



ITEM A-F (28-2020) ANNEXURE B

SPECIAL COUNCIL MEETING (In terms of Rule 19(1) b of the Standing Orders)

THURSDAY, 25 JUNE 2020

VIRTUAL MEETING

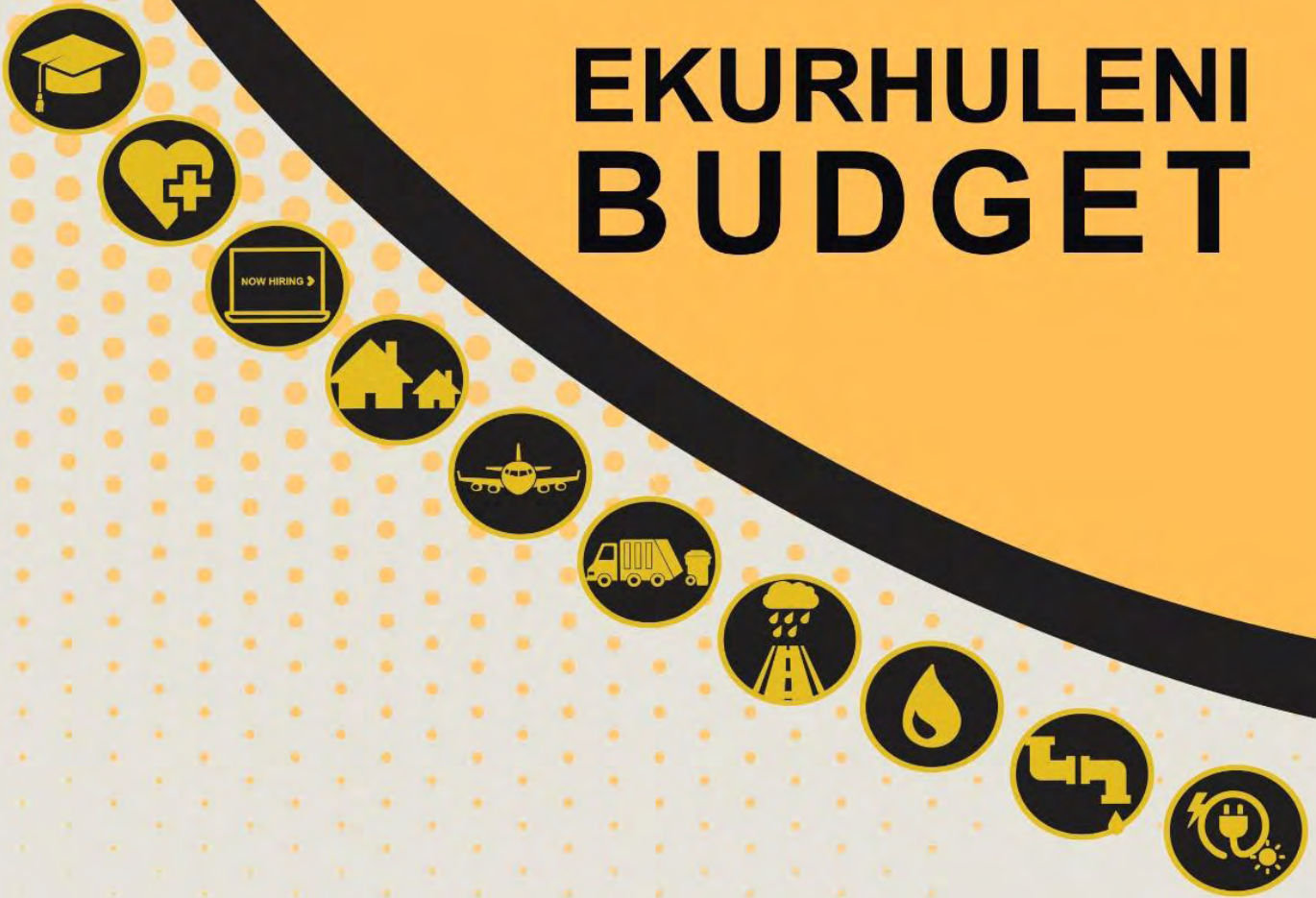
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Ekurhuleni
METROPOLITAN MUNICIPALITY

ANNEXURE B

EKURHULENI BUDGET



ANNEXURE B

2020/21-2022/23

MEDIUM TERM REVENUE

AND EXPENDITURE FRAMEWORK

*20 years of a responsive and modern
public service partner that fosters change
towards building a better Ekurhuleni*

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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 current administration of the City of Ekurhuleni is in its fourth financial year – a period during which we have continued to prioritise service delivery and the strengthening of the institution of local government. But while we have continued to work hard to ensure this, we have been confronted with an unprecedented challenge in the form of the novel COVID-19 coronavirus pandemic that has had a devastating impact on the economy of South Africa and that of our metro. This global health pandemic has seen our country go on lockdown, aimed at ensuring the flattening of the curve in order that lives can be saved. The closure of businesses has had a catastrophic impact on an economy that was already in dire straits. Just a few weeks before the lockdown was announced, our economy slipped into a recession, with the GDP having shrunk by 1.4 percent in the fourth quarter. Seven out of ten industries contracted in the fourth quarter, contributing to already high levels of unemployment. The continued lockdown has facilitated a sustained assault on the economy and municipalities are on the receiving end.

Due to the strict sanitation guidelines that are necessary for managing the spread of the virus, the City of Ekurhuleni, along with other municipalities, has been faced with higher levels of service, particularly frequent refuse removal, in informal settlements and water-constrained communities. In addition to these responsibilities, we have had to attend to extra-ordinary cleansing and decontamination of public facilities, identification of sites for quarantine, identification of hotspots and mitigation measures, monitoring social gatherings, environmental health inspections and the cleaning of taxi ranks and other public transport facilities. This has forced the City to spend additional unbudgeted funds for COVID-19 expenditure to ensure the provision of additional water to households, the provision of shelter to the homeless and food and sanitation supplies.

These added responsibilities for our City occur at a time when our resources are greatly constrained. Revenue streams linked to consumption services such as water and electricity are mostly affected by the lockdown. Due to the closure of several businesses, there is a reduction in the demand for water and electricity. The impact has been particularly significant in municipalities where there is large business and industrial base, such as the City of Ekurhuleni, which is the manufacturing and logistics nerve-centre of sub-Saharan Africa. In addition to this, there has been a significant lack of payment of services resulting from loss of employment. All this has had devastating consequences for our City and all other municipalities in general.

In terms of revenue collections, the City is operating below its daily projections. Our rate of revenue collections as of April 30th stood at **R1 402 670 399.17**, while our projections stood at **R2 088 395 633.85**, placing our collection rate at 67 percent at the height of stringent level 5 restrictions. As of 30th May, our revenue collections stood at **R449 420 439.24** against a projection of **R553 341 426.56**. This is the third highest collection rate in the province – and one that is especially important to note due to the fact that it accounts for level 4 of the lockdown, during which a lot of dominant industries within the metro remained closed or were only partially operational. This has impacted greatly on our available budget, and thus necessitated a review of our prior tabled budget and the reprioritisation of projects.

The City of Ekurhuleni, despite the financial challenges brought on by the lockdown, has been able to pay its trade as well as bulk creditors. We have been able to pay Eskom and Rand Water upfront. In addition to this, we have been able to provide basic services sustainably, and have harnessed the collaboration of the City of Ekurhuleni with the private sector and

civil society in the provision of food and sanitation supplies to residents in our City whose income has been impacted by the lockdown. We continue to run a successful Food Bank which is being used by the South African Women in Dialogue (SAWID) and the United Nations Women (UN Women) as a case study for indigent strategies beyond COVID-19.

In keeping with our philosophy of putting our people at the centre, we have been consistent in finding meaningful ways to assist ordinary citizens and businesses to weather the storm of the lockdown. In order to alleviate pressure from the citizens, a number of interventions are proposed. At the heart of these is that there be no CPI link tariffs increase for property rates, refuse removal, cemeteries and all sundry tariffs. The City will only pass tariffs increase on electricity, water and sanitation, which are outside the City's control. We do so cognisant of the impact that it will have on households, and yet committed to balancing between providing quality service and centering the lives of our citizens.

The City of Ekurhuleni has undoubtedly been affected by the COVID-19 lockdown and like all other municipalities, will require available relief from national government to cope with the growing demands that the lockdown has brought. Our decreased revenue also demands that we re-orientate our budget and reprioritise projects. While this will have consequences on some projects, we remain committed to navigating this unprecedented challenge, placing our people at the centre, and ensuring at all times that we are accountable and transparent. We have done well thus far, and depend on the continued cooperation from all stakeholders, including our residents, to ensure that we come out of this health and socio-economic challenge stronger and united.

Yours in service delivery

Cllr Mzwandile Masina

Executive Mayor

1.2 Council Resolutions

On 25th June 2020, the Executive Mayor tables to the City of Ekurhuleni’s Council the 2020/21 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 City and the entities for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 22 on page 52;
 - 1.1.2 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 23 on page 55;
 - 1.1.3 Consolidated Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 25 on page 58; 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 61.
 - 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 210
 - 1.1.5.2 Brakpan Bus Company contained in Table 8 on page 238
 - 1.1.5.3 ERWAT contained in Table 86 on page 244
 - 1.2 The consolidated 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 Consolidated Budgeted Financial Position as contained in Table 27 on page 65
 - 1.2.2 Consolidate Budgeted Cash Flows as contained in Table 28 on page 69
 - 1.2.3 Consolidated Cash backed reserves and accumulated surplus reconciliation as contained in Table 29 on page 70
 - 1.2.4 Consolidated Asset management as contained in Table 30 on page 72 and
 - 1.2.5 Basic service delivery measurement as contained in Table 31 on page 78.
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 2020:
 - 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 2021 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 City **BE PERMITTED** to enter into long-term borrowings for the funding of the capital programmes in respect of the 2020/21 financial year limited to an amount of R1.976 billion, 2021/22 financial year limited to an amount of R1.582 billion and 2022/23 financial year limited to an amount of R1.544 billion, in terms of Section 46 of the Municipal Finance Management Act.
- 4.3 **That** the City 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 R1.976 billion to fund the 2020/21 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 amended policies and **BY-Laws** as follows:-
- | | |
|---------------|--|
| Annexure D1 | Medium - term Budget Statement Policy (reviewed) |
| Annexure D2 | Pricing Policy Statement (reviewed) |
| Annexure D3 | Property Rates Policy (reviewed) |
| Annexure D4.1 | Provision of Free Basic Electricity Policy (reviewed) |
| Annexure D4.2 | Provision of free Basic Water supply services (reviewed) |
| Annexure D5 | Waste Management Tariff Policy (reviewed) |
| Annexure D6 | Consumer Deposit Policy (reviewed) |
| Annexure D7 | Indigent Support Policy (reviewed) |
| Annexure D8 | Credit Control & Debt Collection Policy (reviewed) |
| Annexure D9 | Provision for Doubtful Debt and Debt Write-Off Policy (reviewed) |
| Annexure D10 | Budget Implementation and Monitoring Policy (reviewed) |
| 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 (reviewed) |
| Annexure D18 | Consumer Agreement (reviewed) |
| Annexure D19 | Supply Chain Management Policy (reviewed) |
| Annexure D20 | Treasury Policy (reviewed) |
| Annexure D21 | Allocation of Grant-in Aid (reviewed) |
| Annexure D22 | Asset Management Policy (reviewed) |
| Annexure D23 | Cost Containment Policy (reviewed) |
| Annexure D24 | Policy for the wheeling of Electricity (new) |
| Annexure D25 | Policy guideline for Small-scale Embedded generation (reviewed) |
| Annexure D26 | Ekurhuleni Community Enterprise Development Fund Policy (new) |

BY-LAWS

Annexure D01 Credit Control and Debt Collection (new)

Annexure D02 Property Rates (new)

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, **AND SUBMIT TO COUNCIL FOR APPROVAL**, the 2020/21 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 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 2021/22 and 2022/23 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 2021 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 2020/21 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 2020/21 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 2020/21 to 2022/2023 financial period attached to the report as **Annexure G BE ADOPTED**.

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 2020/21 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 national state of disaster and subsequent lockdown comes amidst already dire micro-economic conditions which have seen the city slumb into technical recession and downgraded to sub-investment grade (**'Junk Status'**) and worsening already high levels of unemployment amongst other things. The effect are also reflected in the worsening of exchange rates as well as predictions made on economic growth which is predicted to be at -6% negative growth at national level.

The current shutdown of the economy will continue to pressurise municipal revenue generation and collection hence a conservative approach was followed for projecting revenue. The city has already been impacted negatively due to loss of revenue stream as businesses, household and community reel from economic fallout caused by Covid-19. These circumstances make it essential for the city to reprioritise expenditure and implement stringe cost-containment.

The compilation of the 2020/21 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 community. Tariff increases must be limited to be within the affordability levels of community and must still promote economic growth to ensure financial sustainability.

No growth has been factored in all the services for the 2020/21 budget year services due to the anticipated reduction in consumption as a result of negative economic downturn affecting businesses and industrials.

The city recognizes the dire state of the economy and the financial predicament of many of its ratepayers and therefore propose a **0% increase in property rates for the 2020/21 budget year**.

National Treasury Circular No.99 provided that municipalities must align the energy tariffs to NERSA guidelines when available. The CoE has estimated **electricity tariff increase that ranges between 5.93% and 8.76%** to its customers, depending on the tariff category. Bulk purchases is estimated to increase by **6.90%** in 2021.

The **water tariff** increases by 15%. This takes into account the costs of water purification, energy costs, the costs of chemicals as well as the Water Research levy to be collected by Rand water in terms of Water Research Act. 1971. The levy is 0.76 percent percent of purchases.

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**.

In order to respond to Covid-19 and ease some pressure to the businesses and community there will be **NO Refuse removal tariff increase** for 2020/21. The main cost drivers of the service such as fuel and lubricants and vehicle operating costs will largely be subsidised.

All Sundry tariff increases for the 2020/21 will not be increased.

The impact of the above tariff increases on households is estimated to vary between 7.38% and 9.6%, as set out in Table 15 MBRR Table SA14 – household bills on page 38

In order to sustain the services rendered to our community the **repair and maintenance** budget has been increased to R3 billion in 2020/21 as compared to R2.7 billion adjusted budget in 2019/20.

The financial sustainability of the 2020/21 MTREF is largely dependent on the collection level of billed income. Provision is made for a **collection level of 90%**.

The **Capital Budget of R4.9 billion for 2020/21 is 1.4% less** when compared to the 2019/20 Adjusted Budget of **R5 billion**. Entities are also included in the Capital Budget of **R4.9 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 **R3.8 billion** in 2019/20 adjusted budget.

The 2020/21 Multi-year budget, with comparative information is as follows:

Table 1 Consolidated Operating Budget Summary

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
CONSOLIDATED					
Revenue By Source					
Property rates	6,140,478,219	5,147,698,878	6,140,478,219	6,422,940,215	6,718,395,467
Service charges	22,855,235,937	20,512,419,903	25,954,543,149	28,285,905,477	30,861,400,584
Rental of facilities and equipment	123,464,661	118,224,387	126,584,561	129,316,177	132,197,898
Interest earned	995,955,110	756,434,527	626,535,501	629,112,777	631,904,893
Dividends received	-	95,246	-	-	-
Fines, penalties and forfeits	579,503,941	102,970,492	579,684,671	579,684,671	579,684,671
Licences and permits	250,022,969	221,876,270	250,023,261	250,023,261	250,023,261
Transfers and subsidies	5,189,933,271	4,321,542,647	4,864,636,645	5,216,645,301	5,696,790,251
Other revenue	3,156,418,028	2,947,542,564	3,202,651,392	3,665,587,223	4,078,248,507
Total Revenue (excluding capital transfers and contributions)	39,291,012,136	34,128,804,914	41,745,137,399	45,179,215,102	48,948,645,532
Expenditure By Type					
Employee related costs	9,311,903,128	8,454,175,451	9,754,167,674	10,589,143,831	11,484,774,776
Remuneration of councillors	142,795,066	124,914,162	142,795,066	154,218,672	166,556,167
Debt impairment	2,989,213,301	2,110,570,609	3,073,502,136	3,386,998,276	3,525,024,372
Depreciation & asset impairment	2,203,918,615	2,040,659,645	2,354,666,981	2,517,844,099	2,841,869,263
Finance charges	869,054,085	867,652,802	1,128,804,896	1,206,325,987	1,279,989,727
Bulk purchases	15,083,038,109	13,061,353,328	16,850,921,749	18,362,200,272	20,030,041,753
Other materials	2,030,069,519	1,653,201,101	2,088,696,487	2,226,802,505	2,392,972,201
Contracted services	4,756,497,647	3,441,381,324	4,482,179,533	4,718,738,413	5,048,073,343
Transfers and subsidies	646,599,532	453,192,828	676,942,794	711,421,125	777,247,447
Other expenditure	1,227,743,123	1,022,736,596	1,190,296,683	1,291,381,850	1,386,206,377
Loss on disposal of PPE	15,307,321	2,369,334	13,000,000	13,702,000	14,441,908
Total Expenditure	39,276,139,446	33,232,207,181	41,755,973,999	45,178,777,030	48,947,197,334
Surplus/(Deficit)	14,872,690	896,597,733	(10,836,600)	438,072	1,448,198
Transfers and subsidies - capital	2,215,543,860	1,255,598,281	2,440,665,239	2,448,199,119	2,466,629,664
Surplus/(Deficit) after capital transfers & contributions	2,230,416,550	2,152,196,014	2,429,828,639	2,448,637,191	2,468,077,862
Taxation	6,842,849	2,927,536	-	-	-
Surplus/(Deficit) after taxation	2,223,573,701	2,149,268,478	2,429,828,639	2,448,637,191	2,468,077,862

The surplus of R2.4 billion reflected in 2020/21 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 R2.4 billion.

Table 2 Consolidated Overview of the 2020/21 MTREF

CONSOLIDATED	Amended Budget - MAY'20	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Revenue (excluding capital transfers and contributions)	39,291,012,136	41,745,137,399	45,179,215,102	48,948,645,532
Total Expenditure	39,276,139,446	41,755,973,999	45,178,777,030	48,947,197,334
Surplus/(Deficit)	14,872,690	(10,836,600)	438,072	1,448,198
Cash backed accumulated surplus from EHC	-	10,958,473	-	-
Net Surplus/(Deficit)	14,872,690	121,873	438,072	1,448,198
<i>Transfers and subsidies - capital</i>	2,215,543,860	2,440,665,239	2,448,199,119	2,466,629,664
Surplus/(Deficit) after capital transfers & contributions	2,230,416,550	2,440,787,112	2,448,637,191	2,468,077,862
<i>Taxation</i>	6,842,849	-	-	-
Surplus/(Deficit) after taxation	2,223,573,701	2,440,787,112	2,448,637,191	2,468,077,862
Total Capital Budget	5,000,624,398	4,929,977,645	4,542,239,342	4,520,643,333

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 **6.2%** or **R2.4 billion** for the 2020/21 financial year when compared to the 2019/20 Adjusted Budget. For the two outer years, operational revenue is increasing with 8.2% and 8.3% respectively, equating to a total revenue growth of R3.4 billion and R3.7 billion over the MTREF when compared to the 2020/21 financial year.

Total operating **expenditure** amounts to **R41 billion** in the 2020/21 financial year. When compared to the 2019/20 Adjustments Budget, operational expenditure has grown by 6.3% in the 2020/21 budget. The City is showing a consolidated operating deficit of R10.8 million originating from the operations of the Ekurhuleni Housing Company (EHC). However, this is covered by the accumulated previous year cash backed surplus from Ekurhuleni Housing Company amounting to R10.9 million. This cash is the unspent grant from the previous year. The operating surplus for the two outer years amounts to **R 438 thousand** and **R1.4 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, over and above the declining revenue, the **covid-19** pandemic has a huge impact on the citizen of the city and economy as some industries are still closed.

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 90% 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 2020/21 MTREF (classified by main revenue source):

Table 3 Consolidated Summary of revenue classified by main revenue source

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source										
Property rates	3 990 437	5 200 065	5 395 431	6 140 478	6 140 478	6 140 478	6 140 478	6 140 478	6 422 940	6 718 395
Service charges - electricity revenue	12 903 718	12 893 182	13 915 463	15 553 417	15 070 434	15 070 434	15 070 434	16 759 382	17 857 172	19 027 526
Service charges - water revenue	3 395 581	3 152 220	3 873 112	4 870 108	4 480 087	4 480 087	4 480 087	5 693 863	6 640 619	7 731 919
Service charges - sanitation revenue	1 109 672	1 168 271	1 477 906	1 771 371	1 771 371	1 771 371	1 771 371	1 966 130	2 182 308	2 422 260
Service charges - refuse revenue	1 273 529	1 190 279	1 319 679	1 533 344	1 533 344	1 533 344	1 533 344	1 535 167	1 605 806	1 679 696
Rental of facilities and equipment	67 521	108 641	116 471	136 271	123 465	123 465	123 465	126 585	129 316	132 198
Interest earned - external investments	637 393	620 079	397 694	438 015	435 015	435 015	435 015	233 778	233 703	233 717
Interest earned - outstanding debtors	304 694	338 101	485 263	560 910	560 940	560 940	560 940	392 758	395 409	398 188
Dividends received	–	66	182	–	–	–	–	–	–	–
Fines, penalties and forfeits	334 288	175 878	650 079	145 107	579 504	579 504	579 504	579 685	579 685	579 685
Licences and permits	50 249	293 199	305 138	305 916	250 023	250 023	250 023	250 023	250 023	250 023
Agency services	282 219	–	–	–	–	–	–	–	–	–
Transfers and subsidies	5 047 640	3 732 208	4 010 130	4 196 211	5 189 933	5 189 933	5 189 933	4 864 637	5 216 645	5 696 790
Other revenue	345 588	3 656 429	3 157 374	3 156 368	3 156 418	3 156 418	3 156 418	3 202 651	3 665 587	4 078 249
Gains	–	1 705	1 644	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	29 742 529	32 530 324	35 105 566	38 807 515	39 291 012	39 291 012	39 291 012	41 745 137	45 179 215	48 948 646

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

Percentage growth in revenue by main revenue source

Description	Year 2018/19	Current year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework						Proportionate % of Total Budget		
	Audited Actual R' 000	Adjusted Budget R' 000	%	Budget Year 2020/21 R '000	%	Budget Year +1 2021/22 R '000	%	Budget Year +2 2022/23 R '000	%	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Source												
Property Rates	5,395,431	6,140,478	15.6%	6,140,478	14.7%	6,422,940	14.2%	6,718,395	13.7%	14.7%	14.2%	13.7%
Service Charges - Electricity Revenue	13,915,463	15,070,434	38.4%	16,759,382	40.1%	17,857,172	39.5%	19,027,526	38.9%	40.1%	39.5%	38.9%
Service Charges - Water Revenue	3,873,112	4,480,087	11.4%	5,693,863	13.6%	6,640,619	14.7%	7,731,919	15.8%	13.6%	14.7%	15.8%
Service Charges - Sanitation Revenue	1,477,906	1,771,371	4.5%	1,966,130	4.7%	2,182,308	4.8%	2,422,260	4.9%	4.7%	4.8%	4.9%
Service Charges - Refuse Revenue	1,319,679	1,533,344	3.9%	1,535,167	3.7%	1,605,806	3.6%	1,679,696	3.4%	3.7%	3.6%	3.4%
Rental of Facilities and Equipment	116,471	123,465	0.3%	126,585	0.3%	129,316	0.3%	132,198	0.3%	0.3%	0.3%	0.3%
Interest earned - External Investments	397,694	435,015	1.1%	233,778	0.6%	233,703	0.5%	233,717	0.5%	0.6%	0.5%	0.5%
Interest earned -Outstanding Debtors	485,263	560,940	1.4%	392,758	0.9%	395,409	0.9%	398,188	0.8%	0.9%	0.9%	0.8%
Fines, penalties and forfeits	650,079	579,504	1.5%	579,685	1.4%	579,685	1.3%	579,685	1.2%	1.4%	1.3%	1.2%
Licenses and Permits	305,138	250,023	0.6%	250,023	0.6%	250,023	0.6%	250,023	0.5%	0.6%	0.6%	0.5%
Transfers Recognised - Operational	4,010,130	5,189,933	13.2%	4,864,637	11.7%	5,216,645	11.5%	5,696,790	11.6%	11.7%	11.5%	11.6%
Other Revenue	3,157,556	3,156,418	8.0%	3,202,651	7.7%	3,665,587	8.1%	4,078,249	8.3%	7.7%	8.1%	8.3%
Gains on Disposal of PPE	1,644	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	0.0%	0.0%
Total Revenue (Excluding Capital Transfers and Contributions)	35,105,566	39,291,012	100.0%	41,745,137	100.0%	45,179,215	100.0%	48,948,646	100.0%	100.0%	100.0%	100.0%
Total Revenue from Rates and Service Charges	25,981,590	28,995,714	73.8%	32,095,021	76.9%	34,708,846	76.8%	37,579,796	76.8%			

Revenue generated from rates and services charges contributes 76.9% (in 2020/21) of the total revenue basket for the city. The percentage is 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 – Consolidated Budgeted Financial Performance (revenue and expenditure) on page 58.

Electricity is the biggest source of income and represents R16.7 billion or 40.1% of the total income budget in 2020/21. This contribution from electricity is 39.5% in both outer years.

Property rates revenue amount to 14.7% or R6.1 billion. This includes income forgone.

Transfers and subsidies recognised amount to R6.6 billion or 11.7% of total income budget in the 2020/21. 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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
National Government:	4,740,102	5,179,595	5,363,149	5,501,712	5,967,984	5,967,984	6,222,484	6,747,382	7,375,545
Local Government Equitable Share	2,381,367	2,719,861	3,145,138	3,478,292	3,478,292	3,478,292	3,830,583	4,229,656	4,634,258
RSC Levy Replacement	1,625,872	1,694,256	1,734,629	1,711,291	1,711,291	1,711,291	1,781,414	1,971,951	2,134,999
Finance Management	1,050	1,050	1,000	1,000	1,396	1,396	1,000	1,000	1,000
Energy Efficiency and Demand Management	–	–	280	915	–	–	10,000	11,000	11,000
EPWP Incentive	22,125	44,718	25,054	22,022	22,022	22,022	19,104	–	–
Urban Settlement Development Grant	669,688	599,710	254,116	177,560	488,656	488,656	221,917	231,824	274,701
Public Transport Network Grant [Schedule 5B]	40,000	120,000	202,932	110,632	266,328	266,328	358,466	301,951	319,587
Provincial Government:	292,977	356,729	821,774	347,299	846,424	846,424	370,770	387,069	400,748
Agricultural Research and Technology	–	–	–	–	–	–	–	–	–
Disaster and Emergency Services	150,624	158,155	167,454	177,033	177,033	177,033	187,301	196,322	205,745
Health	136,853	143,577	151,878	160,266	160,267	160,267	172,469	178,747	182,503
Housing	–	51,203	497,342	–	497,342	497,342	–	–	–
Libraries Archives and Museums	5,500	3,794	5,100	10,000	11,783	11,783	11,000	12,000	12,500
Other grant providers:	9,025	10,797	14,182	25,132	29,861	29,861	25,132	25,132	25,132
Public Sector SETA	9,025	10,797	14,182	25,132	29,861	29,861	25,132	25,132	25,132
Total Operating Transfers and Grants	5,042,103	5,547,121	6,199,105	5,874,142	6,844,269	6,844,269	6,618,385	7,159,582	7,801,425

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Transfers and Grants									
National Government:	1,792,444	2,269,238	2,147,324	2,614,920	2,053,373	2,053,373	2,232,165	1,541,632	1,478,565
Energy Efficiency and Demand-side	15,000	12,000	13,720	12,150	–	–	–	–	–
Integrated City Development Grant	38,078	48,646	45,537	54,295	54,295	54,295	53,577	53,023	56,064
Integrated National Electrification Program	40,000	40,000	45,000	–	8,302	8,302	–	–	–
Neighbourhood Development Partnership Grant	68,700	102,574	60,000	65,000	94,092	94,092	75,000	70,086	45,000
Public Transport Infrastructure Grant	410,002	580,718	401,708	568,521	412,825	412,825	358,000	359,000	370,000
Urban Settlement Development Grant	1,220,664	1,485,300	1,581,359	1,914,954	1,483,858	1,483,858	1,745,588	1,059,523	1,007,501
Provincial Government:	7,500	9,800	8,089	8,500	8,664	8,664	8,500	8,500	9,000
Libraries; Archives and Museums	7,500	9,800	8,089	8,500	8,664	8,664	8,500	8,500	9,000
Other transfers/grants [insert description]	–	–	–	–	–	–	–	–	–
Other grant providers:	–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	1,799,944	2,279,038	2,155,412	2,623,420	2,062,037	2,062,037	2,240,665	1,550,132	1,487,565
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,842,047	7,826,159	8,354,517	8,497,563	8,906,307	8,906,307	8,859,051	8,709,715	9,288,990

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 4.5% 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	584,751	359,761,908,600
2	Industrial	8,453	46,858,148,157
3	Business And Commercial	14,682	82,407,747,699
4	Agricultural	3,066	6,484,145,810
8	Municipal Properties	3,040	4,230,241,000
9	Public Service Infrastructure	2,576	22,211,426,760
11	Informal Settlements	5,640	462,971,000
12	Mining And Quarries	96	113,061,450
13	Vacant Land	56,624	13,257,473,650
14	Protected Areas	29	108,554,000
25	Private Towns	3	2,600,000
30	Public Service Purpose Properties	704	6,514,719,000
31	Public Service Benefit Properties	2	166,538,000
		679,666	542,579,535,126

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 of 0,1052c, 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 2020/21 financial year

Rate Code	Category	Ratio	Current Tariff (1 July 2019)	Proposed tariff (from 1 July 2020)
1	Residential	1	0.01052	0.01052
2	Industrial	2.5	0.02630	0.02630
3	Business and Commercial	2	0.02104	0.02104
4	Agriculture	0.25	0.00263	0.00263
30	State Owned Properties	2	0.02104	0.02104
8	Municipal Properties	2	0.02104	0.02104
9	Public Services Infrastructure (PSI)	0.25	0.00263	0.00263
10	Public Service Purpose Properties (PSP)	2	0.02104	0.02104
35	Public Benefit Activity Properties	0.25	0.00263	0.00263
25	Private Towns	1	0.01052	0.01052
11	Informal Settlements	1	0.01052	0.01052
12	Mining and Quarries	3	0.03156	0.03156
13	Vacant Land	4	0.04208	0.04208
14	National Monuments	1	0.01052	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 3,560.00 (2 x State pensions when amended)	100 % rebate on property rates
R3,560.01 to R7,440.00	85% rebate on property rates
R7,440.01 to R11,160.00	70% rebate on property rates
R11,160.01 to R14,880.00	55% rebate on property rates
R14,880.01 to R18,600.00	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 2019/20	PROPOSED TARIFFS 2020/21
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
0 – 6 kℓ per 30-day period	11.74	13.50
7 – 15 kℓ per 30-day period	19.34	22.24
16 – 30 kℓ per 30-day period	23.69	27.24
31 – 45 kℓ per 30-day period	29.47	33.90
46 kℓ or more per 30-day period	36.35	41.80
NON-RESIDENTIAL		
0 – 5 000 kℓ per 30-day period	25.37	29.17
5 001 – 25 000 kℓ per 30-day period	25.77	29.64
25 001 > kℓ per 30-day period	26.89	30.92

The residential tariff structure is designed to charge higher levels of consumption at a higher rate, steadily increasing to a rate of R41.80 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	77.36	88.96	11.60	15%
20	292.51	336.36	43.85	15%
30	529.41	608.76	79.35	15%
40	824.11	947.76	123.65	15%
50	1,153.21	1,326.26	173.05	15%
80	2,243.71	2,580.26	336.55	15%
100	2,970.71	3,416.26	445.55	15%

The sanitation tariff increase is based on the increase in purification cost as received from ERWAT. The ERWAT increase for the 2020/21 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 2019/20	PROPOSED TARIFFS 2020/21
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
0 – 6 kℓ per 30-day period	16.29	18.08
7 – 15 kℓ per 30-day period	13.03	14.46
16 – 30 kℓ per 30-day period	5.54	6.15
31 – 45 kℓ per 30-day period	5.09	5.65
46 kℓ or more per 30-day period	3.47	3.85
NON-RESIDENTIAL		
0 – 5 000 kℓ per 30-day period	10.22	11.34
5 001 – 25 000 kℓ per 30-day period	5.45	6.05
25 000 > kℓ per 30-day period	3.54	3.93

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	52.12	57.84	5.72	11%
20	144.97	160.89	15.92	11%
30	200.37	222.39	22.02	11%
40	251.27	278.89	27.62	11%
50	294.07	326.39	32.32	11%
80	398.17	441.89	43.72	11%
100	467.57	518.89	51.32	11%

1.4.3 Sale of Electricity

The **electricity tariff increases** are based on NERSA approval of Eskom application. It is estimated tariffs will increase in a range of between **6.23% and 8.76%**. Charge will increase Processes. Buk purchases is estimated to increase by **6.9%** in 2021.

The City has subsequently made an application to NERSA for approval of tariffs as indicated in the consultation paper. The proposed electricity tariff increases and changes are designed to generate revenue amounting to **8.66%** more than the 2019/20 adjusted budget income for CoE. The additional income figure is predicted after taking into account a zero percent growth.

There is no proposed change in the Tariff structure. The following proposed tariff increases will be applicable from 1 July 2020

- Tariff A IBT 8.76% (Tariff matching eskom exact values in block 1 & 2)
- Tarrif A IBT 6.22 % (Existing rate for Tembisa customers on the IMMS system)
- Tariff B 8.10%
- Tariff C 5.93%
- Tariff D 6.22%
- Tariff E 6.22%

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.

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. 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 2020 tariff increase:

Table 11 Summary of tariff increases: electricity

	APPROVED TARIFFS 2019/20 R	PROPOSED TARIFFS 2020/21 R	% Increase
Tariff A (Business)			
Energy charge	2.20,11	2.33,82	6.22%
Tariff A (IBT) Energy charge			
A.1 Block (1 to 600 kWh)	1.26,61	1.37,70	8.76%
A.2 Block (>600 to <=700 kWh)	2.15,21	2.34,06	8.76%
A.3 Block (>700 kWh)	6.06,56	6.59,69	8.76%
A.4 Flat rate in the case of a billing system that cannot accommodate the inclining block rate.	1.33,93	1.45,66	8.76%
Tariff B (Residential and Bulk Residential) Energy charge			
Energy charge	1.88,59	2.03,87	8.1%
Tariff B (Business, Mixed business and Residential, Commercial or Industrial) Energy charge			
Energy charge (High Demand)	2.08,61	2.21,61	6.22%
Energy charge (Low Demand)	1.65,31	1.75,61	6.22%
Tariff C Energy charge			
High Demand Season			
230/400 V	2.12,57	2.25,18	5,93%
230/400 V, direct from substation	2.08,61	2.20,98	5,93%
>230/400V & < = 11kV	2.04,66	2.16,80	5,93%
Low Demand Season			
230/400 V	1.27,14	1.34,68	5,93%
230/400 V, direct from substation	1.24,88	1.32,29	5,93%
>230/400V & < = 11kV	1.22,60	1.29,87	5,93%
Tariff D Energy charge			
High Demand Season (Peak)			
230/400 V, direct from substation	4.56,80	4.85,26	6.22%
>230/400V & < = 11kV	4.48,32	4.76,25	6.22%
>11kV	4.15,53	4.41,42	6.22%
High Demand Season (Standard)			
230/400 V, direct from substation	1.60,27	1.70,25	6.22%
>230/400V & < = 11kV	1.57,73	1.67,56	6.22%
>11kV	1.45,86	1.54,95	6.22%
High Demand Season (Off-Peak)			
230/400 V, direct from substation	0.96,65	1.02,67	6.22%
>230/400V & < = 11kV	0.94,91	1.00,82	6.22%
>11kV	0.87,91	0.93,39	6.22%

	APPROVED TARIFFS 2019/20 R	PROPOSED TARIFFS 2020/21 R	% Increase
Low Demand Season (Peak)			
230/400 V, direct from substation	1.69,83	1.80,41	6.22%
>230/400V & < = 11kV	1.66,78	1.77,17	6.22%
>11kV	1.54,42	1.64,04	6.22%
Low Demand Season (Standard)			
230/400 V, direct from substation	1.11,41	1.18,35	6.22%
>230/400V & < = 11kV	1.09,38	1.16,19	6.22%
>11kV	1.01,38	1.07,70	6.22%
Low Demand Season (Off-Peak)			
230/400 V, direct from substation	0.87,91	0.93,39	6.22%
>230/400V & < = 11kV	0.86,26	0.91,63	6.22%
>11kV	0.79,85	0.84,82	6.22%
Tariff E Energy charge			
High Demand Season (Peak)			
230/400 V	6.32,40	6.71,80	6.22%
230/400 V, direct from substation	6.21,09	6.59,78	6.22%
>230/400V & < = 11kV	6.10,01	6.48,01	6.22%
>11kV	5.64,78	5.99,97	6.22%
High Demand Season (Standard)			
230/400 V	1.80,91	1.92,18	6.22%
230/400 V, direct from substation	1.77,52	1.88,58	6.22%
>230/400V & < = 11kV	1.74,69	1.85,57	6.22%
>11kV	1.61,69	1.71,76	6.22%
High Demand Season (Off-Peak)			
230/400 V	1.06,58	1.13,22	6.22%
230/400 V, direct from substation	1.04,61	1.11,13	6.22%
>230/400V & < = 11kV	1.02,69	1.09,09	6.22%
>11kV	0.95,09	1.01,01	6.22%
Low Demand Season (Peak)			
230/400 V	1.92,28	2.04,26	6.22%
230/400 V, direct from substation	1.88,99	2.00,76	6.22%
>230/400V & < = 11kV	1.85,47	1.97,02	6.22%
>11kV	1.71,72	1.82,42	6.22%
Low Demand Season (Standard)			
230/400 V	1.26,24	1.34,10	6.22%

	APPROVED TARIFFS 2019/20 R	PROPOSED TARIFFS 2020/21 R	% Increase
230/400 V, direct from substation	1.24,09	1.31,82	6.22%
>230/400V & < = 11kV	1.21,77	1.29,36	6.22%
>11kV	1.12,75	1.19,77	6.22%
Low Demand Season (Off-Peak)			
230/400 V	0.94,75	1.00,65	6.22%
230/400 V, direct from substation	0.93,14	0.98,94	6.22%
>230/400V & < = 11kV	0.91,37	0.97,06	6.22%
>11Kv	0.84,62	0.89,89	6.22%

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 R6.59. 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)	R 189.92	R 206.55	R16.64	8.76%
500 (Tariff B)	R 955.03	R 1 039.35	R84.32	8.83%
750 (Tariff B)	R 1 426.51	R 1 549.03	R122.52	8.59%
1 000 (Tariff B)	R 1 897.98	R 2 058.70	R160.72	8.47%
2 000 (Tariff B)	R 3 783.88	R 4 097.40	R313.52	8.29%

1.4.4 Waste Removal and Impact of Tariff Increases

The proposed tariff increase for rendering of refuse removal services and disposal services remain unchanged for 2020/21. The reason for zero percent increase in refuse removal is to respond to Covid-19 and ease pressure to the businesses and community on revenue loss during the lockdown period. Zero growth rate is assumed in the 2020/21 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 2020:

Table 13 Comparison between current waste removal fees and increases

Residential Stand Size (for 240l Bins Removal)	CURRENT TARIFFS FOR 2019/20	PROPOSED TARIFFS FOR 2020/21	INCREASE	%
Property Value BELOW R300 000				
0 - 300 m ² (Properties with value of R300 000 and less)	R 148.24	R 148.24	R 0	0%
Property Value ABOVE R300 000				
Other Properties with Property Value more than R300 000	R 174.41	R 174.41	R 0	0%

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. In an effort to ease relief to customers on impact of covid-19 all Sundry tariff will not increase for 2020/21 financial year.

Table 14 Summary of the Sundry Tariff Increases

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2019/20	PROPOSED TARIFFS INCREASES 2020/21	COMMENTS
Financial Services (Schedule 6)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Building Plans & Related Services (Schedule 7)	Ranges between 2.04% - 5.56 %	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Roads Related Services (Schedule 8)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
EMPD Services (Schedule 9)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Transport Planning (Schedule 10)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2019/20	PROPOSED TARIFFS INCREASES 2020/21	COMMENTS
Disaster Management Services (Schedule 11)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Emergency Services (Schedule 12)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Libraries & Information Services (schedule 13)	No increase	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Library Auditorium (schedule 14)	No increase	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Arts, Culture & Heritage (schedule 15)	No increase	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Sports & Recreation (schedule 16)	No increase	No increase.	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Removal of Street (schedule 17)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Cemeteries & Crematoriums (schedule 18)	5.2% increase for CoE Residents and 6.5% for Non-Residents	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Advertising Signs (schedule 19)	10%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
City Planning (schedule 20)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers

NAME OF TARIFF AND SCHEDULE NO.	CURRENT TARIFFS INCREASES 2019/20	PROPOSED TARIFFS INCREASES 2020/21	COMMENTS
Economic Development (schedule 21)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Environmental Health Services (schedule 22)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Municipal Bus Services (schedule 23)	Ranges Between 4% - 25%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Hire of or use of Parks Facilities (schedule 24)	5.2%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers
Real Estate (schedule 25)	Ranges Between 5% - 6%	No increase	No increase on sundry tariffs in 2020/21, due to covid-19 relief to customers

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	437.14	489.59	523.26	562.50	562.50	562.50	–	562.50	562.50	588.37
Electricity: Basic levy	34.00	34.64	37.01	41.85	41.85	41.85	6.6%	44.62	47.56	50.71
Electricity: Consumption	1,532.20	1,561.10	1,667.90	1,884.80	1,884.80	1,884.80	8.2%	2,038.70	2,173.45	2,317.12
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	370.56	407.61	460.38	529.41	529.41	529.41	15.0%	608.76	700.07	805.08
Sanitation	151.92	165.63	180.51	200.37	200.37	200.37	11.0%	222.41	246.87	274.02
Refuse removal	149.59	160.81	172.87	174.41	174.41	174.41	–	174.41	182.43	190.82
Other	–	–	–	–	–	–	–	–	–	–
sub-total	2,675.41	2,819.38	3,041.93	3,393.34	3,393.34	3,393.34	7.6%	3,651.40	3,912.88	4,226.12
VAT on Services	313.35	326.17	377.80	424.62	424.62	424.62	–	463.33	502.55	545.66
Total large household bill:	2,988.76	3,145.55	3,419.73	3,817.96	3,817.96	3,817.96	7.8%	4,114.73	4,415.43	4,771.78
% increase/-decrease		5.2%	8.7%	11.6%	–	–		7.8%	7.3%	8.1%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	292.49	327.58	350.18	376.44	376.44	376.44	–	376.44	376.44	393.75
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	415.84	424.98	454.04	513.06	513.06	513.06	8.8%	558.00	594.88	634.20
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	287.66	316.41	357.38	410.96	410.96	410.96	15.0%	472.56	543.44	624.95
Sanitation	130.92	142.73	155.56	172.67	172.67	172.67	11.0%	191.64	212.72	236.11
Refuse removal	149.59	160.81	172.87	174.41	174.41	174.41	–	174.41	182.43	190.82
Other	–	–	–	–	–	–	–	–	–	–
sub-total	1,276.50	1,372.51	1,490.03	1,647.54	1,647.54	1,647.54	7.6%	1,773.05	1,909.91	2,079.83
VAT on Services	137.76	146.29	170.97	190.66	190.66	190.66	–	209.49	230.02	252.91
Total small household bill:	1,414.26	1,518.80	1,661.00	1,838.20	1,838.20	1,838.20	7.9%	1,982.54	2,139.93	2,332.74
% increase/-decrease		7.4%	9.4%	10.7%	–	–		7.9%	7.9%	9.0%
			0.27	0.14	(1.00)	–				
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	259.90	265.61	283.77	320.66	320.66	320.66	8.8%	348.74	371.79	396.36
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	164.14	180.54	203.92	234.49	234.49	234.49	15.0%	269.64	310.08	356.59
Sanitation	80.28	87.52	95.39	105.88	105.88	105.88	–	105.88	110.75	115.84
Refuse removal	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
sub-total	504.32	533.67	583.08	661.03	661.03	661.03	9.6%	724.26	792.62	868.79
VAT on Services	70.60	74.71	87.46	99.15	99.15	99.15	–	108.63	118.89	130.31
Total small household bill:	574.92	608.38	670.54	760.18	760.18	760.18	9.6%	832.89	911.51	999.10
% increase/-decrease		5.8%	10.2%	13.4%	–	–		9.6%	9.4%	9.6%

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 2020/21 ranges between to 7.8% and 9.6%. 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 2020/21 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 2020/21 budget and MTREF (classified per main type of operating expenditure):

Table 16 Summary of the consolidated operating expenditure by standard classification item (Table A4)

EKU City of Ekurhuleni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type										
Employee related costs	6 172 418	7 417 447	8 449 847	9 628 450	9 311 903	9 311 903	9 311 903	9 754 168	10 589 144	11 484 775
Remuneration of councillors	119 944	132 700	137 936	139 695	142 795	142 795	142 795	142 795	154 219	166 556
Debt impairment	2 609 579	1 471 479	4 147 512	1 579 646	2 989 213	2 989 213	2 989 213	3 073 502	3 386 998	3 525 024
Depreciation & asset impairment	2 115 285	2 478 458	2 586 025	2 202 789	2 203 919	2 203 919	2 203 919	2 354 667	2 517 844	2 841 869
Finance charges	901 847	983 370	944 493	1 096 076	869 054	869 054	869 054	1 128 805	1 206 326	1 279 990
Bulk purchases	12 402 511	12 245 412	13 359 107	15 703 690	15 083 038	15 083 038	15 083 038	16 850 922	18 362 200	20 030 042
Other materials	2 005 713	2 096 508	1 910 858	2 158 867	2 029 295	2 029 295	2 029 295	2 088 696	2 226 803	2 392 972
Contracted services	1 061 354	3 922 824	4 276 161	4 347 517	4 756 513	4 756 513	4 756 513	4 482 180	4 718 738	5 048 073
Transfers and subsidies	1 206 630	972 951	1 038 317	675 033	646 700	646 700	646 700	676 943	711 421	777 247
Other expenditure	1 763 820	1 151 428	1 155 810	1 258 961	1 228 403	1 228 403	1 228 403	1 190 297	1 291 382	1 386 206
Losses	(7 951)	2 982	14 417	15 307	15 307	15 307	15 307	13 000	13 702	14 442
Total Expenditure	30 351 150	32 875 559	38 020 482	38 806 031	39 276 139	39 276 139	39 276 139	41 755 974	45 178 777	48 947 197
Surplus/(Deficit)	(608 620)	(345 236)	(2 914 916)	1 484	14 873	14 873	14 873	(10 837)	438	1 448
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 788 457	2 001 283	2 135 374	2 783 460	2 215 544	2 215 544	2 215 544	2 440 665	2 448 199	2 466 630
Surplus/(Deficit) after capital transfers & contributions	1 179 836	1 657 674	(779 542)	2 784 944	2 230 417	2 230 417	2 230 417	2 429 829	2 448 637	2 468 078
Taxation	–	41 438	13 736		6 843	6 843	6 843	–	–	–
Surplus/(Deficit) after taxation	1 179 836	1 616 236	(793 278)	2 784 944	2 223 574	2 223 574	2 223 574	2 429 829	2 448 637	2 468 078
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	1 179 836	1 616 236	(793 278)	2 784 944	2 223 574	2 223 574	2 223 574	2 429 829	2 448 637	2 468 078
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	1 179 836	1 616 236	(793 278)	2 784 944	2 223 574	2 223 574	2 223 574	2 429 829	2 448 637	2 468 078

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

Employee related cost for 2020/21 has been provided for at R9.7 billion.

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 **provision of debt impairment** was determined based on an annual collection rate of 90% and the principles as set out in the Provision for Doubtful Debt and Debt Write-off Policy. For the 2020/21 financial year this amount equates to R3 billion and escalates to R3.5 billion by 2022/23

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 R2.3 billion for the 2020/21 financial year and increases to 2.8 billion over MTREF.

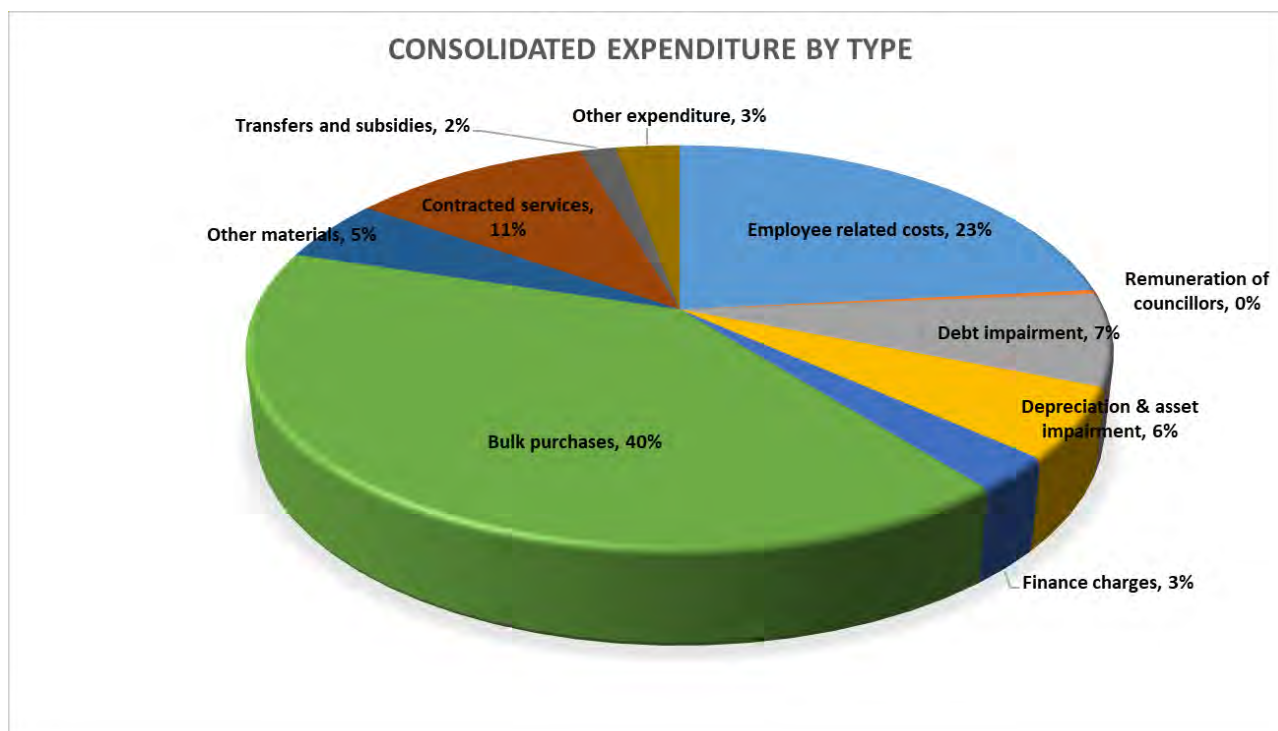
Interest on External Loans and Borrowings (excludes the annual redemption) reflects an increase from R869 million in 2019/20 to R1.1 billion in the 2020/21. This is due to Council decision to borrow R1.9 billion in 2020/21 to fund capital budget. The interest on external loan is calculated based on the 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 2020/21 against this group of expenditure is R3 billion which represents 7.3% of the total operating expenditure.

The following graph gives a breakdown of the main expenditure categories for the 2020/21 Budget.

Figure 1 Main operational expenditure categories for the 2020/21 financial year



1.5.1 Repairs and maintenance

Aligned to the priority given to preserving and maintaining the City’s current infrastructure, the 2020/21 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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Other materials	2,106,148	1,296,827	1,470,420	1,647,955	1,544,489	1,544,489	1,544,489	1,649,450	1,785,911	1,931,641
Contracted Services	-	821,743	985,001	1,377,594	1,238,123	1,238,123	1,238,123	1,390,742	1,465,810	1,544,954
Other Expenditure										
Total Repairs and Maintenance Expenditure	2,106,148	2,118,570	2,455,421	3,025,549	2,782,611	2,782,611	2,782,611	3,040,191	3,251,721	3,476,595

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)

Description R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1,739,371	1,747,514	2,124,444	2,183,788	2,071,338	2,071,338	2,272,848	2,441,195	2,620,323
Roads Infrastructure	587,575	590,014	735,711	692,412	621,653	621,653	488,324	514,694	542,487
<i>Roads</i>	587,575	572,952	711,938	671,461	597,957	597,957	467,365	492,603	519,203
<i>Road Furniture</i>	–	17,062	23,773	20,951	23,696	23,696	20,959	22,091	23,284
Storm water Infrastructure	45,404	46,733	50,270	41,503	27,973	27,973	41,518	43,760	46,123
<i>Drainage Collection</i>	45,404	46,733	50,270	41,503	27,973	27,973	41,518	43,760	46,123
Electrical Infrastructure	571,233	572,281	858,158	892,503	1,041,834	1,041,834	1,151,433	1,223,204	1,299,615
<i>HV Substations</i>	27,655	27,091	32,852	50,135	37,035	37,035	81,299	85,796	90,543
<i>HV Transmission Conductors</i>	–	565	6,573	6,312	6,312	6,312	7,361	8,659	10,218
<i>MV Substations</i>	497,088	18,685	20,217	23,686	33,516	33,516	55,492	58,488	61,647
<i>MV Networks</i>	–	479,186	723,576	657,958	811,987	811,987	764,973	814,867	868,023
<i>LV Networks</i>	46,491	46,754	74,940	154,412	143,825	143,825	215,612	227,255	239,526
<i>Capital Spares</i>	–	–	–	–	9,158	9,158	6,133	6,464	6,813
Water Supply Infrastructure	219,379	221,544	197,502	272,065	171,342	171,342	301,861	335,664	373,917
<i>Bulk Mains</i>	5,566	5,566	3,234	8,100	3,098	3,098	6,492	6,843	7,212
<i>Distribution</i>	213,813	215,979	194,268	263,964	168,244	168,244	295,369	328,821	366,704
Sanitation Infrastructure	266,193	267,353	227,812	223,234	156,707	156,707	224,289	254,918	285,501
<i>Pump Station</i>	–	114,057	88,238	78,461	22,829	22,829	60,382	63,643	67,080
<i>Reticulation</i>	266,193	57,779	42,790	51,418	40,523	40,523	54,838	57,800	60,921
<i>Waste Water Treatment Works</i>	–	95,517	96,783	93,355	93,355	93,355	109,068	133,475	157,500
Solid Waste Infrastructure	49,588	49,588	54,992	62,071	51,829	51,829	65,423	68,956	72,679
<i>Landfill Sites</i>	49,588	49,588	54,992	62,071	51,829	51,829	65,423	68,956	72,679
Community Assets	125	125	745	998	998	998	3,310	3,264	3,322
Community Facilities	125	125	745	998	998	998	1,010	1,064	1,122
<i>Taxi Ranks/Bus Terminals</i>	125	125	745	998	998	998	1,010	1,064	1,122
Sport and Recreation Facilities	–	–	–	–	–	–	2,300	2,200	2,200
<i>Outdoor Facilities</i>	–	–	–	–	–	–	2,300	2,200	2,200
	1	1	1	1	1	1	1	1	1
Investment properties	42,268	42,276	42,821	56,967	40,013	40,013	58,029	61,163	64,466
Revenue Generating	42,268	–	–	–	–	–	–	–	–
<i>Improved Property</i>	42,268	–	–	–	–	–	–	–	–
Non-revenue Generating	–	42,276	42,821	56,967	40,013	40,013	58,029	61,163	64,466
<i>Improved Property</i>	–	42,276	42,821	56,967	40,013	40,013	58,029	61,163	64,466
Other assets	145,284	145,646	70,426	326,012	196,596	196,596	198,880	211,110	224,395
Operational Buildings	145,284	145,646	70,426	326,012	196,596	196,596	198,880	211,110	224,395
<i>Municipal Offices</i>	145,284	145,646	70,426	326,012	196,596	196,596	198,880	211,110	224,395
Computer Equipment	30,422	4	0	4	4	4	–	–	–
Computer Equipment	30,422	4	0	4	4	4	–	–	–
Furniture and Office Equipment	–	30,454	29,698	263,058	290,738	290,738	319,663	336,928	355,110
Furniture and Office Equipment	–	30,454	29,698	263,058	290,738	290,738	319,663	336,928	355,110
Machinery and Equipment	4,326	4,338	2,140	4,744	4,138	4,138	2,368	2,500	2,616
Machinery and Equipment	4,326	4,338	2,140	4,744	4,138	4,138	2,368	2,500	2,616
Transport Assets	144,351	148,214	185,146	189,978	178,786	178,786	185,092	195,561	206,364
Transport Assets	144,351	148,214	185,146	189,978	178,786	178,786	185,092	195,561	206,364
Total Repairs and Maintenance Expenditure	2,106,148	2,118,570	2,455,421	3,025,549	2,782,611	2,782,611	3,040,191	3,251,721	3,476,595

The amount budgeted for repairs and maintenance in the 2020/21 financial year represents 5.2% 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	Audited Actuals 2017/18	Audited Actuals 2018/19	Adjusted Budget 2019/20	Proposed Budget 2020/21	% Increase	Proposed Budget 2021/22	Proposed Budget 2022/23
Residential Prop: Developed (COST)	873,714,392	926,299,709	969,872,238	969,872,238	0.00%	1,014,486,360	1,061,152,733
Income Forgone: Sanitation 6Kl	396,593,179	319,660,405	345,842,007	383,884,628	11.00%	426,111,937	472,984,250
Income Forgone: Water 6Kl	543,822,184	275,108,622	494,093,016	568,206,968	15.00%	653,438,013	751,453,715
TOTAL FREE BASIC SERVICE	1,814,129,755	1,521,068,736	1,809,807,261	1,921,963,834	6.20%	2,094,036,310	2,285,590,698
Grants: Indigent Rates	58,882,566	108,923,573	63,260,673	63,260,673	0.00%	66,170,663	69,214,514
Grants: Pensioner Rebate	56,577,138	69,909,319	72,678,268	72,678,268	0.00%	76,021,469	79,518,456
Grants: Free Basic Electricity	245,304,035	256,774,246	299,387,269	319,146,829	6.60%	340,242,434	362,732,459
Eskom Supplied Area	73,874,352	115,010,287	170,990,912	184,818,873	8.09%	197,035,401	210,059,441
Tankering of Water	23,166,001	26,132,488	25,443,506	26,766,568	5.20%	27,997,830	29,285,730
Grants: Refuse Removal	137,378,422	171,615,236	183,481,756	183,481,756	0.00%	191,921,917	200,750,325
Refuse Removal: Informal Settlements	14,295,009	19,311,492	51,700,000	50,000,000	-3.29%	52,300,000	54,705,800
Grants: Sanitation 3Kl	35,757,144	64,165,267	52,005,684	57,726,309	11.00%	64,076,203	71,124,585
Grants: Water 3Kl	50,903,833	44,670,731	77,242,741	88,829,152	15.00%	102,153,525	117,476,554
chemical toilets funded by own revenue	557,848,424	921,465,370	279,070,860	450,000,000	61.25%	474,300,000	499,912,200
Excess Consumption(Water residential-cost)	502,392,802	532,153,662	615,579,192	615,300,000	-0.05%	615,300,000	615,300,000
TOTAL GRANT INDIGENTS	1,756,379,726	2,330,131,671	1,890,840,861	2,112,008,428	11.70%	2,207,519,442	2,310,080,064
DISCRETIONARY GRANTS: SOCIAL SUPPORT	95,335,466	33,275,924	-	-	0.00%	-	-
INDIGENT BURIALS	4,261,284	3,676,995	4,011,217	2,534,823	-36.81%	2,671,703	2,815,975
SUBSIDY: SPCA	3,368,675	2,896,943	3,041,790	3,041,790	0.00%	3,041,790	3,041,790
GRANTS: EDUCATION (EXTERNAL)	115,654,046	89,205,318	100,000,000	100,000,000	0.00%	100,000,000	100,000,000
GRANTS: INDIGENT MANAGEMENT	5,471,429	4,982,716	996,910	4,121,484	313.43%	4,121,484	4,121,484
TOTAL OTHER GRANTS	224,090,900	134,037,896	108,049,917	109,698,097	1.53%	109,834,977	109,979,249
GRAND TOTAL	3,794,600,381	3,985,238,303	3,808,698,039	4,143,670,359	8.79%	4,411,390,729	4,705,650,011

The total cost of FBS and grants and subsidies as budgeted in 2020/21 amounts to R4.1billion.

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:

- The provision of ablution facilities to informal settlements are 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 78.

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 2021/22 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 previously approved in the 2019/20 to 2021/22 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 Consolidated Medium-term Capital Budget per vote–

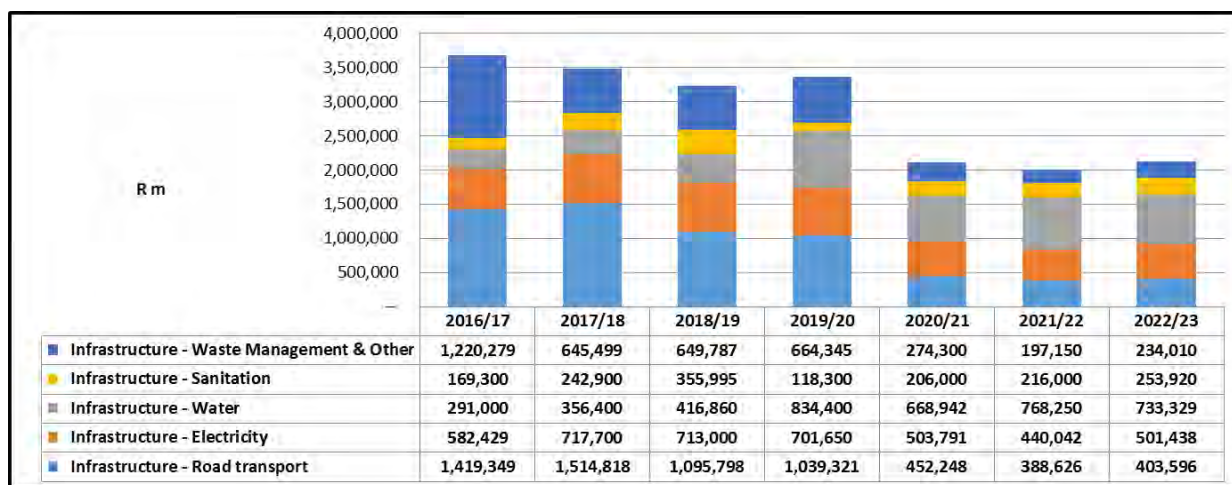
Vote Description	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework						
	R thousand	2019/20 Adjusted Budget	%	Full Year Forecast	Budget Year 2020/21	%	Budget Year 2021/22	%	Budget Year 2022/23	%
Capital Expenditure - Standard										
Chief Operating Officer	47,800,000	0.96%	45,410,000	70,140,000	1.42%	66,000,000	1.45%	66,000,000	1.46%	
City Manager	50,000	0.00%	47,500		0.00%		0.00%		0.00%	
City Planning	550,000	0.01%	522,500	300,000	0.01%	300,000	0.01%		0.00%	
Communication and Brand Management	25,000	0.00%	23,750	2,525,000	0.05%	5,025,000	0.11%	7,500,000	0.17%	
Corporate Legal Services	133,205	0.00%	126,544.75	55,000	0.00%		0.00%		0.00%	
Council General	323,821,106	6.48%	307,630,050.70	291,247,572	5.91%	212,567,852	4.68%	160,156,473	3.54%	
Disaster & Emergency Management Services	67,951,961	1.36%	64,554,362.95	106,700,000	2.16%	83,000,000	1.83%	68,000,000	1.50%	
Economic Development	46,780,000	0.94%	44,441,000	116,600,000	2.37%	135,500,000	2.98%	68,000,000	1.50%	
Ekurhuleni Metro Police Department	83,528,198	1.67%	79,351,788.10	77,038,500	1.56%	97,152,000	2.14%	106,252,000	2.35%	
Energy	627,764,653	12.55%	596,376,420.35	503,790,800	10.22%	440,041,600	9.69%	501,437,600	11.09%	
Environmental Resources & Waste Management	230,869,098	4.62%	219,325,643.10	274,300,000	5.56%	197,150,000	4.34%	234,010,000	5.18%	
Executive Office	181,247	0.00%	172,184.65	500,000	0.01%	500,000	0.01%		0.00%	
Finance	270,000	0.01%	256,500	170,000	0.00%	150,000	0.00%		0.00%	
Health and Social Development	2,632,868	0.05%	2,501,224.60	4,260,000	0.09%	9,400,000	0.21%	4,725,000	0.10%	
Human Resources Management	150,000	0.00%	142,500	75,000	0.00%	75,000	0.00%	75,000	0.00%	
Human Settlements	1,120,054,444	22.40%	1,064,051,721.80	726,439,000	14.74%	786,702,719	17.32%	870,196,627	19.25%	
Information and Communication Technology	646,307,858	12.92%	613,992,465.10	632,319,768	12.83%	399,080,000	8.79%	344,350,000	7.62%	
Internal Audit	30,000	0.00%	28,500	20,000	0.00%	20,000	0.00%		0.00%	
Real Estate	76,148,381	1.52%	72,340,961.95	238,362,914	4.83%	214,520,000	4.72%	173,734,900	3.84%	
Risk Management	9,500	0.00%	9,025	10,000	0.00%	10,000	0.00%		0.00%	
Roads and Stormwater	397,698,208	7.95%	377,813,297.60	452,248,075	9.17%	388,626,378	8.56%	403,596,000	8.93%	
Sport Recreation Arts and Culture	40,779,678	0.82%	38,740,694.10	75,289,030	1.53%	82,228,000	1.81%	87,860,800	1.94%	
Strategy & Corporate Planning	120,000	0.00%	114,000	10,000	0.00%	10,000	0.00%	10,000	0.00%	
Transport Planning & Provision	491,659,808	9.83%	467,076,817.60	478,206,300	9.70%	435,292,306	9.58%	432,542,306	9.57%	
Water and Sanitation	644,304,805	12.88%	612,089,564.75	668,941,764	13.57%	768,250,000	16.91%	733,328,704	16.22%	
Brakpan Bus Company (BBC)	133,488	0.00%	126,813.60	3,344,391	0.07%	3,454,957	0.08%	3,634,435	0.08%	
Ekurhuleni Housing Company (EHC)	5,235,371	0.10%	4,973,602.45	1,084,531	0.02%	1,183,530	0.03%	1,313,488	0.03%	
ERWAT	145,635,521	2.91%	138,353,744.95	206,000,000	4.18%	216,000,000	4.76%	253,920,000	5.62%	
Total Capital Budget	5,000,624,398	100.00%	4,750,593,178.10	4,929,977,645	100.00%	4,542,239,342	100.00%	4,520,643,333	100.00%	

For 2020/21 an amount of R2.105 billion has been appropriated for the development of infrastructure which represents 42.70% of the total Capital Budget. In the outer years, this amount totals R2.010 billion, 44.25 and R2.126 billion, 47.04% 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 2020/21 budget and MTREF to be tabled to Council. Each table is accompanied by explanatory notes.

Table 21 MBRR Table A1 - Consolidated Budget Summary

EKU Ekurhuleni Metro - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	3,990,437	5,200,065	5,395,431	6,140,478	6,140,478	6,140,478	6,140,478	6,140,478	6,422,940	6,718,395
Service charges	18,682,500	18,403,953	20,586,159	23,728,239	22,855,236	22,855,236	22,855,236	25,954,543	28,285,905	30,861,401
Investment revenue	637,393	620,079	397,694	438,015	435,015	435,015	435,015	233,778	233,703	233,717
Transfers recognised - operational	5,047,640	3,732,208	4,010,130	4,196,211	5,189,933	5,189,933	5,189,933	4,864,637	5,216,645	5,696,790
Other own revenue	1,384,560	4,574,019	4,716,152	4,304,572	4,670,350	4,670,350	4,670,350	4,551,702	5,020,021	5,438,342
Total Revenue (excluding capital transfers and contributions)	29,742,529	32,530,324	35,105,566	38,807,515	39,291,012	39,291,012	39,291,012	41,745,137	45,179,215	48,948,646
Employee costs	6,172,418	7,417,447	8,449,847	9,628,450	9,311,903	9,311,903	9,311,903	9,754,168	10,589,144	11,484,775
Remuneration of councillors	119,944	132,700	137,936	139,695	142,795	142,795	142,795	142,795	154,219	166,556
Depreciation & asset impairment	2,115,285	2,478,458	2,586,025	2,202,789	2,203,919	2,203,919	2,203,919	2,354,667	2,517,844	2,841,869
Finance charges	901,847	983,370	944,493	1,096,076	869,054	869,054	869,054	1,128,805	1,206,326	1,279,990
Materials and bulk purchases	14,408,224	14,341,920	15,269,964	17,862,556	17,112,333	17,112,333	17,112,333	18,939,618	20,589,003	22,423,014
Transfers and grants	1,206,630	972,951	1,038,317	675,033	646,700	646,700	646,700	676,943	711,421	777,247
Other expenditure	5,426,801	6,548,714	9,593,900	7,201,431	8,989,436	8,989,436	8,989,436	8,758,978	9,410,821	9,973,746
Total Expenditure	30,351,150	32,875,559	38,020,482	38,806,031	39,276,139	39,276,139	39,276,139	41,755,974	45,178,777	48,947,197
Surplus/(Deficit)	(608,620)	(345,236)	(2,914,916)	1,484	14,873	14,873	14,873	(10,837)	438	1,448
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,788,457	2,001,283	2,135,374	2,783,460	2,215,544	2,215,544	2,215,544	2,440,665	2,448,199	2,466,630
Surplus/(Deficit) after capital transfers & contributions	1,179,836	1,657,674	(779,542)	2,784,944	2,230,417	2,230,417	2,230,417	2,429,829	2,448,637	2,468,078
Surplus/(Deficit) for the year	1,179,836	1,657,674	(779,542)	2,784,944	2,230,417	2,230,417	2,230,417	2,429,829	2,448,637	2,468,078

EKU Ekurhuleni Metro - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Capital expenditure & funds sources										
Capital expenditure	4,702,035	5,731,827	5,982,968	7,417,207	5,000,624	5,000,624	5,000,624	4,929,978	4,542,239	4,520,643
Transfers recognised - capital	1,788,457	2,003,877	2,056,573	2,783	2,062,037	2,062,037	2,062,037	2,440,665	2,448,199	2,466,630
Borrowing	1,300,000	2,873,286	2,995,390	3,750	2,212,498	2,212,498	2,212,498	1,976,039	1,581,988	1,544,769
Internally generated funds	1,613,578	854,664	931,006	884	726,089	726,089	726,089	513,273	512,052	509,244
Total sources of capital funds	4,702,035	5,731,827	5,982,968	7,417	5,000,624	5,000,624	5,000,624	4,929,978	4,542,239	4,520,643
Financial position										
Total current assets	12,283,090	12,093,299	11,157,281	12,696,533	11,769,367	8,270,803	8,270,803	7,624,429	7,767,352	8,643,574
Total non current assets	53,416,188	57,394,823	60,957,175	62,732,481	60,315,898	60,315,898	60,315,898	65,729,928	67,136,188	69,086,188
Total current liabilities	8,296,580	9,865,883	10,562,151	9,805,900	12,061,762	8,862,237	8,862,237	9,986,084	10,242,215	10,453,774
Total non current liabilities	8,254,489	8,870,677	11,592,131	16,552,220	14,342,220	14,342,220	14,342,220	14,641,181	15,674,151	18,919,049
Community wealth/Equity	49,148,208	50,751,562	49,960,174	49,070,894	45,681,283	45,382,244	45,382,244	48,727,092	48,987,173	48,356,939
Cash flows										
Net cash from (used) operating	3,267,504	3,244,217	3,316,297	6,090,629	3,408,788	1,167,675	1,167,675	4,350,662	4,533,823	4,858,914
Net cash from (used) investing	(5,239,077)	(6,463,614)	(6,074,052)	(6,596,725)	(4,180,142)	(3,999,593)	(3,999,593)	(4,653,479)	(4,285,127)	(4,264,611)
Net cash from (used) financing	(334,667)	876,861	2,628,526	2,830,934	2,169,026	731,026	731,026	31,758	240,993	190,903
Cash/cash equivalents at the year end	6,000,822	3,658,286	3,529,056	5,853,894	4,926,728	1,428,164	1,428,164	1,157,105	1,646,794	2,432,000
Cash backing/surplus reconciliation										
Cash and investments available	7,579,959	5,839,494	5,626,934	7,983,379	7,056,213	3,557,649	3,557,649	3,256,590	3,746,279	4,531,485
Application of cash and investments	1,404,538	2,134,597	3,398,952	2,867,918	5,526,797	2,665,210	2,665,210	3,246,050	3,720,719	3,788,147
Balance - surplus (shortfall)	6,175,421	3,704,896	2,227,982	5,115,461	1,529,416	892,439	892,439	10,540	25,560	743,338

EKU Ekurhuleni Metro - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Asset management										
Asset register summary (WDV)	–	–	–	–	–	–	–	–	–	–
Depreciation	2,115,285	2,478,458	2,586,025	2,202,789	2,203,919	2,203,919	2,203,919	2,354,667	2,517,844	2,841,869
Renewal and Upgrading of Existing Assets	2,240,835	4,332,720	5,295,991	6,482,591	4,554,722	4,554,722	4,554,722	4,245,362	3,774,527	3,823,300
Repairs and Maintenance	2,106,148	2,118,570	2,455,421	3,025,549	2,782,611	2,782,611	2,782,611	3,040,191	3,251,721	3,476,595
Free services										
Cost of Free Basic Services provided	2,566,965	2,854,239	3,300,582	4,086,261	4,086,261	4,086,261	4,067,884	4,067,884	4,366,707	4,718,734
Revenue cost of free services provided	1,910,500	2,150,360	1,794,082	2,137,524	2,137,524	2,137,524	2,240,829	2,240,829	2,456,187	2,690,643
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	10	5	5	5	10	10	10	10
Refuse:	165	164	165	–	–	–	246	246	246	246

Explanatory notes to MBRR Table A1 – Consolidated 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 – Consolidated Budgeted Financial Performance (revenue and expenditure by function classification)

EKU Ekurhuleni Metro - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)									
Functional Classification Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional									
<i>Governance and administration</i>	7 335 233	8 447 571	8 739 952	9 527 961	9 458 781	9 458 781	9 343 216	9 683 025	10 224 472
Executive and council	1 344	–	–	–	–	–	–	–	–
Finance and administration	7 333 061	8 447 571	8 739 952	9 527 961	9 458 781	9 458 781	9 343 216	9 683 025	10 224 472
Internal audit	828	–	–	–	–	–	–	–	–
<i>Community and public safety</i>	1 231 252	1 789 719	2 433 988	2 167 229	2 781 893	2 781 893	1 874 327	2 480 580	2 538 924
Community and social services	36 791	196 461	203 988	232 886	232 462	232 462	237 097	248 612	260 097
Sport and recreation	22 490	14 733	14 217	15 891	12 881	12 881	12 717	12 798	13 383
Public safety	158 321	174 465	698 913	145 962	585 349	585 349	578 247	578 247	578 247
Housing	812 838	1 250 792	1 356 190	1 599 133	1 774 793	1 774 793	865 364	1 453 743	1 496 261
Health	200 810	153 268	160 680	173 356	176 407	176 407	180 902	187 180	190 936
<i>Economic and environmental services</i>	737 914	833 398	737 923	1 023 071	1 026 605	1 026 605	1 114 878	994 747	1 066 144
Planning and development	53 975	114 907	60 395	67 291	67 291	67 291	56 542	37 438	37 438
Road transport	683 909	718 464	677 527	955 635	959 314	959 314	1 058 337	957 309	1 028 706
Environmental protection	30	27	1	144	0	0	–	–	–
<i>Trading services</i>	21 970 566	23 147 403	25 000 644	28 540 978	27 965 222	27 965 222	31 579 324	34 195 005	37 311 679
Energy sources	13 814 230	13 738 776	14 816 508	16 533 647	16 015 278	16 015 278	17 725 288	18 662 385	19 901 992
Water management	5 204 690	4 940 478	5 723 153	6 954 240	6 767 617	6 767 617	8 369 514	9 418 683	10 626 419
Waste water management	1 112 771	2 136 370	2 489 517	2 892 460	2 916 695	2 916 695	3 270 250	3 763 698	4 290 501
Waste management	1 838 876	2 331 779	1 971 466	2 160 631	2 265 631	2 265 631	2 214 271	2 350 239	2 492 767
<i>Other</i>	256 021	315 143	328 432	331 737	274 055	274 055	274 057	274 057	274 057
Total Revenue - Functional	31 530 986	34 533 234	37 240 940	41 590 975	41 506 556	41 506 556	44 185 803	47 627 414	51 415 275

EKU Ekurhuleni Metro - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)									
Functional Classification Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure - Functional									
Governance and administration	2 281 482	3 807 134	6 489 211	5 071 405	5 762 868	5 762 868	6 097 075	6 576 684	7 032 727
Executive and council	683 447	484 208	500 945	523 844	471 104	471 104	492 021	526 642	564 030
Finance and administration	1 235 578	3 266 187	5 916 612	4 468 159	5 215 344	5 215 344	5 533 886	5 974 168	6 387 753
Internal audit	362 457	56 738	71 654	79 402	76 419	76 419	71 168	75 873	80 944
Community and public safety	4 865 729	6 091 198	6 256 676	6 029 409	6 736 980	6 736 980	6 269 542	6 724 970	7 233 076
Community and social services	410 040	967 397	681 203	795 422	763 808	763 808	745 421	802 277	863 003
Sport and recreation	904 770	917 583	1 019 455	1 105 988	935 272	935 272	1 094 240	1 171 799	1 255 180
Public safety	1 721 569	1 752 898	1 907 548	1 976 588	2 526 553	2 526 553	2 393 560	2 581 686	2 785 318
Housing	556 533	1 075 540	1 158 538	525 812	921 168	921 168	420 649	429 056	454 407
Health	1 272 818	1 377 780	1 489 932	1 625 599	1 590 179	1 590 179	1 615 672	1 740 152	1 875 168
Economic and environmental services	2 195 761	2 878 785	3 298 956	3 232 714	3 028 226	3 028 226	3 219 564	3 309 925	3 500 467
Planning and development	545 430	702 128	679 519	775 479	643 945	643 945	682 346	699 120	736 734
Road transport	1 553 278	2 085 810	2 464 568	2 354 196	2 308 455	2 308 455	2 432 264	2 498 645	2 643 843
Environmental protection	97 053	90 846	154 868	103 039	75 826	75 826	104 953	112 160	119 890
Trading services	20 804 114	19 897 042	21 733 594	24 197 398	23 478 275	23 478 275	25 897 435	28 273 788	30 864 792
Energy sources	14 348 856	11 986 258	13 083 962	15 012 524	14 722 002	14 722 002	16 092 043	17 214 421	18 415 541
Water management	4 663 467	5 751 893	6 436 634	6 768 659	6 317 604	6 317 604	7 299 759	8 196 432	9 243 257
Waste water management	595 423	881 484	1 039 704	1 060 346	1 053 731	1 053 731	1 161 903	1 433 245	1 684 473
Waste management	1 196 367	1 277 407	1 173 294	1 355 869	1 384 937	1 384 937	1 343 729	1 429 691	1 521 521
Other	204 064	242 839	255 781	275 105	276 634	276 634	272 358	293 410	316 135
Total Expenditure - Functional	30 351 150	32 916 997	38 034 218	38 806 031	39 282 982	39 282 982	41 755 974	45 178 777	48 947 197
Surplus/(Deficit) for the year	1 179 836	1 616 236	(793 278)	2 784 944	2 223 574	2 223 574	2 429 829	2 448 637	2 468 078

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

1. Table A2 is a view of the consolidated 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 City of Ekurhuleni - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)									
Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote									
Vote 1 - Executive & Council	–	201 974	271 876	307 440	203 531	203 531	222 001	7 001	7 001
Vote 2 - Finance And Corporate Services	7 467 422	8 212 699	8 436 323	9 178 698	9 203 427	9 203 427	9 083 049	9 637 858	10 179 304
Vote 3 - Energy	13 715 715	13 738 776	14 816 508	16 533 647	16 015 278	16 015 278	17 725 288	18 662 385	19 901 992
Vote 4 - Water And Sanitation	6 477 290	7 076 847	8 212 670	9 846 700	9 684 312	9 684 312	11 639 765	13 182 381	14 916 919
Vote 5 - Waste Management	1 694 152	2 331 779	1 972 447	2 161 704	2 266 704	2 266 704	2 215 343	2 351 311	2 493 839
Vote 6 - Human Settlements	716 872	1 283 690	1 386 963	1 639 884	1 825 544	1 825 544	902 459	1 490 838	1 533 355
Vote 7 - City Planning	31 754	70 133	35 088	45 269	45 269	45 269	37 438	37 438	37 438
Vote 8 - Economic Development	36 339	66 531	48 495	47 675	45 950	45 950	43 033	23 929	23 929
Vote 9 - Disaster And Emergency Management Services	73 748	173 979	181 110	202 996	202 996	202 996	197 290	206 311	215 734
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	(36 046)	20 758	20 326	28 223	25 130	25 130	24 184	25 184	26 184
Vote 11 - Health And Social Development	165 026	148 520	156 623	164 774	167 825	167 825	176 993	183 271	187 027
Vote 12 - Environmental Resource Management	(22 318)	24 425	23 171	35 554	35 068	35 068	34 235	35 810	37 457
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	145 715	171 273	696 568	136 693	576 080	576 080	576 261	576 261	576 261
Vote 14 - Transport	746 346	815 694	822 133	1 160 794	1 109 901	1 109 901	1 049 288	998 135	1 028 608
Vote 15 - Road Transport	318 971	196 155	160 639	100 925	99 541	99 541	259 176	209 302	250 226
Total Revenue by Vote	31 530 986	34 533 234	37 240 940	41 590 975	41 506 556	41 506 556	44 185 803	47 627 414	51 415 275

EKU City of Ekurhuleni - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)									
Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure by Vote to be appropriated									
Vote 1 - Executive & Council	349 497	1 132 641	1 308 645	1 438 993	1 297 719	1 297 719	1 478 942	1 606 685	1 895 228
Vote 2 - Finance And Corporate Services	1 829 254	2 239 309	4 591 600	3 013 719	3 899 816	3 899 816	3 996 170	4 305 926	4 428 330
Vote 3 - Energy	14 316 223	11 986 258	13 083 962	15 012 524	14 722 002	14 722 002	16 092 043	17 214 421	18 415 541
Vote 4 - Water And Sanitation	5 242 947	6 619 297	7 462 877	7 813 324	7 363 925	7 363 925	8 449 609	9 616 913	10 914 203
Vote 5 - Waste Management	1 196 367	1 277 407	1 173 334	1 355 965	1 385 031	1 385 031	1 343 775	1 429 739	1 521 571
Vote 6 - Human Settlements	556 540	1 433 702	1 553 201	1 056 613	1 416 921	1 416 921	954 505	998 023	1 060 921
Vote 7 - City Planning	254 360	297 539	333 666	325 799	245 621	245 621	290 934	311 715	333 098
Vote 8 - Economic Development	295 838	300 999	312 909	399 459	339 683	339 683	343 221	335 583	347 888
Vote 9 - Disaster And Emergency Management	649 056	912 695	870 100	943 624	963 299	963 299	915 342	985 967	1 062 141
Vote 10 - Sports, Recreation, Arts & Culture	728 461	883 078	708 940	762 636	724 654	724 654	743 949	797 050	853 606
Vote 11 - Health And Social Development	879 978	952 176	1 019 503	1 133 894	1 055 816	1 055 816	1 119 834	1 204 847	1 297 251
Vote 12 - Environmental Resource Management	683 010	738 258	804 508	863 282	688 146	688 146	854 787	917 207	984 354
Vote 13 - Ekurhuleni Metropolitan Police Department	1 396 498	1 715 659	1 873 955	1 932 679	2 493 833	2 493 833	2 350 979	2 536 313	2 736 964
Vote 14 - Transport	397 210	657 188	885 476	782 159	891 416	891 416	998 477	991 236	1 059 072
Vote 15 - Road Transport	1 575 911	1 770 792	2 051 542	1 971 362	1 795 099	1 795 099	1 823 408	1 927 153	2 037 030
Total Expenditure by Vote	30 351 150	32 916 997	38 034 218	38 806 031	39 282 982	39 282 982	41 755 974	45 178 777	48 947 197
Surplus/(Deficit) for the year	1 179 836	1 616 236	(793 278)	2 784 944	2 223 574	2 223 574	2 429 829	2 448 637	2 468 078

Explanatory notes to MBRR Table A3 – Consolidated 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	1617	1718	1819	Current Year 2019/20			2020/21 Medium Term Revenue &		
	Audited	Audited	Audited	Original	Adjusted	Full year	Budget	Budget	Budget
	Outcome	Outcome	Outcome	Budget	Budget	Forecast	2020/21	2021/22	2022/23
Electricity									
Total Revenue (incl. capital grants and transfers)	13,715,715	13,738,776	14,816,508	16,533,647	16,015,278.00	16,015,278.00	17,573,921.00	18,511,018.00	19,750,625.00
Operating Expenditure	14,316,223	11,986,258	13,083,962	15,012,524	14,722,002.00	14,722,002.00	16,092,043.00	17,214,421.00	18,415,541.00
Surplus/ (Deficit) for the year	(600,508)	1,752,519	1,732,545	1,521,123	1,293,276.00	1,293,276.00	1,481,878.00	1,296,597.00	1,335,084.00
Percentage Surplus	-4.38%	12.76%	11.69%	9.20%	8.08%	8.08%	8.43%	7.00%	6.76%
Water									
Total Revenue (incl capital grants and transfers)	6,477,290	7,076,847	8,212,670	9,846,700	9,684,312.00	9,684,312.00	12,251,224.00	13,795,833.00	15,530,270.00
Operating Expenditure	5,242,947	6,619,297	7,462,877	7,813,324	7,363,925.00	7,363,925.00	8,449,609.00	9,616,913.00	10,914,203.00
Surplus/ (Deficit) for the year	1,234,342	457,551	749,793	2,033,376	2,320,387	2,320,387	3,801,615	4,178,920	4,616,067
Percentage Surplus	19.06%	6.47%	9.13%	20.65%	23.96%	24%	31.03%	30%	30%
Refuse									
Total Revenue (incl capital grants and transfers)	1,694,152	2,331,779	1,972,447	2,161,704	2,266,703.73	2,266,703.73	2,246,144.52	2,383,557.14	2,527,595.82
Operating Expenditure	1,196,367	1,277,407	1,173,334	1,355,965	1,385,030.59	1,385,030.59	2,198,516.42	2,346,897.27	2,505,875.22
Surplus/ (Deficit) for the year	497,784	1,054,372	799,112	805,739	881,673	881,673	47,628	36,660	21,721
Percentage Surplus	29%	45%	41%	37%	39%	39%	2%	2%	1%
Total for Trading Services									
Total Revenue (incl capital grants and transfers)	21,887,156	23,147,403	25,001,625	28,542,050	27,966,294	27,966,294	32,071,290	34,690,408	37,808,491
Operating Expenditure	20,755,537	19,882,961	21,720,174	24,181,813	23,470,958	23,470,958	26,740,168	29,178,231	31,835,619
Surplus/ (Deficit) for the year	1,131,619	3,264,442	3,281,451	4,360,237	4,495,336	4,495,336	5,331,121	5,512,177	5,972,872
Percentage Surplus	5%	14%	13%	15%	16%	16%	17%	16%	16%

The electricity-trading surplus is increasing from R1.2 billion in 2019/20 adjusted budget to R1.4 billion in 2020/21. 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 R3.8 billion in 2020/21. The surplus in the two outer years is R4.1 billion and R4.6 billion respectively.

Waste Management reflects a surplus of R47 thousand in 2020/21. The reduction in refuse removal is mainly contributed by zero percent increase in tariff.

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

EKU City of Ekurhuleni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source										
Property rates	3 990 437	5 200 065	5 395 431	6 140 478	6 140 478	6 140 478	6 140 478	6 140 478	6 422 940	6 718 395
Service charges - electricity revenue	12 903 718	12 893 182	13 915 463	15 553 417	15 070 434	15 070 434	15 070 434	16 759 382	17 857 172	19 027 526
Service charges - water revenue	3 395 581	3 152 220	3 873 112	4 870 108	4 480 087	4 480 087	4 480 087	5 693 863	6 640 619	7 731 919
Service charges - sanitation revenue	1 109 672	1 168 271	1 477 906	1 771 371	1 771 371	1 771 371	1 771 371	1 966 130	2 182 308	2 422 260
Service charges - refuse revenue	1 273 529	1 190 279	1 319 679	1 533 344	1 533 344	1 533 344	1 533 344	1 535 167	1 605 806	1 679 696
Rental of facilities and equipment	67 521	108 641	116 471	136 271	123 465	123 465	123 465	126 585	129 316	132 198
Interest earned - external investments	637 393	620 079	397 694	438 015	435 015	435 015	435 015	233 778	233 703	233 717
Interest earned - outstanding debtors	304 694	338 101	485 263	560 910	560 940	560 940	560 940	392 758	395 409	398 188
Dividends received	–	66	182	–	–	–	–	–	–	–
Fines, penalties and forfeits	334 288	175 878	650 079	145 107	579 504	579 504	579 504	579 685	579 685	579 685
Licences and permits	50 249	293 199	305 138	305 916	250 023	250 023	250 023	250 023	250 023	250 023
Agency services	282 219	–	–	–	–	–	–	–	–	–
Transfers and subsidies	5 047 640	3 732 208	4 010 130	4 196 211	5 189 933	5 189 933	5 189 933	4 864 637	5 216 645	5 696 790
Other revenue	345 588	3 656 429	3 157 374	3 156 368	3 156 418	3 156 418	3 156 418	3 202 651	3 665 587	4 078 249
Gains	–	1 705	1 644	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	29 742 529	32 530 324	35 105 566	38 807 515	39 291 012	39 291 012	39 291 012	41 745 137	45 179 215	48 948 646

EKU City of Ekurhuleni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Expenditure By Type										
Employee related costs	6 172 418	7 417 447	8 449 847	9 628 450	9 311 903	9 311 903	9 311 903	9 754 168	10 589 144	11 484 775
Remuneration of councillors	119 944	132 700	137 936	139 695	142 795	142 795	142 795	142 795	154 219	166 556
Debt impairment	2 609 579	1 471 479	4 147 512	1 579 646	2 989 213	2 989 213	2 989 213	3 073 502	3 386 998	3 525 024
Depreciation & asset impairment	2 115 285	2 478 458	2 586 025	2 202 789	2 203 919	2 203 919	2 203 919	2 354 667	2 517 844	2 841 869
Finance charges	901 847	983 370	944 493	1 096 076	869 054	869 054	869 054	1 128 805	1 206 326	1 279 990
Bulk purchases	12 402 511	12 245 412	13 359 107	15 703 690	15 083 038	15 083 038	15 083 038	16 850 922	18 362 200	20 030 042
Other materials	2 005 713	2 096 508	1 910 858	2 158 867	2 029 295	2 029 295	2 029 295	2 088 696	2 226 803	2 392 972
Contracted services	1 061 354	3 922 824	4 276 161	4 347 517	4 756 513	4 756 513	4 756 513	4 482 180	4 718 738	5 048 073
Transfers and subsidies	1 206 630	972 951	1 038 317	675 033	646 700	646 700	646 700	676 943	711 421	777 247
Other expenditure	1 763 820	1 151 428	1 155 810	1 258 961	1 228 403	1 228 403	1 228 403	1 190 297	1 291 382	1 386 206
Losses	(7 951)	2 982	14 417	15 307	15 307	15 307	15 307	13 000	13 702	14 442
Total Expenditure	30 351 150	32 875 559	38 020 482	38 806 031	39 276 139	39 276 139	39 276 139	41 755 974	45 178 777	48 947 197
Surplus/(Deficit)	(608 620)	(345 236)	(2 914 916)	1 484	14 873	14 873	14 873	(10 837)	438	1 448
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 788 457	2 001 283	2 135 374	2 783 460	2 215 544	2 215 544	2 215 544	2 440 665	2 448 199	2 466 630
Surplus/(Deficit) after capital transfers & contributions	1 179 836	1 657 674	(779 542)	2 784 944	2 230 417	2 230 417	2 230 417	2 429 829	2 448 637	2 468 078
Taxation	–	41 438	13 736		6 843	6 843	6 843	–	–	–
Surplus/(Deficit) after taxation	1 179 836	1 616 236	(793 278)	2 784 944	2 223 574	2 223 574	2 223 574	2 429 829	2 448 637	2 468 078
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	1 179 836	1 616 236	(793 278)	2 784 944	2 223 574	2 223 574	2 223 574	2 429 829	2 448 637	2 468 078
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	1 179 836	1 616 236	(793 278)	2 784 944	2 223 574	2 223 574	2 223 574	2 429 829	2 448 637	2 468 078

Explanatory notes to MBRR Table A4 – Consolidated 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 76.9% of the total revenue mix. In the 2020/21 financial year, revenue from rates and service charges totalled R32 billion in the income budget. It increases to R34.7 billion and R37.5 billion in the respective outer years.

Details in this regard are contained in Table 93 MBRR Table SA1 - Supporting detail to budgeted financial performance on page 252

Transfers and subsidies recognised amount to R4.8 billion or 11.7% of total income budget in the 2020/21 financial year and increases to R5.2 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 R1.8 billion from R15 billion to R16.8 billion in 2020/21 and to R20 billion by 2022/23.

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

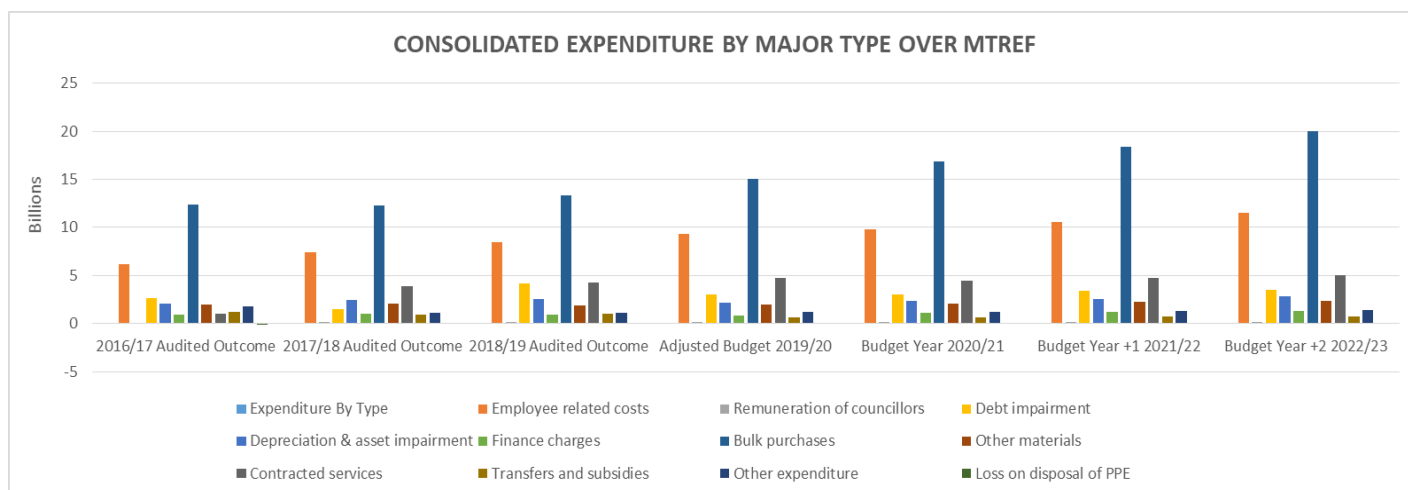


Table 26 MBRR Table A5 – Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

EKU City of Ekurhuleni - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Executive & Council	–	851,376	861,263	631,740	359,435,558	359,435,558	359,435,558	341,823	279,068	226,156
Vote 2 - Finance And Corporate Services	951,422	473,356	458,570	995,304,768	659,342,358	659,342,358	659,342,358	655,240	404,360	351,925
Vote 3 - Energy	576,437	709,831	715,048	706,850,450	627,764,653	627,764,653	627,764,653	503,791	440,042	501,438
Vote 4 - Water And Sanitation	319,118	625,799	859,928	1,016,200,000	789,940,326	789,940,326	789,940,326	874,942	984,250	987,249
Vote 5 - Waste Management	82,912	137,744	187,330	128,000,000	79,624,919	79,624,919	79,624,919	132,200	113,650	196,710
Vote 6 - Human Settlements	658,389	1,186,380	1,357,900	1,605,910,225	1,201,438,196	1,201,438,196	1,201,438,196	965,886	1,002,406	1,045,245
Vote 7 - City Planning	–	38,226	1,197	600,000	550,000	550,000	550,000	300	300	–
Vote 8 - Economic Development	143,187	145,546	156,281	193,300,000	46,780,000	46,780,000	46,780,000	116,600	135,500	68,000
Vote 9 - Disaster And Emergency Management Services	101,416	190,436	128,835	160,300,000	67,951,961	67,951,961	67,951,961	106,700	83,000	68,000
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	105,564	123,659	100,330	119,120,000	40,899,678	40,899,678	40,899,678	75,299	82,238	87,871
Vote 11 - Health And Social Development	58,277	86,784	11,013	13,950,000	2,632,868	2,632,868	2,632,868	4,260	9,400	4,725
Vote 12 - Environmental Resource Management	53,754	179,562	312,760	304,600,000	151,244,179	151,244,179	151,244,179	142,100	83,500	37,300
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	–	143,171	168,661	115,300,000	83,528,198	83,528,198	83,528,198	77,039	97,152	106,252
Vote 14 - Transport	513,905	425,275	423,387	769,381,913	491,793,296	491,793,296	491,793,296	481,551	438,747	436,177
Vote 15 - Road Transport	572,447	685,589	685,797	1,287,757,885	397,698,208	397,698,208	397,698,208	452,248	388,626	403,596
Capital multi-year expenditure sub-total	4,136,826	6,002,732	6,428,300	7,417,206,981	5,000,624,398	5,000,624,398	5,000,624,398	4,929,978	4,542,239	4,520,643

EKU City of Ekurhuleni - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote										
Single-year expenditure to be appropriated										
Vote 1 - Executive & Council	17,078	92	-	-	-	-	-	-	-	-
Vote 2 - Finance And Corporate Services	75,834	-	-	-	-	-	-	-	-	-
Vote 3 - Energy	51,819	-	-	-	-	-	-	-	-	-
Vote 4 - Water And Sanitation	8,686	-	-	-	-	-	-	-	-	-
Vote 5 - Waste Management	42,774	-	-	-	-	-	-	-	-	-
Vote 6 - Human Settlements	1,377	-	-	-	-	-	-	-	-	-
Vote 7 - City Planning	3,587	598	-	-	-	-	-	-	-	-
Vote 8 - Economic Development	21,916	-	-	-	-	-	-	-	-	-
Vote 9 - Disaster And Emergency Management Services	88,999	-	-	-	-	-	-	-	-	-
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	15,219	-	-	-	-	-	-	-	-	-
Vote 11 - Health And Social Development	23,513	-	-	-	-	-	-	-	-	-
Vote 12 - Environmental Resource Management	88,073	-	-	-	-	-	-	-	-	-
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	54,768	-	-	-	-	-	-	-	-	-
Vote 14 - Transport	5,168	-	-	-	-	-	-	-	-	-
Vote 15 - Road Transport	25,948	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	524,759	689	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	4,661,585	6,003,421	6,428,300	7,417,206,981	5,000,624,398	5,000,624,398	5,000,624,398	4,929,978	4,542,239	4,520,643

EKU City of Ekurhuleni - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Capital Expenditure - Functional										
Governance and administration	1,044,335	1,263,489	907,011	1,817,736,728	1,104,435,314	1,104,435,314	1,104,435,314	1,260,382	903,740	763,609
Executive and council	407,217	94,935	–	115,000,000	35,481,247	35,481,247	35,481,247.00	50,520	66,500	66,000
Finance and administration	206,949	1,168,197	907,011	1,702,706,728	1,068,924,067	1,068,924,067	1,068,924,067	1,209,842	837,220	697,609
Internal audit	430,168	356	–	30,000	30,000	30,000	30,000	20	20	–
Community and public safety	1,277,676	1,700,687	2,222,199	2,059,206,890	1,451,811,258	1,451,811,258	1,451,811,258	1,093,511	1,089,166	1,162,648
Community and social services	191,742	382,288	330,951	160,300,000	67,951,961	67,951,961	67,951,961	106,700	83,000	68,000
Sport and recreation	58,746	99,745	79,483	343,000,000	172,408,416	172,408,416	172,408,416	177,989	111,728	112,161
Public safety	285,633	143,171	114,134	115,300,000	83,528,198	83,528,198	83,528,198	77,039	97,152	106,252
Housing	659,765	988,699	1,686,547	1,426,656,890	1,125,289,815	1,125,289,815	1,125,289,815	727,524	787,886	871,510
Health	81,790	86,784	11,083	13,950,000	2,632,868	2,632,868	2,632,868	4,260	9,400	4,725
Economic and environmental services	1,270,333	1,294,279	1,020,142	1,689,212,913	947,047,928	947,047,928	947,047,928	1,065,152	1,011,391	908,990
Planning and development	140,743	186,137	98,667	194,070,000	47,500,000	47,500,000	47,500,000	116,910	135,810	68,010
Road transport	1,117,468	1,097,762	921,475	1,414,542,913	879,932,487	879,932,487	879,932,487	908,842	821,581	827,980
Environmental protection	12,122	10,380	–	80,600,000	19,615,441	19,615,441	19,615,441	39,400	54,000	13,000
Trading services	1,081,745	1,473,373	1,449,128	1,851,050,450	1,497,329,898	1,497,329,898	1,497,329,898	1,510,933	1,537,942	1,685,396
Energy sources	628,256	709,831	696,179	706,850,450	627,764,653	627,764,653	627,764,653	503,791	440,042	501,438
Water management	223,472	591,644	466,817	894,800,000	644,304,805	644,304,805	644,304,805	668,942	768,250	733,329
Waste water management	104,331	34,155	166,647	121,400,000	145,635,521	145,635,521	145,635,521	206,000	216,000	253,920
Waste management	125,686	137,744	119,485	128,000,000	79,624,919	79,624,919	79,624,919	132,200	113,650	196,710
Other	27,946	–	384,488		-	-	-			
Total Capital Expenditure - Functional	4,702,035	5,731,827	5,982,968	7,417,206,981	5,000,624,398	5,000,624,398	5,000,624,398	4,929,978	4,542,239	4,520,643

EKU City of Ekurhuleni - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding										
Vote Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Funded by:										
National Government	1,757,650	1,856,365	2,047,582	2,774,960	2,053,373,349	2,053,373,349	2,053,373,349	2,432,165	2,439,699	2,457,630
Provincial Government	30,807	11,087	8,991	8,500	8,663,989	8,663,989	8,663,989	8,500	8,500	9,000
District Municipality	–				–	–	–			
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private	–	136,426		–	–	–	–			
Transfers recognised - capital	1,788,457	2,003,877	2,056,573	2,783,460	2,062,037,338	2,062,037,338	2,062,037,338	2,440,665	2,448,199	2,466,630
Borrowing	1,300,000	2,873,286	2,995,390	3,749,908	2,212,497,654	2,212,497,654	2,212,497,654	1,976,039	1,581,988	1,544,769
Internally generated funds	1,613,578	854,664	931,006	883,839	726,089,406	726,089,406	726,089,406	513,273	512,052	509,244
Total Capital Funding	4,702,035	5,731,827	5,982,968	7,417,207	5,000,624,398	5,000,624,398	5,000,624,398	4,929,978	4,542,239	4,520,643

Explanatory notes to MBRR Table A5 – Consolidated 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 2020/21, R4.929 billion has been allocated on the Capital Budget. This allocation reduces to R4.542 billion in 2021/22 and R4.520 billion in 2022/23.
3. 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.
4. In terms of Circular 58, any downward adjustments for 2020/21 (relating to the multi-year appropriation for 2020/21) in the 2019/20 budget must be explained. The following are the global reasons why the City has adjusted the Capital budget downwards, over the MTREF:
 - Concern raised by the rating agency, Moody's, on the growth of the capital budget of the City over the past few years which is unsustainable in the medium to long term;
 - **The need for the City to build up its cash reserves over the medium term to fund future expansion and growth.**
 - **Reduced grants allocations from National Treasury as proclaimed in the Minister's Budget speech for 2021 MTREF.**

The capital programme is funded from national and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2020/21, capital grants and transfers totals R2.440 billion (49.51%) and increases to R2.448 billion by 2021/22 (53.90%) and R2.466 billion (54.56%) in 2022/23. A substantial portion of the Capital Budget will be funded from borrowing over MTREF, with anticipated borrowings of R1.976 billion in 2020/21. Borrowing is estimated at R1.582 billion in 2021/22 and R1.544 billion in the 2022/23 financial years. The balance will be funded from internally generated funding totalling R513 million in 2020/21, R512 million in 2021/22 and R509 million in the 2022/23 financial years. These funding sources are further discussed in detail in 2.6 (overview of budget funding).

Table 27 MBRR Table A6 – Consolidated Budgeted Financial Position

EKU Ekurhuleni Metro - Table A6 Budget Consolidated Budgeted Financial Position										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS										
Current assets										
Cash	6,000,822	3,658,286	3,529,056	5,853,894	4,926,728	1,428,164	1,428,164	1,157,105	1,646,794	2,432,000
Call investment deposits	125,036	555,526	182,769	993,594	993,594	993,594	993,594	978,594	978,594	978,594
Consumer debtors	4,703,602	6,000,511	5,546,101	4,488,726	4,488,726	4,488,726	4,488,726	4,145,611	3,815,544	3,882,562
Other debtors	921,335	857,560	568,897	769,786	769,786	769,786	769,786	769,786	769,786	769,786
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	532,294	1,021,416	1,330,458	590,533	590,533	590,533	590,533	573,333	556,634	580,632
Total current assets	12,283,090	12,093,299	11,157,281	12,696,533	11,769,367	8,270,803	8,270,803	7,624,429	7,767,352	8,643,574
Non current assets										
Long-term receivables	6,765	6,758	13,612	6,761	6,761	6,761	6,761	6,761	6,761	6,761
Investments	1,454,100	1,625,681	1,915,109	1,135,891	1,135,891	1,135,891	1,135,891	1,120,891	1,120,891	1,120,891
Investment property	566,254	693,979	695,390	492,760	492,760	492,760	492,760	492,760	492,760	492,760
Investment in Associate	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	50,759,107	54,294,852	57,407,552	60,392,764	57,976,181	57,976,181	57,976,181	63,405,211	64,811,471	66,761,471
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	550,590	704,519	856,480	628,081	628,081	628,081	628,081	628,081	628,081	628,081
Other non-current assets	79,371	69,034	69,034	76,224	76,224	76,224	76,224	76,224	76,224	76,224
Total non current assets	53,416,188	57,394,823	60,957,175	62,732,481	60,315,898	60,315,898	60,315,898	65,729,928	67,136,188	69,086,188
TOTAL ASSETS	65,699,277	69,488,122	72,114,457	75,429,014	72,085,265	68,586,701	68,586,701	73,354,357	74,903,539	77,729,762

EKU Ekurhuleni Metro - Table A6 Budget Consolidated Budgeted Financial Position										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
LIABILITIES										
Current liabilities										
Bank overdraft										
Borrowing	457,961	558,974	615,039	973,974	973,974	973,974	973,974	958,974	958,974	958,974
Consumer deposits	806,763	866,331	916,991	835,561	835,561	835,561	835,561	890,561	945,561	994,100
Trade and other payables	6,516,869	7,822,170	8,423,649	7,461,365	9,717,227	6,517,702	6,517,702	7,585,499	7,770,099	7,916,587
Provisions	514,988	618,407	606,472	535,000	535,000	535,000	535,000	551,050	567,582	584,113
Total current liabilities	8,296,580	9,865,883	10,562,151	9,805,900	12,061,762	8,862,237	8,862,237	9,986,084	10,242,215	10,453,774
Non current liabilities										
Borrowing	5,219,460	5,995,069	8,567,649	13,422,358	11,212,358	11,212,358	11,212,358	11,600,278	12,426,925	15,852,134
Provisions	3,035,029	2,875,608	3,024,483	3,129,862	3,129,862	3,129,862	3,129,862	3,040,904	3,247,227	3,066,915
Total non current liabilities	8,254,489	8,870,677	11,592,131	16,552,220	14,342,220	14,342,220	14,342,220	14,641,181	15,674,151	18,919,049
TOTAL LIABILITIES	16,551,069	18,736,560	22,154,282	26,358,120	26,403,982	23,204,457	23,204,457	24,627,265	25,916,367	29,372,823
NET ASSETS	49,148,208	50,751,562	49,960,174	49,070,894	45,681,283	45,382,244	45,382,244	48,727,092	48,987,173	48,356,939
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	49,148,208	50,751,562	49,960,174	49,070,894	45,681,283	45,382,244	45,382,244	48,727,092	48,987,173	48,356,939
Reserves	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQU	49,148,208	50,751,562	49,960,174	49,070,894	45,681,283	45,382,244	45,382,244	48,727,092	48,987,173	48,356,939

Explanatory notes to MBRR Table A6 – Consolidated 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 **Error! Bookmark not defined.**) 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 – Consolidated Budgeted Cash Flow Statement

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	3,703,938	4,878,058	5,554,632	5,572,050	5,572,050	5,122,691	5,122,691	5,526,430	5,780,646	6,046,556
Service charges	17,307,596	17,351,018	18,127,610	22,304,545	18,819,508	17,301,806	17,301,806	23,359,089	25,457,315	27,775,261
Other revenue	827,316	1,115,220	1,484,588	1,936,330	2,401,980	2,208,272	2,208,272	3,422,784	3,795,591	4,296,586
Transfers and Subsidies - Operational	4,753,667	5,732,817	6,045,125	5,928,709	6,538,432	6,538,432	6,538,432	4,864,637	5,216,645	5,696,790
Transfers and Subsidies - Capital	1,794,427	2,001,283	2,067,209	2,623,480	2,623,480	2,623,480	2,623,480	2,440,665	2,448,199	2,466,630
Interest	554,436	619,175	399,384	999,266	996,266	915,922	915,922	563,882	566,201	568,714
Dividends	555	66	182	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(24,008,084)	(26,156,689)	(28,087,954)	(29,987,363)	(30,256,540)	(30,256,540)	(30,256,540)	(34,021,078)	(36,813,028)	(39,934,386)
Finance charges	(618,440)	(719,976)	(651,395)	(1,327,362)	(1,327,362)	(1,327,362)	(1,327,362)	(1,128,805)	(1,206,326)	(1,279,990)
Transfers and Grants	(1,047,906)	(1,576,754)	(1,623,085)	(1,959,026)	(1,959,026)	(1,959,026)	(1,959,026)	(676,943)	(711,421)	(777,247)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,267,504	3,244,217	3,316,297	6,090,629	3,408,788	1,167,675	1,167,675	4,350,662	4,533,823	4,858,914
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	54	(193)	(6,854)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(226,682)	(601,770)	83,330	751,000	751,000	751,000	751,000	30,000	30,000	30,000
Payments										
Capital assets	(5,012,448)	(5,861,651)	(6,150,528)	(7,347,725)	(4,931,142)	(4,750,593)	(4,750,593)	(4,683,479)	(4,315,127)	(4,294,611)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5,239,077)	(6,463,614)	(6,074,052)	(6,596,725)	(4,180,142)	(3,999,593)	(3,999,593)	(4,653,479)	(4,285,127)	(4,264,611)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans					-	-	-	-	-	-
Borrowing long term/refinancing	(351)	1,300,000	3,000,002	3,749,908	3,088,000	1,650,000	1,650,000	1,976,039	1,581,988	1,544,769
Increase (decrease) in consumer deposits	56,995	-	-	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Payments										
Repayment of borrowing	(391,312)	(423,139)	(371,476)	(973,974)	(973,974)	(973,974)	(973,974)	(1,999,281)	(1,395,995)	(1,408,866)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(334,667)	876,861	2,628,526	2,830,934	2,169,026	731,026	731,026	31,758	240,993	190,903
NET INCREASE/ (DECREASE) IN CASH HELD	(2,306,239)	(2,342,536)	(129,230)	2,324,838	1,397,672	(2,100,892)	(2,100,892)	(271,059)	489,688	785,206
Cash/cash equivalents at the year begin:	8,307,062	6,000,822	3,658,286	3,529,056	3,529,056	3,529,056	3,529,056	1,428,164	1,157,105	1,646,794
Cash/cash equivalents at the year end:	6,000,822	3,658,286	3,529,056	5,853,894	4,926,728	1,428,164	1,428,164	1,157,105	1,646,794	2,432,000

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

EKU City of Ekurhuleni - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available										
Cash/cash equivalents at the year end	6,000,822	3,658,286	3,529,056	5,853,894	4,926,728	1,428,164	1,428,164	1,157,105	1,646,794	2,432,000
Other current investments > 90 days	125,036	555,526	182,769	993,594	993,594	993,594	993,594	978,594	978,594	978,594
Non current assets - Investments	1,454,100	1,625,681	1,915,109	1,135,891	1,135,891	1,135,891	1,135,891	1,120,891	1,120,891	1,120,891
Cash and investments available:	7,579,959	5,839,494	5,626,934	7,983,379	7,056,213	3,557,649	3,557,649	3,256,590	3,746,279	4,531,485
Application of cash and investments										
Unspent conditional transfers	126,092	597,883	980,714	943,663	943,663	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–	–	–	–	–
Statutory requirements										
Other working capital requirements	1,278,446	1,536,714	2,418,238	1,924,255	4,583,134	2,665,210	2,665,210	3,246,050	3,720,719	3,788,147
Other provisions										
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Total Application of cash and investments:	1,404,538	2,134,597	3,398,952	2,867,918	5,526,797	2,665,210	2,665,210	3,246,050	3,720,719	3,788,147
Surplus(shortfall)	6,175,421	3,704,896	2,227,982	5,115,461	1,529,416	892,439	892,439	10,540	25,560	743,338

Explanatory notes to MBRR Table A7 – Consolidated 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 is decreasing due to economic downturn and covid -19 implications, however the city anticipate to build in the reserves in the outer years.
4. The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents are expected to improve steadily to R2.4 billion in 2022/23. 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 – Consolidated 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.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF and considering the requirements of Section 18 of the MFMA, it can be concluded that the 2020/21 MTREF is funded.

Table 30 MBRR Table A9 – Consolidated Asset Management

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	1,768,494	1,399,107	854,871	934,616	445,902	445,902	684,616	767,713	697,343
<i>Roads Infrastructure</i>	–	13,751	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	465,247	44,098	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	161,203	–	–	–	–	–	–	–	–
<i>Sanitation Infrastructure</i>	40,683	–	140,052	121,400	143,459	143,459	197,240	205,445	253,120
<i>Solid Waste Infrastructure</i>	135,542	–	–	–	–	–	–	–	–
<i>Rail Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	–	201	–	–	–	–	–	–	–
Infrastructure	802,676	58,050	140,052	121,400	143,459	143,459	197,240	205,445	253,120
Community Facilities	31,847	7,303	270,508	328,000	113,938	113,938	184,760	213,600	172,050
Sport and Recreation Facilities	7,476	–	–	–	–	–	–	–	–
Community Assets	39,322	7,303	270,508	328,000	113,938	113,938	184,760	213,600	172,050
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	581,005	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	581,005	–	–	–	–	–	–	–	–
Operational Buildings	345,490	–	79,017	260,700	26,186	26,186	126,399	182,518	189,662
Housing	–	–	–	–	–	–	–	–	–
Other Assets	345,490	–	79,017	260,700	26,186	26,186	126,399	182,518	189,662
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	1,223	–	–	–	–	–	–	–
Intangible Assets	–	1,223	–	–	–	–	–	–	–
Computer Equipment	–	504,735	780	1,256	491	491	327	435	480
Furniture and Office Equipment	–	37,533	53,133	45,659	23,375	23,375	33,466	40,580	27,002
Machinery and Equipment	–	70,934	2,635	7,815	5,270	5,270	5,952	9,550	3,964
Transport Assets	–	324,046	308,747	169,786	133,184	133,184	136,473	115,585	51,065
Land	–	395,282	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE									
Total Renewal of Existing Assets	2,240,835	2,254,825	5,024,791	5,605,110	4,301,097	4,301,097	3,629,777	3,387,007	3,431,097
<i>Roads Infrastructure</i>	346,823	952,550	895,697	1,017,071	794,630	794,630	707,048	591,902	593,716
<i>Storm water Infrastructure</i>	–	56,571	25,779	19,500	11,043	11,043	8,200	13,461	36,380
<i>Electrical Infrastructure</i>	111,189	630,547	696,179	651,500	587,165	587,165	488,591	376,286	420,238
<i>Water Supply Infrastructure</i>	46,317	414,771	466,717	731,500	564,169	564,169	632,887	679,750	528,218
<i>Sanitation Infrastructure</i>	57,360	167,252	167,791	99,800	64,085	64,085	19,803	59,500	152,861
<i>Solid Waste Infrastructure</i>	82,912	4,012	119,485	84,000	43,785	43,785	101,700	80,400	172,500
<i>Rail Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	432,297	–	384,488	580,345	607,340	607,340	373,320	305,080	244,350
Infrastructure	1,076,898	2,225,703	2,756,136	3,183,716	2,672,216	2,672,216	2,331,548	2,106,378	2,148,262
Community Facilities	109,257	11,342	421,124	402,200	167,492	167,492	215,439	174,600	143,302
Sport and Recreation Facilities	33,469	750	79,483	113,000	35,024	35,024	71,133	77,228	75,609
Community Assets	142,726	12,092	500,608	515,200	202,516	202,516	286,571	251,828	218,911
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	77,384	16,916	1,204,098	1,486,649	1,170,054	1,170,054	726,439	786,703	870,197
Non-revenue Generating	–	–	482,449	298,000	213,091	213,091	237,000	176,947	140,000
Investment properties	77,384	16,916	1,686,547	1,784,649	1,383,146	1,383,146	963,439	963,650	1,010,197
Operational Buildings	464,471	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Other Assets	464,471	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	4,812	–	–	–	–	–	–
Intangible Assets	–	–	4,812	–	–	–	–	–	–
Computer Equipment	–	21	–	–	–	–	–	–	–
Furniture and Office Equipment	81,742	93	–	–	–	–	–	–	–
Machinery and Equipment	62,030	–	76,688	121,545	43,219	43,219	48,219	65,152	53,727
Transport Assets	335,584	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	–	2,077,895	271,200	877,481	253,625	253,625	615,584	387,519	392,203
<i>Roads Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Storm water Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Electrical Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Water Supply Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Sanitation Infrastructure</i>	–	–	9,544	–	–	–	–	–	–
<i>Solid Waste Infrastructure</i>	–	3,811	–	–	–	–	–	–	–
<i>Rail Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–	–	–	–	–	–	–
Infrastructure	–	3,811	9,544	–	–	–	–	–	–
Community Facilities	–	3,663	45,737	494,610	125,698	125,698	194,268	133,177	240,156
Sport and Recreation Facilities	–	3,433	–	–	–	–	–	–	–
Community Assets	–	7,096	45,737	494,610	125,698	125,698	194,268	133,177	240,156
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	–	314,490	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	–	314,490	–	–	–	–	–	–	–
Operational Buildings	–	1,684,582	215,920	344,231	126,427	126,427	421,317	254,342	152,047
Housing	–	67,916	–	38,640	1,500	1,500	–	–	–
Other Assets	–	1,752,498	215,920	382,871	127,927	127,927	421,317	254,342	152,047
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
CAPITAL EXPENDITURE									
Total Capital Expenditure	4,009,329	5,731,827	6,150,861	7,417,207	5,000,624	5,000,624	4,929,978	4,542,239	4,520,643
<i>Roads Infrastructure</i>	346,823	966,302	895,697	1,017,071	794,630	794,630	707,048	591,902	593,716
<i>Storm water Infrastructure</i>	–	56,571	25,779	19,500	11,043	11,043	8,200	13,461	36,380
<i>Electrical Infrastructure</i>	576,437	674,644	696,179	651,500	587,165	587,165	488,591	376,286	420,238
<i>Water Supply Infrastructure</i>	207,520	414,771	466,717	731,500	564,169	564,169	632,887	679,750	528,218
<i>Sanitation Infrastructure</i>	98,043	167,252	317,387	221,200	207,544	207,544	217,043	264,945	405,981
<i>Solid Waste Infrastructure</i>	218,454	7,822	119,485	84,000	43,785	43,785	101,700	80,400	172,500
<i>Rail Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	432,297	201	384,488	580,345	607,340	607,340	373,320	305,080	244,350
Infrastructure	1,879,574	2,287,564	2,905,731	3,305,116	2,815,675	2,815,675	2,528,788	2,311,823	2,401,382
Community Facilities	141,104	22,309	737,369	1,224,810	407,129	407,129	594,466	521,377	555,508
Sport and Recreation Facilities	40,945	4,183	79,483	113,000	35,024	35,024	71,133	77,228	75,609
Community Assets	182,049	26,492	816,853	1,337,810	442,153	442,153	665,599	598,605	631,117
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	658,389	331,406	1,204,098	1,486,649	1,170,054	1,170,054	726,439	786,703	870,197
Non-revenue Generating	–	–	482,449	298,000	213,091	213,091	237,000	176,947	140,000
Investment properties	658,389	331,406	1,686,547	1,784,649	1,383,146	1,383,146	963,439	963,650	1,010,197
Operational Buildings	809,961	1,684,582	294,936	604,931	152,613	152,613	547,716	436,860	341,709
Housing	–	67,916	–	38,640	1,500	1,500	–	–	–
Other Assets	809,961	1,752,498	294,936	643,571	154,113	154,113	547,716	436,860	341,709
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	1,223	4,812	–	–	–	–	–	–
Intangible Assets	–	1,223	4,812	–	–	–	–	–	–
Computer Equipment	–	504,756	780	1,256	491	491	327	435	480
Furniture and Office Equipment	81,742	37,626	53,133	45,659	23,375	23,375	33,466	40,580	27,002
Machinery and Equipment	62,030	70,934	79,323	129,360	48,489	48,489	54,171	74,702	57,691
Transport Assets	335,584	324,046	308,747	169,786	133,184	133,184	136,473	115,585	51,065
Land	–	395,282	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	4,009,329	5,731,827	6,150,861	7,417,207	5,000,624	5,000,624	4,929,978	4,542,239	4,520,643

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE									
EXPENDITURE OTHER ITEMS	4,221,433	4,597,028	5,041,446	5,228,338	4,986,530	4,986,530	5,394,858	5,769,565	6,318,464
Depreciation	2,115,285	2,478,458	2,586,025	2,202,789	2,203,919	2,203,919	2,354,667	2,517,844	2,841,869
Repairs and Maintenance by Asset Class	2,106,148	2,118,570	2,455,421	3,025,549	2,782,611	2,782,611	3,040,191	3,251,721	3,476,595
<i>Roads Infrastructure</i>	587,575	590,014	735,711	692,412	621,653	621,653	488,324	514,694	542,487
<i>Storm water Infrastructure</i>	45,404	46,733	50,270	41,503	27,973	27,973	41,518	43,760	46,123
<i>Electrical Infrastructure</i>	571,233	572,281	858,158	892,503	1,041,834	1,041,834	1,151,433	1,223,204	1,299,615
<i>Water Supply Infrastructure</i>	219,379	221,544	197,502	272,065	171,342	171,342	301,861	335,664	373,917
<i>Sanitation Infrastructure</i>	266,193	267,353	227,812	223,234	156,707	156,707	224,289	254,918	285,501
<i>Solid Waste Infrastructure</i>	49,588	49,588	54,992	62,071	51,829	51,829	65,423	68,956	72,679
<i>Rail Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Coastal Infrastructure</i>	–	–	–	–	–	–	–	–	–
<i>Information and Communication Infrastructure</i>	–	–	–	–	–	–	–	–	–
Infrastructure	1,739,371	1,747,514	2,124,444	2,183,788	2,071,338	2,071,338	2,272,848	2,441,195	2,620,323
Community Facilities	125	125	745	998	998	998	1,010	1,064	1,122
Sport and Recreation Facilities	–	–	–	–	–	–	2,300	2,200	2,200
Community Assets	125	125	745	998	998	998	3,310	3,264	3,322
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	42,268	–	–	–	–	–	–	–	–
Non-revenue Generating	–	42,276	42,821	56,967	40,013	40,013	58,029	61,163	64,466
Investment properties	42,268	42,276	42,821	56,967	40,013	40,013	58,029	61,163	64,466
Operational Buildings	145,284	145,646	70,426	326,012	196,596	196,596	198,880	211,110	224,395
Housing	–	–	–	–	–	–	–	–	–
Other Assets	145,284	145,646	70,426	326,012	196,596	196,596	198,880	211,110	224,395
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	30,422	4	0	4	4	4	–	–	–
Furniture and Office Equipment	–	30,454	29,698	263,058	290,738	290,738	319,663	336,928	355,110
Machinery and Equipment	4,326	4,338	2,140	4,744	4,138	4,138	2,368	2,500	2,616
Transport Assets	144,351	148,214	185,146	189,978	178,786	178,786	185,092	195,561	206,364
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS	4,221,433	4,597,028	5,041,446	5,228,338	4,986,530	4,986,530	5,394,858	5,769,565	6,318,464

Explanatory notes to MBRR Table A9 – Consolidated 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 – Consolidated Basic Service Delivery Measurement

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets									
Water:	509658	510858	512058	532258	532258	532258	585483.8	644032.18	708435.398
Piped water inside dwelling	381,762	381,762	381,762	381,762	381,762	381,762	419,938	461,932	508,125
Piped water inside yard (but not in dwelling)	119,317	119,417	119,417	119,517	119,517	119,517	131,469	144,616	159,077
Using public tap (at least min.service level)	2,211	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	1,012,948	1,012,037	1,013,237	1,033,537	1,033,537	1,033,537	1,136,891	1,250,580	1,375,638
<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	–	–	–	–	–
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	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311
<i>Below Minimum Service Level sub-total</i>	1,024,259	1,023,348	1,024,548	1,044,848	1,044,848	1,044,848	1,148,202	1,261,891	1,386,949
Total number of households									
Sanitation/sewerage:	510858	512058	513258	513258	513258	513258	564583.8	621042.18	683146.398
Flush toilet (connected to sewerage)	3,429	3,429	3,429	3,429	3,429	3,429	3,772	4,149	4,564
Flush toilet (with septic tank)	217,245	217,245	237,245	237,245	237,245	237,245	237,245	237,245	237,245
Chemical toilet	80,613	80,613	80,613	80,613	80,613	80,613	80,613	80,613	80,613
Pit toilet (ventilated)	179,824	179,824	179,824	179,824	179,824	179,824	179,824	179,824	179,824
Other toilet provisions (> min.service level)	991,969	993,169	1,014,369	1,014,369	1,014,369	1,014,369	1,066,038	1,122,873	1,185,392
<i>Minimum Service Level and Above sub-total</i>	–	–	–	–	–	–	–	–	–
Bucket toilet	23,594	23,594	23,594	23,594	23,594	23,594	23,594	23,594	23,594
Other toilet provisions (< min.service level)	11,806	11,806	11,806	11,806	11,806	11,806	11,806	11,806	11,806
No toilet provisions	35,400	35,400	35,400	35,400	35,400	35,400	35,400	35,400	35,400
<i>Below Minimum Service Level sub-total</i>	1,027,369	1,028,569	1,049,769	1,049,769	1,049,769	1,049,769	1,101,438	1,158,273	1,220,792
Total number of households									

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets									
Energy:	150000	150000	109462	86400	86400	86400	80000	75000	70000
Electricity (at least min.service level)	398,042	454,007	466,497	496,530	496,530	496,530	508,930	519,930	530,930
Electricity - prepaid (min.service level)	548,042	604,007	575,959	582,930	582,930	582,930	588,930	594,930	600,930
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	27,000	27,000	10,000	5,000	5,000	5,000	10,000	10,000	10,000
Other energy sources	27,000	27,000	10,000	5,000	5,000	5,000	10,000	10,000	10,000
<i>Below Minimum Service Level sub-total</i>	575,042	631,007	585,959	587,930	587,930	587,930	598,930	604,930	610,930
Total number of households									
Refuse:	668158	681000	699477	881072	881072	881072	944000	990256	1038778
Removed at least once a week	668,158	681,000	699,477	881,072	881,072	881,072	944,000	990,256	1,038,778
<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
Removed less frequently than once a week	164,699	164,399	164,718	-	-	-	246,000	246,000	246,000
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	164,699	164,399	164,718	-	-	-	246,000	246,000	246,000
<i>Below Minimum Service Level sub-total</i>	832,857	845,399	864,195	881,072	881,072	881,072	1,190,000	1,236,256	1,284,778
Total number of households									

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Households receiving Free Basic Service	466	473	336	366	366	366	392	392	392
Water (6 kilolitres per household per month)	462,708	469,649	332,697	361,974	361,974	361,974	390,183	390,183	390,183
Sanitation (free minimum level service)	–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)	115,000	115,000	135,000	150,000	150,000	150,000	165,000	165,000	165,000
Refuse (removed at least once a week)									
Cost of Free Basic Services provided - Formal Settlements (R'000)	566,241	493,478	484,506	543,884	543,884	543,884	624,546	697,723	786,631
Water (6 kilolitres per indigent household per month)	220,607	322,943	–	364,361	364,361	364,361	423,724	475,652	536,263
Sanitation (free sanitation service to indigent households)	1,332,126	1,424,305	1,595,189	1,787,588	1,787,588	1,787,588	1,710,448	1,822,529	1,949,691
Electricity/other energy (50kwh per indigent household per month)	–	151,673	190,927	315,070	315,070	315,070	252,100	257,911	274,477
Refuse (removed once a week for indigent households)	447,991	461,840	1,029,960	1,075,358	1,075,358	1,075,358	1,057,066	1,112,891	1,171,673
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	2,566,965	2,854,239	3,300,582	4,086,261	4,086,261	4,086,261	4,067,884	4,366,707	4,718,734
Total cost of FBS provided									

EKU Ekurhuleni Metro - Table A10 Basic service delivery measurement									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Highest level of free service provided per household	150	150	150	150	150	150	150	150	150
Property rates (R value threshold)	9	9	9	9	9	9	9	9	9
Water (kilolitres per household per month)	9	9	9	9	9	9	9	9	9
Sanitation (kilolitres per household per month)	74	89	89	99	99	99	110	122	135
Sanitation (Rand per household per month)	100	100	100	100	100	100	100	100	100
Electricity (kwh per household per month)	240	240	240	240	240	240	240	240	240
Refuse (average litres per week)									
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	832,047	989,174	1,105,133	1,105,811	1,105,811	1,105,811	1,105,811	1,156,678	1,209,886
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	446,975	461,745	324,201	368,615	368,615	368,615	421,336	506,460	608,475
Water (in excess of 6 kilolitres per indigent household per month)	319,903	337,307	–	254,533	254,533	254,533	280,777	326,102	372,187
Sanitation (in excess of free sanitation service to indigent households)	311,575	362,134	364,748	408,565	408,565	408,565	432,905	466,947	500,095
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)									
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other	1,910,500	2,150,360	1,794,082	2,137,524	2,137,524	2,137,524	2,240,829	2,456,187	2,690,643
Total revenue cost of subsidised services provided									

Explanatory note to MBRR Table A10 – Consolidated Basic Service Delivery Measurement

1. It is anticipated that these FBS will cost the municipality R4 billion in 2020/21. 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 165 000 households to be registered as indigent in 2020/21, 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 time schedule of key deadlines for the compilation of the IDP and MTREF was submitted to Council for approval in July 2019 as required by Section 21(b) of the MFMA. In terms of the schedule of key deadlines, the budget was planned to be tabled to Council in February 2020. However, on the 12th February 2020 the City received a letter from National Treasury which, although commending the City for early tabling of the budget and related documents, pointed out several factors which will make the tabled budget significantly different from the budget that will be tabled for approval in May 2020. These factors are:

- The national budget was tabled by the Minister of Finance on 26th February 2020. The national budget showed allocations to municipalities in terms of the Division of Revenue Bill. The allocations informed the City's grant allocations for the 2021 MTREF; and
- The bulk water and electricity tariffs will not be finalised by February 2020. These tariffs have a significant impact on the revenue projections of the City as they comprise a significant portion of own revenue.

Based on these, it was premature for the City to table its budget in February 2020. Significant differences between the tabled and approved budgets compromise the public participation process. Council subsequently approved tabling of the budget in March 2020, which is in line with section 16(2) of the MFMA.

In February 2020 the Council of the City of Ekurhuleni approved the revised time schedule of key deadlines. The initial time schedule was approved in July 2019 in line with the requirements of the Municipal Finance Management Act (MFMA).

The draft IDP and budget were tabled before Council on 18 March 2020 in line with the revised time schedule of key deadlines. Due to the Covid-19 pandemic and the subsequent lockdown declared by the President on 23 March 2020, the Minister of Cooperative Governance and Traditional Affairs issued directions in terms of section 27(2) of the Disaster Management Act, 57 of 2002 suspending all Council meetings including the IDP and budget process. In line with the directions, municipalities were directed to not convene any meetings, including the IDP community and consultation processes and the consideration and passing of budgets during lockdown or any other extend period of lockdown.

The approved schedule of key deadlines was adversely affected by the events of the lockdown. It was therefore proposed that the schedule of key deadlines be amended to accommodate the impact of the COVID-19 disaster, **including community participation and other compliance activities** that must unfold prior to final approval of the IDP and 2020/21 MTREF by Council.

The revised timeframes are outlined in the table below:

2019/20 Adjustment Budget approval			
20 May 2020		Special Mayoral Committee on: <ul style="list-style-type: none"> • the Adjustment Budget • Schedule of key deadlines 	Discussion of the adjustment budget

		<ul style="list-style-type: none"> Review of Council Calendar 	
21 May 2020		Programming Committee	Preparation for Council
28 May 2020		Council meeting <ul style="list-style-type: none"> Adjustment budget Schedule of key deadlines Compliance reports Review of Council Calendar 	To approve the Adjustment Budget & consider Quarter 3 compliance items
2020/21 MTREF Process			
11-22 May 2020		Public consultation on the tabled MTREF/ IDP/ BEPP	This will be on-line using media platforms
21-29 May 2020		Oversight Meetings on the MTREF	Inputs to the MTREF
1 June 2020		Budget Steering Committee on the 2021 MTREF	Discussion of the MTREF
17 June 2020		Mayoral Committee	Discussion of the MTREF
18 June 2020		Programming Committee	
25 June 2020		Special Council (Approval of the MTREF/ IDP/BEPP)	Approval of MTREF, IDP and BEPP
14 July 2020		Tabling of SDBIP and Business Plan	Approval by Executive Mayor and Mayoral Committee

On 7 May 2020 in Government Gazette 43291, The national Minister of Cooperative Governance and Traditional Affairs published amended regulations directing municipalities to resume budget processes to ensure that IDPs and budgets are approved before the beginning of the 2020/21 budget year. In terms of the amended directions, municipalities were directed to convene meetings of council and committees of council to consider any Council related business, including the adoption of IDP's and budgets.

The City activated the public participation process on the 2020/21 MTREF, which started from 11 to 08 June 2020. Various social media platforms and local community radio stations were utilised to conduct this process.

In the meantime, the declaration of the national lockdown had a **severe negative impact on economic activity** in the country as a whole and the local economy of the City in that;

- There was material under collection of revenue;
- Consumption of municipal services declined significantly as many sectors of the economy were locked down; and
- Some consumers were severely affected and could not pay for their services.

The City developed a number of strategic and tactical responses to alleviate the impact of the lockdown on its operations, its finances and its key stakeholders. These responses culminated in the review of the 2020/21 MTREF tabled on 18 March 2020. Included in the review were the proposed tariff increases, remuneration costs of employees and Councillors, the overall operational costs as well as the tabled capital budget. The differences between the tabled MTREF and the MTREF submitted to Council for approval. These differences are pointed out in the budget tables.

Starting from the 2019/20 financial year, National Treasury required 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 City has made substantial progress in meeting this requirement. There are still a few challenges such as the compilation of balance sheet budgeting although progress is being made to address them.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 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 2020/21 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. From the 10th of September 2019 to the 01st of October

2019, the City embarked on a programme of consulting communities in respect of the review of the five (5) ward based IDP priorities. The programme of consultation was as follows:

Date	CCA	Proposed Venues	Ward Numbers	Proposed Time
10 September 2019	Tembisa 1	Rabasotho Hall	4,5,6,8,9,14 ,90	18:00
10 September 2019	Katlehong 1	DH Williams Hall	40,48,49, 50, 51, 55, 107	18:00
11 September 2019	Katlehong 2	Palm Ridge Hall	59,60,61,62,63,101,103,108	18:00
11 September 2019	Tembisa 2	Olifantsfontein Hall	1,2,3,7,89,100,102	18:00
12 September 2019	Etwatwa	Stompie Skhosana	26,65,66,67, 109	18:00
12 September 2019	Alberton	New Council Chambers, Civic Centre	37,38,53,58,94,106	18:00
12 September 2019	Nigel/Duduza	Monty Motloung Hall	88,111, 86, 87 ,98	18:00
17 September 2019	Vosloorus	Vosloorus Civic Hall	44; 45; 46; 47; 64; 95, 107	18:00
17 September 2019	Kwathema	Kwathema Community Hall	74,77,78,79,80,81	18:00
17 September 2019	Benoni	Benoni Council Chamber	24,27,28,29,30,73 ,110	18:00
18 September 2019	Daveyton	Mbikwa Cindi Hall	68, 69, 70, 71, 96	18:00
18 September 2019	Thokoza	Thokoza Youth Centre	52,54,56 & 57	18:00
18 September 2019	Brakpan	3 rd floor Hall, Admin Block	31, 97, 105	18:00
19 September 2019	Tsakane	Tsakane Community Hall	81,82,83,84,85,99,112	18:00
19 September 2019	Germiston	Dinwiddie Hall	21, 35,36,37, 39, 41, 42 92, 93	18:00
19 September 2019	Edenvale	Edenvale Community Hall	10,11,12,18,19,20, 92	18:00
01 October 2019	Boksburg	Boksburg Civic Hall	22, 23, 32, 33, 34, 43	18:00
01 October 2019	Kempton Park	Dries Niemand Hall	13,15,16,17,25,91,104	18:00
01 October 2019	Springs	Springs Supper Hall	72.74.75.76	18:00

The 2020/2021 reviewed IDP and the 2020/2021 MTREF were tabled before Council on 18 March 2020. The City ordinarily conducts public participation processes immediately following the tabling process to solicit comments on the tabled draft IDP and draft budget. Due to the Covid-19 epidemic and the consequent lockdown declared by the President on 23 March 2020, the City was unable to conduct public participation processes as required by the legislation.

This was also in response to the regulations and directions issued on 30 March 2020 by the Minister of Cooperative Governance and Traditional Affairs, directing all municipalities to suspend all public participation and budgeting processes during the lockdown period.

On 7 May 2020, The Minister of Cooperative Governance and Traditional Affairs published amended regulations (Directions No 43291) directing all municipalities to resume budget processes to ensure that IDP's and budgets are approved before the beginning of the 2020/2021 financial year.

In terms of the amended directions, municipalities are directed to ensure that communities are consulted on the tabled IDP and budget using media platforms and alternative methods of consultation, instead of contact meetings. The City used all media platforms and official

website to ensure that the public and the community of Ekurhuleni are provided with platform to access and comment on the tabled draft IDP and draft budget.

2.1.5 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 2020/21 MTREF.

Output indicators as well as targets that will address the outcome indicators in the IDP have been developed in the 2020/21 SDBIP; including output indicator as regulated by MFMA circular 88. An attempt has been made in the 2020/2021 SDBIP to align all the indicators to the budget and/projects that are funded in the 2020-2023 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

Strategic Objective	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
NATIONAL OUTCOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND		1,244	1,145	1,584	1,584	1,584	1,145	1,207	1,272
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA	(36,046)	12,266	11,336	19,723	21,505	21,505	19,748	17,801	11,384
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUOUSLY ENHANCED	9,436	1,548,977	1,760,597	80,823	80,823	80,823	1,679,781	1,377,802	1,495,246
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	7,458,859	8,236,032	8,459,864	11,972,864	11,908,948	11,908,948	9,622,826	10,473,843	11,450,346
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	2,411,024	2,047,318	2,191,324	2,423,319	2,881,520	2,881,520	2,618,596	3,075,561	3,537,563
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINABLE RURAL COMMUNITIES WITH FOOD SECURITY FOR ALL	(317)	2,330,304	1,964,796	2,156,393	2,156,393	2,156,393	2,344,027	2,553,581	2,776,205
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	21,107,555	19,273,897	21,327,103	24,347,159	23,396,291	23,396,291	25,985,960	28,556,423	31,050,054
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH	8,880	10,797	9,453	37,732	42,461	42,461	25,132	25,132	25,132
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE	36,339	379,331	211,531	47,675	47,675	47,675	787,818	410,295	267,779
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE	370,229	345,251	877,678	339,690	805,290	805,290	825,158	864,491	708,606
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	165,026	347,817	426,113	164,015	164,066	164,066	275,611	271,279	91,689
Allocations to other priorities									
Total Revenue (excluding capital transfers and	31,530,986	34,533,234	37,240,940	41,590,975	41,506,556	41,506,556	44,185,803	47,627,414	51,415,275

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

Strategic Objective	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
National Outcome 12 - An Efficient, Effective And Development-Oriented Public Service And An Empowered, Fair And Inclusive Citizenship	286,693	301,478	357,730	279,666	264,226	264,226	267,406	282,928	299,677
National Outcome 11 - Create A Better South Africa And Contribute To A Better And Safer Africa And World	728,461	867,854	694,491	747,535	744,785	744,785	804,299	856,796	908,974
National Outcome 10 - Environmental Assets And Natural Resources That Are Well Protected And Continually Enhanced	937,370	1,035,797	1,138,173	1,189,081	1,096,286	1,096,286	1,222,851	1,312,693	1,408,210
National Outcome 9 - A Responsive, Accountable, Effective And Efficient Local Government System	1,731,825	3,410,303	6,039,516	4,683,891	5,180,308	5,180,308	5,658,318	6,483,585	7,060,944
National Outcome 8 - Sustainable Human Settlements And Improved Quality Of Household Life	1,752,908	1,796,254	2,060,309	1,458,179	1,863,510	1,863,510	1,477,618	1,765,611	2,035,193
National Outcome 7 - Vibrant, Equitable And Sustainable Rural Communities With Food Security For All	–	1,277,407	1,173,294	1,355,869	1,240,247	1,240,247	1,401,414	1,490,845	1,586,405
National Outcome 6 - An Efficient, Competitive And Responsive Economic Infrastructure Network	21,332,177	20,161,816	22,343,874	24,515,057	23,931,676	23,931,676	25,751,680	27,448,573	29,709,831
National Outcome 5 - A Skilled And Capable Workforce To Support An Inclusive Growth Path	122,773	183,835	185,819	217,117	220,359	220,359	226,605	243,553	261,840
National Outcome 4 - Decent Employment Through Inclusive Economic Growth	295,838	300,999	312,909	399,459	356,460	356,460	357,664	350,485	363,289
National Outcome 3 - All People In South Africa Are And Feel Safe	2,283,126	2,645,957	2,762,951	2,898,535	3,329,205	3,329,205	3,474,005	3,744,928	4,037,904
National Outcome 2 - A Long And Healthy Life For All South Africans	879,978	893,859	951,417	1,061,642	1,049,077	1,049,077	1,114,114	1,198,780	1,274,929
Allocations to other priorities									
Total Expenditure	30,351,149	32,875,559	38,020,482	38,806,031	39,276,140	39,276,140	41,755,974	45,178,777	48,947,198

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

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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
City Planning										
HS2.22 Average number of days taken to process building plan applications	Number	0	0	24 days	30 days	30 days	30 days	30 days	30 days	30 days
Number of townships regularized	Number	5	39	8	15	0	0	6	6	6
Percentage of development planning applications finalized in accordance with the approved MSDF	Percentage	94%	100%	100%	96%	0%	0%	98%	98%	98%
% of dolomitic land unlocked	Percentage	80%	90%	100%	90%	0%	90%	90%	90%	90%
Energy										
EE1.11 Number of dwellings provided with connections to mains electricity supply by the municipality	Number	0.00	600000.0%	1842.00	600000.0%	0.00	600000.0%	600000.0%	600000.0%	6000.00
EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	Percentage	0%	0.75	75%	0.75	0%	0.75	0.75	0.75	75%
EE3.21 Percentage of planned maintenance performed	Percentage	0%	0.9	90%	0.9	0%	0.9	0.9	0.9	90%
EE4.12 Installed capacity of approved embedded generators on the municipal distribution network	MW	0	2MW	1,3539MW	1MW	0	1MW	0.85MVA	0.85MVA	0.85MVA
Number of high mast lights installed	Number	80	0%	55	80%	0	80%	8000%	8000%	80
Number of street lights installed	Number	600	158500.0%	90	60000.0%	0	60000.0%	60000.0%	60000.0%	600
Percentage down time of network availability	Percentage	0,8%	0,8%	1%	0,8%	0%	0,8%	0,8%	0,8%	0,8%
Percentage total electricity losses	Percentage	11%	0.12	11.99%	0.12	12.8%	12.8%	12.8%	12.8%	12.8%
Number of PV Solar lighting units installed in informal settlements	Number	15000	1281000%	10045	1000000%	0	1000000%	1000000%	1000000%	10000
Environmental Resource and Waste Management Services										

EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ENV 3.11 Percentage of known informal settlements receiving integrated waste handling services	Percentage	100%	100%	100%		0%		100.0%		
ENV 4.11 Percentage of biodiversity priority areas within the metro	Percentage	0%	0%	36%	100%	0%	100%	0.36	100%	100%
ENV 4.21 Proportion of biodiversity priority areas protected	Percentage	0%	0%	1%	36%	0%	36%	0.01	36%	36%
Cleanliness level of Ekurhuleni Metro central business district (CBD) areas as determined by WMS Gauteng Waste Standards	Level	Level 2	Level 2	Level 1	1%	0	1%	Level 3	1%	1%
Number of formal households with access to refuse removal	Number	674,385	682,541	701,645	Level 3	718,655	718,655	718,655	Level 3	Level 3
Number of parks upgraded.	Number	5	5	1	5	0	5	500.0%	5	5
Number of cemeteries upgraded	Number	5	5	1	4	0	4	6	6	6
Human Settlements										
HS 1.12 Number of formal sites serviced	Number	0	7006	2814				220900%		
Number of title deeds issued to beneficiaries	Number	0	3544	445	2001	206	206	400000%	2209	2209
Number of informal settlements provided with interim services	Number	119	118	119	4000	0	4000	11900.0%	4000	4000

City of Ekurhuleni – 2020/21 – 2022/23 Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Roads and Storm Water										
TR6.11 Percentage of unsurfaced roads upgraded	Percentage	0%	0%	111.50%	100%	0%	100%	0.5	50%	50%
TR6.12 Percentage of surfaced municipal road lanes which have been resurfaced and resealed	Percentage	0%	0%	114%	100%	0%	100%	2%	2%	2%
KM of roads constructed	KM	67	41.123	8401	21.6 KM	17.8 KM	17.8 KM	21.26KM	21.26KM	21.26KM
KM of road network maintained	KM	1332	3715.079	809.4496336	2840 KM	2480 KM	2480 KM	2440KM	2440KM	2440KM
Number of systems added to the existing stormwater network	Number	64	83	17	23	0	23	21	21	21
Number of Stormwater systems maintained	Number	6500	12180	2701	11000	0	11000	10000	10000	10000
KM of Non-motorized transport network expanded	KM	0	0	11.401	16.02KM	0	16.02KM	21.55KM	21.55KM	21.55KM
Transport and Fleet Management										
Length of pedestrian and cyclist paths completed (NMT)	KM	11	4.72	3.039 km	5 KM	0	5 KM	5KM	5KM	5KM
Water and Sanitation										
WS2.11 Number of new water connections meeting minimum standards	Number	0	2284	2314	1500	0	1500	1500	1500	1500
WS3.11 Percentage of complaints/callouts resolved within 48 hours (Sanitation/Waste water)	Percentage	0%	0%	96%	90%	0%	90%	90%	90%	90%
WS3.21 Percentage of Complaints/Callouts resolved within 48 hours (water)	Percentage	0%	0%	97%	90%	0%	90%	90%	90%	90%
WS5.31 Water connections metered as a percentage of total connections	Percentage	0%	0%	92.70%	93.00%	0%	93.00%	93.00%	93.00%	93.00%
KM of water and sewer pipes replaced, upgraded and extended	KM	50	41.75	17235	10 KM	6 KM	6 KM	7.5	7.5	7.5
Number Reservoirs constructed	Number	20	45ML	2	4	3	3	4	4	4
Percentage reduction in Non-Revenue Water (NRW)	Percentage	34%	32%	33.3%	32.45%	0%	32.45%	31.65%	31.65%	31.65%
% compliance with Blue drop standards	Percentage	>95%	>95%	>95%	>95%	0%	>95%	>95%	>95%	>95%

City of Ekurhuleni – 2020/21 – 2022/23 Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Disaster Management & Emergency										
FE1.11 Percentage compliance with the required attendance time for structural firefighting incidents	Percentage	75%	77%	81%	66%	0%	66%	66%	66%	66%
Number of fire stations constructed	Number	2	1		1	0	1	1	1	1
EMPD										
Number of planned by-law enforcement policing operations implemented	Number	60	119	30	60	80	80	100	100	100
Number of interventions implemented to reduce crime and related incidents	Number	80	390	108	360	0	360	360	360	360
Percentage increase in road policing operations	Percentage	10%	10%	15,87%(1615609)	10%	0%	10%	10%	10%	10%
Percentage decrease in road fatalities	Percentage	2%	-53%	17.6%(466)	2%	0%	2%	2%	2%	2%
Health and Social Development										
ENV 1.3 Percentage of households experiencing a problem with noise pollution	Percentage	0%	0%	0.00001539	0.013%	0%	0.013%	0.012%	0.012%	0.012%
Percentage of babies tested HIV-positive (PCR) around 10 weeks	Percentage	<2.11%	<0.7%	1%	<2%	0%	<2%	<2%	<2%	<2%
Number of new indigent households approved	Number	5300	10369	3543	9000	0	9000	10000	10000	10000
SRAC										
Number of SRAC school activities/programmes implemented	Number	16	41	6		0				
					18		18	18	18	18
Real Estate										
Number of land parcels released for developments city wide	Number	15	557	167		0				
					25		25	25	25	25
City Manager										
	Audit Opinion	Unqualified	Unqualified	0	Unqualified without findings	0	Unqualified without findings	Unqualified without findings	Unqualified without findings	Unqualified without findings
GG 3.1 Audit Opinion										
GG 3.11 Number of repeat audit findings	Number	0	0	0	55	0	55	55	55	55
Financial Services										
HS2.21 Percentage of rateable residential properties in the subsidy housing market entering the municipal valuation roll	Percentage	0%	0%	100%	100%	0%	100%	100%	100%	100%
GG 6.11 Percentage of the municipality's operating budget spent on free basic services to indigent households	Percentage	0%	0%	2.4%	9.21%	7.42%	7.42%	3%(5.71%)	3%(5.71%)	3%(5.71%)
% of Billed Amounts Collected	Percentage	94%	93%	89.56%	94%	0%	94%	94%	94%	94%
% of tenders completed within the valid period (120 days from date of close of advert)	Percentage	85%	89%	90.91%	90%	0%	90%	90%	90%	90%
Human Resource Management and Development										
GG 1.21 Staff vacancy rate	Percentage	0%	0%	≤12,22 %	≤20 %	0%	≤20 %	≤20 %	≤20 %	≤20 %
GG5.11 Number of active suspensions longer than three months	Number	0	0	0		0		≤15%	≤15%	≤15%
GG5.12 Quarterly salary bill of suspended officials -	Rand	0	0	657227	15	0	15	≤5.6M	≤5.6M	≤5.6M
					≤R5.6M		≤R5.6M			
Legislature										

EKU Ekurhuleni Metro - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
GG 2.11 Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)	Percentage	0%	0%	98%	98%	0%	98%	96%	96%	96%
GG 2.12 Average number of councillor-convened community meetings per ward	Percentage	0%	0%	104%	85%	0%	85%	55%	55%	55%
GG 4.11 Number of agenda items deferred to the next council meeting	Number	0	0	0 <10		0 <10	<10	<10	<10	<10
GG3.12 Percentage of councillors who have declared their financial interests	Percentage	0%	0%	100%	100%	0%	100%	100%	100%	100%
Number of Functional Section 79 Committees	Number	19	18	18	18	0	18	18	18	18
Percentage functionality of ward committees	Percentage	11200%	99%	98%	98%	0%	98%	96%	96%	96%
Corporate Legal Services										
Number of the Municipality By-laws reviewed	Number	0.4	24	1	4	0	4	4	4	4
Communications and Brand Management										
Number of Brand Visibility interventions implemented	Number	12	17	2	8	0	8	8	8	8
Number of media analysis reports developed	Number	41	12	3	4	0	4	4	4	4
Enterprise-wide Project Management Office										
Project Management maturity level	Level	3	3	3	3	0	3	3	3	3
Percentage capex spend against the budget for capital projects allocated to CoE departments	Percentage	95%	89%	66%	95%	0%	95%	95%	95%	95%
ICT										
KM of (fibre) broadband installed and commissioned	KM	200	150.41	75km	200KM	0	200KM	200KM	200KM	200KM
Number of Wi-Fi hotspots /nodes provided with Wi-Fi	Number	200	0	202	200	0	200	200	200	200
Number of ERP modules implemented	Number	5	6	3	20	0	20	20	20	20
Internal Audit										
% of forensic investigations finalized	Percentage	60%	67%	60.53%	60%	0%	60%	60%	60%	60%
% completion of the approved internal audit plan	Percentage	90%	67%	207.41 %	100%	0%	100%	100%	100%	100%
Risk Management										
Level of CoE compliance maturity recorded	Number	0	4	3.8	4	0	4	4	4	4
Office of the COO										
Percentage of customer queries resolved in accordance with Ekurhuleni Service Standards	Percentage	85%	95%	94%	93%	0%	93%	93%	93%	93%
Economic Development										
GG 6.12 Number of work opportunities created through EPWP, CWP and other related infrastructure programmes	Number	18000	2158	2636	15000	14000	14000	14000	14000	14000
Number of Tertiary Bursary recipients benefiting from the City of Ekurhuleni's Community Bursary Scheme	Number	0	502	1080	1000	0	1000	1000	1000	1000
Number Of Young People benefiting from Community Skills Programme	Number	0	1559	542	1500	700	700	1500	1500	1500
Rand value of projects allocated to emerging contractors	Rand	0	49658308.2	R39 769 148.35 R6 147 797.23	100000000	48000000	48000000	50000000	50000000	50000000
Rand value generated by EFPM	Rand	R19 m	23230160.4	797.23	26400000	0	26400000	26400000	26400000	26400000
Rand value of investment attracted	Rand	R7 bn	4059230	5170000000	6 Billions	0	6 Billions	6 Billion	6 Billion	6 Billion
And so on for the rest of the Votes										

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	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.3%	0.04	3.5%	0.05	4.7%	4.7%	4.7%	7.5%	5.8%	5.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.2%	0.05	4.2%	0.06	5.4%	5.4%	5.4%	8.5%	6.5%	6.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.33	68.6%	0.51	105.1%	56.1%	56.1%	79.4%	75.5%	75.2%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	-	0.0%	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.5	1.23	1.1	1.29	1.0	0.9	0.9	0.8	0.8	0.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.23	1.1	1.29	1.0	0.9	0.9	0.8	0.8	0.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.7	0.43	0.4	0.70	0.5	0.3	0.3	0.2	0.3	0.3
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.93	94.2%	0.91	93.3%	84.1%	77.3%	77.3%	90.0%	90.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		92.7%	0.94	91.2%	0.93	84.1%	77.3%	77.3%	90.0%	90.0%	90.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.9%	0.21	17.5%	0.14	13.4%	13.4%	13.4%	11.8%	10.2%	9.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	84.0%	0.85	84.0%	0.90	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Creditors to Cash and Investments		106.2%	1.96	210.7%	1.09	174.9%	445.5%	445.5%	640.1%	460.7%	318.3%
Employee costs	Employee costs/(Total Revenue - capital revenue)	20.8%	0.23	24.1%	0.25	23.7%	23.7%	23.7%	23.4%	23.4%	23.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	21.2%	0.23	24.5%	0.25	24.1%	24.1%	23.7%	23.7%	23.8%	23.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.1%	0.07	7.0%	0.08	7.1%	7.1%	7.1%	7.3%	7.2%	7.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.1%	0.11	10.1%	0.09	7.8%	7.8%	7.8%	8.3%	8.2%	8.4%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	23.7	37.36	15.8	17.57	17.6	17.6	13.3	18.8	20.2	21.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24.7%	0.29	23.4%	0.18	18.1%	18.1%	18.1%	15.3%	13.2%	12.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.9	1.57	1.3	2.09	1.7	0.5	0.5	0.4	0.5	0.7

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 2020/21 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 to 7.5% in 2020/21.
- 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 increase to 8.5% in 2020/21
- 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 2020/21 is 79.4%

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 2020/21 MTREF the ratio is expected to be 0.8
- 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 2020/21 financial year the ratio is projected to be 0.2.

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 90% over 2020/21 MTREF.

2.3.1.5 Creditors Management

- The efficiency ratio is predicted to improve to 85% as a result 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:
 - 2017/18– 11.69%
 - 2018/19 –11.59 %

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:
 - 2017/18 – 28.45%
 - 2018/19– 29.93%

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 23.4% 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 at an optimal level. The average ratio is 7.3% 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 8.3% over MTREF.

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 18.8% in 2020/21
- 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 18.1% in 2019/20 and is expected to decrease to 15.3% 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 0.4% in 2020/21 and is expected to be at 0.7% 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 2020/21 financial year, 165 000 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 78.

2.4 Overview of budget-related policies and By-Laws

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 AND BY-LAWS

Annexure D1	Medium - term Budget Statement Policy (reviewed)
Annexure D2	Pricing Policy Statement (reviewed)
Annexure D3	Property Rates Policy (reviewed)
Annexure D4.1	Provision of Free Basic Electricity Policy (reviewed)
Annexure D4.2	Provision of free Basic Water supply services (reviewed)
Annexure D5	Waste Management Tariff Policy (reviewed)
Annexure D6	Consumer Deposit Policy (reviewed)
Annexure D7	Indigent Support Policy (reviewed)
Annexure D8	Credit Control & Debt Collection Policy (reviewed)
Annexure D9	Provision for Doubtful Debt and Debt Write-Off Policy (reviewed)
Annexure D10	Budget Implementation and Monitoring Policy (reviewed)
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 (reviewed)
Annexure D18	Consumer Agreement (reviewed)
Annexure D19	Supply Chain Management Policy (reviewed)
Annexure D20	Treasury Policy (reviewed)
Annexure D21	Allocation of Grant-in Aid (reviewed)
Annexure D22	Asset Management Policy (reviewed)

- Annexure D23 Cost Containment Policy (reviewed)
- Annexure D24 Policy for the wheeling of Electricity (new)
- Annexure D25 Policy guideline for Small-scale Embedded generation (reviewed)
- Annexure D26 Ekurhuleni Community Enterprise Development Fund Policy (new)

BY-LAWS

- Annexure D01 Credit Control and Debt Collection (new)
- Annexure D02 Property Rates (new)

The following is a summary of the changes on the policies and By-Laws

SUMMARY OF CHANGES	
Existing Policy	Revised Policy
Annexure D1 – MEDIUM TERM POLICY	
Minor Changes	
Annexure D2 - PRICING POLICY	
<p>Metro</p> <p>1. APPLICATION AND SCOPE Ekurhuleni Development Company</p> <p>4. VARIOUS CATEGORIES OF PRICING The exception will be the indigent category where a person will qualify for grants, rebates and free basic services based on the indigent status as soon as the person has been approved as indigent and included in the formal indigents register of Council.</p> <p>Insert new paragraph</p>	<p>City</p> <p>1. APPLICATION AND SCOPE Ekurhuleni Housing Company</p> <p>4. VARIOUS CATEGORIES OF PRICING The exception will be approved and deemed indigent category where a person or property will qualify for grants, rebates and free basic services based on status or residential property value.</p> <p>Households within the following categories of properties will be deemed to be indigent households, if -:</p> <ul style="list-style-type: none"> (a) the property is used for residential purposes only as reflected in General Valuation roll; (b) residential exclusion as per Property Rates Act 2004 (Act No 6 of 2004) is applicable to property; (c) municipal value of property does not exceed maximum value R150 000. <p>Households within City of Ekurhuleni listed Un-proclaimed Townships will be deemed to be indigent households, if:</p> <ul style="list-style-type: none"> (a) Property identified as Un-proclaimed Township not registered in Deeds Office.

	<p>(b) Proclaimed property is registered in name of City of Ekurhuleni and included in general valuation roll.</p> <p>(c) Provisional value of individual developed residential property, as determined by City of Ekurhuleni municipal valuer, will not exceed maximum value of R 150 000 on date of valuation.</p> <p>(d) Account in respect of Basic Services is held with Council in the name of the household;</p>
6. ASSESMENT RATES PRICING	
Existing Policy	
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
Revised Policy	
Average Monthly earnings in respect of preceding 12 months.	
R0.00 to R 3,560.00 (2 x State pensions when amended)	100 % rebate on property rates
R3,560.01 to R7,440.00	85% rebate on property rates
R7,440.01 to R11,160.00	70% rebate on property rates
R11,160.01 to R14,880.00	55% rebate on property rates
R14,880.01 to R18,600.00	40% rebate on property rates
Annexure D3 – PROPERTY RATES	
2. DEFINITIONS Insert New Paragraphs	<p>“Category” Means the category in relation to properties for the purpose of levying different rates, and category in relation to different owners of properties for the purpose of granting exemptions, rebates and reductions. Legal</p> <p>“Child Headed Households” Is deemed to be a household that is headed by a minor dependent or child under the age of 18 years who has assumed the role of care-giver in respect of the children in the household and is also responsible for management of such households, due to the parent/s guardian or care-giver of the household who was the registered owner/ account holder/ legal tenant of the property who is terminally ill, deceased or abandoned the children in that household. Legal: Indigent Policy</p>

	<p>“Relief” means exemptions, reductions or rebates that may be granted by the City in terms of this Policy.</p> <p style="text-align: right;">Legal</p>
<p>3.3 STRATEGIC FOCUS</p> <p>There is no (g) in the section Insert paragraph(g)</p>	<p>(g) in developing or amending this policy, the Council commits itself to a process of community participation as envisaged in section 4 of the Act and chapter 4 of the Municipal Systems Act, 2000 (Act No 32 of 2000) (MSA). In addition to the requirements laid down in the MSA, the Council will engage interested parties and structures, such as ratepayer organisations, directly in the process of community participation. In addition, use will be made of established community consultation structures, such as Ward committees, to ensure thorough participation with regard to the aforementioned process.</p> <p style="text-align: right;">Legal</p>
<p>3.4 OBJECTIVES OF THE POLICY</p> <p>There is no (f) in the section – insert point (f) or renumber the section</p> <p>(f) not discourage the development of property</p> <p>(g) ensure that all persons liable for rates are treated equitably as required by the Act.</p>	<p>(f) encourage the development of property;</p> <p>(g) ensure that all persons liable for rates are treated fairly and equitably as required by the Act.</p> <p style="text-align: right;">Legal</p>
<p>4.2 The Council has determined the following categories of property for purposes of rating:</p>	<p>4.2 The Council in terms of section 8 of the Act has determined the following categories of property for purposes of rating:</p> <p style="text-align: right;">Legal</p>
<p>4.3 The Council may determine additional categories of rateable property, provided that the determination of such property categories does not circumvent the categories of rateable property that must be determined in terms of subsection of the act</p>	<p>4.3 The Council may determine additional categories of rateable properties, provided that such determination in relation to property does not circumvent the categories of rateable property that must be determined in terms of subsection 4.2 of this policy and section 8 of the Act</p> <p style="text-align: right;">Legal</p>
<p>4.4 The Council has determined the following ratios relevant to each category to the rate on residential properties for purposes of tariff rating</p>	<p>4.4 The Council has determined the following ratios in accordance with each category of property and to the rate on residential properties for purposes of tariff rating.</p> <p style="text-align: right;">Legal</p>

<p>7.MULTI PURPOSE PROPERTIES</p> <p>7.1 Where two thirds or more of a property is used for residential purposes, the whole property will be placed in the residential category. The two third dominant use will apply. If more than one third is used for purposes other than residential, the entire property will be placed in the use category applicable to more than one third uses.</p>	<p>7.1 (a) Where two thirds or more of a property is used for residential purposes, the entire property will be placed in the residential category. The two third dominant use will apply.</p> <p>(b) If more than one third is used for purposes other than residential, the entire property will be placed in the use category applicable to more than one third uses.</p> <p style="text-align: right;">Legal - Amended</p>
<p>9.2 The Council may determine other categories of owners of property for purposes of exemptions, reductions, rebates and differential rating as the Council may from time to time identify.</p>	<p>9.2 The Council may from time to time determine and identify other categories of owners of property for purposes of exemptions, reductions, rebates and differential rating.</p>
<p>10. CRITERIA FOR EXCEMPTIONS, REDUCTIONS AND REBATES</p> <p>Insert point (d)</p>	<p>(d) Social or economic conditions of the property owner.</p> <p style="text-align: right;">Legal</p>
<p>11.2 INDIGENT OWNERS</p> <p>The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low income sectors of the community within the Municipality. Owners of property who qualify for the assistance provided by his Policy must make application to access the relief provided.</p>	<p>(a) The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low income sectors of the community within the Municipality.</p> <p>(b) Owners of property who qualify for the assistance provided under the Indigent Support Policy are required to make application to access the relief provided.</p> <p>(c) Owners must occupy property in order to qualify for relief.</p> <p>(d) The relief sought will be granted based on the property value as per published property valuation roll</p> <p style="text-align: right;">Legal – Amended</p>
<p>13.1 LIABILITY FOR RATES:</p> <p>The last bullet is empty</p>	<p>Remove last bullet</p>
<p>13.5 PAYMENT AND RECOVERY OF RATES:</p> <p>Payment and recovery of rates shall be in accordance with Council’ relevant policies and by laws.</p>	<p>Payment and recovery of rates shall be in accordance with Council’s relevant policies and by – laws.</p>
<p>Annexure D4.1 - PROVISION OF FREE BASIC ELECTRICITY</p>	
<p>Policy remains unchanged</p>	
<p>Annexure D4.2 PROVISION OF FREE BASIC WATER SUPPLY SERVICES POLICY</p>	
<p>Minor Changes</p>	

Annexure D5 - WASTE MANAGEMENT POLICY	
CONTENTS	
5.2 and 7, EMM	Changed to CoE
3. Definitions Excluded in section 3	Added CoE definition NGO- Non-Government Organization NPO- Non-Profit Organization Waste transportation permit A license issued by Council for collection and transportation of waste as a business activity. All residents using a light delivery vehicle, sedans, trailers (less 1000kg) delivering household waste do not need to register or obtain permit to use waste public offloading facilities, provided the vehicle does not appear to be used for a trade, business or commercial purpose.
6(a) (i) waste services	Waste management services
6.1 Waste management services costing model-bin size and frequency 6(a)(iii) For those areas that the defined bin sizes are not yet implemented, the stand size based model continues to be used to determine the tariffs, until such time the 240l bin system is implemented.	6(A)(iii) All areas zoned residential are billed on a 240l bin system and where static compactors are in use each residential unit linked to the static compactor will be billed on a 240l bin system irrespective.
6.2 Replacement of 243-liter bin as a result of loss or damage 6(b)(l) Where a wheeled bin is reported as stolen, the owner must approach the nearest Depot to re-apply for a replacement. (within 24hrs of theft) with a police case number.	6(b)(l) Where a wheeled bin is reported as stolen, the owner must approach the nearest Depot to re-apply for a replacement. (within 24hrs of theft) with an avadavat made from the police station.
Excluded in Section 6 6.(d) Added new paragraph on Dumping costs at Mini sites	6(c) Waste Transportation Permit with a fixed operator permit of R1500 per annum 6.(d) Dumping costs at Mini sites (i) All small and medium enterprises involved in transportation and disposal of waste at mini-sites must be registered together with vehicle details used for such business. (ii) Residents using these facilities must produce a municipal account less than three months old to

	<p>gain entry and free use of the facility notwithstanding clause 6(d)(iii).</p> <p>(iii) Customers using the mini sites would be charged zero tariff only on condition that they carry waste below 1.3 tones equivalent of a light delivery vehicle limited to once a week. If a customer repeats disposal of similar more than once a week such customers will attract payment of stipulated tariff in the schedule.</p>
<p>7. CUSTOMER CATEGORIES 7.6 EMM entities</p>	7.6 CoE Entities
Annexure D6 - CONSUMER DEPOSIT POLICY	
<p>Definitions</p> <p>“Chief Financial Officer” means the person appointed by the municipality as Chief Financial Officer of the City of Ekurhuleni in terms of section 56 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000).</p> <p>Insert new paragraph</p>	<p>Definitions</p> <p>“Chief Financial Officer” means the person appointed by the municipality as Group Chief Financial Officer of the City of Ekurhuleni in terms of section 56 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).</p> <p>“Deposit” means a monetary amount raised by the Council in relation to the consumption of a municipal service and mitigation of credit risk to the Municipality, irrespective of the existence of an agreement.</p>
<p>2. CIRCUMSTANCES UNDER WHICH DEPOSITS MUST BE PAID</p> <p>Insert new paragraph</p>	<p>2.4 The payment of a consumer deposit is due and payable at –</p> <p>2.4.1 The time of application for municipal services,</p> <p>2.4.2 Date of transfer of property ownership in Central Deeds Office records,</p> <p>2.4.3 Any other time deemed necessary by Council</p>
<p>4. ADJUSTMENT OF DEPOSIT HELD</p> <p>4.1 When the size of the supply on which the deposit is based is either enlarged or reduced, the deposit amount in respect of existing service agreements may be amended to current prescribed deposit amount.</p> <p>1.1 4.2 The amount required as deposit in</p>	<p>4.1 When the size of the supply on which the deposit is based is either enlarged or reduced, the deposit amount in respect of existing service agreements may be amended to current prescribed deposit amount.</p> <p>4.2 The amount required as deposit in respect of existing service agreements may from time to time</p>

<p>respect of existing service agreements may from time to time be reviewed and where no deposit is held the deposit may be determined as follows :</p> <p>4.2.1 With exclusion of “Residential” customer categories, adjust to current approved deposit amount.</p> <p>4.2.2 Residential customer categories – Calculated average monthly consumption in respect of previous three (3) months or current approved deposit amount, whichever is the smallest. Based on oldest account debt ageing at date of assessment, calculated deposit amount in terms of above-mentioned to be raised as follows:</p> <p>4.2.2.1 Current debt – Adjust to 20% of calculated deposit</p> <p>4.2.2.2 30 days and less – Adjust to 50% of calculated deposit.</p> <p>4.2.2.3 60 Days and less – Adjust to 70% of calculated deposit</p> <p>4.2.2.4 60+ Days – Adjust to 100% of calculated deposit.</p> <p>4.4 When an account is in arrears for more Than 60 days</p>	<p>be reviewed and where no deposit is held, the deposit may be determined as follows :</p> <p>4.2.1 Where no deposit has been raised for maximum period of three (3) years from date of service –</p> <p>4.2.1.1 Adjust to deposit applicable on date of service.</p> <p>4.2.2 Where no deposit has been raised for period in excess of three (3) years from date of service –</p> <p>4.2.2.1 Deposit may and will only be raised with the execution of services disconnection in terms of approved Credit Control Policy.</p> <p>4.2.2.2 Deposit calculated based on average monthly consumption in respect of previous three (3) months or current approved deposit amount in terms of applicable service tariff schedule, whichever is the smallest.</p> <p>4.4 When an account is in arrears for more than 90 days,</p>
<p>7. APPROPRIATION OF DEPOSIT</p> <p>Insert new paragraph</p>	<p>Deposit in respect of approved and deemed Indigents appropriated in terms of this policy, may be re-instated in the event of indigent deregistration.</p>
<p>Annexure D7 – INDIGENT POLICY</p>	
<p>Definitions</p> <p>INDIGENT PERSON: means a person lacking the basic necessities of life such as insufficient water, basic sanitation, refuse removal, health care, housing, environmental health, and supply of basic energy, food and clothing as defined in this policy.</p>	<p>INDIGENT PERSON: means a poor, needy person lacking the basic necessities of life such as insufficient water, basic sanitation, refuse removal, health care, housing, environmental health, supply of basic energy, food, clothing and has a lower income threshold as defined in this policy.</p>

<p>9.2 Deemed Indigent Household</p> <p>Households within City of Ekurhuleni listed Un-proclaimed Townships will be deemed to be indigent households, if:</p>	<p>Households within City of Ekurhuleni listed Un-proclaimed Townships will be deemed to be indigent households, if:</p> <p>NB Change in numbering</p>
<p>10. EXTENT OF INDIGENT SUPPORT</p> <p>10.1 Registered Indigent Household/Person</p> <p>(xii) Grass and tree cutting within property in respect of registered disabled and pensioners.</p>	<p>xii) Grass and tree cutting within property in respect of registered disabled and frail pensioner.</p>
<p>17. RIGHT TO APPEAL</p> <p>(c) The City Manager will appoint the chairperson of the Indigent Appeal Committee to be a person vested in Law outside of the City’s employ.</p> <p>(e) The Appeal’s committee shall consist of the following departments Health and Social Development, Finance and Corporate and Legal Services.</p>	<p>(c) The City Manager will appoint the chairperson of the Indigent Appeal Committee to be a person vested in Law in the City’s employ. NB “Outside of” is Deleted</p> <p>Deleted</p>
<p>Annexure D8 – CREDIT CONTROL AND DEBT COLLECTION POLICY</p>	

<p>Definitions</p> <p>Insert Agent</p> <p>Chief Financial Officer - means the person appointed by the municipality as Chief Financial Officer of the City of Ekurhuleni in terms of section 56 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)</p> <p>City Manager - means the person appointed by the Municipality as the City Manager of the City of Ekurhuleni in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), and includes any person acting in such position and to whom the City Manager has delegated a power, function or duty</p>	<p>Definitions</p> <p>Agent - means a person authorized by the customer to act on his or her behalf</p> <p style="text-align: right;">Legal</p> <p>Chief Financial Officer - means the person appointed by the municipality as Group Chief Financial Officer of the City of Ekurhuleni in terms of section 56 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).: Municipal Systems Act, 2000 (Act 32 of 2000)</p> <p>City Manager - means the person appointed by the Municipality as the City Manager of the City of Ekurhuleni in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), responsible and accountable in terms of section 55(2) of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) and includes any person acting in such position and to whom the City Manager has delegated a power, function or duty.</p> <p style="text-align: right;">AM</p>
<p>3. APPLICATION OF POLICY</p> <p>3.2 This policy shall apply to municipal services provided through pre-paid meters</p>	<p>3.2 This policy shall apply to municipal services provided through conventional meter, re-paid meters or any other linked service</p> <p style="text-align: right;">Legal</p>
<p>3.5 Insert Paragraph</p>	<p>3.5 This Policy must be read in conjunction with the Credit Control and Debt Collection By-law. Where there is a conflict between this Policy and another By-law or Policy of the Municipality, this Policy prevails over the affected provision of the other By-law or Policy in respect of any credit control and debt collection matter.</p> <p style="text-align: right;">AvdB</p>
<p>4.2 COUNCIL</p> <p>(iii) The Credit Control and Debt Collection Policy shall super cede all other policies aimed at achieving the same purpose to which the current credit control policy seeks to achieve</p>	<p>4.2 COUNCIL</p> <p>(iii) In case of a By-Law of Council, the Credit Control and Debt Collection By-law, which enforces this policy, shall prevail.</p> <p style="text-align: right;">Legal</p>
<p>4.3 CUSTOMERS</p> <p>(viii) The Council shall not refund any credit to any customer or customer's nominee who is in arrears with the Council</p>	<p>4.3 CUSTOMERS</p> <p>(viii) In case of a customer in default with any payment to the municipality in respect of any service, the amount of any credit may be allocated as payment against any outstanding municipal account of that customer.</p>

4.4 DECEASED ESTATES	4.4 DECEASED ESTATES
<p>In accordance with the provisions of Administration of Estates Act the executor of a Deceased Estate shall be liable for payment of all debts on the property.</p> <p>It remains the sole responsibility of the occupiers to inform the Municipality that the property forms part of a deceased estate and the Municipality may refuse services until an executor has been appointed.</p> <p>Occupiers of property in a deceased estate where neither an executor nor administrator has been appointed, may be required to sign a service level agreement</p>	<p>Occupiers of property in a deceased estate where neither an executor nor administrator has been appointed, may be required to sign a service agreement.</p> <p>In the absence of appointment letters as mentioned above the following consent and conditions will be applicable;</p> <ul style="list-style-type: none"> (a) When such consent be given by the co-owner/s and on submission of a death certificate of deceased owner. (b) A tenant of the property in possession of a valid and current rental agreement; (c) Where the deceased was the sole owner, the nominated proxy by the immediate family or the appointed person as per customary law to take responsibility of the account supported by affidavits from the family together with a copy of the death certificate. (d) Where it can be proven that the applicant will inherit the property from the deceased estate owner by submission of a valid copy of the will together with a copy of the death certificate. (e) That the full monthly account be maintained and settled by applicant, failure which the Municipality reserves the right to refuse to supply further services and cancel the temporary supply agreement. (f) For the purpose of liability for an account, the occupier or occupiers of a property which confers in a deceased estate where neither an executor nor representative has been appointed, but wishes to settle a deceased person's debt may be requested to sign a Service Agreement in the interim whilst the registration of the deceased estate with the relevant authority commences or pending the winding up of the estate. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account. (g) None of the above will confer any rights on the occupiers other than the liability to pay the accounts.

	<p>(h) Where a deceased estate remains unresolved for a period in excess of 3 years and without derogating from such other rights as may exist in law, the municipality may refuse further services to the property or review supply conditions to the property or set further extension to require resolution of the estate.</p> <p style="text-align: right;">AvdB</p>
<p>5.3 DISPUTE AS TO AMOUNT OWING</p>	<p>5.3 DISPUTE AS TO AMOUNT OWING</p> <p>(g) Any amount NOT in dispute must be paid in full by the customer and undisputed municipal services may be restricted or disconnected in respect of amounts outstanding in respect of such services.</p> <p style="text-align: right;">AvdB</p>
<p>5.6.1(c) Payment extension will be granted for maximum period of 90 days from date of application and may be extended on month-to-month basis.</p>	<p>5.6.1(c) Payment extension will be granted for maximum period of 90 days from date of application and may be extended on month-to-month basis for maximum period of 6 months by Accounting Officer or delegated official.</p>
<p>6. ACTIONS TO SECURE PAYMENT</p>	<p>6. ACTIONS TO SECURE PAYMENT</p> <p>(iii) the defaulting customer may be-</p> <p>(a) listed with a credit bureau; and</p> <p>(b) handover of debt to an in-house or contracted debt collection agent for collection. All administrative processes in terms of this policy adhered to and no prior notice of debt hand-over required.</p>
<p>7. POWER TO RESTRICT OR TERMINATE SUPPLY OF MUNICIPAL SERVICES</p> <p>Insert Paragraph</p>	<p>7.1 GENERAL</p> <p>(xi) fails to supply electricity and / or water consumption readings on written notice within required period AvdB</p> <p>(xii) at the written request of the consumer, wherein a written agreement of indemnity between such consumer and the Council, shall be entered, indemnifying the Council of all claims, legal proceedings and costs arising out of such disconnection or restriction occasioned at a written request of the consumer, where the consumer has vacated the premises to which a consumer agreement was concluded, provided that the consumer, after proving ownership or lawful right of control of the property, satisfies Council that continued provision of these services on the property will be prejudicial to both the consumer and the Council</p>

<p>9. DEBT REPAYMENTS ARRANGEMENTS</p> <p>9.1 GENERAL PRINCIPALS</p> <p>(a) Only a customer with positive proof of identity or a person authorised, in writing, by that customer or –</p> <ul style="list-style-type: none"> (i) a letter of appointment by Magistrate Court, where there is a signed rental contract between the owner and tenant; (i) a letter of consent from an Agent; (ii) a letter of Authority from the Magistrate/High Court/Registered Attorney/Advocate <p>will be allowed to enter into a debt repayment agreement for the payment of arrears in instalments.</p>	<p style="text-align: right;">Legal</p> <p>(a) Only a customer with positive proof of identity or a person authorised, in writing, by that customer or –</p> <ul style="list-style-type: none"> (i) a letter of consent from an Agent; (ii) a letter of Authority from the Magistrate/High Court/Registered Attorney/Advocate <p>will be allowed to enter into a debt repayment agreement for the payment of arrears in instalments.</p> <p style="text-align: right;">AvdB</p>
<p>9.2(f) The customer shall be required to make a down payment based on consolidated arrear debt on date of entering into an agreement to pay in instalments on the following basis:</p> <ul style="list-style-type: none"> (i) 1st Debt Repayment arrangement: 0% (ii) 2nd Debt Repayment arrangement: 15% (iii) 3rd Debt Repayment Arrangement: 30% (iv) Additional Debt Repayment Arrangement: 30% <p>The above-mentioned minimum down payment requirements may be amended, on an individual basis, on submission of request by account holder to the Divisional Head Revenue or nominee.</p>	<p>9.2(f) The customer shall be required to make a down payment based on consolidated arrear debt on date of entering into an agreement to pay in instalments on the following basis:</p> <ul style="list-style-type: none"> (i) 1st Debt Repayment arrangement: 0% (ii) 2nd Debt Repayment arrangement: 15% (iii) 3rd Debt Repayment Arrangement: 30% (iv) Additional Debt Repayment Arrangement: 30% <p>The above-mentioned minimum down payment requirements may be reduced or withdrawn based on merit of written request by account holder to the Divisional Head Revenue or nominee. Account holder payment history and credit risk will be taken into account.</p>
<p>16. FRAUD, THEFT AND OTHER CRIMINAL ACTIVITY</p> <p>Insert New Paragraph</p>	<p>(a) No Person may-</p> <ul style="list-style-type: none"> (i) Reconnect, attempt to reconnect or cause or permit a reconnection to any municipal service where the Municipality has restricted or disconnected such supply. (ii) Tamper, break or interfere with any municipal equipment or unlawfully use or interfere with municipal services provided by the Municipality (iii) Knowingly consume, use or distribute any municipal service which has been obtained in an unlawful manner. <p>(b) A person must notify the Municipality if he or she becomes aware of any illegal connection or where a disconnection notice has been delivered to the property and the electricity remains connected.</p>

	<p>(c) Council reserves the right to refuse service agreement with tenant where illegal connection, reconnection or tampering with service supply has been identified and will only consider new consumer agreement with owner of property.</p> <p>(d) The owner of the property remains liable and responsible for all instances of un-authorized reconnections, tampering, damage or theft of municipal service infrastructure installed on the property as well as for all fees and charges levied by the Municipality for the disconnection and subsequent reconnection.</p> <p>(e) Where prima facie evidence of an illegal connection, tampering or interference exists, the Municipality has the right to immediately disconnect the supply without prior notice to the owner.</p> <p style="text-align: right;">AvdB</p>
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Annexure D9 – PROVISION FOR DOUBTFUL DEBT POLICY

4.1 CONSUMER DEBTORS

EXISTING POLICY

Category of Debtor	Percentage of debt regarded as collectable	Percentage of debt provided for as irrecoverable (i.e. Impairment Percentage)
Eskom supply Area debt	Average Eskom supply area payment collection rate over preceding 12 months	100% less average Eskom supply area payment collection rate over preceding 12 months
Disconnection of services in excess of 6 times during preceding 12 months – <ul style="list-style-type: none"> • Debt ageing 0 – 90 days • Debt ageing 90+ Days 	100% 25%	Zero 75%
Debt ageing 1080+ Days (36 months)	Zero	100%
Debt ageing between 180 and 1080 days	Average payment collection rate over preceding 12 months	100% less average payment collection rate over preceding 12 months
Debt ageing less than 180 days	100%	Zero

REVISED POLICY

Category of Debtor	Percentage of debt regarded as collectable	Percentage of debt provided for as irrecoverable (i.e.
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		Impairment Percentage)
AA - Consumer debtors with positive billing during reporting period and debit closing balance		
01 – Debtors with receipts processed during reporting period.	Payment ratio in respect of current and opening balance debt	100% of Opening balance Payment ratio uncollectable portion
02 – Debtors with zero receipts during reporting period	0%	100%
BB - Consumer debtors with negative billing during period and debit balance	Payment ratio	100% of Closing balance Payment ratio uncollectable portion
Exclusions: Formal Debt Repayment arrangements in compliance with arrangement terms	100%	0%

Annexure D10 – BUDGET IMPLEMENTATION AND MONITORING

Small Changes including reference to Solar instead of Venus

Annexure D11 – MUNICIPALITY ENTITY FINANCIAL SUPPORT POLICY

Policy remains unchanged

Annexure D12 – ACCOUNTING POLICY

Whole Policy changed in total

Annexure D13 – ELECTRICITY METERING FOR RESIDENTIAL & SMALL BUSINESS CUSTOMERS

6.3 METERING STRATEGY

INSERT NEW PARAGRAPH

CATEGORY G: NEW BULK RESIDENTIAL COMPLEXES AND BUSINESSES (MEGA DEVELOPMENTS MIXED WITH SUBSIDISED AND BONDED PROPERTIES)

- ▶ These are defined as new mega mixed subsidised and bonded residential units (full title and complexes) and businesses which require a mixed electricity meter strategy.
- ▶ Any decisions made by the HOD: Energy to deal with matters not covered, or that may be ambiguous in this policy will be final.

6.3.1 METERING STRATEGY

All meters will be inside a COE approved protective structure, or if built into the building, it

<p>1. Residential 1 (bonded) The owner of the house pays CoE a standard fee for the connection to the grid, which includes a meter. Copy of COC is required and will form part of the developer responsibility</p>	<p>will have a COE specification protective structure door and locking mechanism.</p> <p>1. Residential 1 (bonded) The owner of the house pays CoE a standard fee for the connection to the grid, which includes a meter. In the event that USDG grant approve this category to be funded through its grants the same principle as per point 3 will apply</p>
<p>2. Residential 1 (FLISP semi-subsidized) The owner of the house pays CoE a standard fee for the connection to the grid, which includes a meter. Copy of COC is required and will form part of the developer responsibility.</p>	<p>2. Residential 1 (FLISP semi-subsidized) The owner of the house pays CoE a standard fee for the connection to the grid, which includes a meter. In the event that USDG grant approve this category to be funded through its grants the same principle as per point 3 will apply. Copy of COC is required and will form part of the developer responsibility.</p>
<p>5. Residential 4 (social high density) CoE will register, supply and install the wired meter to each Unit (including keypad) and absorb this cost from the USDG grant. The supply and installation of the service cable with communication wires from the protective metering structure to the Unit DB will form part of the developer construction costs. The developer will provide a COC for the Unit's electrical wiring.</p> <p>The Developer will provide a fully equipped and labeled Distribution Protective Board (or If the walk ups (flats) are below 18 family units per block, then an outside metering protective structures will be required) as part of the electrical building installation/ or electrical network (fully equipped = correctly rated and toggle circuit breakers completely wired) Space to be left for the meters. Meters will be 1 phase Pilot wire Dinrail meters. Capacity will be limited to 60 Ampere.</p>	<p>5. Residential 4 (social high density) The owner (CoE or Province) of the unit pays CoE a standard fee for the connection to the grid, which includes a meter. CoE will register, supply and install a meter to each unit (including keypad). The supply and installation of the service cable with communication wires from the protective metering structure to the Unit DB does not form part of the CoE scope of works as this will form part of the developer construction costs. The developer will provide a COC for the Unit's electrical wiring. The Installation electrician of the owner shall complete with the owner/ developer Annexure 4 (OHSA act 85 EIR 2009) and submit with application form to the City prior to any installation work commencing.</p> <p>The developer will provide a fully equipped and labeled protective structure (or protected distribution board) or, if the walk ups (flats) are below 18 family units per block, then outside metering protective structures as part of the electrical network electrification (fully equipped = correctly rated and toggle circuit breakers completely wired), space to be left for the meters. Meters will be 1 phase pilot wire Dinrail meters, until the existing COE stock levels are depleted. Capacity will be limited to 60 Ampere. Copy of COC is required and will form part of the developer responsibility.</p>
<p>7. Other zoning ALL other zoning will be metered by automated meter reading. Service cables with meters will be supplied and installed by CoE.</p>	<p>7. Other zoning ALL other zoning will be metered by automated meter reading. Service cables with meters will be supplied and installed by CoE up to and at the bulk metering point.</p>
<p>9. DEVIATIONS FROM THE POLICY</p> <p>Replacing all credit meters in an area or as part of a project, with prepayment metering (as per this policy). During these special</p>	<p>A motivation will be made to the GCFO to put a stay on credit control for a predetermined period of time, so that the project can be completed successfully.</p>

<p>projects, amnesty may be required in terms of levying the reinstatement fee for bypassed meters. Such amnesty shall be approved in writing by the HOD: Energy or his delegate and will have specific time duration.</p>	
<p>Insert new paragraph</p>	<p>CATEGORY G: NEW BULK RESIDENTIAL COMPLEXES AND BUSINESSES (MEGA DEVELOPMENTS MIXED WITH SUBSIDISED AND BONDED PROPERTIES)</p> <ul style="list-style-type: none"> ▶ These are defined as new mega mixed subsidised and bonded residential units (full title and complexes) and businesses which require a mixed electricity meter strategy. ▶ Any decisions made by the HOD: Energy to deal with matters not covered, or that may be ambiguous in this policy will be final. <p>6.3.1 METERING STRATEGY</p> <p>All meters will be inside a COE approved protective structure, or if built into the building, it will have a COE specification protective structure door and locking mechanism.</p>
<p>Annexure D14 – POLICY FOR THE VENDING OF PREPAYMENT ELECTRICITY</p>	
<p>Policy remains unchanged</p>	
<p>Annexure D15 – POLICY FOR THE CORRECTION OF METER READING AND BILLING DATA</p>	
<p>POLICY FOR THE CORRECTION OF METER READING AND BILLING DATA POLICY</p>	<p>POLICY FOR THE ESTIMATION AND CORRECTION OF METER READING AND BILLING DATA</p>
<p>Additional wording is added in several paragraphs to deal with practical aspects that were found in the field</p>	<p>Similarly, when finding an unmetered connection, this will require an estimation of the account.</p>
<p>2. METHODOLOGY</p> <p>Where any meter is found to have ceased to register or registered inaccurately or the meter installation ancillary equipment have been incorrectly wired or failed then:</p> <ul style="list-style-type: none"> • The quantity of electricity consumed at the property are per the correction report is to be paid for by the customer. • Payment shall be determined from the date of last accurate reading of the meter prior to its failure to register or becoming faulty. • Payment will therefore be up to the time of its repair or replacement and shall be estimated by the HOD: Energy on the following basis: 	<p>Where any meter is found to have ceased to register or registered inaccurately or the meter installation ancillary equipment have been incorrectly wired or failed (including any legal or illegal unmetered connection) then:</p> <ul style="list-style-type: none"> • The quantity of electricity consumed at the property as per the correction report is to be paid for by the customer. • Payment shall be determined from the date of last accurate reading of the meter prior to its failure to register or becoming faulty, or 36 months. • Payment will therefore be up to the time of its repair or replacement or installation of a meter and shall be estimated by the HOD: Energy on the following basis:

<p>(1) Where a meter has ceased to register correctly, the Council must repair or replace the meter as soon as possible.</p>	<p>(1) Where a meter or its installation components has ceased to register correctly, CoE must repair or replace the meter and/or components as soon as possible, and where no meter is found, the installation must be equipped with a meter if it complies to CoE by-laws and standards. If the connection is illegal or do not comply, notice will be given and the supply will be disconnected. The unmetred connection units will also be determined and billed.</p>
<p>(2) Where a meter has been replaced or repaired in accordance with (1) above and it can be proved to the satisfaction of the Council that a lesser or greater quantity of electricity has been consumed the Council must estimate the quantity of electricity that is to be paid for by the customer. The Council's estimate must be fair and reasonable and be for the period from the date of the last accurate reading of the meter prior to the meter's repair or replacement. It must be based on one or any applicable combination of the following:</p> <p>(5) Replace Council with COE after the Council meter has been corrected.</p>	<p>(2) Where a meter or its installation components has been installed or replaced or repaired in accordance with (1) above and it can be proved to the satisfaction of CoE that a lesser or greater quantity of electricity has been consumed, COE must estimate the quantity of electricity that is to be paid for by the customer. The COE estimate must be fair and reasonable. It must be based on one or any applicable combination of the following:</p> <p>(5) City of Ekurhuleni after the CoE meter installation has been corrected</p>
	<p>Where the COE meter has failed and the customer can produce accurate check meter readings, these readings can be used for the correction provided that the customer meter and COE meter readings correlates, after the COE meter installation has been corrected.</p> <p>Compensation for losses in a transformer (MV to LV) can be taken into account if the COE meter and customer meters are installed at different voltage levels.</p>
<p>Annexure D16 - ELECTRICITY TARIFF POLICY</p>	
<p>3. TARIFF STRUCTURE</p> <p>Existing wording revised: The first block of 100kWh units will be free.</p> <p>Tariff (IBT)</p> <p>This tariff:</p> <ul style="list-style-type: none"> • The first 100kWh in the first block will be free. • is based on the inclining block principle, i.e. the more units used, the higher the rate becomes. 	<p>This tariff:</p> <ul style="list-style-type: none"> • The first block of 100kWh may be free, subject to the free basic electricity policy. • is based on the inclining block principle, i.e. the more units used, the higher the rate becomes.

	<ul style="list-style-type: none"> provides Free Basic Electricity to qualifying customers
Annexure D17 – VIREMENT POLICY	
1. INTRODUCTION Budget Circular No 51 published by National Treasury.	1. INTRODUCTION The compilation of a virement policy is based on the guidelines issued in Budget Circular No 51 and mSCOA Circular 8 published by National Treasury
5. VIREMENT REQUIREMENTS Circular 51 issued by National Treasury gives the following guiding principles which could be incorporated into the virements policy: Insert new paragraph <ul style="list-style-type: none"> Virements from the capital budget to the operating budget should not be permitted; Virements towards personnel expenditure should not be permitted; There should be prudent limits on the amount of funds that may be moved to and from votes and sub-votes (e.g. not more than 5 per cent of the budget may be moved to or from a vote, programme, project etc.). 	5. VIREMENT REQUIREMENTS Budget Circular 51 and mSCOA Circular 8 issued by National Treasury gives the following guiding principles which could be incorporated into the virements policy: <ul style="list-style-type: none"> A Project extending over/ incorporating more than one mSCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source; Virements from the capital budget to the operating budget should not be permitted, Operational funds to the Capital Budget may be done, but only via an adjustments budget; ; Virements towards personnel expenditure should not be permitted, except where: temporary/ contracted (budget for as contracted services in terms to the mSCOA Classification) staff status has changed to permanent staff; or- the budget savings resulted from Outsourced Services within the same function in terms of a Council delegated authority). There should be prudent limits on the amount of funds that may be moved to and from a function and its sub-functions. In terms of national best practise, a maximum percentage or monetary value of the budget of a Function/ programme/ project may be re-allocated/ shifted through virement (e.g. not more than 5 per cent of the budget may be moved to or from a function, programme, project, etc.)
Annexure D18 – CONSUMER AGREEMENT POLICY	
Definitions “ <i>Chief Financial Officer</i> ” means the person appointed by the municipality as Chief Financial Officer	Definitions “ <i>Chief Financial Officer</i> ” means the person appointed by the municipality as Group Chief Financial Officer

<p>7. STANDARD TERMS AND CONDITIONS</p> <p>Insert new paragraph 7(g) and 7(h)</p>	<p>7(g) The Municipality may not approve an application for the provision of any municipal services, unless the applicant has signed an agreement, in a form as determined by the Municipality for that purpose, accepting the terms and conditions for the provision of such services.</p> <p>(h) Where the purpose for or extent to which any municipal service to customer has changed, the onus and obligation is with the customer to advise the Municipality of such change.</p>
<p>7(iii) Disputed accounts</p> <p>(a) When there is a dispute between the Municipality and a customer over a specific amount claimed by the Municipality, the customer must make written representations to the Council in terms of which he/she may dispute the correctness of the account.</p> <p>(b) The representations contemplated in paragraph (a) must contain the following:</p> <p>(i) the reasons for the objection; and</p> <p>(ii) a request that the relevant meters (if any), be tested.</p> <p>(c) The representation must be accompanied by the payment of an amount equal to –</p> <p>(i) the cost of testing the relevant meters; and</p> <p>(ii) the average amount that was due and payable during the preceding three months; or</p> <p>(iii) in cases where there exists no account history, or the amount has been in dispute for several months, an amount equal to an amount prescribed by Council, from time to time, shall be payable.</p> <p>(d) The Municipality must register the representations and provide the customer with a reference number.</p> <p>(e) The Municipality must –</p> <p>(i) investigate or cause the representations to be investigated within 14 days, or as soon as</p>	<p>7(iii) Account Queries</p> <p>Account query refers to the instance when a customer queries any specific amount or any content contained in any account as rendered by the Council;</p> <p>(a) Query must be raised in writing at any of the Council’s administrative offices;</p> <p>(b) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is queried;</p> <p>(c) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment;</p> <p>(d) Pending the outcome of query, customer may</p>

<p>possible after the query or complaint was registered; and</p> <p>(ii) inform the Applicant, in writing, of its finding as soon as possible thereafter, whereupon any arrears found to be due must be paid within 7 days from the date on which the Applicant is notified of the amount found to be due and payable.</p> <p>(f) Should the customer disagree with the finding of the Municipality; he/she may appeal in writing to the municipality within 21 days of the notification of the decision.</p> <p>(g) The customer must state the reasons for his/her appeal.</p> <p>(h) The municipality must consider the appeal, and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.</p> <p>7(iv) Charging for services and meters Change number (iv) to 7(v)</p> <p>Insert new paragraph</p>	<p>apply for temporary payment extension in terms of provisions of this policy;</p> <p>(f) the customer shall, pending the resolution and outcome of the query, continue to make regular payments on services that are NOT in dispute PLUS the average charges for the preceding three months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that query;</p> <p>(g) should a customer not be satisfied with the outcome of the query, a customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Systems Act.</p> <p>7(v) Charging for services and meters</p> <p>7(iv) Dispute as to Amount Owing</p> <p>(a) A customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.</p> <p>(b) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is disputed.</p> <p>(c) Only disputes lodged by registered account holder will be considered.</p> <p>(d) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.</p> <p>(e) Should any written dispute arise as to the</p>
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	<p>amount owing on the account in respect of all services by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular minimum payments based on the average charges for the preceding three months prior to the arising of the dispute, plus interest, until the resolution of that dispute.</p> <p>(f) Should any written dispute arise as to the amount owing on part of the account or service by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular payments on services that are NOT in dispute PLUS the average charges for the preceding three months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that dispute.</p> <p style="text-align: right;">From Cr Control Policy</p>
11(a) "... agreement to a consumer who is ..."	11(a) "... agreement with a consumer who is ..."
Annexure D19 – SUPPLY CHAIN MANAGEMENT POLICY	
<p>3.3 Prequalifyinh criteria of sub contracting</p> <p>18.3.1.5 New</p> <p>18.7 New</p> <p>22.1.1.15 new</p>	<p>CoE shall make available the list of suppliers, which comply with the prescripts of the National Treasury to provide the required goods or services in respect of the applicable designed groups from which the tenderer must select a supplier</p> <p>Verification of SARS tax compliance thoruhg Natioal Treasury's central suppliers database</p> <p>Inclusion of requiremets of MFMA circular 90- Tax compliance status</p> <p>CoE reserves the right not to accept offers if a bidder failed to perform on any previous CoE contract and has been given notice to this effect.</p>
Annexure D20 – TREASURY POLICY	
Policy remains unchanged	
Annexure D21 - FUNDS TRANSFER POLICY (Allocation of Grant-in-Aid)	
<p>1. Introduction</p> <p>The projects, funded or part funded by these Grants can be as modest as community soup kitchens, food gardens, feeding schemes and early childhood development centers, or could involve substantial allocations aimed at inter alia promoting local tourism, destination marketing, creating job opportunities, economic development and sporting events.</p>	<p>1. Introduction</p> <p>The projects, funded or part funded by these Grants can be as modest as community soup kitchens, food gardens, feeding schemes and early childhood development centers, aligned to the strategic objectives of the Departments of SRAC and Health & Social Development Cluster (<i>Economic Development Department is now excluded</i>).</p>

<p>3. Purpose and Objectives 3.1 The IDP represents the Ekurhuleni Community’s needs and MUST be the guiding factor in developing these partnerships;</p>	<p>3. Purpose and Objectives 3.1 aligned to the strategic objectives of the Department for SRAC and Health & Social Development Department. The IDP represents the Ekurhuleni Community’s needs and MUST be the guiding factor in developing these partnerships;</p>
<p>5.3 Economic Development Department Focus Areas</p>	<p>This Clause has been removed completely as such Grants will be catered for under the Enterprise Development Fund coordinated by the EDD</p>
<p>6.1 General Guidelines - (g) A beneficiary of a Grant shall be subjected to thee following cooling-off period(s) before they can be eligible to apply for a Grant-in-Aid again: (i) 3 years: Economic Development department. (ii) 1 year: Sports, Heritage, Recreation, Arts & Culture and, Social Development departments.</p>	<p>6.1 General Guidelines - (g) Reference to the 3 years cooling-off period for the Economic Development department in (i) has been deleted: (i) 1 year: Sports, Heritage, Recreation, Arts & Culture department, and, (ii) 1 year: Social Development department.</p>
<p>Duplicated Clauses in (i) and (j): 6.1 (i) All applications <i>in excess of R100 000.00</i> (<One Hundred Thousand Rand), must submit their most recent audited financial statements. Applications for Grants <i>less than R100 000.00</i> (>One hundred Thousand Rand) must submit certified financial statements) and, a budget for the ensuing financial year; and,</p>	<p>Separated Clauses: 6.1 (i) All applications <i>in excess of R100 000.00</i> (<One Hundred Thousand Rand), must submit their most recent audited financial statements-; and,</p>
<p>6.1 (j) All applications <i>in excess of R100 000.00</i> (one hundred thousand Rand) must submit their most recent audited financial statements. Applications for relatively small Grants <i>less than R100 000.00</i> (one hundred thousand Rand) must submit certified Bank statements) and, a budget for the ensuing financial year.</p>	<p>6.1 (j) Applications for Grants <i>less than R100 000.00</i> One Hundred Thousand Rand) must submit certified Bank statements) and, a budget for the ensuing financial year.</p>
<p>(l) Tranche payments (staggered) will be made to ALL Grant beneficiaries to ensure the retention of control by Council where a beneficiary default in fulfilling the obligations in terms of the signed MOA (not complying to the terms), by withholding further payments (e.g. no expenditure report on the project impact have been submitted.</p>	<p>(l) Tranche payments (staggered) will be made to ALL Grant beneficiaries, except in cases where a once-off payment is warranted, to ensure that Council retains control by withholding further payments (e.g. in instances where a beneficiary has not submitted an expenditure report on the implemented project; a beneficiary default in fulfilling his/her obligations in terms of the signed MOA).</p>
<p>6.2(d) The need for financial assistance, to be assessed from the applicant’s certified financial statements, must be addressed</p>	<p>6.2(d) The need for financial assistance, to be assessed from the applicant’s certified / audited financial statements, whichever is applicable, must be addressed</p>

<p>6.2(j) The applicant's Constitution must provide that any assets remaining in the event of dissolution of the organization shall be handed over to any organization or society with similar objectives</p>	<p>6.2(j) The applicant's Constitution must provide that any assets remaining in the event of dissolution of the organization shall be handed over to any charitable organization or society with similar objectives</p>
<p>6.2(k) All applications to be verified by the relevant Department in the specific sector (verification of the existence of the organisation / body and the intended service is to be rendered, etc.)</p>	<p>6.2(k) The existence of all applicants to be verified by the relevant Department in the specific sector (verification of the intended service is to be rendered, etc.)</p>
<p>6.2(m) All the recipients of Grants shall in terms of section 67 of the Act be required to submit:</p> <p>(i) monthly progress reports on how the Grant was spent, subject to the proviso that:</p> <p>(ii) if the project is such that the expenditure is incurred once-off, then the expenditure report must be submitted immediately once the funds are exhausted and if the funds are expended as the implementation of the project progresses, monthly reporting is peremptory until the funds are all spent. a final closing report not later than the end of the financial year of receiving the Grant, <u>to be collated and submitted to Mayoral Committee, quarterly</u>. Failure to submit progress reports / applying the Grant for a purpose different from the one its allocated may result in no consideration being given to future applications for a Grant and/or the Municipality taking legal action to recover the Grant allocated</p>	<p>Corrected numbering:</p> <p>6.2(m) All the recipients of Grants shall in terms of section 67 of the Act be required to submit monthly progress reports on how the Grant was spent, subject to the proviso that:</p> <p>(i) if the project is such that the expenditure is incurred once-off, then the expenditure report must be submitted immediately once the funds are exhausted and if the funds are expended as the implementation of the project progresses, monthly reporting is peremptory until the funds are all spent.</p> <p>(ii) a final closing report not later than the end of the financial year of receiving the Grant, <u>to be collated and submitted to Mayoral Committee, quarterly</u>. Failure to submit progress reports / applying the Grant for a purpose different from the one its allocated may result in no consideration being given to future applications for a Grant and/or the Municipality taking legal action to recover the Grant allocated</p>
<p>6.3(b) Applicants with Municipal services accounts in arrears in excess of R5000.00 are automatically disqualified from any future Grant-in-aid until such time that the applicant's municipal services account is properly managed (<i>prior arrangement made with Finance to pay off arrears less than R5000.00</i>);</p>	<p>6.3(b) Exclusions Applicants with Municipal services accounts in arrears in excess of R5000.00 are automatically disqualified from any future Grant-in-aid, <u>except</u> where the applicant's municipal services account is in arrears by less than R5000.00 and prior arrangement has been made with Finance to pay off arrears).</p>

<p>6.3(c) Where projects fall outside the Municipal boundaries, unless the project benefits the Ekurhuleni community or a specific group within the Municipal boundaries</p>	<p>6.3(c) Exclusions Where the applicant’s place of business/offices are outside the Municipal boundaries, unless the project benefits the Ekurhuleni community or a specific group within the Municipal boundaries</p>
<p>6.3(e) duplicated in (w) (e) Where subsequent requests for Grant-in-Aid are to cover unauthorised overspending on projects. (f) Council reserves the right not to award any Grant to an organisation that cannot account for the expenditure of a previously awarded Grant-in-Aid.</p> <p>6.3(f) duplicated in (v) (v) No Grant-in-aid award to an organisation that cannot account for the expenditure of a previous Grant-in-aid within the prescribed period; (w) No subsequent requests for Grants-in-aid are to cover unauthorised overspending on projects.</p>	<p>6.3 (e) & (f) remain: (e) Where subsequent requests for Grant-in-Aid are to cover unauthorised overspending on projects. (f) Council reserves the right not to award any Grant to an organisation that cannot account for the expenditure of a previously awarded Grant-in-Aid.</p> <p>Delete (v) & (w) and Renumber: (x); (y) & (z) to (v); (w) & (x).</p>
<p>Annexure D22 – ASSET MANAGEMENT POLICY</p>	
<p>Policy remains unchanged</p>	
<p>Annexure D23 - COST CONTAINMENT POLICY</p>	
<p>New Policy</p>	
<p>Annexure D24 – POLICY FOR THE WHEELING OF ELECTRICITY (NEW)</p>	
	<p>New policy to effectively deal with electricity wheeling in COE. In short, an external or internal generator is legally entitled to bring electricity to a COE customer, subject to an agreement between the 2 and certain legislative requirements. COE mitigates risk by ensuring the COE surplus is not reduced.</p>
<p>Annexure D25 – POLICY GUIDELINE FOR SMALL-SCALE EMBEDDED GENERATION ((NEW)</p>	
<p>Under Glossary and Definitions: Pr Cert Eng</p>	<p>Under Glossary and Definitions: professional Certificated Engineer</p> <p>Under 3.1 the following were added A copy of the Certificate of Compliance (CoC) {for Low Voltage installations} and or a Safety Report {for Medium Voltage Installations} and supporting test reports must be provided to the municipality upon commissioning and testing of the installation. A copy of the PV Greencard, where available, can also be submitted supplementary to the COC/Safety and Test reports.</p> <p>Until SANS 10142-Part 1-2 covering SSEG installation requirements and DC wiring are published, all SSEG designs and projects above 18kVA must be signed off on commissioning by a registered professional</p>

	<p>engineer (Pr. Eng) or professional certificated engineer (Pr Cert Eng) or professional technologist (Pr. Tech.Eng) or professional Engineering Technician (Pr Techni Eng)</p> <p>Under Appendix 5 the application form detail is included.</p> <p>APPENDIX 5: APPLICATION FOR THE CONNECTION OF SMALL SCALE EMBEDDED GENERATION</p>
Annexure D26 – EKURHULENI COMMUNITY ENTERPRISE DEVELOPMENT FUND POLICY	
New	
BY-LAWS	
Annexure D01 – CREDIT CONTROL AND DEPT COLLECTION BY-LAW	
New	
Annexure D02 – PROPERTY BY-LAW	
New	

2.5 Overview of budget assumptions

2.5.1 General inflation outlook and its impact on the municipal activities

There are key factors that have been taken into consideration in the compilation of the 2020/21 MTREF:

- National Government macro-economic targets.
- The general inflationary outlook and the impact on the city's residents and businesses.
- Impact of covid-19
- 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. 99 dated 09 March 2020 municipalities were advised to take the following macro-economic forecasts into consideration:

2.5.2 Credit rating outlook

Fiscal year	2019/20 Estimate	2020/21	2021/22 Forecast	2022/23 Forecast
CPI Inflation	4.1%	4.5%	4.6%	4.6%
Real GDP growth	0.9%	1.2%	1.6%	1.6%

Table 37 Credit rating outlook

Security class	Currency	Rating	Annual rating 2019/2020	Previous rating 2018/19
National Scale Rating	Rand	Moody's	Aa1.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	Negative	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.

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 2020/21 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 (90%) of annual billings. Cash flow is assumed to be 90% 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.

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.

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 2020//21 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 90% 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 tariff increases for the 2020/21 MTREF on the different revenue categories are:

Table 38 Tariff increases over the MTREF

Revenue category	2020/21 Proposed tariff increase	2021/22 Proposed tariff increase	2022/23 Proposed tariff increase
	%	%	%
Property rates	0	0 Valuation Roll Implementation	4.6
Sanitation	11	11.0	11
Refuse removal	0	4.6	4.6
Water	15	15	15
Electricity	6.61	6.61	6.61

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	2019/20 Final Budget	2020/21 Proposed Budget	2021/22 Proposed Budget	2022/23 Proposed Budget	Comments
Base Adjustment/ Efficiency Adjustment					
- Assessment Rates Income	0.13%	0.00%	4.60%	0.00%	
- Electricity Sales	-0.79%	4.94%	0.00%	0.00%	Increase in base adjustments as a result of revenue enhancement programmes
- Water Sales	0.00%	0.00%	0.00%	0.00%	
- Sanitation Sales	0.00%	0.00%	0.00%	0.00%	
- Refuse Removal	8.12%	0.00%	0.00%	0.00%	
Growth in Consumption of Services					
- Assessment Rates Income	1.00%	0.00%	0.00%	0.00%	
- Electricity Sales	0.00%	0.00%	0.00%	0.00%	
- Water Sales	0.00%	0.00%	0.00%	0.00%	
- Sanitation Sales	0.00%	0.00%	0.00%	0.00%	
- Refuse Removal	1.00%	0.00%	0.00%	0.00%	
Tariff Increases					
- Assessment Rates Income	7.50%	0.00%	0.00%	4.60%	No increase of property rates tariff in 2020/21,covid 19 relief to customers & 2021/22 valuation roll implementation
- Electricity Sales	13.00%	6.61%	6.61%	6.61%	
- Water Sales	15.00%	15.00%	15.00%	15.00%	
- Sanitation Sales	11.00%	11.00%	11.00%	11.00%	
- Refuse Removal	7.50%	0.00%	4.60%	4.60%	No increase refuse removal tariff in 2020/21,covid-19 relief to customers
Total Income Increases					
- Assessment Rates Income	8.63%	0.00%	4.60%	4.60%	
- Electricity Sales	12.21%	11.55%	6.61%	6.61%	
- Water Sales	15.00%	15.00%	15.00%	15.00%	
- Sanitation Sales	11.00%	11.00%	11.00%	11.00%	
- Refuse Removal	16.62%	0.00%	4.60%	4.60%	
Bulk purchase increase					
- Electricity	15.65%	6.90%			
- Water	15.00%	6.90%			
- Sanitation	11.00%	11.00%			

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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Parent municipality									
Securities - National Government Listed Corporate Bonds									
Deposits - Bank	116,916	547,105	174,554	136,986	136,986	136,986	165,754	182,329	200,561
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits Bankers Acceptance Certificates	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	1,458,221	1,630,102	1,919,324	1,988,499	1,988,499	1,988,499	1,929,731	1,913,156	1,894,924
Repurchase Agreements - Banks									
Municipality sub-total	1,579,137	2,181,207	2,097,878	2,129,485	2,129,485	2,129,485	2,099,485	2,099,485	2,099,485
Consolidated total:	1,579,137	2,181,207	2,097,878	2,129,485	2,129,485	2,129,485	2,099,485	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 2020/21 medium-term capital programme:

Table 42 Sources of capital revenue over the MTREF

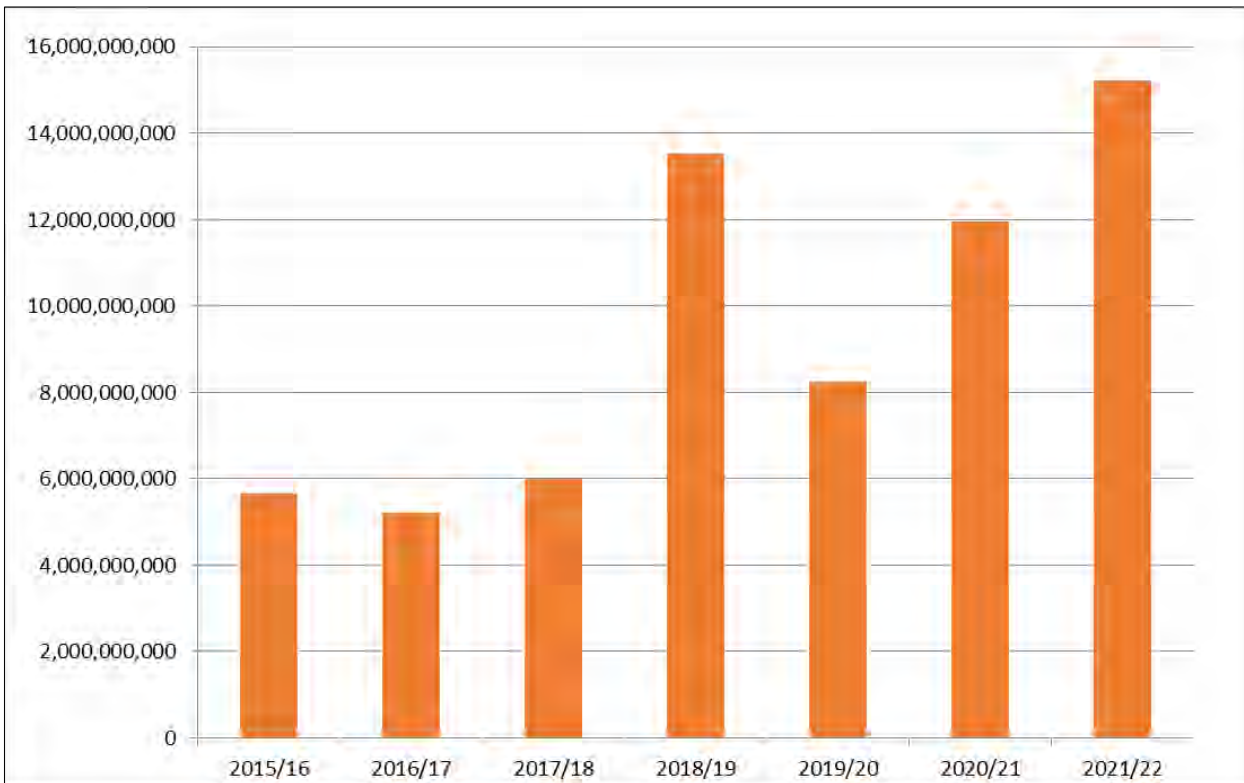
2020/21 - 2022/23 MULTI YEAR CAPITAL BUDGET - PER SOURCES OF FINANCE								
Source Of Finance	Adjusted Budget 2019/20	%	Budget Year 2020/21	%	Budget Year 2021/22	%	Budget Year 2022/23	%
EHC SHRA	1 500 000	0,03%		0,00%		0,00%		0,00%
External Loans	2 212 497 654	44,24%	1 976 039 247	40,08%	1 581 987 796	34,83%	1 544 769 436	34,17%
Intergrated City Development Grant (ICDG)	54 295 000	1,09%	53 577 000	1,09%	53 023 000	1,17%	56 064 000	1,24%
Intergrated National Electrification Programme (INEP)	8 302 337	0,17%	-	0,00%	-	0,00%	-	0,00%
Neighborhood Development Partnership Grant (NDPG)	94 092 340	1,88%	75 000 000	1,52%	70 086 000	1,54%	45 000 000	1,00%
SRAC Provincial Grant	8 663 989	0,17%	8 500 000	0,17%	8 500 000	0,19%	9 000 000	0,20%
Public Transport Network Grant (PTNG)	412 825 274	8,26%	358 000 000	7,26%	359 000 000	7,90%	370 000 000	8,18%
Revenue	578 953 885	11,58%	513 273 159	10,41%	512 052 427	11,27%	509 244 233	11,26%
Urban Settlement Development Grant (USDG)	1 629 493 919	32,59%	1 945 588 239	39,46%	1 269 523 119	27,95%	1 257 500 664	27,82%
Informal Settlement Upgrading Partnership Grant (ISUPG)		0,00%		0,00%	688 067 000	15,15%	729 065 000	16,13%
Total	5 000 624 398	100%	4 929 977 645	100%	4 542 239 342	100%	4 520 643 333	100%

Table 43 MBRR Table SA17 - Detail of borrowings

EKU Ekurhuleni Metro - Supporting Table SA17 Borrowing									
Borrowing - Categorised by type	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Securities - National Government Listed Corporate Bonds									
Deposits - Bank	116,916	547,105	174,554	136,986	136,986	136,986	165,754	182,329	200,561
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)	1,458,221	1,630,102	1,919,324	1,988,499	1,988,499	1,988,499	1,929,731	1,913,156	1,894,924
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	1,579,137	2,181,207	2,097,878	2,129,485	2,129,485	2,129,485	2,099,485	2,099,485	2,099,485
Consolidated total:	1,579,137	2,181,207	2,097,878	2,129,485	2,129,485	2,129,485	2,099,485	2,099,485	2,099,485

The following graph illustrates the growth in outstanding borrowing for the 2017/18 to 2022/23 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

EKU Ekurhuleni Metro - Supporting Table SA18 Transfers and grant receipts									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
National Government:	4,740,102	5,179,595	5,363,149	5,501,712	5,967,984	5,967,984	6,222,484	6,747,382	7,375,545
Local Government Equitable Share	2,381,367	2,719,861	3,145,138	3,478,292	3,478,292	3,478,292	3,830,583	4,229,656	4,634,258
RSC Levy Replacement	1,625,872	1,694,256	1,734,629	1,711,291	1,711,291	1,711,291	1,781,414	1,971,951	2,134,999
Finance Management	1,050	1,050	1,000	1,000	1,396	1,396	1,000	1,000	1,000
Energy Efficiency and Demand Management	–	–	280	915	–	–	10,000	11,000	11,000
EPWP Incentive	22,125	44,718	25,054	22,022	22,022	22,022	19,104	–	–
Urban Settlement Development Grant	669,688	599,710	254,116	177,560	488,656	488,656	221,917	231,824	274,701
Public Transport Network Grant [Schedule 5B]	40,000	120,000	202,932	110,632	266,328	266,328	358,466	301,951	319,587
Provincial Government:	292,977	356,729	821,774	347,299	846,424	846,424	370,770	387,069	400,748
Agricultural Research and Technology	–	–	–	–	–	–	–	–	–
Disaster and Emergency Services	150,624	158,155	167,454	177,033	177,033	177,033	187,301	196,322	205,745
Health	136,853	143,577	151,878	160,266	160,267	160,267	172,469	178,747	182,503
Housing	–	51,203	497,342	–	497,342	497,342	–	–	–
Libraries Archives and Museums	5,500	3,794	5,100	10,000	11,783	11,783	11,000	12,000	12,500
Other grant providers:	9,025	10,797	14,182	25,132	29,861	29,861	25,132	25,132	25,132
Public Sector SETA	9,025	10,797	14,182	25,132	29,861	29,861	25,132	25,132	25,132
Total Operating Transfers and Grants	5,042,103	5,547,121	6,199,105	5,874,142	6,844,269	6,844,269	6,618,385	7,159,582	7,801,425
Capital Transfers and Grants									
National Government:	1,792,444	2,269,238	2,147,324	2,614,920	2,053,373	2,053,373	2,232,165	1,541,632	1,478,565
Energy Efficiency and Demand-side	15,000	12,000	13,720	12,150	–	–	–	–	–
Integrated City Development Grant	38,078	48,646	45,537	54,295	54,295	54,295	53,577	53,023	56,064
Integrated National Electrification Program	40,000	40,000	45,000	–	8,302	8,302	–	–	–
Neighbourhood Development Partnership Grant	68,700	102,574	60,000	65,000	94,092	94,092	75,000	70,086	45,000
Public Transport Infrastructure Grant	410,002	580,718	401,708	568,521	412,825	412,825	358,000	359,000	370,000
Urban Settlement Development Grant	1,220,664	1,485,300	1,581,359	1,914,954	1,483,858	1,483,858	1,745,588	1,059,523	1,007,501
Provincial Government:	7,500	9,800	8,089	8,500	8,664	8,664	8,500	8,500	9,000
Libraries; Archives and Museums	7,500	9,800	8,089	8,500	8,664	8,664	8,500	8,500	9,000
Total Capital Transfers and Grants	1,799,944	2,279,038	2,155,412	2,623,420	2,062,037	2,062,037	2,240,665	1,550,132	1,487,565
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,842,047	7,826,159	8,354,517	8,497,563	8,906,307	8,906,307	8,859,051	8,709,715	9,288,990

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

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	3,703,938	4,878,058	5,554,632	5,572,050	5,572,050	5,122,691	5,122,691	5,526,430	5,780,646	6,046,556
Service charges	17,307,596	17,351,018	18,127,610	22,304,545	18,819,508	17,301,806	17,301,806	23,359,089	25,457,315	27,775,261
Other revenue	827,316	1,115,220	1,484,588	1,936,330	2,401,980	2,208,272	2,208,272	3,422,784	3,795,591	4,296,586
Transfers and Subsidies - Operational	4,753,667	5,732,817	6,045,125	5,928,709	6,538,432	6,538,432	6,538,432	4,864,637	5,216,645	5,696,790
Transfers and Subsidies - Capital	1,794,427	2,001,283	2,067,209	2,623,480	2,623,480	2,623,480	2,623,480	2,440,665	2,448,199	2,466,630
Interest	554,436	619,175	399,384	999,266	996,266	915,922	915,922	563,882	566,201	568,714
Dividends	555	66	182	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(24,008,084)	(26,156,689)	(28,087,954)	(29,987,363)	(30,256,540)	(30,256,540)	(30,256,540)	(34,021,078)	(36,813,028)	(39,934,386)
Finance charges	(618,440)	(719,976)	(651,395)	(1,327,362)	(1,327,362)	(1,327,362)	(1,327,362)	(1,128,805)	(1,206,326)	(1,279,990)
Transfers and Grants	(1,047,906)	(1,576,754)	(1,623,085)	(1,959,026)	(1,959,026)	(1,959,026)	(1,959,026)	(676,943)	(711,421)	(777,247)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,267,504	3,244,217	3,316,297	6,090,629	3,408,788	1,167,675	1,167,675	4,350,662	4,533,823	4,858,914
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	54	(193)	(6,854)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(226,682)	(601,770)	83,330	751,000	751,000	751,000	751,000	30,000	30,000	30,000
Payments										
Capital assets	(5,012,448)	(5,861,651)	(6,150,528)	(7,347,725)	(4,931,142)	(4,750,593)	(4,750,593)	(4,683,479)	(4,315,127)	(4,294,611)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5,239,077)	(6,463,614)	(6,074,052)	(6,596,725)	(4,180,142)	(3,999,593)	(3,999,593)	(4,653,479)	(4,285,127)	(4,264,611)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	(351)	1,300,000	3,000,002	3,749,908	3,088,000	1,650,000	1,650,000	1,976,039	1,581,988	1,544,769
Increase (decrease) in consumer deposits	56,995	-	-	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Payments										
Repayment of borrowing	(391,312)	(423,139)	(371,476)	(973,974)	(973,974)	(973,974)	(973,974)	(1,999,281)	(1,395,995)	(1,408,866)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(334,667)	876,861	2,628,526	2,830,934	2,169,026	731,026	731,026	31,758	240,993	190,903
NET INCREASE/(DECREASE) IN CASH HELD	(2,306,239)	(2,342,536)	(129,230)	2,324,838	1,397,672	(2,100,892)	(2,100,892)	(271,059)	489,688	785,206
Cash/cash equivalents at the year begin:	8,307,062	6,000,822	3,658,286	3,529,056	3,529,056	3,529,056	3,529,056	1,428,164	1,157,105	1,646,794
Cash/cash equivalents at the year end:	6,000,822	3,658,286	3,529,056	5,853,894	4,926,728	1,428,164	1,428,164	1,157,105	1,646,794	2,432,000

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 City of Ekurhuleni - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available										
Cash/cash equivalents at the year end	6,000,822	3,658,286	3,529,056	5,853,894	4,926,728	1,428,164	1,428,164	1,157,105	1,646,794	2,432,000
Other current investments > 90 days	125,036	555,526	182,769	993,594	993,594	993,594	993,594	978,594	978,594	978,594
Non current assets - Investments	1,454,100	1,625,681	1,915,109	1,135,891	1,135,891	1,135,891	1,135,891	1,120,891	1,120,891	1,120,891
Cash and investments available:	7,579,959	5,839,494	5,626,934	7,983,379	7,056,213	3,557,649	3,557,649	3,256,590	3,746,279	4,531,485
Application of cash and investments										
Unspent conditional transfers	126,092	597,883	980,714	943,663	943,663	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–	–	–	–	–
Statutory requirements										
Other working capital requirements	1,278,446	1,536,714	2,418,238	1,924,255	4,583,134	2,665,210	2,665,210	3,246,050	3,720,719	3,788,147
Other provisions										
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Total Application of cash and investments:	1,404,538	2,134,597	3,398,952	2,867,918	5,526,797	2,665,210	2,665,210	3,246,050	3,720,719	3,788,147
Surplus(shortfall)	6,175,421	3,704,896	2,227,982	5,115,461	1,529,416	892,439	892,439	10,540	25,560	743,338

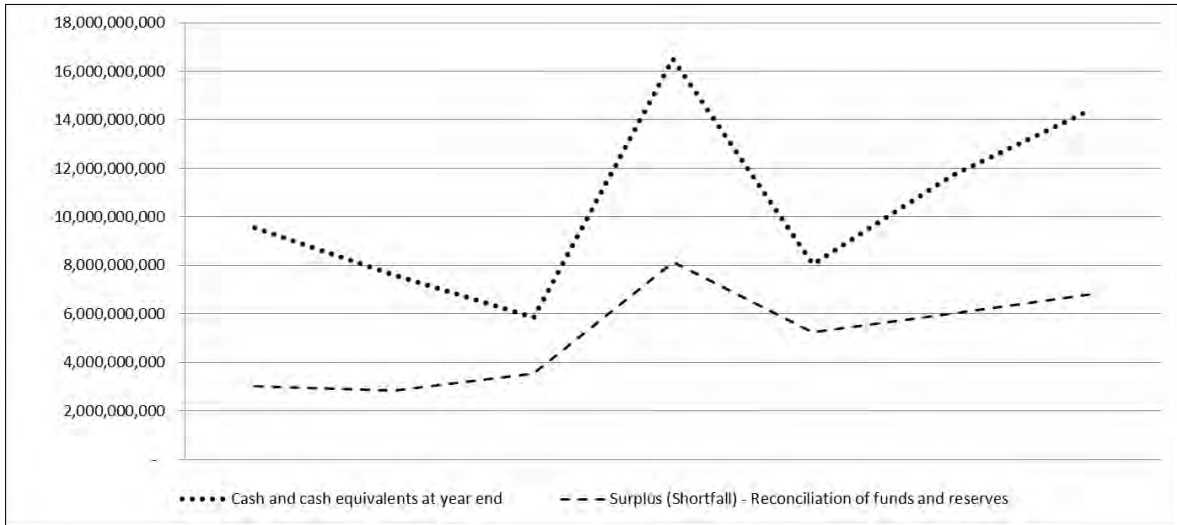
From the above table and the discussion of Table A8 on page it can be seen that the cash and investments available is steadily increasing to R4.5 billion over 2020/21 MTREF, which includes the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of 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

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures										
Cash/cash equivalents at the year end - R'000	6,000,822	3,658,286	3,529,056	5,853,894	4,926,728	1,428,164	1,428,164	1,157,105	1,646,794	2,432,000
Cash + investments at the yr end less applications - R'000	6,175,421	3,704,896	2,227,982	5,115,461	1,529,416	892,439	892,439	10,540	25,560	743,338
Cash year end/monthly employee/supplier payments	2.9	1.6	1.3	2.1	1.7	0.5	0.5	0.4	0.5	0.7
Surplus/(Deficit) excluding depreciation offsets: R'000	1,179,836	1,657,674	(779,542)	2,784,944	2,230,417	2,230,417	2,230,417	2,429,829	2,448,637	2,468,078
Service charge rev % change - macro CPIX target exclusive	N.A.	(1.9%)	4.1%	9.0%	(8.9%)	(6.0%)	(6.0%)	4.7%	2.1%	2.3%
Cash receipts % of Ratepayer & Other revenue	90.8%	82.9%	82.0%	87.2%	79.6%	73.2%	73.2%	88.2%	88.2%	88.6%
Debt impairment expense as a % of total billable revenue	11.5%	6.2%	16.0%	5.3%	10.3%	10.3%	10.3%	9.6%	9.8%	9.4%
Capital payments % of capital expenditure	107.5%	97.6%	95.7%	99.1%	98.6%	95.0%	95.0%	95.0%	95.0%	95.0%
Borrowing receipts % of capital expenditure (excl. transfers)	(0.0%)	32.5%	68.6%	50.6%	105.1%	56.1%	56.1%	79.4%	75.5%	75.2%
Grants % of Govt. legislated/gazetted allocations								82.7%	88.3%	88.1%
Current consumer debtors % change - incr(decr)	N.A.	21.9%	(10.8%)	(14.0%)	0.0%	0.0%	0.0%	(6.5%)	(6.7%)	1.5%
Long term receivables % change - incr(decr)	N.A.	(0.1%)	101.4%	(50.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	4.1%	3.9%	4.3%	5.0%	4.8%	4.8%	5.2%	4.8%	5.0%	5.2%
Asset renewal % of capital budget	48.1%	37.6%	78.2%	75.6%	86.0%	86.0%	0.0%	73.6%	74.6%	75.9%

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Supporting indicators										
% incr total service charges (incl prop rates)		4.1%	10.1%	15.0%	(2.9%)	0.0%	0.0%	10.7%	8.1%	8.3%
% incr Property Tax		30.3%	3.8%	13.8%	0.0%	0.0%	0.0%	0.0%	4.6%	4.6%
% incr Service charges - electricity revenue		(0.1%)	7.9%	11.8%	(3.1%)	0.0%	0.0%	11.2%	6.6%	6.6%
% incr Service charges - water revenue		(7.2%)	22.9%	25.7%	(8.0%)	0.0%	0.0%	27.1%	16.6%	16.4%
% incr Service charges - sanitation revenue		5.3%	26.5%	19.9%	0.0%	0.0%	0.0%	11.0%	11.0%	11.0%
% incr Service charges - refuse revenue		(6.5%)	10.9%	16.2%	0.0%	0.0%	0.0%	0.1%	4.6%	4.6%
% incr in		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	22,672,937	23,604,018	25,981,590	29,868,718	28,995,714	28,995,714	28,995,714	32,095,021	34,708,846	37,579,796
Service charges	22,672,937	23,604,018	25,981,590	29,868,718	28,995,714	28,995,714	28,995,714	32,095,021	34,708,846	37,579,796
Property rates	3,990,437	5,200,065	5,395,431	6,140,478	6,140,478	6,140,478	6,140,478	6,140,478	6,422,940	6,718,395
Service charges - electricity revenue	12,903,718	12,893,182	13,915,463	15,553,417	15,070,434	15,070,434	15,070,434	16,759,382	17,857,172	19,027,526
Service charges - water revenue	3,395,581	3,152,220	3,873,112	4,870,108	4,480,087	4,480,087	4,480,087	5,693,863	6,640,619	7,731,919
Service charges - sanitation revenue	1,109,672	1,168,271	1,477,906	1,771,371	1,771,371	1,771,371	1,771,371	1,966,130	2,182,308	2,422,260
Service charges - refuse removal	1,273,529	1,190,279	1,319,679	1,533,344	1,533,344	1,533,344	1,533,344	1,535,167	1,605,806	1,679,696
Service charges - other	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	67,521	108,641	116,471	136,271	123,465	123,465	123,465	126,585	129,316	132,198
Capital expenditure excluding capital grant funding	2,873,128	3,999,544	4,371,727	7,414,424	2,938,587	2,938,587	2,938,587	2,489,312	2,094,040	2,054,014
Cash receipts from ratepayers	21,838,850	23,344,296	25,166,830	29,812,925	26,793,538	24,632,769	24,632,769	32,308,304	35,033,553	38,118,402
Ratepayer & Other revenue	24,057,497	28,176,266	30,695,916	34,173,289	33,666,064	33,666,064	33,666,064	36,646,723	39,728,866	43,018,138
Change in consumer debtors (current and non-current)	926,089	1,233,127	(736,219)	(863,337)	(863,337)	(863,337)	(863,337)	(343,115)	(330,067)	67,018
Operating and Capital Grant Revenue	6,836,096	5,733,491	6,145,504	6,979,671	7,405,477	7,405,477	7,405,477	7,305,302	7,664,844	8,163,420
Capital expenditure - total	4,661,585	6,003,421	6,428,300	7,417,207	5,000,624	5,000,624	5,000,624	4,929,978	4,542,239	4,520,643
Capital expenditure - renewal	2,240,835	2,254,825	5,024,791	5,605,110	4,301,097	4,301,097	4,301,097	3,629,777	3,387,007	3,431,097
Supporting benchmarks										
Growth guideline maximum	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline	4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY								6,222,484	6,747,382	7,375,545
DoRA capital grants total MFY								2,232,165	1,541,632	1,478,565
Provincial operating grants								370,770	387,069	400,748
Provincial capital grants								8,500	8,500	9,000
Total gazetted/advised national, provincial and district grants								8,833,919	8,684,583	9,263,858
Average annual collection rate (arrears inclusive)										

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Operating Revenue	29,742,529	32,530,324	35,105,566	38,807,515	39,291,012	39,291,012	39,291,012	41,745,137	45,179,215	48,948,646
Total Operating Expenditure	30,351,150	32,875,559	38,020,482	38,806,031	39,276,139	39,276,139	39,276,139	41,755,974	45,178,777	48,947,197
Operating Performance Surplus/(Deficit)	(608,620)	(345,236)	(2,914,916)	1,484	14,873	14,873	14,873	(10,837)	438	1,448
Cash and Cash Equivalents (30 June 2012)								1,157,105		
Revenue										
% Increase in Total Operating Revenue		9.4%	7.9%	10.5%	1.2%	0.0%	0.0%	6.2%	8.2%	8.3%
% Increase in Property Rates Revenue		30.3%	3.8%	13.8%	0.0%	0.0%	0.0%	0.0%	4.6%	4.6%
% Increase in Electricity Revenue		(0.1%)	7.9%	11.8%	(3.1%)	0.0%	0.0%	11.2%	6.6%	6.6%
% Increase in Property Rates & Services Charges		4.1%	10.1%	15.0%	(2.9%)	0.0%	0.0%	10.7%	8.1%	8.3%
Expenditure										
% Increase in Total Operating Expenditure		8.3%	15.6%	2.1%	1.2%	0.0%	0.0%	6.3%	8.2%	8.3%
% Increase in Employee Costs		20.2%	13.9%	13.9%	(3.3%)	0.0%	0.0%	4.7%	8.6%	8.5%
% Increase in Electricity Bulk Purchases		0.6%	7.5%	17.2%	(3.1%)	0.0%	0.0%	10.3%	6.9%	6.9%
Average Cost Per Budgeted Employee Position (Remuneration)			467048.8105	453936.6507				459863.6403		
Average Cost Per Councillor (Remuneration)			615785.5697	632104.371				646131.5204		
R&M % of PPE	4.1%	3.9%	4.3%	5.0%	4.8%	4.8%		4.8%	5.0%	5.2%
Asset Renewal and R&M as a % of PPE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Debt Impairment % of Total Billable Revenue	11.5%	6.2%	16.0%	5.3%	10.3%	10.3%	10.3%	9.6%	9.8%	9.4%
Capital Revenue										
Internally Funded & Other (R'000)	1,613,578	854,664	931,006	884	726,089	726,089	726,089	513,273	512,052	509,244
Borrowing (R'000)	1,300,000	2,873,286	2,995,390	3,750	2,212,498	2,212,498	2,212,498	1,976,039	1,581,988	1,544,769
Grant Funding and Other (R'000)	1,788,457	2,003,877	2,056,573	2,783	2,062,037	2,062,037	2,062,037	2,440,665	2,448,199	2,466,630
Internally Generated funds % of Non Grant Funding	55.4%	22.9%	23.7%	19.1%	24.7%	24.7%	24.7%	20.6%	24.5%	24.8%
Borrowing % of Non Grant Funding	44.6%	77.1%	76.3%	80.9%	75.3%	75.3%	75.3%	79.4%	75.5%	75.2%
Grant Funding % of Total Funding	38.0%	35.0%	34.4%	37.5%	41.2%	41.2%	41.2%	49.5%	53.9%	54.6%

EKU Ekurhuleni Metro Supporting Table SA10 Funding measurement										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure										
Total Capital Programme (R'000)	4,702,035	5,731,827	5,982,968	7,417,207	5,000,624	5,000,624	5,000,624	4,929,978	4,542,239	4,520,643
Asset Renewal	2,240,835	4,332,720	5,295,991	6,482,591	4,554,722	4,554,722	4,554,722	4,245,362	3,774,527	3,823,300
Asset Renewal % of Total Capital Expenditure	47.7%	75.6%	88.5%	87.399.4%	91.1%	91.1%	91.1%	86.1%	83.1%	84.6%
Cash										
Cash Receipts % of Rate Payer & Other	90.8%	82.9%	82.0%	87.2%	79.6%	73.2%	73.2%	88.2%	88.2%	88.6%
Cash Coverage Ratio	0	0	0	0	0	0	0	0	0	0
Borrowing										
Credit Rating (2009/10)								0		
Capital Charges to Operating	4.3%	4.3%	3.5%	5.3%	4.7%	4.7%	4.7%	7.5%	5.8%	5.5%
Borrowing Receipts % of Capital Expenditure	(0.0%)	32.5%	68.6%	50.6%	105.1%	56.1%	56.1%	79.4%	75.5%	75.2%
Reserves										
Surplus/(Deficit)	6,175,421	3,704,896	2,227,982	5,115,461	1,529,416	892,439	892,439	10,540	25,560	743,338
Free Services										
Free Basic Services as a % of Equitable Share	107.8%	104.9%	104.9%	117.5%	117.5%	117.5%		106.2%	103.2%	101.8%
Free Services as a % of Operating Revenue (excl operational transfers)	7.7%	7.5%	5.8%	6.2%	6.3%	6.3%		6.1%	6.1%	6.2%
High Level Outcome of Funding Compliance										
Total Operating Revenue	29,742,529	32,530,324	35,105,566	38,807,515	39,291,012	39,291,012	39,291,012	41,745,137	45,179,215	48,948,646
Total Operating Expenditure	30,351,150	32,875,559	38,020,482	38,806,031	39,276,139	39,276,139	39,276,139	41,755,974	45,178,777	48,947,197
Surplus/(Deficit) Budgeted Operating Statement	(608,620)	(345,236)	(2,914,916)	1,484	14,873	14,873	14,873	(10,837)	438	1,448
Surplus/(Deficit) Considering Reserves and Cash Backing	6,175,421	3,704,896	2,227,982	5,115,461	1,529,416	892,439	892,439	10,540	25,560	743,338
MTREF Funded / Unfunded	1	1	1	1	1	1	1	1	1	1
MTREF Funded / Unfunded	√	√	√	√	√	√	√	√	√	√

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 29, on 70. 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

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 90% this measure and performance objective will have to be meticulously managed.

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 10% 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 79.4%, 75.5% and 75.2% 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 89 MBRR SA34c - repairs and maintenance expenditure by asset class on page 248

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 88 MBRR SA34b on page 247

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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 21/22	Budget Year +2 2022/23
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	4,702,382	4,912,435	5,312,209	5,501,712	5,967,984	5,967,984	6,222,484	6,747,382	7,375,545
Local Government Equitable Share	2,381,367	2,719,861	3,145,138	3,478,292	3,478,292	3,478,292	3,830,583	4,229,656	4,634,258
RSC Levy Replacement	1,625,872	1,694,256	1,734,629	1,711,291	1,711,291	1,711,291	1,781,414	1,971,951	2,134,999
Finance Management	1,050	1,050	604	1,000	1,396	1,396	1,000	1,000	1,000
Energy Efficiency and Demand Management	–	–	162	915	–	–	10,000	11,000	11,000
EPWP Incentive	22,123	44,623	25,054	22,022	22,022	22,022	19,104	–	–
Public Transport Network Grant [Schedule 5B]	780	119,215	177,945	110,632	266,328	266,328	358,466	301,951	319,587
Urban Settlement Development Grant	664,034	333,430	228,678	177,560	488,656	488,656	221,917	231,824	274,701
Municipal Human Settlements Capacity - Opex	7,156	–	–	–	–	–	–	–	–
Provincial Government:	336,049	337,811	335,401	347,299	846,424	846,424	370,770	387,069	400,748
Agricultural Research and Technology	16	–	–	–	–	–	–	–	–
Disaster and Emergency Services	150,624	158,155	167,328	177,033	177,033	177,033	187,301	196,322	205,745
Health	136,853	143,577	151,878	160,266	160,267	160,267	172,469	178,747	182,503
Housing	34,805	31,204	11,603	–	497,342	497,342	–	–	–
BKB	–	–	–	–	–	–	11,000	12,000	12,500
Libraries Archives and Museums	6,199	4,876	4,592	10,000	11,783	11,783	–	–	–
Disaster Grant	7,553	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]	9,025	10,797	9,453	25,132	29,861	29,861	25,132	25,132	25,132
<i>Public Sector SETA</i>	9,025	10,797	9,453	25,132	29,861	29,861	25,132	25,132	25,132
Total operating expenditure of Transfers and Grants:	5,047,456	5,261,043	5,657,063	5,874,142	6,844,269	6,844,269	6,618,385	7,159,582	7,801,425

EKU Ekurhuleni Metro - Supporting Table SA19 Expenditure on transfers and grant programme									
Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 21/22	Budget Year +2 2022/23
EXPENDITURE:									
Capital expenditure of Transfers and Grants									
National Government:	1,757,650	1,992,791	2,058,219	2,614,920	2,053,373	2,053,373	2,232,165	1,541,632	1,478,565
Energy Efficiency and Demand-side	15,000	12,000	13,829	12,150	–	–	–	–	–
Integrated City Development Grant	37,506	48,646	45,537	54,295	54,295	54,295	53,577	53,023	56,064
Integrated National Electrification Programme	40,000	40,000	36,698	–	8,302	8,302	–	–	–
Neighbourhood Development Partnership Grant	39,554	96,426	54,696	65,000	94,092	94,092	75,000	70,086	45,000
Public Transport Infrastructure Grant	419,338	346,563	282,802	568,521	412,825	412,825	358,000	359,000	370,000
Urban Settlement Development Grant	1,206,253	1,449,155	1,624,659	1,914,954	1,483,858	1,483,858	1,745,588	1,059,523	1,007,501
Wifi Connectivity roll out									
Provincial Government:	30,807	8,492	8,990	8,500	8,664	8,664	8,500	8,500	9,000
Libraries; Archives and Museums	7,648	8,492	8,990	8,500	8,664	8,664	8,500	8,500	9,000
HSDG Accreditation - Capex	23,159	–	–						
Total capital expenditure of Transfers and Grants	1,788,457	2,001,283	2,067,209	2,623,420	2,062,037	2,062,037	2,240,665	1,550,132	1,487,565
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	6,835,913	7,262,326	7,724,273	8,497,563	8,906,307	8,906,307	8,859,051	8,709,715	9,288,990

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	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 21/22	Budget Year +2 2022/23
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	42,461	44,876	270,783		396				
Current year receipts	4,704,814	5,179,595	5,430,756	5,501,712	5,967,588	5,967,984	6,222,484	6,747,382	7,375,545
Conditions met - transferred to revenue	4,702,398	4,943,472	5,379,816	5,501,712	5,967,984	5,967,984	6,222,484	6,747,382	7,375,545
Conditions still to be met - transferred to liabilities	44,876	280,999	321,723						
Provincial Government:									
Balance unspent at beginning of the year	74,304	31,838	19,754		497,625				
Current year receipts	293,767	325,744	1,327,450	347,300	348,800	846,425	370,770	387,069	400,748
Conditions met - transferred to revenue	336,233	337,828	841,302	347,300	846,425	846,425	370,770	387,069	400,748
Conditions still to be met - transferred to liabilities	31,838	19,754	505,902						
Other grant providers:									
Balance unspent at beginning of the year					4,729				
Current year receipts			14,182	25,132	25,132	29,861	25,132	25,132	25,132
Conditions met - transferred to revenue	–	–	9,453	25,132	29,861	29,861	25,132	25,132	25,132
Conditions still to be met - transferred to liabilities			4,729						
Total operating transfers and grants revenue	5,038,631	5,281,300	6,230,570	5,874,143	6,844,270	6,844,270	6,618,385	7,159,582	7,801,425
Total operating transfers and grants - CTBM	76,714	300,753	832,354	–	–	–	–	–	–

R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 21/22	Budget Year +2 2022/23
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	311,393	36,643	37,941		8,302				
Current year receipts	1,482,901	2,231,055	2,020,278	2,614,920	2,045,071	2,053,373	2,232,165	1,541,632	1,478,565
Conditions met - transferred to revenue	1,757,650	1,992,791	1,931,174	2,614,920	2,053,373	2,053,373	2,232,165	1,541,632	1,478,565
Conditions still to be met - transferred to liabilities	36,643	274,908	127,046						
Provincial Government:									
Balance unspent at beginning of the year	5,145	52	742		164				
Current year receipts	25,714	9,800	8,700	8,500	8,500	8,664	8,500	8,500	9,000
Conditions met - transferred to revenue	30,807	8,492	8,990	8,500	8,664	8,664	8,500	8,500	9,000
Conditions still to be met - transferred to liabilities	52	1,360	452						
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	1,788,457	2,001,283	1,940,164	2,623,420	2,062,037	2,062,037	2,240,665	1,550,132	1,487,565
Total capital transfers and grants - CTBM	36,695	276,268	127,497	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	6,827,088	7,282,582	8,170,734	8,497,563	8,906,307	8,906,307	8,859,051	8,709,715	9,288,990
TOTAL TRANSFERS AND GRANTS - CTBM	113,409	577,021	959,851	-	-	-	-	-	-

2.8 Councillor and employee benefits

Table 50 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	54,309	57,443	58,401	61,822	60,456	60,456	60,456	65,292	70,516
Pension and UIF Contributions	4,053	4,396	4,532	4,807	4,713	4,713	4,713	5,090	5,497
Medical Aid Contributions	833	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	7,003	7,882	9,713	9,549	10,102	10,102	10,102	10,910	11,782
Cellphone Allowance	5,078	9,117	9,643	9,128	9,652	9,652	9,652	10,424	11,258
Housing Allowances	48,667	53,861	55,647	54,388	57,873	57,873	57,873	62,503	67,503
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	119,944	132,700	137,936	139,695	142,795	142,795	142,795	154,219	166,556
% increase		10.6%	3.9%	1.3%	2.2%	-	-	8.0%	8.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	34,667	42,141	133,939	47,319	50,785	50,785	47,730	51,549	55,673
Pension and UIF Contributions	1,374	2,488	2,560	2,895	2,663	2,663	2,920	3,154	3,406
Medical Aid Contributions	52	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	8,335	(895)	2,059	-	-	2,077	2,243	2,422
Motor Vehicle Allowance	2,434	3,364	2,996	3,738	3,281	3,281	3,771	4,073	4,398
Cellphone Allowance	718	990	904	1,027	1,105	1,105	1,036	1,119	1,208
Housing Allowances	156	512	439	465	596	596	469	507	548
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	2,451	100	1,338	1,338	1,338	1,350	1,458	1,574
Sub Total - Senior Managers of Municipality	39,401	60,282	140,043	58,841	59,768	59,768	59,353	64,101	69,229
% increase		53.0%	132.3%	(58.0%)	1.6%	-	(0.7%)	8.0%	8.0%
Other Municipal Staff									
Basic Salaries and Wages	4,450,432	4,867,038	5,170,264	6,320,378	5,694,590	5,694,590	6,376,421	6,864,534	7,412,329
Pension and UIF Contributions	240,090	433,458	962,904	1,172,734	1,068,882	1,068,882	1,182,940	1,277,575	1,379,781
Medical Aid Contributions	321,573	363,018	395,508	516,346	431,315	431,315	520,839	562,507	607,507
Overtime	752,091	763,955	824,699	407,580	927,122	927,122	411,127	444,017	479,539
Motor Vehicle Allowance	219,831	227,734	228,622	273,991	233,066	233,066	276,375	298,485	322,364
Cellphone Allowance	18,079	19,125	18,572	19,328	19,708	19,708	19,496	21,055	22,740
Housing Allowances	56,017	55,337	60,719	60,625	64,278	64,278	61,152	66,045	71,328
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	120,245	148,348	233,624	267,506	267,506	267,506	269,834	291,420	314,734
Long service awards	(45,339)	65,019	(27,699)	9,006	7,106	7,106	9,085	9,812	10,596
Post-retirement benefit obligations	-	95,454	56,847	97,127	112,193	112,193	104,897	113,289	122,352
Sub Total - Other Municipal Staff	6,133,018	7,038,485	7,924,059	9,144,620	8,825,766	8,825,766	9,232,166	9,948,739	10,743,270
% increase		14.8%	12.6%	15.4%	(3.5%)	-	4.6%	7.8%	8.0%
Total Parent Municipality	6,292,363	7,231,467	8,202,038	9,343,156	9,028,329	9,028,329	9,434,314	10,167,058	10,979,055
		14.9%	13.4%	13.9%	(3.4%)	-	4.5%	7.8%	8.0%
Board Members of Entities									
Basic Salaries and Wages	-	-	-	9,765	9,110	9,110	8,799	9,966	11,176
Sub Total - Board Members of Entities	-	-	-	9,765	9,110	9,110	8,799	9,966	11,176
% increase				-	(6.7%)	-	(3.4%)	13.3%	12.1%
Senior Managers of Entities									
Basic Salaries and Wages	-	30,318	27,710	11,063	8,965	8,965	17,182	17,373	17,426
Pension and UIF Contributions	-	2,645	2,623	1,781	1,781	1,781	1,662	1,788	1,880
Medical Aid Contributions	-	1,041	1,081	588	588	588	605	646	680
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	1,747	(569)	1,115	1,115	1,115	1,182	1,253	1,322
Motor Vehicle Allowance	-	1,124	1,030	1,322	1,322	1,322	919	1,030	1,073
Cellphone Allowance	-	526	508	189	232	232	258	199	209
Housing Allowances	-	27	25	268	268	268	48	53	55
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	118	4,470	67	67	67	71	75	80
Long service awards	-	32	40	-	-	-	-	-	-
Sub Total - Senior Managers of Entities	-	37,578	36,918	16,394	14,339	14,339	21,928	22,418	22,725
% increase		-	(1.8%)	(55.6%)	(12.5%)	-	52.9%	2.2%	1.4%
Other Staff of Entities									
Basic Salaries and Wages	-	199,370	226,365	250,908	255,177	255,177	265,368	348,575	408,926
Pension and UIF Contributions	-	49,228	55,432	64,636	64,636	64,636	75,463	88,554	104,083
Medical Aid Contributions	-	1,392	1,538	2,582	2,582	2,582	2,613	2,903	3,153
Overtime	-	26,612	26,945	33,315	33,315	33,315	35,590	41,765	49,067
Performance Bonus	-	(17,202)	7,949	8,550	8,370	8,370	7,909	9,304	10,979
Motor Vehicle Allowance	-	5,107	5,829	8,118	8,118	8,118	9,433	11,058	13,004
Cellphone Allowance	-	3,394	4,371	4,936	4,936	4,936	5,676	6,664	7,847
Housing Allowances	-	2,545	3,706	3,662	3,662	3,662	4,076	4,762	5,531
Payments in lieu of leave	-	11,739	7,870	18,359	18,359	18,359	21,402	25,168	29,689
Long service awards	-	520	1,629	1,326	1,326	1,326	1,547	1,819	2,147
Post-retirement benefit obligations	-	(1,604)	7,193	2,439	2,439	2,439	2,845	3,346	3,949
Sub Total - Other Staff of Entities	-	281,102	348,826	398,831	402,920	402,920	431,923	543,920	638,375
% increase		-	24.1%	14.3%	1.0%	-	7.2%	25.9%	17.4%
Total Municipal Entities	-	318,680	385,745	424,990	426,369	426,369	462,649	576,304	672,276
TOTAL SALARY, ALLOWANCES & % increase	6,292,363	7,550,147	8,587,783	9,768,145	9,454,698	9,454,698	9,896,963	10,743,363	11,651,331
		20.0%	13.7%	13.7%	(3.2%)	-	4.7%	8.6%	8.5%
TOTAL MANAGERS AND STAFF	6,172,418	7,417,447	8,449,847	9,628,450	9,311,903	9,311,903	9,754,168	10,589,144	11,484,775

Table 51 MBRR SA23 – Salaries, allowances & benefits

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
Councillors						
Speaker	457,186	68,578	649,143			1,174,907
Chief Whip	978,307	–	130,805			1,109,112
Executive Mayor	1,292,105	–	152,955			1,445,060
Deputy Executive Mayor	–	–	–			–
Executive Committee	3,909,032	439,609	6,512,735			10,861,376
Total for all other councillors	53,819,098	4,204,583	70,180,930			128,204,611
Total Councillors	60,455,728	4,712,770	77,626,568			142,795,066
Senior Managers of the Municipality						
MUNICIPAL MANAGER (MM)	3,204,338	72,845	333,409	187,155		3,797,747
CHIEF FINANCE OFFICER	1,890,307	137,875	253,662	–		2,281,844
SM D01- CHIEF OPERATING OFFICER	2,148,277	383,092	309,167	–		2,840,536
SM D02-LEGISLATURE	1,573,364	279,051	546,811	–		2,399,226
SM D03-CITY PLANNING	1,658,260	195,910	365,874	113,779		2,333,823
SM D04-CHIEF OF POLICE	1,894,801	107,192	252,149	68,191		2,322,333
SM D05-HEALTH & SOCIAL DEVELOPMENT	1,807,243	175,235	174,497	132,277		2,289,252
SM D06-CHIEF AUDIT EXECUTIVE (INTERNAL)	2,176,090	2,110	–	–		2,178,200
SM D07-ENVIRONMENTAL RESOURCE AND	2,176,090	2,110	–	–		2,178,200
SM D08-CHIEF INFORMATION OFFICER (ICT)	1,758,119	137,875	305,569	–		2,201,563
SM D09-HUMAN SETTLEMENT	1,819,433	103,177	279,908	110,777		2,313,295
SM D10-ROADS & STORMWATER	2,247,608	2,227	330,476	136,927		2,717,238
SM D11-TRANSPORT	1,945,632	2,020	306,491	–		2,254,143
SM D12-ENERGY	2,039,391	191,608	609,539	172,152		3,012,690
SM D04- DISASTER & EMERGENCY MANAGEM	1,734,863	214,562	245,920	93,591		2,288,936
SM D05-SPORTS, RECREATION, ARTS & CULT	2,022,616	2,020	229,507	213,422		2,467,565
SM D06-STRATEGY & CORPORATE SERVICES	1,743,286	229,403	296,676	53,363		2,322,728
SM D06-HUMAN RESOURCES	1,832,879	82,854	223,190	–		2,138,923
SM D06-CORPORATE LEGAL SERVICE	2,269,248	140,591	255,356	235,334		2,900,529
SM D06-COMMUNICATION & BRANDING MA	1,800,586	160,516	241,416	107,349		2,309,867
SM D06-RISK MANAGEMENT	1,804,873	2,227	263,812	121,999		2,192,911
SM D08-ECONOMIC DEVELOPMENT	2,320,115	2,020	331,205	139,294		2,792,634
SM D10-FACILITIES MANAGEMENT & REAL E	2,139,049	129,878	164,529	127,472		2,560,928
SM D12-WATER & SANITATION MANAGEM	1,724,005	163,687	306,491	63,603		2,257,786
Total Senior Managers of the Municipality	47,730,473	2,920,085	6,625,654	2,076,685		59,352,897
A Heading for Each Entity						
BM CHAIRPERSON	4,040,764	–	–	–		4,040,764
BM D01	1,260,000	–	–	–		1,260,000
BM D01	3,498,000	–	–	–		3,498,000
Total for municipal entities	8,798,764	–	–	–		8,798,764
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	116,984,965	7,632,855	84,252,222	2,076,685		210,946,727

Table 52 MBRR SA24 – Summary of personnel numbers

EKU Ekurhuleni Metro - Supporting Table SA24 Summary of personnel numbers									
Summary of Personnel Numbers	2018/19			Current Year 2019/20			Budget Year 2020/21		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other C	224	–	224	223	–	223	221		221
Board Members of municipal entities		–			–				
Municipal employees		–			–				
Municipal Manager and Senior Managers	205	–	145	216	–	127	119		113
Other Managers	966	648		1,346	895		983	632	
Professionals	1,528	1,105	14	1,069	895	–	1,129	985	–
<i>Finance</i>	189	117	–	129	79	–	119	85	
<i>Spatial/town planning</i>	101	71	–	61	54	–	6	3	
<i>Information Technology</i>	10	5	–	19	16	–	6	6	
<i>Roads</i>	39	19	–	16	12	–	35	21	
<i>Electricity</i>	65	48	–	48	39	–	57	38	
<i>Water</i>	91	55	–	55	38	–	50	36	
<i>Refuse</i>	6	3	–			–	–	–	
<i>Other</i>	1,027	787	14	741	657	–	856	796	
Technicians	1,953	1,503	1	1,760	1,353	–	1,786	1,476	–
<i>Finance</i>	21	14	1	62	39		46	41	
<i>Spatial/town planning</i>	105	90	–	84	32	–	100	87	
<i>Information Technology</i>	30	22	–	60	48	–	71	59	
<i>Roads</i>	78	59	–	43	17	–	34	24	
<i>Electricity</i>	235	216	–	137	93	–	136	106	
<i>Water</i>	122	70	–	143	110	–	182	130	
<i>Refuse</i>	15	10	–	14	13	–	16	15	
<i>Other</i>	1,347	1,022	–	1,217	1,001	–	1,201	1,014	
Clerks (Clerical and administrative)	5,025	3,452	586	4,120	3,295	48	4,119	3,289	5
Service and sales workers	5,110	4,563	1	4,536	3,994	271	5,252	4,801	
Skilled agricultural and fishery workers	79	69	–	258	208	–	254	218	
Craft and related trades	753	749	–	1,015	929	–	1,152	902	
Plant and Machine Operators	2,166	1,722	–	2,379	1,976	–	1,944	1,495	
Elementary Occupations	4,520	3,534	–	4,039	3,550	3	4,473	4,024	12
TOTAL PERSONNEL NUMBERS	22,529	17,345	971	20,961	17,095	672	21,432	17,822	351
% increase				(7.0%)	(1.4%)	(30.8%)	2.2%	4.3%	(47.8%)
Total municipal employees headcount									
Finance personnel headcount	1,291	992	3	1,291	952	1	1,463	939	
Human Resources personnel headcount	282	195	–	273	186	–	261	192	

2.9 Monthly targets for revenue, expenditure and cash flow

Table 53 MBRR SA25 – Consolidated Budgeted monthly revenue and expenditure

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year -1 2021/22	Budget Year -2 2022/23
	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand
Revenue By Source															
Property rates	413,655	413,655	413,655	413,655	413,655	413,655	413,655	413,655	413,655	413,655	413,655	1,590,276	6,140,478	6,422,940	6,718,395
Service charges - electricity revenue	1,396,615	1,396,615	1,396,615	1,396,615	1,396,615	1,396,615	1,396,615	1,396,615	1,396,615	1,396,615	1,396,615	1,396,615	16,759,382	17,857,172	19,027,526
Service charges - water revenue	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	5,693,863	6,640,619	7,731,919
Service charges - sanitation revenue	163,844	163,844	163,844	163,844	163,844	163,844	163,844	163,844	163,844	163,844	163,844	163,844	1,966,130	2,182,308	2,422,260
Service charges - refuse revenue	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	1,535,167	1,605,806	1,679,696
Service charges - other															
Rental of facilities and equipment	11,861	11,861	11,861	11,861	11,861	11,861	11,861	11,861	11,861	11,861	11,861	11,861	126,585	129,316	132,198
Interest earned - external investments	19,745	19,745	19,745	19,745	19,745	19,745	19,745	19,745	19,745	19,745	19,745	16,583	233,778	233,703	233,717
Interest earned - outstanding debtors	32,798	32,798	32,798	32,798	32,798	32,798	32,798	32,798	32,798	32,798	32,798	31,977	392,758	395,409	398,188
Dividends received															
Fines, penalties and forfeits	48,346	48,346	48,346	48,346	48,346	48,346	48,346	48,346	48,346	48,346	48,346	47,883	579,685	579,685	579,685
Licences and permits	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,837	250,023	250,023	250,023
Agency services															
Transfers and subsidies	410,947	410,947	410,947	410,947	410,947	410,947	410,947	410,947	410,947	410,947	410,947	344,222	4,864,637	5,216,645	5,696,790
Other revenue	265,372	265,372	265,372	265,372	265,372	265,372	265,372	265,372	265,372	265,372	265,372	283,561	3,202,651	3,665,587	4,078,249
Gains on disposal of PPE															
Total Revenue (excluding capital transfers and contributions)	3,386,437	3,386,437	3,386,437	3,386,437	3,386,437	3,386,437	3,386,437	3,386,437	3,386,437	3,386,437	3,386,437	4,494,332	41,745,137	45,179,215	48,948,646
Expenditure By Type															
Employee related costs	813,190	813,190	813,190	813,190	813,190	813,190	813,190	813,190	813,190	813,190	813,190	809,082	9,754,168	10,589,144	11,484,775
Remuneration of councillors	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,899	142,795	154,219	166,556
Debt impairment	256,125	256,125	256,125	256,125	256,125	256,125	256,125	256,125	256,125	256,125	256,125	256,125	3,073,502	3,386,998	3,525,024
Depreciation & asset impairment	196,639	196,639	196,639	196,639	196,639	196,639	196,639	196,639	196,639	196,639	196,639	191,642	2,354,667	2,517,844	2,841,869
Finance charges	94,072	94,072	94,072	94,072	94,072	94,072	94,072	94,072	94,072	94,072	94,072	94,072	1,128,805	1,206,326	1,279,990
Bulk purchases	1,404,243	1,404,243	1,404,243	1,404,243	1,404,243	1,404,243	1,404,243	1,404,243	1,404,243	1,404,243	1,404,243	1,404,243	16,850,922	18,362,200	20,030,042
Other materials	176,603	176,603	176,603	176,603	176,603	176,603	176,603	176,603	176,603	176,603	176,603	146,066	2,088,696	2,226,803	2,392,972
Contracted services	398,034	398,034	398,034	398,034	398,034	398,034	398,034	398,034	398,034	398,034	398,034	103,808	4,482,180	4,718,738	5,048,073
Transfers and subsidies	61,495	61,495	61,495	61,495	61,495	61,495	61,495	61,495	61,495	61,495	61,495	495	676,943	711,421	777,247
Other expenditure	101,533	101,533	101,533	101,533	101,533	101,533	101,533	101,533	101,533	101,533	101,533	73,434	1,190,297	1,291,382	1,386,206
Loss on disposal of PPE	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	13,000	13,702	14,442
Total Expenditure	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,091,896	41,755,974	45,178,777	48,947,197
Surplus/(Deficit) transfers and subsidies	(128,479)	(128,479)	(128,479)	(128,479)	(128,479)	(128,479)	(128,479)	(128,479)	(128,479)	(128,479)	(128,479)	(128,479)	(10,837)	438	1,448
allocations) (National / Provincial and District) transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental															
Transfers and subsidies - capital (in-kind - all)															
Surplus/(Deficit) after capital transfers & contributions	94,113	94,113	94,113	94,113	94,113	94,113	94,113	94,113	94,113	94,113	94,113	1,402,436	2,429,829	2,448,637	2,468,078
Taxation															
Attributable to minorities															
Share of surplus/(deficit) of associate															
Surplus/(Deficit)	94,113	94,113	94,113	94,113	94,113	94,113	94,113	94,113	94,113	94,113	94,113	86,261	2,429,829	2,448,637	2,468,078

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

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue by Vote																
Vote 1 - Executive and Council	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	222,001	7,001	7,001	
Vote 2 - Finance and Corporate Services	660,044	660,044	660,044	660,044	660,044	660,044	660,044	660,044	660,044	660,044	660,044	1,822,564	9,083,049	9,637,638	10,179,304	
Vote 3 - Energy	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,464,002	17,725,288	18,662,385	19,901,992	
Vote 4 - Water and Sanitation	972,723	972,723	972,723	972,723	972,723	972,723	972,723	972,723	972,723	972,723	972,723	939,813	11,639,765	13,182,381	14,916,919	
Vote 5 - Waste Management	184,612	184,612	184,612	184,612	184,612	184,612	184,612	184,612	184,612	184,612	184,612	2,215,343	2,351,311	2,351,311	2,493,839	
Vote 6 - Human Settlements	119,397	119,397	119,397	119,397	119,397	119,397	119,397	119,397	119,397	119,397	119,397	(410,911)	902,459	1,490,838	1,533,355	
Vote 7 - City Planning	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,081	37,438	37,438	37,438	
Vote 8 - Economic Development	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	
Vote 9 - Disaster and Emergency Management Services	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	16,517	197,290	206,311	215,734	
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,087	2,184	24,184	25,184	26,184	
Vote 11 - Health and Social Development	14,749	14,749	14,749	14,749	14,749	14,749	14,749	14,749	14,749	14,749	14,749	176,993	183,271	183,271	187,027	
Vote 12 - Environmental Resource Management	2,895	2,895	2,895	2,895	2,895	2,895	2,895	2,895	2,895	2,895	2,895	2,895	34,235	35,810	37,457	
Vote 13 - Ekurhuleni Metropolitan Police Department	48,016	48,016	48,016	48,016	48,016	48,016	48,016	48,016	48,016	48,016	48,016	48,089	576,261	576,261	576,261	
Vote 14 - Transport Planning & Provisioning	94,983	94,983	94,983	94,983	94,983	94,983	94,983	94,983	94,983	94,983	94,983	1,049,288	998,135	1,028,608		
Vote 15 - Roads and Stormwater	21,684	21,684	21,684	21,684	21,684	21,684	21,684	21,684	21,684	21,684	21,684	20,657	259,176	209,302	250,226	
Total Revenue by Vote	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	41,320,444	44,185,803	47,627,414	51,415,275	
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council	125,330	125,330	125,330	125,330	125,330	125,330	125,330	125,330	125,330	125,330	125,330	100,308	1,478,942	1,606,605	1,895,228	
Vote 2 - Finance and Corporate Services	333,637	333,637	333,637	333,637	333,637	333,637	333,637	333,637	333,637	333,637	333,637	326,167	3,996,170	4,305,926	4,428,330	
Vote 3 - Energy	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,189,308	16,092,043	17,214,421	18,415,541	
Vote 4 - Water and Sanitation	704,849	704,849	704,849	704,849	704,849	704,849	704,849	704,849	704,849	704,849	704,849	696,267	8,449,609	9,616,913	10,914,203	
Vote 5 - Waste Management	113,302	113,302	113,302	113,302	113,302	113,302	113,302	113,302	113,302	113,302	113,302	97,453	1,348,775	1,429,739	1,521,571	
Vote 6 - Human Settlements	85,437	85,437	85,437	85,437	85,437	85,437	85,437	85,437	85,437	85,437	85,437	14,694	954,505	998,023	1,060,921	
Vote 7 - City Planning	24,266	24,266	24,266	24,266	24,266	24,266	24,266	24,266	24,266	24,266	24,266	24,012	290,934	311,715	333,098	
Vote 8 - Economic Development	28,610	28,610	28,610	28,610	28,610	28,610	28,610	28,610	28,610	28,610	28,610	28,515	343,221	335,583	347,888	
Vote 9 - Disaster and Emergency Management Services	76,315	76,315	76,315	76,315	76,315	76,315	76,315	76,315	76,315	76,315	76,315	75,881	915,342	985,567	1,062,141	
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	62,464	62,464	62,464	62,464	62,464	62,464	62,464	62,464	62,464	62,464	62,464	56,843	748,949	797,050	853,606	
Vote 11 - Health and Social Development	93,585	93,585	93,585	93,585	93,585	93,585	93,585	93,585	93,585	93,585	93,585	90,401	1,119,834	1,204,847	1,297,251	
Vote 12 - Environmental Resource Management	71,270	71,270	71,270	71,270	71,270	71,270	71,270	71,270	71,270	71,270	71,270	70,819	854,787	917,207	984,354	
Vote 13 - Ekurhuleni Metropolitan Police Department	196,325	196,325	196,325	196,325	196,325	196,325	196,325	196,325	196,325	196,325	196,325	191,402	2,350,979	2,536,313	2,736,964	
Vote 14 - Transport Planning & Provisioning	92,765	92,765	92,765	92,765	92,765	92,765	92,765	92,765	92,765	92,765	92,765	98,477	991,236	1,059,072		
Vote 15 - Roads and Stormwater	151,968	151,968	151,968	151,968	151,968	151,968	151,968	151,968	151,968	151,968	151,968	151,765	1,823,408	1,927,153	2,037,030	
Total Expenditure by Vote	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,091,896	41,755,974	45,178,777	48,947,197	
Surplus/(deficit) before assoc. Taxation	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	1,040,548	2,429,829	2,448,637	2,468,078	
Surplus/(Deficit)	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	1,040,548	2,429,829	2,448,637	2,468,078	

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

R thousand	Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework				
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23		
	Revenue - Functional																	
	Government and administration	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	9,683,025	10,224,472	10,224,472
	Executive and council	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	681,725	9,683,025	10,224,472	10,224,472
	Finance and administration	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Internal audit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Community and public safety	200,560	200,560	200,560	200,560	200,560	200,560	200,560	200,560	200,560	200,560	200,560	200,560	200,560	200,560	2,480,580	2,538,924	2,538,924
	Community and social services	19,817	19,817	19,817	19,817	19,817	19,817	19,817	19,817	19,817	19,817	19,817	19,817	19,817	19,817	237,097	248,612	260,097
	Sport and recreation	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	12,798	13,388	13,388
	Public safety	48,181	48,181	48,181	48,181	48,181	48,181	48,181	48,181	48,181	48,181	48,181	48,181	48,181	48,181	578,247	578,247	578,247
	Housing	116,306	116,306	116,306	116,306	116,306	116,306	116,306	116,306	116,306	116,306	116,306	116,306	116,306	116,306	1,453,743	1,496,261	1,496,261
	Health	15,121	15,121	15,121	15,121	15,121	15,121	15,121	15,121	15,121	15,121	15,121	15,121	15,121	15,121	180,902	187,180	190,936
	Economic and environmental services	100,542	100,542	100,542	100,542	100,542	100,542	100,542	100,542	100,542	100,542	100,542	100,542	100,542	100,542	1,114,878	994,747	1,066,144
	Planning and development	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	4,715	56,542	37,438	37,438
	Road transport	95,817	95,817	95,817	95,817	95,817	95,817	95,817	95,817	95,817	95,817	95,817	95,817	95,817	95,817	1,058,337	957,309	1,028,706
	Environmental protection	10	10	10	10	10	10	10	10	10	10	10	10	10	10	0	0	0
	Trading services	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	2,635,544	31,579,324	34,195,005	37,311,679
	Energy sources	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	1,478,299	17,725,288	18,662,385	19,901,992
	Water management	697,460	697,460	697,460	697,460	697,460	697,460	697,460	697,460	697,460	697,460	697,460	697,460	697,460	697,460	8,369,514	9,418,683	10,626,419
	Waste water management	275,263	275,263	275,263	275,263	275,263	275,263	275,263	275,263	275,263	275,263	275,263	275,263	275,263	275,263	3,270,250	3,763,698	4,290,501
	Waste management	184,523	184,523	184,523	184,523	184,523	184,523	184,523	184,523	184,523	184,523	184,523	184,523	184,523	184,523	2,214,271	2,350,239	2,492,767
	Other	22,844	22,844	22,844	22,844	22,844	22,844	22,844	22,844	22,844	22,844	22,844	22,844	22,844	22,844	274,057	274,057	274,057
	Total Revenue - Functional	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	3,641,214	44,185,803	47,627,414	51,415,275	
	Expenditure - Functional																	
	Government and administration	511,390	511,390	511,390	511,390	511,390	511,390	511,390	511,390	511,390	511,390	511,390	511,390	511,390	511,390	6,097,075	6,576,684	7,032,727
	Executive and council	41,554	41,554	41,554	41,554	41,554	41,554	41,554	41,554	41,554	41,554	41,554	41,554	41,554	41,554	492,021	526,642	564,030
	Finance and administration	463,895	463,895	463,895	463,895	463,895	463,895	463,895	463,895	463,895	463,895	463,895	463,895	463,895	463,895	5,533,886	5,974,168	6,387,753
	Internal audit	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941	71,168	75,873	80,944
	Community and public safety	529,054	529,054	529,054	529,054	529,054	529,054	529,054	529,054	529,054	529,054	529,054	529,054	529,054	529,054	6,269,542	6,724,970	7,233,076
	Community and social services	62,208	62,208	62,208	62,208	62,208	62,208	62,208	62,208	62,208	62,208	62,208	62,208	62,208	62,208	745,421	802,277	863,003
	Sport and recreation	91,623	91,623	91,623	91,623	91,623	91,623	91,623	91,623	91,623	91,623	91,623	91,623	91,623	1,094,240	1,171,799	1,255,180	
	Public safety	199,875	199,875	199,875	199,875	199,875	199,875	199,875	199,875	199,875	199,875	199,875	199,875	199,875	2,393,560	2,581,686	2,785,318	
	Housing	40,443	40,443	40,443	40,443	40,443	40,443	40,443	40,443	40,443	40,443	40,443	40,443	40,443	420,849	429,056	454,407	
	Health	134,906	134,906	134,906	134,906	134,906	134,906	134,906	134,906	134,906	134,906	134,906	134,906	134,906	1,740,152	1,740,152	1,875,168	
	Economic and environmental services	277,214	277,214	277,214	277,214	277,214	277,214	277,214	277,214	277,214	277,214	277,214	277,214	277,214	277,214	3,219,564	3,309,925	3,500,467
	Planning and development	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	56,899	682,246	699,120	736,734
	Road transport	211,566	211,566	211,566	211,566	211,566	211,566	211,566	211,566	211,566	211,566	211,566	211,566	211,566	211,566	2,432,264	2,498,645	2,643,843
	Environmental protection	8,749	8,749	8,749	8,749	8,749	8,749	8,749	8,749	8,749	8,749	8,749	8,749	8,749	8,749	104,553	112,160	119,890
	Trading services	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	2,173,946	25,897,485	28,273,788	30,864,792
	Energy sources	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	1,354,794	16,092,043	17,214,421	18,415,541
	Water management	608,845	608,845	608,845	608,845	608,845	608,845	608,845	608,845	608,845	608,845	608,845	608,845	608,845	608,845	7,299,759	8,196,432	9,243,257
	Waste water management	97,009	97,009	97,009	97,009	97,009	97,009	97,009	97,009	97,009	97,009	97,009	97,009	97,009	97,009	1,161,903	1,483,245	1,684,473
	Waste management	113,298	113,298	113,298	113,298	113,298	113,298	113,298	113,298	113,298	113,298	113,298	113,298	113,298	113,298	1,343,729	1,429,691	1,521,521
	Other	23,311	23,311	23,311	23,311	23,311	23,311	23,311	23,311	23,311	23,311	23,311	23,311	23,311	23,311	272,568	293,410	316,135
	Total Expenditure - Functional	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	3,514,916	45,178,777	48,947,197	52,664,878	
	Surplus/(Deficit) before assoc.	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	2,429,829	2,448,637	2,468,078	
	Surplus/(Deficit)	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	126,298	2,429,829	2,448,637	2,468,078	

Table 56 MBRR SA28 – Consolidated Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Multi-year expenditure to be appropriated																
Vote 1 - Executive and Council	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	55,056	(263,788)	341,823	279,068	226,156	
Vote 2 - Finance and Corporate Services	79,367	79,367	79,367	79,367	79,367	79,367	79,367	79,367	79,367	79,367	79,367	(217,802)	655,240	404,360	351,925	
Vote 3 - Energy	50,728	50,728	50,728	50,728	50,728	50,728	50,728	50,728	50,728	50,728	50,728	(54,222)	503,791	440,042	501,438	
Vote 4 - Water and Sanitation	125,454	125,454	125,454	125,454	125,454	125,454	125,454	125,454	125,454	125,454	125,454	(505,047)	874,942	984,250	987,249	
Vote 5 - Waste Management	12,392	12,392	12,392	12,392	12,392	12,392	12,392	12,392	12,392	12,392	12,392	(4,109)	132,200	113,650	196,710	
Vote 6 - Human Settlements	122,116	122,116	122,116	122,116	122,116	122,116	122,116	122,116	122,116	122,116	122,116	(377,994)	965,886	1,002,406	1,045,245	
Vote 7 - City Planning	25	25	25	25	25	25	25	25	25	25	25	25	300	300	-	
Vote 8 - Economic Development	15,675	15,675	15,675	15,675	15,675	15,675	15,675	15,675	15,675	15,675	15,675	(55,825)	116,600	135,500	68,000	
Vote 9 - Disaster and Emergency Management Services	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	(7,425)	106,700	83,000	68,000	
Vote 10 - Sports, Recreation, Arts & Culture (SRA)	12,746	12,746	12,746	12,746	12,746	12,746	12,746	12,746	12,746	12,746	12,746	(64,904)	75,299	82,238	87,871	
Vote 11 - Health and Social Development	10,568	10,568	10,568	10,568	10,568	10,568	10,568	10,568	10,568	10,568	10,568	(111,983)	4,260	9,400	4,725	
Vote 12 - Environmental Resource Management	23,925	23,925	23,925	23,925	23,925	23,925	23,925	23,925	23,925	23,925	23,925	(121,075)	142,100	83,500	37,300	
Vote 13 - Ekurhuleni Metropolitan Police Department	10,820	10,820	10,820	10,820	10,820	10,820	10,820	10,820	10,820	10,820	10,820	(41,980)	77,039	97,152	106,252	
Vote 14 - Transport Planning & Provisioning	64,651	64,651	64,651	64,651	64,651	64,651	64,651	64,651	64,651	64,651	64,651	(229,609)	481,551	438,747	436,177	
Vote 15 - Roads and Stormwater	71,713	71,713	71,713	71,713	71,713	71,713	71,713	71,713	71,713	71,713	71,713	(336,933)	452,248	388,626	403,596	
Capital multi-year expenditure sub-total	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	(2,391,731)	4,929,978	4,542,239	4,520,643	
Capital single-year expenditure sub-total	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	(2,391,731)	4,929,978	4,542,239	4,520,643	
Total Capital Expenditure	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	665,610	(2,391,731)	4,929,978	4,542,239	4,520,643	

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

Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year+1 2021/22	Budget Year+2 2022/23
Capital Expenditure - Functional															
Governance and administration															
Executive and council	4,210	25,216	51,261	93,198	62,598	88,885	100,669	113,252	125,836	138,419	151,003	306,633	1,260,392	995,740	763,669
Finance and administration	1,288	7,717	15,687	28,521	19,157	26,956	30,807	34,668	38,509	42,360	46,211	(241,350)	50,520	66,500	66,000
Internal audit	2,922	17,499	35,573	64,675	43,440	61,127	69,859	78,591	87,324	96,056	104,788	547,989	1,219,842	837,220	697,669
Community and public safety	0	1	1	3	2	2	3	3	3	4	4	(6)	20	20	-
Community and social services	5,320	31,864	64,776	117,769	79,101	111,308	127,209	143,110	159,011	174,912	190,813	(111,681)	1,093,511	1,089,166	1,162,648
Sport and recreation	1,260	7,545	15,337	27,885	18,729	26,355	30,120	33,885	37,650	41,415	45,180	(178,661)	106,700	83,000	68,000
Public safety	402	2,408	4,895	8,900	5,978	8,412	9,614	10,815	12,017	13,219	14,420	86,909	177,989	111,728	112,161
Housing	886	5,364	10,905	19,827	13,317	18,739	21,416	24,093	26,770	29,447	32,124	(125,859)	77,039	97,152	106,252
Health	2,740	16,410	33,359	60,650	40,736	57,322	65,511	73,700	81,889	90,078	98,267	106,863	777,524	787,886	871,510
Economic and environmental services	23	137	279	507	341	480	548	617	685	754	822	(932)	4,260	9,400	4,725
Planning and development	4,417	26,453	53,775	97,769	65,668	92,405	105,606	118,806	132,007	145,208	158,408	64,631	1,065,152	1,011,391	908,990
Road transport	643	3,849	7,825	14,228	9,556	13,447	15,368	17,289	19,210	21,131	23,052	(28,688)	116,910	135,810	68,010
Environmental protection	3,774	22,603	45,950	83,541	56,112	78,958	90,238	101,517	112,797	124,077	135,356	53,920	908,842	821,581	827,980
Trading services	5,508	32,987	67,058	121,919	81,889	115,230	131,691	148,153	164,614	181,076	197,537	263,272	1,510,933	1,537,942	1,685,396
Energy sources	1,911	11,446	23,269	42,305	28,415	39,384	45,696	51,408	57,120	62,832	68,544	70,861	503,791	440,042	501,438
Water management	2,907	17,413	35,398	64,357	43,226	60,826	69,515	78,205	86,894	95,584	104,273	10,344	668,942	768,250	733,329
Waste water management	689	4,128	8,392	15,257	10,248	14,420	16,480	18,540	20,600	22,660	24,720	49,866	206,000	216,000	253,920
Waste management	-	-	-	-	-	-	-	-	-	-	-	132,200	132,200	113,650	196,710
Total Capital Expenditure - Functional	19,455	116,519	236,870	430,655	289,256	407,028	465,174	523,321	581,468	639,615	697,762	522,855	4,929,978	4,542,239	4,520,643
Funded by:															
National Government	8,158	48,859	99,325	180,584	121,292	170,076	195,058	219,441	243,823	268,205	292,588	584,156	2,432,165	2,439,699	2,457,630
Provincial Government	35	210	428	778	522	735	840	945	1,050	1,155	1,260	542	8,500	8,500	9,000
Transfers recognised - capital	8,193	49,069	99,753	181,361	121,814	171,411	195,898	220,386	244,873	269,360	293,848	584,698	2,440,665	2,448,199	2,466,630
Borrowing	8,505	50,941	103,557	188,277	126,459	177,948	203,369	228,790	254,211	279,632	305,053	49,297	1,976,039	1,581,988	1,544,769
Internally generated funds	2,756	16,509	33,560	61,016	40,993	57,669	65,907	74,146	82,384	90,622	98,861	(111,140)	513,273	512,052	590,244
Total Capital Funding	19,455	116,519	236,870	430,655	289,256	407,028	465,174	523,321	581,468	639,615	697,762	522,855	4,929,978	4,542,239	4,520,643

Table 58 MBRR SA30 – Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
	R thousand															
Cash Receipts by Source																
Property rates	382,564	382,564	382,564	382,564	382,564	382,564	382,564	382,564	382,564	382,564	382,564	382,564	5,526,430	5,780,646	6,046,556	
Service charges - electricity revenue	1,313,282	1,313,282	1,313,282	1,313,282	1,313,282	1,313,282	1,313,282	1,313,282	1,313,282	1,313,282	1,313,282	1,313,282	15,083,444	16,071,455	17,124,773	
Service charges - water revenue	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	474,489	5,124,477	5,976,557	6,588,277	
Service charges - sanitation revenue	148,788	148,788	148,788	148,788	148,788	148,788	148,788	148,788	148,788	148,788	148,788	148,788	1,769,517	1,964,077	2,180,034	
Service charges - refuse revenue	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	127,931	1,381,651	1,445,226	1,511,726	
Rental of facilities and equipment	9,494	10,549	10,549	10,549	10,549	10,549	10,549	10,549	10,549	10,549	10,549	10,549	113,926	118,978	124,030	
Interest earned - external investments	17,533	19,481	19,481	19,481	19,481	19,481	19,481	19,481	19,481	19,481	19,481	19,481	210,400	210,333	210,345	
Interest earned - outstanding debtors	29,457	32,730	32,730	32,730	32,730	32,730	32,730	32,730	32,730	32,730	32,730	32,730	353,482	355,868	358,369	
Fines, penalties and forfeits	43,476	48,307	48,307	48,307	48,307	48,307	48,307	48,307	48,307	48,307	48,307	48,307	521,716	521,716	521,716	
Licences and permits	18,752	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,835	20,835	225,021	225,021	225,021	
Transfer receipts - operational	405,386	405,386	405,386	405,386	405,386	405,386	405,386	405,386	405,386	405,386	405,386	405,386	4,864,637	5,216,645	5,696,790	
Other revenue	213,510	266,888	266,888	266,888	266,888	266,888	266,888	266,888	266,888	266,888	266,888	266,888	2,562,121	2,932,470	3,430,871	
Cash Receipts by Source	3,184,661	3,251,229	3,251,229	3,251,229	3,251,229	3,251,229	3,251,229	3,251,229	3,251,229	3,251,229	3,251,229	3,251,229	37,736,662	40,816,399	43,383,307	
Other Cash Flows by Source																
Transfer receipts - capital	203,389	203,389	203,389	203,389	203,389	203,389	203,389	203,389	203,389	203,389	203,389	203,389	2,440,665	2,448,199	2,466,630	
Borrowing (long term)/refinancing	164,670	31,077	31,077	31,077	31,077	31,077	31,077	31,077	31,077	31,077	31,077	31,077	1,976,039	1,581,988	1,544,769	
Increase (decrease) in consumer deposits	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	
Decrease (increase) in non-current investment	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	30,000	30,000	
Total Cash Receipts by Source	3,559,803	3,492,778	3,492,778	3,492,778	3,492,778	3,492,778	3,492,778	3,492,778	3,492,778	3,492,778	3,492,778	3,492,778	42,238,527	44,931,586	48,480,366	
Cash Payments by Type																
Employee related costs	772,205	812,847	812,847	812,847	812,847	812,847	812,847	812,847	812,847	812,847	812,847	812,847	9,266,459	10,059,687	10,910,536	
Remuneration of councillors	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	142,795	154,219	166,556	
Finance charges	94,067	94,067	94,067	94,067	94,067	94,067	94,067	94,067	94,067	94,067	94,067	94,067	1,128,805	1,206,326	1,279,990	
Bulk purchases - Electricity	1,045,615	1,045,615	1,045,615	1,045,615	1,045,615	1,045,615	1,045,615	1,045,615	1,045,615	1,045,615	1,045,615	1,045,615	12,547,380	13,413,439	14,338,967	
Other materials	174,058	174,058	174,058	174,058	174,058	174,058	174,058	174,058	174,058	174,058	174,058	174,058	2,088,696	2,226,803	2,392,972	
Contracted services	373,515	373,515	373,515	373,515	373,515	373,515	373,515	373,515	373,515	373,515	373,515	373,515	4,882,180	4,718,738	5,048,073	
Transfers and grants - other	56,412	56,412	56,412	56,412	56,412	56,412	56,412	56,412	56,412	56,412	56,412	56,412	676,943	711,421	777,247	
Other expenditure	99,191	63,181	63,181	63,181	63,181	63,181	63,181	63,181	63,181	63,181	63,181	63,181	1,190,297	1,291,382	1,386,206	
Cash Payments by Type	2,985,569	2,990,201	2,990,201	2,990,201	2,990,201	2,990,201	2,990,201	2,990,201	2,990,201	2,990,201	2,990,201	2,990,201	35,826,626	38,730,775	41,991,623	
Other Cash Flows/Payments by Type																
Capital assets	380,290	380,290	380,290	380,290	380,290	380,290	380,290	380,290	380,290	380,290	380,290	380,290	4,683,479	4,315,127	4,294,611	
Repayment of borrowing	166,607	-	-	-	-	-	-	-	-	-	-	-	1,832,675	1,999,281	1,995,995	
Total Cash Payments by Type	3,542,465	3,380,491	3,380,491	3,380,491	3,380,491	3,380,491	3,380,491	3,380,491	3,380,491	3,380,491	3,380,491	3,380,491	44,444,888	47,695,100	50,882,230	
NET INCREASE/(DECREASE) IN CASH HELD	17,338	112,287	112,287	112,287	112,287	112,287	112,287	112,287	112,287	112,287	112,287	112,287	(271,059)	(489,688)	(785,206)	
Cash/cash equivalents at the month/year begin	1,428,164	1,445,502	1,557,790	1,670,077	1,782,364	1,894,651	2,006,938	2,119,226	2,231,513	2,343,800	2,456,087	2,568,374	2,680,662	2,792,950	2,905,237	3,017,524
Cash/cash equivalents at the month/year end:	1,445,502	1,557,790	1,670,077	1,782,364	1,894,651	2,006,938	2,119,226	2,231,513	2,343,800	2,456,087	2,568,374	2,680,662	2,792,950	2,905,237	3,017,524	3,129,810

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 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
CITY MANAGER					
Revenue By Source					
Expenditure By Type					
Employee related costs	80,039,906	71,327,319	73,680,705	79,575,165	85,941,180
Depreciation & asset impairment	146,794	134,563	154,134	161,841	169,933
Other materials	1,478,686	1,177,102	683,316	694,865	707,038
Contracted services	7,188,287	1,941,562	7,057,019	7,057,749	7,058,519
Other expenditure	1,528,812	1,380,767	1,507,687	1,621,555	1,744,410
Total Expenditure	90,382,485	75,961,313	83,082,861	89,111,175	95,621,080
Surplus/(Deficit)	(90,382,485)	(75,961,313)	(83,082,861)	(89,111,175)	(95,621,080)
Surplus/(Deficit) after capital transfers & contributions	(90,382,485)	(75,961,313)	(83,082,861)	(89,111,175)	(95,621,080)
Surplus/(Deficit) after taxation	(90,382,485)	(75,961,313)	(83,082,861)	(89,111,175)	(95,621,080)

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 OCOO 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 OCOO

The OCOO 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, OCOO 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 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
CHIEF OPERATING OFFICER					
Revenue By Source					
Other revenue	-	(1,478)	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	(1,478)	-	-	-
Expenditure By Type					
Employee related costs	219,690,411	200,932,436	228,836,757	247,143,695	266,915,202
Depreciation & asset impairment	48,723,810	44,663,498	51,160,001	53,718,001	56,403,901
Other materials	11,507,229	6,262,508	8,869,867	9,310,401	9,774,721
Contracted services	541,898	411,884	408,646	427,394	447,153
Other expenditure	5,089,960	4,000,399	4,792,082	5,099,468	5,430,683
Total Expenditure	285,553,308	256,270,725	294,067,353	315,698,959	338,971,660
Surplus/(Deficit)	(285,553,308)	(256,272,203)	(294,067,353)	(315,698,959)	(338,971,660)
Surplus/(Deficit) after capital transfers & contributions	(285,553,308)	(256,272,203)	(294,067,353)	(315,698,959)	(338,971,660)
Surplus/(Deficit) after taxation	(285,553,308)	(256,272,203)	(294,067,353)	(315,698,959)	(338,971,660)

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 plan applications, outdoor advertising applications; respond to sinkhole incidents and boundary encroachments; provide updated GIS data across the various customer care areas (CCAs).

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
Regularisation of unproclaimed townships.	<p>The process entails understanding of the current legal status of existing townships (predominantly existing black community townships) and completing the town planning processes thereof (i.e. analysing status quo of the township in terms of land use and encroachments, ensuring that there is an endorsed general plan, proclamation of township if necessary, opening of a township register and upgrading of ownership). The regularization of the townships will improve the security of tenure; and that enables the beneficiaries who had been allocated the houses through leasehold agreements to obtain Title Deeds as a proof of land ownership.</p>	<p>The township regularization project is currently underway and Phase One (1) of the project has already been completed. Phase One (1) entails research on the status of the township as far as township establishment processes are concerned. There are fifteen townships identified for regularisation, however, only ten (10) townships require Phase Two (2) Implementation of the project, which include opening of township registers at Deeds Office. The townships highlighted in red are proceeding to Phase Two (2) of township regularization:</p> <ul style="list-style-type: none"> • Tsakane X1 • Blue Gum View • Othandweni • Langaville X6 • Langaville X10 • Vosloorus X15 • Mayfield X5 • Moleleki X4 • Pirrowville • Primrose X18 • Tsakane X10 • Tsakane X20 • Tsakane X21 • Etwatwa X30 • Tembisa X6 <p>It is envisaged that the aforementioned townships will be registered by the end of the 2019/2020 financial year.</p>

Project Name	Brief Description	Project Status/Progress
Development City of Ekurhuleni Land Use Scheme (CELUS)	The project aims to put in place the reviewed Land Use Scheme by 30 June 2020, which will replace the current 17 Town Planning Schemes that are currently operational and apply a uniform approach in the assessment of land use applications across the metro.	The draft City of Ekurhuleni Land Use Scheme (CELUS) was participated during October 2019. It is envisaged that the Scheme will be approved by the end of the 2019/2020 financial year.
Development and Implementation of the Capital Investment Framework (CIF)	<p>The CIF aims to drive integrated CAPEX across the City spend within defined geographic priority areas.</p> <p>The CIF aims to distribute CAPEX in coordinated manner to various departments in an equitable manner through the Capital Prioritisation Model (CPM) tool and as part of the annual capital budget process through the ERP Budget and Prioritisation Module (automated application). The CPM tool within CIF is meant to prioritise investment towards targeted areas (Geographic Priority Areas and Integration Zones) thus having a catalytic effect with regards to return on investment in relation to its social and developmental objectives.</p>	<p>The Capital Investment Framework (CIF) Operational Task Team convenes annually to ensure alignment of the City's built environment trajectory is in accordance with during CIF Budget evaluation process.</p> <p>The CIF finds its application of the Capital Prioritisation Model. The application captures budget data, weights and reports prioritisation outcomes.</p> <p>Furthermore, the outcome of the CIF Budget evaluation process in relation to data adds significant value to compilation of Built Environment Performance Plan (BEPP).</p>
Development of the (annual) Built Environment Framework (BEPP)	The Built Environment Performance Plan (BEPP) is a legislated document as described in the annual Division of Revenue Act, which seeks to assist the city to achieve built environment outcomes of productive, inclusive, well-governed and sustainable city. BEPP is an eligible criteria to access infrastructure grants related to built environment such as Integrated Cities Development Grant (ICDG), Urban Settlements Development Grant (USDG), Neighbourhood Development Partnership Grant (NDPG), Public Transport	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 the identified infrastructure grants. It's envisaged that the BEPP will be approve by May 2020.

Project Name	Brief Description	Project Status/Progress
	Infrastructure Grant (PTIG) and Integrated National Electrification Programme (INEP). The main contributions of BEPP include providing incentives to the city, mastering institutionalising integration, coordination and intergovernmental relations in planning and budgeting.	
Formulating the Growth Management Strategy (GMS)	The project is for formulating a comprehensive GMS and provision of planning related services to implement the strategy. The Strategy addresses issues of City identity; flexible growth management development of nodes and corridor, and address the segregated nature of the former Councils of the city inherited from apartheid planning legacy. It furthermore provides the City with a range of mechanisms to direct the nature and form of physical growth in alignment with the Metropolitan Spatial Development Framework.	The project is currently underway. An inception report for the project has already been submitted together with the draft status quo report. The final status quo report as well as the priority mapping report will be finalised before the end of 2019/2020 financial year. The Strategy will be finalized in 2021/2022 financial year.
Gap analysis of the 2015 Metropolitan Spatial Development Framework (MSDF) and Regional Spatial Development Frameworks (RSDF's)	The project is for conducting a detailed gap analysis of the MSDF and RSDFs. The outcome of the exercise will serve as input into the intended subsequent revision of the 2015 MSDF and RSDFs – Region A to Region F.	The review is underway and is expected to be finalised during the 2020/2021 financial year.
Formulating Urban Design Precinct Plans	<p>The project is for formulating urban design precinct plans. For the 2019/20 financial year, the following Precinct Plans will be undertaken: China Gate-Terence BRT Station Precinct and Andrew Mapheto-Brian Mazibuko BRT Station Precinct.</p> <p>The Municipal MSDF recommends an "urban design approach" as one of the key mechanisms towards restructuring our urban environment, with the aim of addressing and rectifying the flaws and inefficiencies in our current urban structure.</p> <p>This initiative also gives effect to the provision under Section 21(I)(i) of the Spatial Planning and Land Use Management Act of 2013 (SPLUMA), which requires the municipality to identify the designation of areas in</p>	<p>The status quo assessment and conceptual development framework formulated for each, served as basis for the formulation of a detailed development framework for each of the two precincts.</p> <p>The detailed development framework for each of the 2 precincts have subsequently been formulated during this 2019/2020 financial year.</p> <p>Stakeholder engagement with the general public is envisaged during the</p>

Project Name	Brief Description	Project Status/Progress
	which more detailed local plans must be developed.	2019/2020 financial year.
Development Incentive Policy	The objective of the policy is to assist the City to set itself as the first choice destination for investment through a combination of incentives, which will promote investment inflows through measures that enhance the image of the municipality in the view of potential and committed investors, provide information on investment opportunities to potential investors, offer location incentives, facilitate investment through institutional and administrative improvements and render post-investment support services. The Development Incentive Policy will reduce obstacles to investment, foster an investor-friendly environment, and reduce application processes, lower costs & risks for investors.	The policy has been finalized and was participated with the public during 2019. Comments are being reviewed and it is envisaged that the Policy can be completed within the 2020/21 financial year.
Development Charges And Contribution Policy.	<p>The objective of the policy is to:</p> <ol style="list-style-type: none"> 1. Give effect to development charges and contributions payable to the City of Ekurhuleni as contemplated in the City of Ekurhuleni Metropolitan Municipality's SPLUM By-Law, 2019 2. Establish the infrastructure for which the development charges are required. To classify internal and external engineering services 3. Establish responsibilities of the applicant and the Municipality for the provision of external engineering services required for developments within the boundaries of the municipality 4. Provide the method of calculation to determine the development charges and contribution payable 5. Outline the development charge and contribution administration process to allow the municipality to recover the portion of the 	The policy has been finalised and was participated during 2019. The policy has been finalised and was participated with the public during 2019. Comments are being reviewed and it is envisaged the Policy can be completed within the 2019/20 financial year.

Project Name	Brief Description	Project Status/Progress
	<p>capital cost of external engineering services that is attributable to particular developments; and</p> <p>6. Establish the purpose for which the municipality can use the development charges and contribution.</p>	
Restriction Of Access Bylaw	<p>The objective of the by-law is to provide procedures, processes and systems necessary to facilitate and regulate restriction of access applications and renewal applications; to provide for appropriate measures to ensure that restrictions of access does not result in discriminating actions nor infringements on the rights of individuals; to provide for penalties associated with non-compliance; and to provide for matters connected thereto.</p>	<p>The By-law document has been finalised and will be sent to Council for permission to advertise for public participation.</p>
Land Use Survey	<p>The study entails compiling a land audit for the built environment in the Metro. Such a study, i.e. Land Use Survey (LUS) is furthermore a legislative requirement in terms of the newly promulgated <u>SPLUM by-law for CoE (2019)</u> – necessary prior to drafting and adoption of a land use scheme for the municipality, see section 22(1) and (2). The LUS is being rolled out incrementally due to, <i>inter alia</i> budgetary constraints – at this juncture Tembisa 1 is the CCA underway after Kempton Park and Germiston areas were concluded.</p>	<p>Some pre-inception and inception phase activities have been carried out and work is to date on Phase 1 in earnest. Key breakdown from Phase 1 to 5 entails: Phase 1 & 2 current key activities: -Status quo/Data collection (desk top), -Stakeholder engagement, -Conduct Street view land use survey, using field workers for verification, NOTE: Currently fieldworker recruitment is delayed due to facilitation by Ward councilors.</p>
ERP Alignment	<p>The purpose of the ERP Town Planning & Building Control Module is to provide end-to-end administrative capability to the City. The module will assist to manage operational activities, streamline processes, limit human error and ultimately contribute towards maximizing revenue for the City.</p>	<p>The team is working to finalize the Business Requirements (BRS and Functional Requirements Specification (FRS). The module is due at the end March 2020.</p>

Project 1: Incentives Policy

Municipalities across the country have a mandate to provide their respective communities with the best possible quality, affordable services and create suitable conditions for local business to thrive, create jobs and ensure that the municipality become financially sustainable. The City recognises the need to promote investment and boost its economy in order to provide tangible jobs and support small and emerging businesses. This means the municipality must be able to encourage and support development that demonstrates strategic intelligence to grow the economy, create jobs and balance various social needs to set itself as the first choice destination for investment.

Project 2: Regularisation of Un-proclaimed 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 will also be able to develop and/or dispose of municipal land within the townships. In addition, the valuable data relating to land use contraventions such as illegal development, encroachments, etc., will be obtainable.

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, 15 townships will be completed.

Project 3: Precinct Plans

Precinct plans are to attract investment and to rejuvenate decaying areas. It is envisaged that an additional 2 precinct plans are to be formulated have been identified and they are: China Gate-Terenure BRT Station Precinct and Andrew Mapheto-Brian Mazibuko BRT Station Precinct. Status quo analysis for the two precinct plans has commenced.

Project 4: Rehabilitation of sinkholes and unlocking of dolomitic land

This project is to rehabilitate sinkholes, subsidence and related geo-hazards and to 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 geotechnical services including dolomite stability assessments and management of contractors; contractor for the rehabilitation of sinkholes; consultants for the geo-physical investigations; The department is continuously unlocking the undevelopable land and rehabilitating sinkholes as and when they occur.

Project 5: Average number of days taken to process building plan applications

The project aims to ensure that the City finalises building plans and issues construction permits within 60 days to ease doing business in the City. This project also positively impacts on the City's revenue and job creation within the construction sector.

Table 61 Operating Budget of the City Planning Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
CITY PLANNING					
Revenue By Source					
Other revenue	45,269,059	24,395,003	37,437,572	37,437,572	37,437,572
Total Revenue (excluding capital transfers and contributions)	45,269,059	24,395,003	37,437,572	37,437,572	37,437,572
Expenditure By Type					
Employee related costs	180,576,417	162,407,805	225,796,295	243,859,998	263,368,802
Depreciation & asset impairment	868,999	796,587	912,449	958,071	1,005,975
Other materials	1,539,692	1,076,676	1,397,378	1,414,895	1,433,358
Contracted services	56,848,771	42,512,038	56,695,971	58,947,456	60,324,196
Other expenditure	5,787,018	4,899,641	6,132,131	6,534,355	6,965,275
Total Expenditure	245,620,897	211,692,747	290,934,224	311,714,775	333,097,606
Surplus/(Deficit)	(200,351,838)	(187,297,745)	(253,496,652)	(274,277,203)	(295,660,034)
Surplus/(Deficit) after capital transfers & contributions	(200,351,838)	(187,297,745)	(253,496,652)	(274,277,203)	(295,660,034)
Surplus/(Deficit) after taxation	(200,351,838)	(187,297,745)	(253,496,652)	(274,277,203)	(295,660,034)

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 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 the One man Show, 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.

Media Stakeholder Engagement

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 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
COMMUNICATION & BRANDING					
Revenue By Source					
Expenditure By Type					
Employee related costs	45,362,668	41,422,432	51,178,504	55,272,787	59,694,611
Depreciation & asset impairment	233,586	214,126	245,265	257,528	270,404
Other materials	2,707,673	2,535,830	1,006,572	1,009,700	1,012,996
Contracted services	111,335	16,822	14,950	14,950	14,950
Other expenditure	22,605,439	12,803,479	19,509,207	19,854,278	20,219,590
Total Expenditure	71,020,701	56,992,689	71,954,498	76,409,243	81,212,551
Surplus/(Deficit)	(71,020,701)	(56,992,689)	(71,954,498)	(76,409,243)	(81,212,551)
Surplus/(Deficit) after capital transfers & contributions	(71,020,701)	(56,992,689)	(71,954,498)	(76,409,243)	(81,212,551)
Surplus/(Deficit) after taxation	(71,020,701)	(56,992,689)	(71,954,498)	(76,409,243)	(81,212,551)

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 contacts 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

PROJECT NAME	PROJECT DESCRIPTION
	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	<p>To ensure compliance with various pieces of legislation, by providing legal comments and guidance to Council and its structures.</p> <p>To assess legal risk and to identify issues arising from other departments with a view to reducing legal risk and unnecessary litigation.</p> <p>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.</p>
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 City 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 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
CORPORATE LEGAL					
Revenue By Source					
Other revenue	1,583,925	1,650,642	1,144,935	1,144,935	1,144,935
Total Revenue (excluding capital transfers and contributions)	1,583,925	1,650,642	1,144,935	1,144,935	1,144,935
Expenditure By Type					
Employee related costs	48,805,686	43,873,393	51,239,554	55,338,720	59,765,820
Depreciation & asset impairment	1,446,062	1,325,566	1,518,365	1,594,283	1,673,997
Other materials	506,891	449,911	312,391	314,921	317,588
Contracted services	54,315,003	38,775,230	42,657,769	42,658,485	42,659,239
Transfers and subsidies	3,041,790	3,041,790	3,041,790	3,041,790	3,041,790
Other expenditure	1,825,413	1,362,603	1,459,347	1,523,926	1,593,669
Total Expenditure	109,940,845	88,828,492	100,229,216	104,472,125	109,052,103
Surplus/(Deficit)	(108,356,920)	(87,177,850)	(99,084,281)	(103,327,190)	(107,907,168)
Surplus/(Deficit) after capital transfers & contributions	(108,356,920)	(87,177,850)	(99,084,281)	(103,327,190)	(107,907,168)
Surplus/(Deficit) after taxation	(108,356,920)	(87,177,850)	(99,084,281)	(103,327,190)	(107,907,168)

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 Centres; 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

The following four (1 x Regional Disaster Management Office and 3 x Regional Satellite Offices) were established. The total number of Regional and Satellite Disaster Management offices/facilities (including the existing offices/facilities in Alberton and Springs) are six (6).

- Kempton Park
- Tembisa
- Tsakane
- Katlehong

Existing Offices:

- Alberton
- Springs

Commissioning of Specialised Vehicles (Fire-fighting Vehicles)

❖ 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 Disaster and Emergency Services. The Emergency Services and Emergency Communication Centres 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 Disaster Management Act of 2002 Disaster Management Act of 2002 as amended in 2015 and the Municipal Finance Management Act (MFMA) of 2003. Section 12 of the MFMA outlines the process of setting up relief funds to deal with disasters. A disaster management funding model for the City will ensure that both proactive and reactive activities of disaster management are sufficiently catered for.

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 associated hazards- fire, spontaneous combustion, spontaneous fermentation, spontaneous charring, spontaneous heating, lightning, thunderbolt, explosions, implosions, earthquakes and tremors, riot and strike, malicious damage, subsidence and landslip.

Metro's Unique Hazards - air pollution, civil unrest, dangerous electrical connections, electricity supply disruptions, floods, HAZMAT, ground water pollution, strong ground motion, severe storms, sewage and drainage, storm-water floods, structural fires in informal settlements, veldfires, infrastructural hazards, illegal uncontrolled waste disposal, pest infestation, motor vehicle accidents.

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 can also play a pivotal role during disasters and major incidents where 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.

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 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
DISASTER AND EMERGENCY M					
Revenue By Source					
Rental of facilities and equipment	153	33,906	-	-	-
Transfers and subsidies	177,033,000	177,033,000	187,301,000	196,322,000	205,745,000
Other revenue	25,963,046	12,796,771	9,988,722	9,988,722	9,988,722
Total Revenue (excluding capital transfers and contributions)	202,996,199	189,863,677	197,289,722	206,310,722	215,733,722
Expenditure By Type					
Employee related costs	829,967,657	753,757,696	812,038,457	877,001,530	947,161,658
Depreciation & asset impairment	18,987,320	17,405,047	19,936,686	20,933,520	21,980,196
Other materials	19,135,339	14,316,340	16,270,619	16,996,848	17,762,292
Contracted services	60,903,585	29,979,827	32,977,007	34,921,158	36,993,552
Other expenditure	34,305,563	28,019,093	34,118,964	36,114,271	38,243,136
Total Expenditure	963,299,464	843,478,004	915,341,733	985,967,327	1,062,140,834
Surplus/(Deficit)	(760,303,265)	(653,614,327)	(718,052,011)	(779,656,605)	(846,407,112)
Surplus/(Deficit) after capital transfers & contributions	(760,303,265)	(653,614,327)	(718,052,011)	(779,656,605)	(846,407,112)
Surplus/(Deficit) after taxation	(760,303,265)	(653,614,327)	(718,052,011)	(779,656,605)	(846,407,112)

2.10.7 ECONOMIC DEVELOPMENT

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

The National Development Plan Vision 2030 (NDP), advocates the living standards of the poor to be raised to a minimum level. For this to be achieved, we need to build the economy so that it works for ordinary working people, not only the rich and powerful. South Africa has to create the jobs needed to turn the tide on the high levels of unemployment, particularly for women and the youth who are most affected by poverty. This requires an increase in the levels of income through productivity growth and the prioritisation of small-scale producers over large monopolistic enterprises. To this end, the City of Ekurhuleni's theme of ***“Building a local economy that grows in the hands of the people and of SMMEs that are the heartbeat of our local economy”***, is aspired through the Economic Development Department.

In line with the Sustainable Development Goals, National development imperatives of the 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). **The Economic Development Department's work seeks to achieve the following objectives:**

- Strive for a vibrant, inclusive and sustainable regional economy that prioritizes the interests of its communities through new knowledge creation that drives positive change and improves livelihoods;

- Ensure that the City of Ekurhuleni is a destination of choice for tourism, investment and trade through enhancement of its Airport City Value Proposition;
- Ensure that poverty, underdevelopment and unemployment are reduced through integrated efforts that prioritize human development, accelerated and shared economic growth;
- Facilitate the development of a globally connected and smart regional economy that is investment friendly and pro-development;
- Create a trade conducive environment that; attracts investment, creates jobs and encourage economic competitiveness; and
- Ensure accelerated and shared economic growth through skills development, enterprise development and investment retention.

To align to the **National Outcomes**, the Economic Development Department is tasked with leading, facilitating, and promoting economic growth and development within the City of Ekurhuleni, the department endeavours 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 Expanded Public Works Programme.

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 As part of the Ekurhuleni' Agriculture Turnaround Plan, the agricultural strategic plan will be used as the guiding tool for determining the specific means by which strategic interventions will be carried out, to facilitate the process of implementation and the budgeting of resources towards the much-anticipated transformation in the agricultural sector of Ekurhuleni.

Therefore, the strategic vision for agriculture development in CoE is: "**A transformed, more productive and sustainable agricultural sector that stimulates social and economic growth**". The specific objectives to achieve this vision are to:

- ❖ Create an enabling environment for agricultural development in the CoE;
- ❖ Increase productivity and outputs of dominant and most viable commodities produced within the CoE;
- ❖ Ensure that agricultural production is sustainable and dependable;
- ❖ Enhance the coordination and management of land and other natural resources;
- ❖ Promote competitiveness and profitability of the agricultural sector through, among others, public-private-community partnerships, and market linkages
- ❖ Enhance the role of youth in agriculture; and
- ❖ Strengthen institutional capacity, increase efficient support services and human resource development.

Outcome 9: Responsive, accountable, effective and efficient local government. EDD affords collaborative support to its clients as well as the City, in ensuring the provision of basic services, strengthening cooperative

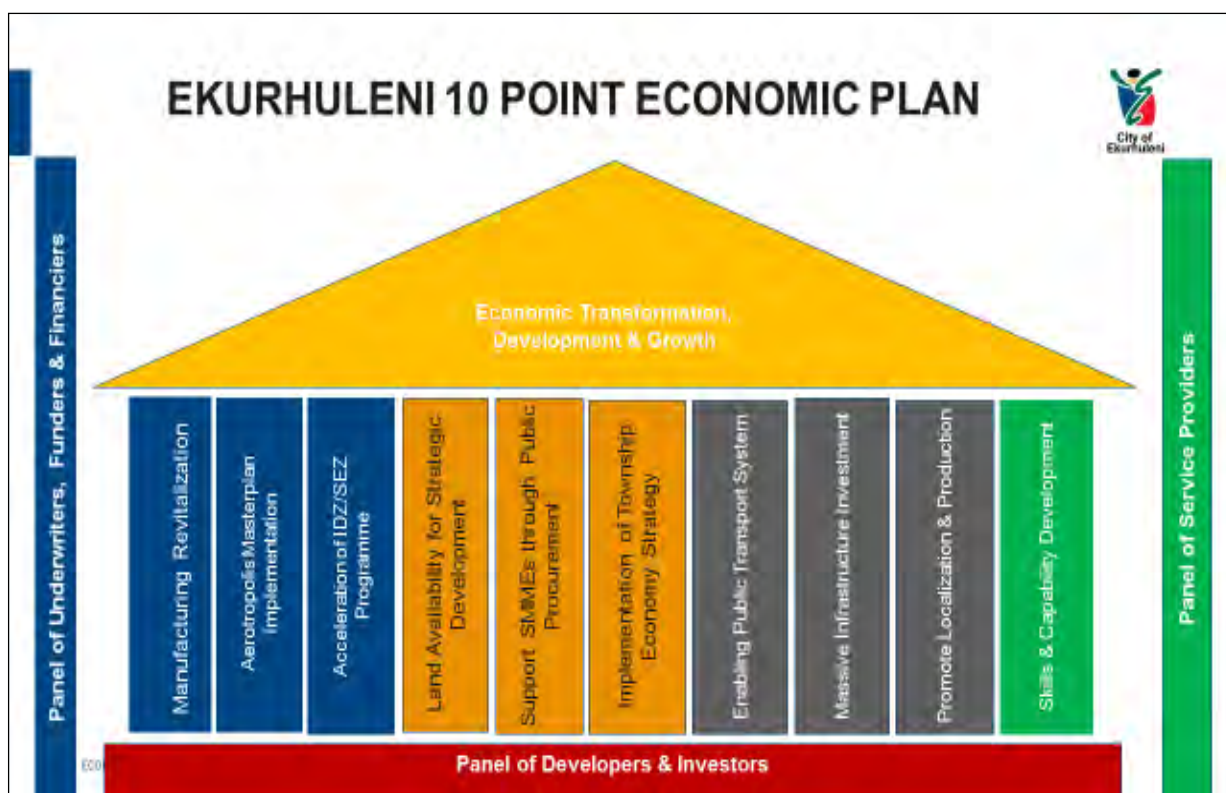
governance, sound financial and administrative management, and support for the Integrated Urban Development Framework (IUDF). Thus, driving the promotion of social and economic development by positioning local government to create an enabling economic environment that stimulates competitiveness, inclusive and sustainable local economies - catalytic economic development programmes, and reducing the cost of doing business in the City.

The Ekurhuleni 2055 GDS advocates specific strategies and programmes that include the following:

- Establish business development infrastructure for SMMEs
- Integrated SMME development and urban development
- Facilitate development and access to new markets
- Establish long-term partnerships for growth
- Galvanise state and private sector investment
- Strengthen the tax base and income streams
- Balanced subsidy burdens and financial viability

Alignment to the Ekurhuleni Ten (10) Point Economic Plan (2016-2021)

As espoused by the GDS as well national objectives and demands of the country; for Ekurhuleni to stimulate the local economy so that it is repositioned as an ideal destination for trade, investment and tourism the City of Ekurhuleni adopted the Ten-Point Economic Plan under the current administration, i.e.



The Economic Plan is a deliberate programme to position the Gauteng’ Eastern Development Corridor as the anchor and footprint of the provincial economy to maximize aptitudes in smart and advance manufacturing, aviation & aerospace, logistics and transportation industries to drive major economic development and the transformation agenda for the citizenry of Ekurhuleni. The plan focuses on ten priority areas of investment wherein the City of Ekurhuleni shall effect strategic investments as well as leverage inward crowding-in of strategic investments with intent, thus further advancing the core principles of the Aerotropolis.

Therefore, for this grand plan to materialise, in collaboration with various national, provincial and private institutions, the department facilitates job creation, skills development, tourism development and marketing, industrial investment retention and promotion, and enterprise development, consequently contributing to the industrial competitiveness of the region.

The budget structure of the department is informed by the organizational structure and categorized as per the following cost centres:

- Office of the HoD: Economic Development
- Support Services
- Community Enterprise Development
- Industrial Investment Facilitation
- Infrastructure, Skills Development & Job Creation
- Economic Partnerships
- Tourism Development & Marketing
- Ekurhuleni Fresh Produce Market

Operating Income

The Ekurhuleni Fresh Produce Market (EFPM) is another source of income for the City. Realising the significance of this utility, from the 2013/2014 financial year, to date, the Economic Development Department started with a turn-around plan for the Market, which included refurbishment, expansion of the market infrastructure and implementation of new standard operating procedures.

This has led to the investment of R160 Million on refurbishment of infrastructure and establishment of new critical infrastructure to ensure that the EFPM complies with all legislations governing storage and distribution of fresh produce, Occupational Health and Safety, Consumer Protection Acts and other applicable food safety standards.

To date (2013/2014-2018/2019) has increased its monthly sales turnover from an average of R25 Million per month to R38 Million per month, and an annual turnover of R285 Million per annum to R445 Million per annum. While for the 2019/2020 financial year end June 2020, the turnover is expected at R489, 5 Million per annum.

Over above the income from the EFPM, the department also receives an Incentive Grant for the Expanded Public Works Programme (EPWP) through the Division of Revenue Act (DoRA).

Operating Expenditure

To maximize the economic potential of Ekurhuleni throughout the country, as well as to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development, the department pursues the following positions;

Enhance the delivery of its core products and services to end-user beneficiaries, where the EDD shall:

- 1) Intervene and facilitate Enterprise Development to unlock and open the economy to non-traditional economic players who in turn would trigger economic activity and enable the economy to be more dynamic, competitive and inclusive;
- 2) Coordinate, and drive job creation programmes such as the EPWP and CWP to alleviate unemployment in the short term.
- 3) Effectively plan and package its strategic projects and game changers for investment and trade facilitation and operationalisation.

- 4) 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;
- 5) Develop alternative funding models, investment-inducing policies and business practices that are investor friendly and reduce the cost of doing business in the City, for domestic and export markets;
- 6) Develop a range of tourism products and services to attract business and leisure tourists;
- 7) Implement skills development and enterprise development programmes that stimulate human capital and entrepreneurial development; and
- 8) 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;

Provide conducive environments that enable services that support the delivery of its core products and services, where 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 unique Ekurhuleni value proposition and package of products and services that create 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) Improve the management of stakeholder relations and establish community participation and engagement platforms that facilitate buy-in to regional economic development programmes;
- 5) Be responsive to customer needs, complaints and queries; and
- 6) Develop economic policies and strategies that are investor friendly, make it easier to do business in the City, thus stimulating radical economic development and transformation.

Optimise internal systems, processes, governance and controls, where 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 level;
- 2) Ensure the adherence to sound financial, governance and risk management policies and procedures that enable 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; and
- 5) Ensure that it receives value for money from service providers / contractors through improved management controls, checks and balances within the trade periods for procurement.

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

- 1) Continue to align its organisational structure in line with its strategic objectives supported by a comprehensive job design, the matching of skills to job profiles and evaluation processes;
- 2) Resource its organisational structure, prioritising the identified areas of high impact as defined by its strategic framework;
- 3) Continue the process of improving its performance by setting individual and team goals which are aligned to the strategic goals of the department, planning performance to achieve departmental and City goals, reviewing and assessing progress, and developing the knowledge, skills and abilities of people;
- 4) Train and up-skill staff to improve the capacity of the Department to deliver on its service delivery commitments;
- 5) Enhance communication between management and staff through new and existing communication platforms; and
- 6) Build a conducive working environment for the EDD personnel.

Mega and Flagship Projects as pronounced by the Executive Mayor

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 a large number of employment seekers cannot enter the labour market due to low levels of education and a poor skills base. Therefore, the following activities are underway and some to be implemented;

Activity	Description
1. Community Enterprise Development Programmes	
Purpose of the project	To facilitate development of Enterprises, Cooperatives facilitate job creation in a sustainable manner at a cost-efficient rates of inclusive economic growth.
Current Flagship Projects	The City has developed the Ekurhuleni (CoE) Ten (10) Point Economic Plan strategic framework in order to systematically and deliberately drive programme to position the City of Ekurhuleni as the primary anchor and footprint of the provincial economy. The Plan has identified the following priority areas: <ul style="list-style-type: none"> ▪ Revitalisation of the manufacturing sector; ▪ Implementation of Aerotropolis Master-plan;

Activity	Description
	<ul style="list-style-type: none"> ▪ Acceleration of IDZ/SEZ Programme; ▪ Land Availability for Strategic Development; ▪ SMMEs support through Public Procurement; ▪ Implementation of Township Economy Strategy; ▪ Enabling Public Transport System; ▪ Massive Infrastructure Investment; ▪ Promote Localization and Production; <p>In this regard, the Community Enterprise Division within the Economic Department seeks to respond to this strategic intend and ensure accelerated and shared economic growth through skills development, Cooperatives development and SMME's development and support. To achieve this a framework that sets the broad parameters for economic empowerment and radical transformation to be realised is necessary.</p> <ul style="list-style-type: none"> • Pitching booster • Ekurhuleni Community Enterprise Development Fund
Current Progress	<p>Pitching Booster Programme</p> <p>Small Business has been put forward as an important contributor towards economic growth, job creation and redress but faces many headwinds in South Africa that have hampered their development. Access to finance and more recently challenges around climate change are key barriers.</p> <p>The main factors critical to growth of SMMEs includes:</p> <ul style="list-style-type: none"> * Training of Entrepreneurs * Non-financial support * Access to market * Funding and policy's that favour business <p>The City of Ekurhuleni, in partnership with the National Youth Development Agency, implemented the Pitching Booster programme. The initiative provided business training for entrepreneurs from around Ekurhuleni to equip entrepreneurs before pitching their ideas at the Ekurhuleni Pitch Booster sessions, an initiative of the City and the National Youth Development Agency.</p> <p>The City of Ekurhuleni and National Youth Development Agency and partners hosted a Pitching Booster at Kwa-Thema Business Park on 7 December 2019. The Pitching Booster is an excellent opportunity for entrepreneurs to pitch their businesses to a panel of judges. The entrepreneurs pitching were from Daveyton, Kwa Dukathole, Kempton Park, Thokoza and Tembisa.</p> <p>Focus sectors for the Pitching Booster are ICT, Agriculture or Agro-processing, Smart and Advance Manufacturing, Business Process and Logistics. Entrepreneurs were offered business training, weeks before the Pitch Booster, by NYDA on how to start and run successful businesses.</p> <p>Training provided offers the Smart and Improve your Business programme which guides entrepreneurs in improving, growing their businesses and drawing up a marketing plan. The training provides practical tips and guides such as legal business</p>

Activity	Description
	forms, monthly purchase forms and cash flow plans to guide entrepreneurs on their business journey
Future activities of the project	Over the next three years, the municipality is stepping up its partnerships with Private Sector, Communities, and Development Finance Institutions, Business Chambers to realise the vision of the Ten Point Plan, and to carry out the reforms needed to transform the Economy.

Activity	Description
1. Ekurhuleni Community Enterprise Development Fund	
Purpose of the project	To improve access to capital and to reduce the cost of capital for Ekurhuleni based entrepreneurs, small businesses and cooperatives.
Current progress on project	<p>The State of the City (SOCA) address of 27th March 2019 by the Executive Mayor pronounced on a re-engineering of the enterprise development environment in the City of Ekurhuleni in order to stimulate the economy and to unlock economic opportunities for the community of Ekurhuleni.</p> <p>To that end the City allocated a budget that intended to syndicate enterprise and supplier development interventions through non-financial and financial means as the Ekurhuleni Community Enterprise Development Fund is envisaged to be a game-changing intervention that would facilitate economic and social transformation, by reposition entrepreneurship as a pivotal component of the regional economy.</p> <p>The City of Ekurhuleni launched the R120m Ekurhuleni Community Enterprise Development Fund (ECEDF) at Kwa-Thema Business Park on 6 December 2019. The fund is an initiative geared towards support to community enterprises, entrepreneurs, informal traders, business chambers and formal business.</p> <p>Over and above the esteemed CoE community, the following dignitaries were in attendance: Minister of Small business Khumbudzo Ntshaveni, National Empowerment Fund CEO Philisiwe Mthethwa, Chairperson of the National Youth Development Agency Sifiso Mtshweni and MMC for Finance and Economic Development Cllr Nkosiphindile Xhakaza and other strategic partners.</p> <p>The application period for the grant element was opened between the 11th of November 2019 to the 31st of January 2020. Information roadshows were held in all regions of the City to help potential beneficiaries better understand the requirements of the Fund.</p>
Future activities of the project	<p>The Department is now at the point of doing the evaluation of the applications received. The Economic Development Department has also signed and Memorandum of Agreements (MoA) with the National Empowerment Fund (NEF) who will also co-fund the soft loan element of the ECED Fund over three years.</p> <p>The ECED Fund will be rolled out for the next two financial year as per budgets availability. The Department is in the process of negotiating other strategic partnerships with two DFI, namely Small Enterprise Development Agency (SEDA),</p>

	Gauteng Enterprise Propeller (GEP) and National Youth Development Agency (NYDA)
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Activity	Description
2. Ekurhuleni Farm Release Programme	
Purpose of the project	To package and release Council owned farms through an open call for proposals process to community groups, cooperatives, emerging and commercial farmers to the lease the land for 9 years and 11 months
Current progress on project	<p>On the 13 September 2019, the Economic Development Department issued a Request for Proposal for the leasing the 56 Council-owned farms for a period of nine years eleven months. This tender was opened for 60 days and closed on 13 November 2019. The Economic Development Department is now at point whereby the proposals are being evaluation. 279 bidders were received and are being adjudicated.</p> <p>The department has successfully negotiated and concluded key partnerships with private sector partners and government agencies. The partners include Tiger Brands, the Land Bank and the Agricultural Research Council. The partners will provide off-take agreements to the beneficiaries of the programme</p>
Future activities of the project	The Economic Development Department and Real Estate Department are working together with a viewpoint of releasing the next round of calls for proposals for more farms to be released to potential beneficiaries of the farm release programme.

Activity	Description
2. OR Tambo International Airport 's Visitor Information Centre	
Purpose of the project	To provide information to tourists about Destination Ekurhuleni and what it provides, guide and direct tourists to places of interest and attractions, as well as to create a welcoming experience for tourists in the City
Current progress on project	<p>The State of the Art Visitor Information Centre situated at the OR Tambo International Airport, started operating on the 26 July 2019, manned by City Officials on a rotational basis. Brochures and information is being disseminated to tourists and visitors on a daily basis.</p> <p>Currently, the Economic Development Department is engaging with ICT Department for internet connectivity at the facility, which will unlock its potential further increasing communication mileage.</p>
Future activities of the project	The future plans include the development of the tourism information and management system, and a website which will enable tourists and visitors to be able to book for accommodation and other services at the facility.

Over and above this important activity, to respond to the call to **enhance local tourism through tourism corridors and product development, leveraging on the use of Council facilities and customized tours on heritage routes;**

The department will rollout customized tours on heritage routes City-wide, wherein, currently the **Kathorus Transformational Tour** as a pilot is being facilitated.

Why do heritage tours?

- Need for the integration of heritage and culture into mainstream tourism, or heritage and cultural tourism product development, sustainable tourism and economic development;
- Provide an opportunity for profiling and promoting the diverse heritage resources of City of Ekurhuleni through tourism product development;
- Need to improve the development and representation of heritage and cultural tourism products in the tourism market;
- Opportunity for the diversification of tourism products and the formalization of the segment or niche market of heritage and cultural tourism through the Ekurhuleni Tourism and Heritage Route;
- Need to unlock the economic potential of heritage and cultural tourism products and measure the impact;
- Opportunity to raise awareness of the intrinsic educational and conservational value of culture and heritage.

Expected outcomes of the tours

- Increased visitation to the City of Ekurhuleni heritage tourism products.
- Development of new business opportunities which strengthen local economies.
- Preservation of culture and heritage products.

Activity	Description
3. Implementation & Coordination of the Metro-Wide Job Creation Programme	
Purpose of the project/programmes	To implement and coordinate city-wide interventions that create short- medium-and-long-term work opportunities through the provision of infrastructure driven work opportunities, training, experiential learning placements with private sector.
Current progress on projects/programmes	<p>The department is implementing the following Infrastructure-Driven & Skills Development Programmes:</p> <p style="text-align: center;">1. Expanded Public Works Programme (EPWP)</p> <p>This Programme is a key government initiative, which contributes to Government Policy Priorities in terms of decent work & sustainable livelihoods, education, health; rural development; food security & land reform and the fight against crime & corruption.</p> <p>In its nature, the EPWP participants' employment period is determined by the project implementation period. Besides, the number of work opportunities created, the programme has successfully made a significant socio-economic impact to the communities of Ekurhuleni through the creation and maintenance of community assets</p> <p>The opportunities offered through both Capex and Opex projects has to date, created 9069 work opportunities in the City.</p> <ul style="list-style-type: none"> • EPWP Vuk'uphile Contractor Learnership Programme <p>The Department is also implementing EPWP Vuk'uphile Contractor Learnership Programme, which a programme is focusing on developing emerging contractors.</p>

Activity	Description
	<p>Currently there are 102 learner contractors and 102 learner supervisors that were on the programme since 2016.</p> <p>2. Community Skills Development Subject to the availability of funds, the following programmes are implemented under Community Skills Development :</p> <ul style="list-style-type: none"> <p>• Community Learnerships Learnerships are implemented in partnership with various organizations in the region. The learnership programmes are also implemented in various 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 base for the City. 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.</p> <p>• 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 market, low education and poor skills base. Young people are mostly affected by this challenge of unemployment. The Department continues to place learners through the Work Readiness Placement Programme with private sector.</p> <p>• 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> <p>The Department is currently preparing for the 2020 Community Bursary Allocation.</p> <p>• 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> <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 metro-wide skills development and job creation programme, as well as improve and build new economic infrastructure.
Activity	Description

4. Revitalisation of Township Economies	
Purpose of the projects	To create an environment in which township enterprises can flourish and grow.
Current progress on project	<p>The Economic Development Department has been working to attract private sector investment to the townships within the BEPP framework.</p> <p>Most of the projects have been on the retail sector as new shopping centres being built around the City’s townships. The Department has also been building economic hubs in Ekurhuleni townships that will be used by small businesses operating different enterprises.</p> <p>Economic partnership agreements have been concluded that will result in the support of township based businesses in the form of procurement opportunities, provision of infrastructure, skills development and access to capital.</p>
Future activities of the project	The Department is in the process of conceptualizing the release of commercial and business sites in the townships that will allow entrepreneurs to lease Council owned properties for commercial use.

Activity	Description
5. 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</p>

	with the National Government strategies, programmes and priorities such as the Industrial Policy Action Plan (IPAP).
Activity	Description
6. Ekurhuleni Aerotropolis Development Programme	
Purpose of the project	To implement the Ekurhuleni Aerotropolis Masterplan, thus unlocking the City's growth potential, leveraging the advantage of housing an international airport.
Current progress on project	<p>The successful implementation of the Ekurhuleni Aerotropolis programme hinges on the ability of the CoE to provide for a dedicated and highly skilled and non-structural capacity whose mandate is to lead, leverage, develop and implement the Ekurhuleni Aerotropolis Master Plan.</p> <p>The City of Ekurhuleni Metropolitan Municipality at a council meeting held on 26 July 2018 under item CORP (14-2017) and CORP (15-2017) resolved to pass the By-law for the establishment of the Ekurhuleni Development Agency. The By-law was then gazetted by the Provincial government on 25 August 2018, where the main purpose and objective of the EDA is to inter alia:-</p> <ul style="list-style-type: none"> a) promote sustainable economic growth and transformation within the City; b) enhance the quality of life of the community which the City serves; c) enhance branding and international promotion of the City in terms of the SDA; d) enhance investment attraction and retention of investors to the City in terms of the SDA; e) improve business and governmental efficiencies in creating opportunities for growth through coordinated access to competitive funding in terms of the SDA; f) enhance strategic real estate, urban realm and infrastructure development within the City in accordance with the SDA; g) enhance partnership facilitation, planning and prioritised planning of strategic programmes and projects within the City in accordance with the SDA; h) provide outdoor advertising management services to the City in accordance with the SDA. <p>Therefore, the current climate warrants that the section 78 process to establish the Ekurhuleni Aerotropolis Development State Owned Company be institutionalized in alignment with the approved Ekurhuleni Economic Development Agency,</p>

	<p>Over and above this process, pockets of work have been underway in the following spaces that are all fragments under the Aerotropolis banner;</p> <ul style="list-style-type: none"> • The implementation of the Ekurhuleni Investment Facilitation Matrix to realize the imperatives of the 30-year Ekurhuleni Aerotropolis Master Plan. • Designs for the Rhodesfield link bridge are underway. • Commencement of the Airports Company South Africa (ACSA) O.R. Tambo Western Precinct Development • Three (3) Precinct Plans are underway. • The North - East Precinct is now complete on the East of O.R. Tambo International Airport. • Twenty-Three (23) Feasibilities Studies have been completed based on the Precinct Plans.
Future activities of the project	Facilitation of the 21 Catalytic projects in the various stages, resources and opportunities available as well as the enablers to the success of the Aerotropolis programme.

Table 65 Operating Budget of the Economic Development Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
ECONOMIC DEVELOPMENT					
Revenue By Source					
Rental of facilities and equipment	673,473	683,637	673,473	673,473	673,473
Interest earned	29,216	64,572	30,794	30,794	30,794
Transfers and subsidies	22,022,000	23,569,867	19,104,000	-	-
Other revenue	23,224,938	22,200,014	23,224,938	23,224,938	23,224,938
Total Revenue (excluding capital transfers and contributions)	45,949,627	46,518,090	43,033,205	23,929,205	23,929,205
Expenditure By Type					
Employee related costs	112,524,610	100,529,969	123,598,190	112,853,727	121,882,027
Depreciation & asset impairment	3,728,161	3,417,491	3,914,569	4,110,297	4,315,812
Finance charges	32,344,555	36,219,705	44,631,161	47,041,244	49,581,471
Other materials	110,301,440	51,331,294	89,059,411	89,302,225	89,558,150
Contracted services	7,515,914	1,610,709	9,360,558	9,448,141	9,540,453
Other expenditure	73,268,451	24,255,568	72,656,999	72,827,223	73,009,995
Total Expenditure	339,683,131	217,364,736	343,220,888	335,582,857	347,887,908
Surplus/(Deficit)	(293,733,504)	(170,846,646)	(300,187,683)	(311,653,652)	(323,958,703)
Surplus/(Deficit) after capital transfers & contributions	(293,733,504)	(170,846,646)	(300,187,683)	(311,653,652)	(323,958,703)
Surplus/(Deficit) after taxation	(293,733,504)	(170,846,646)	(300,187,683)	(311,653,652)	(323,958,703)

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 78% of the total budget. Contracted services, which includes the security services and back office contract, comprises a further 15% of the budget. The balance of 7% is 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 services contract) which is a total of 13% 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

EKURHULENI METRO POLICE DEPARTMENT	2019/20 Budget approved in May 2020	2019/20 - YTD as at end of May 2020	2020/21 Final Budget	2021/22 Final Budget	2022/23 Final Budget
	R	R	R	R	R
Revenue By Source					
Fines, penalties and forfeits	574,883,295	98,363,974	575,064,025	575,064,025	575,064,025
Licences and permits	250,022,969	221,876,270	250,023,261	250,023,261	250,023,261
Other revenue	1,301,517	1,949,802	1,301,517	1,301,517	1,301,517
Total Revenue (excluding capital transfers and contributions)	826,207,781	322,190,046	826,388,803	826,388,803	826,388,803
Expenditure By Type					
Employee related costs	1,839,989,885	1,683,017,202	1,709,858,704	1,846,647,387	1,994,379,177
Debt impairment	345,600,000	288,000,000	480,000,000	528,000,000	580,800,000
Other materials	55,952,486	47,944,907	49,718,323	51,675,100	53,737,541
Contracted services	417,845,421	351,441,461	279,674,678	293,435,480	307,939,367
Other expenditure	84,961,978	78,261,123	77,638,692	81,576,348	85,761,299
Total Expenditure	2,744,349,770	2,448,664,692	2,596,890,397	2,801,334,315	3,022,617,384
Surplus/(Deficit)	(1,918,141,989)	(2,126,474,646)	(1,770,501,594)	(1,974,945,512)	(2,196,228,581)
Surplus/(Deficit) after capital transfers & contributions	(1,918,141,989)	(2,126,474,646)	(1,770,501,594)	(1,974,945,512)	(2,196,228,581)
Surplus/(Deficit) after taxation	(1,918,141,989)	(2,126,474,646)	(1,770,501,594)	(1,974,945,512)	(2,196,228,581)

2.10.9 ENERGY

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, quick response to meter maintenance, capital projects to safeguard revenue, 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 R711m 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 projects 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 6-monthly Energy income budget prediction of almost R8, 3 billion is perfectly achieved at the 2nd quarter of 2019/2020, that is, at a value of 100% billed against predicted income. Similarly, bulk purchases are at 99, 6% of the predicted budget, being only 0, 4% under the predicted budget of almost R6,2 billion. Electricity unit losses are at 12, 5%, which is slightly above the second quarter SDBIP target of 12%. Projects are underway to bring the value down to within the target value set.

The Operating Budget per category is shown below.

Table 67 Operating Budget of the Energy Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
ENERGY					
Revenue By Source					
Service charges	14,919,066,760	13,516,901,778	16,608,015,189	17,705,804,994	18,876,158,703
Rental of facilities and equipment	3,905,349	4,307,806	3,905,350	3,905,350	3,905,350
Interest earned	95,824,000	44,878,600	42,233,730	42,233,730	42,233,730
Fines, penalties and forfeits	3,684,261	3,856,139	3,684,261	3,684,261	3,684,261
Transfers and subsidies	589,752,162	589,752,162	665,659,873	734,967,008	804,220,512
Other revenue	19,376,378	14,491,290	20,422,707	20,422,707	20,422,707
Total Revenue (excluding capital transfers and contributions)	15,631,608,910	14,174,187,775	17,343,921,110	18,511,018,050	19,750,625,263
Expenditure By Type					
Employee related costs	570,145,158	531,022,866	551,795,207	595,938,831	643,613,947
Debt impairment	939,019,478	860,767,864	974,419,682	1,071,861,650	1,179,047,815
Depreciation & asset impairment	411,356,274	377,076,590	407,461,131	427,834,188	449,225,897
Finance charges	82,982,996	88,981,118	108,544,078	114,405,458	120,583,353
Bulk purchases	11,374,673,283	9,889,791,953	12,547,651,093	13,413,439,018	14,338,966,311
Other materials	889,987,714	780,088,466	829,251,822	880,578,278	934,193,967
Contracted services	424,130,857	356,697,570	643,131,657	678,779,459	716,413,356
Other expenditure	29,706,477	22,099,012	29,787,835	31,584,441	33,496,591
Loss on disposal of PPE	-	1,522,499	-	-	-
Total Expenditure	14,722,002,237	12,908,047,938	16,092,042,505	17,214,421,323	18,415,541,237
Surplus/(Deficit)	909,606,673	1,266,139,838	1,251,878,605	1,296,596,727	1,335,084,026
Transfers and subsidies - capital	232,302,337	116,716,991	230,000,000	-	-
Surplus/(Deficit) after capital transfers & contributions	1,141,909,010	1,382,856,829	1,481,878,605	1,296,596,727	1,335,084,026
Surplus/(Deficit) after taxation	1,141,909,010	1,382,856,829	1,481,878,605	1,296,596,727	1,335,084,026

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 generations

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	The intention of this goal is to: <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 • Improve norms and standard profile for the department 	<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 • 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

BUSINESS AS USUAL	KEY STRATEGIC INTERVENTIONS
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

Table 68 Operating Budget of Environmental Resource and Waste Management

	2019/20 Budget approved in May 2020	2019/20 - YTD as at end of May 2020	2020/21 Final Budget	2021/22 Final Budget	2022/23 Final Budget
ENVIRONMENTAL RESOURCE AND WASTE MANAGEMENT	R	R	R	R	R
Revenue By Source					
Service charges	1,531,105,573	1,239,541,158	1,532,805,573	1,603,314,630	1,677,067,103
Rental of facilities and equipment	323,038	323,038	323,038	337,898	353,441
Interest earned	52,500,000	52,001,824	49,369,003	51,639,977	54,015,416
Transfers and subsidies	677,635,345	572,635,346	627,282,666	692,633,443	758,889,629
Other revenue	34,896,857	20,180,096	34,064,237	35,631,193	37,270,229
Total Revenue (excluding capital transfers and contributions)	2,296,460,813	1,884,681,463	2,243,844,517	2,383,557,141	2,527,595,818
Expenditure By Type					
Employee related costs	1,075,746,632	979,946,834	1,131,207,813	1,221,704,442	1,319,440,803
Debt impairment	43,680,597	40,040,550	44,959,865	49,455,852	54,401,437
Depreciation & asset impairment	58,416,090	53,548,088	61,336,895	64,403,740	67,623,927
Finance charges	70,075,859	30,890,049	84,399,955	88,957,553	93,761,261
Other materials	169,288,015	128,270,831	199,867,206	209,343,415	219,331,338
Contracted services	552,587,936	336,196,628	580,268,089	611,493,993	644,406,086
Other expenditure	103,288,592	78,953,576	96,476,592	101,538,277	106,910,368
Total Expenditure	2,073,083,721	1,647,846,556	2,198,516,415	2,346,897,272	2,505,875,220
Surplus/(Deficit)	223,377,092	236,834,907	45,328,102	36,659,869	21,720,598
Transfers and subsidies - capital	2,000,000	-	2,300,000	-	-
Surplus/(Deficit) after capital transfers & contributions	225,377,092	236,834,907	47,628,102	36,659,869	21,720,598
Surplus/(Deficit) after taxation	225,377,092	236,834,907	47,628,102	36,659,869	21,720,598

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 69 Operating Budget of Executive Office

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
EXECUTIVE OFFICE					
Revenue By Source					
Expenditure By Type					
Employee related costs	69,040,699	61,841,526	80,206,157	86,622,649	93,552,463
Remuneration of councillors	12,306,436	10,578,946	12,306,436	13,290,951	14,354,228
Depreciation & asset impairment	832,895	763,488	874,540	918,267	964,180
Other materials	9,462,111	5,374,908	9,722,075	9,726,106	9,730,354
Contracted services	583,025	504,253	237,908	245,478	253,456
Transfers and subsidies	5,184,212	4,860,858	1,889,766	1,889,766	1,889,766
Other expenditure	31,745,916	1,947,965	31,922,389	32,067,839	32,224,877
Total Expenditure	129,155,294	85,871,944	137,159,271	144,761,056	152,969,324
Surplus/(Deficit)	(129,155,294)	(85,871,944)	(137,159,271)	(144,761,056)	(152,969,324)
Surplus/(Deficit) after capital transfers & contributions	(129,155,294)	(85,871,944)	(137,159,271)	(144,761,056)	(152,969,324)
Surplus/(Deficit) after taxation	(129,155,294)	(85,871,944)	(137,159,271)	(144,761,056)	(152,969,324)

2.10.12 FINANCE DEPARTMENT

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

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. Siyakhokha online platform has also been created which enables customers to view and pay their accounts online without having to stand in queues.

Aim of Customer Care open day promotions are as follows:

- ✓ Creating an exciting and positive outlook towards campaign
- ✓ Indigent Registration
- ✓ Siyakhokha Registration
- ✓ Promote payment for services and 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 169 000 users registered through Siyakhokha online platform. This project will continue in 2020/21 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

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 point systems and networks are operating efficiently and effectively. The collection rate performance indicator for 2020/21 will highly be impacted as a result of covid-19 and it is projected at ninety four percent (90%) revenue collection.

Expenditure and cost management

Through the expenditure the payments are processed for goods and services procured on behalf of the City departments. The 2019/20 performance indicator target of ninety percent (90%) payment of creditors within 30 days as per MFMA will remain at ninety percent (90%) in 2020/21.

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 6.4.

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

KPI still remains unchanged for 2020/21 FY. 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 2020/21 core deliverable is to achieve the unqualified audit opinion without findings.

The City's treasury office (Treasury) serves as internal banker of City and is, in general terms, responsible for cash management and borrowings for financing the Capital Expenditure programme. The decisions taken by Treasury are investments, funding and Treasury Risk management processes in the financial market place and in accordance with the provisions of the MFMA. The role of Treasury is to provide liquidity to City 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 to continue to increase its revenue 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, Cigi Cell, Sandulela Technology, XET Solutions, Flash Mobile Vending, Ontech System, Sapex/ Kititla Joint Venture and 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 Baa3/Aa1.za national scale rating, downgrade from a previous rating of Aaa.za/Prime-1 due to the downgrade of the sovereign. This facilitates the City of Ekurhuleni to attract favourable investments and funding.

Table 70 Operating Budget of the Financial Services Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
FINANCE					
Revenue By Source					
Property rates	6,140,478,219	5,147,698,878	6,140,478,219	6,422,940,215	6,718,395,467
Service charges	(464,212,094)	(437,056,631)	(463,932,902)	(463,932,902)	(463,932,902)
Interest earned	514,844,710	411,873,758	299,887,923	299,887,923	299,887,923
Transfers and subsidies	724,484,736	724,366,404	786,269,515	868,079,480	951,022,890
Other revenue	1,721,158,525	1,763,409,031	1,791,281,525	1,981,818,525	2,144,866,525
Total Revenue (excluding capital transfers and contributions)	8,636,754,096	7,610,291,441	8,553,984,280	9,108,793,241	9,650,239,903
Expenditure By Type					
Employee related costs	478,324,255	433,693,945	547,001,048	590,714,731	637,925,506
Debt impairment	1,455,151,390	728,665,161	1,358,306,003	1,507,082,578	1,457,252,884
Depreciation & asset impairment	17,915,017	16,422,109	18,810,768	19,751,307	20,738,873
Finance charges	209,814,933	211,720,705	303,190,744	319,563,044	336,819,448
Other materials	10,518,474	8,709,482	13,906,183	13,978,602	14,054,925
Contracted services	180,931,701	124,609,318	168,487,416	174,411,964	180,656,437
Other expenditure	158,475,948	269,886,720	160,837,856	162,172,251	163,596,031
Loss on disposal of PPE	-	369,729	-	-	-
Total Expenditure	2,511,131,718	1,794,077,169	2,570,540,018	2,787,674,477	2,811,044,104
Surplus/(Deficit)	6,125,622,378	5,816,214,272	5,983,444,262	6,321,118,764	6,839,195,799
Surplus/(Deficit) after capital transfers & contributions	6,125,622,378	5,816,214,272	5,983,444,262	6,321,118,764	6,839,195,799
Surplus/(Deficit) after taxation	6,125,622,378	5,816,214,272	5,983,444,262	6,321,118,764	6,839,195,799

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 71 Operating Budget of the Health and Social Development

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
HEALTH AND SOCIAL DEVELOPMENT					
Revenue By Source					
Transfers and subsidies	163,266,760	159,224,984	172,469,000	178,747,000	182,503,000
Other revenue	4,557,983	5,219,087	4,524,114	4,524,114	4,524,114
Total Revenue (excluding capital transfers and contributions)	167,824,743	164,444,071	176,993,114	183,271,114	187,027,114
Expenditure By Type					
Employee related costs	967,516,160	876,940,745	1,042,600,023	1,124,686,510	1,213,339,901
Depreciation & asset impairment	25,383,585	23,268,289	26,652,765	27,985,403	29,384,673
Other materials	34,173,591	24,351,538	26,598,949	26,819,870	27,352,719
Contracted services	9,287,814	5,160,770	8,977,472	9,315,254	9,971,271
Other expenditure	19,455,285	16,056,638	15,004,305	16,040,421	17,202,844
Total Expenditure	1,055,816,435	945,777,979	1,119,833,514	1,204,847,458	1,297,251,408
Surplus/(Deficit)	(887,991,692)	(781,333,908)	(942,840,400)	(1,021,576,344)	(1,110,224,294)
Surplus/(Deficit) after capital transfers & contributions	(887,991,692)	(781,333,908)	(942,840,400)	(1,021,576,344)	(1,110,224,294)
Surplus/(Deficit) after taxation	(887,991,692)	(781,333,908)	(942,840,400)	(1,021,576,344)	(1,110,224,294)

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 72 Operating Budget of the Human Resources Management and Development

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
HUMAN RESOURCES					
Revenue By Source					
Transfers and subsidies	49,860,752	20,061,517	25,131,515	25,131,515	25,131,515
Other revenue	12,600,000	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	62,460,752	20,061,517	25,131,515	25,131,515	25,131,515
Expenditure By Type					
Employee related costs	151,160,581	136,068,155	188,219,842	203,277,432	219,539,630
Depreciation & asset impairment	555,980	509,652	583,779	612,968	643,616
Other materials	34,651,307	20,769,222	9,074,200	9,316,201	9,571,271
Contracted services	2,454,358	2,173,537	2,152,613	2,222,506	2,296,173
Other expenditure	12,666,489	11,335,392	11,626,770	12,054,171	12,508,757
Total Expenditure	201,488,715	170,855,958	211,657,204	227,483,278	244,559,447
Surplus/(Deficit)	(139,027,963)	(150,794,441)	(186,525,689)	(202,351,763)	(219,427,932)
Surplus/(Deficit) after capital transfers & contributions	(139,027,963)	(150,794,441)	(186,525,689)	(202,351,763)	(219,427,932)
Surplus/(Deficit) after taxation	(139,027,963)	(150,794,441)	(186,525,689)	(202,351,763)	(219,427,932)

2.10.15 HUMAN SETTLEMENTS

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 2213 houses by end of the 2019/2020 financial year, with the approved 2018/19 roll over. The projects are in Alliance Ext 1(1639 houses) in Moleleki Ext 1 & 2(141 houses), Mayfield Ext 34 (186 houses), and Payneville Ext 1(247 houses). Instruction to Perform Work has been issued and delivery is targeted at end of Q4. There is no HSDG allocation for the 2020/21 FY.

2. DEVELOPMENT OF SERVICED STANDS PROGRAMME

The department is further implementing the serviced stands programme aimed at delivering serviced erven on an incremental basis 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:

- Water & Sewer Network Systems, whereby each stand will have a water and sewer connection.
- Roads and Stormwater, subject to budgetary provisions and as a following phase of the development, surfaced roads and Stormwater to be provided in accordance with the standards of the City of Ekurhuleni.
- For the purposes of allocating end-beneficiaries to a serviced stand, Human Settlements Elements in the form of a bathroom or toilet structure, subject to budgetary provisions, are to be erected on a suitable part of the serviced stand/erf and connected to the water and sewer networks.

- Electrical Infrastructure and connections, being subject to the allocation of end-beneficiaries would be provided on an incremental basis by the line Department responsible therefore.

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

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, project is at practical completion.
- **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** (617 res 2 stands and 6 res 4 stands = 623 Stands have been serviced in the 2017/18 Financial Year with water and sewer internal reticulation) – The construction of the bulk outfall sewer is planned to be at 19% completion stage by end of 2019/20 financial year.
- **Balmoral Extension 4** (Yield of 1091 Stands)
 - Construction of Civil Engineering Services for the allocation of stands to end-beneficiaries in the form of the:
 - Completion of Roads & Stormwater Systems (Surfacing of Roads)
 - Completion of Bathroom (Fittings, Plumbing, Geysers for 259 bathrooms)
 - Construction of Northern access route to Work Package 1 (259 stands)
- **Comet Ext 17 (Yield of 6-Stands – Residential 4)**
The project involves the:
 - Construction of Water & Sewer Network Systems
 - Completion of 6 stands in the 2019/20 financial year.
- **Mayfield Ext 46** (Yield of 575 stands)
The project involves the:
 - Construction of Water & Sewer Network Systems and graded roads; and
 - Subject to approval, a standard toilet structure.
 - Completion of 200 stands serviced with Water & Sewer Networks, planned in the 2019/20 financial year and the balance of stands in the 2020/21 financial year.
- **Daveyton Extension 14** (958 Stands) – The project is planned for completion in 2020/21 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.
- **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.

- **Villa Lisa Extension 4** – 70% of the civil engineering services (internal water and sewer reticulation) will be provided in 2019/20 FY

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 2019/20 financial year.

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.

5. LAND ACQUISITION

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

The land acquisition budget for 2019/20 financial year is R 200 million sitting in the General Vote under Real Estate Department. The amount budgeted is to acquire R120 hectares of land for human settlements.

Department’s planned activities for 2020/2021 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 2020/21 financial year.

PROJECT NAME	PROJECT DESCRIPTION
Leeuwpoort 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. ○ 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 construction of 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.

PROJECT NAME	PROJECT DESCRIPTION
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.
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"> ○ Bulk engineering services has been completed on the project. This includes the construction of water, sewer, and storm water reticulation, road infrastructure and electrical infrastructure. The Bulk link is currently being completed in phases. Construction of the first 500 units on the project commenced in February 2020 and will be complete by 30 June 2020. The units are to be built using Alternative Building Technology.
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 & 4 is completed ○ A Contractor have been appointed for the Phase 1 of bulk Engineering services installation works
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. Construction on neighbourhood 1 is underway for completion on 30 June 2020
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 have been completed for Edelweiss Extension 4 and 5. Contractor to commence with construction of water and sanitation bulk line on Extension 5 with completion by 30 June 2020
Chief Albert Luthuli Ext 6	<ul style="list-style-type: none"> ○ Bulk Service Design have been completed. Contractor to commence with construction bulk services with completion by 30 June 2020
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 and renewal strategy and plans	<ul style="list-style-type: none"> ○ The City of Ekurhuleni aims to develop the urban settlement of Germiston into a sustainable human settlement and 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). ○ 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

PROJECT NAME	PROJECT DESCRIPTION
	<p>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.</p> <ul style="list-style-type: none"> ○ 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 at practical completion waiting for prepaid electrical meters installations and completion of snags and handover. ○ Hand Over expected at the end of March 2020.
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 as well as cycle lanes for events and competitions
Tembisa Urban Renewal	<ul style="list-style-type: none"> ○ Public Space Upgrade linked with Non-Motorised Transport in Tembisa 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
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 770 units of Social Housing Units. Bulk Engineering Services installation works are currently at 85% complete and will be handed over to Ekurhuleni Housing Company for the Top Structures implementation with SHRA Funding. ○ RDP walk-ups Completion of stages 5-6 of the envisaged construction of Vosloorus Complex. Execution to be phased. Servicing of units & construct approximately 584 RDP units. ○ Project is currently installing bulk engineering services as well as Top Structures works.

PROJECT NAME	PROJECT DESCRIPTION
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 73 Operating Budget of the Human Settlements Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
HUMAN SETTLEMENTS					
Revenue By Source					
Rental of facilities and equipment	48,892,557	50,274,513	48,892,557	48,892,557	48,892,557
Transfers and subsidies	517,361,851	53,956,033	21,916,761	21,823,881	24,701,336
Total Revenue (excluding capital transfers and contributions)	566,254,408	104,230,546	70,809,318	70,716,438	73,593,893
Expenditure By Type					
Employee related costs	118,869,304	109,643,905	132,449,385	143,045,333	154,488,961
Debt impairment	2,869,033	2,629,957	2,953,058	3,248,364	3,573,200
Depreciation & asset impairment	43,879,781	40,223,139	46,073,770	48,377,459	50,796,332
Other materials	19,305,123	11,054,944	6,815,560	6,840,940	6,867,690
Contracted services	605,535,892	116,967,298	105,028,079	109,299,320	116,776,575
Transfers and subsidies	22,800,000	22,800,000	16,000,000	16,000,000	16,000,000
Other expenditure	27,868,075	17,101,489	26,051,855	26,526,493	27,031,196
Total Expenditure	841,127,208	320,420,733	335,371,707	353,337,909	375,533,954
Surplus/(Deficit)	(274,872,800)	(216,190,187)	(264,562,389)	(282,621,471)	(301,940,061)
Transfers and subsidies - capital	1,120,054,444	612,415,286	726,439,000	1,311,338,719	1,347,058,627
Surplus/(Deficit) after capital transfers & contributions	845,181,644	396,225,099	461,876,611	1,028,717,248	1,045,118,566
Surplus/(Deficit) after taxation	845,181,644	396,225,099	461,876,611	1,028,717,248	1,045,118,566

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:

- **Deficit in FY 2020/21**

The Deficit in the FY 2020/21 is R 10.96 million. This is due to the spending of transfers and subsidies from SOCIAL Housing Regulatory Authority (R16m) and Gauteng Pension Fund (R4m) that was recognised in the previous FY 2019/20. This is reflected as a credit on the balance sheet of R 12 million in the FY 2020/21

- **Operational Grant R 16 million**

The EHC reports an operational grant income of R16 million. The entity's collection rate has deteriorated as a result of non-payment due to claims of ownership by the tenants and the impact of Covid 19.

The operational grant is to cover the shortfall as a result of increased operating costs relating maintenance, security and cleaning for the EHC rental complexes. The bulk of the EHC complexes consists of aged buildings that requires frequent reactive maintenance.

The entity is focused on cost containment measures, consequence management of defaulting tenants and increasing rental stock to reduce the dependency on the operational grant.

KEY PROJECTS

EHC provided for the project below in the 2020/21 budget:

- Heat pumps completion (R1 million capital) and repairs to the existing heat pumps units.

The utilisation of the unspent SHRA grant will be revised and approved by the board in July 2020 to allocate to specific projects.

The EHC is working as an implementation agent with CoE Human Settlements on the following projects:

- Kempton Park Long street (84 units);
- Clayville Ext 45 (452 units);

Table 74 Operating Budget of Ekurhuleni Housing Company

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
zEHC					
Revenue By Source					
Service charges	7,341,495	6,545,567	6,202,578	4,339,556	4,578,232
Rental of facilities and equipment	42,620,433	42,236,359	49,395,557	52,112,313	54,978,491
Interest earned	1,912,687	4,290,806	2,415,830	2,374,491	2,482,150
Transfers and subsidies	35,791,706	35,745,965	16,000,000	16,880,000	17,808,400
Other revenue	288,676	851,210	304,552	321,303	338,975
Total Revenue (excluding capital transfers and contributions)	87,954,997	89,669,907	74,318,517	76,027,663	80,186,248
Expenditure By Type					
Employee related costs	27,723,501	24,980,064	33,209,599	34,106,270	35,060,044
Debt impairment	7,329,944	12,886,249	11,620,862	5,540,970	5,780,860
Depreciation & asset impairment	6,151,243	5,350,369	5,297,411	5,588,767	5,896,148
Finance charges	(22,398)	3,253	-	-	-
Other materials	268,107	577,623	763,023	782,280	802,368
Contracted services	17,995,682	15,002,366	20,974,812	17,815,133	18,794,969
Other expenditure	13,752,098	12,427,311	13,411,280	11,884,713	12,538,374
Total Expenditure	73,198,177	71,227,235	85,276,987	75,718,133	78,872,763
Surplus/(Deficit)	14,756,820	18,442,672	(10,958,470)	309,530	1,313,485
Transfers and subsidies - capital	7,871,001	7,871,001	-	-	-
Surplus/(Deficit) after capital transfers & contributions	22,627,821	26,313,673	(10,958,470)	309,530	1,313,485
Taxation	6,842,849	2,927,536	-	-	-
Surplus/(Deficit) after taxation	15,784,972	23,386,137	(10,958,470)	309,530	1,313,485

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

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, 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</p>

Activity	Description
	<p>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. ○ 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

Activity	Description
	<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
<p>Current Progress on IT Project</p>	<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. • 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></p> <p>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:

Activity	Description
	<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.
	<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.

Activity	Description
	<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, 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.
	<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.

Activity	Description
	<ul style="list-style-type: none"> 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.
	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.
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.
	<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.

Activity	Description
	<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>
	<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 75 Operating Budget of Information Communication Technology Department

INFORMATION COMMUNICATION TECHNOLOGY	2019/20 Budget approved in May 2020	2019/20 - YTD as at end of May 2020	2020/21 Final Budget	2021/22 Final Budget	2022/23 Final Budget
	R	R	R	R	R
Revenue By Source					
Expenditure By Type					
Employee related costs	98,507,149	89,158,571	114,214,684	123,351,860	133,220,011
Depreciation & asset impairment	61,250,754	56,146,530	64,313,292	67,528,957	70,905,405
Finance charges	94,953,774	100,325,269	121,161,278	127,703,987	134,600,002
Other materials	511,295	370,524	354,146	367,110	380,774
Contracted services	250,680,558	178,756,725	256,047,366	269,873,924	284,447,116
Other expenditure	88,110,556	58,770,053	71,885,746	74,733,542	77,738,830
Total Expenditure	594,014,086	483,527,672	627,976,512	663,559,380	701,292,138
Surplus/(Deficit)	(594,014,086)	(483,527,672)	(627,976,512)	(663,559,380)	(701,292,138)
Surplus/(Deficit) after capital transfers & contributions	(594,014,086)	(483,527,672)	(627,976,512)	(663,559,380)	(701,292,138)
Surplus/(Deficit) after taxation	(594,014,086)	(483,527,672)	(627,976,512)	(663,559,380)	(701,292,138)

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 76 Operating Budget of the Internal Audit

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
INTERNAL AUDIT					
Revenue By Source					
Expenditure By Type					
Employee related costs	49,970,831	45,527,103	53,245,339	57,504,967	62,105,367
Depreciation & asset impairment	170,329	156,145	178,845	187,787	197,176
Other materials	128,079	113,058	74,176	76,027	77,978
Contracted services	25,343,730	8,287,831	16,820,149	17,187,665	17,575,027
Other expenditure	806,345	647,107	849,898	916,484	988,323
Total Expenditure	76,419,314	54,731,245	71,168,407	75,872,930	80,943,871
Surplus/(Deficit)	(76,419,314)	(54,731,245)	(71,168,407)	(75,872,930)	(80,943,871)
Surplus/(Deficit) after capital transfers & contributions	(76,419,314)	(54,731,245)	(71,168,407)	(75,872,930)	(80,943,871)
Surplus/(Deficit) after taxation	(76,419,314)	(54,731,245)	(71,168,407)	(75,872,930)	(80,943,871)

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 77 Operating Budget of the Legislature Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
LEGISLATURE					
Revenue By Source					
Expenditure By Type					
Employee related costs	120,210,902	108,158,154	142,135,689	153,506,545	165,787,071
Remuneration of councillors	130,488,630	114,335,216	130,488,630	140,927,721	152,201,939
Other materials	18,231,931	16,878,569	8,198,166	8,208,592	8,219,581
Contracted services	3,975,351	3,612,381	2,508,418	2,510,692	2,513,089
Other expenditure	6,661,292	6,153,378	4,836,244	5,154,817	5,498,127
Total Expenditure	279,568,106	249,137,698	288,167,147	310,308,367	334,219,807
Surplus/(Deficit)	(279,568,106)	(249,137,698)	(288,167,147)	(310,308,367)	(334,219,807)
Surplus/(Deficit) after capital transfers & contributions	(279,568,106)	(249,137,698)	(288,167,147)	(310,308,367)	(334,219,807)
Surplus/(Deficit) after taxation	(279,568,106)	(249,137,698)	(288,167,147)	(310,308,367)	(334,219,807)

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 2020/21 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 78 Operating Budget of the Real Estate Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
REAL ESTATE					
Revenue By Source					
Rental of facilities and equipment	23,157,578	16,397,975	19,501,329	19,501,329	19,501,329
Transfers and subsidies	10,000,000	-	-	-	-
Other revenue	18,665,633	14,687,540	18,665,633	18,665,633	18,665,633
Total Revenue (excluding capital transfers and contributions)	51,823,211	31,085,515	38,166,962	38,166,962	38,166,962
Expenditure By Type					
Employee related costs	196,760,635	176,686,660	256,251,050	276,751,142	298,891,240
Finance charges	43,810,305	48,285,054	56,716,061	59,778,728	63,006,779
Other materials	87,254,016	57,971,253	80,469,588	84,611,965	88,978,031
Contracted services	150,041,439	114,279,484	123,913,689	130,348,834	137,131,476
Other expenditure	17,979,209	13,913,639	16,551,815	17,524,097	18,557,154
Total Expenditure	495,845,604	411,136,089	533,902,203	569,014,766	606,564,680
Surplus/(Deficit)	(444,022,393)	(380,050,575)	(495,735,241)	(530,847,804)	(568,397,718)
Surplus/(Deficit) after capital transfers & contributions	(444,022,393)	(380,050,575)	(495,735,241)	(530,847,804)	(568,397,718)
Surplus/(Deficit) after taxation	(444,022,393)	(380,050,575)	(495,735,241)	(530,847,804)	(568,397,718)

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 79 Operating Budget of the Risk Management Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
RISK MANAGEMENT					
Revenue By Source					
Other revenue	40,000,000	8,868,199	40,000,000	40,000,000	40,000,000
Total Revenue (excluding capital transfers and contributions)	40,000,000	8,868,199	40,000,000	40,000,000	40,000,000
Expenditure By Type					
Employee related costs	30,189,348	27,150,344	32,229,556	34,807,920	37,592,556
Other materials	208,508	194,754	165,230	166,306	167,441
Contracted services	2,254,322	739,573	2,256,221	2,256,302	2,256,388
Other expenditure	126,383,071	82,281,808	126,379,867	133,216,955	140,424,255
Total Expenditure	159,035,249	110,366,480	161,030,874	170,447,483	180,440,640
Surplus/(Deficit)	(119,035,249)	(101,498,280)	(121,030,874)	(130,447,483)	(140,440,640)
Surplus/(Deficit) after capital transfers & contributions	(119,035,249)	(101,498,280)	(121,030,874)	(130,447,483)	(140,440,640)
Surplus/(Deficit) after taxation	(119,035,249)	(101,498,280)	(121,030,874)	(130,447,483)	(140,440,640)

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 2019/20 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.

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 Dayevton 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, commenced during 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.

Table 80 Operating Budget of the Road and Storm Water Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
ROADS AND STORMWATER					
Revenue By Source					
Rental of facilities and equipment	428,271	466,873	429,448	429,448	429,448
Other revenue	28,512,243	3,593,549	24,012,380	24,012,380	24,012,380
Total Revenue (excluding capital transfers and contributions)	28,940,514	4,060,422	24,441,828	24,441,828	24,441,828
Expenditure By Type					
Employee related costs	260,084,124	237,720,456	321,404,122	347,116,455	374,885,775
Depreciation & asset impairment	713,995,202	654,495,611	749,694,962	787,179,710	826,538,696
Finance charges	131,691,068	146,395,784	170,575,617	179,786,700	189,495,182
Other materials	20,211,657	16,118,882	20,222,027	21,277,172	22,389,292
Contracted services	654,828,491	633,281,072	546,460,314	575,833,170	606,792,164
Other expenditure	14,288,719	11,045,075	15,050,937	15,960,094	16,928,510
Total Expenditure	1,795,099,261	1,699,056,880	1,823,407,979	1,927,153,301	2,037,029,619
Surplus/(Deficit)	(1,766,158,747)	(1,694,996,458)	(1,798,966,151)	(1,902,711,473)	(2,012,587,791)
Transfers and subsidies - capital	70,600,000	56,975,894	234,734,475	184,860,400	225,784,000
Surplus/(Deficit) after capital transfers & contributions	(1,695,558,747)	(1,638,020,564)	(1,564,231,676)	(1,717,851,073)	(1,786,803,791)
Surplus/(Deficit) after taxation	(1,695,558,747)	(1,638,020,564)	(1,564,231,676)	(1,717,851,073)	(1,786,803,791)

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 Sport Promotion	<p>The community sport programme is presented in different phases. The first will be a community participation drive to get the communities active through existing programmes/events and the second phase will be the introduction of mass participation activities to the various communities.</p> <p>1.1 Consolidation and support of existing sporting codes/programmes 1.2. Mass participation: Formal Structures 1.3 Mass participation: Informal Settlements 1.4 Empowerment of community participants</p> <p>The empowerment of the management of sport will be critical phase of the total community sport programmes. The programme will be a combined effort between all stakeholders who have the promotion and development of sport in all communities as a priority. The regional sport federation will play a critical role in this programme.</p>
Kiddies Games	<p>These games were introduced in the Metro in 2003. The target age group for this programme is 3-6 years. The programme is conducted in three phases, namely, area games, regional games and metro games. At an area level the participation is opened to all crèches in Ekurhuleni. Participation at both the regional and metro games is based on accumulated points. The children aged between 4-6 years old are selected to participate in all three levels of the programme while children aged 3 years participation is only limited to the first stage of the programme with the emphasis being on activities that focuses on physical development skills. The following activities are presented at the games: 4 - 6 years activities - Ball throwing, Ball hopping, Tyre Race, Ball kicking, Ball dribbling, Cycling, Sack Race. 3 year activities - Ball Kicking, Shooter Ride, Building Blocks, Bubble</p>

NAME OF THE PROJECT	BRIEF DESCRIPTION
	Blowing, Puzzles, Wheely.
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
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 the Sport, Recreation, Arts and Culture department, 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 in Katlehong, Vosloorus, Tembisa, Daveyton, Kwa-Thema and Tsakane areas. In the current financial year, this programme is offered in Katlehong, Phumula, Eden Park, Germiston, Palmridge, Dawn Park, Thokoza, Buhle Park, Reiger Park, Tsakane, Crystal Park, Kwa-Thema, Duduza, Tsakane, Watville, Etwatwa, Daveyton, Welgedacht, Cloverdene, Dunnotar and Tembisa. This growth is attributed to this programmes popularity with our Ekurhuleni residents. The three-hour Aerobics sessions are offered, free of charge at different open spaces and stadia in the three regions of our city, every Saturday and it caters for all age groups.
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

NAME OF THE PROJECT	BRIEF DESCRIPTION
	Linking ECDs with Primary Schools to monitor and follow the development of children in our ECD programs.
Flagship programmes/ Commemorative Programmes	Council resolved to promote the legacy of Chris Hani and OR Tambo and has declared April and October Chris Hani and OR Tambo month respectively. These are annual programmes which involve participation of various stakeholders from political formations, provincial and national government, families, general public etc.
Oral History Workshops	The main objective of this programme is to bridge the gap between written and oral history thereby involving ordinary members of the public to be part of curating and writing their own stories. This is an on-going programme which involves the public and school learners. WITS University Oral History Department facilitates school learners' workshops thus educating them on aspect such as research, documentation as well as presentation of completed historical projects.
Indigenous Knowledge System	IKS workshops intend to reeducate and decolonize the mind of the colonized groups thereby reestablishing connection between indigenous knowledge and development in areas as such medicine, judiciary, education, agriculture, finance, peace and stability. The Herb garden at Benoni museum created an opportunity for traditional health practitioners to be incorporated and play a leading key role in primary health care. Through piloting this project, Daveyton Clinic has begun working with THP of Ekurhuleni. The constitution of the Republic of South Africa also clarifies the role of traditional leaders in local government under Traditional leadership and governance framework act 41 of 2003. Again Daveyton Court has been working in harmony with traditional leaders to resolve disputes between communities for almost 10 years now
Renaming of Geographical features	The process of renaming geographical features must not be construed with polarization between Blacks and Whites in South Africa. However, this process seeks to standardize geographical names and redress past imbalances in the representation of our historical heritage. Through this process, the country will have a true reflection of the demographic of its cultural groups. A total of 46 names were approved by council in September 2019 for renaming. Only Germiston theatre and Germiston Civic Building were renamed so far.
Exhibitions	Museums use exhibition as it is the most effective tool to educate public/school learners about their own history. Travelling and temporary exhibitions are constantly curated to engage public and solicit perspectives. By April 10, 2020 CoE will have a total of 3 museums namely Benoni museum, OR Tambo and Chris House museum. Permanent exhibitions will be refurbished to incorporate digital components and modern technology.
Commemorative Days	Commemorative programmes also include commemorative days specified within the provision of Public Holidays Act (Act No 36 of 1994). These include amongst others Heritage day, Reconciliation day, Freedom day, Workers/Africa day, Human Rights day, Youth and Women's month activities etc.
Restoration of Heritage Sites	There is a vast difference between maintenance and restoration of heritage sites. Maintenance of heritage sites can be done by Operations section but restoration of sites requires a specialized and professional individual who will make recommendations and take decisions on how buildings, monuments etc can be restored to its former glory. 90% of monuments in CoE are either defaced, destroyed or vandalized albeit its colonial symbolism and interpretation.
Nelson Mandela day	In 2019, Council entered into a memorandum of Understanding with Nelson Mandela Foundation to promote his legacy in Ekurhuleni. The programme seeks to inculcate a culture of volunteerism and patriotism amongst communities and uphold the principle of Ubuntu. During the month of July 2019, CoE employees

	in partnership with the provincial Department of Human settlements volunteered to build RDP houses in Palm Ridge Township.
Adelaide Tambo Public Dialogue	Adelaide Tambo was an astute political activist before marrying OR Tambo. In 1944, she worked as a courier for the ANC . She joined the ANC Youth League at 18, which she was tasked to open branches in Transvaal and elected chairperson of the George Goch branch. She shares her birthday with Nelson Mandela but she is constantly overshadowed by two giants of the liberation struggle namely OR and Nelson Mandela. The public dialogue seeks to spark public debate and conversation amongst young people on the relevancy of Adelaide Tambo's legacy in the present context.
Maintenance of Heritage Sites	There is a need for constant maintenance of heritage sites with the CoE. There are approximately 80 heritage sites which require grass cutting, installation electricity and irrigation system, replacing of old directional signage and fixing of palisade fence etc. It must also be noted that tourism growth strives where public facilities are well maintained.
Zero hour Commemoration	In 1985, the former Vlakplaas Commander, Eugene De Kok together with other 11 apartheid police officers conspired to assassinate members of the United Democratic Movement around Thokoza, Kattlehong, Daveyton, Vosloorus, Kwathema, Tsakane Duduza townships. They use what was commonly known as the apartheid spy to carry out heinous politically motivated crime. The apartheid spies were Joe Mamasela and Daniel Nkala who were instructed to supply zero-timed grenades and limpet mines to blow activists around these townships. These timed grenades were set to detonate at exactly 00H00. Scores of political activists were killed in these townships. Zero Hour MUST be memorialized as one of the important political events in the history of the East Rand. The directorate arts, culture and heritage will draft a report for council approval to adopt Zero Hour as the fourth special event to Chris Hani, OR Tambo and Margaret Gazo. In the next financial year, the directorate plans to commission a researcher to document stories of the survivors of Zero Hour.
Language Workshops	CoE is approved a language policy which clarifies the official languages of the City. One of the recommendation is that the office of the speaker must establish a language committee to oversee the implementation of the policy.
Schools Outreach programmes	CoE will have to work closely with the National department of Arts and Culture which is the custodian of the programme. On behalf of all the schools in Ekurhuleni, the directorate arts, culture and heritage together with the Ekurhuleni Education Districts will assist to distribute constitution booklets as well as national flags for schools to install in their premises. These flags are available for free at the National Department of Arts and Culture and constitution booklets will be provided by the National Department of justice and constitutional development and institutions are encouraged to make requests. School learners will be taught correct procedures and ways of hoisting the national flag
International Museum day	IMD is a programme to promote all museums of Ekurhuleni as cultural hubs to educate and learn about the history of the municipality. This programme targets the general public, schools and other interested parties. It will give heritage and museum services section an opportunity to promote and share with community an annual plan for museum programs. There is inadequate interaction between the community of Ekurhuleni and its museums. This is attributed to lack of public and educational programs which involve communities to narrate their own stories. Community will have an opportunity to document their own history but also given a chance to exhibit it.
Heritage Tours	One of your city's principal economic development objectives is to attract a broad array of out of town and out of country visitors and to provide activities that encourage visitors to come and to extend their stay additional days in Ekurhuleni region. Cultural and Heritage Tourism is a tool of economic development that achieves economic growth through attracting visitors from outside a host community, who are motivated wholly or in part by interest in the historical,

	<p>artistic, scientific or lifestyle/heritage offerings of a community, region, group or institution</p> <p>Almost all declared heritage sites of the CoE do not contribute at least 1% of GDP of the region. Heritage Tours aim to change all our declared heritage sites from been a space for once off annual ceremony to a site which brings sustainable economic benefits to the immediate community. Each quarter, a group of independent tour operators and travel journalists will be invited on a tour of five heritage sites around the region. 90% of heritage tours will take place in previously disadvantaged communities as part the Gauteng provincial mandate of advancing “Township Revitalisation Economy”. A booklet of all sites will be published and distributed in most tourism centres</p>
<p>Nomination and Declaration of Heritage Sites</p>	<p>The South African Heritage Resources Agency is a statutory body that is mandated under the NATIONAL HERITAGE RESOURCES ACT NO. 25 OF 1999 to protect heritage resources at a national level. Part of this mandate is to identify places with qualities so exceptional that they are of national significance and investigate the possibility of declaring the place a national Heritage site.</p> <p>Declaration is the most permanent form of formal protection on a site. It is also an acknowledgement of the importance the site has in terms of the history of South Africa and has contributed significantly to the development of our nation as we are today. The site is protected to ensure the sustainability of the site and that the significance identified in the site is maintained.</p> <p>The City has identified the following sites to be declared heritage sites in the next financial year namely Ken Gampu grave, Davy Social Centre, and Thomas Nkobi grave</p>
<p>Accredited Skills Development in craft, design, fashion and film</p>	<p>Training in technical and creative skills focusing on craft, design, fashion and film have been an integral part of the strategic vision for the Arts Culture and Heritage Division, it is also contained in the departmental business plan and SDBIP. The accredited creative industry skills development programme will improve skills of creative industry clusters by focusing on business administration, product development, trends and opportunities in the markets. The programme focusses on existing small business within the creative industry.</p>
<p>Fashion incubation</p>	<p>This is a fashion capacity building programme for young emerging fashion designers / cutters/ seamstresses/ pattern makers. To ensure accredited and high quality and relevant training within the fashion industry clusters by focusing on:</p> <ul style="list-style-type: none"> • Business development • Entrepreneurship • Pattern making and cutting • Seamstressing • Market Access <p>This is a mentoring programme focusing on the emerging creatives within the fashion industry. Creative Industries assists with the facility, maintenance and equipment needed as well as assisting in the marketing and promotion of the fashion incubator</p>
<p>Film Connect Developmental Programme</p>	<p>This is a film development programme and is a collaboration programme between Sobumko Group and the City of Ekurhuleni’s Department of Sport, Recreation, Arts and Culture. The Department already hosted four successful Film Connect Programmes. Over the years Film Connect’s objective was about educating the youth patrons who aspire to work in the Television and Film industry and highlight different career disciplines that the industry offers. From 2019 the focus will be</p>

	<p>on digital mediums where the industry has migrated to. The film development programme will explore a dialogue about the transition from traditional content platforms to online digital platforms and how we can profit from these platforms.</p>
Township Film Festival	<p>The film industry forms part of the development of Creative Industries in the City of Ekurhuleni. The Ekurhuleni film industry plays a vital role in growing a "smart" economy, a creative economy that not only attracts cultural workers and quality jobs, but also contributes to economic growth and social development. The Ekurhuleni's audio-visual industry encompasses a range of creative production activities including film, TV and documentary production, commercials, stills photography, animation and multimedia.</p>
Ekurhuleni Film Festival	<p>This is a showcase and promotional film programme. The objective is to Promote international solidarity and a myriad of opportunities for filmmakers, businesses and broadcasters. To create a self-sustainable film industry and a new breed world class of filmmakers in Ekurhuleni. The film festival is mainly targeting emerging film producers across all genres. We will introduce innovative ways of making high-end films with a shoestring budget and make it appeal to the international audience. Filmmakers will sign deals onsite after open pitching sessions. This festival is open to filmmakers from all over the world</p>
Pottery and Glass slumping Hub	<p><u>The Pottery Production Project</u></p> <p>Programme is funded by the Gauteng Department of Sport, Recreation, Arts and Culture. It is facilitated by the City of Ekurhuleni's Department Arts, Culture and Heritage. CoE provides the venue, sourced the beneficiaries and creates opportunities for exposure for the potters. The programme offers opportunities to out-of-school out-of-work youth (between 25 and 35 years old) residing in Ekurhuleni, particularly in the Wattville area. disadvantaged communities through training. The programme is intended to be self-sustaining in the near future by opening opportunities for self-employment thus fulfilling the economic development as per the departmental objective.</p> <p><u>Glass Slumping Programme</u></p> <p>The project is a collaboration by the Gauteng Department of Sport, Recreation, Arts and Culture and the Arts Culture and Heritage of the Ekurhuleni Metropolitan Municipality.</p> <p>Scope of work:</p> <p>Mintek's scope of work included:</p> <ul style="list-style-type: none"> • Procurement of equipment, raw materials and • Training
Craft and design markets and pop-up shows	<p>Start-up and emerging creatives trained in developmental programmes require exposure, promotion and market access opportunities. By positioning creative industries in the Ekurhuleni community one creates an enabling environment by presenting awareness programmes, through which the creatives can be promoted. It contributes to both the economic growth and sustainability as well as facilitating social cohesion and nation-building. Various market access points, programmes and areas are therefore identified.</p>

<p>Mega Cultural Events & Creative Industries Projects :</p> <p>Rock the Shades Picnic Umshubelo Event Spring Fiesta Wild Waters Hlanganani Traditional Festival All White Gospel Picnic DJ Shimza one man show Hawaai Festival Enye</p>	<p>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</p>
<p>Art Development School</p>	<p>Elementary print-making and art classes for scholars. While still offering this service and training, the programme also prepare aspiring artists who need further exposure to the art world prior to joining either the Further Education Training (FETs') or entering other tertiary institutions. The classes are taught at the Rhoo Hlatswayo Art Centre in Daveyton.</p>
<p>Art as Healing Classes</p>	<p>The Art as healing Classes focuses on using art and art materials as a healing tool in traumatized and mentally disabled communities. The project is aimed to promote social integration e.g. Art Therapy for disabled scholars of Special Needs Schools. The art as healing classes are being taught at the Ezibeleni Special Needs School in Katlehong.</p>
<p>Photography Classes</p>	<p>The class aimed at youth with basic or no experience in photography. It offers a comprehensive introduction to practical/technical know-how in both digital photography, as well as theoretical knowledge in visual literacy, professional practice and technique.</p> <p>The class is designed to provide students with the necessary skills to photograph; develop a portfolio of work and enable you to assist a professional photographer under close supervision and mentorship.</p> <p>It will also open opportunities for self-employment thus fulfilling the economic development as per the departmental objective by encouraging entrepreneurship, networking skills, branding and marketing. These classes are taught at the Library Workroom in Kwa-Thema.</p>
<p>Ekurhuleni Dance and Music Regional festivals, Drama, Poetry, Regional Festivals</p>	<p>This initiative creates a showcasing platform for all the developing artists in the City of Ekurhuleni. Potential participants will be identified through auditions to be conducted in all the regions in our arts centres, using credible and experienced practitioners as our judges who will be given an incentive for this task.</p> <p>The finalists will be given an opportunity to perform in the main Dance and Music festival to be held at the Germiston theatre to experience competitive platforms.</p> <p>One group per genre will be selected from the Dance and Music festival to be give opportunities to perform in events that the city is collaborating in.</p>
<p>African Indigenous music programme</p>	<p>This aims to activate indigenous music in various tribal spaces</p>

<p>Indigenous Gospel Music Festival</p>	<p>1. Tsonga ,Zulu ,Venda ,Pedi ,Sotho, Tswana, Xhosa, SiSwati Traditional & Dance Ndebele, Khoi sans, Afrikaans and Indians Traditional Music & Dance</p> <p>Practitioners will be met to activate their participation into programme leading to the main heritage festival. In September to be hosted in various venues throughout the regions of The city</p> <ul style="list-style-type: none"> • Meet with Associations in Ekurhuleni. • Build a working relationship with Indigenous gospel choirs • Hold Auditions around Ekurhuleni in all 3 x Regions <p>Make sure that the best choirs represent Ekurhuleni in the in the Elite stages</p>
<p>Choral Music Competitions</p>	<p>The program aims to develop, nurture and give platform to various Choral music groups that our communities have. To ensure that the choristers and conductors are skilled in various forms of the genre so as to be better stage performers in the end.</p> <ul style="list-style-type: none"> • Meet with Associations in Ekurhuleni. • Build a working relationship with choral choirs • Hold Auditions around Ekurhuleni in all 3 x Regions <p>Make sure that the best choirs represent Ekurhuleni in the in the elite stages</p>
<p>Theatre Nights Programme</p>	<p>An initiative to activate our theatres by hosting 4 productions every last weekend of the month. 2 productions will happen at springs Theatre and 2 will happen at the Dumisani Masilela Theatre</p>

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

City of Ekurhuleni – 2020/21-2022/23 Medium Term Revenue and Expenditure Framework

	2019/20 Budget approved in May 2020	2019/20 - YTD as at end of May 2020	2020/21 Final Budget	2021/22 Final Budget	2022/23 Final Budget
	R	R	R	R	R
SPORTS, RECREATION, ARTS AND CULTURE					
Revenue By Source					
Rental of facilities and equipment	3,463,809	3,500,280	3,463,809	3,463,809	3,463,809
Fines, penalties and forfeits	38,261	38,263	38,261	38,261	38,261
Transfers and subsidies	11,782,535	4,666,878	11,000,000	12,000,000	12,500,000
Other revenue	1,181,676	3,235,554	1,181,676	1,181,676	1,181,676
Total Revenue (excluding capital transfers and contributions)	16,466,281	11,440,975	15,683,746	16,683,746	17,183,746
Expenditure By Type					
Employee related costs	510,444,707	465,012,530	523,919,470	565,833,050	611,099,701
Depreciation & asset impairment	91,817,596	84,166,137	96,408,476	101,228,900	106,290,345
Other materials	41,288,898	30,344,726	46,469,580	48,260,972	49,489,697
Contracted services	35,680,489	24,265,981	28,850,788	30,181,782	31,690,062
Other expenditure	17,141,066	12,655,385	18,564,765	19,645,803	20,802,434
Total Expenditure	696,372,756	616,444,761	714,213,079	765,150,507	819,372,239
Surplus/(Deficit)	(679,906,475)	(605,003,785)	(698,529,333)	(748,466,761)	(802,188,493)
Transfers and subsidies - capital	8,663,989	2,705,474	8,500,000	8,500,000	9,000,000
Surplus/(Deficit) after capital transfers & contributions	(671,242,486)	(602,298,311)	(690,029,333)	(739,966,761)	(793,188,493)
Surplus/(Deficit) after taxation	(671,242,486)	(602,298,311)	(690,029,333)	(739,966,761)	(793,188,493)

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 82 Operating Budget of the Strategy & Corporate Planning Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
STRATEGY & CORPORATE PLANN					
Revenue By Source					
Expenditure By Type					
Employee related costs	23,713,623	21,444,686	26,143,206	28,234,664	30,493,437
Depreciation & asset impairment	488,580	447,876	513,010	538,661	565,593
Other materials	2,165,549	878,465	1,202,922	1,208,650	1,214,687
Contracted services	1,352,981	1,154,182	1,349,523	1,349,523	1,349,523
Other expenditure	560,431	428,927	527,757	567,533	610,405
Total Expenditure	28,281,164	24,354,137	29,736,418	31,899,031	34,233,645
Surplus/(Deficit)	(28,281,164)	(24,354,137)	(29,736,418)	(31,899,031)	(34,233,645)
Surplus/(Deficit) after capital transfers & contributions	(28,281,164)	(24,354,137)	(29,736,418)	(31,899,031)	(34,233,645)
Surplus/(Deficit) after taxation	(28,281,164)	(24,354,137)	(29,736,418)	(31,899,031)	(34,233,645)

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. In the same period the Europay Master Visa card was piloted and later launched in August 2019. The service is however limited as only parts of Phase 1A of the project is being operationalised. The IRPTN Operational Plan was approved by the National Department of Transport in December 2012.
- II. Non-Motorised Transport (NMT) which includes cyclist and pedestrian paths, is intended to promote diversified public transport alternatives which is demonstrated by the construction of alternative transport infrastructure. Pedestrian and cyclist paths are constructed alongside identified routes to allow ease of movement for pedestrians and cyclists. The NMT infrastructure is also intended to ease mobility and improve safety on the roads for people living with disabilities. The City has completed more than 19km of NMT infrastructure along BRT routes.
- 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. A total of 14.03km trunk and complementary routes were completed to date. A total of 5 Feeders and 1 Complementary routes into the BRT system were also upgraded so as to conform with BRT buses specifications.

- IV. BRT Stations - A total of 13 stations which are situated along the trunk route on Andrew Maphetho drive are under construction and will all be completed and operationalised in July 2020. 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. The stations are enablers of a full BRT system in that key functions including system access control, route guidance, money handling and customer-interfacing activities are performed. Stations also promote efficiencies of the system.

- V. Six Pedestrian bridges at the following stations are completed:
 - 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
 - Zuurfontein/Bergrivier

- VI. A total of 69 Bus Laybys/Stops were completed along the BRT route, from Tembisa Hospital to Isando and OR Tambo international Airport since inception of the project. These are intended for access to a Public Transport system within close reach, i.e. 500m from residential areas.

- VII. The City has provided more than 200 streetlighting poles along the BRT route. This project will be rolled out throughout the route and other phases. It is intended to illuminate the BRT route for safety and easy access when dark.

PROJECT NAME	PROJECT DESCRIPTION
Extension of Harambee BRT service	Service and route extension of the Harambee BRT system to other areas.
Development of an Integrated Public Transport Network plan.	A plan intended to integrate various road transport modes, including buses, trains and minibus taxis while promoting Transit Oriented Developments and public transport corridors, inclusive of among others; inter-modal zones and facilities, etc.
BRT Phase 2 Operations and Business plans	Initiating Phase 2 of the BRT system stretching from Kempton park West to Katlehong.
Non-motorised Transport infrastructure	Promoting diversified public transport alternatives for road-users safety and promoting access to Public Transport for people living with disabilities.
BRT Stations	Access and transfer points for the BRT system, enabling full BRT operations.
Depot and warehouse renovations	All Depot as well as Warehouse renovations in order to comply with OHS Act.
CITP	The CITP is a chapter in the Integrated Development Plan (IDP) of the City of Ekurhuleni and an integral component focusing specifically in the transport sector. This document takes cognisance of other development strategies such as the Municipal Spatial Development Framework (MSDF), Provincial

PROJECT NAME	PROJECT DESCRIPTION
	and National strategies including passenger rail, freight future developments within the city etc.

Operating Budget of the Transport and Fleet Management 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 83 Operating Budget of the Transport Planning and Fleet Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
TRANSPORT					
Revenue By Source					
Transfers and subsidies	266,327,720	200,421,103	358,466,000	301,951,000	319,587,000
Other revenue	120,399,256	15,979,535	52,028,751	52,028,751	52,028,751
Total Revenue (excluding capital transfers and contributions)	386,726,976	216,400,638	410,494,751	353,979,751	371,615,751
Expenditure By Type					
Employee related costs	219,499,909	198,937,835	252,403,532	272,595,814	294,403,483
Depreciation & asset impairment	684,799	627,737	719,039	754,991	792,741
Finance charges	29,377,345	32,981,322	41,503,722	43,744,923	46,107,149
Other materials	25,010,645	19,696,331	26,091,476	27,326,545	28,628,313
Contracted services	271,433,430	201,424,539	362,154,101	305,860,473	323,729,803
Transfers and subsidies	5,000,000	6,000,000	5,000,000	5,000,000	5,000,000
Other expenditure	29,671,635	26,423,935	34,027,758	35,904,514	37,891,560
Total Expenditure	580,677,763	486,091,699	721,899,628	691,187,260	736,553,049
Surplus/(Deficit)	(193,950,787)	(269,691,061)	(311,404,877)	(337,207,509)	(364,937,298)
Transfers and subsidies - capital	412,825,274	322,965,802	358,000,000	359,000,000	370,000,000
Surplus/(Deficit) after capital transfers & contributions	218,874,487	53,274,741	46,595,123	21,792,491	5,062,702
Surplus/(Deficit) after taxation	218,874,487	53,274,741	46,595,123	21,792,491	5,062,702

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 84 Operating Budget of the Brakpan Bus Company

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
zBBC					
Revenue By Source					
Interest earned	355,814	35,216	430,140	474,053	461,000
Transfers and subsidies	21,559,426	6,712,665	11,665,369	12,133,905	12,556,000
Other revenue	38,306,227	7,498,708	18,570,330	22,419,298	23,847,749
Total Revenue (excluding capital transfers and contributions)	60,221,467	14,246,589	30,665,839	35,027,256	36,864,749
Expenditure By Type					
Employee related costs	19,132,746	23,341,248	18,963,871	21,424,799	22,703,486
Depreciation & asset impairment	3,944,962	2,415,031	1,856,634	2,159,005	2,247,700
Finance charges	50,880	-	-	-	-
Other materials	5,596,674	714,511	2,699,791	3,142,640	3,271,744
Contracted services	1,951,826	98,849	977,900	1,137,158	1,183,873
Other expenditure	29,544,379	3,101,136	6,167,643	7,163,654	7,457,946
Loss on disposal of PPE	-	7,974	-	-	-
Total Expenditure	60,221,467	29,678,750	30,665,839	35,027,256	36,864,749
Surplus/(Deficit)	-	(15,432,161)	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	(15,432,161)	-	-	-
Surplus/(Deficit) after taxation	-	(15,432,161)	-	-	-

2.10.27 WATER AND SANITATION

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.

PROJECT NAME	PROJECT DESCRIPTION
	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 financial year 19/20 and beyond the Water and Sanitation Department planned to ensure the Construction of Additional Water Reservoirs Capacity & Waste Water Treatment Works Additional Capacity of 50ml.</p> <p>The Water & Sanitation 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>Awaiting site handover</p> <p>Edelwesiss tower (2MI) Edelwesiss reservoir (30MI) Dawn Park tower (1.5ml) Hilltop reservoir (15MI) Madeley reservoir (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 tower (0.75MI) – construction Tembisa Tower (2MI) – construction Northmead Tower (5.5MI) – construction Bredell (25MI) – construction Pam Brink (25MI) – construction Impala (10MI) – construction Oliphantsfontein (20MI) – construction Alberton South Crest (10MI) – construction Duduza (15MI) – construction Modder East (25MI) – construction Fairleads 25MI) – construction Kempton Park (25MI) (Phase 2) – construction Cossins reservoir (20MI) – construction</p> <p>Completed awaiting commissioning</p> <p>Palmridge (35MI) – Complete awaiting commissioning</p>

PROJECT NAME	PROJECT DESCRIPTION																																								
	<p>Kempton Park (25MI) – Complete awaiting commissioning Benoni reservoir (5MI) – Complete awaiting commissioning</p> <p>Completed & commissioned</p> <p>Nigel Tower (1MI) – Completed and commissioned Etwatwa (10MI) – Completed and commissioned Welgedacht (7.5MI) – 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="491 954 1538 1462"> <thead> <tr> <th>Project Name</th> <th>Km</th> </tr> </thead> <tbody> <tr> <td>Eliminate Benoni Sewer Pump station</td> <td>0.185</td> </tr> <tr> <td>Etwatwa Ext19 Reservoir, Tower, access road and pipeline</td> <td>1.013</td> </tr> <tr> <td>Etwatwa Sewer Upgrades</td> <td>3.2</td> </tr> <tr> <td>Mayfield Ext 1 Phase 2</td> <td>3.675</td> </tr> <tr> <td>MIC BLOCKS NORTH EAST</td> <td>0.345</td> </tr> <tr> <td>Moderfontein 76 IR Ptn 7 E/tial SVC C F</td> <td>0.317</td> </tr> <tr> <td>Pomona: Bulk supply Albertina Sisulu Corridor</td> <td>0.113</td> </tr> <tr> <td>Tembisa Sewer</td> <td>3.85</td> </tr> <tr> <td>Upgrade Outfall Sewers in Vosloorus C/F</td> <td>0.236</td> </tr> <tr> <td>TOTAL</td> <td>12.934</td> </tr> </tbody> </table> <p>2017.18 Progress A total of 41km of both water and sewer were completed during the 2017.18 FY as follows:</p> <table border="1" data-bbox="491 1599 1538 2004"> <thead> <tr> <th>Project Description</th> <th>Km Achieved</th> <th>Ward</th> </tr> </thead> <tbody> <tr> <td>Edenvale: Illiondale Outfall sewer(Edenvale)</td> <td>0.7km</td> <td>18</td> </tr> <tr> <td>Etwatwa Sewer Upgrades(Etwatwa)</td> <td>11.5km</td> <td>65</td> </tr> <tr> <td>Farrarmere Gardens: Extend water and sewer services(Benoni)</td> <td>0.9km</td> <td>28</td> </tr> <tr> <td>GERMISTON BVD WAT NET UPG PHASE 2</td> <td>0.3km</td> <td>35</td> </tr> <tr> <td>Germiston: Upgrade and replace Dekema outfall sewer(Germiston)</td> <td>0.6km</td> <td>40</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	Pomona: Bulk supply Albertina Sisulu Corridor	0.113	Tembisa Sewer	3.85	Upgrade Outfall Sewers in Vosloorus C/F	0.236	TOTAL	12.934	Project Description	Km Achieved	Ward	Edenvale: Illiondale Outfall sewer(Edenvale)	0.7km	18	Etwatwa Sewer Upgrades(Etwatwa)	11.5km	65	Farrarmere Gardens: Extend water and sewer services(Benoni)	0.9km	28	GERMISTON BVD WAT NET UPG PHASE 2	0.3km	35	Germiston: Upgrade and replace Dekema outfall sewer(Germiston)	0.6km	40
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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																																								
Pomona: Bulk supply Albertina Sisulu Corridor	0.113																																								
Tembisa Sewer	3.85																																								
Upgrade Outfall Sewers in Vosloorus C/F	0.236																																								
TOTAL	12.934																																								
Project Description	Km Achieved	Ward																																							
Edenvale: Illiondale Outfall sewer(Edenvale)	0.7km	18																																							
Etwatwa Sewer Upgrades(Etwatwa)	11.5km	65																																							
Farrarmere Gardens: Extend water and sewer services(Benoni)	0.9km	28																																							
GERMISTON BVD WAT NET UPG PHASE 2	0.3km	35																																							
Germiston: Upgrade and replace Dekema outfall sewer(Germiston)	0.6km	40																																							

PROJECT NAME	PROJECT DESCRIPTION		
	Mayfield Ext 1(Benoni)	6.9km	96
	Vosloorus	0.9km	41
	Lilianton	0.9km	33
	Phomolong replacement of midblocks pipelines	0.4km	90
	War on leaks: Tsakane	22.5km	85 , 113
	Pomona New eastern of sewer	2km	15,100
	TOTAL KM OF WATER & SEWER REPLACED,UPGRADED OR INSTALLED		41.1km
	2018.19 Progress Year To Date (Up to Dec 2018)		
	Germiston: Upgrade and Replacement Dekema Outfall sewer	3,374.00	
	Elsburg Koppies Outfall sewer Phase 2	715.701	
	Tembisa Design And Construction of Sewer Pipes	1,953.00	
	Eliminate Benoni Sewer Pumpstation	685	
	Lilianton outfall sewer	1500	
	Illiondale Outfall Sewer	2900	
	Bulk water supply to Benoni reservoir	390	
	Replace Main Water-Isekelo Tembisa	510	
	TOTAL	12,027.70	
	During the 2018.19 financial year the Department replaced, upgraded or extended 12km. 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.

The department is further continuing in assisting the city's indigent community through projects aimed at fixing their internal leaks to reduce the water demand and financial burden associated with water leakages.

Table 85 Operating Budget of the Water and Sanitation Department

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
WATER AND SANITATION					
Revenue By Source					
Service charges	6,861,934,203	6,186,488,031	8,271,452,711	9,436,379,199	10,767,529,448
Interest earned	326,766,523	241,349,662	228,445,921	228,445,921	228,445,921
Fines, penalties and forfeits	898,124	712,116	898,124	898,124	898,124
Transfers and subsidies	1,923,055,278	1,753,086,824	1,962,370,946	2,155,976,069	2,382,124,969
Other revenue	17,309,427	25,382,586	18,244,136	18,244,136	18,244,136
Total Revenue (excluding capital transfers and contributions)	9,129,963,555	8,207,019,219	10,481,411,838	11,839,943,449	13,397,242,598
Expenditure By Type					
Employee related costs	475,994,272	434,034,757	491,314,289	530,619,427	573,068,994
Debt impairment	193,937,021	177,775,609	199,616,828	219,578,511	241,536,362
Depreciation & asset impairment	109,254,472	100,149,940	114,717,196	120,453,055	126,475,708
Finance charges	116,962,439	129,628,804	149,628,411	157,708,345	166,224,596
Bulk purchases	3,708,364,826	3,171,561,375	4,303,270,656	4,948,761,254	5,691,075,442
Other materials	238,897,561	184,115,269	386,246,584	424,106,895	466,636,982
Contracted services	888,809,055	796,250,967	1,028,339,914	1,136,294,646	1,255,896,917
Transfers and subsidies	609,706,381	416,490,180	650,000,000	684,300,000	749,912,200
Other expenditure	22,310,311	18,138,630	22,354,910	23,700,581	25,135,391
Total Expenditure	6,364,236,338	5,428,145,530	7,345,488,788	8,245,522,714	9,295,962,592
Surplus/(Deficit)	2,765,727,217	2,778,873,689	3,135,923,050	3,594,420,735	4,101,280,006
Transfers and subsidies - capital	19,500,000	8,017,436	465,691,764	374,500,000	264,787,037
Surplus/(Deficit) after capital transfers & contributions	2,785,227,217	2,786,891,125	3,601,614,814	3,968,920,735	4,366,067,043
Surplus/(Deficit) after taxation	2,785,227,217	2,786,891,125	3,601,614,814	3,968,920,735	4,366,067,043

2.10.28 BUDGET OF ERWAT

Key Strategic Projects of ERWAT

The Erwat Board approved a strategy at its strategic planning session and the following key strategic projects were identified:

The above was reduced to two clear strategic objectives namely:

- 19 Green Drop Awards.

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

For the financial year budget of 2020/21, net operating surplus of R200 million will be realised.

Total Income

The total income increased with 11.4% from 2019/20 to 2020/21.

Non-exchange revenue

There was an increase in non-exchange revenue as the Grant for 2019/20 to 2020/21 amounted to R1.1 billion.

Exchange revenue

The Exchange Revenue increase is 10.5% from 2019/20 to 2020/21 financial year; the main drivers are the following:

- **Service charges increased by 11.00%**
 - 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.

Expenditure

The total expenditure increased by 11.4%, which be covered by the total income increase of 11.4% 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 11%**
 - 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.

Table 86 Budget of ERWAT

	2019/20 Budget approved in May 2020 R	2019/20 - YTD as at end of May 2020 R	2020/21 Final Budget R	2021/22 Final Budget R	2022/23 Final Budget R
zERWAT					
Revenue By Source					
Interest earned	3,722,160	1,940,089	3,722,160	4,025,888	4,347,959
Dividends received	-	95,246	-	-	-
Transfers and subsidies	-	309,896	-	-	-
Other revenue	995,966,930	1,001,155,424	1,100,397,935	1,367,364,091	1,613,892,216
Total Revenue (excluding capital transfers and contributions)	999,689,090	1,003,500,655	1,104,120,095	1,371,389,979	1,618,240,175
Expenditure By Type					
Employee related costs	379,513,239	325,491,994	410,475,684	520,772,963	614,512,104
Debt impairment	1,625,838	(194,782)	1,625,838	2,230,351	2,631,814
Depreciation & asset impairment	74,051,053	89,770,370	105,500,000	112,915,000	120,786,949
Finance charges	57,012,329	42,221,739	48,453,869	67,636,005	79,810,486
Other materials	190,412,444	213,945,583	234,540,585	261,191,663	308,359,096
Contracted services	66,476,366	52,422,100	49,566,506	84,919,504	112,504,829
Transfers and subsidies	867,149	-	1,011,238	1,189,569	1,403,691
Other expenditure	229,730,672	200,122,224	252,946,375	320,534,924	378,231,206
Loss on disposal of PPE	-	469,131	-	-	-
Total Expenditure	999,689,090	924,248,360	1,104,120,095	1,371,389,979	1,618,240,175
Surplus/(Deficit)	-	79,252,295	-	-	-
Transfers and subsidies - capital	145,635,521	82,275,561	200,000,000	210,000,000	250,000,000
Surplus/(Deficit) after capital transfers & contributions	145,635,521	161,527,857	200,000,000	210,000,000	250,000,000
Surplus/(Deficit) after taxation	145,635,521	161,527,857	200,000,000	210,000,000	250,000,000

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 87 MBRR SA34a - capital expenditure on the renewal of new assets by asset class

EKU City of Ekurhuleni - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	802,676	58,050	140,052	121,400	143,459	143,459	197,240	205,445	253,120
Roads Infrastructure	–	13,751	–	–	–	–	–	–	–
<i>Roads</i>	–	13,751	–	–	–	–	–	–	–
Electrical Infrastructure	465,247	44,098	–	–	–	–	–	–	–
<i>HV Transmission Conductors</i>	465,247	44,098	–	–	–	–	–	–	–
Water Supply Infrastructure	161,203	–	–	–	–	–	–	–	–
<i>Distribution</i>	161,203	–	–	–	–	–	–	–	–
Sanitation Infrastructure	40,683	–	140,052	121,400	143,459	143,459	197,240	205,445	253,120
<i>Pump Station</i>	–	–	–	–	–	–	–	–	–
<i>Reticulation</i>	40,683	–	–	–	–	–	–	–	–
<i>Waste Water Treatment Works</i>	–	–	140,052	121,400	143,459	143,459	197,240	205,445	253,120
Solid Waste Infrastructure	135,542	–	–	–	–	–	–	–	–
<i>Landfill Sites</i>	20,298	–	–	–	–	–	–	–	–
<i>Capital Spares</i>	115,244	–	–	–	–	–	–	–	–
Information and Communication Infrastructure	–	201	–	–	–	–	–	–	–
<i>Core Layers</i>	–	201	–	–	–	–	–	–	–
<i>Distribution Layers</i>	–	–	–	–	–	–	–	–	–
Community Assets	39,322	7,303	270,508	328,000	113,938	113,938	184,760	213,600	172,050
Community Facilities	31,847	7,303	270,508	328,000	113,938	113,938	184,760	213,600	172,050
<i>Halls</i>	–	–	–	–	–	–	–	–	–
<i>Centres</i>	–	6,613	113,331	125,000	23,500	23,500	60,000	90,000	44,000
<i>Crèches</i>	–	–	–	–	–	–	–	–	–
<i>Clinics/Care Centres</i>	11,913	690	11,083	1,500	68	68	360	600	550
<i>Fire/Ambulance Stations</i>	–	–	52,255	89,500	56,870	56,870	74,400	57,000	61,500
<i>Museums</i>	5,950	–	–	–	–	–	–	–	–
<i>Libraries</i>	6,884	–	–	–	–	–	–	–	–
<i>Cemeteries/Crematoria</i>	7,100	–	–	–	–	–	–	–	–
<i>Public Open Space</i>	–	–	93,838	112,000	33,500	33,500	50,000	66,000	66,000
<i>Capital Spares</i>	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	7,476	–	–	–	–	–	–	–	–
<i>Indoor Facilities</i>	–	–	–	–	–	–	–	–	–
<i>Outdoor Facilities</i>	7,476	–	–	–	–	–	–	–	–
Investment properties	581,005	–	–	–	–	–	–	–	–
Revenue Generating	581,005	–	–	–	–	–	–	–	–
<i>Improved Property</i>	581,005	–	–	–	–	–	–	–	–
Other assets	345,490	–	79,017	260,700	26,186	26,186	126,399	182,518	189,662
Operational Buildings	345,490	–	79,017	260,700	26,186	26,186	126,399	182,518	189,662
<i>Municipal Offices</i>	345,490	–	997	7,000	15	15	122	154	162
<i>Depots</i>	–	–	78,020	253,700	26,171	26,171	126,277	182,364	189,500
Intangible Assets	–	1,223	–	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	1,223	–	–	–	–	–	–	–
<i>Computer Software and Applications</i>	–	1,223	–	–	–	–	–	–	–
Computer Equipment	–	504,735	780	1,256	491	491	327	435	480
Computer Equipment	–	504,735	780	1,256	491	491	327	435	480
Furniture and Office Equipment	–	37,533	53,133	45,659	23,375	23,375	33,466	40,580	27,002
Furniture and Office Equipment	–	37,533	53,133	45,659	23,375	23,375	33,466	40,580	27,002
Machinery and Equipment	–	70,934	2,635	7,815	5,270	5,270	5,952	9,550	3,964
Machinery and Equipment	–	70,934	2,635	7,815	5,270	5,270	5,952	9,550	3,964
Transport Assets	–	324,046	308,747	169,786	133,184	133,184	136,473	115,585	51,065
Transport Assets	–	324,046	308,747	169,786	133,184	133,184	136,473	115,585	51,065
Libraries	–	395,282	–	–	–	–	–	–	–
Libraries	–	395,282	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1,768,494	1,399,107	854,871	934,616	445,902	445,902	684,616	767,713	697,343

Table 88 MBRR SA34b - capital expenditure on the renewal of existing assets by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	1,076,898	2,225,703	2,756,136	3,183,716	2,672,216	2,672,216	2,331,548	2,106,378	2,148,262
Roads Infrastructure	346,823	952,550	895,697	1,017,071	794,630	794,630	707,048	591,902	593,716
Roads	323,455	952,550	895,697	1,017,071	794,630	794,630	707,048	591,902	593,716
Capital Spares	23,368								
Storm water Infrastructure	–	56,571	25,779	19,500	11,043	11,043	8,200	13,461	36,380
Drainage Collection	–	56,571	25,779	19,500	11,043	11,043	8,200	13,461	36,380
Electrical Infrastructure	111,189	630,547	696,179	651,500	587,165	587,165	488,591	376,286	420,238
Power Plants	–	–	100,204	165,000	80,547	80,547	112,000	124,000	160,000
HV Substations	–	–	–	–	–	–	–	–	–
HV Switching Station	–	–	–	–	–	–	–	–	–
HV Transmission Conductors	111,189	–	480,696	396,500	432,410	432,410	301,591	206,686	216,838
MV Substations	–	79,249	–	–	–	–	–	–	–
MV Switching Stations	–	–	–	–	–	–	–	–	–
MV Networks	–	396,736	115,280	90,000	74,207	74,207	75,000	45,600	43,400
LV Networks	–	154,562	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	46,317	414,771	466,717	731,500	564,169	564,169	632,887	679,750	528,218
Reservoirs	–	138,045	–	–	–	–	–	–	–
Bulk Mains	–	–	–	–	–	–	–	–	–
Distribution	46,317	276,726	466,717	731,500	564,169	564,169	632,887	679,750	528,218
Sanitation Infrastructure	57,360	167,252	167,791	99,800	64,085	64,085	19,803	59,500	152,861
Pump Station	–	–	–	–	–	–	–	–	–
Reticulation	57,360	152,011	166,747	99,800	64,085	64,085	19,803	59,500	152,861
Waste Water Treatment Works	–	15,241	1,044	–	–	–	–	–	–
Solid Waste Infrastructure	82,912	4,012	119,485	84,000	43,785	43,785	101,700	80,400	172,500
Landfill Sites	82,912	–	–	–	–	–	–	–	–
Waste Transfer Stations	–	4,012	119,485	84,000	43,785	43,785	101,700	80,400	172,500
Information and Communication Infrastructure	432,297	–	384,488	580,345	607,340	607,340	373,320	305,080	244,350
Data Centres	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	384,488	580,345	607,340	607,340	373,320	305,080	244,350
Capital Spares	432,297	–	–	–	–	–	–	–	–
Community Assets	142,726	12,092	500,608	515,200	202,516	202,516	286,571	251,828	218,911
Community Facilities	109,257	11,342	421,124	402,200	167,492	167,492	215,439	174,600	143,302
Clinics/Care Centres	24,886	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	–	55,613	20,000	2,000	2,000	11,000	12,000	16,000
Museums	27,950	–	–	–	–	–	–	–	–
Libraries	23,835	–	3,932	–	–	–	–	–	–
Cemeteries/Crematoria	30,295	–	–	–	–	–	–	–	–
Police	2,291	–	75,323	58,300	26,501	26,501	50,039	59,100	70,252
Parks	–	–	–	–	–	–	–	–	–
Public Open Space	–	6,223	223,063	195,300	117,219	117,219	84,500	17,000	12,300
Nature Reserves	–	5,119	62,461	80,600	19,615	19,615	39,400	59,000	13,000
Taxi Ranks/Bus Terminals	–	–	733	48,000	2,156	2,156	30,500	27,500	31,750
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	33,469	750	79,483	113,000	35,024	35,024	71,133	77,228	75,609
Indoor Facilities	28,998	–	12,687	32,200	8,294	8,294	14,167	39,602	20,765
Outdoor Facilities	4,472	750	66,797	80,800	26,730	26,730	56,965	37,626	54,844
Investment properties	77,384	16,916	1,686,547	1,784,649	1,383,146	1,383,146	963,439	963,650	1,010,197
Revenue Generating	77,384	16,916	1,204,098	1,486,649	1,170,054	1,170,054	726,439	786,703	870,197
Improved Property	77,384	16,916	1,204,098	1,486,649	1,170,054	1,170,054	726,439	786,703	870,197
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	482,449	298,000	213,091	213,091	237,000	176,947	140,000
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	482,449	298,000	213,091	213,091	237,000	176,947	140,000
Other assets	464,471	–	–	–	–	–	–	–	–
Operational Buildings	464,471	–	–	–	–	–	–	–	–
Municipal Offices	464,332	–	–	–	–	–	–	–	–
Capital Spares	139	–	–	–	–	–	–	–	–
Intangible Assets	–	–	4,812	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	–	4,812	–	–	–	–	–	–
Computer Software and Applications	–	–	4,812	–	–	–	–	–	–
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
Computer Equipment	–	21	–	–	–	–	–	–	–
Computer Equipment	–	21	–	–	–	–	–	–	–
Furniture and Office Equipment	81,742	93	–	–	–	–	–	–	–
Furniture and Office Equipment	81,742	93	–	–	–	–	–	–	–
Machinery and Equipment	62,030	–	76,688	121,545	43,219	43,219	48,219	65,152	53,727
Machinery and Equipment	62,030	–	76,688	121,545	43,219	43,219	48,219	65,152	53,727
Transport Assets	335,584	–	–	–	–	–	–	–	–
Transport Assets	335,584	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	2,240,835	2,254,825	5,024,791	5,605,110	4,301,097	4,301,097	3,629,777	3,387,007	3,431,097

Table 89 MBRR SA34c - repairs and maintenance expenditure by asset class

Description	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1,739,371	1,747,514	2,124,444	2,183,788	2,071,338	2,071,338	2,272,848	2,441,195	2,620,323
Roads Infrastructure	587,575	590,014	735,711	692,412	621,653	621,653	488,324	514,694	542,487
Roads	587,575	572,952	711,938	671,461	597,957	597,957	467,365	492,603	519,203
Road Structures									
Road Furniture	–	17,062	23,773	20,951	23,696	23,696	20,959	22,091	23,284
Capital Spares									
Storm water Infrastructure	45,404	46,733	50,270	41,503	27,973	27,973	41,518	43,760	46,123
Drainage Collection	45,404	46,733	50,270	41,503	27,973	27,973	41,518	43,760	46,123
Storm water Conveyance	–	–	–	–	–	–	–	–	–
Attenuation									
Electrical Infrastructure	571,233	572,281	858,158	892,503	1,041,834	1,041,834	1,151,433	1,223,204	1,299,615
Power Plants									
HV Substations	27,655	27,091	32,852	50,135	37,035	37,035	81,299	85,796	90,543
HV Switching Station									
HV Transmission Conductors		565	6,573	6,312	6,312	6,312	7,361	8,659	10,218
MV Substations	497,088	18,685	20,217	23,686	33,516	33,516	55,492	58,488	61,647
MV Switching Stations							20,564	21,675	22,845
MV Networks		479,186	723,576	657,958	811,987	811,987	764,973	814,867	868,023
LV Networks	46,491	46,754	74,940	154,412	143,825	143,825	215,612	227,255	239,526
Capital Spares	–	–	–	–	9,158	9,158	6,133	6,464	6,813
Water Supply Infrastructure	219,379	221,544	197,502	272,065	171,342	171,342	301,861	335,664	373,917
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works									
Bulk Mains	5,566	5,566	3,234	8,100	3,098	3,098	6,492	6,843	7,212
Distribution	213,813	215,979	194,268	263,964	168,244	168,244	295,369	328,821	366,704
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	266,193	267,353	227,812	223,234	156,707	156,707	224,289	254,918	285,501
Pump Station		114,057	88,238	78,461	22,829	22,829	60,382	63,643	67,080
Reticulation	266,193	57,779	42,790	51,418	40,523	40,523	54,838	57,800	60,921
Waste Water Treatment Works		95,517	96,783	93,355	93,355	93,355	109,068	133,475	157,500
Outfall Sewers									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure	49,588	49,588	54,992	62,071	51,829	51,829	65,423	68,956	72,679
Landfill Sites	49,588	49,588	54,992	62,071	51,829	51,829	65,423	68,956	72,679
Community Assets	125	125	745	998	998	998	3,310	3,264	3,322
Community Facilities	125	125	745	998	998	998	1,010	1,064	1,122
Airports									
Taxi Ranks/Bus Terminals	125	125	745	998	998	998	1,010	1,064	1,122
Capital Spares									
Sport and Recreation Facilities	–	–	–	–	–	–	2,300	2,200	2,200
Indoor Facilities									
Outdoor Facilities							2,300	2,200	2,200
Capital Spares									
	1	1	1	1	1	1	1	1	1
Investment properties	42,268	42,276	42,821	56,967	40,013	40,013	58,029	61,163	64,466
Revenue Generating	42,268	–	–	–	–	–	–	–	–
Improved Property	42,268								
Non-revenue Generating	–	42,276	42,821	56,967	40,013	40,013	58,029	61,163	64,466
Improved Property	–	42,276	42,821	56,967	40,013	40,013	58,029	61,163	64,466
Other assets	145,284	145,646	70,426	326,012	196,596	196,596	198,880	211,110	224,395
Operational Buildings	145,284	145,646	70,426	326,012	196,596	196,596	198,880	211,110	224,395
Municipal Offices	145,284	145,646	70,426	326,012	196,596	196,596	198,880	211,110	224,395
Computer Equipment	30,422	4	0	4	4	4	–	–	–
Computer Equipment	30,422	4	0	4	4	4	–	–	–
Furniture and Office Equipment	–	30,454	29,698	263,058	290,738	290,738	319,663	336,928	355,110
Furniture and Office Equipment	–	30,454	29,698	263,058	290,738	290,738	319,663	336,928	355,110
Machinery and Equipment	4,326	4,338	2,140	4,744	4,138	4,138	2,368	2,500	2,616
Machinery and Equipment	4,326	4,338	2,140	4,744	4,138	4,138	2,368	2,500	2,616
Transport Assets	144,351	148,214	185,146	189,978	178,786	178,786	185,092	195,561	206,364
Transport Assets	144,351	148,214	185,146	189,978	178,786	178,786	185,092	195,561	206,364
Total Repairs and Maintenance Expenditure	2,106,148	2,118,570	2,455,421	3,025,549	2,782,611	2,782,611	3,040,191	3,251,721	3,476,595

Table 90 MBRR SA34e - Capital expenditure on the upgrading on the existing assets by asset class

EKU City of Ekurhuleni - Supporting Table SA34e Consolidated capital expenditure on the upgrading of existing assets by asset class

Description	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand								
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class								
Infrastructure	3,811	9,544	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	9,544	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	-	9,544	-	-	-	-	-	-
<i>Outfall Sewers</i>								
<i>Toilet Facilities</i>								
<i>Capital Spares</i>								
Solid Waste Infrastructure	3,811	-	-	-	-	-	-	-
<i>Landfill Sites</i>								
<i>Waste Transfer Stations</i>	3,811	-	-	-	-	-	-	-
Community Assets	7,096	45,737	494,610	125,698	125,698	194,268	133,177	240,156
Community Facilities	3,663	45,737	494,610	125,698	125,698	194,268	133,177	240,156
<i>Halls</i>	1,603	-	-	-	-	-	-	-
<i>Centres</i>	689	45,737	494,610	125,698	125,698	194,268	133,177	240,156
<i>Libraries</i>	413	-	-	-	-	-	-	-
<i>Cemeteries/Crematoria</i>								
<i>Police</i>	959	-	-	-	-	-	-	-
<i>Parks</i>								
Sport and Recreation Facilities	3,433	-	-	-	-	-	-	-
<i>Indoor Facilities</i>								
<i>Outdoor Facilities</i>	3,433	-	-	-	-	-	-	-
<i>Capital Spares</i>								
Investment properties	314,490	-	-	-	-	-	-	-
Revenue Generating	314,490	-	-	-	-	-	-	-
<i>Improved Property</i>	80,169	-	-	-	-	-	-	-
<i>Unimproved Property</i>	234,321	-	-	-	-	-	-	-
Other assets	1,752,498	215,920	382,871	127,927	127,927	421,317	254,342	152,047
Operational Buildings	1,684,582	215,920	344,231	126,427	126,427	421,317	254,342	152,047
<i>Municipal Offices</i>	1,684,582	215,920	344,231	126,427	126,427	421,317	254,342	152,047
Housing	67,916	-	38,640	1,500	1,500	-	-	-
<i>Social Housing</i>	67,916	-	38,640	1,500	1,500	-	-	-
Total Capital Expenditure on upgrading of existing assets	2,077,895	271,200	877,481	253,625	253,625	615,584	387,519	392,203

Table 91 MBRR SA35 - future financial implications of the Capital Budget

EKU City of Ekurhuleni - Supporting Table SA35 Consolidated future financial implications of the capital budget							
Vote Description	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand							
Capital expenditure							
Vote 1 - Executive and Council	341,823	279,068	226,156				
Vote 2 - Finance and Corporate Services	655,240	404,360	351,925				
Vote 3 - Energy	503,791	440,042	501,438				
Vote 4 - Water and Sanitation	874,942	984,250	987,249				
Vote 5 - Waste Management	132,200	113,650	196,710				
Vote 6 - Human Settlements	965,886	1,002,406	1,045,245				
Vote 7 - City Planning	300	300	–				
Vote 8 - Economic Development	116,600	135,500	68,000				
Vote 9 - Disaster and Emergency Management Services	106,700	83,000	68,000				
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	75,299	82,238	87,871				
Vote 11 - Health and Social Development	4,260	9,400	4,725				
Vote 12 - Environmental Resource Management	142,100	83,500	37,300				
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	77,039	97,152	106,252				
Vote 14 - Transport Planning & Provisioning	481,551	438,747	436,177				
Vote 15 - Roads and Stormwater	452,248	388,626	403,596				
<i>List entity summary if applicable</i>							
Total Capital Expenditure							

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.

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 actively since 2008 in the Municipal Financial Management Internship Programme. Nine (9) Municipal Financial Management Interns were employed by the City for 2019/20 financial year. The aim of the programme is mainly youth and skills development by providing graduates an opportunity to gain meaningful workplace experience and to allow them to harness the skill, knowledge and theoretical practice they studied in tertiary. The experience is gained through rotation to the various divisions in the Finance Department and also been trained on the Municipal Financial Management Programme (MFMP) to assist them in future career development. The programme ideally contributes significantly to the City's ability to attract and retain Finance and Accounting professionals.

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 2020/21 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 92 MBRR Table SA1 - Supporting detail to budgeted financial performance

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
REVENUE ITEMS:										
Property rates										
Total Property Rates	5,308,945	6,189,239	6,500,563	7,246,289	7,246,289	7,246,289	7,246,289	7,246,289	7,579,619	7,928,281
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	832,047	989,174	1,105,133	1,105,811	1,105,811	1,105,811	1,105,811	1,105,811	1,156,678	1,209,886
Net Property Rates	4,476,898	5,200,065	5,395,431	6,140,478	6,140,478	6,140,478	6,140,478	6,140,478	6,422,940	6,718,395
Service charges - electricity revenue										
Total Service charges - electricity revenue	14,547,419	14,679,621	15,875,400	17,749,570	17,266,587	17,266,587	17,266,587	18,902,735	20,146,648	21,477,312
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>	311,575	362,134	364,748	408,565	408,565	408,565	408,565	432,905	466,947	500,095
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	1,332,126	1,424,305	1,595,189	1,787,588	1,787,588	1,787,588	1,787,588	1,710,448	1,822,529	1,949,691
Net Service charges - electricity revenue	12,903,718	12,893,182	13,915,463	15,553,417	15,070,434	15,070,434	15,070,434	16,759,382	17,857,172	19,027,526
Service charges - water revenue										
Total Service charges - water revenue	4,408,797	4,107,443	4,681,819	5,782,625	5,392,586	5,392,586	5,392,586	6,739,746	7,844,802	9,127,025
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>	446,975	461,745	324,201	368,615	368,615	368,615	368,615	421,336	506,460	608,475
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	566,241	493,478	484,506	543,884	543,884	543,884	543,884	624,546	697,723	786,631
Net Service charges - water revenue	3,395,581	3,152,220	3,873,112	4,870,126	4,480,087	4,480,087	4,480,087	5,693,863	6,640,619	7,731,919
Service charges - sanitation revenue										
Total Service charges - sanitation revenue	1,650,182	1,828,521	1,477,906	2,390,265	2,390,265	2,390,265	2,390,265	2,670,631	2,984,062	3,330,710
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>	319,903	337,307		254,533	254,533	254,533	254,533	280,777	326,102	372,187
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	220,607	322,943	-	364,361	364,361	364,361	364,361	423,724	475,652	536,263
Net Service charges - sanitation revenue	1,109,672	1,168,271	1,477,906	1,771,371	1,771,371	1,771,371	1,771,371	1,966,130	2,182,308	2,422,260
Service charges - refuse revenue										
Total refuse removal revenue	1,273,529	1,341,952	1,510,605	1,848,414	1,848,414	1,848,414	1,848,414	1,787,268	1,863,717	1,954,172
Total landfill revenue										
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	-	151,673	190,927	315,070	315,070	315,070	315,070	252,100	257,911	274,477
Net Service charges - refuse revenue	1,273,529	1,190,279	1,319,679	1,533,344	1,533,344	1,533,344	1,533,344	1,535,167	1,605,806	1,679,696
Other Revenue by source										
Sale Of Goods & Services					1,736,856	1,736,856	1,736,856	-	-	-
Sale Of Goods & Services			1,304,028	1,419,562	-	-	-	-	-	-
Other Revenue			1,329	-	1,419,562	1,419,562	1,419,562	3,202,651	3,665,587	4,078,249
Other Revenue	345,588	3,656,429	1,852,017	1,736,806	-	-	-	-	-	-

City of Ekurhuleni – 2020/21-2022/23 Medium Term Revenue and Expenditure Framework

EKU Ekurhuleni Metro - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Cellphone Allowance	345,588	3,656,429	3,157,374	3,156,368	3,156,418	3,156,418	3,156,418	3,202,651	3,665,587	4,078,249
Long service awards	3,901,259	4,653,344	4,994,941	6,033,037	6,018,627	6,018,627	6,018,627	6,099,935	6,624,477	7,181,403
Post-retirement benefit obligations	870,157	914,600	968,440	1,177,714	1,137,962	1,137,962	1,137,962	1,188,334	1,283,444	1,385,966
sub-total	321,625	365,451	398,126	519,516	434,485	434,485	434,485	524,058	566,056	611,341
Less: Employees costs capitalised to PPE	734,664	825,037	889,345	468,007	960,438	960,438	960,438	474,065	515,317	560,503
Total Employee related costs	-	346,643	380,270	450,823	9,485	9,485	9,485	457,018	496,339	539,311
222,265	237,329	238,477	287,170	245,788	245,788	245,788	245,788	290,499	314,646	340,839
Contributions recognised - capital	18,797	24,035	24,354	25,479	25,981	25,981	25,981	26,465	29,037	32,004
<i>Transfers And Subsidies - Capital (Monetary Allocations) (National / Provincial Departmental Agencies, Households, Non-</i>	56,173	58,421	64,889	65,020	68,804	68,804	68,804	65,745	71,367	77,462
Total Contributions recognised - capital	-	(306,854)	235,241	227,155	-	-	-	239,855	266,735	297,461
120,245	162,657	246,064	287,269	287,269	287,269	287,269	287,269	292,656	318,121	346,076
Depreciation & asset impairment	(45,339)	65,571	(26,031)	10,333	8,432	8,432	8,432	10,631	11,631	12,743
Depreciation of Property, Plant & Equipment	-	93,850	64,040	99,566	114,633	114,633	114,633	107,742	116,635	126,300
Lease amortisation	6,199,845	7,440,085	8,478,157	9,651,088	9,311,903	9,311,903	9,311,903	9,777,002	10,613,805	11,511,409
Capital asset impairment	27,427	22,638	28,310	22,638	-	-	-	22,835	24,662	26,634
Depreciation resulting from revaluation of PP	6,172,418	7,417,447	8,449,847	9,628,450	9,311,903	9,311,903	9,311,903	9,754,168	10,589,144	11,484,775
Total Depreciation & asset impairment	-	-	81,993	160,040	153,507	153,507	153,507	200,000	210,000	250,000
Transfers and grants	-	-	81,993	160,040	153,507	153,507	153,507	200,000	210,000	250,000
Cash transfers and grants	-	-	81,993	160,040	153,507	153,507	153,507	200,000	210,000	250,000
Total transfers and grants	2,115,285	2,295,001	2,482,788	2,193,932	2,195,062	2,195,062	2,195,062	2,345,368	2,508,080	2,831,616
Contracted services	-	183,456	103,237	8,856	8,856	8,856	8,856	9,299	9,765	10,253
<i>Consultants & Professionals</i>	2,115,285	2,478,458	2,586,025	2,202,789	2,203,919	2,203,919	2,203,919	2,354,667	2,517,844	2,841,869
sub-total	9,253,233	9,310,647	10,011,834	11,735,606	11,374,673	11,374,673	11,374,673	12,547,651	13,413,439	14,338,966
Electricity	3,149,278	2,934,764	3,347,273	3,968,084	3,708,365	3,708,365	3,708,365	4,303,271	4,948,761	5,691,075
Water	12,402,511	12,245,412	13,359,107	15,703,690	15,083,038	15,083,038	15,083,038	16,850,922	18,362,200	20,030,042
Sanitation	617,138	972,951	1,038,317	675,033	646,700	646,700	646,700	676,943	711,421	777,247
Total contracted services	589,492	-	-	-	-	-	-	-	-	-
Other Expenditure By Type	1,206,630	972,951	1,038,317	675,033	646,700	646,700	646,700	676,943	711,421	777,247
Collection costs	1,061,354	1,413,133	1,612,798	1,590,722	2,492,988	2,492,988	2,492,988	1,654,035	1,675,981	1,769,058
Audit fees	-	2,035,381	2,249,097	2,406,817	1,996,444	1,996,444	1,996,444	2,590,596	2,786,509	3,003,212
General expenses	-	474,310	414,266	349,977	267,080	267,080	267,080	237,548	256,249	275,804
Rental of Equipment	-	-	-	-	-	-	-	-	-	-
Total 'Other' Expenditure	-	-	-	-	-	-	-	-	-	-

Table 93 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description R thousand	EKU City of Ekurhuleni - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)															Total
	Vote 1 - Executive and Council	Vote 2 - Finance and Corporate	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	Vote 10 - Sports, Recreation, Arts & Development	Vote 11 - Health and Social Development	Vote 12 - Environmental Resource	Vote 13 - Ekurhuleni Metropolitan Police	Vote 14 - Transport Planning & Stormwater Provision	Vote 15 - Roads and	
Revenue By Source																
Property rates	-	6,140,478	-	-	-	-	-	-	-	-	-	-	-	-	-	6,140,478
Service charges - electricity revenue	-	-	16,759,382	-	-	-	-	-	-	-	-	-	-	-	-	16,759,382
Service charges - water revenue	-	-	-	5,693,863	-	-	-	-	-	-	-	-	-	-	-	5,693,863
Service charges - sanitation revenue	-	-	-	1,966,130	-	-	-	-	-	-	-	-	-	-	-	1,966,130
Service charges - refuse revenue	-	-	-	-	1,535,167	-	-	-	-	-	-	-	-	-	-	1,535,167
Rental of facilities and equipment	-	-	3,905	-	1,072	116,717	-	673	-	3,464	-	323	-	-	429	126,895
Interest earned - external investments	-	232,296	-	-	-	1,020	-	31	-	-	-	-	-	480	-	233,778
Interest earned - outstanding debtors	-	67,592	42,234	232,168	49,369	1,395	-	-	-	-	-	-	-	-	-	392,758
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	3,684	898	-	-	-	-	-	38	-	-	575,064	-	-	579,685
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	250,023	-	-	250,023
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	7,001	1,831,282	20,423	1,118,842	152	18,970	37,488	23,225	9,989	1,182	4,534	33,312	1,197	70,704	24,012	3,202,651
Transfers and subsidies	-	811,401	666,660	1,962,371	627,283	37,917	-	19,104	187,301	11,000	172,469	-	-	370,311	-	4,864,637
Total Revenue (excluding capital transfers & expenditure by type)	7,001	9,083,049	17,495,288	10,974,073	2,213,093	176,020	37,488	49,033	197,290	15,684	176,993	34,235	576,261	697,288	24,442	41,745,137
Expenditure By Type																
Employee related costs	463,460	1,227,279	551,795	901,790	486,083	421,910	225,796	123,598	812,038	550,063	1,042,600	645,025	1,476,019	506,207	321,404	9,754,168
Remuneration of councillors	142,795	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142,795
Debt impairment	-	1,358,306	974,420	201,243	44,960	14,574	-	-	-	-	-	-	480,000	-	-	3,073,502
Depreciation & asset impairment	578,380	135,292	407,461	220,217	38,606	51,371	912	3,915	19,937	96,921	26,653	22,731	-	2,576	749,695	2,354,667
Finance charges	-	424,352	108,544	198,082	84,400	56,716	-	44,631	-	-	-	-	-	41,594	-	1,128,805
Bulk purchases	-	12,547,651	4,308,271	-	-	-	-	-	-	-	-	-	-	-	-	16,855,922
Other materials	37,707	33,305	829,252	620,787	141,041	88,048	1,387	89,059	16,271	47,673	26,599	58,826	42,656	35,854	20,222	2,088,696
Contracted services	155,388	448,091	643,132	1,077,906	485,952	249,871	56,696	9,361	32,977	30,200	8,977	94,362	278,059	364,748	546,460	4,482,180
Transfers and subsidies	4,932	-	-	651,011	-	16,000	-	-	-	-	-	-	-	5,000	-	676,943
Other expenditure	83,280	369,546	29,788	275,301	62,633	56,015	6,132	72,657	34,119	19,093	15,004	33,843	74,245	49,589	15,051	1,190,297
Total Expenditure	1,478,942	3,996,170	16,092,043	8,489,609	1,343,775	954,505	290,984	343,221	915,342	743,949	1,119,884	854,787	2,350,979	998,477	1,823,408	41,755,574
Surplus/(Deficit)	(1,471,941)	5,086,879	1,403,246	2,524,464	869,268	(778,485)	(253,497)	(300,188)	(718,052)	(728,266)	(942,840)	(820,552)	(1,774,718)	(307,189)	(1,798,966)	(10,837)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	215,000	-	250,000	665,692	2,300	726,439	-	-	-	8,500	-	-	-	358,000	234,734	2,440,665
Surplus/(Deficit) after capital transfers & contributions	(1,256,941)	5,086,879	1,653,246	3,190,156	871,568	(52,046)	(253,497)	(300,188)	(718,052)	(719,766)	(942,840)	(820,552)	(1,774,718)	(307,189)	(1,564,232)	2,429,829

Table 94 MBRR Table SA3 – Supporting detail to Statement of Financial Position)

EKU Ekurhuleni Metro - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
ASSETS										
	125,036	555,526	182,769	993,594	993,594	993,594	993,594	978,594	978,594	978,594
Consumer debtors										
Consumer debtors	15,160,352	16,082,362	13,148,919	14,463,811	14,463,811	14,463,811	14,463,811	15,910,192	12,080,125	12,993,820
Less: Provision for debt impairment	(10,456,750)	(10,081,851)	(7,602,818)	(9,975,085)	(9,975,085)	(9,975,085)	(9,975,085)	(11,764,581)	(8,264,581)	(9,111,258)
Total Consumer debtors	4,703,602	6,000,511	5,546,101	4,488,726	4,488,726	4,488,726	4,488,726	4,145,611	3,815,544	3,882,562
Debt impairment provision										
Balance at the beginning of the year	(7,966,251)	(10,456,750)	(11,347,187)	(9,114,378)	(4,488,726)	(4,488,726)	(4,488,726)	(4,488,726)	(4,145,611)	(3,815,544)
Contributions to the provision	(3,148,640)	(1,490,000)	(4,062,101)	(1,579,646)	(1,579,646)	(1,579,646)	(1,579,646)	(2,565,398)	(3,271,324)	(3,727,236)
Bad debts written off	658,141	599,563	6,294,911	6,205,298	6,205,298	6,205,298	6,205,298	2,908,513	3,601,391	3,010,218
Balance at end of year	(10,456,750)	(11,347,187)	(9,114,378)	(4,488,726)	136,926	136,926	136,926	(4,145,611)	(3,815,544)	(4,532,562)
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	68,491,333	74,416,362	79,704,097	84,892,098	82,475,515	82,475,515	82,475,515	90,218,496	94,056,781	98,562,642
Leases recognised as PPE										
Less: Accumulated depreciation	17,732,225	20,121,510	22,296,545	24,499,334	24,499,334	24,499,334	24,499,334	26,813,285	29,245,310	31,801,171
Total Property, plant and equipment (PPE)	50,759,107	54,294,852	57,407,552	60,392,764	57,976,181	57,976,181	57,976,181	63,405,211	64,811,471	66,761,471
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities	457,961	558,974	615,039	973,974	973,974	973,974	973,974	958,974	958,974	958,974
Total Current liabilities - Borrowing	457,961	558,974	615,039	973,974	973,974	973,974	973,974	958,974	958,974	958,974
Trade and other payables										
Trade Payables	6,371,518	7,187,080	7,436,363	6,362,464	8,618,326	6,362,464	6,362,464	7,406,979	7,586,845	7,740,235
Other creditors	19,259	37,207	6,572	155,238	155,238	155,238	155,238	178,520	183,254	176,352
Unspent conditional transfers	126,092	597,883	980,714	943,663	943,663	943,663	943,663			
Total Trade and other payables	6,516,869	7,822,170	8,423,649	7,461,365	9,717,227	6,517,702	6,517,702	7,585,499	7,770,099	7,916,587
Non current liabilities - Borrowing										
Borrowing	5,219,102	5,994,950	8,567,649	13,422,358	11,212,358	11,212,358	11,212,358	11,600,278	12,426,925	15,852,134
Finance leases (including PPP asset element)	358	119	-							
Total Non current liabilities - Borrowing	5,219,460	5,995,069	8,567,649	13,422,358	11,212,358	11,212,358	11,212,358	11,600,278	12,426,925	15,852,134
Provisions - non-current										
Retirement benefits	2,236,655	1,985,202	2,095,862	2,255,862	2,255,862	2,255,862	2,255,862	2,140,684	2,320,000	2,085,460
Other	798,373	890,407	928,621	874,000	874,000	874,000	874,000	900,220	927,227	981,455
Total Provisions - non-current	3,035,029	2,875,608	3,024,483	3,129,862	3,129,862	3,129,862	3,129,862	3,040,904	3,247,227	3,066,915
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	47,968,372	49,135,326	50,753,452	46,285,950	43,457,709	42,215,007	42,215,007	45,552,078	45,533,708	45,515,715
GRAP adjustments										
Restated balance	47,968,372	49,135,326	50,753,452	46,285,950	43,457,709	42,215,007	42,215,007	45,552,078	45,533,708	45,515,715
Surplus/(Deficit)	1,179,836	1,616,236	(793,278)	2,784,944	2,223,574	2,223,574	2,223,574	2,429,829	2,448,637	2,468,078
Accumulated Surplus/(Deficit)	49,148,208	50,751,562	49,960,174	49,070,894	45,681,283	44,438,581	44,438,581	47,981,907	47,982,345	47,983,793
TOTAL COMMUNITY WEALTH/EQUITY	49,148,208	50,751,562	49,960,174	49,070,894	45,681,283	44,438,581	44,438,581	47,981,907	47,982,345	47,983,793

Table 95 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	2001 Censu s	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 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	1,266	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 Insert description	502	517	533	603.00	623.00	641.00	661.00	661.00	661.00	661.00

Detail on the provision of municipal services for A10										
Total municipal services		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	Household service targets (000)									
	Water:									
	Piped water inside dwelling	509,658	510,858	512,058	532,258	532,258	532,258	585,484	644,032	708,435
	Piped water inside yard (but not in dwelling)	381,762	381,762	381,762	381,762	381,762	381,762	419,938	461,932	508,125
	Using public tap (at least min.service level)	119,317	119,417	119,417	119,517	119,517	119,517	131,469	144,616	159,077
	Other water supply (at least min.service level)	2,211	–	–	–	–	–	–	–	–
	<i>Minimum Service Level and Above sub-total</i>	1,012,948	1,012,037	1,013,237	1,033,537	1,033,537	1,033,537	1,136,891	1,250,580	1,375,638
	No water supply	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311
	<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	1,024,259	1,023,348	1,024,548	1,044,848	1,044,848	1,044,848	1,148,202	1,261,891	1,386,949
	Sanitation/sewerage:									
	Flush toilet (connected to sewerage)	510,858	512,058	513,258	513,258	513,258	513,258	564,584	621,042	683,146
	Flush toilet (with septic tank)	3,429	3,429	3,429	3,429	3,429	3,429	3,772	4,149	4,564
	Chemical toilet	217,245	217,245	237,245	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>	991,969	993,169	1,014,369	1,014,369	1,014,369	1,014,369	1,066,038	1,122,873	1,185,392
	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	1,027,369	1,028,569	1,049,769	1,049,769	1,049,769	1,049,769	1,101,438	1,158,273	1,220,792
	Energy:									
	Electricity (at least min.service level)	150,000	150,000	109,462	86,400	86,400	86,400	80,000	75,000	70,000
	Electricity - prepaid (min.service level)	398,042	454,007	466,497	496,530	496,530	496,530	508,930	519,930	530,930
	<i>Minimum Service Level and Above sub-total</i>	548,042	604,007	575,959	582,930	582,930	582,930	588,930	594,930	600,930
	Other energy sources	27,000	27,000	10,000	5,000	5,000	5,000	10,000	10,000	10,000
	<i>Below Minimum Service Level sub-total</i>	27,000	27,000	10,000	5,000	5,000	5,000	10,000	10,000	10,000
	Total number of households	575,042	631,007	585,959	587,930	587,930	587,930	598,930	604,930	610,930
	Refuse:									
	Removed at least once a week	668,158	681,000	699,477	881,072	881,072	881,072	944,000	990,256	1,038,778
	<i>Minimum Service Level and Above sub-total</i>	668,158	681,000	699,477	881,072	881,072	881,072	944,000	990,256	1,038,778
	Using communal refuse dump	164,699	164,399	164,718	–	–	–	246,000	246,000	246,000
	<i>Below Minimum Service Level sub-total</i>	164,699	164,399	164,718	–	–	–	246,000	246,000	246,000
	Total number of households	832,857	845,399	864,195	881,072	881,072	881,072	1,190,000	1,236,256	1,284,778

Detail on the provision of municipal services for A10										
Total municipal services	Ref.	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Municipal in-house services	Ref.	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets (000)										
Water:										
Piped water inside dwelling		509,658	510,858	512,058	532,258	532,258	532,258	585,484	644,032	708,435
Piped water inside yard (but not in dwelling)		381,762	381,762	381,762	381,762	381,762	381,762	419,938	461,932	508,125
Using public tap (at least min.service level)		119,317	119,417	119,417	119,517	119,517	119,517	131,469	144,616	159,077
Other water supply (at least min.service level)		2,211								
<i>Minimum Service Level and Above sub-total</i>		1,012,948	1,012,037	1,013,237	1,033,537	1,033,537	1,033,537	1,136,891	1,250,580	1,375,638
Using public tap (< min.service level)										
Other water supply (< min.service level)										
No water supply		11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311	11,311
<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		1,024,259	1,023,348	1,024,548	1,044,848	1,044,848	1,044,848	1,148,202	1,261,891	1,386,949
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		510,858	512,058	513,258	513,258	513,258	513,258	564,584	621,042	683,146
Flush toilet (with septic tank)		3,429	3,429	3,429	3,429	3,429	3,429	3,772	4,149	4,564
Chemical toilet		217,245	217,245	237,245	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>		991,969	993,169	1,014,369	1,014,369	1,014,369	1,014,369	1,066,038	1,122,873	1,185,392
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		1,027,369	1,028,569	1,049,769	1,049,769	1,049,769	1,049,769	1,101,438	1,158,273	1,220,792
Energy:										
Electricity (at least min.service level)		150,000	150,000	109,462	86,400	86,400	86,400	80,000	75,000	70,000
Electricity - prepaid (min.service level)		398,042	454,007	466,497	496,530	496,530	496,530	508,930	519,930	530,930
<i>Minimum Service Level and Above sub-total</i>		548,042	604,007	575,959	582,930	582,930	582,930	588,930	594,930	600,930
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		27,000	27,000	10,000	5,000	5,000	5,000	10,000	10,000	10,000
<i>Below Minimum Service Level sub-total</i>		27,000	27,000	10,000	5,000	5,000	5,000	10,000	10,000	10,000
Total number of households		575,042	631,007	585,959	587,930	587,930	587,930	598,930	604,930	610,930
Refuse:										
Removed at least once a week		668,158	681,000	699,477	881,072	881,072	881,072	944,000	990,256	1,038,778
<i>Minimum Service Level and Above sub-total</i>		668,158	681,000	699,477	881,072	881,072	881,072	944,000	990,256	1,038,778
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		164,699	164,399	164,718	-	-	-	246,000	246,000	246,000
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		164,699	164,399	164,718	-	-	-	246,000	246,000	246,000
Total number of households		832,857	845,399	864,195	881,072	881,072	881,072	1,190,000	1,236,256	1,284,778

EKU Ekurhuleni Metro - Supporting Table SA9 Social, economic and demographic statistics and assumptions										
Detail on the provision of municipal services for A10										
Detail of Free Basic Services (FBS) provided		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Electricity	<u>Location of households for each type of FBS</u>									
List type of FBS service	Formal settlements - (50 kwh per indigent household per month Rands)	1,332,126,000	1,424,305,000	1,595,189,000	1,787,588,000	1,787,588,000	1,710,447,977	1,822,528,875	1,949,690,795	2,105,666,059
	<i>Number of HH receiving this type of FBS</i>									
	Informal settlements (Rands)	28,638,624	31,502,486	34,652,735	36,385,372	36,385,372	36,385,372	26,766,568	27,997,830	29,285,730
	<i>Number of HH receiving this type of FBS</i>	119,217	131,139	144,253	151,465	151,465	151,465	166,612	183,273	201,600
	Informal settlements targeted for upgrading (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Living in informal backyard rental agreement (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Other (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Total cost of FBS - Electricity for informal settlements	28,638,624	31,502,486	34,652,735	36,385,372	36,385,372	36,385,372	26,766,568	27,997,830	29,285,730
Water	<u>Location of households for each type of FBS</u>									
List type of FBS service	Formal settlements - (6 kilolitre per indigent household per month Rands)	566,241,000	493,478,000	484,506,000	543,884,000	543,884,000	543,884,000	624,546,146	697,723,198	786,631,138
	<i>Number of HH receiving this type of FBS</i>	465,924	472,913	336,026	365,596	365,596	365,596	391,967	391,967	391,967
	Informal settlements (Rands)	17,180,000	23,166,001	26,132,488	25,443,506	25,443,506	25,443,506	26,766,568	27,997,830	29,285,730
	<i>Number of HH receiving this type of FBS</i>	119,217	131,139	144,253	151,465	151,465	151,465	166,612	183,273	201,600
	Informal settlements targeted for upgrading (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Living in informal backyard rental agreement (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Other (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Total cost of FBS - Water for informal settlements	168,751,376	23,166,001	26,132,488	25,443,506	25,443,506	25,443,506	26,766,568	27,997,830	29,285,730
Sanitation	<u>Location of households for each type of FBS</u>									
List type of FBS service	Formal settlements - (free sanitation service to indigent households)	151,673,432	322,943,000	–	364,361,000	364,361,000	364,361,000	423,723,766	475,652,313	536,262,680
	<i>Number of HH receiving this type of FBS</i>	115,000	469,649	332,697	361,974	361,974	361,974	390,183	390,183	390,183
	Informal settlements (Rands)	15,000,000	168,751,376	444,195,000	450,000,000	450,000,000	450,000,000	450,000,000	474,300,000	499,912,200
	<i>Number of HH receiving this type of FBS</i>	164,699	131,139	144,253	151,465	151,465	151,465	166,612	183,273	201,600
	Informal settlements targeted for upgrading (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Living in informal backyard rental agreement (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Other (Rands)									
	<i>Number of HH receiving this type of FBS</i>									
	Total cost of FBS - Sanitation for informal settlements	238,419,863	168,751,376	444,195,000	450,000,000	450,000,000	450,000,000	450,000,000	474,300,000	499,912,200

EKU Ekurhuleni Metro - Supporting Table SA9 Social, economic and demographic statistics and assumptions										
Detail on the provision of municipal services for A10										
Detail of Free Basic Services (FBS) provided		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Refuse Removal	<i>Location of households for each type of FBS</i>									
List type of FBS service	Formal settlements - (removed once a week to indigent households) <i>Number of HH receiving this type of FBS</i>	–	151,673,432	190,926,728	315,070,000	315,070,000	315,070,000	252,100,248	257,911,152	274,476,708
	Informal settlements (Rands) <i>Number of HH receiving this type of FBS</i>	115,000	115,000	135,000	150,000	150,000	150,000	165,000	165,000	165,000
	Informal settlements (Rands) <i>Number of HH receiving this type of FBS</i>	15,000,000	15,000,000	20,000,000	51,700,000	51,700,000	51,700,000	50,000,000	52,300,000	54,705,800
	Informal settlements targeted for upgrading (Rands) <i>Number of HH receiving this type of FBS</i>	164,699	164,699	164,699	164,699	164,699	164,699	172,769	181,235	190,115
	Living in informal backyard rental agreement (Rands) <i>Number of HH receiving this type of FBS</i>									
	Other (Rands) <i>Number of HH receiving this type of FBS</i>									
	Total cost of FBS - Refuse Removal for informal settlement	75,818,624	238,419,863	524,980,223	563,528,878	563,528,878	563,528,878	553,533,136	582,595,660	613,189,460

Table 96 MBRR Table SA32 – List of external Mechanisms

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
2MC Consuting Engineers (236)	Consulting engineers for professional engineering services for the maintenance and rehabilitation of roads - as and when - until 30 June 2021 EASTERN REGION	44377	6,488,035
A and P Civils and Tading (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	24,698,125
A and P Civils and Trading (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	30,505,653
A and P Civils and Trading (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	30,505,653
oram Mashego and Real Audacious	Contractors for major installation, repair, maintenance and ancillary work on bulk water network for both South-West and North-East District - as and when - until 30 June 2021.	44377	31,853,720
imited & Mahlako A Phahla Investm	NIGEL DEPOT Panel of bond arrangers for domestic medium term note (DMTN) programme and consultants to provide professional advice on Treasury Services from 1 July 2018 - 30 June 2021 Section 1 (Lead Arranger Panel)	30 June 2021	1,644,438
Accolade Engineers (Pty) Ltd (119)	Service provider for the hiring, delivery and maintenance of chemical toilets - as and when - until 30 June 2022 Benoni, Germiston, Kempton Park, Tembisa, Vosloorus	44742	7,369,135
IV Switchgears a Division of Actom	Supply, deliver and off-loading of medium voltage switchgear - as and when - until 20 June 2021 SCHEDULE G	44377	41,367,046
Actophambili Roads (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	14,124,754
Actophambili Roads (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	19,229,495
Actophambili Roads (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	35,470,462
Actophambili Roads (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	35,470,462

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
Airfield JV	Maintenance and rehabilitation of roads - as and when - until 30 June 2021 Quarterly report to be submitted:	44377	7,844,891
Airfield JV	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	9,318,331
Airfield JV	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	24,825,517
Airfield JV	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	49,794,906
Airfield JV	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	50,044,109
Engineering and Development (Pty)	Consulting engineers for professional engineering services for the maintenance and rehabilitation of roads - as and when - until 30 June 2021 EASTERN REGION	44377	5,052,757
Ampcor Khanyisa (Pty) Ltd	Supply, deliver and off-loading of medium voltage switchgear - as and when - until 20 June 2021 SCHEDULE H	44377	40,648,679
Anesu Sphe Groupt (Pty) Ltd	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 ALBERTON CCA	44742	2,100,215
Anesu Sphe Groupt (Pty) Ltd	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 ALBERTON CCA	44742	2,534,401
Asatico Bolt & Tools (pty) Ltd	Supply, delivery and off-loading of clay stock and cement bricks to various roads and storm water depots - as and when - until 30 June 2021 Clay stock bricks	44377	1,057,500
Asatico Civil & Construction (Pty) Ltd	Electrical contractors to install, re-instate and replace faulty small connection electricity meters - as and when - until 30 June 2022 SPRINGS/NIGEL	44742	4,821,959
AT Brooks Trading (Pty) Ltd	Supply, delivery and off-loading of clay stock and cement bricks to various roads and storm water depots - as and when - until 30 June 2021 Cement Bricks	44377	1,095,000

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
Corporate Advisory Services (Pty)	Panel of service providers to provide audit and forensic services - as and when - until 30 June 2022 Risk based Internal Audit Services; ICT Audit Services; Forensic Audit Services; Performance Audit Services Cleaning and hygiene services (Including pest control & deep cleaning	44742	1,300,000
nt (Pty) Ltd & Ihale and Mantsho El	services - as and when - until 30 June 2022 ETWATWA CCA Cleaning and hygiene services (Including pest control & deep cleaning	44742	1,378,081
nt (Pty) Ltd & Ihale and Mantsho El	services - as and when - until 30 June 2022 ETWATWA CCA	44742	1,456,916
Bamba Nani Trading (Pty) Ltd	Operational management and maintenance of mini disposal sites at various CCCs in the Eastern and Southern service delivery areas - until 30 June 2021 Section 3 Boksburg 2; Section 6 Brakpan Qualified electricity disconnection contractors - as and when - from 1 July 2018 - 30 June 2021	44377	30,517,885
Bash Electrical Contractors (92)	GROUP 1: BOKSBURG AND ALBERTON Panel of bond arrangers for domestic medium term note (DMTN) programme and consultants to provide professional advice on Treasury Services from 1 July 2018 - 30 June 2021 Section 2 (Treasury Consultants Panel)	44377	8,808,895
Basic Points Capital (Pty) Ltd	Contractors for major installation, repair, maintenance and ancillary work	30 June 2021	1,644,438
Batshuma Electrical (Pty) Ltd	on bulk water network for both South-West and North-East District - as and when - until 30 June 2021. GERMISTON DEPOT Geophysical specialists to investigate dolomitic terrain - as and when - until 30 June 2021	44377	34,116,424
Beyond Infradev JV		44377	2,818,050

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
Beyond Water JV	Geotechnical consultant with specific experience in all areas of dolomite related risk management to assist - as and when - until 30 June 2021	44377	5,611,247
Beyond Water JV	Geotechnical consultant with specific experience in all areas of dolomite related risk management to assist - as and when - until 30 June 2021	44377	7,665,640
Beyond Water JV	Geotechnical consultant with specific experience in all areas of dolomite related risk management to assist - as and when - until 30 June 2021	44377	9,138,289
Bidmark Holding (Pty) Ltd	Landfill operator for the operation and maintenance of Simmer and Jack Landfill Site - as and when - until 30 June 2021	44377	25,643,400
Bidwin CC	Supply, delivery and off-loading of bitumen products for various areas - as an when - until 30 June 2021. COLD ASPHALT ITEM PS39.07 & HOT MIX ASPHALT BASE AND SURFACING ITEM PS42.21 Alberton, Boksburg, Germiston, Vosloorus, Springs Brakpan, Benoni, Nigel, Kempton Park, Tembisa	44377	5,426,087

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
Infant Loo JV Malebati Construction	Service provider for the hiring, delivery and maintenance of chemical toilets - as and when - until 30 June 2022 Brakpan, Germiston, Tembisa, Vosloorus	44742	4,758,048
Force and Security Advisory Services (Pty) Ltd	Supply and delivery of ammunition EMPD - as and when - until 30 June 2022 CATEGORY A	44742	2,296,500
Force and Security Advisory Services (Pty) Ltd	Supply and delivery of ammunition EMPD - as and when - until 30 June 2022 CATEGORY A	44742	3,196,500
Crouch Trading CC	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 EDENVALE CCA	44742	1,492,662
Crouch Trading CC	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 EDENVALE CCA	44742	2,347,756
Damaris Holding CC (98)	Service provider for the hiring, delivery and maintenance of chemical toilets - as and when - until 30 June 2022 Edenvale	44742	1,810,309
Deunice Trading	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 BOKSBURG CCA	44742	2,898,455
Deunice Trading	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 BOKSBURG CCA	44742	6,056,677
Diba Bes (Pty) Ltd	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 KEMPTON PARK CCA	44742	2,947,203
Diba Bes (Pty) Ltd	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 KEMPTON PARK CCA	44742	3,881,526

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
Dido Digital Docement (Pty) Ltd	Implementation of software and hardware solution for Managed Print	44742	43,478,261
Diges Group CC	Services on a lease basis - as and when - until 30 June 2022 Service provider/consultant for the rendering of environmental compliance audits and environmental monitoring (ground and surface water quality) for Waste Management Facilities (Landfill sites and public off-loading facilities) - until 30 June 2022	44742	2,409,350
Digsilent Buyisa (Pty) Ltd	Renewal of various original equipment manufacturer (OEM) software enterprise licensing agreements and the procurement of additional licenses - as and when - Section 2 until 30 June 2021 (Digsilent)	44377	1,513,731
Dimolox Facilities Company (Pty) Lt	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 SPRINGS CCA	44742	1,768,089
Dimolox Facilities Company (Pty) Lt	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 SPRINGS CCA	44742	3,244,386
Dinga Business Solution (60)	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 KATLEHONG 2 CCA	44742	1,215,793
Dinga Business Solution (60)	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 KATLEHONG 2 CCA	44742	2,932,289
Ditlou Suppliers & Services CC	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 TSAKANE CCA	44742	2,537,898
Ditlou Suppliers & Services CC	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 TSAKANE CCA	44742	4,375,552

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Dloziman Trading Enterprise CC	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 DUDUZA CCA	44742	1,796,701
Thin Coast Landfill Management (Pty)	Environmental consultant for the management of classified waste streams as per GNR 634 (General Notice Regulation 634) at the Rietfontein Landfill site laboratory - until 30 June 2021	44377	1,397,050
Dovololo Trading and Projects	Supply, delivery, off-loading of liquid chlorine gas and collection of empty cylinders at various facilities - as and when - until 30 June 2021	44377	1,712,566
Dwellers Trading and Projects CC	Contractors for major installation, repair, maintenance and ancillary work on bulk water network for both South-West and North-East District - as and when - until 30 June 2021. ALBERTON DEPOT	44377	25,614,670
Easypay (Pty) Ltd	Service providers to manage various components of the third party pre-payment vending service and/or bill payments from 1 July 2019 - 30 June 2022 ITEM 1: 2; 3; 4; 5; 7; Bill payments with complete management	44742	11,049,133
Beta and Alpha & Omega Funeral Services	Indigent burial service provider/s - as and when - until 30 June 2022 Southern Region	44742	2,655,652
Enterprise University of Pretoria	To implement the Executive Development Programme for HODs (including individual coaching sessions) - and for the DHs - as and when - until 30 June 2022	44742	4,205,000
Enviro Serv Waste Management Limited	Provisioning of the airspace at licensed waste disposal sites and/or that have access to transfer stations and/or that have access to material recovery facilities - as and when - 1 July 2018 - 30 June 2021	44377	63,347,889
Envitech Solutions (Pty) Ltd	Operations and maintenance of clean development mechanism (CDM) project wellfields, gas conveyance systems and gas destruction systems at Weltevreden, Rooikraal, Rietfontein and Simmer & Jack Landfill sites until 30 June 2021	44377	13,473,324

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
ons Enhanced Property Appraisals (Appointment of a Municipal Valuer to do maintenance of the valuation roll in compliance with the Local Government: Municipal Property Rates Act, 2004 (Act no. 6 of 2004 as amended) from 1 July 2019 - 30 June 2022	44742	17,234,400
on Crew Trading and Projects (Pty)	Qualified electricity disconnection contractors - as and when - from 1 July 2018 - 30 June 2021	44377	8,808,895
Francis Electrical Services CC	GROUP 1: BOKSBURG AND ALBERTON Electrical contractors to install, re-instate and replace faulty small connection electricity meters - as and when - until 30 June 2022	44742	4,821,959
Fullswing Trading 458 CC	KEMPTON PARK Maintenance of energy efficient lamps and occupancy sensors on CoE buildings - as and when until 30 June 2021	44377	7,739,840
Fuze Geometric CC	Group 1 Germiston, Boksburg, Alberton Reading of water and electricity meters - as and when - until 30 June 2022	44742	1,219,507
Gaborena Construction	Service Area SW 02: Alberton & Germiston Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	5,121,456

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Gaborena Construction	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	9,505,653
Gaborena Construction	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	9,386,648
Geco Trading CC	Panel of specialist lift contractors for the comprehensive maintenance service and repairs of the existing building lifts, which comprises of various different brands of lifts until 30 June 2021	44377	3,224,420
Geofocus (Pty) Ltd	Geophysical specialists to investigate dolomitic terrain - as and when - until 30 June 2021	44377	1,878,700
Gijima Holdings (Pty) Ltd	COGTA accredited service providers to conduct competency assessments of senior managers - as and when - until 30 June 2021	44377	1,000,000
Gobobo Transport (Pty) Ltd	Operational management and maintenance of mini disposal sites at various CCCs in the Eastern and Southern service delivery areas - until 30 June 2021	44377	14,044,228
Gothitile Project Management CC (14	Section 8 Germiston Qualified electricity disconnection contractors - as and when - from 1 July 2018 - 30 June 2021	44377	8,808,895
Gothitile Project Managemnt	GROUP 3: GERMISTON AND EDENVALE. Electrical contractors to install, re-instate and replace faulty small connection electricity meters - as and when - until 30 June 2022	44742	4,821,959
Grandma Building Services CC	Contractors for the waterproofing, sealing and painting of roofs of the buildings/facilities, properties - as and when - until 30 June 2021	44377	2,169,129
Green Development Foundation	Total management, implementation, administration and supervision of the " Keep Ekurhuleni Clean" programme - as and when - until 30 June 2022 Southern Region	44742	77,767,391

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Engineering and Projects Managers (P)	Consulting engineers for professional engineering services for the maintenance and rehabilitation of roads - as and when - until 30 June 2021 NORTHERN REGION	44377	7,802,115
Mwuno Enhle Holdings (Pty) Ltd (8	Supply, delivery, off-loading and installation of new metal guardrails and repairing of damaged existing metal guardrails - as and when until 30 June 2021	44377	1,102,834
Waste Management and Osiamos (P)	Operation and maintenance of the Weltevreden Landfill site - as and when - 1 July 2019 - 30 June 2022.	44742	35,978,000
Inspired Training (Pty) Ltd	Renewal of various original equipment manufacturer (OEM) software enterprise licensing agreements and the procurement of additional licenses - as and when - Section 2 until 30 June 2021 (Retic Mater)	44377	1,589,090
Bank Limited & Tamela Holdings (Panel of bond arrangers for domestic medium term note (DMTN) programme and consultants to provide professional advice on Treasury Services from 1 July 2018 - 30 June 2021 Section 1 (Lead Arranger Panel)	30 June 2021	1,644,438
Iqhina Consulting Engineers (41)	Consulting engineers for professional engineering services for the maintenance and rehabilitation of roads - as and when - until 30 June 2021 SOUTHERN REGION	44377	1,595,170
Ithuse Medical (Pty) Ltd	Supply, delivery, off-loading, assembling and demonstration of specialized medical equipment to Primary Health Care facilities - as and when - until 30 June 2022 Item 4.1 & 4.6	44742	1,078,000
Kgope Attorneys	Panel of attorneys to provide legal services - as and when - until 30 June 2021	44377	1,151,586
Khweza Cleaning Services (Pty) Ltd	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 BENONI CCA	44742	2,353,798
Khweza Cleaning Services (Pty) Ltd	Cleaning and hygiene services (Including pest control & deep cleaning services - as and when - until 30 June 2022 BENONI CCA	44742	3,285,704

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Radings (Pty) Ltd JV Milariande Ente	Reading of water and electricity meters - as and when - until 30 June 2022 Service Area NE 03: Kempton Park & Tembisa	44742	1,177,063
Klopper Jonker Inc.	Panel of attorneys to provide legal services - as and when - until 30 June 2021	44377	1,703,384
Klopper Jonker Inc.	Panel of attorneys to provide legal services - as and when - until 30 June 2021	44377	2,534,708
KM Mmuoe Attorneys	Panel of attorneys to provide legal services - as and when - until 30 June 2021	44377	3,104,781
KM Mmuoe Attorneys	Panel of attorneys to provide legal services - as and when - until 30 June 2021	44377	1,126,941
KM Mmuoe Attorneys	Panel of attorneys to provide legal services - as and when - until 30 June 2021	44377	1,389,987
Koleko Solutions (Pty) Ltd	Conducting traffic signal investigations in terms of the latest legislation, regulations and SARTSM Manuals as well as providing ad-hoc assistance, related to traffic engineering - as and when - until 30 June 2021 40% of Bill 1 & 60% of Bill 2	44377	2,572,110
Kukhanya Projects (Pty) Ltd	Registered professional civil engineering consultant as a technical advisor and engineer at the 5 operational landfill sites (Rietfontein, Platkop, Rooikraal, Weltevreden and Simmer and Jack - until 30 June 2021	44377	4,796,600
Kuntwela Enzansi Ventures (Pty) Ltd	Electrical contractors to install, re-instate and replace faulty small connection electricity meters - as and when - until 30 June 2022 EDENVALE	44742	4,821,956
Lamo Corp (Pty) Ltd t/a Lamo Solar	Operation and maintenance of Solar PV Plants across the City - until 30 June 2022	44742	1,070,100
Jwe Engineering Projects (Pty) Ltd	Qualified electricity disconnection contractors - as and when - from 1 July 2018 - 30 June 2021 GROUP 5: SPRINGS AND NIGEL.	44377	8,808,895

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
Leloba Bright Trading (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	34,072,014
Leloba Bright Trading (Pty) Ltd (100)	Service provider for the hiring, delivery and maintenance of chemical toilets - as and when - until 30 June 2022 Benoni, Brakpan, Edenvale, Germiston, Vosloorus	44742	7,994,573
Leswika Roads (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021 Quarterly report to be submitted:	44377	3,203,759
Leswika Roads (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021	44377	14,135,106
Lizel Venter Attonryes	Panel of attorneys to provide legal services - as and when - until 30 June 2021	44377	1,292,617
LJ Trading & Projects (Pty) Ltd	Electrical contractors to install, re-instate and replace faulty small connection electricity meters - as and when - until 30 June 2022 BOKSBURG	44742	3,741,700
LMM Training and Development CC	Operational management and maintenance of mini disposal sites at various CCCs in the Eastern and Southern service delivery areas - until 30 June 2021 Section 5 Vosloorus and Katlehong 2 Section 7 Springs	44377	51,176,160
Lonerock Construction (Pty) Ltd	Maintenance and rehabilitation of roads - as and when - until 30 June 2021 Contractors for major installation, repair, maintenance and ancillary work	44377	11,461,667
Lucazi Civil CC	on bulk water network for both South-West and North-East District - as and when - until 30 June 2021. EDENVALE DEPOT	44377	30,002,902

EKU Ekurhuleni Metro - Supporting Table SA32 List of external mechanisms			
External mechanism	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation			R thousand
Machechegwala Trading (Pty) Ltd	Supply, delivery, off-loading and installation of new metal guardrails and repairing of damaged existing metal guardrails - as and when until 30 June 2021	44377	1,100,000
Mahlako A Phahla Investments (Pty) Ltd	Panel of bond arrangers for domestic medium term note (DMTN) programme and consultants to provide professional advice on Treasury Services from 1 July 2018 - 30 June 2021 Section 2 (Treasury Consultants Panel)	30 June 2021	1,644,438
Mahlamba Ndlopfu Business Enterprise	Supply, deliver and off-loading of medium voltage switchgear - as and when - until 20 June 2021	44377	34,626,717
Mailtronic Direct Marketing CC	SCHEDULE G Printing and mailing of monthly service accounts and other related printing requirements - as and when - until 30 June 2022	44742	20,398,866
Malandela Trading CC	Operation and maintenance of the landfill gas generator at Simmer and Jack Landfill site until 30 June 2021	44377	4,806,212
ni Padayachee and Associates (Pty) Ltd	Consulting engineers for professional engineering services for the maintenance and rehabilitation of roads - as and when - until 30 June 2021 NORTHERN REGION	44377	4,899,262
ster Chemical Southern Africa (Pty) Ltd	Service provider for the hiring, delivery and maintenance of chemical toilets - as and when - until 30 June 2022 Benoni, Edenvale, Nigel, Tembisa, Vosloorus	44742	11,549,818
atarelwa Construction and Civis (Pty) L	Supply, install and commission solar home lighting solutions for informal settlements - as and when - until 30 June 2021.	44377	13,873,083
Mathelemusa Trading and Projects CC	Electrical contractors to install, re-instate and replace faulty small connection electricity meters - as and when - until 30 June 2022 BRAKPAN	44742	3,656,544

2.16 Implementation of mSCOA

National Treasury (NT) indicated the below mentioned elements as minimum requirements for mSCOA compliance from 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 (Venus) 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 Venus system was found to be archaic and could not integrate all sub-systems. To address this challenge, the City is implementing an Enterprise Resource Planning (ERP) system, called Solar. This ERP system, once fully implemented, will enable the City to meet all mSCOA requirements from integrated planning, budgeting and reporting.

The Financial System has been hosting the mSCOA chart, since 2015. The Chart has been upgraded to comply with 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 will be 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 successful. 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 planning, budgeting and reporting.

The Budget is on course for the 2020/21 financial year, to be delivered on time and in the required version of the mSCOA format which will be upgraded to Version 6.4 as of March 2020. 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 6.4 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 6.3 and we envisage a smooth transition to convert to the latest version 6.3 by March 2020, 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 6.3, and the database had similarly been checked for compliance against version 6.3. 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 improved as it was taking long, almost a day, to upload data..

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 completed The Due Diligence prior to implementation of Solar, 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 **2020/21 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 black ink, appearing to read "Imogen Mashazi".

Date: _____

19/06/2020

pp

Name of City Manager:

Dr Imogen Mashazi
City Manager
City of Ekurhuleni (GT000)