processes for sustainable Human Settlements.

The land acquisition budget for 2018/19 financial year is R 270 million sitting in the General Vote under Real Estate Department. The amount budgeted is to acquire R120 hectares of land for human settlements. The 28 ha were acquired at the end of Q2, for Palmridge Ext 24,25 & 26 (1100 stands).

The developer is on track to acquire the remaining extensions by the end of the year and the Department has requested additional R60 million to ensure that the target is met.

Department's planned activities for 2019/2020 include:

- To construct houses.
- To provide bulk in mega projects;
- To provide service stands;
- To conduct feasibility and pre-planning studies for human settlements.
- To undertake repairs and maintenance, address the upgrading and refurbishment of targeted rental stock owned by Council within various CCAs.
- To continue with the coordination and monitoring role through monthly inter-departmental meetings; reporting and planned site visits to the informal settlement areas
- To ensure that all service departments budget for services to be rendered in the informal settlements, and to establish the various local structures, that is, the ward-based, customer care area and metro-wide informal settlement structures.
- Coordinate and manage the land acquisition processes.
- Community outreach and beneficiary education within housing projects.
- Development of Social Housing Projects in Vosloorus, as part of the Urban Renewal Programme, continue with Airport Park social housing and introduce social housing in Comet Village.

Other Strategic Projects of the Human Settlements Department

Most human settlements projects are multi-year projects continuing into the 2019/20 financial year.

PROJECT NAME	PROJECT DESCRIPTION
Leeuwpoot mixed housing development	<ul style="list-style-type: none"> ○ The project is aimed at addressing the housing backlog and to provide various housing products targeting a mix of income groups, including, subsidised housing, bonded housing and Finance Linked Subsidy Programme (for beneficiaries who qualify for both subsidised and bank funding). ○ The first phase will focus on bulk infrastructure provision, detailed planning and design, and implementation of the northern portion.

PROJECT NAME	PROJECT DESCRIPTION
	<ul style="list-style-type: none"> ○ The northern portion of the project is linked to the Joe Slovo informal settlement to be upgraded and formalised. ○ The project is planned to be implemented over the medium-to long-term (over a seven-year period). ○ The developer has been appointed and work has commenced. ○ The project aims to deliver over 18,000 housing units and is considered to be a mega-project ○ The project is at Engineering designs phase for bulk, link and internal engineering services. ○ All the environmental issues related to radiation clean-up, and GDARD concerns have been resolved, and socio-economic issues related to sub-contracting have been addressed.
Brakpan Old Location	<ul style="list-style-type: none"> ○ Planning inclusive of specialist studies & construction supervision of bulk services for 3000 stands in Brakpan old location mega project. ○ The Project is current sitting in 67.4% on performance and the intention is to commence with the installation of bulk infrastructure services in 2018/19 FY, pending budget availability.
Van Dyk mega project	<ul style="list-style-type: none"> ○ Integrated housing project, delivering Full Subsidy, Social, and FLISP & Bonded Houses. Total yield 19453. ○ Appointment of Service Providers for both designs for bulk services and top structures has been made. ○ Installation of Engineering Services and Top Structures for 3500 residential units.
Tembisa Ext 25 mega project	<ul style="list-style-type: none"> ○ A contractor has been appointed for the construction of bulk services. The overall progress is currently at 32%. The erven that has been demarcated for the construction of top structures is currently at 90% with regards to the installation of services. The following is a further breakdown of progress as at the 31 January 2019: <ul style="list-style-type: none"> ○ Earthworks - 98% ○ Water Reticulation - 50% ○ Stormwater - 47 % ○ Sewer - 38 % ○ Attenuation Ponds - 24% ○ Electrical and roadworks construction has just commenced.
Palmietfontein mega project	<ul style="list-style-type: none"> ○ Planning and design for Bulk engineering services and top structures planned in 2018/19 FY ○ Planning for the project is at stage 3.
John Dube Mega project	<ul style="list-style-type: none"> ○ Bulk design for 12,000 units ○ Appointment made for stages 1-6 of the planning and construction supervision on bulk services in 2018/19 FY
Esselen Park – Witfontein mega project	<ul style="list-style-type: none"> ○ Design of bulk infrastructure - sewer, water, stormwater, roads and electrical and design of 3,000 RDP units as top structures
Daggafontein mega project	<ul style="list-style-type: none"> ○ Bulk Service Design and outstanding town planning approvals for this current year 2018/2019 after budget adjustment.
Apex Ext 12 RDP walk-ups- (roads construction)	<ul style="list-style-type: none"> ○ Roads constructions planned for in the next financial year as roads were not part of the services provided.
Development of the township revitalisation	<ul style="list-style-type: none"> ○ The City of Ekurhuleni aims to develop the urban settlement of Germiston into a sustainable human settlement and

PROJECT NAME	PROJECT DESCRIPTION
and renewal strategy and plans	<p>Administrative Capital (Metropolitan Headquarters) of the City of Ekurhuleni. The City of Ekurhuleni embarked upon a project to transform Germiston and previously completed an Implementation Plan for Urban Renewal. (GEAR 2030: Towards the Detailed Planning, Design Guidelines and Land Packaging Proposals).</p> <ul style="list-style-type: none"> ○ Following from GEAR, various projects were identified, some of which are currently at implementation stage as outlined below.
Germiston Fire Station (ERF 808) Social Housing Project	<ul style="list-style-type: none"> ○ The project consists of 353 units, with 144 units planned for construction during phase 1 and 209 units to be constructed during phase 2 of the project. The project will deliver units comprising of 2 bedrooms, 1 bedroom and bachelor flats with a living room, kitchen and bathroom. Provision has been made on the ground floor for units to cater for persons with disabilities. The plans also include the development of a crèche and hall. ○ The buildings comprise of 4 storeys (inclusive of the ground floor), with alternative green building technologies being incorporated as much as possible in the design of these buildings. ○ Phase 1 construction will be made up of the following blocks: ○ Blocks 1, 3, 4, 6, 7, and 8. The crèche and hall will be developed in subsequent phases. The project will comprise of 353 units in total with 54 one bedrooms, 89 bachelors, 192 two bedrooms and 18 retail space. ○ Phase 1 has been completed and the construction of Phase 11 is underway. ○ In 2018/19 FY, completion of the 200 units (Phase 2) subject to the approval of the adjustment budget.
Germiston Public Space Upgrade Project	<ul style="list-style-type: none"> ○ The project's focus is on the upgrading of key existing streets within this area and provide an NMT network that will serve the community of Germiston.
Tembisa Urban Renewal	<ul style="list-style-type: none"> ○ Public Space Upgrade linked with Non-Motorised Transport in Thembisa Phase 3 project ○ Designs for the Tembisa Civic Node- A contractor was appointed in late December for the construction of the NMT. ○ The contractor has since established site in early January and has now commenced with the works. Progress on site is currently at 20% and progressing well at present.
Wattville Urban Renewal	<ul style="list-style-type: none"> ○ Construction of non-motorised facilities in Wattville and Actonville ○ Variation Order approval has been received by the contractor to execute additional work in Wattville Public Space Upgrade linked with NMT
Wattville Erf 3130	<ul style="list-style-type: none"> ○ Provision of services and construction of walkup RDP units (264 on phase 1 and 697 on phase 2) ○ Services installed, once the Rand water approval is obtained, the remaining earthworks will be done on Rand Water servitude.
Urban Renewal: Daveyton NMT	<ul style="list-style-type: none"> ○ Project handed over from City Planning ○ Implementation protocol to be agreed upon between City Planning and Human Settlements Departments

PROJECT NAME	PROJECT DESCRIPTION
Urban Renewal: Katorus: Erf 18383 Vosloorus X 9, Erf 6519 Vosloorus Ext 9, Erf 20846 Ext 30, Portion of RE Portion 192 Farm Vlakplats 138 IR	<ul style="list-style-type: none"> ○ Vosloorus (Katorus) complex construction 10 story building with 1354 units. ○ RDP walk-ups & CRU: Completion of stages 5-6 of the envisaged construction of Vosloorus Complex. Execution to be phased. Servicing of units & construct approximately 1200 RDP units. ○ Project is currently at 30%
Informal Settlements Formalisation and Upgrade Programme	<ul style="list-style-type: none"> ○ The Programme is aimed at the upgrading and formalisation of informal settlements. ○ It addresses the entire planning and tenure arrangements in informal settlements. ○ This entails the categorisation of informal settlements as requiring relocation, in-situ upgrading or part relocation and part in-situ upgrading. ○ The major aspect of the plan involves undertaking feasibility studies to assess the suitability of various land parcels for human settlements development. ○ Upon positive recommendations of the feasibility reports per informal settlement, detailed pre-planning studies are undertaken in particular Environmental Impact Assessment (EIA) Studies and Geo-Technical studies. On receipt of positive results thereof, land acquisition processes are embarked upon and where land is owned by the municipality, it must be reserved for a housing purpose and a full township establishment process will follow. ○ In case of private land, township establishment would only commence when land has been procured by the municipality. ○ The Department on average conducts 10 feasibility studies each financial year.
Re-blocking	<ul style="list-style-type: none"> ○ The density of some informal settlements is such that the project cannot be completed in one financial year, and has to be carried out over the years.

Table 69 Operating Budget of the Human Settlements Department

DEPT	SUB	2018/19	2018/19	2018/19 YTD	2019/20 FINAL	2020/21 FINAL	2021/22 FINAL
ART	IN TOT	Original	APPROVED	Movement -	BUDGET	BUDGET	BUDGET
T-	CAT	ADJUSTED	ADJUSTED	FEB '19			
DESCRIPTION							
	113						
	117						
	125						
	134						
	140						
	142						
1	Total	(1,130,606,779)	(1,871,830,232)	(392,977,903)	(1,495,141,557)	(1,570,072,758)	(1,647,756,275)
	201	122,467,475	122,467,475	69,102,019	131,306,663	141,811,197	153,156,093
	226	32,834	32,834	3,917	17,988,311	17,648,935	16,588,026
	227	40,349,920	36,874,390	4,069,517	25,917,945	25,917,945	25,917,945
	228	157,645,864	153,234,397	40,500,615	138,222,398	145,686,417	153,553,486
	230	25,280,208	31,205,733	7,097,010	25,053,740	25,256,396	25,474,097
	232	40,137,101	505,690,390	17,657,625	24,606,910	25,468,941	26,377,521
	236						
	238	3,737,933	3,985,633	2,824,736	4,208,829	4,436,106	4,675,655
	240	2,642,104	2,642,104	1,761,408	2,869,033	3,155,936	3,471,530
	259	82,400,000	82,400,000	44,212,519	55,440,000	62,800,000	16,800,000
	272	49,440,503	49,440,503	32,960,334	43,879,781	48,267,759	53,094,535
2	Total	524,133,942	987,973,459	220,189,700	469,493,610	500,449,632	479,108,888
	390	95,613,006	509,228,177	401,328,777	187,720,225	187,720,225	187,720,225
3	Total	95,613,006	509,228,177	401,328,777	187,720,225	187,720,225	187,720,225
HUMAN SETTLEMENTS Total		(510,859,831)	(374,628,596)	228,540,574	(837,927,722)	(881,902,901)	(980,927,162)

2.10.16 BUDGET OF EKURHULENI HOUSING COMPANY (EHC)

The Budget of the EHC is presented as a consolidated budget for the four entities:

- Ekurhuleni Development Company SOC Ltd (Management Company).
- Pharoeh Park Housing Company SOC Ltd.
- Germiston Phase II Company SOC Ltd.
- Lethabong Housing Institute NPC.

Assumptions underpinning the budget

The assumptions and guidelines used in compiling the final budget are as follows:

- Operational Grant R 16,8million

The EHC reports an operational grant income of R16.8 million. However, the source of this income has not been disclosed and is questionable. The operational grant is to cover repairs and maintenance for EHC ageing assets, job grading exercise and salary increases as a result of the operational grant that was cut, and legal fees relating to collecting monies owed by tenants and to cover evictions cost.

- Guard House for Sethokga Community Residential Project

This hostel redevelopment project refurbishment under the Community Residential unit programme.

This project is to be transferred to EHC for management as part of its rental mandate.

One of the conditions for EHC to effectively manage the 220 units is to have proper security control. To this end the current project has omitted to build a guard house, therefore a grant of R 250 000 is requested to construct a guard house before EHC can take over rental stock management.

KEY PRIORITIES AND FLAGSHIP PROJECTS

In order to improve on the competitiveness of the company, and improve on income generated, the company will be embarking on the following priority projects:

- Increasing the number of customers transported,
- Improve on customer satisfaction levels as areas requiring improvement were identified by Phase 1 and 2 of customer survey
- Improve on governance and risk management systems and controls, in order to optimise effectiveness and efficiencies.
- Vigorous marketing of Brakpan Bus Company services, and maximise the use of buses on special hire trips

Table 70 Operating Budget of Ekurhuleni Housing Company

SUB TOT CAT DESCRIPTION	2018/19		2019/20 FINAL DRAFT BUDGET	2020/21 FINAL DRAFT BUDGET	2021/22 FINAL DRAFT BUDGET
	APPROVED ADJUSTED BUDGET	18/19 YTD Movement - MONTH			
114 OPERATIONAL : MONETARY	(74,900,000)	(74,900,000)	(16,800,000)	(17,043,365)	(17,341,666)
125 CAPITAL MONETARY	(7,500,000)	(7,500,000)	(38,640,000)	(46,000,000)	-
132 SERVICES CHARGES	(5,253,000)	(5,253,000)	(7,341,494)	(7,745,276)	(8,171,266)
134 INTEREST DIVIDENDS AND RENT ON LAND	(1,923,765)	(1,923,765)	(1,882,682)	(1,955,430)	(2,032,178)
138 OPERATIONAL REVENUE	(971,967)	(971,967)	(232,483)	(245,269)	(258,759)
140 RENTAL FROM FIXED ASSETS	(44,571,099)	(44,571,099)	(46,820,433)	(49,395,557)	(52,112,312)
142 SALES OF GOODS AND RENDERING OF SERVICES	(1,548,507)	(1,548,507)	(56,192)	(59,283)	(62,543)
1 TOTAL INCOME	(136,668,338)	(136,668,338)	(111,773,283)	(122,444,179)	(79,978,725)
211 EMPLOYEE RELATED COST	26,330,411	26,330,411	31,343,854	33,224,485	35,217,954
226 OUTSOURCE SERVICES	3,298,728	3,298,728	7,998,375	8,150,052	8,310,071
227 CONSULTANTS AND PROFESSIONAL SERVICES	1,444,424	1,444,424	1,979,705	2,088,588	2,203,461
228 CONTRACTORS	4,859,006	4,859,006	4,841,942	5,108,249	5,389,203
230 OPERATIONAL COST	12,690,879	12,690,879	12,858,288	13,567,091	14,314,502
232 INVENTORY	7,622,732	7,622,732	391,492	413,024	435,740
236 INTEREST DIVIDENDS AND RENT ON LAND	28,620	28,620	-	-	-
238 OPERATING LEASES	1,023,535	1,023,535	1,284,155	1,386,887	1,497,838
240 BAD DEBTS WRITTEN OFF	6,261,420	6,261,420	6,046,259	5,758,342	5,484,135
272 DEPRECIATION & AMORTISATION	4,571,000	4,571,000	5,021,243	5,297,411	5,588,768
280 INCOME TAX	59,988,583	59,988,583	-	-	-
2 TOTAL EXPENDITURE	128,119,338	128,119,338	71,765,313	74,994,130	78,441,673
EKURHULENI HOUSING COMPANY	(8,549,000)	(8,549,000)	(40,007,970)	(47,450,048)	(1,537,052)

2.10.17 INFORMATION COMMUNICATION TECHNOLOGY (ICT)

The result statements of the department are contained in the IDP in Annexure A.

Flagship Project as pronounced by the Executive Mayor

The result statements of the department are contained in the IDP in Annexure A.

Flagship Project as pronounced by the Executive Mayor

Activity	Description
Digital City	
Brief Description	<p>City of Ekurhuleni Metropolitan Municipality (COE) The City of Ekurhuleni in their long term plan "Growth and Development Plan (GDS) 2055 have identified the following transformation priorities and it has a mandate to promote the Smart City concept for transformation, growth, development and ensure that all Ekurhuleni's citizens derive sustainable benefit from technology development.</p> <p>SALGA (South African Local Government Agency) has recognised that innovation is at the heart of the evolution of any organisation. Government institutions, non-profit organisations, businesses and even individuals need to evolve to survive. The need to find innovative solutions to social problems in order to make Local Government responsive and relevant has become more pervasive than ever before. Today's world is more complex and more demanding, and timelines have sped up. To meet these demands, government needs to innovate,</p>

Activity	Description
	<p>create knowledge value in order to achieve the requirements of today's citizen's demands of improved and high quality service delivery. Nowhere is this more apparent than in municipalities.</p> <p>The Information and Communication Technology (ICT) department has a responsibility to ensure that the abovementioned requirements identified by SALGA are addressed and the strategic objective as defined in the GDS are achieved. This can be done through ensuring that ICT goals are aligned to and support the City's mission and strategic objectives of becoming and Smart, Creative and Developmental City, and that optimum business value is realized from ICT related investment services and assets. Information and Communication Technology (ICT) is one of the key enabling department within the City. It uses and leverage on the implementation of technology to enable the City to deliver services effectively and efficiently.</p> <p>ICT supports the re-govern macro strategic theme in the journey to achieving the city's vision of Delivering City (2012 – 2020) specifically the following in the five strategic themes of:</p> <ul style="list-style-type: none"> • Building a Capable Local City State which will be achieved through Modernize and capacitate the institution sub-programme. • ICT also indirectly supports all the macro strategies especially the Responsive and Active Citizenry programme of the Re-Mobilise macro strategic theme through the Digitize municipal interactions with communities sub-programme. <p>ICT focus is both internal and external with more emphasis on supporting the internal customers therefore ensuring objectives aimed at servicing the citizens of Ekurhuleni are achieved:</p> <ol style="list-style-type: none"> 1. Internal efficiencies: Faster, better, Smatter and robust. <ol style="list-style-type: none"> a. Stabilisation Programme <ul style="list-style-type: none"> ○ Stabilise, improve and maintain the current infrastructure to ensure it is built to support the modernization and the digital city programmes. ○ Operational normalization (operating processes, tools and methodologies which provides the capability to reduce mean down time. ○ The normalization of aged server environment, by building a new platform that has high availability and disaster recovery capabilities that will minimize the risk for COE. ○ Network and security operations centre (NOC and SOC) for the monitoring of the entire COE ICT network. ○ ICT business Continuity and disaster recovery for COE. b. Modernization Programme <ul style="list-style-type: none"> ○ Automation of manual processes, thus reducing the amount of time required to execute each process. This leads to service delivery efficiencies.

Activity	Description
	<ul style="list-style-type: none"> ○ Implementation of the Enterprise resource planning (ERP) system for automation, integration of processes end – to end and to ensure compliance with National Treasury MSCOA requirements. c. Infrastructure Programme <ul style="list-style-type: none"> ○ Server and Storage Expansion ○ Data Center Expansion and relocation ○ Core and Distribution Network Refurbishment ○ Broadband Fibre ○ Wi-Fi Expansion and internet zones <p>2. External service provision:</p> <p>a. Digital/Smart City Programme</p> <p>Flagship Project - ICT Digital City vision is evolving by supporting administration and service delivery and leveraging on the investments already made. Provides the potential to provide Information and Communication Technology (ICT) services directly to citizens and businesses which will stimulate and enable economic. It also provides COE with a competitive advantage by integrating ICT operations into the wider City eco-system.</p> <ul style="list-style-type: none"> ○ Expand applications functionality and leverage on the deployed infrastructure to enable economic growth development and access to information by citizens of Ekurhuleni to have an increased engagement with the citizens by means of easy-to-use and advanced technology. These include sms, smart phone, web site and citizen service delivery APP(s), and other electronic communication channels: <ul style="list-style-type: none"> ○ Unified Command Center ○ Safe City (Surveillance System) ○ Network Operation Centre/Security Operation Center ○ Call Centre Management (EMM Connect) ○ Citizen service delivery APP(s) ○ IoT Programme
Current Progress on IT Project (2018/2019 Financial Years)	<p><u>Infrastructure:</u></p> <ul style="list-style-type: none"> • DCS: Broadband Fibre(Corporate) - The City has missed the committed 200km and hoping to only achieve the 100km of the committed 200km, The Service provider has been appointed to assist the city with fibre planning and deployment management services. The Fibre Planning and Implementation project will resume as planned. • Digital City Services / Services Integrator (Wi-Fi) (Corporate) - • Security for ICT Infrastructure (Corporate), the implementation of CPE Managed Firewall, Advanced Service, Active Passive (2 devices) with 24/7 support is completed, further security technology implementation is in progress. • Upgrade of Data Centers and Disaster Recovery centre (Data centre environmental refurbishment and expansion to key network nodes in progress.

Activity	Description
	<ul style="list-style-type: none"> • Upgrading aged server equipment (Expansion of server, storage and fibre switch equipment) (Operational Equipment – The service provider has been appointed to assist the city with implementation, configuration, and upgrade of the existing storage, migration and support. The upgrade of old server equipment project will resume as planned <p><u>Business Process Mapping:</u> Business processes mapping for the 20 key departments targeted for the UCC is completed. UCC implementation starting with the Safe City has been initiated</p> <ul style="list-style-type: none"> • Enterprise Architecture/ Business process management: <ul style="list-style-type: none"> ○ City process model, BPM Framework, APM and RMP have been created. ○ Master systems plan in place and has been approved. ○ Implementation of the Master Systems Plan in progress <p><u>Enterprise Resource Planning (ERP) System:</u> Implementation of an Integrated Enterprise Resource Planning System is one of the mega project that ICT has undertaken on behalf of the City.</p> <ul style="list-style-type: none"> • ERP Phase 1(Corporate) <ul style="list-style-type: none"> ○ Finance management System in progress ○ Supply Chain Management System in progress ○ Budget and Prioritization System completed ○ HCM upgrade: phase 1 has been completed. This phase included the upgrade and implementation of the Core HR system, Organisational Learning Management, HR Intelligence and HR self-service modules. Phase 2 which includes Payroll, Talent Acquisition, and Time and Labor will be commenced still in progress. ○ Increased availability of customer facing applications (98%); performance for the customer facing systems currently being monitored was at 98.99% availability, during the performance review in the first quarter. <p><u>Unified Command Centre:</u></p> <ul style="list-style-type: none"> • DEMS strategic and tactical command centre establishment in Bedfordview in architect design stage. • Long-term UCC: <ul style="list-style-type: none"> ○ Conceptual and Architecture Design is completed. Strategy and value proposition was defined, high level processes were defined, and Business functionality as well as IT requirements and UCC costing model were defined. ○ Phase 1 have been completed and submitted as input to real estate for the Planning of the building. ○ Phase 1 will include the Internet of Things (IoT) as part of the UCC implementation. ○ Phase 2 of the project will be dependent on eLTE.

Activity	Description
Plans for the 2019/2020 Financial Year	<p>Digital/Smart City Programmes</p> <p>Fibre Expansion - DCS: Broadband Fibre</p> <ul style="list-style-type: none"> • Fibre expansion 100KM and building 100KM fibre network completed to provide <ul style="list-style-type: none"> ○ Fibre connectivity to all EMM buildings. ○ New Fibre tender to activate the currently deployed fibre and creating for redundancy has been awarded. <p>Wi-Fi Expansion - Digital City Services / Services Integrator (Wi-Fi)</p> <ul style="list-style-type: none"> • Stabilised the Wi-Fi network and continue with the expansion to provide Wi-Fi connectivity (private and public) at all EMM buildings: <ul style="list-style-type: none"> ○ Install internal Wi-Fi in 235 buildings (2 units per building). ○ Install public Wi-Fi in 235 buildings (between 2 and 4 units per building). ○ Install 250 Wi-Fi hotspots in 2019/2020 financial year. ○ Connect four City of Ekurhuleni Computer centres. ○ Continue with upgrade of security. <p>Infrastructure Expansion</p> <ul style="list-style-type: none"> • The objective of the Infrastructure Expansion projects is Design and implement all required infrastructure to support the objective of the organisation and all other ICT identified programmes. This will cater for Broadband Infrastructure, Converge and High Availability Server and Storage Environment, Core Distribution and Access Network, Radio Network. The main project are as follows: <ul style="list-style-type: none"> ○ Network Operation Center (Security for ICT Infrastructure) ○ Unified Command Center (Control Centre) ○ Safe City (Surveillance Control) ○ Enterprise Architecture/ Business process management including Document and Records Management ○ Upgrade of Data Centers and Disaster Recovery Centre (Data Centre environmental refurbishment and expansion to key network nodes) ○ Upgrading aged server equipment (Expansion of server, storage and fibre switch equipment) <p>Modernisation Programme</p> <ul style="list-style-type: none"> • The objective of the Modernization project is to implement an Enterprise Resource Planning (ERP) system and the associated data architectures to ensure that the applications can support the key business processes of the City. <ul style="list-style-type: none"> ○ Automation of business processes. ○ Adoption of the integrated ERP system.

Key Strategic Projects of the Information Communication Technology Department

Activity	Description
Unified Command Centre	
Brief Description	Establishment of the COE's Unified Command Centre for improved service delivery for safe city. The project is creating a multi-discipline, multi-department command and control centre to provide integrated service delivery to the public. The Boksburg Fire station site was selected to construct a building for the UCC. The UCC will contain a centralised customer care centre for both life threatening and non-life threatening services as well as command and control centres for Energy, Water,

Activity	Description
	CCTV Surveillance, Vehicle tracking and dispatch. It will also house the CRM head office as well as an ICT data centre. The UCC will use smart city technology for enhanced efficiency.
Current progress on project	<ul style="list-style-type: none"> • DEMS strategic and tactical command centre establishment in Bedfordview in architect design stage. • Long-term UCC: <ul style="list-style-type: none"> ○ Conceptual and Architecture Design is completed. Strategy and value proposition was defined, high level processes were defined, and Business functionality as well as IT requirements and UCC costing model were defined. ○ Phase 1 have been completed and submitted as input to real estate for the Planning of the building.
Plans for the 2017/2018 financial year	<ul style="list-style-type: none"> • Tender process for the implementation of the UCC sub-component (Safe City) is in progress. Specifications have been finalized and ready to go out on tender. • Phase 1 will include the Internet of Things (IoT) as part of the UCC implementation. • Phase 2 of the project will be dependent on eLTE.
Enterprise Architecture/ Business Process Management including Document and Records Management (BPM)	
Brief Description	The project objective is to optimise, redesign and automate the business processes with the aim to reduce silo operations and improve responses to the customers. BPM aims to improve the efficiency of the municipality business processes, doing things better with optimised processes and achieve better communication across the organisation; to integrate municipality business processes with partners in the value chain, and understanding which partner is responsible for what part of the process. This will also apply to the municipality's interaction with other spheres of government, business, NGOs, etc.
Current progress on project	<ul style="list-style-type: none"> • Five processes (City Planning) from a combined total of eight have been completed. It is anticipated that the remaining processes will be completed by the end of quarter 4 in 2016/16. • Finalise the optimisation of the Energy revenue processes. • The e-Health solution has been developed and should be deployed and fully operational by March 2016. E-Health first phase deployed and second phase to expand on functionality to be currently in progress. • HR system which include the talent management, e-recruitment and Payroll to address operation efficiencies and audit findings currently in progress to be launched by end of financial year. • Deployment of Finance System as part of the ERP to be initiated.
Plans for the 2018/2019 financial year	In the new financial year, the department will focus on business processes engineering that are aligned to the ERP implementation. Migration of systems to ERP will be part of this process.
Acquisition of Electronic Document Management system (Information and Knowledge Management)	
Brief Description	The intent of the project is to create an information environment that provides the following: business-driven; knowledge-based; integrated; always available and reliable.

Activity	Description
Current progress on project	The base deployment of the SharePoint and Document management solution have been completed at the end of November 2015. The base deployment of the Case management (CRM department) solution is currently in progress. Technical challenges forced the department to go back to the drawing board.
Plans for the 2018/19 financial year	<ul style="list-style-type: none"> • Design and deployment of the advanced SharePoint and Document management capability. • Implementation of the advanced Case management capability (CRM)
Network and Security Operations Centre (NOC/SOC)	
Brief Description	Network and Security Operations Centre (NOC and SOC) for the monitoring of the entire COE ICT network. COE requires a Network and security operations center (SOC) as a centralized unit to manage incidents and response for cases such as cybercrime attack related to ransomware, data loss/theft or leakage for the city etc.
Current progress on project	<ul style="list-style-type: none"> • Finalisation of the NOC/SOC Specification.
Plans for the 2017/2018 financial year	<ul style="list-style-type: none"> • Tender process for the implementation of the NOC/SOC. Specifications have been finalized and ready to go out on tender.
Enterprise Resource Planning (ERP)	
Current progress on project	<p>An Integrated ERP solution has been procured to replace componentised ERP previously committed. Implementation of the ERP to start in March 2018. Human resources management, payroll, finance, supply chain management, grant management and projects to be implemented as part of this project. Foundation for Digital City enabler requires this infrastructure in place to ensure innovative smart city solution like IoT and Blockchain can be leveraged in light of the 4th Industrial revolution.</p> <p>ERP provides for policies and procedures to be built into the system and uploaded as necessary. This will greatly reduce our dependence on policy and procedure manuals for knowledge transfer and provide a much more efficient means to handle knowledge retention, especially as experienced staff retires. ERP systems also come with built-in audit and security controls that have been implemented.</p>
Plans for the 2018/2019 financial year	<ul style="list-style-type: none"> • Finance Management System in progress • Supply Chain Management System in progress • Budget and Prioritization System completed • HCM upgrade: phase 1 has been completed. This phase included the upgrade and implementation of the Core HR system, Organisational Learning Management, HR Intelligence and HR self-service modules. Phase 2 which includes Payroll, Talent Acquisition, and Time and Labor will be commenced still in progress. • Increased availability of customer facing applications (98%); performance for the customer facing systems currently being monitored was at 98.99% availability, during the performance review in the first quarter.

Table 71 Operating Budget of Information Communication Technology Department

DEP ART MEN T-	SUB TOT CAT	DESCRIPTION	2018/19 Original	2018/19 APPROVED ADJUSTED	2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
		125 CAPITAL : MONETARY	-	-	-	-	-	-
		142 SALES OF GOODS AND RENDERING OF	-	-	-	-	-	-
		1 Total TOTAL INCOME						
		201 EMPLOYEE RELATED COST	120,839,195	120,839,195	59,804,925	113,229,283	122,287,625	132,070,634
		226 OUTSOURCE SERVICES	24,200	24,200	1,386	24,200	25,415	26,696
		228 CONTRACTORS	155,378,530	168,563,968	106,725,258	185,678,468	195,705,105	206,273,181
		230 OPERATIONAL COST	70,565,163	102,736,504	33,375,354	82,672,618	85,825,552	89,152,183
		232 INVENTORY	644,888	1,429,888	711,046	683,450	706,220	730,220
		236 INTEREST DIVIDENDS AND RENT ON LI	105,462,178	84,925,782	52,536,367	114,953,774	121,161,278	127,703,987
		272 DEPRECIATION & AMORTISATION	69,012,836	69,012,836	46,008,558	61,250,754	67,375,830	74,113,413
		2 Total TOTAL EXPENDITURE	521,926,990	547,532,373	299,162,894	558,492,547	593,087,025	630,070,314
		390 RECOVERIES AND CHARGES	(27,092,315)	(27,092,315)	(20,286,870)	(27,092,317)	(27,092,317)	(27,092,317)
		3 Total TOTAL GAINS & LOSSES/COSTING	(27,092,315)	(27,092,315)	(20,286,870)	(27,092,317)	(27,092,317)	(27,092,317)
		INFORMATION COMMUNICATION TECHNOLOGY	494,834,675	520,440,058	278,876,024	531,400,230	565,994,708	602,977,997

2.10.18 INTERNAL AUDIT

Key Strategic Projects of INTERNAL AUDIT

The result statements of the department are contained in the IDP in Annexure A.

Internal Audit is an appraisal function established within the organization in compliance with the requirements of the MFMA and MSA and independently examines and evaluates the activities of the organization as a service to the Council in particular and to management in general.

Internal Audit helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The objectives of internal auditing are to assist senior managers of the organization in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed and by promoting effective control at reasonable cost. Furthermore, to evaluate and report on compliance with the Municipal Finance Management Act, Municipal Systems Act and related Treasury Regulations.

Operating Budget of the INTERNAL AUDIT

The Operating Budget of the Internal Audit Department is as follows:

Table 72 Operating Budget of the Internal Audit

DEP ART MEN T-	SUB In d	TOT CAT DESCRIPTION	2018/19		2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
			2018/19 Original	APPROVED ADJUSTED				
		201 EMPLOYEE RELATED COST	56,300,237	56,300,237	28,296,485	52,785,962	57,008,838	61,569,547
		226 OUTSOURCE SERVICES	5,225,538	20,125,538	4,595,154	15,395,607	16,225,220	17,099,632
		227 CONSULTANTS AND PROFESSIONAL S	1,349,920	16,349,920	1,972,715	10,000,000	10,000,000	10,000,000
		228 CONTRACTORS	59,370	132,339	8,372	63,225	66,639	70,238
		230 OPERATIONAL COST	1,005,884	1,005,884	457,565	914,340	980,433	1,051,628
		232 INVENTORY	260,251	213,807	52,547	165,381	169,015	172,845
		238 OPERATING LEASES	-	-	-	-	-	-
		272 DEPRECIATION & AMORTISATION	191,914	191,914	127,942	170,329	187,362	206,098
		2 Total TOTAL EXPENDITURE	64,393,114	94,319,639	35,510,779	79,494,844	84,637,507	90,169,988
		390 RECOVERIES AND CHARGES	163,742	166,106	2,364	163,742	163,742	163,742
		3 Total TOTAL GAINS & LOSSES/COSTING	163,742	166,106	2,364	163,742	163,742	163,742
		INTERNAL AUDIT Total	64,556,856	94,485,745	35,513,143	79,658,586	84,801,249	90,333,730

2.10.19 LEGISLATURE

This department was established with the purpose of strengthening the capacity of the City of Ekurhuleni through modernisation and technological advancements. It includes the following budgets:

- Office of the Speaker.
- Office of the Chief Whip.
- Oversight committees.
- Administration of Ward Committees.
- Part-time councillors.
- Budget for chairpersons of Oversight Committees.

It is important to note that cost centre 4418, which contains the budget for part-time councillors, has also been allocated to the Legislature. This implies that all the councillor allowances are now budgeted as part of the Legislature - based on the principle that part-time councillors will mostly form part of the oversight committees. The mentioned cost centre also provides for the travelling and accommodation of part-time councillors to conferences and seminars and overseas business activities.

Table 73 Operating Budget of the Legislature Department

DEP ART MEN In T- d	SUB TOT CAT DESCRIPTION	2018/19 Original	2018/19 APPROVED ADJUSTED	2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
	201 EMPLOYEE RELATED COST	135,489,384	135,489,384	69,179,700	140,909,405	152,182,157	164,356,729
	220 REMUNERATION OF COUNCILLORS	138,300,745	138,300,745	84,208,887	127,560,510	137,765,349	148,786,576
	226 OUTSOURCE SERVICES	3,404,577	4,381,800	1,683,151	3,407,017	3,503,986	3,606,191
	227 CONSULTANTS AND PROFESSIONAL S	2,725,122	2,867,960	349,508	2,867,960	2,867,960	2,867,960
	228 CONTRACTORS	85,277	79,111	(3,773)	90,592	95,482	100,639
	230 OPERATIONAL COST	9,115,518	9,517,859	3,237,695	8,459,829	8,730,319	9,022,389
	232 INVENTORY	20,929,865	26,294,231	16,723,167	22,061,132	22,087,981	22,116,280
	238 OPERATING LEASES	1,055,601	1,055,601	409,194	1,114,714	1,174,909	1,238,355
	2 Total TOTAL EXPENDITURE	311,106,089	317,986,691	175,787,529	306,471,159	328,408,143	352,095,119
	LEGISLATURE Total	311,106,089	317,986,691	175,787,529	306,471,159	328,408,143	352,095,119

2.10.20 REAL ESTATE

The following divisions in the Real Estate Department were approved:

- Strategy and planning.
- Governance and compliance.
- Support services.
- Portfolio advisory services.
- Property development.
- Property management.
- Facilities management.
- Parks and cemeteries.

Progress with the revenue enhancement drive in City of Ekurhuleni with respect to the role the Real Estate Department should play

The potential exists to maximise the rental from the commercial lease portfolio by ensuring that all new leases and renewals are done at proven market-related rentals and escalations. The current back-log needs to be addressed with the additional resource and man-power required which will be brought about with the institutional review process, the amalgamation of property transactions and improved systems, delegation and procedure.

Every effort must be made to facilitate shorter approval processes by the correct interpretation of the MFMA, asset transfer regulations and SCM regulations. The property portfolio needs to be segmented in order to identify specific sites with high rental value potential. The aim is to increase the real revenue with 5% annually.

Many of Council's existing real estate assets (buildings) are in a state of neglect. An amount of R15m has been allocated to enhance revenue potential of some of these facilities. This is part of the prestige building programme where components of the building will be repaired to increase the revenue potential of the facility. Examples are Springs Market, Alberton civic community facilities etc.

Flagship Projects as pronounced by the Executive Mayor

The Real Estate Department is involved, as a secondary partner, with the two flagship projects:

NAME OF THE PROJECT	BRIEF DESCRIPTION
Establishment of a functional Real Estate management unit	<ul style="list-style-type: none"> • Setting up of Real Estate Department and strategy conceptualisation. • Completion of the strategy and organisational structure.

The result statement of the department is contained in the IDP in Annexure A.

Operating Budget

The 2019/20 Real Estate Department Operational Expenditure Budget comprises mainly staff remuneration which constitutes approximately 20% of the budget. Repair and Maintenance is the biggest cost driver which is approximately 70% of the budget.

Table 74 Operating Budget of the Real Estate Department

DEP ART MEN T -	SUB IN CAT DESCRIPTION	2018/19		2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
		2018/19 Original	APPROVED ADJUSTED				
	140 RENTAL FROM FIXED ASSETS	(22,058,148)	(22,058,148)	(9,832,083)	(23,157,578)	(24,408,088)	(25,726,124)
	142 SALES OF GOODS AND RENDERING OF	(17,777,057)	(17,777,057)	(7,118,189)	(18,665,633)	(19,673,576)	(20,735,949)
1	Total	(39,835,205)	(39,835,205)	(16,950,272)	(41,823,211)	(44,081,664)	(46,462,073)
	201 EMPLOYEE RELATED COST	248,274,362	248,274,362	121,294,569	254,040,213	274,363,432	296,312,502
	226 OUTSOURCE SERVICES	609,224	34,097,884	33,535,931	20,990,142	22,121,546	23,314,045
	227 CONSULTANTS AND PROFESSIONAL S	8,093,720	70,093,720	26,283,329	11,807,604	11,807,604	11,807,604
	228 CONTRACTORS	2,453,867	1,887,066	937,018	2,594,949	2,735,074	2,882,769
	230 OPERATIONAL COST	7,527,875	8,170,357	4,445,887	8,559,951	9,079,006	9,633,746
	232 INVENTORY	144,904,215	25,829,100	9,908,556	154,321,144	162,622,658	171,372,454
	236 INTEREST DIVIDENDS AND RENT ON L	49,367,252	39,756,287	24,586,845	53,810,305	56,716,061	59,778,728
	238 OPERATING LEASES	5,473,884	5,473,884	4,814,744	5,780,422	6,092,565	6,421,564
2	Total	466,704,399	433,582,660	225,806,879	511,904,730	545,537,946	581,523,412
	390 RECOVERIES AND CHARGES	103,657,354	232,267,460	92,402,002	284,124,716	284,124,716	284,124,716
3	Total	103,657,354	232,267,460	92,402,002	284,124,716	284,124,716	284,124,716
	REAL ESTATE Total	530,526,548	626,014,915	301,258,609	754,206,235	785,580,998	819,186,055

2.10.21 RISK MANAGEMENT

Key Strategic Projects of RISK MANAGEMENT

Compliance Management Programme

The department is responsible for ensuring compliance with laws and regulations by implementing the compliance process and monitoring non-compliance throughout the City and aims to improve the level of compliance maturity over the Medium Term Revenue and Expenditure Framework (MTREF) period. The maturity projects will focus on monitoring all compliance risks and assisting departments to put into place compliance risk management

plans to mitigate high risks. This programme will further include training and certification of officials in the area of compliance to improve the capacity of the municipality in managing compliance risks. The department will focus on developing a system to ensure that City of Ekurhuleni will be aware of new and amended laws and regulations.

Ethics and Anti-Fraud Programme

The CoE established the Ethics Office within the Risk Management Department to manage fraud and ethics programme and to ensure that risk management processes are in place to mitigate the risk of fraud and ethics in the City. Continuous anti-fraud campaign training and awareness programmes are being rolled out throughout City of Ekurhuleni to ensure that a culture of ethics is embedded within the organisation at every level.

Review of risk financing mechanisms

The importance of enforcing an effective risk transfer method is essential for an organisation as large as the City. Therefore, the department has identified risk financing and risk transfer as an essential component within its operations. The department will institute a project over the next three years to review the employees risk financing mechanisms as well as introduce methods that are economical, efficient and effective.

Business Continuity Programme

The Business Continuity Management programme is aimed at ensuring operational resilience against disruption of critical business processes. The BCM policy was developed and approved by Council in 2017, hence the budgetary need to continue with the implementation of BCM programme which includes other focus areas such as validation, Business Impact Analysis, strategy and Information and Communication Technology. Moreover, the capacity of the City to effectively sustain and maintain the programme remains its biggest challenge.

Funding will also be required to train Risk Specialists on ISO 22301 standard (Business Continuity Management) within the Risk Management Department which will be introduced to embed the programme.

Operating Budget

The department will use about 85% of its total operating budget to cover its employee related costs. This will cover the expansion of the department as appointments are made in the key roles such as risk financing. Due to the nature of the work of the department which is largely advisory services, most of the financial resources are dedicated to employee pay and specialised contract projects and services (included under General Expenses). The budget requests were made on the needs known at the time of compilation of the budget. The department, from time to time, receives special and urgent assignments that may require additional funds. Therefore, the department may require additional funds over the next financial years to deal with ad-hoc assignments.

The general expenses include planned acquisitions of management information systems (Governance Risk and Compliance tool) to support the reporting on risks and compliance area as well as vetting and disclosure of interest by employees and suppliers. Furthermore, an independent maturity assessment programme must be conducted annually to ensure continuous growth and development of the Governance Risk and Compliance within the City.

Table 75 Operating Budget of the Risk Management Department

DEP ART MEN T-	SUB In TOT d CAT	DESCRIPTION	2018/19		2018/19 YTD	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
			2018/19 Original	APPROVED ADJUSTED	Movement - FEB'19			
		201 EMPLOYEE RELATED COST	19,019,972	19,019,972	10,678,778	19,532,040	21,094,603	22,782,172
		226 OUTSOURCE SERVICES	31,279	36,917	36,797	31,279	31,279	31,279
		227 CONSULTANTS AND PROFESSIONALS	290,440	1,899,918	343,709	2,312,128	2,312,128	2,312,128
		228 CONTRACTORS	1,359	-	-	1,432	1,509	1,590
		230 OPERATIONAL COST	381,186	361,201	224,184	316,272	338,118	361,710
		232 INVENTORY	177,300	438,170	-	186,900	187,610	188,358
		2 Total TOTAL EXPENDITURE	19,901,536	21,756,178	11,283,468	22,380,051	23,965,247	25,677,237
		390 RECOVERIES AND CHARGES	-	-	-	-	-	-
		3 Total TOTAL GAINS & LOSSES/COSTING	-	-	-	-	-	-
		RISK MANAGEMENT Total	19,901,536	21,756,178	11,283,468	22,380,051	23,965,247	25,677,237

2.10.22 ROADS AND STORM WATER

The result statements of the department is contained in the IDP in **Annexure A**.

Key Strategic Projects of the Roads and Storm Water Department:

Roads and Stormwater department is mandated to provide roads and stormwater services to the community of the Ekurhuleni Metropolitan area in a sustainable and equitable manner. The department's specific mandate is to implement and maintain roads and stormwater infrastructure in the City.

Key Strategic Projects of the Roads and Storm Water Department are as follows:

1. KEY STRATEGIC PROJECTS

Doubling of Barry Marais

This project is linked to the Aerotropolis project. The aim is to create a linkage between the Airport and the southern townships. The doubling of Barry Marais will also enhance the future phases of the IRPTN project.

Project Status

The preliminary design was completed and accepted during 2017/2018 financial year. The geo-tech and traffic surveys were also completed. Currently, the service provider is busy with the detail design. Once detail design is accepted, construction will follow. It is estimated that construction will commence in the 2019/2020 financial year.

Kaalspruit

The aim of this project is the rehabilitation of the Kaalspruit in line with the directive received from the Department Water and Sanitation.

Project Status

The Design was finalised based on interaction with the DWS and all other stakeholders. The Water Use License Application is still under consideration (more than 500 days have lapsed) and discussion are being held on the 5th of March 2019 with DWS on what their concerns are.

Bids were called for stages 4 and 5 of the project and the evaluation was put on hold due to the uncertainty about what DWS concerns are. After the DWS discussions on 5 March 2019,

the City would know whether the design needs to be amended or whether the implementation may be carried on with.

Interchange Daveyton/N12

The aim of this project is to improve the accessibility of the Daveyton Central Business District. By so doing, the potential will be created to:

- Stimulate the existing CBD and to attract development capital to the CBD;
- Create employment close to the residences of the densest concentration of people residing on the East Rand;
- Deflect pressure for development from the vicinity of the adjacent interchanges, where the surrounding land is not suitable for development because no infrastructure is available at present to support the development. The necessary infrastructure, except good freeway access is already available at the Daveyton CBD;
- Correct the apartheid era planning which dictated one access per black residential area, located in a position where access to and from the area could be effectively controlled by the military; and
- Provide improved access to Sinaba Sports Stadium, a venue that is widely used by the East Rand communities.

Project status

This project is seen as an economic game changer for the Daveyton community. The detailed design for the N12 interchange and N12/Alliance road bridge upgrade were completed during this financial year. The contractor was appointed to start the construction in 2018/2019. A community engagement process has been underway with regards to property owners who are directly affected by this construction.

Upgrading of Katlehong/Vosloorus Road Link (Widening Brickfields/Vlakplaats)

The final design for the widening of Vlakplaats Road between Sontonga Road (in Katlehong) and Brickfield Road (in Vosloorus) had been completed in preparation of the WULA. The WUL is expected at the end of May 2019. The intersection between Vlakplaats and Brickfield Roads has also been finalized and as the upgrading of this intersection does not require a WUL or EA, funds have been allowed on the adjustment budget for 2018/19.

Implementation could start as soon as the As and When Contractors have been appointed.

Project Status

The feasibility studies (Environmental Impact assessment, Water Use License and Geotechnical studies) were completed. Detail design on the entire link and the widening of the Vlakplaats/Brickfield intersection were also completed. The Environmental Impact Assessment for the Link Road was approved on 9 November 2017. It is expected that the Water Use License will be obtained by May 2019. The first phase of construction for Vlakplaats, intersection upgrade, is scheduled to commence during this financial year 2018/19.

Albertina Sisulu Express

This project is linked to the Aerotropolis. The aim is to expand the development potential of the Albertina Sisulu corridor and integrate with the developments along the airport.

Project status

The City is in a dead lock situation with the land owners where a phase of the Expressway was planned to be constructed and the project cannot be proceeded with until the land owner has established a township and the road reserve will be available.

Eastleigh

The aim of this project is the rehabilitation and upgrade of the Eastleigh channel in order to deal with the increased stormwater generated in the catchment area.

Project status

Project currently at implementation phase.

CAPEX

In support of the Mayoral priorities, the Roads and Stormwater Department continues to put more focus towards massive infrastructure development in the Eastern Region of the City. Previous studies indicated that a huge backlog on road and stormwater construction is in this region. This massive infrastructure development entails roads and stormwater construction particularly but not limited to the previously disadvantaged areas such as Etwatwa, Daveyton, Kwa-Thema and Tsakane. So, for the 2019//2020 financial year budget, the CAPEX budget is split as indicated below:

- Eastern region: 46%
- Southern region: 23 %
- Northern region: 29 %
- Corporate: 2%

Since in the recent times, the country, especially the City of Ekurhuleni has experienced flash floods, the department will continue to put emphasis on the construction and upgrading of stormwater systems in areas such as Katlehong, Thokoza, Daveyton, Etwatwa, Phomolong, Edenvale.

OPEX

In the narrative below, a description of the main programme as it relates to roads & stormwater maintenance, is given

A huge backlog exists regarding the rehabilitation of roads and stormwater systems. The department manages the following:

- approximately **9 100** kilometres of tarred roads;
- approximately **1 000** kilometres of gravel roads;
- approximately **90** kilometres of block paving roads;
- approximately **1 300** kilometres of earth roads (informal roads);
- approximately **3 700** kilometres of stormwater pipes and channels;

The maintenance backlog in particular rehabilitation increases every year due to new developments but the funding is not growing in equal proportion. The department plans to do

rehabilitation of roads over 330 km The bias in this regard is in the Eastern region with 38% of the total rehabilitation budget allocated to that region.

Description	South	East	North	Total
Planned km roads rehabilitated 2019/2020	77.5 km	95 km	77.5 km	250 km

Table 80 Operating Budget of the Road and Storm Water Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT	DEP ART MEN T- SUB IN TOT CAT DESCRIPTION	2018/19		2018/19 YTD Movement - FEB'19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET
		2018/19 Original	APPROVED ADJUSTED				
	117 OPERATIONAL : MONETARY	(15,000,000)	(15,000,000)	(12,848,631)	(70,160,000)	-	-
	125 CAPITAL : MONETARY	(108,600,000)	(116,300,000)	(14,192,111)	(1,813,156)	(245,750,000)	(360,000,000)
	140 RENTAL FROM FIXED ASSETS	(1,726,815)	(1,726,815)	(527,895)	(28,512,243)	(1,911,067)	(2,014,265)
	142 SALES OF GOODS AND RENDERING OF SER	(27,154,517)	(27,154,517)	(14,023,725)	(100,485,399)	(30,051,905)	(31,674,709)
	1 Total INCOME	(152,481,332)	(160,181,332)	(41,592,361)	(318,631,192)	(277,712,972)	(393,688,974)
	201 EMPLOYEE RELATED COST	264,971,631	264,971,631	171,395,580	324,559	344,121,684	371,651,428
	226 OUTSOURCE SERVICES	324,559	327,559	130,234	324,559	341,525	359,407
	227 CONSULTANTS AND PROFESSIONAL SERVI	3,390,613	5,790,613	100,227	3,350,000	3,350,000	3,350,000
	228 CONTRACTORS	669,116,666	786,221,666	204,097,356	718,934,251	757,756,698	798,675,565
	230 OPERATIONAL COST	13,782,837	13,480,853	8,802,208	15,842,909	16,784,135	17,785,705
	232 INVENTORY	35,329,456	33,224,456	18,144,479	36,721,444	38,665,997	40,715,556
	236 INTEREST DIVIDENDS AND RENT ON LAND	150,175,292	120,932,694	74,808,642	163,691,068	172,530,386	181,847,027
	272 DEPRECIATION & AMORTISATION	804,477,167	804,477,167	536,318,110	713,995,202	785,394,723	863,934,195
	2 Total EXPENDITURE	1,941,568,221	2,029,426,639	1,013,796,837	1,971,490,625	2,118,945,148	2,278,318,883
	300 GAINS AND LOSSES	-	-	-	-	-	-
	390 RECOVERIES AND CHARGES	9,734,538	9,025,159	625,932	13,199,678	13,199,678	13,199,678
	3 Total GAINS & LOSSES/COSTING	9,734,538	9,025,159	625,932	13,199,678	13,199,678	13,199,678
	ROADS AND STORMWATER Total	1,798,821,427	1,878,270,466	972,830,407	1,884,204,904	1,854,431,854	1,897,829,587

2.10.23 SPORT, RECREATION, ARTS AND CULTURE (SRAC)

The mandate of the Sport, Recreation, Arts and Culture department addresses three national policy areas, namely;

- Provision of Sport and Recreation,
- Provision of Arts, Culture and Heritage,
- Provision of Library and Information services.

The mandate is drawn directly from Schedule 4 and 5 of the Constitution of the Republic of South Africa, 1996 which describes the functional areas of the respective spheres of government. It must be noted that Library and Information Services is an exclusive Provincial and National competency (unfunded mandate); however, the City has voluntarily invested its financial / human resources to deliver on one of its strategic objectives of building sustainable communities.

Schedule 5 Part B lists the competencies in which Local government SRAC has to perform. In response to this mandate, the departmental priorities are to ensure access, increased participation of sport, recreation arts and culture sectors, to promote nation building and social cohesion amongst the citizenry of Ekurhuleni. The department will continue to strengthen its inter-governmental relations with both national and provincial departments to effect stronger coordination and integrated service delivery.

The SRAC department consists of the following functions:

- Sport and Recreation.
- Arts, Culture and Heritage.
- Library and Information Services.
- Projects.
- Support.
- Strategy and Planning.
- Operations.
- Governance and Compliance.

CITY LEVEL AND GDS

The GDS promotes the implementation of sports, arts, recreation and culture programmes in primary and secondary schools. In pursuit of the above through the implementation of this business plan the department will consolidate and responds to the following, national outcomes,

1. Quality basic education,
2. A long and healthy life style for all,
3. Skilled and capable workforce to support and inclusive growth,
4. Transforming society and uniting the country.

These outcomes are link at the city level and GDS 2055 thematic areas which the departments accounts to two; namely

- RE-URBANISE the city to achieve sustainable urban integration through provisioning of social amenities and addressing maintenance of sport, recreation, arts, and heritage and library facilities.

- RE-MOBILISE in order to build a responsive and active citizenry through provisioning of sport and recreation development programmes, libraries reading awareness programmes, and arts, culture and heritage programmes.

The department will also embark upon the following programmes we are planning for 2019/2020, which incorporates priorities identified into the plans and programmes of the national and provincial departments of Sport and Recreation and Arts and Culture.

Key projects of the Sport, Recreation, Arts and Culture Department

NAME OF THE PROJECT	BRIEF DESCRIPTION
Community Development Games	This programme has a two-pronged approach; one being schools sport and the other a community-wide sport development programme. The school sport programme targets all schools in Ekurhuleni on two priority sporting codes - soccer and netball. The community-wide sporting programme has four sporting codes - soccer, netball, athletics and volleyball. These two programmes are aimed at identifying new talent that can represent the municipality in competitive sport codes.
Kiddies Games	An annual multi-coded sport festival for children from five to eight-years-old. The children are exposed to recreational programmes including indigenous games. This is an introduction to sport and recreation targeted at five to six-year-olds that involves day care centres and crèches throughout Ekurhuleni where children are exposed to different forms of recreation and sport with the hope that for future development they will be nurtured in their chosen sporting code/s.
September Cultural Month	September month will be a culmination of a year-long cultural competition of various art forms to be celebrated over three days in the metro. This programme would start at ward/area competitions to the six Ekurhuleni regions into a metro-wide cultural celebration at the end of September annually. Part of the programme would encourage the use of our community halls and public spaces to display art, crafts, drama and the like.
Kempton Park Cultural Precinct	As a first step towards realising an integrated spatial framework and land use for the Aerotropolis, we propose the development of Kempton Park as the cultural capital due to the fact that it serves as a compulsory conduit in and out of South Africa. Furthermore, it would allow the City of Ekurhuleni to leverage the capital infrastructure and rich political heritage and history of the location. Amongst others, Kempton Park served as the seat for negotiations for the new political dispensation i.e. the CODESA deliberations that became the foundation for the new democracy. This provides for the possibility of the development of political tourism and exporting the South African story.
Mega Cultural Events & Creative Industries Projects	To bid and host annually Mega Cultural Events and Creative Industries Project as a signature event for the City
	Facilitating talent identification and development in partnership with our key stakeholders
	Positioning the business of Creative industries as catalyst for sustainable cultural growth
	Promoting and Preserving our heritage, including naming and re-naming

NAME OF THE PROJECT	BRIEF DESCRIPTION
Holiday Programmes Greater participation of children in library programmes and services at all libraries	The programmes offer information and recreation activities to children and the youth at libraries during school holidays. The activities include, amongst others, career guidance, drafting of a CV, puppet shows, creating emails, video shows, storytelling, colouring, painting, and making Christmas cards, computer games and book bash literature festivals.
Fit for Free Aerobics	The Fit for Free Aerobics programme is a flagship programme for Sport, Recreation, Arts and Culture which promotes healthy lifestyle. The programme started from the 2014/2015 Financial Year and it has proven to be very popular amongst the young and the old in our communities. During its inception, the programme was only offered for the communities of Katlehong, Vosloorus, Tembisa, Daveyton, Kwa Thema and Tsakane but due to its popularity, the programme has spread to other areas including, Etwatwa, Zonkizizwe, Buhle Park, Leondale, Reiger Park and Wattville.
Rendering of Sport & Recreation Programmes	Formalising Partnership Agreements with Community Structures for the delivery of programmes in various communities.
	Development of the City of Ekurhuleni Sport Plan
	Signing a Partnership Agreement with the High Performance Centre of the University of Pretoria to place our exceptional Athletes for further development
	Linking ECDs with Primary Schools to monitor and follow the development of children in our ECD programs.

Operating Budget of the Sport, Recreation, Arts and Culture Department

The department has been tasked to do the following:

- Improve the condition of the facilities by working with the Real Estate Department to prioritise maintenance works.
- Analyse trends and transactions to identify the reasons for the decline in revenue.
- Ensure equitable access to SRAC facilities by all communities in Ekurhuleni
- Promote and preserve the City's Cultural Heritage
- Promote social cohesion
- Promote a healthy and quality lifestyle through mass participation recreation programmes

Table 76 Operating Budget of the Sport, Recreation, Arts and Culture Department

2019/20 MTRF OPERATING BUDGET PER DEPARTMENT		2018/19		2018/19 YTD	2019/20 FINAL	2020/21 FINAL	2021/22 FINAL
DEP	SUB	2018/19 Original	APPROVED	Movement -	BUDGET	BUDGET	BUDGET
ART	IN TOT	ADJUSTED	FEB'19				
T- d	CAT	DESCRIPTION					
		104 FINES PENALTIES AND FORFEITS	(413,178)	(413,178)	(433,841)	(457,263)	(481,964)
		117 OPERATIONAL : MONETARY	(5,000,000)	(5,100,000)	(5,500,000)	(6,000,000)	(6,000,000)
		125 CAPITAL : MONETARY	(8,700,000)	(9,096,777)	(9,000,000)	(9,000,000)	(9,000,000)
		138 OPERATIONAL REVENUE	-	-	-	-	-
		140 RENTAL FROM FIXED ASSETS	(7,671,960)	(7,671,960)	(8,107,078)	(8,544,862)	(9,006,278)
		142 SALES OF GOODS AND RENDERING OF SER	(1,111,110)	(1,111,110)	(1,181,676)	(1,245,489)	(1,312,749)
		1 Total TOTAL INCOME	(22,896,248)	(23,393,025)	(24,222,595)	(25,247,614)	(25,800,991)
		201 EMPLOYEE RELATED COST	473,336,195	473,336,195	519,399,313	560,951,272	605,827,382
		226 OUTSOURCE SERVICES	5,700,537	3,700,537	3,862,331	4,069,483	4,287,822
		227 CONSULTANTS AND PROFESSIONAL SERVI	1,177,652	1,095,013	1,140,802	1,140,802	1,140,802
		228 CONTRACTORS	44,629,666	20,553,368	47,731,553	50,309,056	53,025,744
		230 OPERATIONAL COST	14,782,554	16,697,898	16,127,496	17,164,116	18,272,665
		232 INVENTORY	35,254,607	60,646,935	53,467,234	55,005,404	56,099,633
		238 OPERATING LEASES	234,751	234,751	247,897	261,283	275,393
		272 DEPRECIATION & AMORTISATION	103,453,299	103,453,299	91,817,596	100,999,355	111,099,291
		2 Total TOTAL EXPENDITURE	678,569,261	679,717,996	733,794,222	789,900,771	850,028,732
		390 RECOVERIES AND CHARGES	26,317,835	28,795,594	38,599,281	38,599,281	38,599,281
		3 Total TOTAL GAINS & LOSSES/COSTING	26,317,835	28,795,594	38,599,281	38,599,281	38,599,281
		SPORTS, RECREATION, ARTS AND CULTURE Total	681,990,848	685,120,565	748,170,908	803,252,438	862,827,022

2.10.24 STRATEGY & CORPORATE PLANNING

The result statements of the department is contained in the IDP in Annexure A

Mandate of the Strategy and Corporate Planning Department

The mandate of the Strategy and Corporate Planning Department (SCP) is to provide strategic direction and ensure effective and uniform strategic planning, monitoring and evaluation and research systems for City of Ekurhuleni. The department's core area of delivery includes strategic planning and support to all the departments of the Municipality; monitoring and evaluation and reporting for the entire Metro. Moreover, the department focuses on some of the research matters of the Metro, making available and intelligence to enhance decision making and planning across the Metro. The Strategy and Corporate Planning Department has been organised into functional areas that best allow it to meet its core business requirements. Its role is critical in ensuring that the integrated development plan is in line with the 2055 vision of GDS.

Table 77 Operating Budget of the Strategy & Corporate Planning Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT								
DEP			2018/19	2018/19 YTD				
ART	SUB		APPROVED	Movement -	2019/20 FINAL	2020/21 FINAL	2021/22 FINAL	
MEN	In	TOT		FEB'19	BUDGET	BUDGET	BUDGET	
T-	d	CAT	2018/19 Original	ADJUSTED				
		DESCRIPTION						
		201 EMPLOYEE RELATED COST	27,025,324	25,925,324	13,168,553	25,917,651	27,991,066	30,230,350
		226 OUTSOURCE SERVICES	125,166	70,166	32,712	50,443	52,400	54,463
		227 CONSULTANTS AND PROFESSIONAL SERVI	516,528	991,528	662,442	551,238	551,238	551,238
		228 CONTRACTORS	297	297	-	313	330	348
		230 OPERATIONAL COST	665,154	677,154	325,729	654,119	696,648	742,353
		232 INVENTORY	561,732	2,007,391	848,308	594,526	600,703	607,213
		238 OPERATING LEASES	766,149	490	-	517	545	574
		272 DEPRECIATION & AMORTISATION	550,498	550,498	366,990	488,580	537,438	591,182
2	Total	TOTAL EXPENDITURE	30,210,848	30,222,848	15,404,734	28,257,387	30,430,368	32,777,721
		390 RECOVERIES AND CHARGES	114,623	114,623	10,368	114,623	114,623	114,623
3	Total	TOTAL GAINS & LOSSES/COSTING	114,623	114,623	10,368	114,623	114,623	114,623
STRATEGY & CORPORATE PLANNING Total			30,325,471	30,337,471	15,415,102	28,372,010	30,544,991	32,892,344

2.10.25 TRANSPORT PLANNING AND PROVISION

The result statements of the department is contained in the IDP in Annexure A.

Flagship Projects as pronounced by the Executive Mayor

Integrated Rapid Public Transport Network (IRPTN)

The Department of Transport Planning and Provision is responsible for the Integrated Rapid Transit Network (IRPTN). This project emanated from the Public Transport Action Strategy and Action Plan which was adopted by the National Cabinet in 2007. The strategy is aimed at accelerated modal upgrading and Integrated Public Transport Networks.

Ekurhuleni is one of the 12 metros in the country identified to implement an IRPTN. The department has been allocated a budget of R2.1 billion over the 2018/19 MTREF from the Public Transport Network Grant (PTNG) as well as R6.2 billion over the 2016/17 MTREF from the Urban Settlement Development Grant (USDG).

Progress to date on the IRPTN can be summarised as follows:

- I. The first Harambee bus “took to the streets” on the 18th of October 2017. Eight buses were operational then. They each have a capacity to ferry 36 seated passengers and 54 standing passengers at R13 per single trip from Rabasotho in Tembisa to Isando and vice versa.
In December 2018, we have added 10 more busses and have extended our footprint to OR Tambo International Airport and Tembisa Hospital. This, however, is a limited service, as only parts of Phase 1A of the project is being operationalised. IRPTN Operational Plan: This plan was approved by the National Department of Transport in December 2012 and as such the business plan that has been developed is based on the approved Business Plan.
- II. Non-Motorised Transport (NMT) - Promoting diversified public transport alternatives which is demonstrated by the construction of alternative transport infrastructure in the form of non-motorised transport infrastructure is one of the commendable performance areas over the period under review. Pedestrian and cyclist paths are constructed alongside the identified routes to allow ease of movement for pedestrians and cyclists. The existence of such paths improves safety on busy routes, therefore reducing the occurrence of accidents on our roads. The City has completed more than 43km of NMT infrastructure.
- III. Bus ways - The City that identified routes where bus ways are being constructed or modified to ease the flow of traffic by creating lanes dedicated to use by buses, therefore easing traffic congestion, allowing passengers to reach chosen destinations including places of work more efficiently, within desired timeframes and at a reasonable cost.
- IV. BRT Stations - A total of 13 stations are planned along the trunk route. These were planned on the basis of demand numbers; space and road alignment. All stations are located within the median of the road where dedicated bus-lanes can be accommodated. At these stations, key functions involving money handling and customer-interfacing activities will be performed. The process for appointment of new Contractor/s is underway.
- V. Pedestrian bridges - Work is currently underway for the construction of pedestrian bridges at the following stations:
 - Station 11- Andrew Mapheto/Benjamin Nthlane (x2)
 - Station 12 – Andrew Mapheto/Dan Nkabinde
 - Station 14 – Andrew Mapheto/Transformation
 - Station 19 – Zuurfontein/Ossewa
 - Station 20 – Zuurfontein/Oranjerivier
 - Station P2 – Pretoria Rd/Central Ave
 - Zuurfontein/Bergrivier
 Construction of these bridges is almost complete.
- VI. Laybys - Work is progressing well for the laybys: for loading and off-loading passengers along Tembisa and Isando. The city had constructed 51 laybys since the inception of the project.

PROJECT NAME	PROJECT DESCRIPTION
Extension of Harambee BRT service	This project is about the extension of Harambee services to other areas of Ekurhuleni
Planning and implementation of next phases of the Integrated Rapid Public Transport Network.	The project entails the extension of a Bus Rapid Transit System that will be integrated with other Public Transport Modes in Ekurhuleni from Tembisa to other areas. This talks about next phases of the IRPTN.
Non-motorised Transport infrastructure	Promoting diversified public transport alternatives which is demonstrated by the construction of alternative transport infrastructure in the form of non-motorised transport infrastructure. Pedestrian and cyclist paths are constructed alongside the identified routes to allow ease of movement for pedestrians and cyclists. The existence of such paths improves safety on busy routes, therefore reducing the occurrence of accidents on our roads.
BRT Stations	We will be completing the work that has already started with regard to the building of BRT Stations.

Operating Budget of the Transport Department

The Transport Department is responsible for the transport planning and public transport function. The City has approved the Comprehensive Integrated Public Transport Plan that guides the development of transportation and spatial planning in the City.

Table 78 Operating Budget of the Transport Planning and Fleet Department

2019/20 MTREF OPERATING BUDGET PER DEPARTMENT		2018/19		2018/19 YTD		2019/20 FINAL		2020/21 FINAL		2021/22 FINAL	
DEPT	SUB	2018/19 Original	2018/19 APPROVED ADJUSTED	2018/19 YTD Movement - FEB '19	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2019/20 FINAL BUDGET	2020/21 FINAL BUDGET	2021/22 FINAL BUDGET	2021/22 FINAL BUDGET
ART	IN TOT										
T- d	CAT DESCRIPTION										
	117 OPERATIONAL : MONETARY	(216,592,000)	(272,932,000)	(58,499,916)	(110,632,000)	(137,750,000)	(330,201,000)	(110,632,000)	(137,750,000)	(330,201,000)	(330,201,000)
	125 CAPITAL : MONETARY	(478,048,000)	(421,708,000)	(84,470,158)	(568,521,000)	(578,716,000)	(440,000,000)	(568,521,000)	(578,716,000)	(440,000,000)	(440,000,000)
	142 SALES OF GOODS AND RENDERING OF SER	(114,665,958)	(114,665,958)	(13,063,238)	(120,399,256)	(126,900,816)	(133,753,459)	(120,399,256)	(126,900,816)	(133,753,459)	(133,753,459)
	1 Total TOTAL INCOME	(809,305,958)	(809,305,958)	(156,033,312)	(799,552,256)	(843,366,816)	(903,954,459)	(799,552,256)	(843,366,816)	(903,954,459)	(903,954,459)
	201 EMPLOYEE RELATED COST	237,605,182	236,162,603	130,507,348	250,225,885	270,243,959	291,863,480	250,225,885	270,243,959	291,863,480	291,863,480
	226 OUTSOURCE SERVICES	15,938,044	4,061,032	2,015,442	2,023,715	2,115,349	2,211,931	2,023,715	2,115,349	2,211,931	2,211,931
	227 CONSULTANTS AND PROFESSIONAL SERV	6,029,805	5,729,805	-	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
	228 CONTRACTORS	271,767,217	332,545,509	58,964,384	176,619,763	202,892,436	399,722,466	176,619,763	202,892,436	399,722,466	399,722,466
	230 OPERATIONAL COST	35,106,322	35,572,290	21,633,805	37,674,688	44,616,611	46,671,682	37,674,688	44,616,611	46,671,682	46,671,682
	232 INVENTORY	37,161,059	32,875,651	14,577,076	31,482,175	32,903,120	34,400,802	31,482,175	32,903,120	34,400,802	34,400,802
	236 INTEREST DIVIDENDS AND RENT ON LAND	36,126,005	29,192,759	18,040,256	39,377,345	41,503,722	43,744,923	39,377,345	41,503,722	43,744,923	43,744,923
	238 OPERATING LEASES	365,000	365,000	-	365,000	365,000	365,000	365,000	365,000	365,000	365,000
	259 OPERATIONAL : MONETARY	43,010,050	43,010,050	-	-	-	-	-	-	-	-
	272 DEPRECIATION & AMORTISATION	771,581	771,581	514,390	684,799	753,279	828,607	684,799	753,279	828,607	828,607
	2 Total TOTALEXPENDITURE	683,880,265	720,286,280	246,252,700	543,453,370	600,393,476	824,808,891	543,453,370	600,393,476	824,808,891	824,808,891
	390 RECOVERIES AND CHARGES	(45,311,438)	(45,538,241)	(4,384,925)	(44,743,057)	(44,743,057)	(44,743,057)	(44,743,057)	(44,743,057)	(44,743,057)	(44,743,057)
	3 Total TOTAL GAINS & LOSSES/COSTING	(45,311,438)	(45,538,241)	(4,384,925)	(44,743,057)	(44,743,057)	(44,743,057)	(44,743,057)	(44,743,057)	(44,743,057)	(44,743,057)
	TRANSPORT Total	(170,737,131)	(134,557,919)	85,834,464	(300,841,943)	(287,716,397)	(123,888,625)	(300,841,943)	(287,716,397)	(123,888,625)	(123,888,625)

2.10.26 BUDGET FOR BRAKPAN BUS COMPANY (BBC)

CHALLENGES

The current pilferage rate has prompted the company to see the need to drive for pre paying customers, so as to improve the collection of revenue and minimise the time and money spent on disciplinary matters.

The company concedes that buses have been underutilised during off peak hours and the vigorous marketing of the busses, by the employed Sales and Marketing Officer is embarked upon and thus maximise their use, for example, on special hire trips and contracting with corporate. The company has also seen the need to embark on advertising and branding on the buses to generate extra revenue. The survey on customer satisfaction is under way, this will assist to improve on the company's customer service, by identifying gaps given the survey results.

Internally on the employee's side, implementation of the South African Road Passenger Bargaining Council agreement comprehensively will assist in improving the morale by offering basic benefits, for example, implement the housing and medical aid subsidy. Also by encouraging and incentivising driver's good conduct especially to commuters.

KEY PRIORITIES

In order to improve on the competitiveness of the company, and improve on income generated, the company will be embarking on the following priority projects:

- Increasing the number of pre-paying customers (compared to cash paying customers);
- Conducting customer satisfaction surveys, to identify areas requiring improvement;
- Improve on governance and risk management systems and controls, in order to optimise effectiveness and efficiencies;
- Marketing of Brakpan Bus Company services, and maximise the use of buses on special hire trips;
- Service Level Agreement with the workshop to be renegotiated to improve the turn-around time;
- A tender to be issued for diesel supply to ensure agility when diesel is unavailable from City of Ekurhuleni sources;
- Improving staff morale

Table 79 Operating Budget of the Brakpan Bus Company

I SUB n TOT d CAT	DESCRIPTION	2018/19	18/19 YTD	2019/20 FINAL		
		APPROVED ADJUSTED BUDGET	Movement - MONTH	DRAFT BUDGET	DRAFT BUDGET	DRAFT BUDGET
	114 OPERATIONAL : MONETARY	(20,240,722)	(20,240,722)	(31,670,745)	- 32,610,990	(33,589,993)
	134 INTEREST DIVIDENDS AND RENT ON LAND	(400,000)	(400,000)	(696,420)	- 738,205	(782,496)
	142 SALES OF GOODS AND RENDERING OF SERVICES	(22,667,089)	(22,667,089)	(28,373,963)	- 30,376,624	(32,199,220)
1	TOTAL INCOME	(43,307,811)	(43,307,811)	(60,741,128)	- 63,725,819	(66,571,709)
	211 EMPLOYEE RELATED COST	23,357,037	23,357,037	29,437,161	31,688,159	33,897,577
	226 OUTSOURCE SERVICES	322,160	322,160	276,359	298,467	319,360
	227 CONSULTANTS AND PROFESSIONAL SERVICES	34,547	34,547	317,519	342,921	366,925
	228 CONTRACTORS	1,100,000	1,100,000	787,908	850,940	910,506
	230 OPERATIONAL COST	10,213,963	10,213,963	6,612,156	7,283,289	7,822,040
	232 INVENTORY	5,231,040	5,231,040	6,109,638	6,598,406	7,060,361
	236 INTEREST DIVIDENDS AND RENT ON LAND	-	-	580,709	505,672	237,593
	238 OPERATING LEASES	645,802	645,802	591,270	638,571	683,268
	272 DEPRECIATION & AMORTISATION	2,378,662	2,378,662	3,064,950	3,310,148	3,541,857
2	TOTAL EXPENDITURE	43,283,211	43,283,211	47,777,670	51,516,573	54,839,487
	BRAKPAN BUS COMPANY TOTAL	(24,600)	(24,600)	(12,963,458)	(12,209,246)	(11,732,222)

DESCRIPTION	F00	F00	F00	F00	F00	F00	F01	%	F02	F03
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	B to B	R'000	R'000
	ORG BUDGET	AMENDED BUDGET - APR'18	YEAR TO DATE - APR'18	PROJECTED	2018/19	%	2019/20	Of Total	2019/20	2020/21
	R	R	R	R	R	R	R	R	R	R
Waste Management										
INCOME										
NON - EXCHANGE REVENUE										
Transfers and Subsidies										
- Operational: Monetary	(512,697)	(512,697)	(506,358)	(512,697)	(559,081)	9.05%	(611,595)	28.72%	(611,595)	(671,340)
- Capital: Monetary	(506,697)	(506,697)	(506,358)	(506,697)	(554,081)	9.35%	(609,595)	28.47%	(609,595)	(671,340)
	(6,000)	(6,000)	-	(6,000)	(5,000)	-16.67%	(2,000)	0.26%	(2,000)	-
SUB TOTAL: NON - EXCHANGE REVENUE	(512,697)	(512,697)	(506,358)	(512,697)	(559,081)	9.05%	(611,595)	28.72%	(611,595)	(671,340)
EXCHANGE REVENUE										
Service Charges	(1,278,109)	(1,278,109)	(992,500)	(1,265,328)	(1,337,202)	4.62%	(1,450,864)	68.70%	(1,450,864)	(1,574,187)
Interest, Dividends and Rent on Land	(65,805)	(65,805)	(30,321)	(62,515)	(50,000)	-24.02%	(52,500)	2.57%	(52,500)	(55,125)
Sales of Goods and Rendering of Services	(3)	(3)	(33)	(3)	(145)	4722.93%	(152)	0.01%	(152)	(160)
SUB TOTAL: EXCHANGE REVENUE	(1,343,917)	(1,343,917)	(1,022,854)	(1,327,846)	(1,387,347)	3.23%	(1,503,516)	71.28%	(1,503,516)	(1,629,472)
TOTAL INCOME	(1,856,614)	(1,856,614)	(1,529,212)	(1,840,542)	(1,946,427)	4.84%	(2,115,111)	100.00%	(2,115,111)	(2,300,812)
EXPENDITURE										
Employee Related Costs	407,841	355,835	375,426	355,835	395,605	11.18%	433,228	33.91%	433,228	474,427
Senior Management	2,181	2,181	67	2,181	1,976	-9.43%	2,164	0.17%	2,164	2,369
- SM - Salaries Allowances and Service Benefits	2,180	2,180	67	2,180	1,974	-9.44%	2,162	0.17%	2,162	2,367
- SM - Social Contributions	2	2	-	2	2	2.25%	2	0.00%	2	2
Municipal Staff	405,660	353,654	375,359	353,654	393,630	11.30%	431,064	33.74%	431,064	472,058
- MS - Salaries Allowances and Service Benefits	346,200	294,194	319,083	294,194	329,181	11.89%	360,486	28.22%	360,486	394,769
- MS - Social Contributions	75,931	75,931	56,745	75,931	80,919	6.57%	88,615	6.94%	88,615	97,042
- MS - Cost Capitalised to PPE	(16,471)	(16,471)	(469)	(16,471)	(16,471)	0.00%	(18,037)	-1.41%	(18,037)	(19,752)
Contracted Services	430,071	422,417	295,504	402,345	421,715	-0.17%	441,953	36.15%	441,953	463,557
- Outsourcing Services	406,830	403,126	288,128	379,727	409,938	1.69%	431,503	35.14%	431,503	454,300
- Consultants and Professional Services	16,959	15,761	5,197	16,498	5,437	-65.50%	3,697	0.47%	3,697	2,066
- Contractors	6,281	3,531	2,179	6,121	6,340	79.56%	6,752	0.54%	6,752	7,191
Operational Cost	49,008	49,044	38,009	48,101	41,229	-15.93%	41,778	3.53%	41,778	42,364
Inventory	156,341	145,799	101,020	151,767	152,964	4.91%	162,395	13.11%	162,395	172,460
Interest Dividends and Rent on Land	91,477	61,702	41,148	61,702	68,368	10.80%	80,076	5.86%	80,076	80,037
Operating Leases	3,184	2,578	521	3,129	5,110	98.23%	5,622	0.44%	5,622	6,184
Contribution for Bad Debt	90,416	90,416	75,347	90,416	40,226	-55.51%	43,444	3.45%	43,444	46,919
Depreciation and Amortisation	43,832	43,832	36,526	43,832	41,427	-5.49%	44,327	3.55%	44,327	47,430
TOTAL EXPENDITURE	1,272,169	1,171,622	963,501	1,157,126	1,166,645	-0.42%	1,252,822	100.00%	1,252,822	1,333,379
DEFICIT / (SURPLUS)	(584,445)	(684,992)	(684,992)	(684,416)	(779,782)	13.84%	(862,288)		(862,288)	(967,433)
DEFICIT / (SURPLUS) AFTER GAINS AND LOSS	(584,445)	(684,992)	(684,992)	(683,416)	(779,782)				(862,288)	(967,433)
TOTAL RECOVERIES	(183,933)	(183,933)	(191,162)	(183,933)	(197,728)	0	(197,728)	0	(197,728)	(197,728)
TOTAL CHARGES	316,261	322,289	189,714	316,278	339,173	0	339,173	0	339,173	339,173
TOTAL CHARGES / RECOVERIES	132,329	138,356	(1,448)	132,346	141,445	0	141,445	0	141,445	141,445
DEFICIT / (SURPLUS) AFTER RECOV & CHARG	(452,116)	(546,635)	(567,159)	(551,070)	(638,336)		(720,843)		(720,843)	(825,988)

2.10.27 WATER AND SANITATION

The result statements of the department is contained in the IDP in Annexure A.

The result statements of the department is contained in the IDP in Annexure A.

Key Strategic Projects of the Water and Sanitation Department

PROJECT NAME	PROJECT DESCRIPTION
WATER LOSS ERADICATION PROGRAMME.	
Percentage of non-revenue water	<p>The Department intends to reduce the Non-Revenue Water percentage for the 2018/19 Financial Year to 32.45%. Continuous efforts and strategies are being undertaken to ensure that the fluctuation of water loss is kept under the relevant required percentage.</p> <p>There are various projects within this programme, some of which are listed below:</p> <ol style="list-style-type: none"> 1) Pipe replacement programme. 2) Metering of unmetered properties. 3) Domestic leak repairs and meter replacement. 4) Bulk metering audit and consolidation for top consumers. 5) Replacement of aged water meters 6) Sectorisation, replacement of valves and pressure management 7) Community awareness campaigns 8) Cathodic protection of steel pipelines 9) Metering of informal settlements 10) Telemetry
INVESTMENT IN WATER INFRASTRUCTURE TO ENSURE SECURITY OF SUPPLY	
Increased Water Storage Capacity	<p>For the current financial year 2018/19 and beyond the Water and Sanitation Department plans to ensure the Construction of Additional Water Reservoirs Capacity & Waste Water Treatment Works Additional Capacity of 50ml.</p> <p>The Water & Sanitation has commenced with the implementation of the Aqua Leap Programme. The outputs of the programme are as follows:</p> <ul style="list-style-type: none"> • The investigation of phasing out of sewer pump station (planning in progress) • Metering 40,000 properties (in progress) • 50 Years WWTW Regionalisation and Master Plan (consultants assigned) <p>The progress to date on reservoir is as follows:</p> <p>Procurement</p> <p>Pam Brink (25MI) – Tender Edelwesiss tower (2MI) Impala (10MI) Apex (10MI) Oliphantsfontein (20MI) Edelwesiss (30MI) Alberton South Crest (10MI) Duduza (15MI) Modder East (25MI)</p>

PROJECT NAME	PROJECT DESCRIPTION														
	<p>Esselen (25MI) Fairleads 25MI)</p> <p>Construction</p> <p>Russel road (30MI) – Construction Credi (25MI) – Construction Brakpan (18MI) - Construction Zulu Xhosa (13MI) – construction Etwatwa Tower (2MI) – construction Clayville (25MI) – Construction Isando (10MI) - Construction Welgedacht (7.5MI) – construction Welgedacht tower (0.75MI) – construction Tembisa Tower (2MI) – construction Northmead Tower (5MI) – construction Benoni reservoir (5MI) – construction Bredell (25MI) – construction</p> <p>Completed awaiting commissioning</p> <p>Etwatwa (10MI) – Complete awaiting commissioning Palmridge (35MI) – Complete awaiting commissioning Kempton Park (25MI) – Complete awaiting commissioning</p> <p>Completed & commissioned</p> <p>Nigel Tower (1MI) – completed and commissioned</p> <p>TOTAL STORAGE TO BE CREATED = 466.25MI (TARGET IS 550MI)</p>														
Alternative water resources within the CoE	Feasibility study of all alternative water resources within the CoE to augment the existing RW water supply.														
Immediate refurbishment of water network	In order to reduce the level of service interruption in providing the water supply and elimination of sewer spillages, the department has implemented over the past 3 years replaced. Upgraded or extended 54km of water and sewer pipes. During the 2018.19 financial year the Department will replace, upgrade or extend 11km. The Department has planned a total of 1,000km over the next 5 years. This will go a long way in ensuring that a certain portion of the infrastructure is upgraded.														
Water & sewer Pipes Upgrade , extension , replacement	<p>Pipeline Replacement & Upgrading Programme 2016.17 Progress A total of 12.934km was achieved for both water & sewer</p> <table border="1" data-bbox="453 1697 1503 2016"> <thead> <tr> <th data-bbox="453 1697 1337 1742">Project Name</th> <th data-bbox="1337 1697 1503 1742">Km</th> </tr> </thead> <tbody> <tr> <td data-bbox="453 1742 1337 1787">Eliminate Benoni Sewer Pump station</td> <td data-bbox="1337 1742 1503 1787">0.185</td> </tr> <tr> <td data-bbox="453 1787 1337 1854">Etwatwa Ext19 Reservoir, Tower, access road and pipeline</td> <td data-bbox="1337 1787 1503 1854">1.013</td> </tr> <tr> <td data-bbox="453 1854 1337 1899">Etwatwa Sewer Upgrades</td> <td data-bbox="1337 1854 1503 1899">3.2</td> </tr> <tr> <td data-bbox="453 1899 1337 1944">Mayfield Ext 1 Phase 2</td> <td data-bbox="1337 1899 1503 1944">3.675</td> </tr> <tr> <td data-bbox="453 1944 1337 1989">MIC BLOCKS NORTH EAST</td> <td data-bbox="1337 1944 1503 1989">0.345</td> </tr> <tr> <td data-bbox="453 1989 1337 2016">Moderfontein 76 IR Ptn 7 E/tial SVC C F</td> <td data-bbox="1337 1989 1503 2016">0.317</td> </tr> </tbody> </table>	Project Name	Km	Eliminate Benoni Sewer Pump station	0.185	Etwatwa Ext19 Reservoir, Tower, access road and pipeline	1.013	Etwatwa Sewer Upgrades	3.2	Mayfield Ext 1 Phase 2	3.675	MIC BLOCKS NORTH EAST	0.345	Moderfontein 76 IR Ptn 7 E/tial SVC C F	0.317
Project Name	Km														
Eliminate Benoni Sewer Pump station	0.185														
Etwatwa Ext19 Reservoir, Tower, access road and pipeline	1.013														
Etwatwa Sewer Upgrades	3.2														
Mayfield Ext 1 Phase 2	3.675														
MIC BLOCKS NORTH EAST	0.345														
Moderfontein 76 IR Ptn 7 E/tial SVC C F	0.317														

PROJECT NAME	PROJECT DESCRIPTION	
	Pomona: Bulk supply Albertina Sisulu Corridor	0.113
	Tembisa Sewer	3.85
	Upgrade Outfall Sewers in Vosloorus C/F	0.236
	TOTAL	12.934
	2017.18 Progress	
	A total of 41km of both water and sewer were completed during the 2017.18 FY as follows:	
	Project Description	Km Achieved
		Ward
	Edenvale: Illiondale Outfall sewer(Edenvale)	0.7km
	Etwatwa Sewer Upgrades(Etwatwa)	11.5km
	Farrarmere Gardens: Extend water and sewer services(Benoni)	0.9km
	GERMISTON BVD WAT NET UPG PHASE 2	0.3km
	Germiston: Upgrade and replace Dekema outfall sewer(Germiston)	0.6km
	Mayfield Ext 1(Benoni)	6.9km
	Vosloorus	0.9km
	Lilianton	0.9km
	Phomolong replacement of midblocks pipelines	0.4km
	War on leaks: Tsakane	22.5km
	Pomona New eastern of sewer	2km
	TOTAL KM OF WATER & SEWER REPLACED,UPGRADED OR INSTALLED	41.1km
	2018.19 Progress Year To Date (Up to Dec 2018)	
	Project Description	Km
	Germiston BLVD water network	0.820
	Lilianton outfall sewer	1.500
	Illiondale Outfall Sewer	2.900
	Germiston: Upgrade and Replacement Dekema Outfall sewer	2.4
	Total Year To Date 2018.19	7.620

PROJECT NAME	PROJECT DESCRIPTION
	During the 2018.19 financial year the Department will replace, upgrade or extend 11km. The Department has planned a total of 1,000km over the next 5 years. This will go a long way in ensuring that a certain portion of the infrastructure is upgraded.

Operating Budget of the Water and Sanitation Department

The department requires an increased Operational Budget to cater for various programs related to service delivery especially the following:

- **Continued management of Water Supply to Consumers:** Management of pump-stations, is part of the services currently contracted to ERWAT to ensure the smooth running and proper maintenance with continued load shedding and over-reliance on generators, the Department will have to channel some of the budget towards the pump stations.
- **Repairs and Maintenance to Infrastructure:** The Departmental's Operational Budget caters for both the human resource required to maintain the infrastructure and the actual funding thereof. In terms of capacity, the Department continues to maintain its achievement of attending to 90% of all queries received for Water and Sewer complaints despite capacity challenges. The Department has further invested great effort in the preparation of ISO 2015:9001 quality service standards and through such have mapped most of the standard operating procedures to standardise and determine the service standards and expectations.

There is however a continued concern that since most of the sewer and water infrastructure underground has aged, the allocated budget for Repairs and Maintenance is not sufficient to cover the cost of major repairs. The frequency of service interruption has a risk of lessening community trust but with the back-up of water tankers, the city is able to temporarily cater for services.

- **Provision of Services to Informal Settlement:** The department aim to ensure that all informal settlements have access to water through the water service points and ablution facilities (chemical toilets). Recently, efforts have been increased to ensure that the ratio standard of 1:10 is exceeded and more toilets are provided to accommodate issues of safety and continued healthy environment. This then reduces the distance travelled in the dark to reach the share facility and eliminate the need for frequent maintenance. So far the department has already provided an estimated total of thirty-six thousand chemical toilets which are maintained on a weekly basis to ensure continued provision of sanitation service and maintenance of dignity for our people.

Additional to the above a huge percentage of the operational expenditure budget is allocated to Bulk purchase of water which is required to cater for the increasing demand from the growing city. The greatest challenge facing the department is aging infrastructure for both water and sewer. In facilitating the water supply and continued service delivery, the department is further investing in continuous repairs and maintenance programmes aimed at ensuring continued supply of water and prevention of sewer spillages.

- R200 m revenue from other activities.

19 GREEN DROP AWARDS

In order to achieve the strategic objective of 19 Green Drop Awards the Erwat Capital Budget has been reassessed and prioritised to be able to achieve this objective. It is however clear that the timeframe for achieving this objective is quite long and the current target is 10 Green Drop Awards by 2019.

Operating Budget

The total original Company Net Operating Surplus for 2017/18 was R50 million. For the financial year budget of 2018/19, net operating surplus of R50 million will be realised. The profit is due to the R50 million Capital grant received from Ekurhuleni.

Total Income

The total income increased with 12.03% from 2017/2018 to 2018/2019.

Non-exchange revenue

There was no increase in non-exchange revenue as the Grant for 2018/2019 is the same as 2017/2018 R50 million.

Exchange revenue

The Exchange Revenue increase is 12.73% from 2017/18 to 2018/19 financial year; the main drivers are the following:

- **Service charges increased by 10.00%**
 - The Service charges is paid by the members of the entity (City of Ekurhuleni (CoE), City of Johannesburg (CoJ) and Lesedi Municipality in term of the Service Level Agreements (SLA) between the members and ERWAT.
- **Interest and dividends decreased by 17.20%**
 - The Interest Income is lower due to lower Bank Balance.
- **Operational revenue increased by 27.64%**
 - Increase in commercial business and other services rendered to municipalities as well as government departments.

Expenditure

The total expenditure increased by 12.73%, which be covered by the total income increase of 12.03% to cover the costs. The main driver of the increases are the following:

- **Senior Management increased by 234.86%**
 - Three new vacancies were budgeted for as per the new structure approved by the Board of Directors
- **Other Staff cost increased by 15.14%**

- Under the manpower budget, our increase relating to the salaries relates to planning of future employment to fill the gaps in our structure in the Commercial business.
- Overtime payments also increased due to the 7 day/week shift (Green Drop Compliance).
- HR staff cost increased to cater for more Wastewater learnership from NQF 2 – NQF4, Coaching training to all executives, Additional compliance training and Apprentice training.
- **Operational cost increased by 22.9%**
 - Transport cost increased to cover the activities required to generate revenue.
 - Repair and maintenance increased to cover the pump stations service level agreement with CoE.
 - Marketing cost increased due to the fact that we exhibit at least six exhibitions per financial year compare to once every second year, with some ad hoc exhibitions as and when the MD requires it.
- **Bulk purchases increased by 3.14%**
 - In line with the CPIX rates and increase in business activities due to business growth.
 - The Chemical budget was increased to accommodate analysis requirements for Green Drop compliance.
- **Depreciation increased by 2.32%**
 - The depreciation charge minimal increase is due to Capital expenditure that decreased.
- **Interest decreased by 2.57%**
 - Interest charges decreased due to Capital repayment on Long Term loans, as the Capital decrease the interest charges decrease.
- **Contribution for bad debts decreased by 33%**
 - The contribution decreased based on the estimated debt to be provided for 2018/2019 year.

Table 81 Budget of ERWAT

SUB TOT CAT DESCRIPTION	2018/19		2019/20 FINAL DRAFT BUDGET	2020/21 FINAL DRAFT BUDGET	2021/22 FINAL DRAFT BUDGET
	APPROVED ADJUSTED BUDGET	18/19 YTD Movement - MONTH			
114 OPERATIONAL : MONETARY	(1,063,424)	(1,063,424)	-	-	-
125 CAPITAL MONETARY	(50,000,000)	(50,000,000)	(121,400,000)	135,000,000	(150,000,000)
134 INTEREST DIVIDENDS AND RENT ON LAND	(3,192,000)	(3,192,000)	(3,722,160)	3,722,160	(4,025,888)
138 OPERATIONAL REVENUE	(80,000)	(80,000)	-	-	-
142 SALES OF GOODS AND RENDERING OF SERVICES	(970,907,193)	(970,907,193)	(995,966,930)	1,161,930,740	(1,367,364,091)
1 TOTAL INCOME	(1,025,242,617)	(1,025,242,617)	(1,121,089,090)	1,300,652,900	(1,521,389,979)
211 EMPLOYEE RELATED COST	349,026,946	349,026,946	379,513,239	442,639,089	520,772,964
226 OUTSOURCE SERVICES	25,186,712	25,186,712	26,219,041	30,575,704	35,967,702
227 CONSULTANTS AND PROFESSIONAL SERVICES	27,840,674	27,840,674	33,465,014	39,025,701	45,907,854
228 CONTRACTORS	6,796,092	6,796,092	6,792,311	7,920,949	9,317,801
230 OPERATIONAL COST	228,371,855	228,371,855	217,865,079	257,677,675	303,294,074
232 INVENTORY	192,666,513	192,666,513	190,412,444	227,303,374	267,211,786
236 INTEREST DIVIDENDS AND RENT ON LAND	61,548,322	61,548,322	57,012,329	57,410,241	67,636,004
238 OPERATING LEASES	9,204,589	9,204,589	11,865,593	13,837,220	16,277,403
240 BAD DEBTS WRITTEN OFF	1,024,213	1,024,213	1,625,838	1,895,994	2,230,351
269 CAPITAL MONETARY	829,130	829,130	867,149	1,011,238	1,189,569
272 DEPRECIATION & AMORTISATION	72,047,571	72,047,571	74,051,053	86,355,715	101,584,471
2 TOTAL EXPENDITURE	974,542,617	974,542,617	999,689,090	1,165,652,900	1,371,389,979
330 GAINS AND LOSSES	700,000	700,000	-	-	-
3 Tot TOTAL GAINS & LOSSES/COSTING	700,000	700,000	-	-	-
ERWAT TOTAL	(50,000,000)	(50,000,000)	(121,400,000)	135,000,000	(150,000,000)

2.11 Contracts having future budgetary implications

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

2.12 Capital expenditure details

The following four tables present details of the metro's capital expenditure programme, firstly on new assets, then the renewal of assets, repair and maintenance of assets and finally on the upgrading on the existing assets.

Table 82 MBRR SA34a - capital expenditure on the renewal of new assets by asset class

EKU Ekurhuleni Metro - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure									
Roads Infrastructure	788,867	692,706	13,751	-	-	-	-	-	-
Roads	788,867	692,706	13,751	-	-	-	-	-	-
Electrical Infrastructure	390,713	465,247	44,098	-	-	-	-	-	-
HV Transmission Conductors	390,713	465,247	44,098	-	-	-	-	-	-
Water Supply Infrastructure	204,276	161,203	-	-	-	-	-	-	-
Distribution	204,276	161,203	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	126,126	40,683	-	-	-	-	121,400	135,000	71,710
Reticulation	126,126	40,683	-	-	-	-	-	-	-
Waste Water Treatment Works	-	-	-	-	-	-	121,400	135,000	71,710
Solid Waste Infrastructure	38,472	135,542	-	-	-	-	-	-	-
Landfill Sites	-	20,298	-	-	-	-	-	-	-
Capital Spares	38,472	115,244	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	201	-	-	-	-	-	-
Distribution Layers	-	-	201	-	-	-	-	-	-
Community Assets	118,662	39,322	7,303	307,400	280,754	280,754	377,000	359,118	415,000
Community Facilities	102,594	31,847	7,303	307,400	280,754	280,754	377,000	359,118	415,000
Halls	-	-	6,613	85,500	101,500	101,500	125,000	59,218	141,000
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	72,181	11,913	690	23,200	14,820	14,820	50,500	99,900	97,500
Fire/Ambulance Stations	-	-	-	86,700	52,434	52,434	89,500	88,000	64,500
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	5,950	-	-	-	-	-	-	-
Libraries	26,893	6,884	-	-	-	-	-	-	-
Cemeteries/Crematoria	3,520	7,100	-	-	-	-	-	-	-
Public Open Space	-	-	-	112,000	112,000	112,000	112,000	112,000	112,000
Sport and Recreation Facilities	16,068	7,476	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	16,068	7,476	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Investment properties	281,214	581,005	-	-	-	-	-	-	-
Revenue Generating	281,214	581,005	-	-	-	-	-	-	-
Improved Property	281,214	581,005	-	-	-	-	-	-	-
Other assets	197,747	345,490	-	127,700	121,230	121,230	253,700	254,542	88,700
Operational Buildings	197,747	345,490	-	127,700	121,230	121,230	253,700	254,542	88,700
Municipal Offices	197,747	345,490	-	-	-	-	-	-	-
Depots	-	-	-	127,700	121,230	121,230	253,700	254,542	88,700
Intangible Assets	-	-	1,223	-	-	-	-	-	-
Licences and Rights	-	-	1,223	-	-	-	-	-	-
Computer Software and Applications	-	-	1,223	-	-	-	-	-	-
Computer Equipment	-	-	504,735	9,086	9,086	9,086	578	556	585
Computer Equipment	-	-	504,735	9,086	9,086	9,086	578	556	585
Furniture and Office Equipment	-	-	37,533	65,618	39,954	39,954	71,509	85,757	88,071
Furniture and Office Equipment	-	-	37,533	65,618	39,954	39,954	71,509	85,757	88,071
Machinery and Equipment	-	-	70,934	101,515	139,115	139,115	14,141	14,179	14,220
Machinery and Equipment	-	-	70,934	101,515	139,115	139,115	14,141	14,179	14,220
Transport Assets	18,938	-	324,046	230,622	316,500	316,500	265,022	248,785	258,561
Transport Assets	18,938	-	324,046	230,622	316,500	316,500	265,022	248,785	258,561
Libraries	-	-	395,282	-	-	-	-	-	-
Libraries	-	-	395,282	-	-	-	-	-	-
Total Capital Expenditure on new assets	2,165,014	2,461,200	1,399,107	841,941	906,638	906,638	1,103,350	1,097,937	936,847

Table 83 MBRR SA34b - capital expenditure on the renewal of existing assets by asset class

EKU Ekurhuleni Metro - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	1,031,098	1,076,898	2,225,703	3,119,765	2,993,116	2,993,116	3,181,836	3,365,586	3,541,950
Roads Infrastructure	404,944	346,823	952,550	1,061,798	1,022,944	1,022,944	947,191	1,135,766	1,010,500
<i>Roads</i>	404,944	323,455	952,550	1,061,798	1,022,944	1,022,944	947,191	1,135,766	1,010,500
<i>Capital Spares</i>		23,368							
Storm water Infrastructure	–	–	56,571	34,000	26,050	26,050	19,500	20,500	29,500
<i>Drainage Collection</i>	–	–	56,571	34,000	26,050	26,050	19,500	20,500	29,500
Electrical Infrastructure	79,839	111,189	630,547	713,000	712,720	712,720	719,500	761,000	826,500
<i>HV Substations</i>	–	–	–	183,000	159,000	159,000	165,000	131,000	140,000
<i>HV Transmission Conductors</i>	79,839	111,189	–	444,000	457,720	457,720	464,500	516,000	554,500
<i>MV Substations</i>	–	–	79,249	–	–	–	–	–	–
<i>MV Networks</i>	–	–	396,736	86,000	96,000	96,000	90,000	114,000	132,000
<i>LV Networks</i>	–	–	154,562	–	–	–	–	–	–
Water Supply Infrastructure	74,076	46,317	414,771	426,660	466,720	466,720	738,500	844,000	981,000
<i>Boreholes</i>	–	–	–	–	–	–	–	–	–
<i>Reservoirs</i>	–	–	138,045	–	–	–	–	–	–
<i>Distribution</i>	74,076	46,317	276,726	426,660	466,720	466,720	738,500	844,000	981,000
<i>Capital Spares</i>	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	47,100	57,360	167,252	234,520	175,395	175,395	92,800	86,000	149,000
<i>Pump Station</i>	–	–	–	–	–	–	–	–	–
<i>Reticulation</i>	47,100	57,360	152,011	234,520	175,395	175,395	92,800	86,000	149,000
<i>Waste Water Treatment Works</i>	–	–	15,241	–	–	–	–	–	–
Solid Waste Infrastructure	91,263	82,912	4,012	127,600	130,100	130,100	84,000	142,500	212,900
<i>Landfill Sites</i>	91,263	82,912	–	–	–	–	–	–	–
<i>Waste Transfer Stations</i>	–	–	4,012	127,600	130,100	130,100	84,000	142,500	212,900
Information and Communication I	333,876	432,297	–	522,187	459,187	459,187	580,345	375,820	332,550
<i>Distribution Layers</i>	–	–	–	522,187	459,187	459,187	580,345	375,820	332,550
<i>Capital Spares</i>	333,876	432,297	–	–	–	–	–	–	–
Community Assets	210,346	142,726	12,092	606,650	513,793	513,793	611,200	705,120	505,500
Community Facilities	169,036	109,257	11,342	530,150	434,853	434,853	480,700	573,300	357,000
<i>Halls</i>	50,000	–	–	–	–	–	–	–	–
<i>Clinics/Care Centres</i>	19,483	24,886	–	–	–	–	–	–	–
<i>Testing Stations</i>	–	–	–	97,000	61,196	61,196	69,000	136,000	39,000
<i>Museums</i>	31,936	27,950	–	–	–	–	–	–	–
<i>Libraries</i>	4,365	23,835	–	17,300	4,984	4,984	4,500	3,000	–
<i>Cemeteries/Crematoria</i>	–	30,295	–	–	–	–	–	–	–
<i>Police</i>	2,795	2,291	–	111,600	79,600	79,600	72,300	95,800	68,000
<i>Public Open Space</i>	60,456	–	6,223	215,950	223,480	223,480	195,300	113,500	126,000
<i>Nature Reserves</i>	–	–	5,119	61,300	61,911	61,911	80,600	128,500	114,000
<i>Taxi Ranks/Bus Terminals</i>	–	–	–	27,000	3,682	3,682	59,000	96,500	10,000
Sport and Recreation Facilities	41,311	33,469	750	76,500	78,940	78,940	130,500	131,820	148,500
<i>Indoor Facilities</i>	34,863	28,998	–	11,000	14,530	14,530	27,200	41,170	113,000
<i>Outdoor Facilities</i>	6,448	4,472	750	65,500	64,410	64,410	103,300	90,650	35,500
Investment properties	52,264	77,384	16,916	1,774,327	1,911,862	1,911,862	1,927,316	1,794,608	1,908,911
Revenue Generating	52,264	77,384	16,916	1,213,242	1,382,778	1,382,778	1,386,649	1,179,758	1,288,549
<i>Improved Property</i>	52,264	77,384	16,916	1,213,242	1,382,778	1,382,778	1,386,649	1,179,758	1,288,549
Non-revenue Generating	–	–	–	561,085	529,085	529,085	540,668	614,851	620,362
<i>Unimproved Property</i>	–	–	–	561,085	529,085	529,085	540,668	614,851	620,362
Other assets	255,905	464,471	–	–	–	–	–	–	–
Operational Buildings	255,905	464,471	–	–	–	–	–	–	–
<i>Municipal Offices</i>	255,905	464,332	–	–	–	–	–	–	–
<i>Capital Spares</i>	–	139	–	–	–	–	–	–	–
Furniture and Office Equipment	59,685	81,742	93	–	–	–	–	–	–
Furniture and Office Equipment	59,685	81,742	93	–	–	–	–	–	–
Machinery and Equipment	33,300	62,030	–	125,287	101,298	101,298	136,545	126,045	68,770
Machinery and Equipment	33,300	62,030	–	125,287	101,298	101,298	136,545	126,045	68,770
Transport Assets	286,254	335,584	–	–	–	–	–	–	–
Transport Assets	286,254	335,584	–	–	–	–	–	–	–
Total Capital Expenditure on renew	1,928,851	2,240,835	2,254,825	5,626,029	5,520,069	5,520,069	5,856,897	5,991,359	6,025,131

Table 84 MBRR SA34c - repairs and maintenance expenditure by asset class

EKU Ekurhuleni Metro - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1,167,721	1,739,371	1,747,514	1,960,068	2,013,275	2,013,275	2,183,788	2,357,835	2,543,608
Roads Infrastructure	262,839	587,575	590,014	651,068	748,771	748,771	692,412	729,802	769,212
<i>Roads</i>	262,839	587,575	572,952	631,395	725,098	725,098	671,461	707,719	745,936
<i>Road Structures</i>									
<i>Road Furniture</i>	–	–	17,062	19,673	23,673	23,673	20,951	22,083	23,275
Storm water Infrastructure	43,794	45,404	46,733	38,970	45,250	45,250	41,503	43,744	46,106
<i>Drainage Collection</i>	–	45,404	46,733	38,970	45,250	45,250	41,503	43,744	46,106
<i>Storm water Conveyance</i>	43,794	–	–	–	–	–	–	–	–
Electrical Infrastructure	584,083	571,233	572,281	747,101	730,492	730,492	892,503	972,055	1,059,159
<i>Power Plants</i>	529,860								
<i>HV Substations</i>	54,222	27,655	27,091	46,713	44,934	44,934	50,135	53,224	56,519
<i>HV Transmission Conductors</i>	–	–	565	2,312	2,312	2,312	6,312	7,361	8,659
<i>MV Substations</i>	–	497,088	18,685	21,533	20,358	20,358	23,686	24,965	26,313
<i>MV Switching Stations</i>	–	–	–	–	–	–	–	–	–
<i>MV Networks</i>	–	–	479,186	597,976	586,709	586,709	657,958	723,754	796,129
<i>LV Networks</i>	–	46,491	46,754	78,567	76,179	76,179	154,412	162,750	171,539
<i>Capital Spares</i>	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	116,998	219,379	221,544	244,457	205,707	205,707	272,065	295,634	321,453
<i>Bulk Mains</i>	–	5,566	5,566	7,606	6,813	6,813	8,100	8,538	8,999
<i>Distribution</i>	116,998	213,813	215,979	236,851	198,894	198,894	263,964	287,096	312,454
Sanitation Infrastructure	107,918	266,193	267,353	220,190	230,696	230,696	223,234	251,177	278,724
<i>Pump Station</i>	–	–	114,057	73,673	88,186	88,186	78,461	82,698	87,164
<i>Reticalation</i>	107,918	266,193	57,779	48,280	44,272	44,272	51,418	54,195	57,121
<i>Waste Water Treatment Works</i>	–	–	95,517	98,238	98,238	98,238	93,355	114,284	134,438
<i>Capital Spares</i>	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	52,090	49,588	49,588	58,283	52,360	52,360	62,071	65,423	68,956
<i>Landfill Sites</i>	52,090	49,588	49,588	58,283	52,360	52,360	62,071	65,423	68,956
Community Assets	93,593	125	125	937	1,416	1,416	998	1,052	1,109
Community Facilities	87,924	125	125	937	1,416	1,416	998	1,052	1,109
<i>Halls</i>	5,110	–	–	–	–	–	–	–	–
<i>Centres</i>	1,604	–	–	–	–	–	–	–	–
<i>Clinics/Care Centres</i>	1,058	–	–	–	–	–	–	–	–
<i>Fire/Ambulance Stations</i>	16,871	–	–	–	–	–	–	–	–
<i>Museums</i>	832	–	–	–	–	–	–	–	–
<i>Libraries</i>	962	–	–	–	–	–	–	–	–
<i>Cemeteries/Crematoria</i>	10,905	–	–	–	–	–	–	–	–
<i>Public Open Space</i>	29,508	–	–	–	–	–	–	–	–
<i>Taxi Ranks/Bus Terminals</i>	21,077	125	125	937	1,416	1,416	998	1,052	1,109
Sport and Recreation Facilities	5,669	–	–	–	–	–	–	–	–
<i>Indoor Facilities</i>	740	–	–	–	–	–	–	–	–
<i>Outdoor Facilities</i>	4,836	–	–	–	–	–	–	–	–
<i>Capital Spares</i>	93	–	–	–	–	–	–	–	–
Heritage assets	132,252	–	–	–	–	–	–	–	–
Other Heritage	132,252	–	–	–	–	–	–	–	–
Investment properties	21,593	42,268	42,276	48,083	46,671	46,671	56,967	60,043	63,286
Revenue Generating	–	42,268	–	–	–	–	–	–	–
<i>Improved Property</i>	–	42,268	–	–	–	–	–	–	–
Non-revenue Generating	21,593	–	42,276	48,083	46,671	46,671	56,967	60,043	63,286
<i>Improved Property</i>	21,593	–	42,276	48,083	46,671	46,671	56,967	60,043	63,286
<i>Unimproved Property</i>	–	–	–	–	–	–	–	–	–
Other assets	25,375	145,284	145,646	193,459	72,170	72,170	340,994	360,503	381,373
Operational Buildings	–	145,284	145,646	193,459	72,170	72,170	340,994	360,503	381,373
<i>Municipal Offices</i>	–	145,284	145,646	193,459	72,170	72,170	340,994	360,503	381,373
<i>Social Housing</i>	25,375	–	–	–	–	–	–	–	–
Computer Equipment	89,085	30,422	4	4,172	4,172	4,172	4	4	4
Computer Equipment	89,085	30,422	4	4,172	4,172	4,172	4	4	4
Furniture and Office Equipment	21,368	–	30,454	30,792	31,764	31,764	263,033	277,237	292,207
Furniture and Office Equipment	21,368	–	30,454	30,792	31,764	31,764	263,033	277,237	292,207
Machinery and Equipment	–	4,326	4,338	4,471	4,332	4,332	1,568	1,666	1,766
Machinery and Equipment	–	4,326	4,338	4,471	4,332	4,332	1,568	1,666	1,766
Transport Assets	109,864	144,351	148,214	174,184	174,830	174,830	199,221	210,273	221,926
Transport Assets	109,864	144,351	148,214	174,184	174,830	174,830	199,221	210,273	221,926
Total Repairs and Maintenance Expenditure	1,660,851	2,106,148	2,118,570	2,416,166	2,348,630	2,348,630	3,046,572	3,268,613	3,505,278

Table 85 MBRR SA34e - Capital expenditure on the upgrading on the existing assets by asset class

EKU Ekurhuleni Metro - Supporting Table SA34e Consolidated capital expenditure on the upgrading of existing assets by asset class

Description	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	3,811	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	3,811	-	-	-	-	-	-
Landfill Sites									
Waste Transfer Stations	-	-	3,811	-	-	-	-	-	-
Waste Processing Facilities									
Waste Drop-off Points									
Community Assets	-	-	7,096	52,557	50,006	50,006	512,250	518,998	228,921
Community Facilities	-	-	3,663	52,557	50,006	50,006	512,250	518,998	228,921
Halls	-	-	1,603	-	-	-	-	-	-
Centres	-	-	689	52,557	50,006	50,006	512,250	518,998	228,921
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries	-	-	413	-	-	-	-	-	-
Cemeteries/Crematoria									
Police	-	-	959	-	-	-	-	-	-
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	3,433	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities	-	-	3,433	-	-	-	-	-	-
Capital Spares									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	-	-	314,490	-	-	-	-	-	-
Revenue Generating	-	-	314,490	-	-	-	-	-	-
Improved Property	-	-	80,169	-	-	-	-	-	-
Unimproved Property	-	-	234,321	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									
Other assets	-	-	1,752,498	383,686	246,388	246,388	344,231	270,778	169,000
Operational Buildings	-	-	1,684,582	381,186	243,888	243,888	344,231	270,778	169,000
Municipal Offices	-	-	1,684,582	381,186	243,888	243,888	344,231	270,778	169,000
Housing	-	-	67,916	2,500	2,500	2,500	-	-	-
Staff Housing									
Social Housing	-	-	67,916	2,500	2,500	2,500	-	-	-
Capital Spares									
Total Capital Expenditure on upgrading of existing assets	-	-	2,077,895	436,243	296,394	296,394	856,481	789,776	397,921

Table 86 MBRR SA35 - future financial implications of the Capital Budget

EKU Ekurhuleni Metro - Supporting Table SA35 Future financial implications of the capital budget							
Vote Description	2018/19 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year +1 2019/20	Budget Year +2 2020/21	Budget Year +2 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Present value
Capital expenditure							
Vote 1 - Executive and Council	769,407	765,018	769,303	792,382	816,153	840,638	-
Vote 2 - Finance and Corporate Services	995,305	901,454	613,671	632,081	651,044	670,575	-
Vote 3 - Energy	736,850	780,150	841,000	866,230	892,217	918,983	-
Vote 4 - Water and Sanitation	1,016,200	1,101,000	1,232,710	1,269,691	1,307,782	1,347,016	-
Vote 5 - Waste Management	128,000	190,500	294,900	303,747	312,859	322,245	-
Vote 6 - Human Settlements	1,637,410	1,377,118	1,398,606	1,440,564	1,483,781	1,528,295	-
Vote 7 - City Planning	600	600	600	618	637	656	-
Vote 8 - Economic Development	193,300	183,000	164,000	168,920	173,988	179,207	-
Vote 9 - Disaster and Emergency Management Services	160,300	167,000	124,300	128,029	131,870	135,826	-
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	143,120	145,147	148,627	153,086	157,679	162,409	-
Vote 11 - Health and Social Development	77,950	139,200	129,900	133,797	137,811	141,945	-
Vote 12 - Environmental Resource Management	304,600	274,000	216,500	222,995	229,685	236,575	-
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	100,800	125,800	109,000	112,270	115,638	119,107	-
Vote 14 - Transport Planning & Provisioning	966,116	1,030,974	642,181	661,447	681,290	701,729	-
Vote 15 - Roads and Stormwater	586,770	698,110	674,600	694,838	715,683	737,154	-
<i>List entity summary if applicable</i>							
Total Capital Expenditure							
	7,816,729	7,879,071	7,359,898	7,580,695	7,808,116	8,042,360	-

2.13 Detailed Capital Budget per municipal vote-

Detail expenditure per municipal vote has been attached as **Annexure F** as part of the MTREF budget document. The documents is in alignment with the municipal Budget and reporting regulations Table SA 36.

Table 87 MBRR SA37 - Projects delayed from previous financial year

EKU Ekurhuleni Metro - Supporting Table SA37 Projects delayed from previous financial year/s		Current Year		2017/18 Medium Term		
Municipal Vote/Capital project	Project name	Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<i>Disaster & Emergency Management Services</i>	<i>3 x Mobile be SAFE Units(Operational Equipment)</i>	3,400	-	3,600	4,000	-
Disaster & Emergency Management Services	Katlehong Fire Station	12,000	-	2,000	7,000	18,000
Fleet Management	ICT Equipment(Operational Equipment)	70	-	150	150	320
Health and Social Development	Civic Centre Clinic Germiston	500	-	1,750	5,000	12,000
Health and Social Development	Food Bank & Daycare Centre for Mental Patients	500	-	500	5,000	10,000
Health and Social Development	GENERATORS AT HEALTH FACILITIES(Operational Equipmen	3,000	-	500	1,000	1,000
Health and Social Development	Specialised vehicles(MORE THAN 2 SEATS)(Operational Equ	1,500	-	3,600	1,500	3,000
Roads and Stormwater	Bdfv & Edvl, Geometric Impr., Van Buuren / Hawley	250	-	1,500	1,500	-
Roads and Stormwater	Construction of K86	1,500	-	500	1,000	2,000
Roads and Stormwater	N3, Constr. pedestrian bridge Mapleton to Vosloorus	10,000	-	3,000	500	5,000
Roads and Stormwater	Reconstruct Rds (E): Carnation Rd	2,000	-	500	2,000	-
Roads and Stormwater	Tertiary Rds: (N) Pieter Mokaba, Maluleke, Ndlovu	1,000	-	500	-	500
Roads and Stormwater	Upgrading of Michelle Avenue	5,000	-	300	5,000	8,000
Transport	Drive Thru Edenvale	1,000	-	4,000	-	-
Transport	Drive Thru Tembisa	1,000	-	4,000	-	-
Transport	taxi rank - Katlehong ward 63	2,000	-	5,000	7,000	2,000
Transport	taxi rank - Windmill Park	2,000	-	4,000	7,000	3,000
Water and Sanitation	Bedfordview Bulk Water	500	-	4,000	1,000	1,000

2.14 Legislation compliance status

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

2.14.1 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.

2.14.2 Internship programme

The City's has been participating since 2008 actively in the Municipal Financial Management Internship Programme. The aim of the programme is to provide the Interns with exposure and training in various divisions within the Finance Department." The City has employed nine (9) Municipal Financial Management Interns for the 2018/19 financial year.

2.14.3 Budget and Treasury Office

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

2.14.4 Audit Committee

An Audit Committee has been established and is fully functional.

2.14.5 Service Delivery and Implementation Plan

Council compiled a detailed SDBIP document in 2019/20 MTREF. The detailed SDBIP is reflected in MBRR Schedule SA7 of the report.

2.14.6 Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.14.7 MFMA Training

The MFMA training module in electronic format is presented at the metro's internal centre and training is ongoing.

2.14.8 Policies

An amendment of the Municipal Property Rates Regulations as published in government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the regulations have been complied with.

2.15 Other supporting documents

Table 88 MBRR Table SA1 - Supporting detail to budgeted financial performance

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
REVENUE ITEMS:										
Property rates										
Total Property Rates	4,685,093	4,796,664	6,189,239	6,599,827	6,670,839	6,670,839	6,670,839	7,246,289	7,862,224	8,648,446
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	738,434	743,106	989,174	984,162	1,038,551	1,038,551	1,038,551	1,105,811	1,199,805	1,319,786
Net Property Rates	3,946,659	4,053,558	5,200,065	5,615,665	5,632,288	5,632,288	5,632,288	6,140,478	6,662,419	7,328,661
Service charges - electricity revenue										
Total Service charges - electricity revenue	13,138,753	14,550,011	14,679,621	15,692,889	15,828,843	15,828,843	15,828,843	17,749,570	19,525,982	21,597,397
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>	254,226	311,575	362,134	364,748	364,748	364,748	364,748	408,565	450,755	496,556
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	1,058,228	1,332,126	1,424,305	1,595,189	1,595,189	1,595,189	1,595,189	1,787,588	1,973,431	2,296,205
Net Service charges - electricity revenue	11,826,299	12,906,311	12,893,182	13,732,952	13,868,905	13,868,905	13,868,905	15,553,417	17,101,796	18,804,637
Service charges - water revenue										
Total Service charges - water revenue	4,035,331	4,408,797	4,107,444	4,928,243	4,928,243	4,928,243	4,928,243	5,769,785	6,464,860	7,226,635
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>	418,454	446,975	461,745	324,201	324,201	324,201	324,201	355,794	412,498	475,795
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	399,710	566,241	493,478	484,506	484,506	484,506	484,506	543,884	612,260	676,192
Net Service charges - water revenue	3,217,167	3,395,581	3,152,220	4,119,535	4,119,535	4,119,535	4,119,535	4,870,108	5,440,102	6,074,648
Service charges - sanitation revenue										
Total Service charges - sanitation revenue	1,592,236	1,650,182	1,828,521	2,148,168	2,148,168	1,594,808	1,594,808	2,399,436	2,687,561	2,996,590
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>	303,013	319,903	337,307	231,994	231,994	231,994	231,994	263,705	306,043	353,308
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	234,555	220,607	322,943	321,366	321,366	321,366	321,366	364,361	415,388	460,974
Net Service charges - sanitation revenue	1,054,668	1,109,672	1,168,271	1,594,808	1,594,808	1,041,447	1,041,447	1,771,371	1,966,130	2,182,308
Service charges - refuse revenue										
Total refuse removal revenue	1,175,509	1,530,096	1,459,856	1,629,968	1,629,968	1,629,968	1,629,968	1,848,414	2,018,384	2,178,160
Total landfill revenue										
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	214,061	256,567	269,577	291,072	291,072	291,072	291,072	315,070	354,773	373,212
Net Service charges - refuse revenue	961,447	1,273,529	1,190,279	1,338,897	1,338,897	1,338,897	1,338,897	1,533,344	1,663,611	1,804,947
Other Revenue by source										
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Sale Of Goods & Services	-	-	590,501	-	-	-	-	-	-	-
Sale Of Goods & Services	-	-	1,347,174	1,326,300	1,640,697	1,640,697	1,640,697	1,409,630	1,598,402	1,827,587
Other Revenue	70,873	61,307	2	-	-	-	-	-	-	-
Other Revenue	160,717	157,024	24,330	24,281	24,383	24,383	24,383	25,515	26,893	28,345
Total 'Other' Revenue	231,590	218,332	1,962,006	1,350,581	1,665,080	1,665,080	1,665,080	1,435,145	1,625,295	1,855,933

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2018/19 – 2020/21

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	3,997,824	3,779,847	5,161,547	6,543,761	6,496,063	6,496,063	6,496,063	6,579,092	7,098,959	7,692,584
Pension and UIF Contributions	718,555	870,157	487,818	1,085,467	1,083,435	1,083,435	1,083,435	1,233,773	1,337,802	1,451,723
Medical Aid Contributions	668,413	321,625	365,451	484,898	483,257	483,257	483,257	504,078	544,427	588,015
Overtime	638,657	734,664	790,566	237,375	237,375	237,375	237,375	438,186	475,757	517,091
Performance Bonus	-	-	(7,119)	12,028	11,904	11,904	11,904	11,724	13,189	14,945
Motor Vehicle Allowance	208,394	222,265	237,287	278,135	277,407	277,407	277,407	285,931	309,472	335,098
Cellphone Allowance	17,384	18,797	24,035	22,918	22,843	22,843	22,843	41,984	45,721	49,760
Housing Allowances	57,074	56,173	58,421	85,856	85,856	85,856	85,856	65,164	70,636	76,613
Other benefits and allowances	-	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	105,370	120,245	162,657	25,831	25,825	25,825	25,825	284,217	308,528	335,263
Long service awards	(5,541)	(45,339)	65,571	9,604	9,604	9,604	9,604	10,333	11,274	12,324
Post-retirement benefit obligations	-	-	93,850	99,156	99,156	99,156	99,156	99,566	107,742	116,635
sub-total	6,406,130	6,078,432	7,440,085	8,885,030	8,832,725	8,832,725	8,832,725	9,554,048	10,323,505	11,190,052
Less: Employees costs capitalised to PPE	67,709	27,427	22,638	176,696	176,696	176,696	176,696	22,638	24,449	26,405
Total Employee related costs	6,338,421	6,051,006	7,417,447	8,708,334	8,656,028	8,656,028	8,656,028	9,531,411	10,299,056	11,163,647
Contributions recognised - capital										
Transfers And Subsidies - Capital (Moneta)	-	-	-	71,500	71,220	71,220	71,220	160,040	181,000	150,000
Total Contributions recognised - capital	-	-	-	71,500	71,220	71,220	71,220	160,040	181,000	150,000
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	1,696,675	1,885,512	2,295,001	2,374,971	2,274,971	2,274,971	2,274,971	1,961,686	1,986,593	2,599,616
Lease amortisation	447,396	128,285	183,456	10,369	10,369	10,369	10,369	8,856	9,739	10,710
Capital asset impairment	-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of	-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	2,144,071	2,013,797	2,478,458	2,385,339	2,285,339	2,285,339	2,285,339	1,970,542	1,996,332	2,610,326
Bulk purchases										
Electricity Bulk Purchases	8,560,732	9,253,233	9,310,647	10,028,837	10,129,126	10,129,126	10,129,126	11,735,606	12,909,167	14,200,083
Water Bulk Purchases	3,101,424	3,149,278	2,934,764	3,450,508	3,450,508	3,450,508	3,450,508	3,968,084	4,404,573	4,889,076
Total bulk purchases	11,662,156	12,402,511	12,245,412	13,479,345	13,579,633	13,579,633	13,579,633	15,703,690	17,313,740	19,089,159
Transfers and grants										
Cash transfers and grants	568,811	617,138	972,951	897,027	1,089,027	1,089,027	1,089,027	775,033	825,837	761,319
Non-cash transfers and grants	527,666	589,492	-	-	-	-	-	-	-	-
Total transfers and grants	1,096,477	1,206,630	972,951	897,027	1,089,027	1,089,027	1,089,027	775,033	825,837	761,319
Contracted services										
Contractors	856,564	1,061,354	1,413,133	1,616,787	1,788,482	1,788,482	1,788,482	1,672,373	1,780,586	2,064,019
Outsourced Services	-	-	2,035,381	2,170,472	2,267,089	2,267,089	2,267,089	2,408,089	2,590,819	2,788,638
Consultants & Professionals	-	-	474,310	292,954	454,695	454,695	454,695	363,041	368,736	375,757
sub-total	856,564	1,061,354	3,922,824	4,080,213	4,510,266	4,510,266	4,510,266	4,443,504	4,740,141	5,228,415
Total contracted services	856,564	1,061,354	3,922,824	4,080,213	4,510,266	4,510,266	4,510,266	4,443,504	4,740,141	5,228,415
Other Expenditure By Type										
Collection costs	116,163	145,194	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Consultant fees	131,949	164,563	-	-	-	-	-	-	-	-
Audit fees	20,932	18,204	-	-	-	-	-	-	-	-
General expenses	313,722	340,696	1,151,428	1,148,730	1,222,425	1,222,425	1,222,425	1,259,567	1,347,398	1,436,496
Rental of Equipment	255	163	-	-	-	-	-	-	-	-
Vehicle - Fuel	136,138	143,716	-	-	-	-	-	-	-	-
Service Connections	57,722	49,317	-	-	-	-	-	-	-	-
Special Events	106,662	104,792	-	-	-	-	-	-	-	-
Telephone	58,331	16,470	-	-	-	-	-	-	-	-
License Software	44,926	61,643	-	-	-	-	-	-	-	-
Printing & Stationery	51,391	45,716	-	-	-	-	-	-	-	-
Insurance Premium	24,321	34,265	-	-	-	-	-	-	-	-
Training Claimable	11,417	17,377	-	-	-	-	-	-	-	-
Refuse Bins Bags & Containers	61,353	47,509	-	-	-	-	-	-	-	-
Land Invasion Relocation	4,781	13,654	-	-	-	-	-	-	-	-
Community Development Projects	23,818	75,949	-	-	-	-	-	-	-	-
Uniforms & Protective Clothing	56,698	59,134	-	-	-	-	-	-	-	-
Hire of Vehicles	22,812	421	-	-	-	-	-	-	-	-
Postage	24,870	28,511	-	-	-	-	-	-	-	-
Rental of Buildings & Facilities	16,509	21,369	-	-	-	-	-	-	-	-
Community Based Programmes	84,625	56,685	-	-	-	-	-	-	-	-
General Consumables	34,374	27,143	-	-	-	-	-	-	-	-
Software Development	8,602	4,811	-	-	-	-	-	-	-	-
Membership Fees	15,081	14,487	-	-	-	-	-	-	-	-
Network Extensions	8,938	64,633	-	-	-	-	-	-	-	-
Operational Grants and Internal Charges	93,526	207,399	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	1,529,914	1,763,820	1,151,428	1,148,730	1,222,425	1,222,425	1,222,425	1,259,567	1,347,398	1,436,496

Table 89 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

EKURHULENI Metro - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)																
Description	Vote 1 - Executive and Council	Vote 2 - Finance and Corporate Services	Vote 3 - Energy	Vote 4 - Water and Sanitation	Vote 5 - Waste Management	Vote 6 - Human Settlements	Vote 7 - City Planning	Vote 8 - Economic Development	Vote 9 - Disaster and Emergency Management	Vote 10 - Sports, Recreation, Arts & Culture	Vote 11 - Health and Social Development	Vote 12 - Environmental Resource Management	Vote 13 - Ekurhuleni Metropolitan	Vote 14 - Transport Planning & Provisioning	Vote 15 - Roads and Stormwater	Total
Revenue By Source																
Property rates	-	6,140,478	-	-	-	-	-	-	-	-	-	-	-	-	-	6,140,478
Service charges - electricity revenue	-	-	15,553,417	-	-	-	-	-	-	-	-	-	-	-	-	15,553,417
Service charges - water revenue	-	-	-	4,870,108	-	-	-	-	-	-	-	-	-	-	-	4,870,108
Service charges - sanitation revenue	-	-	-	1,771,371	-	-	-	-	-	-	-	-	-	-	-	1,771,371
Service charges - refuse revenue	-	-	-	-	1,533,344	-	-	-	-	-	-	-	-	-	-	1,533,344
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	4,272	-	1,072	117,798	-	2,399	-	8,107	-	809	-	-	1,813	136,271
Interest earned - external investments	-	434,070	-	-	-	3,560	-	29	-	-	-	-	-	696	-	438,356
Interest earned - outstanding debtors	-	80,775	95,824	330,489	52,500	1,323	-	-	-	-	-	-	-	-	-	560,910
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	7,940	1,237	-	-	-	-	-	494	-	-	138,496	-	-	146,937
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	305,916	-	305,916
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	7,440	62,468	10,376	1,013,276	152	18,954	46,269	23,225	25,963	1,182	4,508	34,745	1,197	148,878	28,612	1,436,145
Transfers and subsidies	-	2,460,507	590,667	1,713,820	572,635	79,400	-	22,022	176,698	5,500	170,757	-	-	142,303	-	5,928,709
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers)	7,440	9,178,698	16,271,496	9,700,300	2,169,704	215,035	46,269	47,675	203,661	15,223	175,265	35,554	136,698	597,792	30,325	38,819,131
Expenditure By Type																
Employee related costs	451,048	1,201,516	547,035	866,589	481,988	416,691	223,848	125,615	805,033	545,317	1,031,651	639,460	1,365,505	511,485	318,651	9,531,411
Remuneration of councillors	139,695	-	-	-	-	-	-	-	-	-	-	-	-	-	-	139,695
Debt impairment	-	392,468	938,019	195,563	43,681	8,915	-	-	-	-	-	-	-	-	-	1,578,646
Depreciation & asset impairment	280,695	128,849	411,356	183,306	36,788	48,901	869	3,728	18,987	92,306	25,384	21,648	-	3,750	713,995	1,970,542
Finance charges	-	645,524	102,983	198,975	80,076	53,810	-	42,345	-	-	-	-	-	39,958	163,691	1,327,362
Bulk purchases	-	-	11,735,606	3,968,084	-	-	-	-	-	-	-	-	-	-	-	15,703,690
Other materials	49,167	63,480	759,462	550,330	140,924	179,320	1,847	16,485	20,023	51,059	38,421	56,359	47,402	47,918	36,721	2,058,927
Contracted services	127,389	435,429	486,611	1,025,085	519,639	232,745	93,442	21,669	64,667	53,337	21,297	114,231	339,960	196,094	722,609	4,443,504
Transfers and subsidies	47,326	-	672,267	-	55,440	-	-	-	-	-	-	-	-	-	-	775,033
Other expenditure	123,538	385,888	30,888	251,127	55,772	57,745	6,252	74,626	35,323	17,030	29,919	32,020	98,899	49,752	15,863	1,259,567
Loss on disposal of PPE	15,307	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,307
Total Expenditure	1,294,165	3,253,169	15,012,940	7,913,324	1,368,597	1,053,068	326,259	282,467	944,033	759,049	1,146,671	863,728	1,886,766	848,957	1,971,491	38,804,683
Surplus/(Deficit)	(1,286,725)	5,925,529	1,258,556	1,786,976	801,106	(838,032)	(280,990)	(294,791)	(741,372)	(743,826)	(971,406)	(828,174)	(1,700,072)	(251,165)	(1,941,165)	34,447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	300,000	-	262,150	25,000	2,000	1,386,649	-	(294,791)	(741,372)	9,000	(971,406)	(828,174)	(1,700,072)	568,321	70,160	2,623,460
Surplus/(Deficit) after capital transfers & contributions	(986,725)	5,925,529	1,520,707	1,933,376	803,106	587,257	(280,990)	(294,791)	(741,372)	(734,826)	(971,406)	(828,174)	(1,700,072)	317,356	(1,871,005)	2,797,968

Table 90 MBRR Table SA3 – Supporting detail to Statement of Financial Position)

EKU Ekurhuleni Metro - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
ASSETS										
Call investment deposits										
Call deposits	155,535	125,036	555,526	20,458	20,458	20,458	20,458	993,594	978,594	978,594
Other current investments										
Total Call investment deposits	155,535	125,036	555,526	20,458	20,458	20,458	20,458	993,594	978,594	978,594
Consumer debtors										
Consumer debtors	13,222,638	15,160,352	16,833,618	13,886,396	13,886,396	13,886,396	13,886,396	16,782,810	18,176,520	19,756,256
Less: Provision for debt impairment	(7,966,251)	(10,456,750)	(11,347,187)	(10,384,281)	(10,384,281)	(10,384,281)	(10,384,281)	(12,294,084)	(14,030,909)	(15,940,712)
Total Consumer debtors	5,256,387	4,703,602	5,486,431	3,502,115	3,502,115	3,502,115	3,502,115	4,488,726	4,145,611	3,815,544
Debt impairment provision										
Balance at the beginning of the year	(9,144,329)	(7,966,251)	(10,456,750)	(9,111,628)	(9,111,628)	(9,111,628)	(9,111,628)	(10,714,438)	(12,294,083)	(14,030,909)
Contributions to the provision	(1,447,472)	(3,148,640)	(1,490,000)	(1,005,125)	(1,005,125)	(1,005,125)	(1,005,125)	(1,579,646)	(1,736,826)	(1,909,803)
Bad debts written off	2,625,549	658,141	599,563	(267,528)	(267,528)	(267,528)	(267,528)	–	–	–
Balance at end of year	(7,966,251)	(10,456,750)	(11,347,187)	(10,384,281)	(10,384,281)	(10,384,281)	(10,384,281)	(12,294,084)	(14,030,909)	(15,940,712)
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	64,566,462	68,491,333	74,396,095	63,536,300	63,405,527	63,405,527	63,405,527	76,155,634	83,561,960	90,480,264
Leases recognised as PPE	–	–	–	16,410	16,410	16,410	16,410	–	–	–
Less: Accumulated depreciation	(15,737,760)	(17,732,225)	(20,064,044)	(3,580,715)	(3,580,715)	(3,580,715)	(3,580,715)	(15,762,870)	(17,759,201)	(20,369,527)
Total Property, plant and equipment (PPE)	48,828,702	50,759,107	54,332,051	59,971,995	59,841,222	59,841,222	59,841,222	60,392,764	65,802,759	70,110,737
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	419,128	457,961	558,974	–	–	–	54,279	973,974	958,974	958,974
Total Current liabilities - Borrowing	419,128	457,961	558,974	–	–	–	54,279	973,974	958,974	958,974
Trade and other payables										
Trade Payables	6,668,240	6,371,518	7,318,321	9,577,254	9,577,254	9,577,254	9,577,254	7,755,697	8,143,482	8,550,656
Other creditors	351	19,259	37,207	–	–	–	–	–	–	–
Unspent conditional transfers	445,923	126,092	597,883	–	–	–	–	–	–	–
Total Trade and other payables	7,114,514	6,516,869	7,953,411	9,577,254	9,577,254	9,577,254	9,577,254	7,755,697	8,143,482	8,550,656
Non current liabilities - Borrowing										
Borrowing	5,649,247	5,219,102	5,994,950	13,525,284	13,525,284	13,525,284	13,525,284	8,246,604	11,963,258	15,230,634
Finance leases (including PPP asset element)	597	358	119	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	5,649,844	5,219,460	5,995,069	13,525,284	13,525,284	13,525,284	13,525,284	8,246,604	11,963,258	15,230,634
Provisions - non-current										
Retirement benefits	2,556,639	2,236,655	1,985,202	–	–	–	–	1,954,000	2,051,700	2,154,285
Other	946,711	765,760	846,307	–	–	–	–	–	–	–
Other	1,961	32,614	47,824	111,803	111,803	111,803	111,803	874,000	900,220	927,227
Total Provisions - non-current	3,505,311	3,035,029	2,879,333	111,803	111,803	111,803	111,803	2,828,000	2,951,920	3,081,512
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	47,770,080	47,806,200	48,818,760	48,881,320	50,145,748	48,184,975	49,210,776	53,365,629	55,887,144	58,645,900
GRAP adjustments	77,270	–	–	–	–	–	–	–	–	–
Restated balance	47,847,350	47,806,200	48,818,760	48,881,320	50,145,748	48,184,975	49,210,776	53,365,629	55,887,144	58,645,900
Surplus/(Deficit)	1,971,411	1,251,969	1,616,070	2,260,329	2,458,725	1,960,773	1,960,773	2,797,968	2,839,955	2,896,247
Appropriations to Reserves	–	–	–	–	–	–	–	–	–	–
Transfers from Reserves	–	–	–	1,643,934	–	2,458,725	2,458,725	–	–	–
Other adjustments	(2,049,449)	90,038	330,611	–	–	–	128	–	–	–
Accumulated Surplus/(Deficit)	47,769,312	49,148,208	50,765,440	52,785,584	52,604,473	52,604,473	53,630,402	56,163,597	58,727,099	61,542,147
TOTAL COMMUNITY WEALTH/EQUITY	47,769,312	49,148,208	50,765,440	52,785,584	52,604,473	52,604,473	53,630,403	56,163,597	58,727,099	61,542,147

Table 91 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

EKU Ekurhuleni Metro - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			2,480	2,724	3,178	3,485	3,603	3,712	3,823	3,823	3,823	3,823
Females aged 5 - 14			200	220	225	247	255	263	271	271	271	271
Males aged 5 - 14			196	213	230	252	261	268	276	276	276	276
Females aged 15 - 34			489	502	640	702	726	748	770	770	770	770
Males aged 15 - 34			532	536	711	780	807	831	856	856	856	856
Unemployment			332	434	456	500	517	532	548	548	548	548
Monthly household income (no. of households)												
No income	1, 12		1,266	1,304	1,343	1,474	1,524	1,570	1,617	1,617	1,617	1,617
R1 - R1 600			615	633	652	715	739	761	784	784	784	784
R1 601 - R3 200			242	250	257	282	292	301	310	310	310	310
R3 201 - R6 400			204	210	216	238	246	253	261	261	261	261
R6 401 - R12 800			163	168	173	190	196	202	208	208	208	208
R12 801 - R25 600			123	127	131	144	149	153	158	158	158	158
R25 601 - R51 200			52	53	55	607	628	647	666	666	666	666
R52 201 - R102 400			15	16	16	33	34	35	36	36	36	36
R102 401 - R204 800			5	5	5	6	6	6	6	6	6	6
R204 801 - R409 600			4	4	4	4	4	4	4	4	4	4
R409 601 - R819 200			-	-	-	-	-	-	-	-	-	-
> R819 200			-	-	-	-	-	-	-	-	-	-
Poverty profiles (no. of households)												
< R2 060 per household per month	13		502	517	533	603.00	623.00	641.00	661.00	661.00	661.00	661.00
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			2,996	3,085	3,178	3,486	3,605	3,713	3,713	3,713	3,713	3,713
Number of poor people in municipal area						1,114	1,152	1,186	1,186	1,186	1,186	1,186
Number of households in municipal area			957	985	1,015							
Number of poor households in municipal area			502	517	533	603	623	642	642	642	642	642
Definition of poor household (R per month)			<=R2300 P/M	<=R2300 P/M	<=R2300 P/M	<=2524 P/	<=2840P/!	<=3124P/!	<=3436P/!	<=3436P/!	<=3436P/!	<=3436P/M
Housing statistics												
Formal	3		731	754	777	853	882	908	936	936	936	936
Informal			224	231	238	261	270	278	286	286	286	286
Total number of households			955	985	1,015	1,114	1,152	1,186	1,222	1,222	1,222	1,222
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2018/19 – 2020/21

	2015/16	118 10/17	112 1/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets (000)									
Water:									
Piped water inside dwelling	508,458.00	509,658.00	510,858.00	512,058.00	512,058.00	512,058.00	532,258.00	545,458.00	550,458.00
Piped water inside yard (but not in dwell	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00
Using public tap (at least min.service lev	119,217.00	119,317.00	119,417.00	119,417.00	119,417.00	119,417.00	119,517.00	119,617.00	119,717.00
Other water supply (at least min.service	2,211.01	2,211.01	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1,011,648.01	1,012,948.01	1,012,037.00	1,013,237.00	1,013,237.00	1,013,237.00	1,033,537.00	1,046,837.00	1,051,937.00
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00
Total number of households	1,022,959.01	1,024,259.01	1,023,348.00	1,024,548.00	1,024,548.00	1,024,548.00	1,044,848.00	1,058,148.00	1,063,248.00
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	509,658.00	510,858.00	512,058.00	513,258.00	513,258.00	513,258.00	513,258.00	513,258.00	513,258.00
Flush toilet (with septic tank)	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.00	3,429.00	3,429.00
Chemical toilet	217,245.00	217,245.00	217,245.00	237,245.00	237,245.00	237,245.00	237,245.00	237,245.00	237,245.00
Pit toilet (ventilated)	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00
Other toilet provisions (> min.service lev	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00
<i>Minimum Service Level and Above sub-total</i>	990,769.28	991,969.28	993,169.28	1,014,369.28	1,014,369.28	1,014,369.28	1,014,369.00	1,014,369.00	1,014,369.00
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service lev	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00
No toilet provisions	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00
<i>Below Minimum Service Level sub-total</i>	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00
Total number of households	1,026,169.28	1,027,369.28	1,028,569.28	1,049,769.28	1,049,769.28	1,049,769.28	1,049,769.00	1,049,769.00	1,049,769.00
Energy:									
Electricity (at least min.service level)	150,000.00	150,000.00	150,000.00	109,462.00	109,462.00	109,462.00	86,400.00	77,760.00	69,984.00
Electricity - prepaid (min.service level)	394,101.00	398,042.00	454,007.11	466,497.00	466,497.00	466,497.00	496,529.52	505,245.41	515,350.31
<i>Minimum Service Level and Above sub-total</i>	544,101.00	548,042.00	604,007.11	575,959.00	575,959.00	575,959.00	582,929.52	583,005.41	585,334.31
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	27,000.00	27,000.00	27,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00	5,000.00
<i>Below Minimum Service Level sub-total</i>	27,000.00	27,000.00	27,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00	5,000.00
Total number of households	571,101.00	575,042.00	631,007.11	585,959.00	585,959.00	585,959.00	587,929.52	588,005.41	590,334.31
Refuse:									
Removed at least once a week	652,498.00	668,158.00	681,000.00	699,477.00	699,477.00	699,477.00	881,072.00	879,473.00	914,652.00
<i>Minimum Service Level and Above sub-total</i>	652,498.00	668,158.00	681,000.00	699,477.00	699,477.00	699,477.00	881,072.00	879,473.00	914,652.00
Removed less frequently than once a we	-	-	-	-	-	-	-	-	-
Using communal refuse dump	164,699.00	164,699.00	164,399.00	164,718.00	164,718.00	164,718.00	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	164,699.00	164,699.00	164,399.00	164,718.00	164,718.00	164,718.00	-	-	-
Total number of households	817,197.00	832,857.00	845,399.00	864,195.00	864,195.00	864,195.00	881,072.00	879,473.00	914,652.00

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2018/19 – 2020/21

	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue &		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Household service targets (000)									
<u>Water:</u>									
Piped water inside dwelling	508,458.00	509,658.00	510,858.00	512,058.00	512,058.00	512,058.00	532,258.00	545,458.00	550,458.00
Piped water inside yard (but not in dwell	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00	381,762.00
Using public tap (at least min.service lev	119,217.00	119,317.00	119,417.00	119,417.00	119,417.00	119,417.00	119,517.00	119,617.00	119,717.00
Other water supply (at least min.service	2,211.01	2,211.01							
<i>Minimum Service Level and Above sub-total</i>	1,011,648.01	1,012,948.01	1,012,037.00	1,013,237.00	1,013,237.00	1,013,237.00	1,033,537.00	1,046,837.00	1,051,937.00
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00	11,311.00
Total number of households	1,022,959.01	1,024,259.01	1,023,348.00	1,024,548.00	1,024,548.00	1,024,548.00	1,044,848.00	1,058,148.00	1,063,248.00
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	509,658.00	510,858.00	512,058.00	513,258.00	513,258.00	513,258.00	513,258.00	513,258.00	513,258.00
Flush toilet (with septic tank)	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.28	3,429.00	3,429.00	3,429.00
Chemical toilet	217,245.00	217,245.00	217,245.00	237,245.00	237,245.00	237,245.00	237,245.00	237,245.00	237,245.00
Pit toilet (ventilated)	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00	80,613.00
Other toilet provisions (> min.service lev	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00	179,824.00
<i>Minimum Service Level and Above sub-total</i>	990,769.28	991,969.28	993,169.28	1,014,369.28	1,014,369.28	1,014,369.28	1,014,369.00	1,014,369.00	1,014,369.00
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service lev	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00	23,594.00
No toilet provisions	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00	11,806.00
<i>Below Minimum Service Level sub-total</i>	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00	35,400.00
Total number of households	1,026,169.28	1,027,369.28	1,028,569.28	1,049,769.28	1,049,769.28	1,049,769.28	1,049,769.00	1,049,769.00	1,049,769.00
<u>Energy:</u>									
Electricity (at least min.service level)	150,000.00	150,000.00	150,000.00	109,462.00	109,462.00	109,462.00	86,400.00	77,760.00	69,984.00
Electricity - prepaid (min.service level)	394,101.00	398,042.00	454,007.11	466,497.00	466,497.00	466,497.00	496,529.52	505,245.41	515,350.31
<i>Minimum Service Level and Above sub-total</i>	544,101.00	548,042.00	604,007.11	575,959.00	575,959.00	575,959.00	582,929.52	583,005.41	585,334.31
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	27,000.00	27,000.00	27,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00	5,000.00
<i>Below Minimum Service Level sub-total</i>	27,000.00	27,000.00	27,000.00	10,000.00	10,000.00	10,000.00	5,000.00	5,000.00	5,000.00
Total number of households	571,101.00	575,042.00	631,007.11	585,959.00	585,959.00	585,959.00	587,929.52	588,005.41	590,334.31
<u>Refuse:</u>									
Removed at least once a week	652,498.00	668,158.00	681,000.00	699,477.00	699,477.00	699,477.00	881,072.00	879,473.00	914,652.00
<i>Minimum Service Level and Above sub-total</i>	652,498.00	668,158.00	681,000.00	699,477.00	699,477.00	699,477.00	881,072.00	879,473.00	914,652.00
Removed less frequently than once a we	-	-	-	-	-	-	-	-	-
Using communal refuse dump	164,699.00	164,699.00	164,399.00	164,718.00	164,718.00	164,718.00	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	164,699.00	164,699.00	164,399.00	164,718.00	164,718.00	164,718.00	-	-	-
Total number of households	817,197.00	832,857.00	845,399.00	864,195.00	864,195.00	864,195.00	881,072.00	879,473.00	914,652.00

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2018/19 – 2020/21

Description	2015/16		2016/17		2017/18		Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure		
	Outcome		Outcome		Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year+1 2020/21	Budget Year+2 2021/22
<u>Location of households for each type of FBS</u>												
Formal settlements - (50 kwh per indigent household per month Rands)	1,058,227,717.32	1,332,125,945.00	1,424,304,620.87		1,595,189,371.01	1,595,189,371.01	1,595,189,371.01	1,595,189,371.01	1,595,189,371.01	1,787,587,904.97	1,973,431,416.66	2,296,204,558.61
Number of HH receiving this type of FBS	336,100.00	368,288.42	371,971.00		356,133.00	356,133.00	356,133.00	356,133.00	356,133.00	363,255.66	370,520.77	374,225.98
Informal settlements (Rands)	-	-	-		-	-	-	20,014,200.00	20,014,200.00	20,014,200.00	35,024,850.00	42,029,820.00
Number of HH receiving this type of FBS	-	-	-		-	-	-	15,000.00	15,000.00	20,000.00	25,000.00	30,000.00
Informal settlements targeted for upgrading (Rands)	-	-	-		-	-	-	20,014,200.00	20,014,200.00	28,019,880.00	35,024,850.00	42,029,820.00
Total cost of FBS - Electricity for informal settlements	-	-	-		-	-	-	20,014,200.00	20,014,200.00	28,019,880.00	35,024,850.00	42,029,820.00
<u>Location of households for each type of FBS</u>												
Formal settlements - (6 kilolitre per indigent household per month Rands)	399,709,667.45	566,240,780.00	493,478,286.38		474,900,835.96	474,900,835.96	474,900,835.96	474,900,835.96	474,900,835.96	543,884,173.14	612,259,830.23	676,192,051.97
Number of HH receiving this type of FBS	461,311.00	465,924.00	472,913.00		336,026.00	336,026.00	336,026.00	336,026.00	336,026.00	365,596.29	397,768.76	432,772.41
Informal settlements (Rands)	28,638,624.00	28,638,624.00	31,502,486.40		34,652,735.04	34,652,735.04	34,652,735.04	34,652,735.04	34,652,735.04	36,385,371.79	38,204,640.38	40,114,872.40
Number of HH receiving this type of FBS	119,217.00	119,217.00	131,138.70		144,252.57	144,252.57	144,252.57	144,252.57	144,252.57	151,465.20	159,038.46	166,990.38
Informal settlements targeted for upgrading (Rands)	28,638,624.00	28,638,624.00	31,502,486.40		34,652,735.04	34,652,735.04	34,652,735.04	34,652,735.04	34,652,735.04	36,385,371.79	38,204,640.38	40,114,872.40
Total cost of FBS - Water for informal settlements	28,638,624.00	28,638,624.00	31,502,486.40		34,652,735.04	34,652,735.04	34,652,735.04	34,652,735.04	34,652,735.04	36,385,371.79	38,204,640.38	40,114,872.40
<u>Location of households for each type of FBS</u>												
Formal settlements - (free sanitation service to indigent households)	234,554,511.68	220,606,555.00	322,942,695.95		321,366,358.18	321,366,358.18	321,366,358.18	321,366,358.18	321,366,358.18	364,360,603.52	415,388,106.94	460,974,086.15
Number of HH receiving this type of FBS	458,127.00	462,708.00	469,649.00		332,697.00	332,697.00	332,697.00	332,697.00	332,697.00	361,974.34	393,828.08	428,484.95
Informal settlements (Rands)	116,512,222.00	170,677,005.00	168,751,376.00		144,195,000.00	144,195,000.00	144,195,000.00	144,195,000.00	144,195,000.00	151,465.20	159,038.46	166,990.38
Number of HH receiving this type of FBS	119,217.00	119,217.00	131,138.70		144,252.57	144,252.57	144,252.57	144,252.57	144,252.57	151,465.20	159,038.46	166,990.38
Informal settlements targeted for upgrading (Rands)	116,512,222.00	170,677,005.00	168,751,376.00		144,195,000.00	144,195,000.00	144,195,000.00	144,195,000.00	144,195,000.00	151,465.20	159,038.46	166,990.38
Number of HH receiving this type of FBS	119,217.00	119,217.00	131,138.70		144,252.57	144,252.57	144,252.57	144,252.57	144,252.57	151,465.20	159,038.46	166,990.38
Living in informal backyard rental agreement (Rands)												
Number of HH receiving this type of FBS												
Other (Rands)												
Number of HH receiving this type of FBS												
Total cost of FBS - Sanitation for informal settlements	116,512,222.00	170,677,005.00	168,751,376.00		144,195,000.00	144,195,000.00	144,195,000.00	144,195,000.00	144,195,000.00	151,465.20	159,038.46	166,990.38
<u>Location of households for each type of FBS</u>												
Formal settlements - (removed once a week to indigent households)	214,061,047.94	256,567,149.00	269,577,049.21		291,071,563.29	291,071,563.29	291,071,563.29	291,071,563.29	291,071,563.29	315,069,930.38	354,772,785.69	373,212,385.20
Number of HH receiving this type of FBS	98,523.00	115,000.00	115,000.00		135,000.00	135,000.00	135,000.00	135,000.00	135,000.00	150,000.00	150,000.00	150,000.00
Informal settlements (Rands)	15,800,000.00	15,000,000.00	15,000,000.00		20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	54,700,000.00	56,094,500.00	60,862,533.00
Number of HH receiving this type of FBS	164,699.00	164,699.00	164,699.00		164,699.00	164,699.00	164,699.00	164,699.00	164,699.00	164,699.00	164,699.00	164,699.00
Informal settlements targeted for upgrading (Rands)	15,800,000.00	15,000,000.00	15,000,000.00		20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	54,700,000.00	56,094,500.00	60,862,533.00
Total cost of FBS - Refuse Removal for informal settlements	15,800,000.00	15,000,000.00	15,000,000.00		20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	54,700,000.00	56,094,500.00	60,862,533.00

Table 92 MBRR Table S32 – List of external Mechanisms

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Name of organisation		Number			
1. R & G INDUSTRIAL SUPPLY CC 2. SPHANDILE TRADING ENTERPRISE (PTY) LTD 3. ACTOM (PTY) LTD T/A GENLUX LIGHTING A DIVISION OF ACTOM (PTY) LTD 4. SCHICK SERVICES CC	18mths	18	THE SUPPLY, DELIVERY AND OFF-LOADING OF STREETLIGHT AND FLOODLIGHT LUMINAIRES ON AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2018	30 June 2018	36,000
1. BVUMI INVESTMENTS CC 2. ZEE RECRUITMENT AGENCY CC	29mths	29	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE RENDERING OF THE COMPREHENSIVE REFUSE REMOVAL SERVICES INCLUDING STREET CLEANING, SWEEPING, LITTER PICKING, REFUSE COLLECTION, REMOVAL OF ILLEGALLY DUMPED WASTE, EDUCATION AND AWARENESS AND RECYCLING SERVICES WITHIN THE BOUNDARIES OF	30 June 2019	33,875
1. IMBAWULA TECHNICAL SERVICES CC 2. FULL SERVE SERVICES (PTY) LTD 3. AMPCOR KHANYISA (PTY) LTD 4. SECRETE STEPS TRADING (PTY) LTD 5. RFR ELECTRICAL CONTRACTORS	17mths	17	THE REPAIR AND MAINTENANCE OF LOW VOLTAGE AND MEDIUM VOLTAGE UNDERGROUND CABLE NETWORKS UP TO 22kV INCLUDING COPPER AND OPTIC FIBRE PILOT CABLES FOR THE NETWORK, LOAD MANAGEMENT AND SCADA ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2018	30 June 2018	543,674
1. SRY ENVIRONMENT PEST CONTROL AND PROJECTS CC 2. MZOZU TRADING ENTERPRISE CC 3. WARTHOG PROMOTIONS CC	17mths	17	THE SUPPLY, DELIVERY AND OFF-LOADING OF REFUSE BAGS, ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2018	30 June 2018	30,000
1. Tshwane Cables (Pty) Ltd 2. Alulamp CC 3. PH Marketing (Pty) Ltd 4. Medupe Distributors (Pty) Ltd 5. ATC (Pty) Ltd t/a Tank Industries and African	17mths	17	THE SUPPLY, DELIVERY AND OFF-LOADING OF MEDIUM VOLTAGE CABLE ACCESSORIES FOR XLPE AND IMPREGNATED PAPER- INSULATED POWER CABLES INCLUDING 110 & 160 MM CORRUGATED HIGH-DENSITY POLYETHYLENE (HDPE) PIPES ON AN AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30	30 June 2018	38,000
1. BSA Holdings (Pty) Ltd 2. Memotek Trading CC	29mths	29	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF NEW METAL-ENCLOSED RING MAIN UNITS (RMU) ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	133,000
1. Aberdare Cables (Pty) Ltd 2. Jupiter Electrical Wholesalers CC 3. ATC (Pty) Ltd t/a CBI-Electric: African Cables A Division of ATC (Pty)	29mths	29	THE SUPPLY, DELIVERY AND OFF-LOADING OF SINGLE-CORE AND THREE-CORE MASS-IMPREGNATED NON-DRAINING (MIND) PAPER- INSULATED LEAD-SHEATHED (PILC) AND SINGLE-CORE AND THREE- CORE CROSS LINK POLYETHYLENE (XLPE) MEDIUM VOLTAGE CABLES	30 June 2019	850,000
1. McCarthy T/A Bidvest McCarthy Isuzu Trucks (Pty) Ltd 2. Vomayise Consulting (Pty) Ltd 3. Phambili Services (Pty) Ltd	29mths	29	THE APPOINTMENT OF SERVICES PROVIDER FOR THE SUPPLY AND DELIVERY OF COMPACTORS, SKIP LOADERS, ROLL ON ROLL OFF, TRAILERS AND TRUCKS ON OUTRIGHT PURCHASE ON AN AS-AND- WHEN REQUIRED BASIS, FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	110,000
1. Only-J Electrical 2. Oratile Consulting CC 3. Future Advertising and Marketing CC 4. Gentry Health CC	28mths	28	THE SUPPLY, DELIVERY AND OFF-LOADING OF VARIOUS SURGICAL PRODUCTS TO HEALTH FACILITIES ON AN AS-AND- WHEN REQUIRED UNTIL 30 JUNE 2019	30 June 2019	29,054
ACTOM (PTY) LTD T/A SWITCHGEAR DIVISION	28mths	28	THE APPOINTMENT OF A SERVICE PROVIDER FOR SUPPLY, DELIVERY AND OFF-LOADING OF MINIATURE SUBSTATIONS ON AN AS- AND-WHEN REQUIRED BASIS FOR A PERIOD WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	195,000
1. Well Earned Trading 14 CC 2. Civcon Construction (PTY) LTD	27mths	27	THE APPOINTMENT OF CONTRACTORS FOR CONSTRUCTION OF BRT STATIONS FOR PHASE 1 OF THE EKURHULENI IRPTN DUE TO THE TERMINATION OF CONTRACTS FOR THE SECOND AND THIRD HIGHEST SCORING BIDDERS	30 June 2019	57,770
1. RALEMA CONSULTING ENGINEERS PTY LTD 2. CIVEC CIVIL ENGINEERING CONSULTANTS CC 3. SIDO CONSULTING ENGINEERS 4. AKWETHU ENGINEERING AND DEVELOPMENT	28mths	28	THE APPOINTMENT OF CONSULTING ENGINEERS FOR THE AS AND WHEN REQUIRED DESIGN OF ROADS AND STORMWATER DRAINAGE PROJECTS AND THE MANAGEMENT OF CONTRACTORS FOR THE CONSTRUCTION OF VARIOUS PROJECTS IN EKURHULENI FOR A	30 June 2019	300,000

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2018/19 – 2020/21

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
FLEET HORIZON (PTY) LTD	28mths	28	DEPARTMENT: FINANCE: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS TO PROCURE THE SERVICES OF A CONTRACT OF ANOTHER ORGAN OF STATE IN TERMS OF SECTION 32 OF THE SUPPLY CHAIN	30 June 2019	
SMALL ENTERPRISES DEVELOPMENT AGENCY CONSTRUCTION INCUBATOR (SECI) A TRUSTEE OF SMALL ENTERPRISES DEVELOPMENT AGENCY (SEDA)	28mths	28	ECONOMIC DEVELOPMENT DEPARTMENT: REQUEST FOR APPROVAL FROM THE CITY MANAGER FOR THE APPOINTMENT OF THE SMALL ENTERPRISES CONSTRUCTION INCUBATOR (SECI), A TRUSTEE OF THE SMALL ENTERPRISES DEVELOPMENT AGENCY AS PROGRAMME	30 June 2019	35,527
PRICEWATERHOUSECOOPERS INCORPORATED	16mths	16	ENTERPRISE PROJECT MANAGEMENT OFFICE (EPMO) DEPARTMENT: TO OBTAIN APPROVAL FROM THE CITY MANAGER IN TERMS OF PARAGRAPH 32 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS FOR APPOINTMENT OF A SUITABLE QUALIFIED AND EXPERIENCED MULTI-DISCIPLINARY PROFESSIONAL SERVICE PROVIDER FOR THE ESTABLISHMENT AND OPERATION OF A PROGRAMME MANAGEMENT OFFICE SECURED BY ANOTHER ORGAN OF STATE, CITY OF	30 June 2018	58,532
Lucazi Civil CC	28mths	28	APPOINTMENT OF A CONTRACTOR FOR MAJOR INSTALLATION, REPAIR, MAINTENANCE AND ANCILLARY WORK ON BULK WATER NETWORK IN ALBERTON DEPOT AREA, ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	40,000
Tsekema Consulting Engineers (Pty) Ltd	28mths	28	MANAGEMENT SERVICE PROVIDER TO MANAGE THE STREET AND AREA LIGHTING MAINTENANCE FUNCTION FOR THE BENONI CUSTOMER CARE CENTRE, DAVEYTON, ETWATWA, ACTONVILLE, TAMBOVILLE AND WATTVILLE AREAS, FROM DATE OF AWARD	30 June 2019	17,996
MANOTSI TRADING/ELIAS PAPATE CONSTRUCTION/LMS AND MAMONDO DEVELOPMENT & CONSTRUCTION CONSORTIUM	15mths	15	DEPARTMENT: WATER AND SANITATION: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS TO PROCURE THE SERVICES OF A CONTRACT OF ANOTHER ORGAN OF STATE DR. JS MOROKA LOCAL	30 June 2018	37,969
RED ANT SECURITY RELOCATION & EVICTION SERVICES (PTY) LTD	15mths	15	DEPARTMENT: HUMAN SETTLEMENTS REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS TO PROCURE THE SERVICES OF A CONTRACT OF ANOTHER ORGAN OF STATE IN TERMS OF SECTION 32 OF THE	30 June 2018	
ZRW MECHANIKA CC	15mths	15	THE SUPPLY, DELIVERY AND OFF-LOADING OF ENERGY DEMAND METERS, SPLIT PREPAYMENT METERS AND ELECTRONIC ENERGY / DEMAND METERS WITH REMOTE METER READING CAPABILITIES AS WELL AS MAINTENANCE PARTS FOR AN EXISTING ADVANCED	30 June 2018	339,176
1. SIYAKHOLWA TRANS AND CONSTRUCTIONS (PTY) LTD 2. ONLY - J ELECTRICAL & CONSTRUCTION CC 3. DINGWATHE GENERAL TRADING (PTY) LTD	27mths	27	APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY, DELIVERY AND OFF-LOADING OF CLINIC EQUIPMENT AND LINEN FOR ALL HEALTH FACILITIES IN THE EKURHULENI METROPOLITAN MUNICIPALITY ON AN AS-AND-WHEN BASIS FROM DATE OF AWARD	30 June 2019	15,353
STATE INFORMATION TECHNOLOGY AGENCY SOC LTD	27mths	27	DEPARTMENT: TO OBTAIN APPROVAL FROM THE CITY MANAGER TO UTILIZE SITA BUSINESS AGREEMENT FOR THE EXPANSION OF THE CURRENT HUMAN CAPITAL MANAGEMENT SYSTEM THROUGH PROCUREMENT OF LICENSES AND DEPLOYMENT OF PAYROLL, E-	30 June 2019	98,442
DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)	27mths	27	EPMO DEPARTMENT: TO REQUEST APPROVAL FROM THE CITY MANAGER FOR THE APPOINTMENT OF DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA) TO RENDER CAPACITY DEVELOPMENT, TECHNICAL SUPPORT AND IMPLEMENTATION OF	30 June 2019	3,841,529
Lateral Unison Insurance Brokers (Pty) Ltd	27mths	27	APPOINTMENT OF BROKER SERVICES RELATED TO SHORT TERM INSURANCE AND RISK SERVICES FOR THE PERIOD FROM 1 APRIL 2017 UNTIL 30 JUNE 2020, BUT AWARDED UNTIL 30 JUNE 2019	30 June 2019	44,275
1. NONGQAI POWER PRODUCTS CC 2. BUSHHOG TURF EQUIPMENT SACC. T/ADENIS MOWER 3. XAMHUNTI GENERAL TRADING ENTERPRISE CC	25mths	25	APPOINTMENT OF SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF VARIOUS GRASS CUTTING, TREE CUTTING AND ANCILLARY EQUIPMENT, ON AN AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	32,550
1. QUBEKELA PROJECTS CC 2. NEJENI CONSTRUCTION AND PROJECT MANAGEMENT CC	13mths	13	APPOINTMENT OF A CONTRACTOR FOR MAJOR INSTALLATION, REPAIR, MAINTENANCE AND ANCILLARY WORK ON BULK WATER NETWORK OF BRAKPAN AND NIGEL DEPOT AREAS, ON AN AS AND	30 June 2018	43,300
ADREACH (PTY) LTD	50mths	50	WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019 THE DESIGN, MANUFACTURE, SUPPLY, ERECTION, MANAGEMENT AND MAINTENANCE OF COMMERCIAL STREET LIGHT POLE ADVERTISEMENT RECEPTACLES IN LIEU OF THE RIGHT TO ADVERTISE ON THE ADVERTISEMENT PANELS FROM DATE OF AWARD	30 June 2021	13,720

CITY OF EKURHULENI – DRAFT ANNUAL BUDGET 2018/19 – 2020/21

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
PRIMEDIA (PTY) LTD T/A PRIMEDIA OUTDOOR DIVISION OF PRIMEDIA (PTY) LTD	49mths	49	THE DESIGN, MANUFACTURE, SUPPLY, ERECTION, MANAGEMENT AND MAINTENANCE OF STREET NAME ADVERTISING SIGNS FOR EKURHULENI METROPOLITAN MUNICIPALITY FOR A PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2021	30 June 2021	7,864
• JUPITER ELECTRICAL WHOLESALERS CC • KENNY RONNY CONSULTING CC T/A KENNY RONNY PROJECTS • ABERDARE CABLES (PTY) LTD	14mths	14	SUPPLY, DELIVERY AND OFF-LOADING OF LOW VOLTAGE CABLES ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	405,000
(PTY) LTD 2. THE LANDOMARK CONSORTIUM 3. NEOGESI ENERGY (PTY) LTD 4. HAMSA CONSULTING ENGINEERS CC			REQUEST FOR PROPOSAL: EKURHULENI ENERGY GENERATION PROGRAM THROUGH A POWER PURCHASE AGREEMENT FOR A PERIOD OF AT LEAST 20 YEARS		26,011,373
MOKHURANE TECHNOLOGIES (PTY) LTD	14mths	14	DEPARTMENT: INFORMATION AND COMMUNICATION TECHNOLOGY: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS IN TERMS OF SECTION 32 OF THE SUPPLY CHAIN	30 June 2018	10,000
VARIOUS	25mths	25	THE APPOINTMENT OF MULTIPLE SPECIALIST CONSULTANTS TO RENDER PROFESSIONAL SERVICES IN VARIOUS INFRASTRUCTURE DISCIPLINES ON AN AS AND WHEN REQUIRED BASIS TO SUPPORT THE SUCCESSFUL IMPLEMENTATION OF	30 June 2019	750,000
UTILITY RISK MANAGEMENT (PTY) LTD	37mths	37	APPOINTMENT OF A REMOTE METER SERVICE PROVIDER FROM 01 JULY 2017 UNTIL 30 JUNE 2020.	30 June 2020	100,226
1. FULLSERVE (PTY) LTD 2. MASHAU SALPHINAZA PETROLEUM 3. LIMITLESS WORLD PETROLEUM (PTY) LTD 4. WASSA GASSESS (PTY) LTD VARIOUS	37mths 36mths	37 36	THE SUPPLY, DELIVERY AND OFF-LOADING OF PETROL AND AUTOMOTIVE DIESEL ON AN AS AND WHEN REQUIRED BASIS FROM 01 JULY 2017 UNTIL 30 JUNE 2020. INVITATION TO CONTRACTORS TO FORM PART OF A FRAMEWORK OF CONTRACTORS TO ASSIST THE EMM BUILT ENVIRONMENT WITH THE CONSTRUCTION, UPGRADE AND REPAIR/MAINTENANCE WORKS OF VARIOUS INFRASTRUCTURE	30 June 2020 30 June 2020	285,420 5,000,000
PHUMELELE GROUP & LIGHTSTONE JV	24mths	24	THE APPOINTMENT OF A SERVICE PROVIDER TO RENDER SERVICES FOR THE SUPPLY OF DEEDS REGISTRATION INFORMATION, FOR VARIOUS DEPARTMENTS WITHIN EKURHULENI METROPOLITAN MUNICIPALITY FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	22,550
1. Valuemax (Pty) Ltd 2. Makole Property Developments 3. Urban Dynamics Gauteng Inc 4. Civilchem Engineering Services	13mths	13	HUMAN SETTLEMENT DEPARTMENT: TO REQUEST FOR THE CITY MANAGER'S APPROVAL TO DISPENSE WITH THE OFFICIAL PROCUREMENT PROCESS TO PROCURE SERVICE PROVIDER'S OF ANOTHER ORGAN OF STATE IN TERMS OF REGULATION 32 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS APPOINTED	30 June 2018	
1. MEMOTEK TRADING CC 2. MPPM CONSULTING ENGINEERS CC 3. ISELWA ENGINEERING AND PROJECTS CC 4. ASATICO CIVIL AND CONSTRUCTION (PTY) LTD	12mths	12	THE APPOINTMENT OF MULTI SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF CONCRETE PLINTHS ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	11,000
• MT BUSINESS AND NETWORKS CC • ONLY-J ELECTRICITY AND CONSTRUCTION CC • ACCOLADE ENGINEERS (PTY) LTD	24mths	24	THE MAINTENANCE OF VARIOUS LAKES AND DAMS ON AN AS AND WHEN REQUIRED BASIS BY MEANS OF THE EXPANDED PUBLIC WORKS PROGRAMME, FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	31,639
VARIOUS	24mths	24	THE APPOINTMENT OF A PANEL OF AUDIT FIRMS TO PROVIDE AUDIT AND RISK MANAGEMENT SERVICES ON AN AS AND WHEN REQUIRED BASIS FOR THE PERIOD WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	25,460
VARIOUS	24mths	24	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE GENERAL MAINTENANCE OF VARIOUS CEMETERIES INSIDE AND OUTSIDE FROM DATE OF AWARD UNTIL 30 JUNE 2019 (CLUSTER 1)	30 June 2019	88,900
1. MBHEKO HOLDINGS (PTY) LTD 2. IMBAWULACIVIL PROJECTS (PTY) LTD 3. XONO CIVIL ENTERPRISES CC 4. URBAN PLAN JV	35mths	35	THE APPOINTMENT OF CONTRACTORS FOR LEAK FIXING SERVICES AT REGISTERED INDIGENT HOUSEHOLDS AND SCHOOLS IN THE EKURHULENI METROPOLITAN MUNICIPALITY ON AN AS-AND-WHEN REQUIRED BASIS, FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	25,400

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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
BRIDGING DIGITAL DIMDE GROUP (PTY) LTD	11mths	11	BRIDGING DIGITAL DIVIDE GROUP (PTY) LTD DEPARTMENT: INFORMATION AND COMMUNICATION TECHNOLOGY: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO DISPENSE WITH OFFICIAL PROCUREMENT PROCESS IN TERMS OF SECTION 32 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS TO ASSIST THE DEPARTMENT TO UTILIZE THE CONTRACT FOR THE INSTALLATION OF NETWORK POINTS AND REPAIR AND MAINTENANCE OF THE EXITING OPTICAL FIBRE NETWORK SECURED BY ANOTHER ORGAN OF STATE: CITY OF TSHWANE, CONTRACT NUMBER GICT 03-2016/17 FOR MAINTENANCE OF THE EXITING OPTICAL FIBRE NETWORK FROM DATE OF APPOINTMENT UNTIL 31 DECEMBER 2018 OR UNTIL THE NEW CONTRACT FOR FIBER MAINTENANCE IS APPROVED OR WHICHEVER COMES FIRST.	30 June 2018	40,000
1. KATORUS FIRE SYSTEM (PTY) LTD 2. ACCOLADE ENGINEERS (PTY) LTD 3. SPHANDILE TRADING ENTERPRISE (PTY) LTD 4. ECONOCOM 671 CC 5. DOT FIRE CC	23mths	23	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE MAINTENANCE OF FIRE HYDRANTS THROUGH THE USE OF THE EXPANDED PUBLIC WORKS PROGRAM (EPWP), ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	45,000
REM MAMS CONSTRUCTION AND PROJECTS (PTY) LTD	23mths	23	APPOINTMENT OF A CONTRACTOR FOR THE UPGRADING AND REFURBISHMENT OF THE DAVEYTON SWIMMING POOL	30 June 2019	12,367
TSEKEMA CONSULTING ENGINEERS (PTY) LTD	23mths	23	THE APPOINTMENT OF AN ENGINEERING CONSULTING FIRM TO PERFORM THE DUTIES AS A METER MANAGEMENT CONSULTANT TO MANAGE THE EMM'S ELECTRICITY METERS, METER RELATED MATERIALS AND AMR METER READING DATA FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	151,303
BERNHARD HOLDINGS (PTY) LTD	19mths	19	THE SUPPLY AND DELIVERY OF VARIOUS TYPES OF FIRE ARMS FOR EKURHULENI METROPOLITAN POLICE DEPARTMENT (EMPD) ON AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	19,000
1. MPANDLA TRADING 2. DAT MAROESHE CONSTRUCTION 3. BASADI INVESTMENT AND PROJECTS 4. MBHEKO HOLDING PTY LTD 5. JSQN GENERAL DEALER 6. NAMASANGO BUSINESS ENTERPRISE	22mths	22	THE APPOINTMENT OF CONTRACTORS FOR THE LAYING OF VARIOUS TYPES OF PAVING BLOCKS, KERBS AND RELATED ANCILLARY WORKS ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	108,000
1. THORBURN TECHNICAL (PTY) LTD 2. BATSHAIT SOLUTIONS CC 3. MPANDE TECHNOLOGIES CC 4. NTSHEBIK TRADING ENTERPRISE (PTY) LTD 5. FEZ'UMBONO TRADING & PROJECTS CC	22mths	22	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND OFFLOADING OF COMPUTER EQUIPMENT ON AN AS-AND-WHEN BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	12,373
1. KHABOKEDI WASTE MANAGEMENT (PTY) LTD 2. SOUTHERN AMBITION JV OSIAMO 3. SUNGU SUNGU PROJECTS CC	34mths	34	APPOINTMENT OF LANDFILL OPERATORS FOR THE OPERATIONS AND MAINTENANCE OF RIET FONTEIN, ROOIKRAAL AND PLATKOP LANDFILL SITES FROM THE DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	92,067
1. MMAZWI CIVIL AND CONSTRUCTION SERVICES CC 2. VUKUZITHATHE WAREHOUSING AND PROJECTS CC 3. LEGADIMA DISTRIBUTION PTY LTD & ZULU KHOZABROTHERS ENTERPRISES PTY LTD KEDI TECHNOLOGY JV 4. NOKENG-GUNDO WASTE MANAGEMENT JV (PTY)LTD 5. WASTE PARTNER INVESTMENTS (PTY) LTD 6. PHAKALEBOHANG TRADING AND PROJECTS (PTY) LTD 7. MCC SECURITY AND PROJECTS CC 8. BEFORE DAWN PROPERTY DEVELOPERS CC 9. ZFM TRADING CC, 10. NEW ERA COMMERCE (PTY) LTD 11. TBS TRADING (PTY) LTD 12. CAMARNI (PTY) LTD 13. GLOWAX (PTY) LTD 14. LINDWE MULTISERVICES (PTY) LTD 15. GOBOBO TRANSPORT (PTY) LTD 16. XAMHUNTI GENERAL TRADING ENTERPRISE CC 17. ETSANG ENTERPRISE (PTY) LTD	34mths	34	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE REMOVAL, CLEANING AND REHABILITATION OF ILLEGALLY DUMPED NON-TOXIC, NON-OBJECTIONABLE SOLID WASTE AND RUBBLE ON AN AS AND WHEN REQUIRED BASIS WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	96,831

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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
VARIOUS	22mths	22	THE APPOINTMENT OF A PANEL OF A SUITABLY EXPERIENCED EVENTS MANAGEMENT COMPANIES TO BE PLACED ON A PANEL OF EXPERTS TO ASSIST THE EKURHULENI METROPOLITAN MUNICIPALITY TO RENDER EVENTS MANAGEMENT SERVICE FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	508,450
1. WATER MANAGEMENT SERVICES CC 2. PTP INTEGRATED (PTY) LTD	34mths	34	THE APPOINTMENT OF A SERVICE PROVIDER FOR THE RENEWAL OF eMIS (ENGINEERING MANAGEMENT INFORMATION SYSTEM) ENTERPRISE LICENSING AGREEMENT, SUPPORT AND MAINTENANCE ON AN AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	90,000
VARIOUS	34mths	34	APPOINTMENT OF LANDSCAPE CONTRACTORS ON AN AS-AND- WHEN REQUIRED BASIS FOR VARIOUS PARKS AND CEMETERIES DEVELOPMENT PROJECTS IN EMM FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	184,439
1. EOH (PTY) LTD 2. BMK CONSULTING ENGINEERS (PTY) LTD 3. AGANANG CONSULTING ENGINEERS CC 4. NAIDU (PTY) LTD	22mths	22	THE APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER TO DEVELOP A PAVEMENT MANAGEMENT SYSTEM (PMS) FOR EMM THAT WILL COMPRISE OF ROADS INVENTORY DATA COLLECTION, INSPECTION, ASSESSMENT OF CONDITION AND STRENGTH, AND FORMULATE MAINTENANCE PROGRAMS FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	13,518
1. ABB SOUTH AFRICA (PTY) LTD 2. DIPRO CONSULTING CC 3. SCHWEITZER ENGINEERING LABORATORIES (PTY) LTD 4. WOODBEAM (PTY) LTD	22mths	22	THE APPOINTMENT OF SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF PROTECTION RELAYS, AUXILIARY EQUIPMENT AND AUTOMATIC VOLTAGE REGULATION RELAYS ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	9,000
1. NRB PIPING SYSTEMS INLAND (PTY) LTD 2. ELSTER KENT METERING (PTY) LTD 3. SENSUS SOUTH AFRICA (PTY) LTD 4. DAMS & DEALE IRRIGATION (PTY) LTD 5. NOMSANDRA PROJECTS CC	34mths	34	THE SUPPLY, DELIVERY AND OFF-LOADING OF VARIOUS SIZES OF WATER METERS AND RELATED MATERIAL, ON AN AS-AND- WHEN REQUIRED BASIS FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2020, AS ADVERTISED	30 June 2020	200,000
1. LIDWALA CONSULTING ENGINEERS SA (PTY) LTD 2. QONDA EKUKANYENI CONSULTING ENGINEERS & PROJECT MANAGEMENT (PTY) 3. TSEKEMA CONSULTING ENGINEERS (PTY) LTD 4. AJRECON SOUTH AFRICA (PTY) LTD 5. SMEC SOUTH AFRICA (PTY) LTD	34mths	34	THE APPOINTMENT OF CONSULTING ENGINEERS FOR THE MANAGEMENT OF EKURHULENI METROPOLITAN'S WATER METER INSTALLATIONS, DISCONNECTIONS, RESTRICTIONS, RECONNECTIONS AND MAINTENANCE, FROM DATE OF APPOINTMENT UNTIL 30 JUNE 2020	30 June 2020	18,834
XON SYSTEMS (PTY) LTD	34mths	34	DEPARTMENT: INFORMATION, COMMUNICATIONS AND TECHNOLOGY: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER TO PROCURE THE SERVICES OF A CONTRACT OF ANOTHER ORGAN OF STATE (SITA TRANSVERSAL TENDER RFB 2003/2014) IN TERMS OF SECTION 31 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS FOR APPOINTMENT OF THE SERVICE PROVIDER FOR THE SUPPLY, DELIVERY, INSTALLATION, CONFIGURATION, EXPANSION, SUPPORT AND MAINTENANCE SERVICES OF CONVERGED INFRASTRUCTURE TO PROACTIVELY ACCOMMODATE NEW APPLICATIONS, PROJECTS AND FUTURE DATA GROWTH AS-AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	136,000
ELECT ASSURE SA PTY LTD	34mths	34	THE APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY AND INSTALLATION OF NEW TRAFFIC SIGNAL EQUIPMENT ON AN AS AND WHEN REQUIRED BASIS WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	14,822
1. MEGAPHASE TRADING 380 (PTY) LTD 2. C.M.J AGENCY CC 3. FIREFIGHTING LOGISTICS CC 4. SPHANDILE TRADING ENTERPRISE (PTY) LTD	21mths	21	THE SUPPLY, DELIVERY AND OFF-LOADING OF UNIFORM CLOTHING FOR EMERGENCY SERVICES PERSONNEL ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF AWARD UNTIL 30 JUNE 2019	30 June 2019	13,000
1. EAKAPA BUSINESS ENTERPRISE 2. SNR ELECTRICAL 3. ELLICIDOR 178 CC 4. RO SWIKA PROJECT BUILDING AND CONTRACTORS 5. TN MOLEFE CONSTRUCTION	33mths	33	INVITATION TO CONTRACTORS TO FORM PART OF A FRAMEWORK OF CONTRACTORS TO ASSIST THE EMM BUILT ENVIRONMENT WITH THE CONSTRUCTION, UPGRADE AND REFURBISHMENT WORKS OF VARIOUS INFRASTRUCTURE PROJECTS (BUILDING CONSTRUCTION, CIVIL ENGINEERING, ELECTRICAL ENGINEERING, MECHANICAL ENGINEERING, AND SPECIAL WORKS), ON AN AS-AND-WHEN REQUIRED BASIS FROM 1 JULY 2017 until 30 JUNE 2020 (ONLY CIDB LEVEL 4PE TO 9).	30 June 2020	5,000,000

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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
VARIOUS	33mths	33	THE APPOINTMENT OF AS AND WHEN SERVICE PROVIDERS TO RENDER PROFESSIONAL SERVICES AS ENGINEERING CONSULTANTS TO THE "WATER AND SEWER NEW PROJECTS, UPGRADING, RENEWAL AND EXTENSION PROGRAMME" IN SW AND NE DISTRICTS, FOR THE MULTI-YEAR FINANCIAL PERIOD FROM THE DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	2,333,150
VODACOM (PTY) LTD	33mths	33	DEPARTMENT: INFORMATION AND COMMUNICATION TECHNOLOGY: REQUEST TO OBTAIN APPROVAL FROM THE CITY MANAGER IN TERMS OF SECTION 32 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS TO ASSIST THE DEPARTMENT TO PROCURE THE CITIZEN ENGAGEMENT MOBILE APPLICATION FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	10,083
1. GAU FLORA CC 2. QOPHE CONSTRUCTION CC 3. MDINA ENGINEERING 4. NKOMABA TRADING AND PROJECTS CC 5. QINISA CONSTRUCTION (PTY) LTD 6. BUZAPHI CONSTRUCTION (PTY) LTD 7. LETTAM BUILDING AND CIVIL CC 8. ASATICO CIVIL AND CONSTRUCTION (PTY) LTD 9. MLOKOTHWA CONSTRUCTION AND MANAGEMENT SERVICES CC 10. EDWIN CONSTRUCTION (PTY) LTD 11. MONALA GENERAL 12. REKHUDITSE CONSTRUCTION AND CLEANING SERVICE 13. GABORENA CONSTRUCTION AND PROJECTS SERVICES CC 14. BOITSHOKO SURFACING AND CIVIL WORKS CC	33mths	33	THE APPOINTMENT OF CONTRACTORS FOR THE UPGRADING AND CONSTRUCTION OF ROADS AND STORM WATER INFRASTRUCTURE ON AN AS AND WHEN REQUIRED BASIS, FROM DATE OF AWARD TO 30 JUNE 2020.	30 June 2020	1,742,000
ELSTER SOLUTIONS (PTY) LTD	9mths	9	THE SUPPLY, DELIVERY AND OFF-LOADING OF 160A POLY PHASE DIRECT CONNECT ENERGY DEMAND METERS ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2018.	30 June 2018	9,975
1. AMPCOR KHANYISA (PTY) LTD 2. STATWAY SWITCHBOARDS (PTY) LTD 3. TGOOD AFRICA (PTY) LTD 4. EDISON POWER GROUP LTD	21mths	21	THE APPOINTMENT OF SERVICE PROVIDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF METAL CLAD SWITCHGEAR FOR THE CITY OF EKURHULENI ON AN AS AND WHEN REQUIRED BASIS FOR A PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2019 BUT AWARDED UNTIL 2018	30 June 2019	400,000
1. YENZISISA-RAPDL CONSORTIUM 2. ROBECO_ONE AFRICA JV 3. NTWALENG TRADING (PTY) LTD 4. MARABE PROJECTS (PTY) LTD 5. ASATICO CIVIL AND CONSTRUCTION (PTY) LTD 6. HALCYLINE-ESOR JV 7. MCC SECURITY AND PROJECTS CC 8. UBONDA-JEDD CIVILS JV 9. MZINI GENERAL CONSTRUCTION CC 10. AKWENI GROUP AND RAZORBILL JV 11. JUST RIGHT/BOTLALE CIVILS JV 12. TSHWARATHEBE CONSTRUCTION CC 13. HELM CONSTRUCTION (PTY) LTD 14. REALETAMISA TRADING AND PROJECTS CC 15. ABLII TRADING CC 16. SIVTECH AND AVENIR JV 17. LTE CONSULTING (PTY) LTD & SETHEO ENGINEERING JV 18. MATLAILAS CONSTRUCTION & MATSHIWANA TRADING JV 19. MAPHECEKA CONSTRUCTION & PROJECTS CC 20. TSK CONSTRUCTION (PTY) LTD	33mths	33	THE APPOINTMENT OF ALTERNATIVE BUILDING TECHNOLOGY (ABT) CONTRACTORS TO PROVIDE TURNKEY SOLUTIONS FOR THE DESIGN, SUPPLY AND CONSTRUCTION OF VARIOUS BUILDING TYPOLOGIES AND OPERATIONAL FACILITIES FOR CITY OF EKURHULENI ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	1,950,000

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Name of organisation		Number			R thousand
1. BOIT SHENOLO AUCTIONEERS and AGRICULTURAL FARMING CC 2. SPOKES AUCTIONEERS 3. ALISOZE TRADING (PTY) LTD T/A UNITY AUCTIONEERS	29mths	29	APPOINTMENT OF CAPABLE AND EXPERIENCED AUCTIONEERING COMPANIES TO CONDUCT AUCTIONS TO DISPOSE OFF IMMOVABLE AND MOVABLE ASSETS AND MATERIAL, EITHER SEPARATELY OR COLLECTIVELY, ON AN AS AND WHEN REQUIRED BASIS, FOR A PERIOD, WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	
1. ANGELO KATER MOTOR TRIMMERS (PTY) LTD 2. FIRE RAIDERS (PTY) LTD	29mths	29	APPOINTMENT OF A SERVICE PROVIDER TO MANUFACTURE, SUPPLY, DELIVER AND COMMISSION MOBILE B.E.S.A.F.E UNITS BY MEANS OF OUTRIGHT PURCHASE ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	11,000
1. PHU2MA-B PROJECTS (PTY) LTD 2. ESAKHALENI PROJECTS CC 3. HOLEBYE TRADING 2 (PTY) LTD 4. OPAL PROJECTS AND MANAGEMENT CC 5. TOTOBELA TRADING AND PROJECT CC 6. TSHIRELETSO TRAFFIC AND ROAD MANAGEMENT 7. NUMBERLINE CC 8. NALA TRADING ENTERPRISE	29mths	29	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND PAINTING OF ROAD MARKING THE COE ON AN AS AND WHEN REQUIRED BASIS, FOR THE PERIOD WITH EFFECT FROM ACCEPTANCE BY THE EMM UNTIL 30 JUNE 2020	30 June 2020	44,230
1. ELECT ASSURE SAPTY LTD 2. KOTLOLO KEEWAVE TRADING 334 CC	29mths	29	THE APPOINTMENT OF SERVICE PROVIDER/S FOR THE REPLACEMENT OF TRAFFIC SIGNAL EQUIPMENT AND THE REPLACEMENT OF TRAFFIC SIGNAL INSTALLATION FOR ALL OF THE CITY OF EKURHULENI ON AN AS AND WHEN REQUIRED BASIS WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	57,888
DIDO DIGITAL DOCUMENT (PTY) LTD	30mths	30	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY, INSTALLATION AND MAINTENANCE OF UNSHIELDED TWISTED PAIR (UTP) CABLING ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	50,000
1. REAL TIME TRADING AND PROJECTS 2. AYAMA PROJECTS (PTY) LTD	30mths	30	THE APPOINTMENT OF SERVICE PROVIDERS TO SUPPLY, INSTALL AND COMMISSION ENERGY EFFICIENT LAMPS BY RETROFITTING CURRENT LAMPS AND CONTROL GEAR ON THE CITY OF EKURHULENI (COE) FACILITIES ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	18,000
1. NOLEWU CONSTRUCTION ELECTRICAL CHEMICAL SUPPLIERS 2. NERM APPLICATIONS AND TESTING (PTY) LTD & E-MULTI CONSTRUCTION & ELECTRICITY JV 3. WANDIE'S TECHNICAL SERVICES CC 4. INTERACTIVE TRADING 156 (PTY) LTD 5. KUBAHKI CONTRACTORS 6. ZENZALO (PTY) LTD 7. AMPCOR KHANYISA (PTY) LTD 8. MOKGOSHI ELECTRICAL 9. MUSI ELECTRICAL ENGINEERING ZRW MECHANIKA CC	30mths	30	THE APPOINTMENT OF ELECTRICAL CONTRACTOR/S FOR THE REPAIR AND MAINTENANCE OF STREET, AREA AND SPORTS FIELD LIGHTING ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	93,000
	18mths	18	THE APPOINTMENT OF SERVICE PROVIDERS TO DESIGN, SUPPLY, INSTALL AND MAINTAIN SOLAR PV ROOFTOP POWER PLANTS IN COUNCIL BUILDINGS ACROSS EKURHULENI ON AN AS- AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	30,000
UNIVERSITY OF WITWATERSRAND	6mths	6	STRATEGY AND CORPORATE PLANNING DEPARTMENT: TO OBTAIN APPROVAL FROM THE CITY MANAGER TO APPOINT THE UNIVERSITY OF THE WITWATERSRAND TO UNDERTAKE THE FIFTH QUALITY OF LIFE SURVEY IN EKURHULENI. FURTHERMORE, TO EXTEND THE SURVEY A REGIONAL AND WARD LEVEL IN TERMS OF SECTION 110 (2) OF THE MFMA, ACT 56 OF 2003 READ WITH THE PFMA, ACT 1 OF 1999, SCHEDULE 3 PART A ITEM 97 FROM DATE OF APPROVAL UNTIL 30 JUNE 2018.	30 June 2018	1,000

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Name of organisation		Number			R thousand
1. BOITSHENOLO AUCTIONEERS and AGRICULTURAL FARMING CC 2. SPOKES AUCTIONEERS 3. ALISOZE TRADING (PTY) LTD T/A UNITY AUCTIONEERS	29mths	29	APPOINTMENT OF CAPABLE AND EXPERIENCED AUCTIONEERING COMPANIES TO CONDUCT AUCTIONS TO DISPOSE OFF IMMOVABLE AND MOVABLE ASSETS AND MATERIAL, EITHER SEPARATELY OR COLLECTIVELY, ON AN AS AND WHEN REQUIRED BASIS, FOR A PERIOD, WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	
1. ANGELO KATER MOTOR TRIMMERS (PTY) LTD 2. FIRE RAIDERS (PTY) LTD	29mths	29	APPOINTMENT OF A SERVICE PROVIDER TO MANUFACTURE, SUPPLY, DELIVER AND COMMISSION MOBILE B.E.S.A.F.E UNITS BY MEANS OF OUTRIGHT PURCHASE ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	11,000
1. PHU2MA-B PROJECTS (PTY) LTD 2. ESAKHALENI PROJECTS CC 3. HOLEBYE TRADING 2 (PTY) LTD 4. OPAL PROJECTS AND MANAGEMENT CC 5. TOTOBELA TRADING AND PROJECT CC 6. TSHIRELETSO TRAFFIC AND ROAD MANAGEMENT 7. NUMBERLINE CC 8. NALA TRADING ENTERPRISE	29mths	29	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND PAINTING OF ROAD MARKING THE COE ON AN AS AND WHEN REQUIRED BASIS, FOR THE PERIOD WITH EFFECT FROM ACCEPTANCE BY THE EMM UNTIL 30 JUNE 2020	30 June 2020	44,230
1. ELECT ASSURE SAPTY LTD 2. KOTLOLO KEEWAVE TRADING 334 CC	29mths	29	THE APPOINTMENT OF SERVICE PROVIDER/S FOR THE REPLACEMENT OF TRAFFIC SIGNAL EQUIPMENT AND THE REPLACEMENT OF TRAFFIC SIGNAL INSTALLATION FOR ALL OF THE CITY OF EKURHULENI ON AN AS AND WHEN REQUIRED BASIS WITH EFFECT FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	57,888
DIDO DIGITAL DOCUMENT (PTY) LTD	30mths	30	THE APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY, INSTALLATION AND MAINTENANCE OF UNSHIELDED TWISTED PAIR (UTP) CABLING ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	50,000
1. REAL TIME TRADING AND PROJECTS 2. AYAMA PROJECTS (PTY) LTD	30mths	30	THE APPOINTMENT OF SERVICE PROVIDERS TO SUPPLY, INSTALL AND COMMISSION ENERGY EFFICIENT LAMPS BY RETROFITTING CURRENT LAMPS AND CONTROL GEAR ON THE CITY OF EKURHULENI (COE) FACILITIES ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020.	30 June 2020	18,000
1. NOLEWU CONSTRUCTION ELECTRICAL CHEMICAL SUPPLIERS 2. NERM APPLICATIONS AND TESTING (PTY) LTD & E-MULTI CONSTRUCTION & ELECTRICITY JV 3. WANDIE'S TECHNICAL SERVICES CC 4. INTERACTIVE TRADING 156 (PTY) LTD 5. KUBAHKI CONTRACTORS 6. ZENZALO (PTY) LTD 7. AMPCOR KHANYISA (PTY) LTD 8. MOKGOSHI ELECTRICAL 9. MUSI ELECTRICAL ENGINEERING	30mths	30	THE APPOINTMENT OF ELECTRICAL CONTRACTOR/S FOR THE REPAIR AND MAINTENANCE OF STREET, AREA AND SPORTS FIELD LIGHTING ON AN AS AND WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2020	30 June 2020	93,000
ZRW MECHANIKA CC	18mths	18	THE APPOINTMENT OF SERVICE PROVIDERS TO DESIGN, SUPPLY, INSTALL AND MAINTAIN SOLAR PV ROOFTOP POWER PLANTS IN COUNCIL BUILDINGS ACROSS EKURHULENI ON AN AS- AND-WHEN REQUIRED BASIS FROM DATE OF AWARD UNTIL 30 JUNE 2019.	30 June 2019	30,000
UNIVERSITY OF WITWATERSRAND	6mths	6	STRATEGY AND CORPORATE PLANNING DEPARTMENT: TO OBTAIN APPROVAL FROM THE CITY MANAGER TO APPOINT THE UNIVERSITY OF THE WITWATERSRAND TO UNDERTAKE THE FIFTH QUALITY OF LIFE SURVEY IN EKURHULENI. FURTHERMORE, TO EXTEND THE SURVEY A REGIONAL AND WARD LEVEL IN TERMS OF SECTION 110 (2) OF THE MFMA, ACT 56 OF 2003 READ WITH THE PFMA, ACT 1 OF 1999, SCHEDULE 3 PART A ITEM 97 FROM DATE OF APPROVAL UNTIL 30 JUNE 2018.	30 June 2018	1,000

2.16 Implementation of mSCOA

National Treasury (NT) indicated the below mentioned elements as minimum requirements for mSCOA compliance for the 1st of July 2017. Further deliverables were incorporated to operational refinements for all the implementations processes to date, understanding that this is an ongoing framework of deliverables. Milestones were successfully achieved on what was minimally required and further developments are still being implemented to enhance the implementation of the mSCOA Regulation.

Progress Update on the mSCOA Compliance Requirements as of to date:

1. Hosting the mSCOA Chart

The City's Financial System is hosting the mSCOA Chart, which was a requirement for mSCOA enablement in an environment. It was furthermore required that all other sub-systems that carries financial transactions and exchange information with the financial system and the General Ledger, including the Human Resource System are made mSCOA Compliant, and this process the city is still undergoing, to incorporate and integrate all the other systems.

The Financial System has been hosting the mSCOA chart, since 2015. The Chart has been upgraded to Version 6.2, further developments are anticipated with version 6.3.

The HR system is currently in the process of being made fully compliant, it is currently hosting the short codes instead of the full chart and integration thereof is still to be done, also to note that the payroll system being fully compliant.

2. The Integrated Budget Module (mSCOA Budgeting)

It has also been a requirement that municipalities must budget in mSCOA format and make submissions to NT of successful budgets which are compatible with the NT database, with correct data strings being uploaded to the NT database, this has since been successfully. Budgeting in mSCOA has being achieved by the City of Ekurhuleni (CoE) with more refinements still underway. Departments have also been inducted and trained in the process of mSCOA budgeting using a tool called budgeting tool that has been deployed in the environment to further enhance the process of seamless budgeting.

The Budget is on course for the 2019/20 financial year, to be delivered on time and in the required version of the mSCOA format which will be upgraded to Version 6.3 as of March 2019. The CoE will have to implement a budgeting tool in order to integrate its mSCOA budgeting within the organization projects and enable departments to do their own budgeting going forward.

3. Transacting in mSCOA

Version 6.3 further defines the level for capturing of transactions, expanding the structure and adopting the mSCOA guide for the municipalities. The CoE is currently transacting in mSCOA version 6.2 and we envisage a smooth transition to convert to the latest version 6.3 by March 2019, without interfering with the budget to be tabled around that period.

4. Reporting in mSCOA

To accommodate the mSCOA reform, uploading to the NT Local Government Portal was introduced whereby Municipalities had to be registered, authorized and authenticated and The CoE has achieved this milestone.

Similarly, to transacting, CoE has been reporting in mSCOA since the 1st of July 2015. Monthly upload of all financial transactions performed at an organizational level are uploaded to the NT database to ensure that CoE is conducting its transactions in mSCOA and doing so correctly. The changes that happened as from the 1st of July were that the source of reports now had to be in the mSCOA version 6.1, and the database had similarly been checked for compliance against version 6.1. Furthermore, to this reform, the MBRR schedules A, B and C can now be extracted from the Municipal Financial System and engagements are ongoing with the service provide to have the TRU Tool activated.

5. System changes and/or Upgrades

All changes to the Financial System and/or upgrades thereof had to conform to mSCOA circular 5 & 6 that were issued by National Treasury (NT). ICT had to complete The Due Diligence and any additional functionalities which were outlined, together with cost associated with the changes and/or upgrades to the system, which had to be justified and Municipalities needed to provide recommendation to NT, if not, National Treasury will investigate the matter.

6. The Integrated IDP Module,

Municipalities were to ensure that all projects in the IDP are aligned to Budgets. The “project” segment of the mSCOA chart requires municipality to allocate a posting level specific to the municipality’s project. The City’s extraction of the 2018/19 IDP expanded to mSCOA project segment has been linked. Failure to budget on posting levels will result in the municipalities file being rejected and will result in non-compliance.

Also to note municipalities had to review its asset classifications on its existing asset register to update and align it with mSCOA, furthermore, in view of mSCOA requiring full integration of the asset management sub-system(s), the municipality needs to ensure that the asset register also contains full information on each asset and this is well underway.

2.17 Municipal Manager's quality certificate



Municipal Manager's quality certificate

City Manager's Quality Certificate

I **Imogen Mashazi**, City Manager of City of Ekurhuleni, hereby certify that the Draft **2019/20 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 City.

Signature: _____

A handwritten signature in blue ink, appearing to read "Imogen Mashazi", written over a horizontal line.

Date: 18/03/2019

Name of City Manager:

Dr Imogen Mashazi
City Manager
City of Ekurhuleni (GT000)