

<p>Kennis word hiermee gegee ingevolge Artikel 29(2) van die Plaaslike Regering: Munisipale Strukture Wet, 1998 (Wet 117 van 1998), soos gewysig, dat 'n Spesiale Raadsvergadering van die Munisipaliteit Witzenberg gehou sal word op Maandag, 30 Mei 2022 om 10:00 in die Stadsaal, Voortrekkerstraat, Ceres.</p>	<p>Notice is hereby given in terms of Section 29(2) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), as amended, that a Special Council meeting of the Witzenberg Municipality will be held on Monday, 30 May 2022 at 10:00 in the Town Hall, Voortrekker Street, Ceres.</p>
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Raadslede en Amptenare / Councillors and officials		
Alderman K Adams	Councillor JJ Cloete	Councillor P Daniels
Councillor S de Bruin	Councillor GJ Franse	Councillor JP Fredericks
Councillor AL Gili	Councillor LA Hardnek	Councillor P Heradien
Alderman BC Klaasen	Councillor FE Klazen	Councillor GG Laban
Councillor JS Mouton	Councillor MJ Ndaba	Councillor N Nogcinisa
Councillor N Phatsoane	Councillor EM Sidego (Speaker)	Alderman HJ Smit (Executive Mayor)
Councillor D Swart	Councillor IL Swartz	Alderman JJ Visagie
Councillor K Yisa	Councillor J Zalie	
Acting Municipal Manager	Director: Finance	Director: Technical Services
Director: Corporate Services	Deputy Director: Finance	Manager: Projects and Performance
Manager: Administration	IDP Manager	Manager: Legal Services
Chief Administrative Officer	Committee Clerk	



**COUNCILLOR EM SIDEGO
SPEAKER**

24 May 2022

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A G E N D A

UPDATED AGENDA

Mayco resolutions have been added.

1. OPENING AND WELCOME

2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION

2.1 Consideration of application for leave of absence, if any (3/1/2/1)

*An Application for leave of absence form is attached as **annexure 2.1.***

NOTED

2.2 Confidentiality and Conflict of Interest Declaration (3/2/1)

The Confidentiality and Conflict of Interest Declaration is attached as **annexure 2.2.**

3. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED

3.1 Gratitude, Congratulations and Commiseration (11/4/3)

3.2 Matters raised by the Speaker (09/1/1)

3.3 Matters raised by the Executive Mayor (09/1/1)

3.4 Matters raised by the Municipal Manager

4. MINUTES

**4.1 Corrections to the minutes
(3/1/2/3)**

**4.2 Approval of minutes
(3/1/2/3)**

The following minutes are attached:

- (a) Council meeting, held on 30 March 2022: **Annexure 4.2(a)**.
- (b) Special Council meeting, held on 7 April 2022: **Annexure 4.2(b)**.
- (c) Special Council meeting, held on 14 April 2022: **Annexure 4.2(c)**.

RECOMMENDED

That the following minutes be approved and signed by the Speaker:

- (i) Council meeting, held on 30 March 2022.*
- (ii) Special Council meeting, held on 7 April 2022.*
- (iii) Special Council meeting, held on 14 April 2022.*

5. MOTIONS AND NOTICE OF SUGGESTIONS

6. INTERVIEWS WITH DELEGATIONS

None

NOTED

7. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS

**7.1 Minutes: Committee meetings
(03/3/2)**

The following minutes are attached:

- (a) Municipal Public Accounts Committee meeting, held on 28 April 2021:
Annexure 7.1(a).
- (b) Committee for Housing Matters meeting, held on 26 August 2021:
Annexure 7.1(b).

RECOMMENDED

that notice be taken of the minutes of the Committee meetings and same be accepted.

8. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS

8.1 Direktooraat Finansies / Directorate Finance

8.1.1 AGSA Audit Report: 2020/2021 (5/14/1/18)

The AGSA Audit Report for 2020/2021 is attached as **annexure 8.1.1**.

Mr Johan Jansen van Rensburg (AGSA) submitted the AGSA Audit Report for 2020/2021 and highlighted the following:

- AGSA apologised for the delay in finalising the report due to a technical matter in a specific contract which delayed the signing off.
- The matter relates to the ASLA contract and is highlighted in the management report. AGSA complimented Senior Management that the amendments in the report have already been attended to.
- AGSA complimented the Witzenberg Municipality on obtaining an unqualified audit report (in laymen terms a "clean" audit report). This performance has been coming on for a couple of years.
- AGSA clarified matters such as:
 - Basis for opinion
 - Emphasis of matters
 - Other matters
 - Responsibility of the Accounting Officer for the financial statements
 - The annual performance report
 - Report on compliance with legislation
- Overall the AGSA complimented Senior Management on technical matters such as good conversations with high level professionalism.

The Performance, Risk and Audit Committee complimented the municipality on the AGSA report and referred specifically to the consistency in the performance over years.

AGSA responded in detail on a question regarding the matters relating to the ASLA contract.

The Municipal Manager expressed gratitude on behalf of the municipality to AGSA for the audit report and adding value to the municipality.

The Municipal Manager also thanked in particular the Chief Financial Officer, Deputy Director: Finance, Head: Internal Audit and the Manager: Projects and Performance.

The Performance, Risk and Audit Committee resolved on 25 February 2022 to recommend to Council:

- (a) that notice be taken of the AGSA Audit Report for 2020/2021.
- (b) that the AGSA Audit Report for 2020/2021, after consideration, be accepted.

RECOMMENDED

That the Performance, Risk and Audit Committee recommends to Council:

- (a) that notice be taken of the AGSA Audit Report for 2020/2021.*
- (b) that the AGSA Audit Report for 2020/2021, after consideration, be accepted.*

8.1.2 Annual Financial Statements 2020/2021 – after COMAF’s (5/3/1)

The Municipal Finance Management Act (no. 56 of 2003) Section 166(2)(b) states that:

- “(2) An audit committee is an independent advisory body which must –
 - (b) review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.”

The Annual Financial Statements for 2020/2021 (after COMAF’s) are attached as **annexure 8.1.2**.

The Director: Finance discussed the Financial Statements for the year ended 30 June 2021 and highlighted the following:

- Impairment at the Nduli swimming pool – R1 085 669-08
Auditor’s conclusion:
Issues 1 and 2: Management’s response is noted and accepted.
- Management has investigated the error and an adjustment to note 8.1.2 will be made to the value of R2 387 292-92.
- COMAF 27: Statement of comparison of budget and actual amounts – statement incorrectly presented.

- Movement as per Trial Balance: Retentions – R650 374-69.

The Performance, Risk and Audit Committee resolved on 25 February to recommend to Council:

that notice be taken of the Annual Financial Statements 2020/2021 (after COMAF's) and recommends to Council for consideration.

RECOMMENDED

That the Performance, Risk and Audit Committee recommends to Council:

that notice be taken of the Annual Financial Statements 2020/2021 (after COMAF's) and recommends to Council for consideration.

8.1.3 Supply Chain Management: Disposal of movable assets in terms of Section 14(4) of the Municipal Finance Management Act (6/1/2)

Memorandum from Chief Financial Officer, dated 14 April 2022:

1. Purpose

To request the Accounting Officer to approve the disposal of assets in accordance with the following:

- Section 14 of the Municipal Finance Management Act (Act 56 of 2003)
- System of Delegations as approved by Council on 28 September 2011 and
- Paragraph 49 of Council's Supply Chain Management Policy as adopted on 26 May 2021.

2. Legal framework

(a) Section 14 of the MFMA stipulates the following:

'14(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal Council, in a meeting open to the public —

- (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

- (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.
 - (3) A decision by a municipal Council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.
 - (4) A municipal Council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)(a) and (b) in respect of movable capital assets below a value determined by the Council.
 - (5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of Section 111.
 - (6) This section does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework.'
- (b) Delegation number F.6: Disposal of assets, goods, material and equipment of the system of delegations as approved by Council on 28 September 2011.

F.6.01: To, in accordance with the provisions of the Supply Chain Management Policy, make a determination in accordance with Section 14(2)(a) and (b) of the MFMA, in respect of the transferring of ownership or disposal otherwise, of a moveable capital asset to a maximum value of R300 000-00: Provided that such asset is not required to provide the minimum level of basic municipal services.

F.6.02: To, in accordance with the provisions of the Supply Chain Management Policy, authorise the sale of redundant or obsolete assets, goods, material and equipment to an organ of state, including another municipality, or a public utility company, excluding assets, goods, material and equipment required to provide the minimum of R300 000.

F.6.03: To, in accordance with the provisions of the Supply Chain Management Policy, authorise the sale of redundant or obsolete assets, goods, materials and equipment per public auction.

To authorise the lending of assets, goods, material and equipment to organs of state, municipalities or public utility companies.

- (a) Paragraph 49 of Council's Supply Chain Management Policy stipulates the following:

'49. Disposal management

- (1) Subject to the provisions of the Municipal Asset Transfer Regulations:

- (a) moveable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality;
- (b) immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (c) in the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment;
- (d) in the case of fire arms, the National Conventional Arms Control Committee must approve any sale or donation of firearms to any person within or outside the Republic.
- (e) where assets are traded in for other assets, the highest possible trade in price is negotiated.

- (2) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act; are as follows:

- (A) A municipality may not transfer ownership as a result of sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.
- (B) A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the municipal Council, in a meeting open to the public:
 - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

- (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset
- (3) Immovable property may only be let at market related rates except when the public interest or the plight of the poor demands otherwise and provided that all charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
 - (a) Except for compliance with paragraph 48(3) above, this policy shall not apply to the letting of immovable property unless decided otherwise by Council.
- (4) Assets may be disposed of by –
 - (i) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (iii) Selling the asset or
 - (iv) Destroying the asset.'

3. Discussion

The Supply Chain Management Unit developed a process plan for the disposal of assets. Each and every line manager was requested to identify assets that are not needed for basic service delivery which are currently under their control. These include assets that are unserviceable, redundant and obsolete. Each asset was assessed according to its current condition. Based upon the condition of the asset, the relevant directors recommended the disposal of the asset whether the asset should be transferred to another organ of state at market related value or free of charge, whether the asset should be sold or whether the asset should be destroyed.

The latter would only be applied if the asset will not generate any proceeds from a transfer or sale.

No immovable property are included for disposal.

The list of assets to be disposed of is attached as **annexure 8.1.3."**

The Director: Finance submitted the matter Disposal of movable assets in terms of Section 14(4) of the Municipal Finance Management Act at the Executive Mayoral Committee meeting on 26 May 2022. The following matter was highlighted:

- Alderman BC Klaasen enquired in respect of stolen municipal assets. The Acting Municipal Manager reported that a list of the lost items will be compiled by and the Department Finance will report back on the matter. All assets above R500-00 are insured and claims will be made.

The Executive Mayoral Committee resolved to recommend to Council:

- (a) that Council approves the disposal of assets as attached to this report as annexure.
- (b) that the Supply Chain Management Unit proceeds with the disposal of assets in accordance with paragraph 49(4) of Council's Supply Chain Management Policy.

RECOMMENDED

That the Executive Mayoral Committee recommends to Council:

- (a) *that Council approves the disposal of assets as attached to this report as annexure.*
- (b) *that the Supply Chain Management Unit proceeds with the disposal of assets in accordance with paragraph 49(4) of Council's Supply Chain Management Policy.*

8.1.4 Quarterly Budget Statement [Section 52(d)] Report: 3rd Quarter 2021/2022 (1 January 2022 to 31 March 2022) (9/1/2/2 & 5/1/1/20)

The Quarterly Budget Statement [Section 52(d)] Report for the third quarter of 2021/2022 is attached as **annexure 8.1.4**.

The Executive Mayoral Committee resolved on 26 May 2022 to recommend to Council:

- (a) that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the third quarter of 2021/2022.
- (b) that the Quarterly Budget Statement Report in terms of Section 52(d) for the third quarter of 2021/2022 be referred to the Performance, Risk and Audit Committee and the Municipal Public Accounts Committee for information.

RECOMMENDED

That the Executive Mayoral Committee recommends to Council:

- (a) *that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the third quarter of 2021/2022.*
- (b) *that the Quarterly Budget Statement Report in terms of Section 52(d) for the third quarter of 2021/2022 be referred to the Performance, Risk and Audit Committee and the Municipal Public Accounts Committee for information.*

8.1.5 Supply Chain Management: Paragraph 7(4) quarterly report ending 31 March 2022: Implementation of Supply Chain Management Policy (09/1/2/2)

A memorandum from the Manager: Supply Chain, dated 4 April 2022, is attached as **annexure 8.1.5**.

The Executive Mayoral Committee resolved on 26 May 2022 to recommend to Council:

- (a) that the Acting Chief Financial Officer submits the report to the Accounting Officer.
- (b) that the Accounting Officer submits the report to the Executive Mayor.
- (c) that the report serves before the relevant Portfolio Committee, the Executive Mayoral Committee and Council for information.
- (d) that the report be made available to the public in terms of Section 21A of the Municipal Systems Act (Act no 32 of 2000) after it has been tabled to Council.

RECOMMENDED

That the Executive Mayoral Committee recommends to Council:

- (a) *that the Acting Chief Financial Officer submits the report to the Accounting Officer.*
- (b) *that the Accounting Officer submits the report to the Executive Mayor.*
- (c) *that the report serves before the relevant Portfolio Committee, the Executive Mayoral Committee and Council for information.*
- (d) *that the report be made available to the public in terms of Section 21A of the Municipal Systems Act (Act no 32 of 2000) after it has been tabled to Council.*

8.1.6 Section 71 Monthly Budget Statement Reports of the Directorate Finance: July 2021 until February 2022 (9/1/2/2)

The following Section 71 Monthly Budget Statement Reports of the Directorate Finance are attached:

- (a) July 2021: **Annexure 8.1.6(a)**
- (b) August 2021: **Annexure 8.1.6(b)**
- (c) September 2021: **Annexure 8.1.6(c)**
- (d) October 2021: **Annexure 8.1.6(d)**
- (e) November 2021: **Annexure 8.1.6(e)**
- (f) December 2021: **Annexure 8.1.6(f)**
- (g) January 2022: **Annexure 8.1.6(g)**
- (h) February 2022: **Annexure 8.1.6(h)**

The reports for July until October 2021 were tabled by the Director: Finance to the Performance, Risk and Audit Committee on 21 January 2022. The following matters were highlighted:

- The unwillingness of governmental departments to pay their municipal accounts is a concern, Department Rural Development in particular.
- The indigent cost to the municipality for the month amounts to R1,6 million in comparison to the prior month's figure of R1,5 million.
- The accumulated debtor's collection target for the year is 94 %, and the actual accumulated year to date debtor's collection is 44 % in comparison to a rate of 37 % for the same month in the previous year.
- The calculated cost coverage ratio of the municipality as at end of July 2021 is 2.63 months. To improve the municipality needs to improve on debt collection.
- Service charges increased by 9 %, the majority for electricity.
- Employee cost: Due to salary increase and a once-off payment to employees between R3 000-00 and R4 000-00.
- Interest earned: External investments. Full-year forecast equals R6,9 million.
- No bids received for leasing of:
 - ❖ Toll House
 - ❖ Café building at Pine Forest Resort
 - ❖ Café building at Prince Alfred's Hamlet Swimming PoolReason may be fear for Covid-19 lockdown regulations and loss of income.

The Performance, Risk and Audit Committee resolved on 21 January 2022 to recommend to Council that notice be taken of the Section 71 Monthly Budget Statement Reports of the Directorate Finance for July, August, September and October 2021 and recommends for consideration.

The Section 71 Monthly Budget Statement Reports for July 2021 until February 2022 were tabled to the Committee for Corporate and Financial Services on 6 April 2022. The Committee resolved to recommend to the Executive Mayoral Committee and Council that the Committee for Corporate and Financial Services takes notice, after consideration, of the content of the Section 71 Monthly Budget Statement Reports of the Directorate Finance for July, August, September, October, November, December 2021, January and February 2022 and same be approved and accepted.

The Executive Mayoral Committee resolved on 26 May 2022 to recommend to Council:

- (a) that notice be taken that the Section 71 Monthly Budget Statement Reports of the Directorate Finance for July and August 2021 have already been tabled to and approved by Council at the Special Council meeting of 8 October 2021.
- (b) that notice be taken of the Section 71 Monthly Budget Statement Reports of the Directorate Finance for September, October, November and December 2021 as well as January and February 2022 and, after consideration, same be approved and accepted.

RECOMMENDED

That the Executive Mayoral Committee recommends to Council:

- (a) *that notice be taken that the Section 71 Monthly Budget Statement Reports of the Directorate Finance for July and August 2021 have already been tabled to and approved by Council at the Special Council meeting of 8 October 2021.*
- (b) *that notice be taken of the Section 71 Monthly Budget Statement Reports of the Directorate Finance for September, October, November and December 2021 as well as January and February 2022 and, after consideration, same be approved and accepted.*

AANBEVEEL

Dat die Uitvoerende Burgemeesterskomitee by die Raad aanbeveel:

- (a) *dat kennis geneem word dat die Artikel 71 Maandelikse Begrotingsverslae van die Direkoraat Finansies vir Julie en Augustus 2021 reeds aan die Raad voorgelê en goedgekeur was tydens die Spesiale Raadsvergadering van 8 Oktober 2021.*
- (b) *dat kennis geneem word van die Artikel 71 Maandelikse Begrotingsverslae van die Direkoraat Finansies vir September, Oktober, November en Desember 2021 sowel as Januarie en Februarie 2022 en genoemde, na oorweging, goedgekeur en aanvaar word.*

**8.1.7 Finance: Adjustment budget 2021/2022
(5/1/1/20)**

The following documents are attached:

- (a) Memorandum from Director: Finance, dated 19 April 2022: **Annexure 8.1.7(a)**.
- (b) Adjustment budget 2021/2022 to 2023/2024: **Annexure 8.1.7(b)**.

The Director: Finance submitted the Adjustment budget for 2021/2022 at the Executive Mayoral Committee meeting on 26 May 2022 and highlighted the following matters:

- Adjustments were made in respect of the Operational Budget.
- A grant was received for Library Services for furniture.

The Executive Mayoral Committee resolved to recommend to Council:

That the adjustment budget of Witzenberg Municipality for the financial year 2021/2022 as set out in the budget documents be approved:

- (i) Table B1: Budget summary
- (ii) Table B2: Adjustment Budget Financial Performance (by standard classification)
- (iii) Table B3: Budgeted Financial Performance (Revenue and Expenditure) by Vote
- (iv) Table B4: Adjustment Budget Financial Performance (Revenue by source)
- (v) Table B5: Budgeted Capital Expenditure by Vote, standard classification and funding.

RECOMMENDED

That the Executive Mayoral Committee recommends to Council:

That the adjustment budget of Witzenberg Municipality for the financial year 2021/2022 as set out in the budget documents be approved:

- (i) Table B1: Budget summary*
- (ii) Table B2: Adjustment Budget Financial Performance (by standard classification)*
- (iii) Table B3: Budgeted Financial Performance (Revenue and Expenditure) by Vote*

- (iv) *Table B4: Adjustment Budget Financial Performance (Revenue by source)*
- (v) *Table B5: Budgeted Capital Expenditure by Vote, standard classification and funding.*

8.1.8 Draft Budget 2022/2023 and Amended IDP 2022 to 2027 in terms of Section 25(3) (MSA) (5/1/1/21; 2/2/1)

Memorandum from Director: Finance, dated 17 May 2022:

“1. Purpose

The purpose of this report is to table the 2022/2023 Draft Budget and Amended IDP 2022 to 2027 in terms of Section 25(3) (MSA) to the Executive Mayor and Council.

2. Legal framework

Section 16 - 18 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:

‘Annual budgets

- 16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.’

‘Contents of annual budgets and supporting documents

- 17. (1) An annual budget of a municipality must be a schedule in the prescribed format –
 - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
 - (b) appropriating expenditure for the budget year under the different votes of the municipality;
 - (c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;

- (d) setting out –
 - (i) estimated revenue and expenditure by vote for the current year; and
 - (ii) actual revenue and expenditure by vote for the financial year preceding the current year; and
 - (e) a statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.
- (2) An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.
- (3) When an annual budget is tabled in terms of Section 16 (2), it must be accompanied by the following documents:
- (a) draft resolutions –
 - (i) approving the budget of the municipality;
 - (ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year;
 - (iii) approving the budgets for the relevant financial year of each municipal entity under the sole or shared control of the municipality; and
 - (iv) approving any other matter that may be prescribed;
 - (b) measurable performance objectives for each vote in the budget, taking into account the municipality's integrated development plan;
 - (c) a projection of cash flow for the budget year by revenue source, broken down per month;
 - (d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act;
 - (e) any proposed amendments to the budget-related policies of the municipality;
 - (f) particulars of the municipality's investments;
 - (g) any prescribed budget information on municipal entities under the sole or shared control of the municipality;
 - (h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;
 - (i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;
 - (j) particulars of any proposed allocations or grants by the municipality to –
 - (i) other municipalities;
 - (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;
 - (iii) any other organs of state;

- (iv) any organisations or bodies referred to in Section 67(1);
- (k) the proposed cost to the municipality for the budget year of the salary, allowances and benefits of –
 - (i) each political office-bearer of the municipality;
 - (ii) councillors of the municipality; and
 - (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality at a remuneration package at least equal to that of a senior manager;
- (l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of –
 - (i) each member of the entity's board of directors; and
 - (ii) the chief executive officer and each senior manager of the entity; and
- (m) any other supporting documentation as may be prescribed.'

'Funding of expenditures

- 18. (1) An annual budget may only be funded from –
 - (a) realistically anticipated revenues to be collected;
 - (b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
 - (c) borrowed funds, but only for the capital budget referred to in section 17 (2).
- (2) Revenue projections in the budget must be realistic, taking into account –
 - (a) projected revenue for the current year based on collection levels to date; and
 - (b) actual revenue collected in previous financial years.'

The following documents are attached:

- (a) Amended IDP 2022 to 2027 in terms of Section 25(3) (MSA): **Annexure 8.1.8(a)**.
- (b) Draft Budget: 2022/2023 – 2024/2025: **Annexure 8.1.8(b)**.
- (c) Draft Budget Related Policies: 2022/2023: **Annexure 8.1.8(c)**.
- (d) Draft Budget Schedules: 2022/2023 – 2024/2025 (will be tabled at Council meeting).
- (e) Inputs/comments received from the community: **Annexure 8.1.8(e)**.

The Manager: IDP submitted the amended IDP at the Executive Mayoral Committee meeting on 26 May 2022 and highlighted the following:

- That the Spatial Development Framework and the Disaster Plan must be submitted to Council together with the Financial Plan as a core component. No significant changes have been made.
- The inputs received from the communities are taken up in the Financial Plan and will be discussed at the Council workshop meeting.

The Executive Mayoral Committee resolved to recommend to Council:

- (a) That the annual budget of Witzenberg Municipality for the financial year 2022/2023; and indicative for the two projected years 2023/2024 and 2024/2025, as set out in the schedules contained in Section 4, be approved:
 - (i) Table A2: Budgeted Financial Performance (expenditure by standard classification).
 - (ii) Table A3: Budgeted Financial Performance (expenditure by municipal vote).
 - (iii) Table A4: Budgeted Financial Performance (revenue by source).
 - (iv) Table A5: Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding.
- (b) Property rates reflected in Annexure 8.1.8(c) and any other municipal tax reflected in Annexure 8.1.8(c) are imposed for the budget year 2022/2023.
- (c) Tariffs and charges reflected in Annexure 8.1.8(c) are approved for the budget year 2022/2023.
- (d) The measurable performance objectives for revenue from each source reflected in Table A4 - Budgeted Financial Performance (revenue and expenditure) are approved for the budget year 2022/2023.
- (e) The measurable performance objectives for each vote reflected in SA8 are approved for the budget year 2022/2023.
- (f) That the new amended budget related policies be approved with implementation as from 1 July 2022:
 - (i) Tariff Policy
 - (ii) Property Rates Policy
 - (iii) Credit Control and Debt Collection Policy.
 - (iv) Cash Management and Investment Policy
 - (v) Consumer Payment Incentive Policy.
 - (vi) Municipal Supply Chain Management Policy.
 - (vii) Petty Cash Policy

- (viii) Indigent Policy
 - (ix) Budget Policy
 - (x) Budget Virement Policy
 - (xi) Asset Management Policy
 - (xii) Funding and Reserves Policy
 - (xiii) Cellular telephone and data card policy
 - (xiv) Borrowing Policy
 - (xv) Long Term Financial Plan Policy
 - (xvi) Transport, Travel and Subsistence Allowance
 - (xvii) Post-Employment Medical Aid Contributions
 - (xviii) Infrastructure Investment Policy
 - (xix) Cost Containment Policy
- (g) that the Integrated Development Plan (IDP) 2022 to 2027 (with amendments) be adopted in terms of Section 25(3) (MSA).
- (h) that in terms of Section 26 (MSA) the Witzenberg Spatial Development Framework (SDF) be adopted as a core component of the Integrated Development Plan (IDP).
- (i) that in terms of Section 26 (MSA) the Witzenberg Disaster Management Plan be adopted as a core component of the Integrated Development Plan (IDP).
- (j) that in terms of Section 26 (MSA) the Witzenberg Financial Plan be adopted as a core component of the Integrated Development Plan (IDP).
- (k) that Council takes cognisance of the budget circulars issued by National Treasury and Provincial Treasury. (Only for information).
- (l) that Council takes cognisance of the SIME/LG MTEC Integrated Planning and Budgeting Assessment and the responses by the municipality.
- (m) that Council approves the amended IDP 2022 to 2027 document.

RECOMMENDED

That the Executive Mayoral Committee recommends to Council:

- (a) *That the annual budget of Witzenberg Municipality for the financial year 2022/2023; and indicative for the two projected years 2023/2024 and 2024/2025, as set out in the schedules contained in Section 4, be approved:*
- (i) *Table A2: Budgeted Financial Performance (expenditure by standard classification).*

- (ii) *Table A3: Budgeted Financial Performance (expenditure by municipal vote).*
- (iii) *Table A4: Budgeted Financial Performance (revenue by source).*
- (iv) *Table A5: Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding.*
- (b) *Property rates reflected in Annexure 8.1.8(c) and any other municipal tax reflected in Annexure 8.1.8(c) are imposed for the budget year 2022/2023.*
- (c) *Tariffs and charges reflected in Annexure 8.1.8(c) are approved for the budget year 2022/2023.*
- (d) *The measurable performance objectives for revenue from each source reflected in Table A4 - Budgeted Financial Performance (revenue and expenditure) are approved for the budget year 2022/2023.*
- (e) *The measurable performance objectives for each vote reflected in SA8 are approved for the budget year 2022/2023.*
- (f) *That the new amended budget related policies be approved with implementation as from 1 July 2022:*
 - (i) *Tariff Policy*
 - (ii) *Property Rates Policy*
 - (iii) *Credit Control and Debt Collection Policy.*
 - (iv) *Cash Management and Investment Policy*
 - (v) *Consumer Payment Incentive Policy.*
 - (vi) *Municipal Supply Chain Management Policy.*
 - (vii) *Petty Cash Policy*
 - (viii) *Indigent Policy*
 - (ix) *Budget Policy*
 - (x) *Budget Virement Policy*
 - (xi) *Asset Management Policy*
 - (xii) *Funding and Reserves Policy*
 - (xiii) *Cellular telephone and data card policy*
 - (xiv) *Borrowing Policy*
 - (xv) *Long Term Financial Plan Policy*
 - (xvi) *Transport, Travel and Subsistence Allowance*
 - (xvii) *Post-Employment Medical Aid Contributions*
 - (xviii) *Infrastructure Investment Policy*
 - (xix) *Cost Containment Policy*
- (g) *that the Integrated Development Plan (IDP) 2022 to 2027 (with amendments) be adopted in terms of Section 25(3) (MSA).*
- (h) *that in terms of Section 26 (MSA) the Witzenberg Spatial Development Framework (SDF) be adopted as a core component of the Integrated Development Plan (IDP).*

- (i) that in terms of Section 26 (MSA) the Witzenberg Disaster Management Plan be adopted as a core component of the Integrated Development Plan (IDP).*
- (j) that in terms of Section 26 (MSA) the Witzenberg Financial Plan be adopted as a core component of the Integrated Development Plan (IDP).*
- (k) that Council takes cognisance of the budget circulars issued by National Treasury and Provincial Treasury. (Only for information).*
- (l) that Council takes cognisance of the SIME/LG MTEC Integrated Planning and Budgeting Assessment and the responses by the municipality.*
- (m) that Council approves the amended IDP 2022 to 2027 document.*

8.2 Direkoraat Tegnieste Dienste / Directorate Technical Services

8.2.1 Small Scale Embedded Generation (SSEG) Policy: Methodology, allowable limit and motivation of renewable tariff (16/3/P)

The following documents are attached:

- (a) Memorandum from Senior Manager: Electro-Technical Services, dated 30 November 2021: **Annexure 8.2.1(a)**.
- (b) Review and Strategic Input report: **Annexure 8.2.1(b)**.

Council unanimously resolved on 23 February 2022 that the matter "Small Scale Embedded Generation (SSEG) Policy: Methodology, allowable limit and motivation of renewable tariff" be held in abeyance and be workshopped by Council.

The Executive Mayoral Committee resolved on 26 May 2022 to recommend to Council:

- (a) that Council rescinds the previous decision "Approval of Energy Plan (Small Scale Embedded Generation (16/3/P – 31 October 2018)).
- (b) that Council takes notice of the co-authored inputs and documentation of the Association of Municipal Electrical Undertakings, Western Cape Provincial Government, Cape Town and Green Cape as the nationally accepted standardised policy related to the implementation of Renewable Energy (Small Scale Embedded Generation) within municipalities.
- (c) that Council adopts the NRS 097-2-1 (2010) and NRS 097-2-3 (2014) Grid Interconnection of Embedded Generation, Section 1 – Utility Interface, Section 2 – Simplified utility connection criteria for low-voltage connected generators as the basis of its Energy Plan and Small Scale Embedded Generation Policy.
- (d) that the supporting documents, including the undermentioned, are accepted as official documentation related to the application processes related to any consumer intending to install Renewable Energy:
 - (i) Requirements for Embedded Generation
 - (ii) Contract for Embedded Generation
 - (iii) Application Form
 - (iv) Commissioning Form
 - (v) Decommissioning Form
- (e) that any amendments to the relevant NRS standards automatically be included in the Council's Energy Policy.

- (f) that any amendment to the Electrical Bylaws as well as the implementation of a RENEWABLE energy tariff will automatically form part of Council's Energy Policy as and when approved by Council.
- (g) That the Municipality include the principle of the RENEWABLE tariff as explained in the report for approval from NERSA in the 2022/2023 NERSA tariff application. This tariff will be additional and mandatory for new SSEG installations and new approvals and that Council considers the phasing in of the tariff on existing approved installations over a five year period.

Category	Basic/ month	Refit / kWh
Residential	R70.00	R0.50
Commercial, LPU	Solar Basic - Municipal mark-up on sales for the specific tariff x (Energy Generated per Year x 90% / 12) determined annually As per undermentioned table, updated annually.	One for One as per current existing tariff (Zeroed end of each financial year)

Municipal Mark-up calculator (2021/2022)

		Municipal Buy from Eskom R/kWh	Municipal Sell to Customer R/kWh	Municipal Mark-up R/kWh	Proposed Municipal Basic on installed panels. R/kWh	Customer Save On Solar R/kWh
Agri Customers	2.4					
<25 kVA	2.4.1	1.131931	2.31	1.178069	1.178	1.132
25kVA--50 kVA	2.4.2	1.131931	2.31	1.178069	1.178	1.132
50kVA--100kVA	2.4.3	1.131931	2.246	1.114069	1.124	1.122
Bulk Customers	2.5					
Agri Customers	2.5.1					
Time Of Use Customers	2.5.1.1					
<1MW High Tension	2.5.1.1.1	1.131931	1.177583	0.045652	0.16	1.018
<1MW Low Tension	2.5.1.1.2	1.131931	1.288571	0.15664	0.16	1.129
Normal	2.5.1.2					
<1MW High Tension	2.5.1.2.1	1.131931	1.23	0.098069	0.16	1.070
<1MW Low Tension	2.5.1.2.2	1.131931	1.100087	-0.03184	0.16	0.940
Urban Customers	2.5.2					
Time of Use Customers	2.5.2.1					

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>1MVA High Tension	2.5.2.1.1	1.131931	1.360601	0.22867	0.23	1.131
<1MVA High Tension	2.5.2.1.2	1.131931	1.451322	0.319391	0.32	1.131
<1MVA Low Tension	2.5.2.1.3	1.131931	1.415728	0.283797	0.284	1.132
Normal	2.5.2.2					
>1MVA High Tension	2.5.2.2.1	1.131931	1.5	0.368069	0.368	1.132
<1MVA High Tension	2.5.2.2.2	1.131931	1.48	0.348069	0.348	1.132
<1MVA Low Tension	2.5.2.2.3	1.131931	1.558435	0.426504	0.427	1.131

- (h) that Council reserves the right to refuse or limit the installation of Small Scale Embedded Generation plants if it is determined that they are having an onerous technical effect on the Quality of Supply of the Electrical Network of the municipality.
- (i) that once the total sum of approved Renewable Energy applications reaches 15 % of the municipality's total Eskom purchased kWh for the preceding financial year or a 'technical limit' in terms of a network impact study for each town, whichever comes first, no further applications will be considered.
- (j) that any Power Users (greater than 100kVA) applying for permission to install Small Scale Embedded Generation plants must supply proof of their facility having an average power factor of 0,85 or better before any application will be considered.
- (k) that all existing Small Scale Embedded Generation installations commissioned prior to the approval of this Energy Policy will be required to comply with the policy as amended from time to time, whilst the municipality reserves the right to install suitable bi-directional four quadrant meters to monitor that connection at the consumer's cost.
- (l) that any meters currently installed and allowed in writing by the municipality to run in reverse, will be expected to comply with these requirements once the SSEG tariff is implemented.
- (m) that for future applicants successfully requesting permission to install Small Scale Embedded Generation plants, the costs of installing the required bi-directional four quadrant meters are for the applicants' costs.
- (n) that domestic conventional or pre-payment meters are not allowed to run backwards.
- (o) for continued participation in the SSEG program customers must always be NET consumers.

- (p) that permission to install Small Scale Embedded Generation will automatically lapse after 12 months from date of approval, if the installation process has not been started, unless an arrangement, in writing, has been agreed with the Municipality.

RECOMMENDED

That the Executive Mayoral Committee recommends to Council:

- (a) *that Council rescinds the previous decision 'Approval of Energy Plan (Small Scale Embedded Generation (16/3/P – 31 October 2018)).*
- (b) *that Council takes notice of the co-authored inputs and documentation of the Association of Municipal Electrical Undertakings, Western Cape Provincial Government, Cape Town and Green Cape as the nationally accepted standardised policy related to the implementation of Renewable Energy (Small Scale Embedded Generation) within municipalities.*
- (c) *that Council adopts the NRS 097-2-1 (2010) and NRS 097-2-3 (2014) Grid Interconnection of Embedded Generation, Section 1 – Utility Interface, Section 2 – Simplified utility connection criteria for low-voltage connected generators as the basis of its Energy Plan and Small Scale Embedded Generation Policy.*
- (d) *that the supporting documents, including the undermentioned, are accepted as official documentation related to the application processes related to any consumer intending to install Renewable Energy:*
- (i) Requirements for Embedded Generation*
 - (ii) Contract for Embedded Generation*
 - (iii) Application Form*
 - (iv) Commissioning Form*
 - (v) Decommissioning Form*
- (e) *that any amendments to the relevant NRS standards automatically be included in the Council's Energy Policy.*
- (f) *that any amendment to the Electrical Bylaws as well as the implementation of a RENEWABLE energy tariff will automatically form part of Council's Energy Policy as and when approved by Council.*
- (g) *That the municipality include the principle of the RENEWABLE tariff as explained in the report for approval from NERSA in the 2022/2023 NERSA tariff application. This tariff will be additional and mandatory for new SSEG installations and new approvals and that Council considers the phasing in of the tariff on existing approved installations over a five year period.*

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Category	Basic/ month	Refit / kWh
<i>Residential</i>	<i>R70.00</i>	<i>R0.50</i>
<i>Commercial, LPU</i>	<i>Solar Basic - Municipal mark-up on sales for the specific tariff x (Energy Generated per Year x 90% / 12) determined annually</i> <i>As per undermentioned table, updated annually.</i>	<i>One for One as per current existing tariff (Zeroed end of each financial year)</i>

Municipal Mark-up calculator (2021/2022)

		Municipal Buy from Eskom R/kWh	Municipal Sell to Customer R/kWh	Municipal Mark-up R/kWh	Proposed Municipal Basic on installed panels. R/kWh	Customer Save On Solar R/kWh
Agri Customers	2.4					
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Bulk Customers	2.5					
Agri Customers	2.5.1					
Time Of Use	2.5.1.1					
Customers	2.5.1.1.1	1.131931	1.177583	0.045652	0.16	1.018
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Normal	2.5.2.2.2	1.131931	1.48	0.348069	0.348	1.132
>1MVA High Tension						
<1MVA High Tension						

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<1MVA Low Tension	2.5.2.2.3	1.131931	1.558435	0.426504	0.427	1.131
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- (h) *that Council reserves the right to refuse or limit the installation of Small Scale Embedded Generation plants if it is determined that they are having an onerous technical effect on the Quality of Supply of the Electrical Network of the municipality.*
- (i) *that once the total sum of approved Renewable Energy applications reaches 15 % of the municipality's total Eskom purchased kWh for the preceding financial year or a 'technical limit' in terms of a network impact study for each town, whichever comes first, no further applications will be considered.*
- (j) *that any Power Users (greater than 100kVA) applying for permission to install Small Scale Embedded Generation plants must supply proof of their facility having an average power factor of 0,85 or better before any application will be considered.*
- (k) *that all existing Small Scale Embedded Generation installations commissioned prior to the approval of this Energy Policy will be required to comply with the policy as amended from time to time, whilst the municipality reserves the right to install suitable bi-directional four quadrant meters to monitor that connection at the consumer's cost.*
- (l) *that any meters currently installed and allowed in writing by the municipality to run in reverse, will be expected to comply with these requirements once the SSEG tariff is implemented.*
- (m) *that for future applicants successfully requesting permission to install Small Scale Embedded Generation plants, the costs of installing the required bi-directional four quadrant meters are for the applicants' costs.*
- (n) *that domestic conventional or pre-payment meters are not allowed to run backwards.*
- (o) *for continued participation in the SSEG program customers must always be NET consumers.*
- (p) *that permission to install Small Scale Embedded Generation will automatically lapse after 12 months from date of approval, if the installation process has not been started, unless an arrangement, in writing, has been agreed with the Municipality.*

8.3 Direktooraat Gemeenskapsdienste / Directorate Community Services

None

NOTED

8.4 Direktooraat Korporatiewe Dienste / Directorate Corporate Services

**8.4.1 Proposed Council meeting program: July until December 2022
(3/1/2/3)**

Memorandum from the Manager: Administration, dated 25 May 2022:

1. Purpose

To obtain the approval of the Executive Mayoral Committee as well as Council for the proposed Council meeting program for July until December 2022.

2. For decision

Council.

3. Executive summary

The Council meeting program and meeting schedule for July until December 2022 is attached as **annexure 8.4.1**. The program is essentially similar to that of 2021. It is recommended that the attached program for the period July until December 2022 be approved. SALGA and the Western Cape Government have requested that municipalities finalise their own Council calendar dates in order for them to synchronise dates with everybody.

Council is requested to approve the meeting program for July until December 2022. The Council meeting program of the Witzenberg Municipality has been synchronised with the meeting dates of the Cape Winelands District Municipality and is now submitted to Council for approval.

4. Discussion

4.1 Background and discussion

In terms of Section 19 of the Local Government Municipal Systems Act (Act 32 of 2000) the Municipal Manager must give notice to the public in a manner determined by the Municipal Council of the time, dates and venues of every ordinary meeting of the Council and special or urgent meetings of the Council except when time constraints make this impossible.

Council resolved at its meeting during January 2022 to finalise Council and Committee meeting dates only until June 2022.

The proposed Council meeting program for July until December 2022 provides the list of scheduled meetings of Council, the Executive Mayoral Committee, the various Section 80 Committees, Municipal Public Accounts Committee (MPAC), Performance, Risk and Audit Committee (PRAC), the Local Labour Forum (LLF) and the Senior Management with the applicable time, date, venue or modus of the meetings.

Senior Management meetings are once again proposed to be held every Monday, Section 80 Committee meetings on the third Wednesday and Thursday of every month, but meetings of the Committee for Housing Matters on the last Thursday of the month, Council workshops on the day prior to the Council meeting and Council meetings on the last Wednesday of the month, depending on specific circumstances. Council meetings are also synchronised with the Council meetings of the Cape Winelands District Municipality. Meetings of the Executive Mayoral Committee are scheduled twice a month. All meetings can be held virtually or in contact depending on the COVID-19 Regulations and circumstances at the time.

4.2 Constitutional and policy implications

Compliance with COVID-19 Regulations in case of contact meetings and compliance with municipal IT Policy in case of virtual meetings.

4.3 Environmental implications

This program has no environmental implications.

4.4 Financial implications

The monthly Council meetings are published in the local community newspaper, the cost of which is duly budgeted for.

4.5 Legal implications

In terms of Section 19 of the Local Government Municipals Systems Act (Act 32 of 2000) the Municipal Manager must give notice to the public in a manner determined by the Municipal Council of the time, date and venue or modus of every ordinary meeting of the Council and special or urgent meetings of the Council except when time constraints make this impossible.

Council meetings are planned for every month except for September and November 2022 and this exceeds the minimum requirement of one meeting per quarter as prescribed.

All legislative and policy requirements are complied with."

The Executive Mayoral Committee resolved on 26 May 2022 to recommend to Council:

- (a) that the proposed Council meeting program for July until December 2022 be approved.
- (b) that Council and Committee meetings for June 2022 be held virtually except in exceptional circumstances.
- (c) that the Acting Municipal Manager and Director: Finance discuss the matter of appointment of an Interpreter and notice of Council meetings in all three official languages of the Western Cape.

RECOMMENDED

That the Executive Mayoral Committee recommends to Council:

- (a) *that the proposed Council meeting program for July until December 2022 be approved.*
- (b) *that Council and Committee meetings for June 2022 be held virtually except in exceptional circumstances.*
- (c) *that the Acting Municipal Manager and Director: Finance discuss the matter of appointment of an Interpreter and notice of Council meetings in all three official languages of the Western Cape.*

9. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA

10. FORMAL AND STATUTORY MATTERS

**10.1 Feedback on matters of outside bodies
(3/R)**

11. QUESTIONS and/or MATTERS RAISED by COUNCILLORS

11.1 Question to the Deputy Executive Mayor in respect of a Facebook post

Councillor A Gili put a question to the Deputy Executive Mayor in respect of a post by GOOD on Facebook. The verbal enquiry of the Councillor is summarised as follows:

Councillor Gili enquired about the WhatsApp line which is being advertised on Facebook as the method of reporting problems. The concern is that none of the Councillors have been informed of this and it is embarrassing to find out about it from community members. The question is then whether it is a product of the GOOD Party or of Witzenberg Municipality.

The Speaker requested that Councillor A Gili submits a written question in order for the Deputy Executive Mayor to respond on the question before Council as prescribed by the Rules of Order for conducting meetings.

The Deputy Executive Mayor responded that the answer to the question will be given at the next Council meeting.

NOTED

12. COUNCIL-IN-COMMITTEE

12. COUNCIL-in-COMMITTEE / RAAD-in-KOMITEE

12.1 Personnel: Recruitment, selection and appointment of Director: Community Services (4/3/2/1)

Kindly be advised that the annexures relevant to the item on the recruitment of the Municipal Manager are also applicable to this item.

The following memorandum, dated 10 May 2022, was received from the Municipal Manager:

1. Purpose

To consider the appointment of the shortlisting and selection panel for the vacant position of Director: Community Services.

2. Deliberation

Council unanimously resolved on 14 April 2022:

- (a) that approval be granted for the advertising of the position of Director: Community Services.
- (b) that in terms of Regulation 7(2)(a) of the Regulations on the appointment and conditions of employment of Senior Managers (hereinafter referred to as "the Regulations"), as gazetted on 17 January 2014 (Gazette number 37245) the post of Director: Community Services be filled.
- (c) that Council confirms that in compliance with Regulation 5:
 - (i) The Municipality requires the post to meet its strategic objectives.
 - (ii) A job description has been developed for the post.
 - (iii) Remuneration and other conditions of employment will be attached to the post in terms of the upper limits of the total remuneration package payable to Senior Managers directly accountable to the Municipal Manager, once a suited candidate is recommended.
 - (iv) Sufficient budget funds are available for filling of the post.
- (d) that the Municipal Manager ensures that the post of Director: Community Services be advertised in a newspaper circulated nationally and in this province within fourteen days of Council's decision.
- (e) that the services of a competent and experienced recruitment agency be obtained through Council's supply chain process.

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- (f) that a selection, recruitment and interview panel be appointed in terms of the said regulations.
- (g) that strict adherence be followed by the panel and appointed recruitment agency to the time lines as set out by the regulations during the recruitment, selection and interview process.
- (h) that the selection panel must consist of at least five (5) members.

The vacancy was duly advertised, the closing date being 10 May 2022. Council must now appoint the panel that will be responsible for the shortlisting and selection of the Director: Community Services. In terms of Section 15(3) of the Regulations on appointment and conditions of employment of Senior Managers the selection panel for a specific post has to remain the same throughout the screening and interviewing process."

RECOMMENDED

For consideration.

12.2 Personnel: Recruitment, selection and appointment of a Municipal Manager for a five-year period (4/3/2/1)

The following memorandum, dated 10 May 2022, was received from the Municipal Manager:

"1. Purpose

To consider the appointment of the shortlisting and selection panel for the vacant position of Municipal Manager.

2. Deliberation

Council unanimously resolved on 14 April 2022:

- (a) that approval be granted for the advertising of the position of Municipal Manager.
- (b) that in terms of Regulation 7(2)(a) of the Regulations on the appointment and conditions of employment of Senior Managers (hereinafter referred to as "the Regulations"), as gazetted on 17 January 2014 (Gazette number 37245) the post of Municipal Manager be filled when the position becomes vacant.

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(In-committee / In-komitee)

- (c) that Council confirms that in compliance with Regulation 5:
 - (i) The Municipality requires the post to meet its strategic objectives.
 - (ii) A job description has been developed for the post.
 - (iii) Remuneration and other conditions of employment will be attached to the post in terms of the upper limits of the total remuneration package payable to Municipal Managers and Managers directly accountable to the Municipal Manager, once a suited candidate is recommended.
 - (iv) Sufficient budget funds are available for filling of the post.
- (d) that the Director: Corporate Services ensures that the post of Municipal Manager be advertised in a newspaper circulated nationally and in this province within fourteen days of Council's decision.
- (e) that the services of a competent and experienced recruitment agency be obtained through Council's supply chain process.
- (f) that a selection, recruitment and interview panel be appointed in terms of the said regulations.
- (g) that strict adherence be followed by the panel and appointed recruitment agency to the time lines as set out by the regulations during the recruitment, selection and interview process.

The Municipal Systems Act (No 32 of 2000) and the Regulations thereto regulate the appointment of Municipal Managers and Managers directly accountable to the Municipal Manager. A copy of the regulations is attached as **annexure 12.2(a)**.

3. Selection panel

The selection panel for the appointment of a Municipal Manager must consist of at least three and not more than five members constituted as follows:

- (a) The Mayor who will be the Chairperson.
- (b) A Councillor designated by the Municipal Council.
- (c) And at least one other person who is not a Councillor or a staff member of the Municipality and who has expertise and experience in the area of the advertised post.
- (d) The Western Cape Department of Local Government has given written advice and guidance on the interpretation of the Regulations on appointment and conditions of employment of Senior Managers, of which a copy is attached as **annexure 12.2(b)**.

The same selection panel will also be responsible for compiling the shortlist of applicants as well as the interviewing of the shortlisted applicants. The screening of shortlisted candidates must take place within 21 days of the finalisation of the shortlisting. The selection panel must conduct interviews within 21 days of screening the candidates.”

RECOMMENDED

For consideration.

13. ADJOURNMENT / VERDAGING

**MINUTES OF THE COUNCIL MEETING OF WITZENBERG MUNICIPALITY,
HELD IN THE TOWN HALL, VOORTREKKER STREET, CERES ON WEDNESDAY,
30 MARCH 2022 AT 10:00**

Councillors

Councillor JS Mouton (Speaker) (ANC)
Alderman HJ Smit (Executive Mayor) (DA)
Councillor FE Klazen (Deputy Executive Mayor) (GOOD)
Alderman K Adams (DA)
Councillor S de Bruin (DA)
Councillor GJ Franse (DA)
Councillor EM Sidego (DA)
Councillor D Swart (DA)
Alderman JJ Visagie (DA)
Councillor AL Gili (ANC)
Councillor MJ Ndaba (ANC)
Councillor N Nogcinisa (ANC)
Councillor N Phatsoane (ANC)
Councillor K Yisa (ANC)
Councillor J Zalie (ANC)
Councillor J Cloete (PA)
Councillor JP Fredericks (FFP)
Councillor LA Hardnek (Witzenberg Party)
Councillor GG Laban (Witzenberg Aksie)
Councillor IL Swartz (EFF)

Officials

Mr D Nasson (Municipal Manager)
Mr HJ Kritzinger (Director: Finance)
Mr J Barnard (Director: Technical Services)
Mr A Hofmeester (Manager: IDP)
Mr CG Wessels (Manager: Administration)
Ms R Hendricks (Manager: Communication and Marketing)
Ms M Arendse-Smith (Chief Administrative Officer)
Mr C Titus (Committee Clerk)
Mr J Pieterse (Senior ICT Officer)

1. OPENING AND WELCOME

The Speaker welcomed everyone with a spiritual scripture reading after which she requested Alderman JJ Visagie to open the meeting with a prayer.

NOTED

2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION

2.1 Consideration of application for leave of absence, if any (3/1/2/1)

- (a) An application for leave of absence from the meeting was received from Alderman BC Klaasen.
- (b) An apology for absence from the meeting was received from the Director: Corporate Services.

UNANIMOUSLY RESOLVED

- (a) that the application for leave of absence from the meeting, received from Alderman BC Klaasen, be approved and accepted.*
- (b) that the apology for absence from the meeting, received from the Director: Corporate Services, be approved.*

EENPARIG BESLUIT

- (a) dat die aansoek om verlof tot afwesigheid van die vergadering, ontvang vanaf raadsheer BC Klaasen, goedgekeur en aanvaar word.*
- (b) dat die verskoning vir afwesigheid van die vergadering, ontvang vanaf die Direkteur: Korporatiewe Dienste, goedgekeur word.*

2.2 Confidentiality and Conflict of Interest Declaration (3/2/1)

The Confidentiality and Conflict of Interest Declaration is attached as **annexure 2.2**.

The Confidentiality and Conflict of Interest Declaration was duly signed by all Councillors.

NOTED

3. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED

3.1 Gratitude, Congratulations and Commiseration (11/4/3)

The Speaker conveyed, on behalf of Council, congratulations to the following Councillors on their birthdays:

	Councillor MJ Ndaba	3 March
	Councillor G Laban	19 March
	Councillor S de Bruin	30 March
	Councillor N Nogcinisa	6 April

NOTED

3.2 Matters raised by the Speaker (09/1/1)

- (a) The Speaker mentioned that a robbery took place at the Ceres Post Office on 24 March 2022. It was the fourth robbery in the Witzenberg area and two arrests were made.
- (b) The Speaker informed Council that Ms Estelle du Plessis had passed away due to a vehicle accident outside Wolseley. She was a nurse working in Ceres. Six others were injured.
- (c) The Speaker referred to COVID 19 being placed on Level 1 by State President Cyril Ramaphosa on 22 March 2022.
- (d) The Speaker mentioned that in Wolseley women are targeted at home whilst the men are at work and then raped and murdered.
- (e) The Speaker informed Council that several cars have been vandalised at the Traffic Department.
- (f) The Speaker referred with concern to the state of service delivery at Ceres Provincial Hospital and the lack of doctors during night time.
- (g) The Speaker congratulated the eight (8) students at Vrolike Vinkies Crèche, Ceres who had successfully completed a course in Home Based Care.
- (h) The Speaker congratulated all learners from various schools in the Witzenberg area who had performed excellently at the Western Cape Athletics Championships.
- (i) The Speaker congratulated the Principal and staff of Matjiesrivier Primary School with completion of a new building to extend the school.

- (j) The Speaker mentioned that the National Minister of Water and Sanitation, Mr Senzo Mchunu, will visit Tulbagh on Friday, 1 April 2022 to hand over certificates to municipalities who had obtained awards for Blue and Green Drop.
- (k) The Speaker mentioned that the husband of the Deputy Executive Mayor has been hospitalised.
- (l) The Speaker announced that an extension was granted by the MEC for the Ward Committee elections in Wards 1 and 12 until 14 April 2022. The nominees will be informed and Councillors will be informed by email.

Various Councillors objected to the matter due to procedures not being followed properly. The Municipal Manager requested that the matter be discussed and solved after the meeting by himself, the Manager: IDP and the applicable Ward Councillors.

NOTED.

**3.3 Matters raised by the Executive Mayor
(09/1/1)**

The Executive Mayor expressed condolences to all bereaved people in the Witzenberg municipal area who had lost loved ones due to road accidents.

NOTED

3.4 Matters raised by the Municipal Manager

None

NOTED

4. MINUTES

**4.1 Corrections to the minutes
(3/1/2/3)**

RESOLVED

that the matter of corrections to the minutes be held in abeyance until the next meeting.

BESLUIT

dat die aangeleentheid rakende regstellings op die notule oorstaan tot die volgende vergadering.

**4.2 Approval of minutes
(3/1/2/3)**

The minutes of the Council meeting, held on 23 February 2022, are attached as **annexure 4.2**.

RESOLVED

- (a) that the approval of the minutes of the Council meeting, held on 23 February 2022, be held in abeyance.*
- (b) that the correctness of the minutes be investigated in respect of the removal of the words of the Speaker: "The motion cannot carry."*
- (c) that the Municipal Manager appoints an independent investigator in terms of the Municipal Supply Chain processes.*

BESLUIT

- (a) dat die goedkeuring van die notule van die Raadsvergadering, gehou op 23 Februarie 2022, oorstaan.*
- (b) dat die korrektheid van die notule ondersoek word ten opsigte van die verwydering van die Speaker se woorde: "The motion cannot carry."*
- (c) dat die Munisipale Bestuurder 'n onafhanklike ondersoeker aanstel ingevolge die Munisipale Voorsieningskanaalprosesse.*

5. MOTIONS AND NOTICE OF SUGGESTIONS

None

NOTED

6. INTERVIEWS WITH DELEGATIONS

None.

NOTED

7. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS

**7.1 Minutes: Committee meetings
(03/3/2)**

The minutes of the following meetings are attached:

- (a) Executive Mayoral Committee meeting, held on 6 October 2021:
Annexure 7.1(a).
- (b) Executive Mayoral Committee meeting, held on 24 January 2022:
Annexure 7.1(b).

UNANIMOUSLY RESOLVED

that notice be taken of the minutes of the Executive Mayoral Committee meetings and same be accepted.

EENPARIG BESLUIT

dat kennis geneem word van die notules van die Uitvoerende Burgemeesterskomitee vergaderings en genoemde aanvaar word.

8. GERESERVEERDE BEVOEGDHEDE / RESERVED POWERS

8.1 Direktooraat Finansies / Directorate Finance

8.1.1 Finance: Draft Budget 2022/2023, Draft Amended IDP 2022 to 2023 and Draft Top Layer SDBIP: 2022/2023 (5/1/1/21; 2/2/1 & 5/1/5/15)

The following documents are attached:

- (a) Draft Top Layer SDBIP for 2022/2023: **Annexure 8.1.1(a)**.
- (b) Draft Amendment of IDP 2022/2023: **Annexure 8.1.1(b)**.
- (c) Draft Budget: 2022/2023 – 2024/2025: **Annexure 8.1.1(c)**.
- (d) Draft Budget Related Policies: 2022/2023: **Annexure 8.1.1(d)**.
- (e) Draft Budget Schedules: 2022/2023 – 2024/2025: **Annexure 8.1.1(e)**.

The Director: Finance tabled the Draft Budget 2022/2023, Draft Amended IDP 2022 to 2023 and Draft Top Layer SDBIP 2022/2023. The following matters were highlighted:

- That the applicable documents cannot be made available at the library in Nduli, because there is no library.
- That the IDP meetings be held at a time when the public is available.
- The Speaker submitted a letter from the municipal Budget and Treasury Department with regard to tariffs being replaced. The letter is attached as **annexure 8.1.1(f)**.
- The Speaker submitted a memorandum from the Director: Finance regarding amendments to the proposed tariffs. The memorandum is attached as **annexure 8.1.1(g)**.

UNANIMOUSLY RESOLVED

- (a) *that Council takes notice of the Draft Budget, the Draft Amendments to the IDP 2022/2023 and the Draft Top Layer SDBIP of the Witzenberg Municipality for the financial year 2022/2023 and the indicative budget for the two years 2023/2024 and 2024/2025 that have been tabled by the Executive Mayor in Council.*
- (b) *that the documents be advertised and made available at all libraries and municipal offices of Council.*
- (c) *that the public meetings, if any, be conducted in accordance with the guidelines of the National State of Disaster (COVID-19).*

(d) *that an executive summary in the form of a pamphlet be distributed to households within the Witzenberg municipal area.*

8.1.2 Performance, Risk and Audit Committee: 2nd Bi-Annual Report on Performance Management: 2020/2021 (5/14/4)

The Second Bi-Annual Report of the Performance, Risk and Audit Committee on Performance Management for 2020/2021, dated October 2021, is attached as **annexure 8.1.2**.

UNANIMOUSLY RESOLVED

that notice be taken of the Second Bi-Annual Report of the Performance, Risk and Audit Committee on Performance Management for 2020/2021.

EENPARIG BESLUIT

dat kennis geneem word van die Tweede Halfjaarlikse Verslag van die Prestasie-, Risiko- en Ouditkomitee oor Prestasiebestuur vir 2020/2021.

8.1.3 Quarterly Budget Statement [Section 52(d)] Report: 4th Quarter of 2020/2021 (1 April 2021 to 30 June 2021) (9/1/2/2)

Memorandum from Director: Finance, dated 20 July 2021:

“Purpose

The purpose of this memorandum is to submit the Quarterly Budget Statement to Council for information.

Background

The Quarterly Budget Statement [Section 52(d)] Report for the 4th quarter of 2020/2021 is attached as **annexure 8.1.3**.

Extract from the minutes of the Executive Mayoral Committee, held on 27 July 2021:

“The Executive Mayor noted the excessive expense with regard to overtime and enquired as to the measurements that were put in place to reduce the overtime amount.

The Executive Mayor shared his concerns of delayed reactions to emergencies, thus resulting in overtime being claimed. Specific mention reference made to a pipe burst at Albert Crescent reported the morning of 26 July 2021, but only attended to after 16:30.

It is therefore requested that the matter be addressed and that the cost implication relating to the pipe burst on 26 July 2021 be reported to the Executive Mayoral Committee by the Chief Financial Officer.

Furthermore, it is requested that the Section Finance relook and correct the description noted "Performance bonus" for other municipal staff as contained in the quarterly report for March 2021."

The Executive Mayoral Committee resolved on 27 July 2021:

- (a) That the Chief Financial Officer tables a breakdown to the Executive Mayoral Committee of overtime for each department for further action.
- (b) That the cost implication related to the overtime worked to repair the pipe burst at Albert Crescent, Ceres be reported by the Chief Financial Officer.
- (c) That the Executive Mayoral Committee recommends to Council:
 - (i) that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the period 1 April 2021 to 30 June 2021.
 - (ii) that the report be referred to the Municipal Public Accounts Committee and the Performance, Risk and Audit Committee for their recommendations to Council.

Council unanimously resolved on 25 August 2021:

- (a) that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021.
- (b) that the report be referred to the Municipal Public Accounts Committee and the Performance, Risk and Audit Committee for their recommendations to Council.

The Performance, Risk and Audit Committee resolved on 21 January 2022:

- (a) that notice be taken of the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021.
- (b) That the Performance, Risk and Audit Committee recommends to Council:

that the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021, after consideration, be accepted.

UNANIMOUSLY RESOLVED

that the Quarterly Budget Statement Report in terms of Section 52(d) for the fourth quarter of 2020/2021, after consideration, be accepted.

EENPARIG BESLUIT

dat die Kwartaallikse Begrotingsverslag ingevolg Artikel 52(d) vir die vierde kwartaal van 2020/2021, na oorweging, goedgekeur word.

8.1.4 Proposed amendments to Supply Chain Management Policy (8/1/P & 5/1/1/20)

The following documents are attached:

- (a) Memorandum from Director: Finance, dated 16 March 2022: **Annexure 8.1.4(a)**.
- (b) Supply Chain Management Policy (reviewed 26 May 2021): **Annexure 8.1.4(b)**.

Council held a lengthy discussion on the matter.

Councillor D Swart proposed and Alderman K Adams seconded that the recommendation be accepted.

Councillor A Gili proposed and Councillor N Phatsoane seconded that the matter be held in abeyance until the next meeting.

The Speaker called the matter to a vote and the outcomes were:

• Votes in favour of the recommendation:	11
• Votes abstained:	8
• No vote in terms of voting or abstained	<u>1</u>
Total	20

The Speaker declared in favour of the majority vote.

RESOLVED

that the proposed amendments to the Supply Chain Management Policy be approved with immediate application.

BESLUIT

dat die voorgestelde wysigings aan die Voorsieningskanaalbestuursbeleid goedgekeur word met onmiddellike toepassing.

8.2 Direkoraat Tegniëse Dienste / Directorate Technical Services

8.2.1 Partnership agreement between Essen (Belgium) and Witzenberg Municipality (South Africa) on solid waste management (10/2/3)

Memorandum from Director: Technical Services, dated 17 March 2022:

1. Purpose

To inform Council on the latest developments regarding the federal programme, which was funded by the federal government of Belgium.

2. Background

On 15 April 2017 the partnership agreement was signed between Essen, Witzenberg and the VVSG. This agreement was in place from 2017 and came to an end in December 2021. See agreement attached as **annexure 8.2.1(a)**.

At the end of 2021 an application was submitted by VVSG for a follow-up five year programme on solid waste, which was unfortunately not approved by the Federal Government of Belgium.

However, Essen Municipality is working together with the VVSG (Flemish Local Government Association) to apply for an alternative shorter version of the submitted programme.

A letter from Essen Municipality, dated 1 March 2022, explaining the above is attached as **annexure 8.2.1(b)**.

3. Discussion

A draft of the shortened solid waste programme, to be submitted to VVSG, aims to give attention to the following sustainable development goals:

- Result 1
Technical staff and politicians of local authorities and SALGA have strengthened capacity in waste management.
- Result 2
The municipality's infrastructure and equipment are better adapted to a separation at source system.
- Result 4
Local actors involved in waste sector are strengthened to benefit from economic opportunities created within the waste management value chain.

At the meeting held on 16 March 2002 between the Mayoral Committees of Witzenberg and Essen it was highlighted that 2022 marks the twentieth anniversary of the twinning agreement between Witzenberg Municipality and Essen Municipality. It is suggested that a working committee be established to brainstorm on how we can celebrate our long-lasting relationship."

UNANIMOUSLY RESOLVED

- (a) *that notice be taken that the partnership agreement between Essen, Witzenberg and the VVSG (Flemish Local Government Association) on solid waste management came to an end during December 2021.*
- (b) *that notice be taken that Witzenberg Municipality and Essen Municipality are working together with VVSG (Flemish Local Government Association) to apply for an alternative shorter version of the submitted programme for solid waste.*
- (c) *That a working committee be established to brainstorm on how we can celebrate our long-lasting relationship with Essen, comprising of the following designations:*
 - (i) *Councillor for Portfolio Technical Services*
 - (ii) *Councillor for Portfolio Local Economic Development*
 - (iii) *Director: Technical Services*
 - (iv) *Municipal Manager*

EENPARIG BESLUIT

- (a) *dat kennis geneem word dat die vennootskapsooreenkoms tussen Essen, Witzenberg en die VVSG (Vlaamse Vereniging van Steden en Gemeenten) oor vaste-afvalbestuur tot 'n einde geloop het gedurende Desember 2021.*
- (b) *dat kennis geneem word dat Munisipaliteit Witzenberg en Munisipaliteit Essen saamwerk met die VVSG (Vlaamse Vereniging van Steden en Gemeenten) om aansoek te doen vir 'n alternatiewe korter weergawe van die ingediende program vir vaste-afval.*
- (c) *Dat 'n werkskomitee gestig word om te dinkskrum oor hoe ons ons langdurige verhouding met Essen kan vier, bestaande uit die volgende posisies:*
 - (i) *Raadslid vir PortefeuljeTegniese Dienste*
 - (ii) *Raadslid vir Portefeulje Plaaslike Ekonomiese Ontwikkeling*
 - (iii) *Direkteur: Tegniese Dienste*
 - (iv) *Munisipale Bestuurder*

8.3 Direkoraat Gemeenskapsdienste / Directorate Community Services

8.3.1 Housing: Witzenberg Municipality: Housing Administration Policy/ Behuising: Munisipaliteit Witzenberg: Behuisingsadministrasie Beleid (17/4/P)

The Housing Administration Policy for Witzenberg Municipality, received from the Municipal Manager, dated 18 February 2020, is attached as **annexure 8.3.1**.

UNANIMOUSLY RESOLVED

that the Housing Administration Policy for Witzenberg Municipality be approved and adopted.

EENPARIG BESLUIT

dat die Behuisingsadministrasie Beleid vir Munisipaliteit Witzenberg goedgekeur en aanvaar word.

8.3.2 Housing: Demolition of vandalised houses: The Island Holiday Resort, Ceres Behuising: Sloping van gevandaliseerde huise: Die Eiland Vakansieoord, Ceres (17/4/1/1/R)

A memorandum from the Manager: Housing, dated 14 March 2022, is attached as **annexure 8.3.2**.

The following recommendation was tabled to Council:

- (a) that the recyclable material be recycled by the maintenance team of the Department of Housing.
- (b) that the ticket office at the entrance of The Island Resort be demolished.
- (c) that the two (2) vacant semi-detached houses not be demolished, but rather be made available to the neighbours for restoration at own cost and subsequent occupation.
- (d) that the five (5) vacant houses be demolished internally with the assistance of a digger loader from the Directorate: Technical Services and temporary workers.

Councillor D Swart proposed and Alderman HJ Smit seconded that the matter be held in abeyance and referred to the Portfolio Committee for Housing Matters.

Councillor A Gili proposed and Councillor K Yisa seconded that recommendations (a), (b) and (d) be approved and recommendation (c) be held in abeyance and referred to the Committee for Housing Matters.

The Speaker called for a vote and the outcomes were:

•	Votes in favour of the matter be referred back to the Committee for Housing Matters	11
•	Votes abstained	9
•	Absentees/apologies	<u>2</u>
	TOTAL	22

The Speaker ruled in favour of the majority of votes that the matter be referred back to the Committee for Housing Matters.

RESOLVED

that the matter in respect of the demolition of vandalised houses in The Island Holiday Resort, Ceres be held in abeyance and be referred to the Committee for Housing Matters and after that to Council again.

BESLUIT

dat die aangeleentheid rakende die sloping van gevandaliseerde huise in Die Eiland Vakansieoord, Ceres oorsaak en na die Komitee vir Behuisingsaangeleenthede verwys word en daarna weer na die Raad.

8.4 Direkoraat Korporatiewe Dienste / Directorate Corporate Services

8.4.1 Council's representatives on outside bodies Raad se verteenwoordigers op buite-organisasies (3/1/1/5)

A list of outside bodies for which Council must appoint representatives, is attached as **annexure 8.4.1**.

Council unanimously resolved on 23 February 2022 that the matter in respect of Council's representatives on outside bodies be held in abeyance until the next meeting and that all political parties submit their members' names for the respective bodies.

UNANIMOUSLY RESOLVED

that the list of Council's representatives on outside bodies, as decided at the workshop and attached as annexure 8.4.1, be accepted.

EENPARIG BESLUIT

dat die lys van die Raad se verteenwoordigers op buite-organisasies, soos besluit by die werkwinkel en aangeheg as bylae 8.4.1, aanvaar word.

9. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA

None

NOTED

10. FORMAL AND STATUTORY MATTERS

10.1 Feedback on matters of outside bodies (3/R)

None

NOTED

11. QUESTIONS and/or MATTERS RAISED by COUNCILLORS

11.1 Progress report on restoration of Nduli Library and upgrade of Polocrosse Hall, Nduli, Ceres (17/6/2 & 17/8/2)

The following documents are attached:

- (a) Letter from Councillor A Gili, dated 14 March 2022: **Annexure 11.1(a).**
- (b) Memorandum from the Municipal Manager, dated 30 March 2022: **Annexure 11.1(b).**

UNANIMOUSLY RESOLVED

- (a) *that the Municipal Manager tries to obtain an agreement with regard to the restoration of the Nduli Library between Witzenberg Municipality and the Provincial Department for libraries.*
- (b) *that the Municipal Manager tries to obtain a building to temporarily serve as a library for Nduli.*

EENPARIG BESLUIT

- (a) *dat die Munisipale Bestuurder poog om 'n ooreenkoms met die Provinsiale Departement vir biblioteke te sluit ten opsigte van die restourasie van die Nduli Biblioteek.*
- (b) *dat die Munisipale Bestuurder poog om 'n gebou te bekom wat tydelik as 'n biblioteek vir Nduli gebruik kan word.*

11.2 Various questions to Executive Mayor (3/R)

A letter from Councillor A Gili, dated 23 March 2022, is attached as **annexure 11.2.**

UNANIMOUSLY RESOLVED

that the matter in respect of various questions to the Executive Mayor be held in abeyance until the next meeting.

EENPARIG BESLUIT

dat die aangeleentheid rakende verskeie vrae aan die Uitvoerende Burgemeester tot die volgende vergadering oorstaan.

11.3 Letter of complaint on Public Participation Process in drafting of Council's Reviewed IDP and Budget 2022/2023 (5/1/1/21; 2/2/1)

The following documents are attached:

- (a) Letter from Ward Councillors J Zalie and A Gili, dated 15 March 2022: **Annexure 11.3(a).**
- (b) Memorandum from the Municipal Manager, dated 30 March 2022: **Annexure 11.3(b).**

UNANIMOUSLY RESOLVED

that the matter in respect of the letter of complaint on the Public Participation Process in drafting of Council's Reviewed IDP and Budget for 2022/2023 be held in abeyance until the next meeting.

EENPARIG BESLUIT

dat die klagbrief rakende die Publieke Deelnameproses tydens die opstel van die Raad se Hersiene Geïntegreerde Ontwikkelingsplan en Begroting vir 2022/2023 tot die volgende vergadering oorstaan.

11.4 Complaint against Witzenberg Municipality: Non-compliance of Private Security Industry Regulation Act (Act 56 of 2001) (17/7/5)

The following documents are attached:

- (a) Letter from Mr Jimmy van Wyk that was emailed to the Speaker: **Annexure 11.4(a).**
- (b) Memorandum from the Municipal Manager, dated 30 March 2022: **Annexure 11.4(b).**

UNANIMOUSLY RESOLVED

that the matter in respect of the complaint against Witzenberg Municipality's non-compliance of the Private Security Industry Regulation Act (Act 56 of 2001) be held in abeyance until the next meeting.

EENPARIG BESLUIT

dat die aangeleentheid ten opsigte van die klagte teen Munisipaliteit Witzenberg vir die nie-nakoming van die Wet op die Regulering van die Privaat Sekuriteitsbedryf (Wet 56 van 2001) tot die volgende vergadering oorstaan.

12. ADJOURNMENT

The meeting adjourned at 15:20.

Approved on _____ with / without amendments.

COUNCILLOR JS MOUTON
SPEAKER

/MJ Prins

MINUTES OF THE SPECIAL COUNCIL MEETING OF WITZENBERG MUNICIPALITY, HELD IN THE TOWN HALL, VOORTREKKER STREET, CERES ON THURSDAY, 7 APRIL 2022 AT 09:00

PRESENT

Councillors

Councillor JS Mouton (Speaker) (ANC)
Alderman HJ Smit (Executive Mayor) (DA)
Councillor FE Klazen (Deputy Executive Mayor) (GOOD)
Councillor S de Bruin (DA)
Councillor GJ Franse (DA)
Councillor EM Sidego (DA)
Councillor D Swart (DA)
Alderman JJ Visagie (DA)
Councillor AL Gili (ANC)
Councillor N Nogcinisa (ANC)
Councillor N Phatsoane (ANC)
Councillor K Yisa (ANC)
Councillor J Zalie (ANC)
Councillor J Cloete (PA)
Councillor LA Hardnek (Witzenberg Party)
Councillor GG Laban (Witzenberg Aksie)
Councillor IL Swartz (EFF)

Officials

Mr D Nasson (Municipal Manager)
Mr HJ Kritzinger (Director: Finance)
Mr J Barnard (Director: Technical Services)
Mr M Mpeluza (Director: Corporate Services)
Mr P van den Heever (Senior Manager: Electro-Technical Services)
Ms L Nieuwenhuis (Manager: Legal Services)
Ms R Hendricks (Manager: Communication and Marketing)
Mr CG Wessels (Manager: Administration)
Ms M Arendse-Smith (Chief Administrative Officer)
Mr C Titus (Committee Clerk)
Mr R Rhode (ICT Administrator)
Mr J Pieterse (Senior ICT Officer)

Other representatives

Mr Donald Matheson (Lotus Bakeries South Africa)

1. OPENING AND WELCOME / OPENING EN VERWELKOMING

The Speaker welcomed everyone present, especially Mr Donald Matheson of Messrs Lotus SA Bakeries, after which she requested Pastor Pieter Swartz to open the meeting with a prayer.

NOTED

2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION

2.1 Consideration of application for leave of absence, if any
Aansoeke om verlof tot afwesigheid, indien enige
(3/1/2/1)

Applications for leave of absence from the meeting were received from Aldermen K Adams, BC Klaasen and Councillors MJ Ndaba and JP Fredericks.

The Speaker rendered, on behalf of Councillor P Heradien, an apology due to the short notice for the Special Council meeting.

UNANIMOUSLY RESOLVED

that the applications for leave of absence from the meeting, received from Aldermen K Adams and BC Klaasen and Councillors MJ Ndaba, JP Fredericks and an apology rendered by Speaker on behalf of Councillor P Heradien due to short notice of the meeting be approved and accepted.

EENPARIG BESLUIT

dat die aansoeke om verlof tot afwesigheid van die vergadering, ontvang vanaf Raadshere K Adams en BC Klaasen en Raadslede MJ Ndaba, JP Fredericks en 'n verskoning aangebied deur die Speaker namens Raadslid P Heradien weens die kort kennisgewing van die vergadering goedgekeur en aanvaar word.

2.2 Confidentiality and Conflict of Interest Declaration
Vertroulikheid en Botsing van Belange Verklaring
(3/2/1)

The Confidentiality and Conflict of Interest Declaration is attached as **annexure 2.2**.

The Confidentiality and Conflict of Interest Declaration was duly signed by all Councillors.

NOTED

3. RESERVED POWERS / GERESERVEERDE BEVOEGDHEDE

3.1 Lotus: Load lopping: Electrical energy network limitations (16/3/4/1)

A memorandum from the Senior Manager: Electro-Technical Services, dated 3 March 2022, with annexures, is attached as **annexure 3.1(a)**.

Mr Donald Matheson of Messrs Lotus SA Bakeries made a presentation in respect of the Lotus: Load lopping: Electrical energy network limitations, which is attached as **annexure 3.1(b)**.

Council enquired with regard to various matters on which Mr Matheson provided clarity to the satisfaction of Council.

UNANIMOUSLY RESOLVED

- (a) that Council approves the principle of 'load lopping' (load shaving) in the case of the Lotus development which enlists the use Photo Voltaic / Battery Storage / Diesel generators to overcome the shortage of electrical capacity due to the Eskom constraints.*
- (b) that the Developer be allowed to generate his own supplemental power until such time that Eskom can provide the municipality with increased capacity.*
- (c) that the Developer notes the fact that Eskom currently has no plans on the table for the foreseeable future for the increased capacity of Wolseley's Notified Maximum Demand.*
- (d) The developer will be required, at own cost, to install a suitable real time PLC controller and related equipment, set to the satisfaction of the Director: Technical Services, which will ensure that the Lotus development stays out of Witzenberg's Notified Maximum Demand as stipulated by Eskom.*
- (e) The Developer will be required to provide monthly reports confirming the municipal load versus Lotus supplemental load as proof that the load lopping is indeed operating as envisioned.*
- (f) that should the load lopping (load shaving) equipment fail and it can be shown that it has resulted in the exceedance of the Notified Maximum Demand, then Lotus will be responsible for any penalties that Eskom applies to the municipality.*
- (g) The Developer undertakes to perform reasonable upgrades, at own cost (estimated R4 million) , to the municipal network of Wolseley in order to ensure that once Eskom is able to supply an increased Notified Maximum Demand that the network will be able to carry the additional requested 1 MVA capacity.*

4. ADJOURNMENT / VERDAGING

The meeting adjourned at 10:20.

Approved on _____ with / without amendments.

COUNCILLOR JS MOUTON
SPEAKER

/MJ Prins

MINUTES OF THE SPECIAL COUNCIL MEETING OF WITZENBERG MUNICIPALITY, HELD IN THE TOWN HALL, VOORTREKKER STREET, CERES ON THURSDAY, 14 APRIL 2022 AT 09:00

PRESENT

Councillors

Councillor JS Mouton (Speaker) (ANC)
Alderman HJ Smit (Executive Mayor) (DA)
Councillor FE Klazen (Deputy Executive Mayor) (GOOD)
Alderman K Adams (DA)
Councillor S de Bruin (DA)
Councillor GJ Franse (DA)
Alderman BC Klaasen (DA)
Councillor EM Sidego (DA)
Councillor D Swart (DA)
Alderman JJ Visagie (DA)
Councillor AL Gili (ANC)
Councillor MJ Ndaba (ANC)
Councillor N Nogcinisa (ANC)
Councillor N Phatsoane (ANC)
Councillor K Yisa (ANC)
Councillor J Zalie (ANC)
Councillor J Cloete (PA)
Councillor JP Fredericks (FFP)
Councillor LA Hardnek (Witzenberg Party)
Councillor P Heradien (ICOSA)
Councillor GG Laban (Witzenberg Aksie)
Councillor IL Swartz (EFF)

Officials

Mr D Nasson (Municipal Manager)
Mr HJ Kritzinger (Director: Finance)
Ms L Nieuwenhuis (Manager: Legal Services)
Mr A Hofmeester (Manager: IDP)
Mr CG Wessels (Manager: Administration)
Ms R Hendricks (Manager: Communication and Marketing)
Ms M Arendse-Smith (Chief Administrative Officer)
Mr C Titus (Committee Clerk)
Mr R Rhode (ICT Administrator)
Mr J Pieterse (Senior ICT Officer)

1. OPENING AND WELCOME / OPENING EN VERWELKOMING

The Speaker welcomed everyone at the meeting after which she requested Pastor Pieter Swartz to open the meeting with a prayer.

The Speaker announced that the National Minister for Communication, Minister Khumbudzo Ntshavheni, will visit the Witzenberg Municipality on 19 April 2022. The visit is in respect with the analog switch in the Witzenberg area.

The Speaker announced that the Department of Labour will hold a meeting with regard to foreign labourers in the Town Hall, Voortrekker Street, Ceres on 5 May 2022. Councillors are invited and must respond before the end of day.

NOTED

2. LEAVE OF ABSENCE AND CONFIDENTIALITY AND CONFLICT OF INTEREST DECLARATION

2.1 Consideration of application for leave of absence, if any
Aansoeke om verlof tot afwesigheid, indien enige
(3/1/2/1)

An application for leave of absence from the meeting was received from Councillor J Fredericks due to medical reasons.

UNANIMOUSLY RESOLVED

that the applicatioin for leave of absence from the meeting, received from Councillor JP Fredericks, be approved and accepted.

EENPARIG BESLUIT

dat die aansoek om verlof tot afwesigheid van die vergadering, ontvang vanaf Raadslid JP Fredericks, goedgekeur en aanvaar word.

2.2 Confidentiality and Conflict of Interest Declaration
Vertroulikheid en Botsing van Belange Verklaring
(3/2/1)

The Confidentiality and Conflict of Interest Declaration is attached as **annexure 2.2**.

The Confidentiality and Conflict of Interest Declaration was duly signed by all Councillors.

NOTED

3. RESERVED POWERS / GERESERVEERDE BEVOEGDHEDE

3.1 Establishment of ward committees (3/3/1/5)

A memorandum from the Manager: IDP, dated 8 April 2022, is attached as **annexure 3.1**.

Councillor P Heradien requested that it be recorded that he is not in agreement with approval of the matter due to favouritism of a specific political party.

The ANC coalition requested a caucus break from 09:20 until 09:46 in order to obtain clarity in respect of the establishment of Ward Committees.

After the caucus break the ANC coalition requested that it be recorded that in respect of Ward 11 only people from Tulbagh had attended the meeting and that the Pine Valley part was absent. Only one political party was in attendance.

RESOLVED

- (a) that notice be taken of the nominees for the ward committees being made and that same be accepted.*
- (b) that the Speaker be mandated to engage with the Ward Councillors on the filling of the vacant positions in a ward where no nominees were made.*

BESLUIT

- (a) dat kennis geneem word van die nominasies vir die wykskomitees en dat genoemde aanvaar word.*
- (b) dat volmag aan die Speaker verleen word om met die Wyksraadslede in gesprek te tree oor die vulling van die vakante poste in 'n wyk waar geen nominasies ontvang is nie.*

3.2 Finance: Budget 2022/2023: Notification on change to the proposed increase in electricity tariffs (5/1/1/21)

A memorandum from the Director: Finance, dated 11 April 2022, is attached as **annexure 3.2**.

The Municipal Manager mentioned that the decrease is only applicable on municipal customers and that ESKOM is responsible for their own customers. The financial impact of the decrease will be addressed in the final budget.

UNANIMOUSLY RESOLVED

that notice be taken that the request for the tariff increase to customers will be reduced by 2.75 % .

EENPARIG BESLUIT

dat kennis geneem word dat die versoek vir die tariefverhoging aan klante met 2.75 % verminder sal word.

4. COUNCIL-in-COMMITTEE

MINUTES OF THE MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE OF WITZENBERG MUNICIPALITY HELD IN THE TOWN HALL, VOORTREKKER STREET, CERES ON 28 APRIL 2021 AT 10h00.

PRESENT

Councillor DM Jacobs (EFF) (Chairperson)
Alderman JW Schuurman (ANC)
Councillor C Lottering (DA)
Councillor G Laban (WA)

Municipal Officials

Mr D Nasson (Municipal Manager)
Mr HJ Kritzinger (Director: Finance)
Mr M Mpeluza (Director: Corporate Services)
Mr J Swanepoel (Manager: Projects and Performance)
Mr C Wessels (Manager: Administration)
Ms M Arendse-Smith (Chief Administrative Officer)
Mr C Titus (Committee Clerk)

1. OPENING AND WELCOME

The Chairperson opened the meeting, welcomed everyone present and request thereafter Councillor C. Lottering to open the meeting with a prayer.

NOTED

**2. CONSIDERATION OF APPLICATION FOR LEAVE OF ABSENCE, IF ANY
(3/1/2/1)**

An application for leave for absence from the meeting was received from Councillor P. Heradien.

An apology for absence from the meeting was received from the Head: Internal Audit.

RESOLVED

- (a) *that the application for leave of absence from the meeting received from Councillor P. Heradien be approved and accepted.*
- (b) *that the apology for leave of absence from the meeting received from the Head: Internal Audit be accepted.*

3. MINUTES

3.1 Matters / Corrections from the minutes
Aangeleenthede / Regstellings van die notules
(3/1/2/3)

None / Geen

NOTED / AANGETEKEN

3.2 Approval of minutes / Goedkeuring van notule
(03/1/2/3)

The following minutes are attached:

- (a) Meeting of the Committee for Municipal Public Accounts Committee, held on 5 November 2020:
Annexure 3.2(a).
- (b) Meeting of the Committee for Municipal Public Accounts Committee, held on 19 March 2021:
Annexure 3.2(b).

RESOLVED

that the following minutes be approved and signed by the Chairperson:

- (i) *Meeting of the Committee for Municipal Public Accounts Committee, held on 5 November 2020.*
- (ii) *Meeting of the Committee for Municipal Public Accounts Committee, held on 9 March 2021.*

Die volgende notules word aangeheg:

- (a) Vergadering van die Komitee vir Munisipale Publieke Rekeninge Komitee, gehou op 5 November 2020: **Bylae 3.2(a).**
- (b) Vergadering van die Komitee vir Munisipale Publieke Rekeninge Komitee, gehou op 19 Maart 2021: **Bylae 3.2(b).**

BESLUIT

dat die volgende notules goedgekeur en deur die Voorsitter onderteken word.

- (i) *Vergadering van die Komitee vir Munisipale Publieke Rekeninge Komitee, gehou op 5 November 2020.*
- (ii) *Vergadering van die Komitee vir Munisipale Publieke Rekeninge Komitee, gehou op 19 Maart 2021.*

**3.3 Outstanding matters / Uitstaande sake
(3/3/2)**

None / Geen

NOTED / AANGETEKEN

**4. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED BY THE CHAIRPERSON /
VERKLARINGS, MEDEDELINGS OF SAKE INGEDIEN DEUR DIE VOORSITTER**

The Chairperson mentioned his gratitude for the first contact / physical meeting of the Municipal Public Accounts Committee since February 2020 due to COVID-19 impact.

NOTED

5. INTERVIEWS WITH DELEGATIONS / ONDERHOUDE MET AFGEVAARDIGDES

None / Geen

NOTED / AANGETEKEN

6. DELEGATED POWERS / GEDELEGEERDE MAGTE

None / Geen

NOTED / AANGETEKEN

7. RESERVED POWERS / GERESERVEERDE BEVOEGDHEDE

**7.1 Quarterly report of Mayor on implementation of budget and state of affairs of municipality /
SDBIP: Section 52(d) / Kwartaalike Begrotingsverslae van Uitvoerende Burgemeester op
implementering van begroting en state van die munisipaliteit / SDBIP: Seksie 52(d)
(9/1/2/2)**

The Quarterly Budget Statement [Section 52(d)] Report for the third quarter of 2020/2021 for the period 1 January 2021 to 31 March 2021, received from the Director: Financial Services is attached as **annexure 7.1**.

The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP [MFMA s17(3)(b)]. The accounting officer must include these objectives in the annual report and report on performance accordingly.

Frequency: Quarterly

Minutes: Municipal Public Accounts Committee
Notule: Munisipale Publieke Rekeninge Komitee
28 April 2021

The Director: Finance tabled the Quarterly Budget Statement [Section 52(d)] report for the Third Quarter of 2020/2021 (1 January 2021 until 31 March 2021). The following were highlighted:

- TechEI137: that the electrification of meter processes are in progress in Nduli. Approximately 600 persons are paying for the services and about 30 meters are installed per day. The project will move thereafter to Pine Valley, Wolseley due to a lack of manpower. The backyard dwellers in particular are very happy with this method.
- FinAdm11: Financial viability expressed outstanding debtors. Still struggling with communities to pick up the payment process due to COVID-19. Public meetings were held and people come to the offices for arrangements.
- ComHS15: Numbering of rental stock transferred:

Struggling with the low target to the Deeds Office. Matter outside control of the municipality. People also slow to come to the municipal offices.

RESOLVED

To recommend to Council:

- (a) *that the matter in respect of the Island Resort and Klip River Park Resort be placed before Council for deliberation and any actions deemed necessary.*
- (b) *that the Quarterly Report of Mayor on implementation of budget and state of affairs of municipality / SDBIP: Section 52(d) for the Third Quarter of 2020/2021 (1 January 2021 until 31 March 2021) be approved and accepted.*

**7.2 Annual Report and Financial Statements: 2019/2020
(9/01/1)**

The MFMA section 129(1) states that:

“The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality’s sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council’s comments on the annual report, which must include a statement whether the council—

- (a) *has approved the annual report with or without reservations;*
- (b) *has rejected the annual report; or*
- (c) *has referred the annual report back for revision of those components that can be revised.”*

In terms of the MPAC Charter, approved on 10 December 2014, Council has mandated MPAC to perform an oversight function on behalf of Council.

Minutes: Municipal Public Accounts Committee
Notule: Munisipale Publieke Rekeninge Komitee
28 April 2021

The following documents are attached:

- (a) The 2019/2020 Annual Report Oversight Check List: **Annexure 7.2(a)**.
- (b) Annual Report 2019/2020: **Annexure 7.2(b)**.

The only public comment in the Witzenberg Annual Report 2019/2020 was received from Mr Vic Coetzee. The Municipal Public Accounts Committee duly noted the comments and decided that Mr Vic Coetzee be invited to attend a meeting of MPAC to clarify and explain the accusations.

RESOLVED

- (a) *that the Municipal Public Accounts Committee duly noted the public comments on the Witzenberg Annual Report 2019/2020 by Mr Vic Coetzee.*
- (b) *that Mr Vic Coetzee be invited to attend a meeting of Municipal Public Accounts Committee to clarify and explain the accusations.*
- (c) *To recommend to Council:*

Having fully considered the 2019/2020 Annual Report of the Witzenberg Municipality it is recommended that Council adopts the 2019/2020 Oversight Report and approves the 2019/2020 Annual Report without reservations.

8. ADJOURNMENT

The meeting adjourned at 14:30.

Approved on _____

COUNCILLOR / VOORSITTER MD JACOBS
CHAIRPERSON / VOORSITTER

/wr

MINUTES OF THE MEETING OF THE COMMITTEE FOR HOUSING MATTERS OF WITZENBERG MUNICIPALITY, HELD IN THE COUNCIL CHAMBERS, MUNICIPAL OFFICES, 50 VOORTREKKER STREET, CERES ON THURSDAY, 26 AUGUST 2021 AT 10:00

NOTULE VAN DIE VERGADERING VAN DIE KOMITEE VIR BEHUISINGSAANGELEENTHEDE VAN DIE MUNISIPALITEIT WITZENBERG, GEHOU OP DONDERDAG, 26 AUGUSTUS 2021 OM 10:00 IN DIE RAADSAAL, MUNISIPALE KANTORE, VOORTREKKERSTRAAT 50, CERES

PRESENT / TEENWOORDIG

Committee Members / Komiteelede

Councillor / Raadslid E Sidego (Chairperson / Voorsitter) (DA)
Alderlady / Raadsdame JT Phungula (ANC)
Councillor / Raadslid ZS Mzauziwa-Mdishwa (DA)

Non-Committee Member / Nie-Komiteelid

Councillor / Raadslid N Phatsoane (ANC)

Officials

Ms / Me C Mackenzie (Manager: Housing / Bestuurder: Behuising)
Mr / Mnr C Titus (Committee Clerk / Komiteeklerk)
Ms / Me W Roode (Word Processor Operator / Woordverwerker Operateur)

1. OPENING AND WELCOME / OPENING EN VERWELKOMING

The Chairperson welcomed everyone present and requested Councillor N Phatsoane to open the meeting with prayer.

NOTED / AANGETEKEN

2. CONSIDERATION OF APPLICATION FOR LEAVE OF ABSENCE, IF ANY / OORWEGING VAN AANSOEKE OM VERLOF TOT AFWESIGHEID, INDIEN ENIGE (3/1/2/1)

Apologies for absence from the meeting were received from the Municipal Manager, Manager: Administration and Chief Administrative Officer.

Verskonings vir afwesigheid van die vergadering is vanaf die Munisipale Bestuurder, Bestuurder: Administrasie en Senior Administratiewe Beampste ontvang.

RESOLVED

that notice be taken of the apologies for absence from the meeting, received from the Municipal Manager, Manager: Administration and Chief Administrative Officer.

BESLUIT

dat kennis geneem word van die verskonings vir afwesigheid van die vergadering, ontvang vanaf die Munisipale Bestuurder, Bestuurder: Administrasie en Senior Administratiewe Beampste.

3. NOTULES

3.1 Matters from / Corrections to the minutes

Corrections to item 3.1 of minutes of 10 August 2021

Amend the paragraph that reads:

“(c) that provision be made for one hundred and forty (140) serviced sites and that preference be given to the Mooibloom residents due to planned development and building of top structures.”

to read

“(c) that provision be made for serviced sites and that preference be given to the Mooibloom residents due to planned development and building of top structures.”

NOTED

3.2 Approval of minutes / Goedkeuring van notule (3/1/2/3)

The minutes of the meeting of the Committee for Housing Matters, held on 10 August 2021, are attached as **annexure 3.2**.

Die notule van die vergadering van die Komitee vir Behuisingsaangeleenthede, gehou op 10 Augustus 2021, word ingebind as **bylae 3.2**.

RESOLVED

that the minutes of the meeting of the Committee for Housing Matters held on 10 August 2021, as amended, be approved and signed by the Chairperson.

BESLUIT

dat die notule van die vergadering van die Komitee vir Behuisingsaangeleenthede gehou op 10 Augustus 2021, soos gewysig, goedgekeur en deur die Voorsitter onderteken word.

3.3 Outstanding matters / Uitstaande sake (3/3/2)

Leër Verwysing snommer / File Ref. Nr.	Item nommer en datum van vergadering / Item nr. and date of meeting	Onderwerp van item / Title of item	Besluit / Resolution	Verantwoordelikheid / Responsibility	Target dat / Teiken datum
3.3.2	3.3 of 09 March 2021 3.3 of 10 June 2021 3.3 of 24 June 2021 3.3 of 10 August 2021	Outstanding matters	(a) that notice is taken of the feedback from the Senior Housing Officer in respect of the erection of the notice boards along the river in Olifant Street in Tulbagh.	Senior Housing Officer	30 September 2021

			(b) that the matter in respect of (a) above, be held in abeyance until a later stage.		
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RESOLVED

that notice be taken of the outstanding matter.

BESLUIT

dat kennis geneem word van die uitstaande saak.

4. STATEMENTS, ANNOUNCEMENTS OR MATTERS RAISED BY CHAIRPERSON / VERKLARINGS, MEDEDELINGS OF SAKE INGEDIEN DEUR DIE VOORSITTER

The Chairperson reminded the Committee that the meeting between the military veterans, Committee for Housing Matters and the Department of Human Settlement: Western Cape will be held in the Town Hall, Voortrekker Street, Ceres after the meeting.

NOTED

5. INTERVIEWS WITH DELEGATIONS / ONDERHOUDE MET AFGEVAARDIGDES

None / Geen

NOTED / AANGETEKEN

6. GEDELEGEERDE BEVOEGDHEDE / DELEGATED POWERS

6.1 Monthly report of the Section Housing: July 2021 / Maandverslag van die Afdeling Behuising: Julie 2021 (9/1/2/4)

The monthly report of the Section Housing for July 2021 is attached as **annexure 6.1**.

Die maandverslag van die Afdeling Behuising vir Julie 2021 word aangeheg as **bylae 6.1**.

RESOLVED

that the Committee for Housing Matters, after consideration, takes notice of the content of the monthly report of the Section Housing for July 2021 and same be accepted.

BESLUIT

dat die Komitee vir Behuisingsaangeleenthede, na oorweging, kennis neem van die inhoud van die maandverslag van die Afdeling Behuising vir Julie 2021 en dat die verslag aanvaar word.

**6.2 Risk Management 2020/2021: Risk Management Report: Department Housing
Risikobestuur 2020/2021: Risikobestuursverslag: Departement Behuising
(2/12/1)**

This is a quarterly item on the agenda / Hierdie is 'n kwartaallikse item op die agenda.

None / Geen

NOTED / AANGETEKEN

7. RESERVED POWERS / GERESERVEERDE BEVOEGDHEDE

None / Geen

NOTED / AANGETEKEN

**8. URGENT MATTERS SUBMITTED AFTER DISPATCHING OF THE AGENDA / DRINGENDE SAKE
NA AFSENDING VAN DIE AGENDA**

None / Geen

NOTED / AANGETEKEN

**9. COMMITTEE FOR HOUSING MATTERS-IN-COMMITTEE / KOMITEE VIR
BEHUISINGSAANGELEENTHEDE-IN-KOMITEE**

Report of the auditor-general to the Western Cape Provincial Parliament and the council on the Witzenberg Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Witzenberg Municipality set out on pages 3 to 73, which comprise the appropriation statement, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Witzenberg Municipality as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 4 of 2020 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2020 have been restated as a result of errors discovered during 2020-21 in the financial statements of the municipality for the year ended 30 June 2020.

Material losses / impairments

8. As disclosed in note 3 to the financial statements, the municipality has provided for an impairment of R214,2 million (2019-20: R171,3 million) on receivables from exchange transactions amounting to R285,3 million (2019-20: R237,3 million).
9. As disclosed in note 4 to the financial statements, the municipality has provided for an impairment of R47,1 million (2019-20: R50,2 million) on receivables from non-exchange transactions amounting to R58,1 million (2019-20: R62,8 million). This impairment was made after an amount of R14,4 million (2019-20: R27,7 million) had been written off.

Other matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary information

11. The supplementary information set out on pages 74 to 78 of the financial statements does not form part of the financial statements and is presented as additional information. I have not audited this information and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators / measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the municipality's annual performance report for the year ended 30 June 2021:

Strategic objectives	Pages in the annual performance report
Strategic objective – essential services	11

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and

related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21. I did not raise any material findings on the usefulness and reliability of the reported performance information for this strategic objective.

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on pages 14 to 15 for information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I have nothing to report in this regard.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
31. I did not identify any significant deficiencies in internal control.

Auditor - General.

Cape Town

11 February 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

2021



Annual Financial Statements

30 June 2021



31/08/2021

WC022 – WITZENBERG MUNICIPALITY

AUDITED - Trim ref 05/03/1



AUDITOR - GENERAL
SOUTH AFRICA

Johan Jansen van Rensburg - 11 February 2022

WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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WITZENBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GENERAL INFORMATION

NATURE OF BUSINESS

Witzenberg Municipality is a local municipality performing the functions as set out in Part B of Schedules 4 & 5 of the Constitution of the Republic of South Africa. (Act No. 108 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Witzenberg Municipality includes the following areas:

Ceres

Op-die-Berg

Prince Alfred's Hamlet

Tulbagh

Wolseley

MUNICIPAL MANAGER

D Nasson

CHIEF FINANCIAL OFFICER

HJ Kritzinger

REGISTERED OFFICE

50 Voortrekker Street, Ceres, 6835

AUDITORS

Auditor-General South Africa

PRINCIPAL BANKERS

ABSA Bank

Standard Bank, Ceres

First National Bank

RELEVANT LEGISLATION

The Constitution of the Republic of South Africa

Municipal Finance Management Act (Act no 56 of 2003)

Division of Revenue Act

The Income Tax Act

Value Added Tax Act (Act no 89 of 1991)

Municipal Structures Act (Act no 117 of 1998)

Municipal Systems Act (Act no 32 of 2000)

Municipal Systems Amendment Act (Act no 7 of 2011)

Municipal Planning and Performance Management Regulations

Water Services Act (Act no 108 of 1997)

Housing Act (Act no 107 of 1997)

Municipal Property Rates Act (Act no 6 of 2004), as amended

Electricity Act (Act no 41 of 1987)

Skills Development Levies Act (Act no 9 of 1999)

Employment Equity Act (Act no 55 of 1998)

Unemployment Insurance Act (Act no 30 of 1966)

Basic Conditions of Employment Act (Act no 75 of 1997)

Supply Chain Management Regulations, 2005

Collective Agreements

Municipal Regulations on Standard Chart of Accounts

Municipal Budget and Reporting Regulations

SALBC Leave Regulations

Remuneration of Public Office Bearers Act

Workman's Compensation Act

WITZENBERG MUNICIPALITY

COUNCILLORS OF THE WITZENBERG MUNICIPALITY

Position	Surname	Party	Seat type
Executive Mayor	Klaasen, BC	DA	PR
Deputy Executive Mayor	Adams, K	DA	Ward 6
Speaker	Godden, TT	COPE	PR
Member of Mayoral Committee	Sidego, EM	DA	Ward 11
Member of Mayoral Committee	Alderman Smit, HJ	DA	Ward 5
Member of Mayoral Committee	Visagie, JJ	DA	Ward 4
Member of Mayoral Committee	Abrahams, T	DA	PR
Ordinary Councillor	Kinnear, D	DA	PR
Ordinary Councillor	Laban, G	WA	PR
Ordinary Councillor	Alderman Schuurman, J W	ANC	PR
Ordinary Councillor	Phungula, JT	ANC	PR
Ordinary Councillor	Jacobs, DM	EFF	PR
Ordinary Councillor	Herandien, P	ICOSA	PR
Ordinary Councillor	Simpson, RJ	ANC	PR
Ordinary Councillor	Mzauziwa, Z	DA	PR
Ordinary Councillor	Phatsoane, N	ANC	Ward 1
Ordinary Councillor	Lottering, C	DA	Ward 2
Ordinary Councillor	Swart, D	DA	Ward 3
Ordinary Councillor	Daniels, P	DA	Ward 7
Ordinary Councillor	Visagie, H	ANC	Ward 8
Ordinary Councillor	MJ Ndaba	ANC	Ward 9
Ordinary Councillor	Mgoboza, TP	ANC	Ward 10
Ordinary Councillor	Mdala, M	ANC	Ward 12

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in the notes of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.


D/NASSON
Accounting Officer


Date

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2021 R	Restated 2020 R
ASSETS			
Current Assets			
		217 175 290	229 357 559
Cash and Cash Equivalents	2	115 305 213	130 394 398
Trade and other Receivables from Exchange Transactions	3	71 504 141	66 383 889
Receivables from non-exchange transactions	4	11 026 109	12 649 904
Inventory	5	9 963 092	11 601 511
Unpaid Conditional Government Grants and Receipts	6	2 172 368	3 638 977
Statutory Receivables: VAT	7	7 204 367	4 688 880
Non-Current Assets			
		1 028 192 919	944 425 351
Property, Plant and Equipment	8	982 159 084	897 723 531
Intangible Assets	9	1 260 288	1 647 247
Investment Property	10	44 223 547	44 504 573
Heritage assets	11	550 000	550 000
Total Assets		1 245 368 209	1 173 782 910
LIABILITIES			
Current Liabilities			
		125 749 321	143 199 791
Trade and Other Payables Exchange Transactions	12	58 574 828	53 747 398
Consumer Deposits	13	9 079 732	8 310 276
Current Employee benefits	14	27 825 286	26 673 944
Unspent Conditional Government Grants and Receipts	6	24 703 606	48 496 815
Unspent Public Contributions	15	3 979 250	4 003 573
Current Portion of Borrowings	16	1 586 619	1 967 785
Non-Current Liabilities			
		175 032 060	115 137 713
Borrowings	16	1 188 302	2 619 817
Non-Current Provisions	17	102 375 838	50 889 138
Employee benefits	18	71 467 920	61 628 758
Total Liabilities		300 781 381	258 337 504
Net Assets			
		944 586 828	915 445 406
Capital Replacement Reserve	19	10 442 209	10 617 534
Accumulated Surplus		934 144 619	904 827 872
Total Net Assets and Liabilities		1 245 368 209	1 173 782 910

WITZENBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/2021 (Actual) R	2019/2020 (Restated) R	2019/2020 Correction of error R	2019/2020 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions					
Taxation Revenue		81 202 719	75 610 819	-	75 610 819
Property rates	20	80 775 118	73 593 785	-	73 593 785
Property Rates - penalties imposed and collection charges		427 601	2 017 034	-	2 017 034
Transfer Revenue		200 717 770	172 717 628	4 733 666	167 983 962
Fines, Penalties and Forfeits		11 593 392	22 148 587	2 494 500	19 654 087
Licences or Permits		1 065 472	1 042 183	-	1 042 183
Surcharges and Taxes		4 047 146	2 299 997	15 430	2 284 567
Government Grants and Subsidies - Capital	21	52 101 858	15 568 796	2 126 536	13 442 260
Government Grants and Subsidies - Operating	21	131 051 159	131 111 319	97 200	131 014 119
Public Contributions and Donations		858 743	546 746	-	546 746
Revenue from Exchange Transactions		394 402 776	383 255 731	6 672 722	376 583 009
Service Charges	22	376 201 066	352 555 694	6 379 949	346 175 745
Rental from Fixed Assets		1 606 130	3 877 756	(27 297)	3 905 053
Interest earned - External investments		3 078 053	7 445 685	-	7 445 685
Interest Income on Overdue Accounts		5 141 944	8 498 061	-	8 498 061
Agency Services	23	4 353 776	3 477 358	-	3 477 358
Operational Revenue	24	410 884	2 130 516	324 070	1 806 446
Sales of Goods and Rendering of services	25	3 610 923	5 270 661	(4 000)	5 274 661
Total Revenue		676 323 265	631 584 178	11 406 388	620 177 790
EXPENDITURE					
Employee related costs	26	191 681 705	185 323 268	265 158	185 058 110
Remuneration of Councillors	27	10 583 028	10 604 088	-	10 604 088
Impairment	28	34 865 297	50 522 366	1 101 950	49 420 416
Inventory Consumed		12 584 154	14 298 919	104 907	14 194 012
Depreciation and Amortisation	29	32 581 220	33 870 503	1 138 245	32 732 258
Finance Charges	30	10 016 942	14 621 685	2 126	14 619 559
Bulk Purchases	31	239 632 251	221 831 359	9 340	221 822 019
Contracted Services	32	51 747 585	44 653 454	624 335	44 029 119
Transfers and Subsidies: Operational Expenditure	33	6 534 267	1 494 563	-	1 494 563
Construction Cost		-	23 982 171	-	23 982 171
Operational Cost	34	34 632 352	33 219 123	144 281	33 074 842
Rent on Land		37 976	35 492	-	35 492
Operating Leases	35	895 211	797 612	-	797 612
Bad Debts Written Off		17 560 944	14 187 058	-	14 187 058
Total Expenditure		643 352 932	649 441 661	3 390 342	646 051 319
Gain / (loss) on disposal of assets		(66 047)	(497 290)	(23 120)	(474 170)
(Impairment loss) / Reversal of impairment loss	36	(649 494)	-	-	-
Gain / (loss) on Adjustment of Provision		2 204 355	37 138 937	3 243	37 135 694
Inventories: (Write-down) / Reversal of write-down		-	52	-	52
Gain / (loss) on Actuarial Valuations	18	(5 317 725)	8 557 961	-	8 557 961
NET SURPLUS / (LOSS) FOR THE YEAR		29 141 422	27 342 177	7 996 169	19 346 008

WITZENBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Capital Replacement Reserve	Accumulated Surplus/(Deficit)	Total
		R	R	R
Balance at 1 JULY 2019		10 354 788	877 240 797	887 595 585
Correction of error	37.13	-	507 644	507 644
Restated Balance at 1 JULY 2019		10 354 788	877 748 441	888 103 229
Transfers to/from Accumulated		21 437 497	(21 437 497)	-
Property, Plant and Equipment purchased		(21 174 751)	21 174 751	-
Restated Net Surplus for the year		-	27 342 177	27 342 177
Balance at 30 JUNE 2020		10 617 534	904 827 872	915 445 406
Transfers to/from Accumulated		14 000 000	(14 000 000)	-
Property, Plant and Equipment purchased		(14 175 325)	14 175 325	-
Net Surplus for the year		-	29 141 422	29 141 422
Balance at 30 JUNE 2021		10 442 209	934 144 619	944 586 828

WITZENBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/2021 R	Restated 2019/2020 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property Rates and other Taxes	39	82,812,107	70,589,991
Sales of goods and services		345,212,302	324,534,956
Government Grants		161,660,837	188,380,618
Interest		8,647,598	17,960,780
Payments			
Employee costs		(192,229,109)	(180,669,411)
Suppliers		(354,366,525)	(349,364,920)
Finance charges	30	(226,499)	(468,878)
Cash generated by operations		51,510,711	70,963,136
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	8	(66,943,531)	(34,508,178)
Purchase of Intangible Assets	9	-	(15,716)
Proceeds on Disposal of Property, Plant and Equipment		905,050	27,616
Net Cash from Investing Activities		(66,038,481)	(34,496,277)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(1,330,872)	(1,198,667)
Increase in Consumer Deposits		769,456	854,521
Net Cash from Financing Activities		(561,416)	(344,146)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(15,089,185)	36,122,713
Cash and Cash Equivalents at the beginning of the year		130,394,398	94,271,685
Cash and Cash Equivalents at the end of the year	2	115,305,213	130,394,398
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(15,089,185)	36,122,713

WITZENBERG MUNICIPALITY

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Community and public safety	Economic and environmental services	Trading Services	Reconciling Items	Total
	R	R	R	R	R
Segment Revenue					
External revenue from non-exchange transactions	149 544 056	15 927 645	28 844 183	87 177 003	281 492 886
External revenue from exchange transactions	2 697 417	5 920 847	376 367 249	1 197 265	386 182 779
Interest revenue	40 377	-	5 072 756	3 534 465	8 647 598
Revenue from transactions with other segments	40 574	-	20 412 344	-	20 452 918
Total Revenue	152 322 424	21 848 492	430 696 532	91 908 733	696 776 181
Segment Expenditure					
Employee related costs	64 340 084	20 708 159	53 652 682	52 980 783	191 681 708
Remuneration of Councillors	-	-	-	10 550 105	10 550 105
Bulk Purchases	4 200	-	239 628 051	-	239 632 251
Depreciation and Amortisation	3 863 720	6 220 333	18 233 566	4 263 601	32 581 220
Impairment and Bad debt	12 943 400	-	38 013 902	1 468 939	52 426 241
Other Expenditure	11 648 095	12 878 199	42 484 149	49 470 966	116 481 408
Internal charges	7 205 037	109 917	10 565 568	2 572 396	20 452 918
Total Expenditure	100 004 535	39 916 608	402 577 918	121 306 790	663 805 852
Gains & Losses	-1 364 223	-	2 138 308	-4 602 996	-3 828 910
Surplus/deficit for the year	50 953 666	(18 068 115)	30 256 922	(34 001 054)	29 141 419

REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Community and public safety	Economic and environmental services	Trading Services	Reconciling Items	Total
	R	R	R	R	R
Segment Revenue					
External revenue from non-exchange transactions	157 130 233	4 522 673	6 921 843	77 736 664	246 311 412
External revenue from exchange transactions	7 113 582	4 540 196	352 716 012	2 942 194	367 311 984
Interest revenue	74 063	-	8 353 583	9 533 133	17 960 780
Revenue from transactions with other segments	44 095	-	18 863 132	-	18 907 227
Total Revenue	164 361 973	9 062 868	386 854 570	90 211 991	650 491 402
Segment Expenditure					
Employee related costs	61 215 199	19 470 068	51 382 306	53 255 693	185 323 266
Remuneration of Councillors	-	-	-	10 604 088	10 604 088
Bulk Purchases	11 260	-	221 820 099	-	221 831 359
Depreciation and Amortisation	5 394 993	6 094 550	18 703 380	3 677 580	33 870 503
Impairment and Bad debt	23 242 220	-	36 919 075	4 548 130	64 709 424
Other Expenditure	35 627 414	14 050 586	37 801 071	45 623 947	133 103 018
Internal charges	6 197 180	103 568	10 200 051	2 406 429	18 907 227
Total Expenditure	131 688 267	39 718 772	376 825 981	120 115 866	668 348 885
Gains & Losses	-	-	37 138 939	8 060 724	45 199 662
Surplus/deficit for the year	32 673 706	(30 655 903)	47 167 528	(21 843 151)	27 342 179

For management purposes, the municipality is organised and operates in four key functional segments (or business units). To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessment of performance. Revenues and expenditures relating to these business units are allocated at a transactional level. Costs relating to the governance and administration of the municipality are not allocated to these business units.

The three key business units comprise of:

- Community and public safety which includes community and social services, sport and recreation, public safety and housing services;
- Economic and environmental services which includes planning and development, road transport and environmental protection services;
- Trading services which includes energy sources, water management, waste water management and waste management services;
- Reconciling items which includes executive and council, finance and administration and internal audit;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

Management does not monitor financial performance geographically and does not at present have reliable separate financial information.

WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Actual 2020/2021 R	Approved budget 2020/2021 R	Adjustments 2020/2021 R	Final budget 2020/2021 R	Difference between final budget and actual	Actual 2019/2020 R
ASSETS						
Current Assets	217 175 290	141 830 688	48 268 007	190 098 695	14%	229 357 558
Cash	115 305 213	64 561 708	10 710 045	75 271 754	53%	130 394 398
Call investment deposits	-	-	-	-	-	-
Consumer debtors	82 530 250	39 362 881	58 117 769	97 480 650	-15%	79 033 792
Other debtors	9 376 735	26 213 480	(23 167 949)	3 045 531	208%	8 327 857
Current portion of long-term receivables	-	-	-	-	-	-
Inventory	9 963 092	11 692 619	2 608 142	14 300 761	-30%	11 601 511
Non-Current Assets	1 028 192 919	1 013 409 971	(28 433 416)	984 976 555	4%	944 425 351
Investments	-	-	-	-	-	-
Investment Property	44 223 547	44 491 786	(727 253)	43 764 533	1%	44 504 573
Property, Plant and Equipment	982 159 084	966 338 768	(27 252 670)	939 086 098	5%	897 723 531
Intangible Assets	1 260 288	2 029 417	(453 493)	1 575 924	-20%	1 647 247
Other non-current assets	550 000	550 000	-	550 000	0%	550 000
Total Assets	1 245 368 209	1 155 240 659	19 834 591	1 175 075 250	6%	1 173 782 909
LIABILITIES						
Current Liabilities	125 749 321	101 744 449	77 795 843	179 540 292	-30%	143 199 791
Borrowings	1 586 619	-	-	-	-	1 967 785
Consumer Deposits	9 079 732	7 149 736	(7 149 736)	-	-	8 310 276
Trade and Other Payable Exchange Transactions	87 257 684	60 983 075	63 788 090	124 771 165	-30%	106 247 786
Provisions	27 825 286	33 611 638	21 157 489	54 769 127	-49%	26 673 944
Non-Current Liabilities	175 032 060	164 508 775	(46 358 623)	118 150 152	48%	115 137 713
Borrowings	1 188 302	6 222 409	(3 434 807)	2 787 602	-57%	2 619 817
Provisions	173 843 758	158 286 366	(42 923 816)	115 362 550	51%	112 517 896
Total Liabilities	300 781 381	266 253 224	31 437 219	297 690 444	1%	258 337 504
Net Assets	944 586 828	888 987 435	(11 602 629)	877 384 806	8%	915 445 406
Accumulated Surplus	934 144 619	878 632 647	(11 865 375)	866 767 272	8%	904 827 872
Reserve	10 442 209	10 354 788	262 746	10 617 534	-2%	10 617 534
Total Net Assets and Liabilities	1 245 368 209	1 155 240 659	19 834 591	1 175 075 250	6%	1 173 782 910



WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Actual 2020/2021 R	Approved budget 2020/2021 R	Adjustments 2020/2021 R	Final budget 2020/2021 R	Difference between final budget and actual	Actual 2019/2020 R
Operating Revenue						
Property rates	80 775 118	76 528 820	-	76 528 820	6%	73 593 785
Fines, Penalties and Forfeits	11 593 392	20 456 444	-	20 456 444	-43%	22 148 587
Licences or Permits	1 065 472	2 010 303	-	2 010 303	-47%	1 042 183
Government Grants and Subsidies - Operating	131 051 159	116 989 000	23 611 180	140 600 180	-7%	131 111 319
Service charges - electricity revenue	274 183 949	266 972 868	5 000 000	271 972 868	1%	255 094 538
Service charges - water revenue	43 132 314	35 137 192	-	35 137 192	23%	39 419 086
Service charges - sanitation revenue	30 920 148	18 351 575	7 000 000	25 351 575	22%	32 329 154
Service charges - refuse revenue	27 964 656	21 270 807	1 000 000	22 270 807	26%	25 712 916
Rental from Fixed Assets	1 606 130	2 662 619	(1 500 000)	1 162 619	38%	3 877 756
Interest earned - External investments	3 078 053	9 111 414	(5 771 239)	3 340 175	-8%	7 445 685
Interest earned - outstanding debtors	5 569 545	8 303 781	-	5 075 020	10%	10 515 095
Agency Services	4 353 776	3 853 713	-	3 853 713	13%	3 477 358
Other revenue	11 132 051	9 077 601	-	8 675 727	28%	47 386 857
Total revenue	626 425 762	590 726 137	29 339 941	616 435 443	2%	653 154 319
Operating Expenditure by Nature						
Employee related costs	191 681 705	219 289 869	(9 783 000)	209 506 869	9%	185 323 268
Remuneration of Councillors	10 583 028	12 170 893	-	12 170 893	13%	10 604 088
Impairment	34 865 297	44 688 248	10 000 000	54 688 248	36%	50 522 366
Inventory Consumed	12 584 154	19 527 804	(1 873 899)	17 653 905	29%	14 298 919
Depreciation and Amortisation	32 581 220	40 687 601	(5 000 000)	35 687 601	9%	33 870 503
Finance Charges	10 016 942	17 418 040	-	17 418 040	42%	14 621 685
Bulk Purchases	239 632 251	232 760 440	4 600 000	237 360 440	-1%	221 831 359
Contracted Services	51 747 585	48 485 901	11 236 986	59 722 887	13%	44 653 454
Transfers and Subsidies: Operational Expenditure	6 534 267	2 178 559	5 590 067	7 768 626	16%	1 494 563
Other Expenditure	59 093 702	45 284 125	5 550 305	50 834 430	-16%	63 663 443
Loss on disposal of PPE	66 047	-	-	-	-	497 290
Total expenditure	649 386 198	682 491 480	20 320 459	702 811 939	8%	641 380 938
Netto Surplus/(deficit) for the period	(26 789 347)	(91 763 957)	9 019 482	(86 375 110)	-69%	56 973 041
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	52 101 858	78 657 237	(13 761 158)	64 896 079	20%	15 568 796
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	58 936	-	560 392	100%	-
Surplus/ (Deficit) for the year	29 141 422	(13 049 170)	(7 870 855)	(20 920 025)	239%	27 342 177
Operating expenditure by vote						
Budget and Treasury Office	37 898 882	52 892 137	887 336	53 779 473	30%	38 346 626
Civil services	150 182 242	144 894 011	5 373 010	150 267 021	0%	149 209 808
Community and social services	26 066 330	34 597 525	(769 566)	33 827 959	23%	26 530 454
Corporate Services	58 108 824	68 520 891	1 714 078	70 234 969	17%	55 831 653
Electro Technical Services	268 038 440	265 464 319	9 170 291	274 634 610	2%	243 725 853
Executive and Council	22 788 184	28 966 420	149 266	29 115 686	22%	22 832 610
Housing	4 469 385	5 807 352	5 798 898	11 606 250	61%	28 296 671
Planning	7 042 671	8 486 803	(1 220 631)	7 266 172	3%	6 540 160
Public Safety	42 082 504	42 277 074	(1 793 796)	40 483 278	-4%	51 561 314
Sport and recreation	27 176 839	30 585 444	931 573	31 517 017	14%	26 566 508
Total operating expenditure by vote	643 854 301	682 491 976	20 240 459	702 732 435	8%	649 441 657



WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Actual 2020/2021 R	Approved budget 2020/2021 R	Adjustments 2020/2021 R	Final budget 2020/2021 R	Difference between final budget and actual	Actual 2019/2020 R
Capital expenditure by vote						
Budget and Treasury Office	164 892	-	195 082	195 082	15%	205 910
Civil services	46 066 093	82 474 869	(20 597 102)	61 877 767	26%	17 803 294
Community and social services	3 546 530	580 000	3 240 471	3 820 471	7%	433 508
Corporate Services	2 998 074	800 000	3 527 303	4 327 303	31%	2 351 597
Electro Technical Services	4 054 458	2 500 000	1 992 961	4 492 961	10%	7 739 926
Executive and Council	850 322	600 000	298 826	898 826	5%	1 017 309
Housing	-	-	-	-	-	-
Planning	-	-	-	-	-	19 010
Public Safety	1 481 460	-	3 782 455	3 782 455	61%	246 308
Sport and recreation	7 781 702	939 565	6 508 522	7 448 087	-4%	4 651 424
Total capital expenditure	66 943 531	87 894 434	(1 051 482)	86 842 952	23%	34 468 286
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	82 812 107	72 568 933	(6 874 952)	65 693 982	26%	70 589 991
Service charges	322 571 725	335 324 735	32 258 329	367 583 064	-12%	286 587 895
Other Revenue	22 640 577	21 678 865	(1 439 648)	20 239 217	12%	37 947 061
Government - operating	161 660 837	116 989 000	23 255 568	140 244 568	15%	188 380 618
Government - capital	-	78 716 173	(8 386 065)	70 330 108	-100%	-
Interest	8 647 598	11 608 357	(6 739 867)	4 868 489	78%	17 960 780
Dividends	-	-	-	-	-	-
Payments						
Suppliers and employees	(540 061 367)	(573 947 248)	(60 783 541)	(634 730 789)	15%	(528 539 768)
Finance charges	(226 499)	(1 706 226)	(0)	(1 706 226)	87%	(468 878)
Transfers and Grants	(6 534 267)	(2 178 559)	(5 931 000)	(8 109 559)	19%	(1 494 563)
NET CASH FROM/(USED) OPERATING ACTIVITIES	51 510 712	59 054 030	(34 641 175)	24 412 855	-111%	70 963 136
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	905 050	-	-	-	-	27 616
Decrease (Increase) in non-current debtors	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-
Payments						
Capital assets	(66 943 531)	(88 763 999)	19 004 028	(69 759 971)	4%	(34 523 894)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(66 038 481)	(88 763 999)	19 004 028	(69 759 971)	5%	(34 496 277)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	-	-	-	-	-	-
Borrowing long term/refinancing	0	-	-	-	-	-
Increase (decrease) in consumer deposits	769 456	-	-	-	-	854 521
Payments						
Repayment of borrowing	(1 330 872)	1 518 058	(3 318 058)	(1 800 000)	-	(1 198 667)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(561 416)	1 518 058	(3 318 058)	(1 800 000)	-	(344 146)
NET INCREASE/(DECREASE) IN CASH HELD	(15 089 185)	(28 191 911)	(18 955 205)	(47 147 116)	-106%	36 122 713
Cash/cash equivalents at the year begin:	130 394 398	73 319 439	57 074 959	130 394 398	0%	94 271 685
Cash/cash equivalents at the year end:	115 305 213	45 127 528	38 119 754	83 247 282	-39%	130 394 398



WITZENBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Reconciliation of budget deficit with the surplus in the statement of financial performance		2020/2021
Net surplus per the statement of financial performance		29 141 422
Adjusted for:		
Property rates	Increase due to interim valuations	(4 246 298)
Fines, Penalties and Forfeits	Decrease due to the withdrawal of the contractor	8 863 052
Government Grants and Subsidies - Capital	Expenditure not incurred for all grant funding received, due to Covid 19 Restrictions.	13 354 613
Government Grants and Subsidies - Operating	Expenditure not incurred for all grant funding received, due to Covid 19 Restrictions.	9 549 021
Service Charges	Increase in demand for municipal services.	(21 468 624)
Employee related costs	Over estimated the impact of adjustment of retirement age of female employees.	(17 825 164)
Inventory Consumed	Decrease in maintenance required due to Lockdown restrictions	(5 069 751)
Operational Cost	Decrease in travelling and other expenditure	(9 243 855)
Depreciation and Amortisation	Depreciation less than expected due to slow capital spending	(3 106 381)
Finance Charges	Adjustment in Provisions	(7 401 098)
Bulk Purchases	Bulk purchases more than expected.	2 271 811
Contracted Services	Contracted Services less than budget, due to Covid 19 Restrictions.	(7 975 302)
Transfers and Subsidies: Operational Expenditure	Expenditure not incurred for all grant funding received.	(1 234 359)
Construction Cost	Allocation received in April - Top structures to be buildt in 2021/22	(5 861 000)
Gain / (loss) on Adjustment of Provision	Unforseen adjustment in Provision	(2 203 465)
Gain / (loss) on Actuarial Valuations	Unforseen adjustment in Provision	5 317 949
Other Items		(3 782 596)
Net deficit per approved budget		<u><u>(20 920 025)</u></u>

Explanation of Material Cash Flow Variances

Property Rates and other Taxes	26%	Implementation of new general valuation resulting in increased revenue
Service charges	-12%	The cutting of electricity was not possible in the first three quarters due to Covid 19 restrictions.
Interest	78%	Budget for cash from interest to conservative
Suppliers and employees	15%	Variance is mainly a result of underspending on Contracted Services & Bulk Purchases
Transfers and Grants	0%	Housing Top structure expenditure was slower than expected

The budget is approved on an accrual basis by vote classification as required by the Municipal Finance Management Act. The basis used for this comparison is by nature classification as required by General Recognised Accounting Practices. The approved budget covers the same period as the financial statements, from 1 July to 30 June.

The budget and accounting bases are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

The changes between the approved and final budget are a consequence of reallocations within the budget and and of other factors allowable in terms of the Municipal Finance Management Act

Impact of Covid 19

The Covid 19 Restriction did not impact the sale of municipal services significantly, as the economy of Witzenberg is dependant on agriculture, that is regarded as an essential service.

Debt collection was suspended in support of the fight against Covid 19, resulting in a decrease in payment for services.

The effect of Covid 19 was more on projects that could not be executed as explained in the reconciliation of budget deficit with the surplus in the statement of financial performance.



WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The standards are summarised as follows:

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. In general, materiality is determined as 1% of total expenditure.

1.6. RESERVES

Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.7. LEASES

1.7.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.7.2. Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to de-recognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.8. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.9. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Economic Entity has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of the grant is receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.10. PROVISIONS

1.10.1. GENERAL PROVISIONS

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

1.10.2. REHABILITATION OF LANDFILL SITES PROVISIONS

Provision is made in terms of the licensing stipulations of the landfill sites, for the estimated cost of rehabilitating waste sites. The provision has been determined on the basis of a recent independent study. The cost factors derived from the study by a firm of consulting engineers have discounted to present value at prime interest rate.

1.11. EMPLOYEE BENEFITS

1.11.1. Post-Retirement Medical obligations

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.11.2. Long Service awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.11.3. Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

1.11.4. Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

1.11.5. Performance bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.11.6. Pension and retirement fund obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds, which are administered on a provincial basis, are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. The contributions and lump sum payments are charged against income in the year they become payable. Sufficient information is not available to use defined benefit accounting for a multi-employer plan. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

1.11.7. Ex gratia Gratuities

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

1.12. PROPERTY, PLANT AND EQUIPMENT**1.12.1. Initial Recognition**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.12.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.12.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives:

	Years	Other	Years
Infrastructure			
Roads and Paving	5-100	Airports	20
Electricity	4-46	Buildings	30-100
Water	15-150	Computer equipment	3-30
Sanitation	10-75	Furniture and equipment	3-30
Other	10-15	Landfill sites	10-15
		Markets	30
Community		Other	3-30
Recreational Facilities	5-30	Other vehicles	2-67
Sport fields & Stadia	10-20	Plant and Equipment	3-32
Halls	5-100	Specialist vehicles	6-38
Libraries	10-30		
Parks and gardens	10-30		
Other assets	5-30		
Cemeteries	5-30		
Finance lease assets			
Office equipment	3-5		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.12.4. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.12.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional arrangement as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The municipality updated the Land and Buildings acquired before 30 June 2008 to the fair value as determined by an independent valuator. For Other Assets the depreciation replacement cost method was used to establish the deemed cost as on 1 July 2008.

1.13. INTANGIBLE ASSETS

1.13.1. Initial Recognition

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiable criterion in the definition of an intangible asset when it:

is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

the municipality intends to complete the intangible asset for use or sale;
it is technically feasible to complete the intangible asset;
the municipality has the resources to complete the project; and
it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.13.2. Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.13.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	<u>Years</u>
Computer Software	5
Computer Software Licenses	5

1.13.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.14. INVESTMENT PROPERTY

1.14.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

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- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of self-constructed investment property is the cost at date of completion.

1.14.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.14.3. Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	99 - 100

1.14.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.15. HERITAGE ASSETS

1.15.1. Initial Recognition

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A heritage asset shall be recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- the cost or fair value of the asset can be measured reliably.

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

Where a heritage asset has been acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

1.15.2. Subsequent Measurement

Heritage assets are not depreciated based on their nature however the municipality assesses at each reporting date whether there is a need for impairment.

The class of heritage assets are carried at its cost less any accumulated impairment losses.

1.15.3. Impairment

Where the carrying amount of an item of heritage asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of heritage asset have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

1.15.4. De-recognition

The carrying amount of a heritage asset is derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.16. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.16.1. Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.16.2. Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

Depreciation replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to

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reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.17. COMMITMENTS

Commitments are future payments and expenditure to be incurred on contracts that have been entered into at the reporting date and where there are unperformed obligations. The commitments would include both capital and operating items.

Committed expenditure approved and contracted for at reporting date is where the expenditure has been approved and the contract has been awarded.

Committed expenditure approved but not yet contracted for at reporting date is where the expenditure has been approved but the contract has yet to be awarded or is awaiting finalisation.

1.18. INVENTORIES

1.18.1. Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

The cost of purified water comprises cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

Housing inventory is low cost houses still in process of construction or completed and not yet transferred. These houses are entirely funded by the National Department of Human Settlements, through the Western Cape Department of Human Settlements.

In terms of GRAP standards a municipality can either be regarded to be the "developer", "principal" or "agent when executing the delivery of houses.

When the municipality is acting as the "developer" or "principal" all costs are recognized as inventory up to the point of transfer to the allocated beneficiaries, where after the cost is expensed through the statement of financial performance.

When the municipality is acting as the "agent all transfers received by the Western Cape Department of Human Settlements is recorded initially as a liability in the statement of financial position. Any payments or costs pertaining to human settlement housing activities are debited against the liability.

1.18.2. Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

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In general, the basis of allocating cost to inventory items is the weighted average method.

Cost of land held for sale is assigned by using specific identification of their individual costs.

1.19. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.20. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange transactions and non-exchange transactions).

1.20.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

1.20.2. Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.20.2.1. Receivables

Receivables are classified as loans and receivables, and are subsequently measured at amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the outstanding amount based on the interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.20.2.2. Payables and Annuity Loans

Financial liabilities consist of payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

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1.20.2.3. Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.20.2.4. Non-Current Investments

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.20.3. De-recognition of Financial Instruments

1.20.3.1. Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

the rights to receive cash flows from the asset have expired; or
the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.20.3.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.20.4. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

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1.21. REVENUE

1.21.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised when issued.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

The charging of revenue in the public sector is frequently regulated by legislation, regulation, or similar means. Due to the statutory nature of this revenue, the amount of revenue charged may be subject to a review, objection, or appeal process which may result in changes to revenue already recognised. These adjustments to revenue can result in changes in accounting estimates or errors which will be disclosed in terms of applicable GRAP standard.

1.21.2. Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter vouchers is recognised eight days after the sale of the relevant voucher.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

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Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred.

When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.21.3. Grants, Transfers and Donations (Non-Exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.22. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker, members of the Mayoral Committee and ordinary councillors.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.23. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal

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Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.24. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 200), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.26. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

1.27. PRESENTATION OF BUDGET INFORMATION

The annual budget figures have been presented in accordance with the GRAP reporting framework. A separate statement of comparison of budget and actual amounts, which forms part of the annual financial statements, has been prepared. The comparison of budget and actual amount will be presented on the same accounting basis, same classification basis and for the same entity and period as for the approved budget. The budget of the municipality is taken for a stakeholder consultative process and upon approval the approved budget is made publicly available.

Material differences in terms of the basis, timing or entity have been disclosed in the notes to the annual financial statements. The budget is approved on an accrual basis by vote classification as required by the Municipal Finance Management Act. The basis used for this comparison is by nature classification as required by General Recognised Accounting Practices. The approved budget covers the same period as the financial statements, from 1 July to 30 June. NO other entities is included in the budget.

1.28. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post-retirement medical obligations and Long service awards

The cost of post-retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.29. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.30. JOINT VENTURES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

In respect of the municipalities' interest in jointly controlled assets, the municipality includes in its accounting records and recognises in its financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities that it has incurred;
- its share of any liabilities incurred jointly with other ventures in relation to the joint venture;
- any revenue from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and
- any expenses that it has incurred in respect of its interest in the joint venture.

1.31. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

1.32 AGENCY FEES AND PAYABLES

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

The municipality is collecting motor vehicle licence fees, motor registration and drivers licence fees on behalf of the Department of Transport and Public Works. Hence the municipality receives commission on the collection of monies. The municipality acts as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There was no changes in the terms and condition of the arrangement for the reporting year.

Only the portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recognised by the municipality.

Liabilities arising from principal-agent arrangements are included as part of payables in the Statement of Financial Position.

1.33 STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

Initial Recognition

Statutory receivables are recognised when the related revenue (exchange or non-exchange revenue) is recognised or when the receivable meets the definition of an asset. The Municipality initially measure statutory receivables at their transaction amount.

Subsequent Measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is subsequently changed to reflect any interest or other charges that may have accrued on the receivable, less any impairment losses and amounts derecognised.

Impairment and collectability of statutory receivables

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired.

The Municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets (receivables) are also derecognised when Council approves the write-off of financial assets due to non-recoverability.

If the Municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the Municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.



WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the outstanding amount based on the interest rate of the asset. Interest is not levied on Fines issued. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

1.34 EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.35 CONSTRUCTION CONTRACTS AND RECEIVABLES

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The municipality participates as a non-accredited municipality in the national housing programme. The municipality's roles and responsibilities in the housing development process are set out in the binding arrangements entered into with the Western Cape Department of Human Settlements. The municipality assesses the terms and conditions of each contract concluded with the Western Cape Department of Human Settlements to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, the municipality considers whether it is a contractor.

The binding arrangements entered into with the Western Cape Department of Human Settlements are non-commercial fixed price contracts. The objective of the arrangements is to construct low cost houses for the beneficiaries of the National Housing Programme in return for full reimbursement of costs from the department through a housing grant or subsidy.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as inventory until the houses are handed over when the municipality retains the risks and rewards associated with ownership of the low cost houses. On handover of the houses, the cost per house handed over is recognised as an expense in the period in which it was handed over.

The expenses are recognised in the period they are incurred when the municipality does not retain the risks and rewards associated with ownership of the low cost houses during the construction period.

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.36 Standards, amendments to standard and interpretation issued but not yet effective

In the current year the municipality has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective. The following GRAP standards have been issued, but are not yet effective during the current reporting period and the municipality did not early adopt these GRAP standards or interpretation.

GRAP 104 (Revised 2019) - Financial Instruments: The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.

GRAP 25 (Revised April 2021) - Employee Benefits: The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing Employee benefits

Management has considered all of the above mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance, budget statement or cash flow of the municipality.

1.37 Non-living Resources

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted. Non-living resources, other than land, are not recognised as assets in the financial statements of the Municipality. Non-Living resources are disclosed in terms of the applicable GRAP standard in the notes to the annual financial statements

1.38 Segment Reporting

Definition

A segment is an activity—

- a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- c) for which separate financial information is available.

Identification

Segments are identified by the way in which information is reported to management for purposes of assessing performance as well as allocating resources to the various activities undertaken. Monthly management accounts and/or budget documentation usually reflect the segments reported to management.

It is prudent to note the following:

- activities performed by administrative units and functional departments which do not on its own give rise to future economic benefits or service potential, are not regarded as segments.
- post-employment benefit plans are expressly excluded from the scope of the standard of GRAP on segment reporting (i.e. GRAP 18), and thus is not regarded as a segment.

Measurement

The measure reported to management for the purpose of making decisions regarding the allocation of resources to a segment and assessing its performance, is the amount of each segment item reported in the financial statements. Amounts are allocated to reported segment surplus or deficit, assets or liabilities on a reasonable basis. When allocating revenue and expenses, only adjustments and eliminations included in the measures of the segment's surplus or deficit used by management, are reported for that segment. Only assets and liabilities included in the measures of the segment's assets and liabilities used by management, are reported for that segment. In cases where only one measure is used by management to assess segment performance and to allocate resources, segment surplus or deficit as well as segment assets and liabilities are reported in terms of that measure. In cases where more than one measure is used by management to assess segment performance and to allocate resources, segment surplus or deficit as well as segment assets and liabilities are reported in terms of what management believes are consistent with those used in measuring the corresponding amounts in the entity's financial statements.

Significant Judgements:

WITZENBERG MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The municipality is structured in terms of core functions mandated in legislation. Information regarding progress in the performance of mandated functions, is reported to management for the purpose of evaluating segment performance and the allocation of resources to various activities in lieu of strategic objectives. Where more than one set of segments has been identified, management may report such information separately or as a matrix. In addition, management may choose to adopt a primary and secondary reporting structure with limited disclosures made about secondary segments.

The segment information has been prepared on the accrual basis of accounting in accordance with the historical cost convention, unless specified otherwise.

General information - Organisation and aggregation of segments

GRAP 18 permits the aggregation of two or more segments into a single segment where segments have similar economic characteristics and share a majority of the following:

- a) the nature of the goods and/or services delivered;
- b) the type or class of customer or consumer to which goods and services are delivered;
- c) the methods used to distribute the goods or provide the services; or
- d) the nature of the regulatory environment that applies to the segment.

In accordance with section 153 of the Constitution of South Africa, the municipality's administration, budget and planning processes are structured in order to give priority to the basic needs of the community, as well as to promote the social and economic development of the community. Management has thus decided to organise segments around the nature of goods and/or services delivered in accordance with the objects of local government as stipulated in section 152(1) of the Constitution. *General information - Goods and/or services delivered per segment* The goods and/or services delivered per segment are aligned with the local government matters listed in Schedules 4B and 5B of the Constitution. Where the number of reportable segments identified had increased to more than ten, management applied judgement regarding the practical limit of reportable segments.

The below indicates the final reportable segments-

- Community and public safety
- Economic and environmental services
- Trading Services

Entity wide disclosures - Geographical information

The geographical information relevant for decision making purposes is not included as part of the reportable segment information as the information is not reported and available in geographical format within the municipal jurisdiction.

Restatement of segment reporting figures of earlier periods There have been no changes to the structure of the internal organisation that resulted in the composition of reportable segments to change. Thus there was no need for segment reporting figures of earlier periods to be restated.

Transitional provisions

As per government gazette 41595 dated 26th April 2018, the standard of GRAP on Segment reporting became effective for municipalities from 1st April 2020. The standard of GRAP on Segment reporting has been fully complied with, apart from any transitional provisions that management may have decided to take advantage of as indicated below.

- On initial adoption of GRAP 18, comparative segment information need not be presented.
- The requirements of GRAP 18 does not apply to items that have not been recognised and/or measured in accordance with the other standards of GRAP as a result of transitional provisions under those Standards.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2

CASH AND CASH EQUIVALENTS

	2021 R	2020 R
Assets		
Cash at Bank (Current Account)	115 295 816	130 384 998
Cash on Hand	9 397	9 400
Total Cash and Cash Equivalents - Assets	115 305 213	130 394 398

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

The municipality has the following bank accounts:

Cash book balance at beginning of year	130 384 998	94 262 085
Cash book balance at end of year	115 295 816	130 384 998

The municipality changed its Primary Bank Account from The Standard Bank of South Africa Limited to First National Bank South Africa on 1 March 2018. The ABSA account has not been closed at year end as some debtors still pay their service accounts into the old accounts.

Primary Bank Account: First National Bank - Account Number 62748215979

Bank statement balance at beginning of year	131 190 772	93 565 694
Bank statement balance at end of year	114 835 494	131 190 772

Bank statement balance at beginning of year	-	351 927
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ABSA Bank Limited - Account Number 350000011

Bank statement balance at beginning of year	97 212	55 423
Bank statement balance at end of year	96 864	97 212

3

TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Electricity	54 771 036	46 784 836
Water	104 891 890	87 667 870
Property Rental Debtors	2 404 094	2 082 126
Waste Management	60 019 370	47 877 818
Waste Water Management	59 249 898	49 735 651
Service Charges	1 301 822	1 393 881
Prepayments and Advances	2 010 368	122 455
Land Sale Debtors	1 133 310	2 038 360
Total Receivables from Exchange Transactions	285 781 789	237 702 997
Less: Provision for Impairment	(214 277 648)	(171 319 108)
Total Net Receivables from Exchange Transactions	71 504 141	66 383 889

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3	TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	2021 R	2020 R
	Included in receivables is the following accrued income (estimated consumption from the last meter reading to 30 June):		
	Accrued Income Electricity (Including VAT)	24 936 341	19 631 243
	Accrued Income Water (Including VAT)	3 638 877	3 527 814
	Ageing of Receivables from Exchange Transactions:		
	<u>(Electricity): Ageing</u>		
	Accrued Income Electricity	24 936 341	19 631 243
	Current (0 - 30 days)	18 160 067	14 997 765
	31 - 60 Days	1 397 878	2 740 177
	61 - 90 Days	499 220	1 828 258
	+ 90 Days	9 777 527	7 587 392
	Total	<u>54 771 033</u>	<u>46 784 835</u>
	<u>(Water): Ageing</u>		
	Accrued Income Water	3 638 877	3 527 814
	Current (0 - 30 days)	4 213 842	4 441 973
	31 - 60 Days	2 153 659	2 463 367
	61 - 90 Days	2 120 413	2 171 126
	+ 90 Days	92 765 100	75 063 590
	Total	<u>104 891 890</u>	<u>87 667 870</u>
	<u>(Housing): Ageing</u>		
	Current (0 - 30 days)	66 321	78 578
	31 - 60 Days	49 478	81 504
	61 - 90 Days	46 764	67 498
	+ 90 Days	2 241 531	1 854 545
	Total	<u>2 404 094</u>	<u>2 082 126</u>
	<u>(Refuse): Ageing</u>		
	Current (0 - 30 days)	2 774 927	2 736 980
	31 - 60 Days	1 472 837	1 609 444
	61 - 90 Days	1 280 869	1 375 757
	+ 90 Days	54 490 738	42 155 637
	Total	<u>60 019 370</u>	<u>47 877 818</u>
	<u>(Sewerage): Ageing</u>		
	Current (0 - 30 days)	2 283 412	2 073 049
	31 - 60 Days	1 217 729	1 387 931
	61 - 90 Days	1 085 666	1 212 586
	+ 90 Days	49 371 612	37 725 143
	Total	<u>53 958 419</u>	<u>42 398 709</u>
	<u>(Service Charges): Ageing</u>		
	Current (0 - 30 days)	9 367	14 325
	31 - 60 Days	16 003	12 501
	61 - 90 Days	20 530	17 453
	+ 90 Days	1 255 923	1 349 602
	Total	<u>1 301 822</u>	<u>1 393 881</u>
	+ 90 Days	2 010 368	122 455
	Total	<u>2 010 368</u>	<u>122 455</u>
	<u>(Land Sales): Ageing</u>		
	+ 90 Days	1 133 310	2 038 360
	Total	<u>1 133 310</u>	<u>2 038 360</u>
	<u>(Total): Ageing</u>		
	Accrued Income	28 575 218	23 159 058
	Current (0 - 30 days)	27 507 936	24 342 669
	31 - 60 Days	6 307 584	8 294 924
	61 - 90 Days	5 053 461	6 672 678
	+ 90 Days	213 046 109	167 896 725
	Total	<u>280 490 307</u>	<u>230 366 054</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
3	TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS CONTINUED	R	R
	Reconciliation Provision for Impairment		
	Opening Balance	(171 319 108)	(131 576 489)
	Recognised	(42 974 704)	(39 760 988)
	Reversal (Write-off)	16 164	18 368
	Balance at end of year	<u>(214 277 648)</u>	<u>(171 319 109)</u>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers living in poverty. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

4 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Property Rates			
	Outstanding balance	33 985 297	31 975 140
	Provision for impairment	(25 942 434)	(24 473 636)
	Carrying Value	<u>8 042 863</u>	<u>7 501 504</u>
Fines			
	Outstanding balance	23 681 460	30 433 020
	Provision for impairment	(21 161 350)	(25 762 620)
	Carrying Value	<u>2 520 110</u>	<u>4 670 400</u>
Other Receivables		463 136	478 000
	Deposits	224 615	224 615
	Other receivables	238 521	253 385
Total Net Receivables from Non-Exchange Transactions		<u>11 026 109</u>	<u>12 649 904</u>

Ageing of Receivables from Non-Exchange Transactions:

(Rates): Ageing

Current (0 - 30 days)	3 786 675	2 916 005
31 - 60 Days	896 843	726 011
61 - 90 Days	408 250	499 281
+ 90 Days	28 887 524	27 827 837
Total	<u>33 979 291</u>	<u>31 969 135</u>

It is not possible to provide an accurate ageing of traffic fines as the due date for payment of the fines is not linked to the issue date, but are dependent on the available court dates. Meaning that the payment date is approximately seven to ten days before the court date.

Reconciliation Provision for Impairment

Opening Balance	(50 236 255)	(36 614 661)
Recognised	(14 412 198)	(27 790 285)
Reversal (Write-off)	17 544 670	14 168 690
Balance at end of year	<u>(47 103 783)</u>	<u>(50 236 256)</u>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers living in poverty. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

5 INVENTORY

Consumables	892 552	750 713
Materials and Supplies	8 878 678	10 633 984
Water	191 862	216 814
Total Inventory	<u>9 963 092</u>	<u>11 601 511</u>

Inventory written down due to losses as identified during the annual stores counts.

-	<u>(52)</u>
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Inventory recognised as an expense during the year

<u>8 730 040</u>	<u>12 959 401</u>
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No inventories is pledged as security for liabilities

No inventory is carried at fair value less cost to sell.

No inventory was written down to net realisable value.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2021	2020
		R	R
	Unspent Grants	24 703 606	48 496 815
	National Government Grants	10 811 614	29 605 007
	Provincial Government Grants	9 994 797	14 765 591
	District Municipality	3 897 195	4 126 217
	Less: Grants spend but not yet received	2 172 368	3 638 977
	National Government Grants	394 655	724 504
	Provincial Government Grants	1 252 623	1 252 623
	District Municipality	525 090	525 090
	Other	-	1 136 760
	Total Conditional Grants and Receipts	22 531 238	44 857 838

Please refer to Note 21 for more information on specific grants.

7 STATUTORY RECEIVABLES

Statutory receivables of the municipality are classified as follows in accordance with the principles of GRAP 108,

As of 30 June 2021, total statutory receivables of R 64871124 (2020: R 67097040) were impaired and provided for.

The amount of the allowance for impairment was R 47103784 as of 30 June 2021 (2020: R50236256).

Reconciliation of statutory receivables

Gross balance of statutory receivables	64 871 124	67 097 040
Provision for impairment	(47 103 784)	(50 236 256)
Netto statutory receivables	17 767 340	16 860 784

Gross balance

Fines	23 681 460	30 433 020
Property rates	33 985 297	31 975 140
VAT	7 204 367	4 688 880
Total	64 871 124	67 097 040

Reconciliation of Provision for impairment

Opening Balance	(50 236 255)	(36 614 661)
Recognised	(14 412 198)	(27 790 285)
Reversal (Write-off)	17 544 670	14 168 690
Balance at end of year	(47 103 783)	(50 236 256)

The total amount of the Provision for impairment consists of:

Fines	(21 161 350)	(25 762 620)
Property rates	(25 942 434)	(24 473 636)
Total	(47 103 784)	(50 236 256)

Net balance

Fines	2 520 110	4 670 400
Property rates	8 042 863	7 501 504
VAT	7 204 367	4 688 880
Total	17 767 340	16 860 784

Interest charged

	427 601	2 017 034
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Property Rates: Ageing

Current (0 - 30 days)	3 786 675	2 916 005
31 - 60 Days	896 843	726 011
61 - 90 Days	408 250	499 281
+ 90 Days	28 887 524	27 827 837
Total	33 979 291	31 969 135

Statutory receivables arises from the following legislation:

Property Rates- Municipal Property Rates Act (Act no 60 of 2014)

Fines- Criminal Procedures Act (Act no 51 of 1977)

Value Added Tax Act (Act no 89 of 1991)

No receivables from statutory receivables were pledged as security.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

STATUTORY RECEIVABLES CONTINUED	2021 R	2020 R		
Credit quality of statutory receivables				
Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of non-exchange receivables on initial recognition is not deemed necessary.				
There are no statutory receivables which were restricted.				
Property rates are levied on the value of land and improvements, which valuation is performed every 5 years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also new buildings.				
Basic rate				
Residential	0,927c/R	0,875c/R		
Commercial	1,674c/R	1,579c/R		
Industrial	1,629c/R	1,537c/R		
Bona Fide Agricultural	0,125c/R	0,106c/R		
Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.				
Rebates were granted on land with buildings used solely for dwellings purposes as follows: - Residential - The first R120 000 on the valuation is exempted.				
Balances past due not impaired:	2021 %	2021 R	2020 %	2020 R
<u>Non-Exchange Receivables</u>				
Fines	10,64%	2 520 110	15,35%	4 670 400
Property rates	23,67%	8 042 863	23,46%	7 501 504
VAT	100,00%	7 204 367	100,00%	4 688 880
	<u>27,39%</u>	<u>17 767 340</u>	<u>25,13%</u>	<u>16 860 784</u>
The provision for bad debts could be allocated between the different classes of debtors as follows:				
	2021 %	2021 R	2020 %	2020 R
<u>Non-Exchange Receivables</u>				
Fines	44,92%	21 161 350	51,28%	25 762 620
Property rates	55,08%	25 942 434	48,72%	24 473 636
	<u>100,00%</u>	<u>47 103 784</u>	<u>100,00%</u>	<u>50 236 256</u>
The provision for bad debts could be allocated between the different categories of debtors as follows:				
	2021 %	2021 R	2020 %	2020 R
Residential	75,71%	35 661 412	77,98%	39 175 482
Commercial	21,07%	9 925 191	16,30%	8 189 890
Other	3,22%	1 517 181	5,71%	2 870 884
	<u>100,00%</u>	<u>47 103 784</u>	<u>100,00%</u>	<u>50 236 256</u>
VAT PAYABLE			2021 R	2020 R
VAT Payable			9 371 515	8 183 265
			<u>9 371 515</u>	<u>8 183 265</u>
VAT RECEIVABLE				
VAT input in suspense			16 575 882	12 872 145
			<u>16 575 882</u>	<u>12 872 145</u>
NET VAT RECEIVABLE/(PAYABLE)			<u>7 204 367</u>	<u>4 688 880</u>

VAT is receivable/payable on the cash basis.

8 PROPERTY, PLANT AND EQUIPMENT

8.1 30 JUNE 2021

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community Assets R	Leased Assets R	Other Assets R	Total R
Carrying value at 1 July 2020	70,460,672	87,181,464	631,580,781	69,965,299	549,031	27,958,456	887,695,703
Cost	70,460,672	98,147,957	807,546,854	84,767,703	3,111,305	80,897,993	1,144,932,484
Accumulated Impairment	-	-	(19,803)	(278,553)	-	(1,161,232)	(1,459,588)
Accumulated Depreciation	-	(10,966,493)	(175,946,270)	(14,523,851)	(2,562,274)	(51,778,305)	(255,777,193)
Acquisitions	-	-	49,559,681	9,885,758	-	7,498,092	66,943,531
Transfers	-	-	2,879,778	1,117,231	-	(3,997,009)	-
Cost	-	-	2,879,778	1,117,231	-	(3,997,009)	-
Accumulated Depreciation	-	-	-	-	-	-	-
Impairment	-	-	-	(1,085,669)	-	436,175	(649,494)
Impairment	-	-	-	(1,085,669)	-	-	(1,085,669)
Reversals	-	-	-	-	-	436,175	436,175
Depreciation	-	(996,709)	(19,364,850)	(2,017,309)	(549,031)	(6,486,391)	(29,414,290)
Carrying value of disposals	(8,547)	-	-	-	-	(57,500)	(66,047)
Cost	(8,547)	-	-	-	-	(129,788)	(138,335)
Accumulated Depreciation	-	-	-	-	-	72,288	72,288
Carrying value at 30 June 2021	70,452,125	86,184,755	664,655,390	77,865,310	-	25,351,823	924,509,403
Cost	70,452,125	98,147,957	859,986,313	95,770,692	3,111,305	84,269,288	1,211,737,680
Accumulated Impairments	-	-	(19,803)	(1,364,222)	-	(725,057)	(2,109,082)
Accumulated Depreciation	-	(11,963,202)	(195,311,120)	(16,541,160)	(3,111,305)	(58,192,408)	(285,119,195)

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

CAPITALISED RESTORATION COST

Net Carrying amount at 1 July						10 027 827
Cost						46 429 939
Accumulated Depreciation						(36 402 112)
Adjustment for the period						50 120 798
Depreciation for the year						(2 498 945)
Net Carrying amount at 30 June						57 649 679
Cost						96 550 736
Accumulated Depreciation						(38 901 057)
Total Property, Plant and Equipment						982 159 082

8.1.1 Work in Progress included in the Carrying Value of Property Plant & Equipment								
Original Cost	558 835	44 060 729	387 937	0	15 344 092	60 351 594		
8.1.2 Expenditure incurred for repairs and maintaining property plant and equipment			17 106 278					

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

PROPERTY, PLANT AND EQUIPMENT CONTINUED

8,2 30 JUNE 2020

Reconciliation of Carrying Value	Land R	Buildings R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2019	70 821 672	89 074 511	626 397 981	68 333 398	956 045	29 671 075	885 254 681
Cost	70 821 672	99 203 957	783 140 183	79 434 583	3 111 305	76 563 996	1 112 275 695
Accumulated Impairment	-	-	(19 803)	-	-	(1 439 785)	(1 459 588)
Accumulated Depreciation	-	(10 129 446)	(156 722 400)	(11 101 185)	(2 155 260)	(45 453 135)	(225 561 426)
Acquisitions	-	-	24 406 671	4 345 120	-	5 756 386	34 508 178
Transfers	-	(837 827)	-	837 827	-	(794 040)	(794 040)
Cost	-	(988 000)	-	988 000	-	(945 903)	(945 903)
Accumulated Depreciation	-	150 173	-	(150 173)	-	151 863	151 863
Impairment	-	-	-	(278 553)	-	278 553	-
Depreciation	-	(994 122)	(19 223 869)	(3 272 493)	(407 014)	(6 607 159)	(30 504 657)
Carrying value of disposals	(361 000)	(61 098)	-	-	-	(346 360)	(768 458)
Cost	(361 000)	(68 000)	-	-	-	(476 487)	(905 487)
Accumulated Depreciation	-	6 902	-	-	-	130 127	137 029
Carrying value at 30 June 2020	70 460 672	87 181 464	631 580 782	69 965 299	549 031	27 958 457	887 695 704
Cost	70 460 672	98 147 957	807 546 854	84 767 703	3 111 305	80 897 993	1 144 932 484
Accumulated Impairments	-	-	(19 803)	(278 553)	-	(1 161 232)	(1 459 588)
Accumulated Depreciation	-	(10 966 493)	(175 946 270)	(14 523 851)	(2 562 274)	(51 778 305)	(255 777 192)

CAPITALISED RESTORATION COST

Net Carrying amount at 1 July

19 246 216

Cost

52 960 260

Accumulated Depreciation

(33 714 045)

Adjustment for the period

(6 530 322)

Depreciation for the year

(2 888 067)

Net Carrying amount at 30 June

10 027 827

Cost

46 429 939

Accumulated Depreciation

(36 402 112)

Total Property, Plant and Equipment

897 723 531

8.2.1 Work in Progress included in the Carrying Value of Property Plant & Equipment

Original Cost

558835

16 293 860

387 937

0

6 033 674

23 274 306

8.2.2 Expenditure incurred for repairs and maintaining property plant and equipment

14 469 501

8.2.3 No assets are pledged as security

8.2.4 No assets were in construction or development and consequently halted.

8.2.5 No assets took significantly long to complete.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9	INTANGIBLE ASSETS	2021 R	2020 R
	Computer Software		
	Net Carrying amount at 1 July	1 647 247	2 029 417
	Cost	5 027 955	5 012 239
	Accumulated Amortisation	(3 380 708)	(2 982 822)
	Acquisitions	-	15 716
	Amortisation	(386 959)	(397 887)
	Net Carrying amount at 30 June	1 260 288	1 647 247
	Cost	5 027 955	5 027 955
	Accumulated Amortisation	(3 767 667)	(3 380 708)
	No intangible assets are pledged as security		
	No intangible assets were in construction or development and consequently halted.		
	No intangible assets took significantly long to complete.		
10	INVESTMENT PROPERTY		
	Net Carrying amount at 1 July	44 504 573	44 459 310
	Cost	47 853 850	47 554 810
	Accumulated Depreciation	(3 349 277)	(3 095 500)
	Transfers to/from Cost	-	945 903
	Transfers to/from Accumulated Depreciation	-	(151 863)
	Depreciation for the year	(281 026)	(279 891)
	Carrying value of disposals	-	(468 886)
	Cost	-	(495 000)
	Accumulated Depreciation	-	26 114
	Net Carrying amount at 30 June	44 223 547	44 504 573
	Cost	47 853 850	48 005 713
	Accumulated Depreciation	(3 630 304)	(3 501 140)
	There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
	There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
	Revenue derived from the rental of investment property	639 712	2 623 725
	Repair and maintenance expenditure incurred on properties generating revenue	<u>388 834</u>	<u>492 260</u>
	Total Operating expenditure incurred on properties generating revenue	<u>9 601 433</u>	<u>9 502 538</u>
	Operating expenditure incurred on properties not generating revenue	<u>898 213</u>	<u>931 350</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11	HERITAGE ASSETS	2021 R	2020 R
	Net Carrying amount at 1 July	550 000	550 000
	Cost	550 000	550 000
	Net Carrying amount at 30 June	550 000	550 000
	Cost	550 000	550 000

Heritage assets are carried at its cost less any accumulated impairment losses

No repairs and maintenance were effected on the heritage assets.

None of the heritage assets are pledge as security.

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land and buildings being leased out for periods ranging until 2019.

12	TRADE AND OTHER PAYABLES EXCHANGE TRANSACTIONS	2021 R	2020 R
	Payables and Accruals	11 389 843	9 203 933
	Control, Clearing and Interface	101 181	(6 285)
	Electricity Bulk Purchase	31 409 381	29 051 439
	Accrued Interest	10 342	16 551
	Unallocated Deposits	4 654 172	5 129 924
	Retentions	3 358 724	3 518 982
	Advance Payments	6 811 826	6 024 459
	Overtime	839 359	808 395
	Total Trade Payables	<u>58 574 828</u>	<u>53 747 398</u>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
		R	R
13	CONSUMER DEPOSITS		
	Water and Electricity	5 777 154	5 232 346
	Rental Properties	500 937	660 469
	Building Plans	2 801 641	2 417 461
	Total Consumer Deposits	<u><u>9 079 732</u></u>	<u><u>8 310 276</u></u>
14	CURRENT EMPLOYEE BENEFITS		
	Current Portion of Post Employment Health Care Benefits- Note 18	2 630 000	1 823 000
	Current Portion of Long-Service Provisions - Note 18	1 354 000	1 573 000
	Current Portion of Ex-gratia Pension Provisions - Note 18	2 162	8 455
	Staff Leave	18 023 300	17 400 649
	Performance Bonuses	709 809	666 708
	Staff Bonuses	5 106 015	5 202 132
	Total Current Employee Benefits	<u><u>27 825 286</u></u>	<u><u>26 673 944</u></u>

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	17 400 648	13 148 895
Contribution for the year	1 354 848	4 832 121
Expenditure incurred	(732 196)	(580 367)
Balance at end of year	<u><u>18 023 300</u></u>	<u><u>17 400 649</u></u>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

Performance Bonuses

Balance at beginning of year	666 708	497 567
Contribution for the year	709 809	721 323
Expenditure incurred	(666 708)	(552 181)
Balance at end of year	<u><u>709 809</u></u>	<u><u>666 709</u></u>

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of their performance.

Staff Bonuses

Balance at beginning of year	5 202 132	4 642 349
Contribution for the year	8 733 330	8 590 849
Expenditure incurred	(8 829 448)	(8 031 067)
Balance at end of year	<u><u>5 106 014</u></u>	<u><u>5 202 131</u></u>

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represents the portion of the bonus that have already vested for the current salary cycle.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021 R	2020 R
15	UNSPENT PUBLIC CONTRIBUTIONS		
	China - Water meters	15 627	16 004
	Essen Belgium	3 963 623	3 987 569
	Total Unspent Public Contributions	3 979 250	4 003 573
	Reconciliation of public contributions		
	<u>China - Water meters</u>		
	Opening balance	16 005	19 533
	Conditions met - Transferred to revenue	(378)	(3 529)
	Closing balance	15 627	16 004
	3580 Water meters were donated by the Chinese Government to the Witzenberg Municipality. The purpose of the donation is to provide water connections to poor households.		
	<u>Essen Belgium</u>		
	Opening balance	3 987 568	2 199 763
	Receipts	834 420	2 331 023
	Conditions met - Transferred to revenue	(858 365)	(543 217)
	Closing balance	3 963 623	3 987 569
	A twinning agreement exists between Essen in Belgium and the Witzenberg Municipality. The purpose of the agreement is youth development and crèches.		
16	BORROWINGS		
	Annuity Loans	2 774 921	4 105 791
	Finance Lease Liability	-	481 811
		2 774 921	4 587 602
	Less Current portion of Non-current	(1 586 619)	(1 967 785)
	Annuity Loans	(1 586 619)	(1 485 974)
	Finance Lease Liability	-	(481 811)
	Non-Current portion	1 188 302	2 619 817
	Total borrowings - At amortised cost using the effective interest rate method	1 188 302	2 619 817
	Refer below for maturity dates of long term liabilities:		
	The obligations under annuity loans are scheduled below:		Minimum annuity payments
	Amounts payable under annuity loans:		
	Payable within one year	1 762 766	1 792 988
	Payable within two to five years	1 250 670	2 848 336
		3 013 435	4 641 324
	Less: Future finance obligations	(238 517)	(535 535)
	Present value of annuity obligations	2 774 918	4 105 788
	Annuity loans at amortised cost is calculated at an average 12.47% interest rate, with a final maturity date of 30 June 2023.		
	The obligations under finance leases are scheduled below:		Minimum lease payments
	Amounts payable under finance leases:		
	Payable within one year	-	508 306
		-	508 306
	Less: Future finance obligations	-	(26 495)
	Present value of lease obligations	-	481 811



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

17	NON-CURRENT PROVISIONS	2021	2020
		R	R
	Provision for Rehabilitation of Landfill-sites	102 375 838	50 889 138
	Total Non-current Provisions	102 375 838	50 889 138
	<u>Landfill Sites</u>		
	Opening Balance	50 889 138	86 471 213
	Unwinding of Interest	3 570 257	8 087 185
	Adjustment for the period	47 916 443	(43 669 260)
	Total provision 30 June	102 375 838	50 889 138
	Discount rate	7.02%	9.35%
	Inflation Rate	4.90%	2.20%

The calculation for the rehabilitation of the landfill site provision was compiled by an independent qualified engineer in order to determine the present value to rehabilitate the landfill sites at the end of its useful life. The total obligation at year-end can be attributed to the following sites:

Location	Estimated Decommission Date	Current Cost of Rehabilitation	Current Cost of Rehabilitation
Ceres	2003	2 726 781	4 607 860
Prince Alfred's Hamlet	2025	48 821 093	38 545 792
Op-die- Berg	2021	7 789 062	5 672 802
Tulbagh	2032	18 584 907	905 259
Wolseley	2034	24 453 996	1 157 427
		102 375 838	50 889 139

Location	Estimated Decommission Date	Future Cost of Rehabilitation	Future Cost of Rehabilitation
Ceres	2003	2 726 781	4 607 860
Prince Alfred's Hamlet	2025	64 032 189	60 723 312
Op-die- Berg	2021	7 789 062	6 296 476
Tulbagh	2032	39 181 877	51 732 646
Wolseley	2034	59 043 230	79 093 858
		172 773 139	202 454 153

18	EMPLOYEE BENEFITS		
	Post-employment Health Care Benefits	60 636 000	52 895 000
	Long Service Awards	10 802 000	8 680 000
	Ex-Gratia Pension Benefits	29 920	53 758
	Total Non-current Employee Benefit Liabilities	71 467 920	61 628 758
	<u>Post-employment Health Care Benefits</u>		
	Opening Balance	54 718 000	57 148 484
	Contribution for the year	1 823 000	2 020 946
	Interest Cost	5 529 000	5 242 666
	Expenditure for the year	(2 333 394)	(2 379 821)
	Actuarial Loss/(Gain)	3 529 394	(7 314 275)
	Total post retirement Health Care benefits 30 June	63 266 000	54 718 000
	Less: Transfer of Current Portion - Note 14	(2 630 000)	(1 823 000)
	Balance 30 June	60 636 000	52 895 000



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18	EMPLOYEE BENEFITS CONTINUED	2021 R	2020 R
	<u>Long Service Awards</u>		
	Opening Balance	10 253 000	10 640 365
	Contribution for the year	798 000	878 787
	Interest Cost	687 000	818 139
	Expenditure for the year	(1 382 126)	(840 493)
	Actuarial Loss/(Gain)	1 800 126	(1 243 798)
	Total long service 30 June	12 156 000	10 253 000
	Less: Transfer of Current Portion - Note 14	(1 354 000)	(1 573 000)
	Balance 30 June	10 802 000	8 680 000
	<u>Ex-Gratia Pension</u>		
	Opening Balance	62 210	63 524
	Interest Cost	4 186	4 817
	Expenditure for the year	(22 519)	(6 240)
	Actuarial Loss/(Gain)	(11 795)	112
	Total Ex-Gratia 30 June	32 082	62 213
	Less: Transfer of Current Portion - Note 14	(2 162)	(8 455)
	Balance 30 June	29 920	53 758
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
	Balance 1 July	65 033 210	67 852 373
	Contribution for the year	2 621 000	2 899 733
	Interest cost	6 220 186	6 065 622
	Expenditure for the year	(3 738 039)	(3 226 554)
	Actuarial Loss/(Gain)	5 317 725	(8 557 961)
	Total employee benefits 30 June	75 454 082	65 033 213
	Less: Transfer of Current Portion - Note 14	(3 986 162)	(3 404 455)
	Balance 30 June	71 467 920	61 628 758

18.1 Post-employment Health Care Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	246	248
In-service (employee) non-members	240	
Continuation members (e.g. Retirees, widows, orphans)	54	54
Total Members	540	302

The liability in respect of past service has been estimated to be as follows:

In-service (employee) members	30 183 000	26 345 000
In-service (employee) non-members	2 345 000	
Continuation members	30 738 000	28 373 000
Total Liability	63 266 000	54 718 000

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2019 R	2018 R	2017 R
In-service members	27 996 656	52 940 818	50 585 753
Continuation members	29 151 829	25 363 294	21 789 464
Total Liability	57 148 485	78 304 112	72 375 217

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
Keyhealth,
LA Health
Hosmed and
Samwumed.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18.1 EMPLOYEE BENEFITS CONTINUED

2021

2020

Key actuarial assumptions used:

i) Rate of interest

Discount rate	10.06%	10.34%
Health Care Cost Inflation Rate	6.77%	6.40%
Net Effective Discount Rate	3.08%	3.70%

The discount rate are derived from government bond yields consistent with the estimated term of the post-employment liabilities. However, where there is no deep market in government bonds with a sufficiently long maturity to match the estimated term of all the benefit payments, current market rates of the appropriate term should be used to discount shorter term payments, and the discount rate for longer maturities should be estimated by extrapolating current market rates along the yield curve.

ii) Mortality rates

The PA 90 ultimate table was used by the actuaries.

iii) Normal retirement age

The normal retirement ages are 65 (for males) and 65 (for females). It has been assumed that male in-service members will retire at age 62 and female in-service members will retire at age 59, on average, which then implicitly allows for expected rates of ill-health and early retirement.

The amounts recognised in the Statement of Financial Position are as follows:	2021 R	2020 R
Present value of fund obligations	63 266 000	54 718 000
Net liability/(asset)	63 266 000	54 718 000

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits, paragraph 155 (a).

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	54 718 000	57 148 484
Total expenses	5 018 606	4 883 791
Current service cost	1 823 000	2 020 946
Interest Cost	5 529 000	5 242 666
Benefits Paid	(2 333 394)	(2 379 821)
Amendments	-	-
Actuarial (gains)/losses	3 529 394	(7 314 275)
Present value of fund obligation at the end of the year	63 266 000	54 718 000
Less: Transfer of Current Portion - Note 14	(2 630 000)	(1 823 000)
Balance 30 June	60 636 000	52 895 000

Sensitivity Analysis on the Accrued Liability at 30 June 2021

Assumption	In-service members	Continuation members	Total liability (R'000)
Central Assumptions	30 183 000	30 738 000	60 921 000

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members	Continuation members	Total liability (R'000)	% change
Central assumptions		30 183 000	30 738 000	60 921 000	
Health care inflation	1%	35 463 000	33 596 000	69 059 000	9
Health care inflation	-1%	28 735 000	28 159 000	56 894 000	-10
Mortality rate	20%	31 056 000	28 649 000	59 705 000	-6
Mortality rate	-20%	34 260 000	33 344 000	67 604 000	7

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

EMPLOYEE BENEFITS CONTINUED

18.2 Long Service Awards

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

486 512

i) Rate of interest

Discount rate	9.13%	7.25%
General Salary Inflation (long-term)	5.77%	3.90%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	3.18%	3.22%

2021 **2020**
R R

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	12 156 000	10 253 000
Net liability	12 156 000	10 253 000

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2019	2018	2017
	R	R	R
Present value of fund obligations	10 640 365	5 885 018	5 329 057
Net liability	10 640 365	5 885 018	5 329 057

2021 **2020**
R R

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	10 253 000	10 640 365
Total expenses	102 874	856 433
Current service cost	798 000	878 787
Interest Cost	687 000	818 139
Benefits Paid	(1 382 126)	(840 493)
Actuarial (gains)/losses	1 800 126	(1 243 798)
Present value of fund obligation at the end of the year	12 156 000	10 253 000
Less: Transfer of Current Portion - Note 14	(1 354 000)	(1 573 000)
Balance 30 June	10 802 000	8 680 000

Sensitivity Analysis on the Accrued Liability at 30 June 2021

Assumption	Change	Liability	% change
Central assumptions		12 156 000	
General salary inflation	1.00%	12 898 000	6%
General salary inflation	-1.00%	11 481 000	-6%
Withdrawal rates	20%	11 624 000	-4%
Withdrawal rates	-20%	12 736 000	5%



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

EMPLOYEE BENEFITS CONTINUED

2021

2020

18.3 Ex-Gratia Pension Benefits

The Ex-Gratia Pension Benefits plans are defined benefit plans.

As at year end, the following number of employees were eligible for Ex-Gratia Pension Benefits.

16

18

i) Rate of interest

Discount rate

8.67%

7.21%

**2021
R**

**2020
R**

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations

32 082

62 213

Net liability

32 082

62 213

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

**2019
R**

**2018
R**

**2017
R**

Present value of fund obligations

71 873

71 873

154 143

Net liability

71 873

71 873

154 143

EMPLOYEE BENEFITS CONTINUED

**2021
R**

**2020
R**

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year

62 210

63 524

Total expenses

(18 333)

(1 423)

Interest Cost

4 186

4 817

Benefits Paid

(22 519)

(6 240)

Actuarial (gains)/losses

(11 795)

112

Present value of fund obligation at the end of the year

32 082

62 213

Less: Transfer of Current Portion - Note

(2 162)

(8 455)

Balance 30 June

29 920

53 758

Sensitivity Analysis on the Accrued Liability at 30 June 2021

Assumption

Change

Total liability

% change

Central assumptions

32 082

Withdrawal rates

+20%

31 844

-1.0%

Withdrawal rates

-20%

32 332

1.0%



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

EMPLOYEE BENEFITS CONTINUED	2021	2020
	R	R
18.4 Retirement funds		
<u>CAPE JOINT PENSION FUND</u>		
The funding level of the CJPF (Pensions Account section) was 105.1% as at the 30 June 2013 valuation date compared with a 99.4% funding level as at 30 June 2012. The Fund is in a sound financial condition at the valuation date. As at the 30 June 2013 valuation date (in totality) the members contributed at a rate of 9% of pensionable salaries and (in totality) the Local Authorities contributed at a rate of 18% of pensionable salaries.		
Contributions paid recognised in the Statement of Financial Performance	<u>381 065</u>	<u>288 723</u>
<u>SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND</u>		
The funding level at the most recent actuarial valuation (1 July 2012) of 100% was calculated on a Discounted Cash Flow (DCF) basis. The funding level has improved since the previous valuation. The valuation actuary recommended that the prevailing employer contribution rate at 1 July 2012 be maintained at 15,26%. This includes a margin of 3,92% over and above the contribution rate required to fund the Projected Unit Method future service benefits and associated costs.		
Contributions paid recognised in the Statement of Financial Performance	<u>244 764</u>	<u>186 267</u>
<u>DEFINED CONTRIBUTION FUNDS</u>		
Council contributes to: the Government Employees Pension Fund; Municipal Council Pension Fund; National Fund for Municipal Workers (IMATU); and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.		
Contributions paid recognised in the Statement of Financial Performance		
Cape Joint Retirement Fund	24 174 021	21 956 888
Municipal Councillors Pension Fund	393 038	376 758
National Fund For Municipal Employees (IMATU)	145 755	133 462
SAMWU National Provident Fund	<u>4 385 295</u>	<u>4 275 921</u>
	<u>29 098 110</u>	<u>26 743 029</u>
The municipality adjusted the retirement age of female employees from 60 to 65 years of age. No change in estimated figures are expected due to the following:		
The valuation results are dependent on the expected average retirement ages (EARAs) instead of the normal retirement age (NRAs).		
Witzenberg's own recent employee-retirement history will be too small a sample to be solely relied on in setting these assumptions. Nevertheless, this recent experience seems to be in line with the EARAs used in the 2020 valuation.		
If there is concern that the change in NRA for females will affect their EARA, then we recommend that the retirement-experience be monitored for several years after the change.		
19 NET ASSET RESERVES		
Capital Replacement Reserve	<u>10 442 209</u>	<u>10 617 534</u>
Total Net Asset Reserves	<u>10 442 209</u>	<u>10 617 534</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

20

PROPERTY RATES

**2021
R**

**2020
R**

Actual

Rates Levied

88 968 573

81 314 127

Business
Building Clauses
Rural
Industrial Properties
Residential Properties
State-owned Properties
Vacant Land
Public Service Infrastructure

14 252 757	13 201 984
100 709	96 418
21 658 417	18 572 835
10 142 771	9 400 563
28 828 793	26 964 539
12 180 752	11 164 548
1 781 377	1 907 205
22 997	6 035

Less: Revenue Forgone

(8 193 455)

(7 720 342)

Total Assessment Rates

80 775 118

73 593 785

Valuations - 1 JULY

Land and Buildings

Residential Property
Commercial Property
Industrial Property
Informal Property
Agricultural Purposes
State - National/ Provincial Services
Public Service Infrastructure
Vacant Property
Total Valuation

4 082 787 000
1 017 784 700
622 997 000
37 168 500
12 675 752 300
822 627 500
10 040 500
176 507 400
19 445 664 900

4 052 249 000
1 013 172 700
610 486 000
37 168 500
12 588 293 000
822 438 000
9 948 500
166 825 800
19 300 581 500

Assessment Rates are levied on the value of land and improvements. The valuation is performed every 4-6 years. The last valuation came into effect on 1 July 2018. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Rates:

Residential
Commercial
Industrial
Bona Fide Agricultural

0.927c/R
1.674c/R
1.629c/R
0.125c/R

0.875c/R
1.579c/R
1.537c/R
0.106c/R

Rates are levied annually and monthly. Monthly rates are payable by the 15th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential - The first R120 000 on the valuation is exempted.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

21	TRANSFERS AND SUBSIDIES	2021 R	2020 R
	Unconditional Grants	116 085 531	92 850 157
	Equitable Share	116 085 531	92 850 157
	Conditional Grants	67 067 486	53 829 958
	Grants and donations	67 067 486	53 829 958
	Total Government Grants and Subsidies	<u>183 153 017</u>	<u>146 680 115</u>
	Government Grants and Subsidies - Capital	52 101 858	15 568 796
	Government Grants and Subsidies - Operating	131 051 159	131 111 319
		<u>183 153 017</u>	<u>146 680 115</u>

Please refer to appendix D for more detailed disclosure of Government Grants and Subsidies.

The Municipality does not expect any significant changes to the level of grants.

21.1 Equitable share

Grants received	116 085 531	92 850 157
Conditions met - Operating	(116 085 531)	(92 850 157)
Conditions still to be met/(Grant expenditure to be recovered)	<u>-</u>	<u>-</u>

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

21.2 Local Government Financial Management Grant (FMG)

Opening balance	54 161	626 923
Grants received	1 550 000	1 550 000
Conditions met - Operating	(1 550 000)	(1 495 840)
Write off / Transfers	(54 161)	(626 922)
Conditions still to be met/(Grant expenditure to be recovered)	<u>-</u>	<u>54 161</u>

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

21.3 Expanded Public Works Programme

Opening balance	(432 918)	(275 740)
Grants received	2 360 000	2 299 000
Conditions met - Operating	(2 030 150)	(2 456 177)
Conditions still to be met/(Grant expenditure to be recovered)	<u>(103 068)</u>	<u>(432 917)</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

GOVERNMENT GRANTS AND SUBSIDIES CONTINUED		2021	2020
		R	R
21.4	Municipal Infrastructure Grant (MIG)		
	Opening balance	9 843 224	(666 480)
	Grants received	22 013 000	22 411 000
	Conditions met - Operating	(630 000)	-
	Conditions met - Capital	(21 042 862)	(11 901 296)
	Write off / Transfers	(9 843 224)	-
	Conditions still to be met/(Grant expenditure to be recovered)	<u><u>340 138</u></u>	<u><u>9 843 224</u></u>
	The grant was used to upgrade infrastructure in previously disadvantaged areas.		
21.5	Regional Bulk Infrastructure Grant (RBIG)		
	Opening balance	19 236 146	6 441 235
	Grants received	10 000 000	19 471 000
	Conditions met - Capital	-	(234 854)
	Write off / Transfers	(19 236 146)	(6 441 235)
	Conditions still to be met/(Grant expenditure to be recovered)	<u><u>10 000 000</u></u>	<u><u>19 236 146</u></u>
	The grant was used to upgrade infrastructure in previously disadvantaged areas.		
21.6	Housing Grants		
	Opening balance	3 507 702	(1 237 092)
	Grants received	28 563 744	28 950 965
	Conditions met - Operating	(238 000)	(224 000)
	Conditions met - Capital	(26 507 700)	(23 982 171)
	Conditions still to be met/(Grant expenditure to be recovered)	<u><u>5 325 746</u></u>	<u><u>3 507 702</u></u>
	Housing grants was utilised for the development of erven and the erection of top structures.		
21.7	Integrated National Electrification Grant		
	Opening balance	(291 587)	(651 195)
	Grants received	-	3 000 000
	Conditions met - Capital	-	(2 640 392)
	Conditions still to be met/(Grant expenditure to be recovered)	<u><u>(291 587)</u></u>	<u><u>(291 587)</u></u>
	The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
21.8	Library services		
	Opening balance	800 000	400 000
	Grants received	9 764 000	9 639 000
	Conditions met - Operating	(9 764 000)	(9 239 000)
	Conditions met - Capital	(800 000)	-
	Conditions still to be met/(Grant expenditure to be recovered)	<u><u>-</u></u>	<u><u>800 000</u></u>
21.9	Other Grants		
	Opening balance	16 144 681	3 070 004
	Grants received	4 505 240	17 577 649
	Conditions met - Operating	(1 178 384)	(4 191 299)
	Conditions met - Capital	(8 232 278)	(311 672)
	Conditions still to be met/(Grant expenditure to be recovered)	<u><u>11 239 259</u></u>	<u><u>16 144 682</u></u>
	Various grants were received from other spheres of government of which the material ones are: RBIG R9.3 million and Essen R2.2 million, etc.		
21.10	Total Grants		
	Opening balance	48 861 409	7 707 655
	Grants received	194 841 515	197 748 771
	Conditions met - Operating	(131 476 065)	(110 456 473)
	Conditions met - Capital	(56 582 840)	(39 070 385)
	Write off / Transfers	(29 133 531)	(7 068 157)
	Conditions still to be met/(Grant expenditure to be recovered)	<u><u>26 510 488</u></u>	<u><u>48 861 411</u></u>
	<u>Disclosed as follows:</u>		
	Unspent Conditional Government Grants and Receipts	24 703 606	48 496 815
	Unspent Public Contributions	3 979 250	4 003 573
	Unpaid Conditional Government Grants and Receipts	<u><u>(2 172 368)</u></u>	<u><u>(3 638 977)</u></u>
		<u><u>26 510 488</u></u>	<u><u>48 861 411</u></u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22	SERVICE CHARGES	2021 R	2020 R
	Electricity	276 642 088	258 382 622
	Water	46 289 114	42 853 245
	Refuse removal	34 109 824	32 235 749
	Sewerage and Sanitation Charges	42 570 075	39 992 999
		<u>399 611 101</u>	<u>373 464 615</u>
	Less: Revenue Forgone	(23 410 035)	(20 908 921)
	Total Service Charges	<u>376 201 066</u>	<u>352 555 694</u>
	Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
23	AGENCY SERVICES		
	The municipality is collecting motor vehicle licence fees, motor registration and drivers licence fees on behalf of the Department of Transport and Public Works. Hence the municipality receives and commission on the collection of monies. The municipality act as an agent for the Department of Transport and Public Works, without any significant judgement to be applied. There was no changes in the terms and condition of the arrangement for the reporting year. The amounts as per note is inclusive of VAT - The amount retained as per the statement of financial performance is exclusive of VAT		
	Opening Balance	(1 110 393)	256 368
	Funds collected	28 896 887	25 047 100
	Retained	(5 006 842)	(3 998 961)
	Paid	(22 518 184)	(20 194 114)
	Payable to principal	<u>261 468</u>	<u>1 110 393</u>
24	OPERATIONAL REVENUE		
	Insurance Refund	106 928	1 729 242
	Collection Charges	-	(152)
	Breakages and Losses Recovered	632	3 687
	Merchandising, Jobbing and Contracts	57 113	45 476
	Other	246 212	352 263
	Total Operational Revenue	<u>410 885</u>	<u>2 130 516</u>
25	SALES OF GOODS AND RENDERING OF SERVICES		
	Application Fees for Land Usage	139 118	64 223
	Building Plan Approval	1 009 001	767 915
	Camping Fees	1 383 904	3 188 912
	Cemetery and Burial	328 319	175 799
	Development Charges	110 605	108 876
	Entrance Fees	33 772	591 521
	Other	606 204	373 415
	Total Sales of Goods and Rendering of services	<u>3 610 923</u>	<u>5 270 661</u>
26	EMPLOYEE RELATED COSTS		
	Salaries and Wages	122 994 553	115 809 475
	Bargaining Council Levy	62 113	61 997
	Bonuses	9 443 139	9 312 172
	Contributions For Pensions	18 409 619	16 469 301
	Contributions For Medical Aids	8 014 063	8 133 228
	Contributions For UIF	957 748	926 672
	Group Life Insurance	2 053 200	1 814 843
	Housing Benefits and Allowances	1 819 262	1 545 176
	Leave Reserve	1 354 848	4 832 121
	Long service awards	798 000	878 787
	Overtime	10 535 351	10 763 375
	Standby Allowance	6 074 077	6 080 327
	Post Employment Health Care Benefits	1 823 000	2 020 946
	Travel, Motor Car, Accommodation, Subsistence and Other Allowances	7 342 732	6 674 848
	Total Employee Related Costs	<u>191 681 705</u>	<u>185 323 268</u>
	KEY MANAGEMENT PERSONNEL		
	The Municipal Manager and Directors are appointed on fixed term contracts.		



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

26

EMPLOYEE RELATED COSTS CONTINUED

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Municipal Manager

	2021 R	2020 R
Annual Remuneration	1 165 430	1 091 381
Performance Bonus	215 432	209 564
Travelling Allowance	108 000	108 000
Contributions to UIF, Medical, Pension Funds and Bargaining Council	269 234	262 360
Other Allowance	61 552	58 649
Total	1 819 648	1 729 954

Remuneration of the Director Technical Services

Annual Remuneration	747 080	691 123
Performance Bonus	176 105	171 308
Travelling Allowance	510 814	510 814
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3 864	3 793
Travelling Expenses	648	31 673
Other Allowance	-	11 026
Total	1 438 511	1 419 737

Remuneration of the Director Corporate Services

Annual Remuneration	1 065 894	1 009 937
Performance Bonus	171 308	171 308
Travelling Allowance	192 000	195 119
Contributions to UIF, Medical, Pension Funds and Bargaining Council	3 864	-
Travelling Expenses	4 096	11 848
Other Allowance	50 316	79 206
Total	1 487 478	1 467 418

Remuneration of the Director Financial Services - From 1 December 2020

Annual Remuneration	392 662	-
Travelling Allowance	105 000	-
Housing Allowance	165 431	-
Contributions to UIF, Medical, Pension Funds and Bargaining Council	71 836	-
Travelling Expenses	2 007	-
Total	736 935	-

Remuneration of the Acting Director Financial Services

Annual Remuneration	404 455	924 469
Bonus	81 854	77 039
Travelling Allowance	68 555	159 547
Contributions to UIF, Medical, Pension Funds and Bargaining Council	74 488	168 301
Other Allowance	27 445	82 949
Total	656 797	1 412 305

The position of Director Financial Services was vacant for 5 months of the 2020 / 2021 financial year. A senior employee was delegated to perform the duties assigned to the post in legislation.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

27

REMUNERATION OF COUNCILLORS

	2021 R	2020 R
Executive Mayor		
Annual Remuneration	574 367	573 750
Pension fund contributions	86 155	86 772
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	291 182	281 239
Total	951 704	941 761
Deputy Mayor		
Annual Remuneration	563 541	563 047
Pension fund contributions	84 531	85 024
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	114 465	119 848
Total	762 536	767 919
Speaker		
Annual Remuneration	561 922	569 433
Pension fund contributions	84 288	81 000
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	115 786	120 519
Total	761 996	770 951
Mayoral Committee Members (4)		
Annual Remuneration	2 068 036	2 070 249
Pension fund contributions	310 205	312 664
Medical aid contributions	82 033	77 425
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	385 879	400 557
Total	2 846 153	2 860 896
Section 79 Committee Chairman		
Annual Remuneration	289 932	273 284
Pension fund contributions	43 490	41 281
Medical aid contributions	29 596	48 452
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	40 939	42 478
Total	403 956	405 495
Ordinary Councillors (15)		
Annual Remuneration	3 558 817	3 550 513
Pension fund contributions	467 748	499 601
Medical aid contributions	112 862	89 737
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	717 256	717 214
Total	4 856 683	4 857 065

In-kind Benefits

The Executive Mayor, Speaker and all the Mayoral committee members are full-time. The Executive Mayor, Speaker and all the Mayoral committee members are provided with secretarial support and an office at the cost of the Council.

Each councillor received an regulation 11 (cell phone allowance) and 12 (mobile data bundles) benefit. However the regulation 12 benefits is utilised for the contract procured by the municipality for data and regulation 11 is paid to the councillor to obtain their own contract.

Where applicable, councillor who qualify also received an regulation 10 (Out of pocket expenses) payment.



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
28 PROVISION FOR IMPAIRMENT		
Receivables from exchange transactions: Contributions - Note 3	38 013 933	36 919 140
Receivables from exchange transactions: Reversals - Note 3	(16 164)	(18 368)
Receivables from non-exchange transactions: Contributions - Note 4	14 412 198	27 790 285
Receivables from non-exchange transactions: Reversals - Note 4	(17 544 670)	(14 168 690)
Total Contribution to Debt Impairment	34 865 297	50 522 367
29 DEPRECIATION AND AMORTISATION		
Property Plant and Equipment	29 414 290	30 504 658
Investment Property	281 026	279 891
Intangible Assets	386 959	397 887
Capitalised restoration cost	2 498 945	2 688 067
Total Depreciation and Amortisation	32 581 220	33 870 503
30 FINANCE CHARGES		
Borrowing	200 004	396 713
Finance leases	26 495	72 165
Ex-Gratia Pension	4 186	4 817
Post Employment Health Care Benefits	5 529 000	5 242 666
Long service awards	687 000	818 139
Non-current Provision	3 570 257	8 087 185
Total finance charges	10 016 942	14 621 685
31 BULK PURCHASES		
Electricity	239 632 251	221 831 359
Total Bulk Purchases	239 632 251	221 831 359
32 CONTRACTED SERVICES		
Tracing agents and debt collection	52 625	79 637
Legal Cost	4 333 008	2 386 851
Electrical	2 021 189	1 602 010
Maintenance Buiding and Facilities	689 740	664 973
Traffic Fines Management	299 752	1 167 352
Maintenance of Unspecified Assets	2 100 880	1 963 616
Business and Advisory	3 537 383	3 597 132
Security Services	21 702 696	18 315 669
Infrastructure and Planning	13 539 746	10 678 593
Other	3 470 564	4 197 620
	51 747 583	44 653 453
33 TRANSFERS AND SUBSIDIES: OPERATIONAL EXPENDITURE		
Public Schools	60 000	10 000
Bursaries (Non-Employee)	17 944	205 628
Eskom	5 000 000	-
Witzenberg Security Forum	564 000	425 000
Tourism	892 323	853 935
Total Transfers and Subsidies: Operational Expenditure	6 534 267	1 494 563

The transfer to Eskom is for upgrading of the electricity network feeding the Ceres area to increase the available electricity.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
34 OPERATIONAL COST		
Advertising, Publicity and Marketing	661 146	569 986
Bank Charges, Facility and Card Fees	642 889	538 415
Commission	2 420 897	2 354 458
Communication	2 605 128	2 276 638
External Audit Fees	3 201 445	3 370 644
External Computer Service	2 952 034	2 849 699
Hire Charges	4 104 308	3 718 054
Insurance Underwriting	3 896 785	3 351 355
Learnerships and Internships	595 789	630 243
Levies Paid - Water Resource Management Charges	719 325	719 826
Licences	219 808	391 841
Printing, Publications and Books	356 820	327 246
Professional Bodies, Membership and Subscription	2 195 246	1 777 146
Remuneration to Ward Committee	1 359 000	1 352 000
Signage	504 115	344 316
Workmen's Compensation Fund	1 090 632	1 059 531
Transport Provided as Part of Departmental Activities	6 561	15 760
Travel and Subsistence	231 277	588 109
Uniform and Protective Clothing	760 141	701 086
Wet Fuel	5 789 728	5 770 150
Other	319 280	512 617
Total Operational cost	34 632 354	33 219 120
Minimum lease payments	-	249 794
Payable within one year	1 102 180	553 269
Payable between 1 and 5 years	285 989	-
36 (IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT		
Property Plant & Equipment - Impairment loss	278 553	-
Property Plant & Equipment - Reversal	(714 729)	-
Property Plant & Equipment	1 085 669	-
Total Impairments	649 493	-

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

37	CORRECTION OF ERROR IN TERMS OF GRAP 3	2020 R
37.01	Trade and other Receivables from Exchange Transactions	
	Balance previously reported	57 741 665
	Recognition of land sold 2018/2019 - Note 37,13	118 702
	Recognition of land sold 2018/2019 - Note 37,14	240 000
	Recognition of investment property sold 2019/2020- Note 37,07	120 000
	Recognition of land sold 2019/2020 - Note 37,05	5 480
	Recognition of land sold 2019/2020 - Note 37,05	454 050
	Correction of error: Deposit not recognised against debtor 2019/20- Note 37,14	(4 000)
	Correction of error: Deposit not recognised against debtor 2018/19 - Note 37,13	(22 000)
	Recognition of Industrial Effluent for 2019/20- Note 37,14	7 336 942
	Correction of error: Incorrect allocation of Proceeds on Disposal - Note 37,08	393 050
	Balance now reported	<u>66 383 889</u>
37.02	Receivables from non-exchange transactions	
	Balance previously reported	11 257 354
	Recognition of Fines issued 2019/20- Note 37,14	2 727 700
	Reduction of fines till June 2020 - Note 37,14	(8 400)
	Withdrawals of fines till June 2020 - Note 37,14	(224 800)
	Recognising the increase in provision due to unwinding of discount - Note 37,14	(1 101 950)
	Balance now reported	<u>12 649 904</u>
37.03	Unpaid Conditional Government Grants and Receipts	
	Balance previously reported	2 502 217
	Recognition of Grant spend 2018/2019 - Note 37,13	478 464
	Recognition of Grant spend 2019/2020 - Note 37,14	658 296
	Balance now reported	<u>3 638 977</u>
37.04	Statutory Receivables: VAT	
	Balance previously reported	5 464 126
	Correction of Retention Payable 2018/19 - Note 37,08	(1 907)
	Correction of Retention Payable 2019/20 - Note 37,08	167 860
	Correction Correction on Journal Entry 129/1 2019-20 - Note	(1 104)
	Correction of error Invoices received after year end closure - Note 37,08	16 831
	Correction of Adjustment of manual creditor - Note 37,08	66
	Recognition of Industrial Effluent for 2019/20- Note 37,01	(956 992)
	Balance now reported	<u>4 688 880</u>
37.05	Property, Plant and Equipment	
	Balance previously reported	900 002 651
	Correction of Retention Payable 2018/19 - Note 37,08	(9 315)
	Correction of Retention Payable 2019/20 - Note 37,08	55 608
	Recognition of land sold 2018/19 - Note 37,01	(72)
	Recognition of land sold 2018/19 - Note 37,01	(74 000)
	Correction of depreciation 2019/20 - Note 37,14	246 507
	Recognition of land sold 2019/20 - Note 37,01	(232 000)
	Roll Back of depreciation on land sold 2019/20 - Note 37,01	18 877
	Correction of depreciation in previous financial years - Note 37,14	577
	Correction of insurance write off in previous financial years - Note 37,14	(29 000)
	Correction of rehabilitation of landfill sites provision - Note 37,12	(5 611)
	Correction of depreciation in previous financial years - Note 37,14	(1 456 652)
	Transfer of asset from PPE to investment Property - Note 37,07	(794 040)
	Balance now reported	<u>897 723 530</u>
37.06	Intangible Assets	
	Balance previously reported	1 575 924
	Correction of depreciation 2019/20 - Note 37,14	1 850
	Correction of error: Adjustment of amortization 2019/20 - Note 37,14	69 473
	Balance now reported	<u>1 647 247</u>
37.07	Investment Property	
	Balance previously reported	43 764 533
	Recognition of investment property sold 2019/20120- Note 37,01	(43 000)
	Recognition of land sold 2018/19 - Note 37,01	(11 000)
	Balance now reported	<u>44 504 573</u>

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

2020
R

37.08	Trade and Other Payables Exchange Transactions	
	Balance previously reported	52 842 744
	Correction of Retention Payable 2018/19 - Note 37,05	(11 223)
	Correction of Retention Payable 2019/20 - Note 37,05	796 636
	Correction of error: Salary Control - Commision earned- Note 37,14	(324 070)
	Correction of error: Salary Control - Skill development- Note 37,14	(155 275)
	Correction of Depreciation of land disposed in previous financial years - Note 37,04	(1 104)
	Correction of error: Reallocation of expenditure incurred - Note 37,14	1 724
	Correction of error: Reversal incorrectly processed - Note 37,14	5 600
	Correction of error Invoices received after year end closure - Note 37,04	143 164
	Correction of Adjustment of manual creditor - Note 37,04	505
	Correction of error: Incorrect allocation of Proceeds on Disposal - Note 37,14	625 576
	Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,14	(176 879)
	Balance now reported	<u>53 747 398</u>
37.09	Current Employee benefits	
	Balance previously reported	25 901 033
	Correction of error: Adjustment of Performance bonus - Note 37,14	268 544
	Correction of error: Adjustment of Leave Liability - Note 37,14	504 366
	Balance now reported	<u>26 673 944</u>
37.10	Consumer Deposits	
	Balance previously reported	7 975 528
	Correction of error: Rent refunded incorrectly posted against deposits- Note 37,14	(92 691)
	Correction of error: Restatement of Consumer Deposits- Note 37,14	427 439
	Balance now reported	<u>8 310 276</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED		2020 R
37.11	Unspent Conditional Government Grants and Receipts	
	Balance previously reported	50 077 685
	Recognition of Grant spend 2019/2020 - Note 37,14	(663 240)
	Correction of error: VAT on Transfers recognised - Note 37,14	(15 430)
	Correction of error: Recognition of grant expenditure - Note 37,14	(902 200)
	Balance now reported	48 496 815
37.12	Non-Current Provisions	
	Balance previously reported	50 895 865
	Correction of rehabilitation of landfill sites provision - Note 37,05	(6 727)
	Balance now reported	50 889 138
37.13	Accumulated Surplus as at 30 June 2019	
	Balance previously reported	877 240 797
	Recognition of land sold 2018/2019 - Note 37,01	118 702
	Recognition of land sold 2018/2019 - Note 37,01	239 928
	Recognition of Grant spend 2018/2019 - Note 37,03	478 464
	Deposit not recognised against debtor - Note 37,01	(22 000)
	Correction of error: Restatement of Consumer Deposits- Note 37,1	(307 450)
	Balance now reported	877 748 441
37.14	Accumulated Surplus as at 30 June 2020	
	Balance previously reported	896 324 060
	Correction of error - Accumulated Surplus as at 30 June 2019 - Note 37,13	507 644
	Recognition of Grant spend 2019/2020 - Note 37,01 and Note 37,11	1 321 536
	Correction of error - Maintenance expenditure Capitalized 2019/20 - Note 37,05	(138 555)
	Correction of error: Salary Control - Commission earned- Note 37,08	324 070
	Correction of error: Salary Control - Skill development- Note 37,08	155 275
	Correction of error: Adjustment of Performance bonus - Note 37,09	(268 544)
	Correction of error: VAT on Transfers recognised - Note 37,11	15 430
	Recognition of investment property sold 2019/20120- Note 37,01	77 000
	Recognition of land sold 2019/2020 - Note 37,01	(207 643)
	Correction of depreciation in previous financial years - Note 37,05	577
	Correction of insurance write off in previous financial years - Note 37,05	(29 000)
	Correction of depreciation in previous financial years - Note 37,05	248 357
	Recognition of land sold 2018/19 - Note 37,01	369 050
	Correction of error: Deposit not recognised against debtor 2019/20- Note 37,01	(4 000)
	Correction of error: Rent refunded incorrectly posted against deposits- Note 37,1	92 691
	Correction of error: Reallocation of expenditure incurred - Note 37,08	(1 724)
	Correction of error: Reversal incorrectly processed - Note 37,08	(5 600)
	Correction of error Invoices received after year end closure - Note 37,04	(126 333)
	Correction of Adjustment of manual creditor - Note 37,04	(439)
	Correction of error: Recognition of grant expenditure - Note 37,11	902 200
	Recognition of Industrial Effluent for 2019/20- Note 37,01	6 379 949
	Correction of rehabilitation of landfill sites provision - Note 37,05	1 116
	Recognition of Fines issued 2019/20- Note 37,02	2 727 700
	Reduction of fines till June 2020 - Note 37,02	(8 400)
	Withdrawals of fines till June 2020 - Note 37,02	(224 800)
	Recognising the increase in provision due to unwinding of discount - Note 37,02	(1 101 950)
	Correction of Retention Payable 2019/20 - Note 37,05	(434 612)
	Correction of error: Adjustment of amortization 2019/20 - Note 37,06	69 473
	Correction of depreciation in previous financial years - Note 37,05	(1 456 652)
	Correction of error: Restatement of Consumer Deposits- Note 37,1	(119 989)
	Correction of error: Adjustment of Leave Liability - Note 37,09	(504 366)
	Correction of error: Incorrect allocation of Proceeds on Disposal - Note 37,01	(232 526)
	Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,08	176 879
	Balance now reported	904 827 874
37.15	Fines, Penalties and Forfeits	
	Balance previously reported	19 654 087
	Recognition of Fines issued 2019/20- Note 37,02	2 727 700
	Reduction of fines till June 2020 - Note 37,02	(8 400)
	Withdrawals of fines till June 2020 - Note 37,02	(224 800)
	Balance now reported	22 148 587
37.16	Surcharges and Taxes	
	Balance previously reported	2 284 567
	Correction of error: VAT on Transfers recognised - Note 37,14	15 430
	Balance now reported	2 299 997
37.17	Government Grants and Subsidies - Capital	
	Balance previously reported	13 442 260
	Recognition of Grant spend 2019/2020 - Note 37,07 and Note 37,14	1 321 536
	Correction of error: Recognition of grant expenditure - Note 37,11	805 000
	Balance now reported	15 568 796



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED		2020
		R
37.18	Operational Revenue	
	Balance previously reported	1 806 446
	Correction of error: Salary Control - Commision earned- Note 37,14	324 070
	Balance now reported	<u>2 130 516</u>
37.19	Rental from Fixed Assets	
	Balance previously reported	3 905 053
	Correction of error: Restatement of Consumer Deposits- Note 37,14	(119 988)
	Correction of error: Rent refunded incorrectly posted against deposits - Note 37,29	92 691
	Balance now reported	<u>3 877 756</u>
37.20	Employee related costs	
	Balance previously reported	185 058 110
	Correction of error: Salary Control - Skills Levy- Note 37,14	(155 275)
	Correction of error: Adjustment of Performance bonus - Note 37,14	268 544
	Correction of error: Incorrect Allocation of Legal Cost against Employee Related Cost - Note 37,25	(175 600)
	Correction of error: Adjustment of Leave Liability - Note 37,14	504 366
	Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,14	(176 879)
	Balance now reported	<u>185 323 267</u>
37.21	Impairment	
	Balance previously reported	49 420 416
	Recognising the increase in provision due to unwinding of discount - Note 37,14	1 101 950
	Balance now reported	<u>50 522 366</u>
37.22	Inventory Consumed	
	Balance previously reported	14 194 012
	Correction of error: Reallocation of expenditure incurred - Note 37,14	1 599
	Correction of error Invoices received after year end closure - Note 37,04	102 870
	Correction of Adjustment of manual creditor - Note 37,04	439
	Balance now reported	<u>14 298 919</u>
37.23	Depreciation and Amortisation	
	Balance previously reported	32 732 258
	Correction of depreciation in previous financial years - Note 37,05	(248 357)
	Correction of depreciation in previous financial years - Note 37,14	(577)
	Correction of error: Adjustment of amortization 2019/20 - Note 37,14	(69 473)
	Correction of depreciation in previous financial years - Note 37,14	1 456 652
	Balance now reported	<u>33 870 503</u>
37.24	Bulk Purchases	
	Balance previously reported	221 822 019
	Correction of error Invoices received after year end closure - Note 37,04	9 340
	Balance now reported	<u>221 831 359</u>
37.25	Contracted Services	
	Balance previously reported	44 029 119
	Correction of error: Incorrect Allocation of Legal Cost against Employee Related Cost - Note 37,2	175 600
	Correction of error Invoices received after year end closure - Note 37,04	14 123
	Correction of Retention Payable 2019/20 - Note 37,08	434 612
	Balance now reported	<u>44 653 453</u>
37.26	Operational Cost	
	Balance previously reported	33 074 842
	Correction of error - Maintenance expenditure Capitilized 2019/20 - Note 37,05	138 555
	Correction of error: Reallocation of expenditure incurred - Note 37,08	125
	Correction of error: Reversal incorrectly processed - Note 37,08	5 600
	Balance now reported	<u>33 219 122</u>
37.27	Gain / (loss) on disposal of assets	
	Balance previously reported	(474 170)
	Recognition of investment property sold 2019/20120- Note 37,14	77 000
	Recognition of land sold 2019/2020 - Note 37,14	(207 643)
	Correction of insurance write off in previous financial years - Note 37,14	(29 000)
	Recognition of land sold 2018/19 - Note 37,14	369 050
	Correction of error: Incorrect allocation of Proceeds on Disposal - Note 37,14	(232 527)
	Balance now reported	<u>(497 290)</u>
37.28	CASH FLOW STATEMENT: Receipts from Property Rates and other Taxes	
	Balance previously reported	70 574 561
	Correction of error: VAT on Transfers recognised - Note 37,3	15 430
	Balance now reported	<u>70 589 991</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

CORRECTION OF ERROR IN TERMS OF GRAP 3 CONTINUED

	2020
	R
37.29 CASH FLOW STATEMENT: Receipts from sales of goods and services	
Balance previously reported	321 336 772
Change in output VAT included in payments to suppliers and not receipts from sales - Note 37,31	2 905 411
Correction of error: Salary Control - Commission earned- Note 37,14	324 070
Correction of error: Rent refunded incorrectly posted against deposits - Note 37,35	92 691
Correction of error: Deposit not recognised against debtor 2019/20- Note 37,14	(4 000)
Correction of error: Restatement of Consumer Deposits- Note 37,1	(119 988)
Balance now reported	324 534 956
37.30 CASH FLOW STATEMENT: Receipts from Government Grants	
Balance previously reported	188 396 049
Correction of error: VAT on Transfers recognised - Note 37,27	(15 431)
Balance now reported	188 380 618
37.31 CASH FLOW STATEMENT: Payments in respect of employee cost	
Balance previously reported	(181 177 164)
Correction of error: Salary Control - Skills Levy- Note 37,2	155 275
Correction of error: Incorrect Allocation of Legal Cost against Employee Related Cost- Note 37,32	175 600
Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,08	176 878
Balance now reported	(180 669 411)
37.32 CASH FLOW STATEMENT: Payments to suppliers	
Balance previously reported	(346 308 872)
Change in output VAT included in payments to suppliers and not receipts from sales - Note 37,29	(2 905 411)
Correction of Retention Payables - Note 37,33	55 609
Correction of error: Salary Control - Commission earned- Note 37,14	(324 070)
Correction of error: Salary Control - Skills Levy- Note 37,2	(155 275)
Correction of error: Incorrect Allocation of Legal Cost against Employee Related Cost- Note 37,31	(175 600)
Correction of error: Incorrect allocation of Sanlam Shares paid out - Note 37,08	(176 879)
Correction of sale of land deposits - Note 37,34	625 577
Balance now reported	(349 364 920)
37.33 CASH FLOW STATEMENT: Purchase of Property, Plant and Equipment	
Balance previously reported	(34 452 568)
Correction of Retention Payables - Note 37,32	(55 609)
Balance now reported	(34 508 177)
37.34 CASH FLOW STATEMENT: Proceeds on Disposal of Property, Plant and Equipment	
Balance previously reported	649 193
Correction of error: Deposit not recognised against debtor 2019/20- Note 37,14	4 000
Correction of sale of land deposits - Note 37,32	(625 577)
Balance now reported	27 616
37.35 CASH FLOW STATEMENT: Increase in Consumer Deposits	
Balance previously reported	827 224
Correction of error: Rent refunded incorrectly posted against deposits - Note 37,29	(92 691)
Correction of error: Restatement of Consumer Deposits- Note 37,14	119 988
Balance now reported	854 521

38 CHANGE IN ACCOUNTING ESTIMATE

Change in Useful lives

The municipality has reassessed the useful lives of Property plant and equipment and Intangible Asset which resulted in changes in depreciation and amortisation charges. The effect of the change in accounting estimate has resulted in the following movements for the current and future periods on the affected capital assets:

	2021	2022	2023	2024
	R	R	R	R
<u>Movement in depreciation and amortisation</u>				
Before change in estimate	868 762			
After change in estimate	1 580 076	1 580 076	1 580 076	1 580 076
Net effect	<u>711 314</u>	<u>1 580 076</u>	<u>1 580 076</u>	<u>1 580 076</u>

The municipality has made an adjustment to Fines Revenue relating to previous financial years. These adjustments were accounted for prospectively and the effect thereof can be summarised as follow:

<u>Movement in fines revenue</u>	
Before change in estimate	11 603 892
After change in estimate	11 591 892
Net effect	<u>(12 000)</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
39	RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS	R	R
	Surplus/(Deficit) for the year	29 141 422	27 342 177
	Adjustments for:		
	Depreciation	32 194 261	33 472 615
	Amortisation of Intangible Assets	386 959	397 887
	Gain / (loss) on disposal of assets	66 047	497 290
	Gain / (loss) on Adjustment of Provision	(2 204 355)	(37 138 937)
	Debt Impairment	34 865 297	50 522 366
	Stock Adjustments	-	(52)
	Contribution from/to provisions	3 570 257	8 087 185
	Contribution from/to employee benefits	(547 404)	4 653 857
	Interest cost - Employee Benefits	6 220 186	6 065 622
	Gain / (loss) on Actuarial Valuations	5 317 725	(8 557 961)
	(Impairment loss) / Reversal of impairment loss	649 494	-
	Finance lease: deemed loan expenditure	(481 811)	(436 140)
	Bad Debts Written Off	17 560 944	14 187 058
	Operating Surplus/(Deficit) before changes in working capital	126 739 022	99 092 967
	Changes in working capital	(75 228 309)	(28 129 830)
	Increase/(Decrease) in Trade and Other Payables	4 827 430	3 336 913
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(23 793 209)	38 400 236
	Increase/(Decrease) in Unspent Public Contributions	(24 323)	1 784 277
	Increase/(Decrease) in Taxes	2 445 284	5 264 182
	(Increase)/Decrease in Inventory	1 638 419	91 160
	(Increase)/Decrease in Trade and other receivables	(61 788 520)	(77 975 842)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	1 466 609	969 244
	Cash generated/(absorbed) by operations	51 510 713	70 963 137
40	RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
	Cash and Cash Equivalents - Note 2	115 305 213	130 394 398
	Less:	24 703 606	48 496 815
	Unspent Committed Conditional Grants - Note 6	24 703 606	48 496 815
	Resources available for working capital requirements	90 601 607	81 897 583
	Allocated to:		
	Capital Replacement Reserve	10 442 209	10 617 534
	Employee Benefits Reserve	99 293 206	88 302 702
	Non-Current Provisions Reserve	102 375 838	50 889 138
	Shortfall in working capital requirements	(121 509 646)	(67 911 791)
41	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
	Long-term Liabilities - Note 16	2 774 921	4 587 602
	Used to finance property, plant and equipment - at cost	(2 774 921)	(4 587 602)
		-	-

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

42	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2021	2020
		R	R
42.1	Irregular expenditure		
	Reconciliation of irregular expenditure:		
	Opening balance	27 674 357	-
	Irregular expenditure identified current year but relating to prior year		19 358 608
	Irregular expenditure current year		8 315 750
	Approved by Council	(27 674 357)	-
	Irregular expenditure awaiting further action	<u>-</u>	<u>27 674 357</u>

SCM Regulation 32 contracts classified as irregular during audit process by AGSA. The contracts used of other organs of state was on rates with no fixed quantities and therefore it cannot be said that any part of the contract is irregular or the whole contract as currently disclosed. The municipality is not in agreement with this view and this issue will be dealt with in terms of the audit engagement letter process. Prior and current year being disclosed as per opinion of AGSA.	Matter will be dealt with in terms of applicable laws and regulations.
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Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	-	-
Unauthorised expenditure current year - capital	333 615	
Unauthorised expenditure current year - operating	1 602 226	-
Condoned by council	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	<u>1 935 841</u>	<u>-</u>

Unauthorised expenditure on operating votes are due to:

- Capital
- Recognition of retention money on sport fields project.

- Operating
- Recognition of provision for impairment and write-offs of traffic fines. The service provider responsible for collecting ended his contract prematurely.

43 MATERIAL LOSSES

43.1 Water distribution losses

- Kilolitres purified	7 187 597	6 708 325
- Kilolitres sold	6 316 713	5 699 704
- Kilolitres lost during distribution	870 884	1 008 621
- Percentage lost during distribution	12.12%	15.04%
- Value of kilolitres lost during distribution	355 946	379 461
- The value of kilolitres lost is based on the treatment cost of water.		

The estimated consumption for public open spaces and informal houses are calculated on a conservative bases using baseline consumption estimations provided by the Department of Water Affairs. Water meters will be installed to measure the mentioned consumption in the future.

43.2 Electricity distribution losses

- Units purchased (Kwh)	201 693 361	199 707 113
- Units sold (Kwh)	179 910 798	178 372 915
- Units lost during distribution (Kwh)	21 782 563	21 334 198
- Percentage lost during distribution	10.80%	10.68%
- Value of units lost during distribution (Rand)	25 879 903	23 697 674

The electricity losses are in line with the guideline of the National Energy Regulator of South Africa of 10%

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

44 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

44.1 **Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS**

Opening balance		
Council subscriptions	2 149 856	1 761 709
Amount paid - current year	(2 149 856)	(1 761 709)
Balance unpaid (included in Payables from exchange transactions)	-	-

44.2 **Audit fees - [MFMA 125 (1)(c)]**

Opening balance	-	-
Current year audit fee	3 426 363	3 570 644
External Audit - Auditor-General	3 201 445	3 370 644
Audit Committee	224 918	200 000
Amount paid - current year	3 426 363	3 570 644
Balance unpaid (included in Payables from exchange transactions)	-	-

44.3 **VAT - [MFMA 125 (1)(c)]**

Opening balance	4 776 156	4 639 016
Amounts received - Output VAT - current year	(52 662 549)	(48 942 922)
Amounts claimed - Input VAT - current year	56 420 876	47 873 462
Amount paid - current year	3 622 954	3 421 728
Amount - previous year	(3 421 728)	(2 215 128)
Closing balance	8 735 709	4 776 156

VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.

44.4 **PAYE, SDL and UIF - [MFMA 125 (1)(c)]**

Opening balance	-	-
Current year payroll deductions and Council Contributions	28 152 039	26 241 997
Amount paid - current year	(27 913 629)	(26 241 997)
Balance unpaid (included in Payables from exchange transactions)	238 410	-

44.5 **Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]**

Opening balance	-	-
Current year payroll deductions and Council Contributions	44 717 195	41 601 006
Amount paid - current year	(44 717 195)	(41 601 006)
Balance unpaid (included in Payables from exchange transactions)	-	-



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
44.6 <u>Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</u>		
During the financial year the following Councillors were outstanding for more than 90 days at any instance		
Schuurman	1 867	-
Heradien	333	-
Abrahams	15 872	-
Klaasen	12 472	12 336
Total Councillor Arrear Consumer Accounts	30 542	12 336

Klaasen has lodged a dispute in terms of the municipal account

Councillors outstanding for more than 90 days as at 30 June 2021:

Abrahams	13 673	-
Klaasen	12 472	12 336
Total Councillor Arrear Consumer Accounts at year end	26 144	12 336

44.7 Discloser in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36 (2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36 (1) (a)

2020/2021	Amount	Single Supplier	Type of deviation		
			Impossible	Impractical	Emergency
July	1 837 705	7	0	9	4
August	258 565	2	0	1	0
September	280 026	6	0	3	2
October	364 300	5	0	3	0
November	2 007 074	11	0	4	1
December	1 111 124	6	0	4	2
January	148 231	2	0	0	0
February	221 689	5	0	2	0
March	384 047	14	0	6	2
April	110 358	3	0	4	1
May	3 051 131	17	0	26	4
June	6 268 554	14	0	11	10
	16 042 804	92	0	73	26
2019/2020					
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	368 104	2	0	4	0
August	246 660	8	0	3	1
September	1 709 007	9	0	1	0
October	699 130	9	0	1	0
November	61 422	5	0	3	2
December	1 448 040	5	0	1	2
January	1 599 455	9	0	6	2
February	56 813	4	0	0	0
March	558 784	4	0	5	4
April	128 929	0	0	0	6
May	394 890	1	0	0	4
June	679 637	5	0	6	5
	7 950 870	61	0	30	26



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2021
R

44.8 Regulation 45 - Details of awards made to close family members of persons in service of State

Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of transactions
Williams Loodgieters	SR Williams	Spouse	R Williams	Dept. of Health: Nurse	R 54 600
Freddie Opperman	Freddie Opperman	Spouse	J Opperman	Western Cape Education Department: Teacher	R 63 722
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	R 114 399
		Son	R Williams	Dept. of Health: Nurse	
Regan Brown Attorneys	R Brown	Brother	E Johnson	City of Cape Town: Traffic Dept	R 67 104
		Brother	D Johnson	SAPS: Worcester	
O'Neill & Visser Attorneys	CW O'Neill	Spouse	H O'Neill	DOJ: Worcester	R 254 998
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	R 18 345
RJC Conservation Servises	R Prins	Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	R 28 000
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	R 18 831
Leibrandt Training Academy	Nina Benjamin	Spouse	Heinrich Benjamin	SAPS Colonel	R 17 415
WRP Consulting Engineers (PTY) Ltd	Pieter van Rooyen	Spouse	Zelmarie van Rooyen	Department of Public Works: Chief Town Planner	R 3 600
	Takalani Mamphitha	Spouse	Katlego Mamphitha	SABC: Systems Administrator	
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	R 1 565
Hilmarlandscape (Pty) Ltd	Helgardt Louw	Brother	R Louw	Witzenberg Municipality: Plumbing	R 500
Piston Power Chemicals (Pty) Ltd	Ujush Andhee	Spouse	Nadira Andhee	Educator: Department of Education KZN	R 42 448
Motheo Construction	L Mashau	Brother	R Manlhabi	Department of Home Affairs; Department of Statistics	R 1 622 726
RJ Designs	R Jacobs		C Africa	Saldanha Bay Municipality Assistant Librarian	R 1 950



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2020
R

Regulation 45 - Details of awards made to close family members of persons in service of State - continued

Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of transactions
Williams Loodgieters	SR Williams	Spouse	R Williams	Dept. of Health: Nurse	R 62 097
Freddie Opperman	Freddie Opperman	Spouse	J Opperman	Western Cape Education Department: Teacher	R 22 660
SEW Plumbing	SE Williams	Spouse	L Williams	Dept. of Health: Admin Officer	R 52 099
		Son	R Williams	Dept. of Health: Nurse	
Regan Brown Attorneys	R Brown	Brother	E Johnson	City of Cape Town: Traffic Dept	R 593 670
		Brother	D Johnson	SAPS: Worcester	
O'Neill & Visser Attorneys	CW O'Neill	Spouse	H O'Neill	DOJ: Worcester	R 181 690
Vox Elektries	F Blom	Spouse	M Blom	SAPS: Officer	R 10 533
RJC Conservation Servises		Son	Prins	Chief Professional Nurse: Wolseley Clinic Dep of Health	R 363 650
JC Fencing	JJ Abrahamse	Father	K Abrahamse	Witzenberg Municipality: Traffic Officer	R 18 830
Mubesko Africa (Pty) Ltd	Nico & Marthina De kock		Janine Niehaus	Dietician Northern Cape Department of health	R 18 000
			Lizette Saaiman	Curriculum Advisor Northern Cape Department of Health	
WAB Print Media (Pty) Ltd	Wayne Brink	Spouse	Adelene Brink	Drakenstein Municipality	R 1 990
AJ Rankin Basson Sport BK	J Wessels	Spouse	MJL Wessels	Witzenberg Municipality Social Worker	R 8 100
T Square Framing (Arts and Events Skill Development)(Pty) Ltd	Van Rooi Theofilus & Maria	Daughter	Mariana Cornelius	Clinic - Supervisor	R 1 250

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COMMITMENTS

Commitments in respect of expenditure:

Approved and contracted for	163 106 774	115 023 865
Infrastructure	36 610 193	47 535 480
Community	59 515 036	1 894 894
Other Capital	3 984 656	11 132 328
Operational	62 996 889	54 461 163
Approved but not yet contracted for	-	1 294 967
Infrastructure	-	1 029 851
Operational	-	265 116
Total	163 106 774	116 318 831



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

46

FINANCIAL RISK MANAGEMENT

**2021
R**

**2020
R**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

0,5% Increase in interest rates	562 604	628 987
0,5% Decrease in interest rates	(562 604)	(628 987)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss. Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 3 and 4 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 3 for balances included in receivables that were re-negotiated for the period under review.

Balances past due not impaired:

	2021 %	2021 R	2020 %	2020 R
<u>Exchange Receivables</u>				
Electricity	88,74%	48 602 002	100,00%	40 952 315
Water	6,85%	7 188 001	9,72%	8 517 544
Housing Rentals	17,08%	410 607	19,46%	405 107
Refuse	5,71%	3 428 186	7,44%	3 561 518
Sewerage	14,54%	8 617 727	21,15%	10 516 667
Other	8,75%	113 942	19,36%	269 923
Land Sales	100,00%	1 133 310	100,00%	2 038 360
	<u>24,32%</u>	<u>69 493 774</u>	<u>27,88%</u>	<u>66 261 434</u>

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 3 and 4 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

46

FINANCIAL RISK MANAGEMENT CONTINUED

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2021 %	2021 R	2020 %	2020 R
<u>Exchange Receivables</u>				
Electricity	2.88%	6 169 034	3.40%	5 832 522
Water	45.60%	97 703 889	46.20%	79 150 326
Housing Rentals	0.93%	1 993 487	0.98%	1 677 019
Refuse	26.41%	56 591 185	25.87%	44 316 299
Sewerage	23.63%	50 632 172	22.89%	39 218 983
Other	0.55%	1 187 880	0.66%	1 123 958
	<u>100.00%</u>	<u>214 277 648</u>	<u>100.00%</u>	<u>171 319 108</u>

The provision for bad debts could be allocated between the different categories of debtors as follows:

	2021 %	2021 R	2020 %	2020 R
Residential	95.90%	205 494 465	95.90%	164 289 505
Commercial	2.03%	4 353 570	2.43%	4 161 077
Other	2.07%	4 429 612	1.67%	2 868 526
	<u>100.00%</u>	<u>214 277 648</u>	<u>100.00%</u>	<u>171 319 108</u>

Bad debts written off per debtor class:

	2021 %	2021 R	2020 %	2020 R
<u>Exchange Receivables</u>				
Water management	44.45%	(7 234)	53.30%	(9 790)
Waste management	30.83%	(5 018)	28.83%	(5 296)
Waste water management	23.85%	(3 882)	17.51%	(3 217)
Other	0.86%	(141)	0.35%	(65)
	<u>100.00%</u>	<u>(16 274)</u>	<u>100.00%</u>	<u>(18 368)</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

Financial assets exposed to credit risk at year end are as follows:

	2021 R	2020 R
Receivables from exchange transactions	71 504 141	66 383 889
Cash and Cash Equivalents	115 295 816	130 384 998
Unpaid conditional grants and subsidies	2 172 368	3 638 977
	<u>188 972 325</u>	<u>200 407 864</u>



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL RISK MANAGEMENT CONTINUED

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2021				
Borrowing	1 762 766	1 250 670	-	-
Capital repayments	1 586 619	1 188 300	-	-
Interest	176 147	62 370	-	-
Trade and Other Payables	42 910 747	-	-	-
Unspent conditional government grants and receipts	24 703 606	-	-	-
	69 377 119	1 250 670	-	-
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2020				
Borrowing	2 301 293	2 848 336	-	-
Capital repayments	1 967 784	2 619 815	-	-
Interest	333 509	228 521	-	-
Trade and Other Payables	38 265 638	-	-	-
Unspent conditional government grants and receipts	48 496 815	-	-	-
	89 063 746	2 848 336	-	-

WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

47	FINANCIAL INSTRUMENTS	2021 R	2020 R
	In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows:		
	The fair value of financial instruments approximates the amortised costs as reflected below.		
47.1	Financial Assets		
	Classification		
	Receivables		
	Receivables from exchange transactions	71 504 141	66 383 889
	Other Receivables		
	Government Subsidies and Grants	2 172 368	3 638 977
	Short-term Investment Deposits		
	Bank Balances		
	Bank Balances	115 295 816	130 384 998
		<u>188 972 325</u>	<u>200 407 864</u>
	SUMMARY OF FINANCIAL ASSETS		
	Financial instruments at amortised cost	188 972 325	200 407 864
	At amortised cost	<u>188 972 325</u>	<u>200 407 864</u>
47.2	Financial Liability		
	Classification		
	Long-term Liabilities		
	Annuity Loans	1 188 302	2 619 817
	Payables from exchange transactions		
	Trade creditors	11 389 843	9 203 933
	Retentions	3 358 724	3 518 982
	Deposits	101 181	(6 285)
	Other	31 419 723	29 067 990
	Other Payables		
	Government Subsidies and Grants	24 703 606	48 496 815
	Current Portion of Long-term Liabilities		
	Annuity Loans	1 586 619	1 485 974
	Capitalised Lease Liability	-	481 811
		<u>73 747 998</u>	<u>94 869 037</u>
	SUMMARY OF FINANCIAL LIABILITY		
	Financial instruments at amortised cost	<u>73 747 998</u>	<u>94 869 037</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 R	2020 R
48 PRIVATE PUBLIC PARTNERSHIPS		
Council has not entered into any private public partnerships during the financial year.		
49 CONTINGENT LIABILITY		
Claims against Council	<u>9 645 563</u>	<u>7 899 247</u>
Estimate legal Fees	<u>-</u>	<u>970 000</u>

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. Management are respectfully of opinion that this matter will be successfully defended. The Municipality is defending all the claims. The amounts indicated is Management's estimated financial exposure. The following are naritives of the cases:

R Du Plessis	Claim in term of Labour Relations Act 66 of 1995		508 000
M Mafilika & 2 others	Labour Court case no C1113/18		57 000
D J Ngxingweni & 2 others	Labour Court case no C816/19		320 000
Ceres Koekedouw Management Committee	The purchase agreement of the Vredebies Farm includes 15 hectares water rights. The Ceres Koekedouw Management Committee now claims that Witzenberg Municipality is part of their historical loan agreements and therefore responsible for a portion of the repayment of their loan. The purchase agreement however is silent on the loan.	889 892	889 892
South African Revenue Services	The municipality has submitted a VAT ruling application to the South African Revenue Services (SARS) relating to the output tax treatment of the library grants received and/or receivable from the Western Cape Department of Cultural Affairs (DCAS). The municipality has previously submitted a non-binding VAT ruling to the SARS, whereupon SARS informed us that we need to confirm from the DCAS if the library function has been assigned to the municipality as contemplated in the Constitution of South Africa. At the date of the VAT ruling application, the DCAS did not confirm if the library function has been assigned to the municipality. We have submitted the VAT ruling application to the SARS on the basis that the library function is not assigned to the municipality, as we could not find any evidence confirming that the library function has been assigned to the municipality. The municipality now awaits the outcome of the library function VAT ruling outcome from the SARS.	6 555 250	5 538 589
Gunter C Mrs	Plaintiff claims damages from the municipality after she fell on the sidewalk. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	585 766	585 766
Smith WJ	Stepped into hole of manhole cover on c/o Friesland & Delta Street, Bella Vista. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	628 370	
Rooi JCR	Broke ankle after stepping in open storm channel. The case was submitted to the municipality's insurance broker. The chance that any amount might be payable by the municipality is remote.	986 285	
		<u>9 645 563</u>	<u>7 899 247</u>



WITZENBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

50	CONTINGENT ASSET	2021 R	2020 R		
	With the review of the municipality's housing arrangement accounting, the municipality also reviewed its housing input tax VAT treatment relating to the payment of its housing implementing agents. The housing VAT sections of the Value-Added Tax Act, 1991 as amended, is inherently complex. As a consequence of our housing VAT review, the municipality has submitted a VAT ruling application the SARS confirming if the municipality can reclaim input tax for VAT purposes from the payments made to its implementing agent for the housing projects. Note that the municipality is the developer of the housing projects considered and the implementing agents are performing housing construction services to the municipality for the houses that the municipality sells to the housing beneficiaries. The municipality now awaits the outcome of the housing VAT ruling outcome from the SARS. In the event that the SARS issue a positive VAT ruling.	20 975 483	20 339 656		
51	<p>RELATED PARTIES</p> <p>Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.</p> <p>The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.</p> <p>51.1 Related Party Loans</p> <p>Since 1 July 2004 loans to councillors and senior management employees are not permitted.</p> <p>51.2 Compensation of key management personnel</p> <p>The compensation of key management personnel is set out in Note 26 to the Annual Financial Statements.</p> <p>51.3 Other related party transactions</p> <p>No purchases were made during the year where Councillors or staff have an interest.</p> <p>51.4 Ceres Koekedouw Management Committee</p> <p>Ceres Koekedouw Management Committee is an entity established by the Witzenberg Municipality and the Koekedouw Irrigation Board. Ceres Koekedouw Management Committee is responsible for the management of the Koekedouw Dam, jointly owned by Witzenberg Municipality and the Koekedouw Irrigation Board.</p> <p>Witzenberg municipality was responsible for 41% of the expenditure to build the Koekedouw Dam. The expense was financed by way of loans. These loans have already been redeemed.</p> <p>The municipality is entitled to 10 million kilolitre water per annum from the dam.</p> <p>The total carrying value of the municipal asset in respect of the dam of R28 336 269 is included under Property Plant and Equipment – Infrastructure Assets in Note 9.</p> <p>The following contributions included with General Expenses were paid to the Ceres Koekedouw Management Committee</p>	<table border="0" style="width: 100%;"> <tr> <td style="text-align: right;"><u>1 223 847</u></td> <td style="text-align: right;"><u>1 213 492</u></td> </tr> </table>	<u>1 223 847</u>	<u>1 213 492</u>	
<u>1 223 847</u>	<u>1 213 492</u>				

52	FINANCIAL SUSTAINABILITY
	<p>Management is of the opinion that will Municipality will continue to operate as a going concern and perform it's functions as set out in the Constitution.</p> <p>Financial Indicators</p> <p>The current ratio increased to 1,73 from 1,6 in the prior year.</p> <p>Cash and Cash Equivalents have decreased to R 115 million from R 130 million in the prior year.</p>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

53

NON-LIVING RESOURCES

The responsibility for the non-living water resource emanates from chapter 3 of the Water Service Act which recognises the municipality as a water service authority.

The nature of the municipality's custodial responsibility includes the duty to provide access to water services, the duty to prepare and adopt a water service development plan and the reporting on the implementation thereof, any contracts and joint ventures with water services providers and the adoption of appropriate bylaws that sets out the conditions for the provision of water services.

Additional supporting information pertaining to the provision of water can be found in chapter 3 of the Annual Report

The Municipality has the following non-living water resources per town:

Ceres

The main water source for Ceres is the Koekedouw Dam. Six boreholes serve as a backup source of supply.

Tulbagh

Currently, Klein Berg, Moordenaarskloof and Tierkloof serve as the main sources of water supply to Tulbagh.

Wolseley

Wolseley receives its water supply from the Tierhokkloof weir.

Prince Alfred's Hamlet

Prince Alfred's Hamlet has four water sources. They consist of the Wabooms River Weir, a fountain, one borehole and a supply line from the Koekedouw Dam.

Op-die-Berg

Op-die-Berg has three water sources, a fountain and two boreholes.

There is no liabilities or contingent liabilities that arose from the non-living resource which is water

Water purchased by the farmers including VAT amount to	304 740	311 367
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WITZENBERG MUNICIPALITY
APPENDIX A - Unaudited
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2021

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2020	Received during the period	Redeemed during the period	Balance at 30 JUNE 2021
ANNUITY LOANS							
NEDBANK	8,00%	5032032 0001	2023/05/30	3 391 438	-	1 073 577	2 317 861
DBSA	9,50%	102040/1	2021/09/30	60 346	-	39 291	21 055
DBSA	8,59%	100605/1	2021/12/31	654 005	-	218 002	436 003
Total Annuity Loans				4 105 789	-	1 330 870	2 774 919
LEASE LIABILITY							
Office Equipment	10,00%		2021/06/30	481 811	-	481 811	-
Total Lease Liabilities				481 811	-	481 811	-
TOTAL EXTERNAL LOANS				4 587 600	-	1 812 681	2 774 919

WITZENBERG MUNICIPALITY
APPENDIX B - Unaudited
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021
MUNICIPAL VOTES CLASSIFICATION

2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R		2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R
89 315 601	(38 346 626)	50 968 974	Budget and Treasury Office	91 142 833	(37 898 882)	53 243 950
113 519 135	(149 209 808)	(35 690 673)	Civil services	149 094 178	(150 182 242)	(1 088 063)
106 211 526	(26 530 454)	79 681 072	Community and social services	130 925 503	(26 066 330)	104 859 174
869 290	(55 831 653)	(54 962 363)	Corporate Services	752 900	(57 604 457)	(56 851 557)
258 539 514	(243 725 853)	14 813 661	Electro Technical Services	274 798 044	(268 038 440)	6 759 604
27 100	(22 832 610)	(22 805 510)	Executive and Council	13 000	(22 788 184)	(22 775 184)
24 473 532	(28 296 671)	(3 823 139)	Housing	491 526	(4 469 385)	(3 977 859)
1 581 357	(6 540 160)	(4 958 803)	Planning	2 139 959	(7 042 671)	(4 902 712)
26 545 106	(51 561 314)	(25 016 207)	Public Safety	17 597 600	(42 085 504)	(24 487 904)
10 502 014	(26 566 508)	(16 064 494)	Sport and recreation	9 367 720	(27 176 839)	(17 809 119)
631 584 175	(649 441 658)	(17 857 483)	Total	676 323 263	(643 352 934)	32 970 329

WITZENBERG MUNICIPALITY
APPENDIX C - Unaudited
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2020 Actual Income R	2020 Actual Expenditure R	2020 Surplus/ (Deficit) R	2021 Actual Income R	2021 Actual Expenditure R	2021 Surplus/ (Deficit) R
105 800 893	(23 612 607)	82 188 286	128 956 606	(23 852 053)	105 104 554
258 065 824	(243 596 542)	14 469 282	274 575 871	(268 038 440)	6 537 431
151 585	(1 007 975)	(856 389)	-	(506 271)	(506 271)
27 100	(23 697 131)	(23 670 031)	13 000	(24 235 253)	(24 222 253)
90 184 891	(91 571 375)	(1 386 484)	91 895 733	(91 991 466)	(95 733)
24 473 532	(28 296 671)	(3 823 139)	491 526	(4 469 385)	(3 977 859)
-	(2 440 931)	(2 440 931)	-	(2 507 675)	(2 507 675)
1 840 405	(9 718 580)	(7 878 175)	4 108 855	(10 138 143)	(6 029 288)
23 541 439	(47 015 301)	(23 473 862)	13 465 997	(37 301 222)	(23 835 225)
7 070 878	(28 888 649)	(21 817 771)	17 739 637	(29 162 277)	(11 422 640)
10 502 014	(26 566 508)	(16 064 494)	9 367 720	(27 176 839)	(17 809 119)
29 012 981	(47 870 023)	(18 857 042)	33 162 764	(44 382 221)	(11 219 457)
37 541 011	(34 861 598)	2 679 414	49 376 353	(38 356 837)	11 019 515
43 371 622	(40 297 768)	3 073 854	53 169 200	(41 234 852)	11 934 348
631 584 175	(649 441 658)	(17 857 483)	676 323 263	(643 352 934)	32 970 329

WITZENBERG MUNICIPALITY
APPENDIX D - Unaudited

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2020 (Unpaid)	Grants Received	Re-payment of Unspent Grant	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2021	Unspent 2021 (Payable)	Unpaid 2021 (Receivable)
	R	R	R	R	R	R	R	R
<u>National Government Grants</u>								
Finance Management Grant	54 161	1 550 000	(54 161)	(1 550 000)	-	-	-	-
Municipal infrastructure Grant	9 843 224	22 013 000	(9 843 224)	(630 000)	(21 042 862)	340 138	340 138	-
Regional Bulk Infrastructure Grant (DWAf)	19 236 146	10 000 000	(19 236 146)	-	-	10 000 000	10 000 000	-
Integrated National Electricity Program	(291 587)	-	-	-	-	(291 587)	-	291 587
Equitable share	-	116 085 531	-	(116 085 531)	-	-	-	-
Department of Rural Development	471 155	-	-	-	-	471 155	471 155	-
Expanded Public Works Programme	(432 918)	2 360 000	-	(2 030 150)	-	(103 068)	-	103 068
Neighbourhood Development Plan	321	-	-	-	-	321	321	-
<u>Provincial Government Grants</u>								
Library services	800 000	9 764 000	-	(9 764 000)	(800 000)	-	-	-
CDW	738 977	131 000	-	(23 816)	-	846 161	846 161	-
Municipal Infrastructure Support Grant	(1 046 497)	-	-	-	-	(1 046 497)	-	1 046 497
Economic Development and Tourism SMME booster	1 662 236	363 060	-	(2 025 228)	-	68	68	-
Human Settlement Development	3 507 702	28 563 744	-	(238 000)	(26 507 700)	5 325 746	5 325 746	-
Fire Service Capacity Building Grant	830 000	-	-	-	-	-	-	-
Capacity Building (Internship)	294 922	300 000	-	(17 944)	-	576 978	576 978	-
Municipal Infrastructure	(206 126)	-	-	-	-	(206 126)	-	206 126
Financial Management Support	989 770	-	-	-	-	989 770	989 770	-
Financial Management	300 000	-	-	-	-	300 000	300 000	-
Maintenance and Construction of Transport Infrastructure	830 165	-	-	-	-	830 165	830 165	-
Local Government Support Grant	806 370	-	-	(499 941)	-	306 429	306 429	-
Regional Social Economical Program	4 005 448	1 000 000	-	-	(4 185 968)	819 480	819 480	-
<u>District Municipality</u>								
Parks and recreation	800 001	-	-	-	-	800 001	800 001	-
Sanitation Infrastructure	(525 090)	-	-	-	-	(525 090)	-	525 090
Planning and Development	100 000	-	-	-	-	100 000	100 000	-
Infrastructure	1 000 000	500 000	-	-	(500 000)	1 000 000	1 000 000	-
Covid 19	2 226 216	240 000	-	(279 396)	(189 626)	1 997 194	1 997 194	-
<u>Other</u>								
Table Mountain - Clearing Alien Vegetation	-	-	-	-	-	-	-	-
Development Bank of South Africa	(1 136 760)	1 136 760	-	-	-	-	-	-
<u>Public Contributions</u>								
Essen Belgium	3 987 568	834 420	-	(356 909)	(501 456)	3 963 623	3 963 623	-
China - Water meters	16 005	-	-	(378)	-	15 627	15 627	-
Total	48 861 409	194 841 515	(29 133 531)	(131 476 065)	(56 582 840)	26 510 488	28 682 856	2 172 368

WITZENBERG MUNICIPALITY
APPENDIX D - Unaudited

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2019 (Unpaid)	Grants Received	Write Offs / Transfers	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2020	Unspent 2020 (Payable)	Unpaid 2020 (Receivable)
	R	R	R	R	R	R	R	R
<u>National Government Grants</u>								
Finance Management Grant	626 923	1 550 000	(626 922)	(1 495 840)	-	54 161	54 161	-
Municipal Infrastructure Grant	(666 480)	22 411 000	-	-	(11 901 296)	9 843 224	9 843 224	-
Regional Bulk Infrastructure Grant (DWAF)	6 441 235	19 471 000	(6 441 235)	-	(234 854)	19 236 146	19 236 146	-
Integrated National Electricity Program	(651 195)	3 000 000	-	-	(2 640 392)	(291 587)	-	291 587
Equitable share	-	92 850 157	-	(92 850 157)	-	-	-	-
Department of Rural Development	471 155	-	-	-	-	471 155	471 155	-
Expanded Public Works Programme	(275 740)	2 299 000	-	(2 456 177)	-	(432 917)	-	432 917
Neighbourhood Development Plan	321	-	-	-	-	321	321	-
<u>Provincial Government Grants</u>								
Library services	400 000	9 639 000	-	(9 239 000)	-	800 000	800 000	-
CDW	442 977	296 000	-	-	-	738 977	738 977	-
Main roads	102 200	-	-	-	-	102 200	102 200	-
Municipal Infrastructure Support Grant	(1 046 497)	-	-	-	-	(1 046 497)	-	1 046 497
Economic Development and Tourism SMME booster	230 461	1 685 000	-	-	(22 764)	1 662 236	1 662 236	-
Public Transport	(1 237 092)	28 950 965	-	(224 000)	(23 982 171)	230 461	230 461	-
Human Settlement Development	-	830 000	-	-	-	830 000	830 000	-
Fire Service Capacity Building Grant	-	380 000	-	(85 078)	-	294 922	294 922	-
Capacity Building (Internship)	(206 126)	-	-	-	-	(206 126)	-	206 126
Municipal Infrastructure	659 770	330 000	-	-	-	989 770	989 770	-
Financial Management Support	300 000	-	-	-	-	300 000	300 000	-
Financial Management	-	786 413	-	-	(288 908)	497 505	497 505	-
Maintenance and Construction of Transport Infrastructure	-	919 000	-	(112 630)	-	806 370	806 370	-
Local Government Support Grant	-	5 000 000	-	(994 552)	-	4 005 448	4 005 448	-
Regional Social Economical Program	-	-	-	-	-	-	-	-
<u>District Municipality</u>								
Parks and recreation	800 001	-	-	-	-	800 001	800 001	-
Sanitation Infrastructure	(525 090)	-	-	-	-	(525 090)	-	525 090
Planning and Development	100 000	-	-	-	-	100 000	100 000	-
Infrastructure	-	1 000 000	-	-	-	1 000 000	1 000 000	-
Covid 19	-	2 551 973	-	(325 757)	-	2 226 216	2 226 216	-
<u>Other</u>								
Table Mountain - Clearing Alien Vegetation	-	805 000	-	(805 000)	-	-	-	-
Development Bank of South Africa	(478 464)	663 240	-	(1 321 536)	-	(1 136 760)	-	1 136 760
<u>Public Contributions</u>								
Essen Belgium	2 199 763	2 331 023	-	(543 217)	-	3 987 569	3 987 569	-
China - Water meters	19 533	-	-	(3 529)	-	16 004	16 004	-
Total	7 707 655	197 748 771	(7 068 457)	(110 456 473)	(39 070 385)	48 861 411	52 500 388	3 638 977

WITZENBERG MUNICIPALITY

LIST OF ASSETS TO BE DISPOSED OF: MAY 2022

Number	Directorate	Department	Asset type	Description of asset	Quantity	Vehicle registration number	Barcode	Town	Current location	Condition	Comments
	Technical Services	Water & Sewerage		Tall bot bore	2			Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Asbestos pipe grinders	2			Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Petrol grinder	1			Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Picks				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Spades				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		5m steel pipee	2			Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		6m steel pipes	1			Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Bulk valves				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Bulk reducers				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Saw				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Panel meter cupboard				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Bakkie staal kappie				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Water shoes				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Measuring wheel				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Water meters (large & small)				Ceres	Ceres water store	Poor	
	Technical Services	Water & Sewerage		Water meters testing equipment				Ceres	Ceres water store	Poor	
	Technical Services	Solid Waste & Cleansing	Vehicles	Sweeper truck 1213	1			Ceres	Cleansing Depot	Very poor	1984 Model, 28 years old
	Technical Services	Solid Waste & Cleansing	Vehicles	Refuse truck 4 tow	1			Ceres	Cleansing Depot	Very poor	26 years old
	Technical Services	Solid Waste & Cleansing	Vehicles	D 110 Refuse truck	1			Ceres	Cleansing Depot	Poor	30 years old, availability of spares problem
	Technical Services	Mechanical Workshop	Office equipment: Computer Hardware	Printer	1		11027	Ceres	Mechanical Workshop	Very poor	
	Technical Services	Mechanical Workshop	Plant & Equipment	Compactor (2)	2		None	Ceres	Mechanical Workshop	Very poor	
	Technical Services	Mechanical Workshop	Vehicle: Parts	DA 110 Body (Cab)	1			Ceres	Mechanical Workshop	Very poor	
	Technical Services	Mechanical Workshop	Plant & Equipment	Sit on Bomag Roller	1			Ceres	Mechanical Workshop	Very poor	Written off after Nov/Dec 2011 accident
	Technical Services	Mechanical Workshop	Vehicle: Parts	CAT power shovel Engine	1			Ceres	Mechanical Workshop	Fair	Engine too large to fit in an other CAT model
	Technical Services	Electricity: Client Services	Stock	Prepaid meters				Wolseley	Wolseley Electrical Depot	Very poor	

	Technical Services	Electricity: Client Services	Stock	Streetlight fittings				Wolseley	Wolseley Electrical Depot	Very poor	
	Technical Services	Electricity: Distibution	Office equipment: Computer Hardware	LG Monitor	1		2044	Ceres	Powerstation	Very poor	
	Technical Services	Electricity: Distibution	Office equipment: Computer Hardware	Fujitech Monitor	1		2060	Ceres	Powerstation	Very poor	
	Technical Services	Electricity: Distibution	Furniture & fittings	Chair	1		3035	Ceres	Powerstation	Very poor	
	Technical Services	Electricity: Distibution	Electrical equipment / stock	Old Ring main unit	1			Tulbagh	Tulbagh Elec yard	Very poor	
	Technical Services	Electricity: Distibution	Electrical equipment / stock	DESCRIPTION	1			Tulbagh	Tulbagh	Very poor	
	Technical Services	Electricity: Distibution	Electrical equipment / stock	Auto ring main unit	1			Tulbagh	Tulbagh Elec yard	Very poor	
	Technical Services	Electricity: Distibution	Electrical equipment / stock	Old ring main unit	1			Tulbagh	Tulbagh yard	Very poor	
	Technical Services	Electricity: Distibution	Electrical equipment / stock	50 kva transformer	1			Tulbagh	Tulbagh yard	Very poor	
	Technical Services	Electricity: Distibution	Office equipment: Computer Hardware	PC Mother board	1		None	Ceres	Powerstation	Very poor	
	Technical Services	Electricity: Distibution	Tools	Wolf Poison gas	1			Ceres	Powerstation	Very poor	
	Technical Services	Electricity: Distibution	Office equipment	Airccon	1		8230	Ceres	Powerstation	Poor	
	Technical Services	Electricity: Distibution	Furniture & fittings	MEG drawing board	1		2073	Ceres	Powerstation	Poor	Damaged
	Technical Services	Electricity: Distibution	Furniture & fittings	Chair	1		None	Ceres	Powerstation	Poor	
	Technical Services	Electricity: Distibution	Plant & Equipment	Robin petol drill	1		8270	Ceres	Powerstation	Poor	
	Technical Services	Electricity: Distibution	Plant & Equipment	Robin petol drill	1		8203	Ceres	Powerstation	Poor	
	Technical Services	Electricity: Distibution	Furniture & fittings	Lockers made with wire	1		None	Ceres	Powerstation	Poor	
	Technical Services	Electricity: Distibution	Furniture & fittings	Silver steel cabinet	1		None	Ceres	Powerstation	Poor	
	Technical Services	Water & Sewerage	Stock	Valves 90mm	6			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Valves 200mm	2			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Non-return valves 200mm	2			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Non-return valves 90mm	3			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Bends 90mm	1			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Bends 200mm	3			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Pipes 200mm	5			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Seweraage pumps	3			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Electricity boxes	1			Tulbagh	Water works store	Poor	
	Technical Services	Water & Sewerage	Stock	Gantry rails & stand	2 & 1			Tulbagh	Water works store	Poor	

Technical Services	Water & Sewerage	Stock	Sewerage cover plates (cat walks)	7			Tulbagh	Water works store	Poor	
Technical Services	Water & Sewerage	Stock	Asbestos sheet	2			Tulbagh	Water works store	Poor	
Technical Services	Water & Sewerage	Stock	Electrical motors	3			Tulbagh	Water works store	Poor	
Technical Services	Water & Sewerage	Stock	Valves 100mm	2			Tulbagh	Water works store	Poor	
Technical Services	Water & Sewerage	Stock	Pumps	2			Tulbagh	Water works store	Poor	
Technical Services	Water & Sewerage	Stock	Valves 63mm	3			Tulbagh	Water works store	Poor	
Technical Services	Water & Sewerage	Plant & Equipment	Generator	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Plant & Equipment	Honda gx 5.5 water pump	2			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Plant & Equipment	Bicycle	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Tools	Edging tool	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Electrical equipment / stock	HATZ engine + PUMP	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Plant & Equipment	Hoffman engines	2			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Tools	Jack	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Plant & Equipment	Electrical motors	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Plant & Equipment	Copper meters	24			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Plant & Equipment	Drums - copper pieces	2			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage	Plant & Equipment	Borehole pump	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Iron 'skroot"				PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Electrical pump	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		HATZ diesel engine	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Hoffman diesel engine	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Electrical motors	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Pre-paid meters	147			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Sewerage pumps	3			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Borehole pumps	16			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Bulk meters	9			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Valves	12			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Fire hydrants	2			PA Hamlet	PA Hamlet Store	Poor	

Technical Services	Water & Sewerage		Wood choppers	2			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Roller on which chopped wood moved	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Sewerage works clarifier components	2			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Clarifiers ladder	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		"houd wurm"	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		Sewerage motor	1			PA Hamlet	PA Hamlet Store	Poor	
Technical Services	Water & Sewerage		3 ton Isuzu truck	1			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		Gearboxes	2			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		Electrical motors	2			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		Meter stands	35			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		Black plastic meters	33			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		100mm bulk meters	2			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		80mm bulk meters	2			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		150mm bulk meters	1			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		Bulk meters	2			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		Borehole meter	1			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		Sewerage pumps	1			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		Grinder	1			ODB	ODB Store	Poor	
Technical Services	Water & Sewerage		200 mm tap	1			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		150mm tap	1			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		100mm tap	1			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		90mm tap	1			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		Hydrants	2			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		250 mm bulk meters	1			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		200mm bulk meters	2			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		150mm bulk meters	2			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		100mm bulk meters	5			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		90mm taps	2			Wolseley	Wolseley Water store	Poor	

Technical Services	Water & Sewerage		100mm taps	2			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		150mm taps	2			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		Beltobies	4			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		Hydrants	2			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		Hydrant covers	3			Wolseley	Wolseley Water store	Poor	
Technical Services	Water & Sewerage		63mm tap	1			Wolseley	Wolseley Water store	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	Power Eng 25 kva Transformer	1			Ceres	Powerstation	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	Ring Main Unit Reyrolle	1			Ceres	Powerstation	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	100 kva transformer	1			Ceres	Powerstation	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	Ring main unit	1			Ceres	Powerstation	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	Ring main unit	1			Ceres	Powerstation	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	50 kva transformer	1			Ceres	Powerstation	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	Ring main unit	1			Ceres	Powerstation	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	150 kva transformer	1			Ceres	Powerstation	Poor	
Technical Services	Electricity: Distibution	Electrical equipment / stock	50 kva transformer	1			Ceres	Powerstation	Poor	
Technical Services	Water & Sewerage		Fittings,pipes and stopheads	108			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		90 + 45+ 22° bends				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		980 RPM electric motor	2			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Fridge	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Lockers				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Bicycle without wheels	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Clarifier wheel	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Sprinklers				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Pipes				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		High pressure pipe				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Ceiling fan	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Bend with tap	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Wheelbarrow	1			Ceres	Sewerage Store	Poor	

Technical Services	Water & Sewerage		Broken chair	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Canopy (bakkie)	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Power plugs				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Rubber pipes				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Warning signs				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Old pipes				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Off-cut pipes (pvc)				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		50mm pipe				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		200mm tap with valve + iron pipes (2 with duck foot)	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		150mm bends				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		200mm bends				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		100mm bends				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		100 x 150mm + 100 x 100mm Y- junctions				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Obsolete gulley				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Pipes -various sizes (2m)				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Aerators with accessories				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Obsolete sewer tanks with motors, pipes, valves & pump	2			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Pumps with motors + 3 elec cupboards				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Scale				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Electric motor				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Plunger pump with stand				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Asbestos roof plates				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Old desks	2			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Rims and tyres	2			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		"slag gras masjien"				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		"stamper"				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Power cables with power rodder				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		"stud plate" (long + short with pens)				Ceres	Sewerage Store	Poor	

Technical Services	Water & Sewerage		Electric boxes	4			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Iron poles	7			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Torches with batteries				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Electric pumps	4			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		"veld diens draai bank in houer"	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Wheelbarrow	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Picks without stems	4			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Tyres	2			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		160x 160mm Y-junctions	5			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Blower motors with frame	10			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Pump bearings and seals				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		8x 100 plastic T's				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Stove	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Chair	3			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Gate				Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Sieves	2			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Bpwl of wheelbarrow	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		Broken toyota mirror	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		12 volt pump	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		900cm x 3.6m asbestos pipes	1			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		300mm cement pipe	3			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		700 x 750mm cement pipe	22			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		1.2. x 750mm cement rings	2			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		350 x 750 cement rings	13			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		900x 110 top cement rings	36			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		110mm aero pipe 1.5m	13			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		300 x 110 top connectors	5			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		500mm channels	4			Ceres	Sewerage Store	Poor	

Technical Services	Water & Sewerage		300mm junctuons	5			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		150mm junctuons	40			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		150mm staright channels	10			Ceres	Sewerage Store	Poor	
Technical Services	Water & Sewerage		150mm channels 45°	35			Ceres	Sewerage Store	Poor	
Technical Services	Mechanical Workshop	Vehicles	Toyota DA 110	1			Ceres	Streets & Stormwater depot	Very poor	Not economical to repair engine, gearbox used as spare part for CT 18168
Technical Services		Plant & Equipment	Old pipes / poles (metal & plastic)	5			Wolseley	Yard	Very poor	
Technical Services	Water & Sewerage	Stock	Old pvc water pipes & off-cuts, various sizes				Wolseley	Yard	Poor	
Technical Services	Electricity: Distibution	Scrap	Empty drums				Wolseley			
Technical Services	Streets & stormwater	Scrap	Cement bricks, blocks and cuts				Wolseley			
Technical Services	Streets & stormwater	Stock	Big cement blocks	7			Wolseley			
Technical Services	Electricity: Distibution	Furniture & fittings	Chairs	10			Wolseley			
Technical Services	Electricity: Distibution	Furniture & fittings	Couch	1			Wolseley			
Technical Services	Electricity: Distibution	Furniture & fittings	Table	1			Wolseley			
Technical Services	Electricity: Distibution	Furniture & fittings	Old burglar window grid (large)	1			Wolseley			

LIST OF ASSETS TO BE DISPOSED OF: MAY 2022

NUMBER	DIRECTORATE	DEPARTMENT	ASSET TYPE	DESCRIPTION OF ASSET	BARCODE	REGISTRATION /	MODEL/BRAND	CARRYIN	CURRENT LOCATION	CONDITION	COMMENTS
RPF12	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7711		Kingtel		Switchboard	VERY POOR	
RPF19	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8762		Panasonic		Switchboard	VERY POOR	
RPF20	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7946		Panasonic		Switchboard	VERY POOR	
RPF21	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	10688		Kingtel		Switchboard	VERY POOR	
RPF24	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	3359		Orion		Switchboard	VERY POOR	
RPF32	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8075		Panasonic		Administration	VERY POOR	
RPF33	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1675		Tellumat		Administration	VERY POOR	
RPF34	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	5373				Administration	VERY POOR	
RPF35	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	5967				Administration	VERY POOR	
RPF36	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	2402		Tellumat		Administration	VERY POOR	
RPF40	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7706				Administration	VERY POOR	
RPF43	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	9944		Samsung		Administration	VERY POOR	
RPF44	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	9734		Samsung		Administration	VERY POOR	
RPF46	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	4747		tellumat		Administration	VERY POOR	
RPF47	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1852				Administration	VERY POOR	
RPF51	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1186		Telokm		Administration	VERY POOR	
RPF69	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	11093		Siemens		Switchboard	VERY POOR	
RPF76	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8884		Alcatel		Switchboard	VERY POOR	

LIST OF ASSETS TO BE DISPOSED OF: MAY 2022

NUMBER	DIRECTORATE	DEPARTMENT	ASSET TYPE	DESCRIPTION OF ASSET	BARCODE	REGISTRATION / SERIAL NUMBER	MODEL/BRAND	CARRYING VALUE	CURRENT LOCATION	CONDITION	COMMENTS
RPF1	COMMUNITY SERVICES	RESORTS: PINE FOREST	FURNITURE & FITTINGS	STOVES X 20					PINE FOREST STORE	VERY POOR	AWAITING DETAILS LIST WITH BARCODES
RPF2	COMMUNITY SERVICES	RESORTS: PINE FOREST	FURNITURE & FITTINGS	FRIDGES X16					PINE FOREST STORE	VERY POOR	AWAITING DETAILS LIST WITH BARCODES
RPF3	COMMUNITY SERVICES	RESORTS: PINE FOREST	FURNITURE & FITTINGS	SMALL STOVES X15					PINE FOREST STORE	VERY POOR	AWAITING DETAILS LIST WITH BARCODES
RPF4	COMMUNITY SERVICES	RESORTS: PINE FOREST	FURNITURE & FITTINGS	GEYSERS X9					PINE FOREST STORE	VERY POOR	AWAITING DETAILS LIST WITH BARCODES
RPF5	COMMUNITY SERVICES	RESORTS: PINE FOREST	FURNITURE & FITTINGS	COUCHES SETS X 4					PINE FOREST STORE	VERY POOR	AWAITING DETAILS LIST WITH BARCODES
ED 1	TECHNICAL SERVICES	ELECTRICITY: DISTRIBUTION	OFFICE EQUIPMENT : COMPUTER HARDWARE	MECCER KEYBOARD			MECCER		POWER STATION	VERY POOR	DAMAGED
ED 2	TECHNICAL SERVICES	ELECTRICITY: DISTRIBUTION	OFFICE EQUIPMENT	KUHLMAN DRAWING BOARD			KUHLMAN		POWER STATION	VERY POOR	DAMAGED
RPF1	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	17847		Alcatel		Switchboard	VERY POOR	
RPF2	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	18609		Alcatel		Switchboard	VERY POOR	
RPF3	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7290		Panasonic		Switchboard	VERY POOR	
RPF4	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7120		Panasonic		Switchboard	VERY POOR	
RPF5	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	5453		Panasonic		Switchboard	VERY POOR	
RPF6	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8083		Panasonic		Switchboard	VERY POOR	
RPF7	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	38543		Venus		Switchboard	VERY POOR	
RPF8	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	9212		Kingtel		Switchboard	VERY POOR	
RPF9	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7722		Kingtel		Switchboard	VERY POOR	
RPF10	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7799		Kingtel		Switchboard	VERY POOR	
RPF11	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7785		Kingtel		Switchboard	VERY POOR	
RPF12	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7711		Kingtel		Switchboard	VERY POOR	
RPF13	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1937		Tellumat		Switchboard	VERY POOR	
RPF14	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	9972		Tanzanite		Switchboard	VERY POOR	
RPF15	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8045		Panasonic		Switchboard	VERY POOR	
RPF16	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	2132		Tellumat		Switchboard	VERY POOR	
RPF17	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7065		Tellumat		Switchboard	VERY POOR	
RPF18	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	6947		Kingtel		Switchboard	VERY POOR	
RPF19	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8762		Panasonic		Switchboard	VERY POOR	
RPF20	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7946		Panasonic		Switchboard	VERY POOR	
RPF21	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	10688		Kingtel		Switchboard	VERY POOR	
RPF22	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	6562		Tanzanite		Switchboard	VERY POOR	
RPF23	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	16509		Qualitel		Switchboard	VERY POOR	
RPF24	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	3359		Orion		Switchboard	VERY POOR	
RPF25	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1551		Tellumat		Switchboard	VERY POOR	
RPF26	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7315		Tellumat		Switchboard	VERY POOR	
RPF27	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	5377		Tellumat		Switchboard	VERY POOR	
RPF28	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	17884		Panasonic		Switchboard	VERY POOR	
RPF29	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		G tel		Switchboard	VERY POOR	
RPF30	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8083		Panasonic		Switchboard	VERY POOR	
RPF31	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Telkom		Administration	VERY POOR	
RPF32	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8075		Panasonic		Administration	VERY POOR	
RPF33	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1675		Tellumat		Administration	VERY POOR	
RPF34	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	5373				Administration	VERY POOR	
RPF35	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	5967				Administration	VERY POOR	
RPF36	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	2402		Tellumat		Administration	VERY POOR	
RPF37	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Tellumat		Administration	VERY POOR	
RPF38	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Tellumat		Administration	VERY POOR	
RPF39	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Telkom		Administration	VERY POOR	
RPF40	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7706				Administration	VERY POOR	
RPF41	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1508		tellumat		Administration	VERY POOR	
RPF42	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	7278		panasonic		Administration	VERY POOR	
RPF43	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	9944		Samsung		Administration	VERY POOR	
RPF44	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	9734		Samsung		Administration	VERY POOR	
RPF45	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8005		panasonic		Administration	VERY POOR	
RPF46	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	4747		tellumat		Administration	VERY POOR	
RPF47	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1852				Administration	VERY POOR	
RPF48	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	vVideo Recorder	9964		Hitachi		Administration	VERY POOR	
RPF49	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Memo Scriber with mini cassette tape	1865		Sanyo		Administration	VERY POOR	
RPF50	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Transcription system with mini cassette tape	8093		Phillips		Administration	VERY POOR	
RPF51	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1186		Telekm		Administration	VERY POOR	
RPF52	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8783		Panasonic		Administration	VERY POOR	
RPF53	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Printer	1374		Espon		Administration	VERY POOR	
RPF54	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	dictaphone	none		Phillips		Administration	VERY POOR	
RPF55	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	speakers	none				Administration	VERY POOR	
RPF56	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Memo Scriber with mini cassette tape	8005		Sanyo		Administration	VERY POOR	
RPF57	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	1922		Panasonic		Administration	VERY POOR	
RPF58	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Franking machine	none		Pitney Bowes		Administration	VERY POOR	
RPF59	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Transcription system with mini cassette tape	1938		Phillips		Administration	VERY POOR	

DIRECTORATE DEPARTMENT ASSET TYPE CONDITION

COMMUNITY SERVICES ADMINISTRATION FURNITURE & FITTING VERY GOOD
 TECHNICAL SERVICES FACILITIES & ENVIRONMEN PLANT & EQUIPMENT POOR
 HOUSING VEHICLES VERY POOR
 HOUSING ADMINISTRATIONVEHICLE: PARTS
 INCOME
 MECHANICAL WORKSHOP
 RESORTS: PINE FOREST
 SCM
 SOLID WASTE & CLEANSING
 TRAFFIC SERVICES
 WATER & SEWERAGE

RPF60	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Orion		Administration	VERY POOR	
RPF61	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Super Hybrid System Telephone	4722		Panasonic		Switchboard	VERY POOR	
RPF62	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Panasonic		Switchboard	VERY POOR	
RPF63	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Qualitel		Switchboard	VERY POOR	
RPF64	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Healer	2067				Switchboard	VERY POOR	
RPF65	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Alcatel		Switchboard	VERY POOR	
RPF66	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Alcatel		Switchboard	VERY POOR	
RPF67	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Tanzanite		Switchboard	VERY POOR	
RPF68	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Alcatel		Switchboard	VERY POOR	
RPF69	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	11093		Siemens		Switchboard	VERY POOR	
RPF70	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		G Tel		Switchboard	VERY POOR	
RPF71	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Panasonic		Switchboard	VERY POOR	
RPF72	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Alcatel		Switchboard	VERY POOR	
RPF73	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Kingtel		Switchboard	VERY POOR	
RPF74	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Alcatel		Switchboard	VERY POOR	
RPF75	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	none		Panasonic		Switchboard	VERY POOR	
RPF76	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	8884		Alcatel		Switchboard	VERY POOR	
RPF77	CORPORATE SERVICES	ADMINISTRATION	OFFICE EQUIPMENT	Telephone	18613		Tanzanite		Switchboard	VERY POOR	



**Quarterly Budget Statement Report
{Section 52(d)} for the Period
1 January 2022 to 31 March 2022**

**Financial data is in respect of the financial year
1 July 2021 to 30 June 2022**

SECTION 52

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

In terms of Section 52 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

52. General Responsibilities. — The mayor of a municipality—

- (a) must provide general political guidance over the fiscal and financial affairs of the municipality;
- (b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- (c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;
- (d) **must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and**
- (e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

In terms of section 11 (4) (a), the Accounting Officer must within 30 days after the end of each quarter table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1) (b) to (j) during that quarter. Section 11(1) read as follow:

"11. (1) Only the accounting officer or the chief financial officer of a municipality, or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts, and may do so only—

- (a) to defray expenditure appropriated in terms of an approved budget;*
- (b) to defray expenditure authorised in terms of section 26(4);*
- (c) to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);*
- (d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section;*
- (e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including—*
 - (i) money collected by the municipality on behalf of that person or organ of state by agreement; or*
 - (ii) any insurance or other payments received by the municipality for that person or organ of state;*
- (f) to refund money incorrectly paid into a bank account;*
- (g) to refund guarantees, sureties and security deposits;*
- (h) for cash management and investment purposes in accordance with section 13;*
- (i) to defray increased expenditure in terms of section 31; or*
- (j) for such other purposes as may be prescribed."*

In terms of Section 66 of the MFMA the Accounting Officer must prepare a report on all expenditure incurred with relation to staff benefits.

Section 66 reads as follow:

"66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely—

- (a) salaries and wages;*
- (b) contributions for pensions and medical aid;*

- (c) travel, motor car, accommodation, subsistence and other allowances;*
- (d) housing benefits and allowances;*
- (e) overtime payments;*
- (f) loans and advances; and*
- (g) any other type of benefit or allowance related to staff.”*

The following regulations of the Local Government: Municipal Finance Management Act Municipal Budget and Reporting Regulations are relevant:

Quarterly reports on implementation of budget

31. (1) The mayor's quarterly report on the implementation of the budget and the financial state of affairs of the municipality as required by section 52(d) of the Act must be-
- {a) in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and
 - (b) consistent with the monthly budget statements for September, December, March and June as applicable; and
 - (c) submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

Publication of quarterly reports on implementation of budget

32. When publishing the quarterly reports on the implementation of the budget in terms of section 75(1)(k) of the Act, the municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the quarterly report on the implementation of the budget and the financial state of affairs of the municipality, including -
- (a) summaries of quarterly report in alternate languages predominant in the community; and
 - (b) information relevant to each ward in the municipality.

PART 1 - IN-YEAR REPORT

Mayors Report

Speaker
Deputy Executive Mayor
Members of the Mayoral Committee
Councilors
Representatives of Provincial Government
Municipal Manager
Directors and officials
Distinguished Guests
Members of the media

It is my privilege to present to you the Quarterly Budget Statement Report for the three months from 1 January 2022 to 31 March 2022.

We are thankful that the Witzenberg Community is in position to return back to some kind of normality following the lifting of the National State of Disaster and the relaxation of the majority of the accompanying restrictions. However, the municipality remain vigilant in adhering to safety protocols in terms of the pandemic that is still with us. It is well documented in the media that the pandemic had a major effect on economic growth, unemployment and the livelihood of our people and the Witzenberg Municipality was not immune in terms of the aforementioned effects. Events and tourist attractions which did not take place due to the pandemic are also making a comeback which can only be positive for the Witzenberg economy.

The year-to-date recovery rate excluding traffic fines is 89% against the annual estimated target of 94%. Cognizance should be taken that the comparative rate for the same period in the prior year was 89% as well which resulted in a final collection rate of 90% at year-end. Government departments and commercial customers that are in arrears are receiving immediate attention in order to improve cash flow.

The vandalism of municipal assets remain a concern with major damages now also affecting service delivery. It is time for the community to take ownership of municipal assets and assist in the protection thereof.

Capital expenditure is currently at 48.4% of a total Capital Budget of R 81.2 million. The upgrade of the Van Breda Bridge and the Tulbagh Dam are some of the key capital projects for the current year.

COUNCILLOR HJ SMIT
EXECUTIVE MAYOR

Recommendation

It is recommended that council take cognizance of the quarterly budget assessment for the period 1 January 2022 to 31 March 2022

Municipal Manager’s quality certification

Quality Certificate

I, Mr. D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the quarterly budget assessment has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

MR D NASSON

Municipal Manager of WITZENBERG MUNICIPALITY

Signature: _____

Date _____

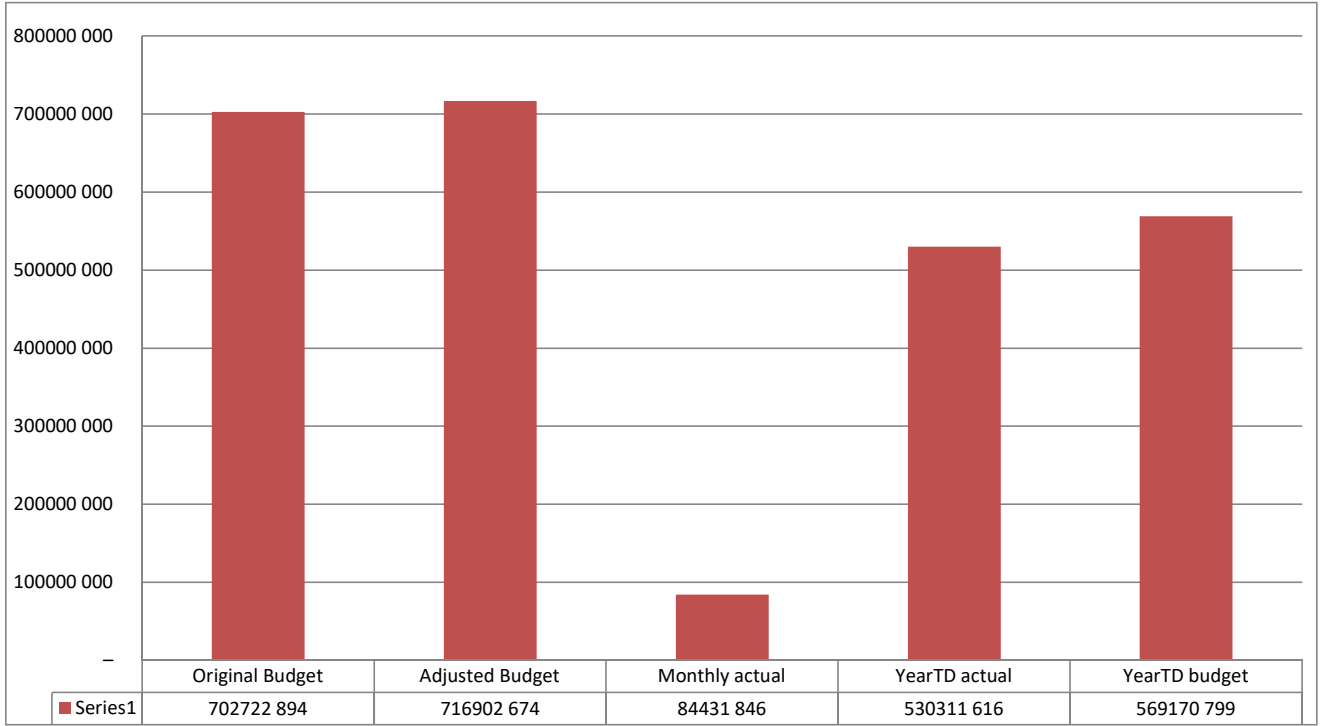
C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

C OPSOMMING

Die volgende tabelle voorsien n opsomming van die finansiële inligting:

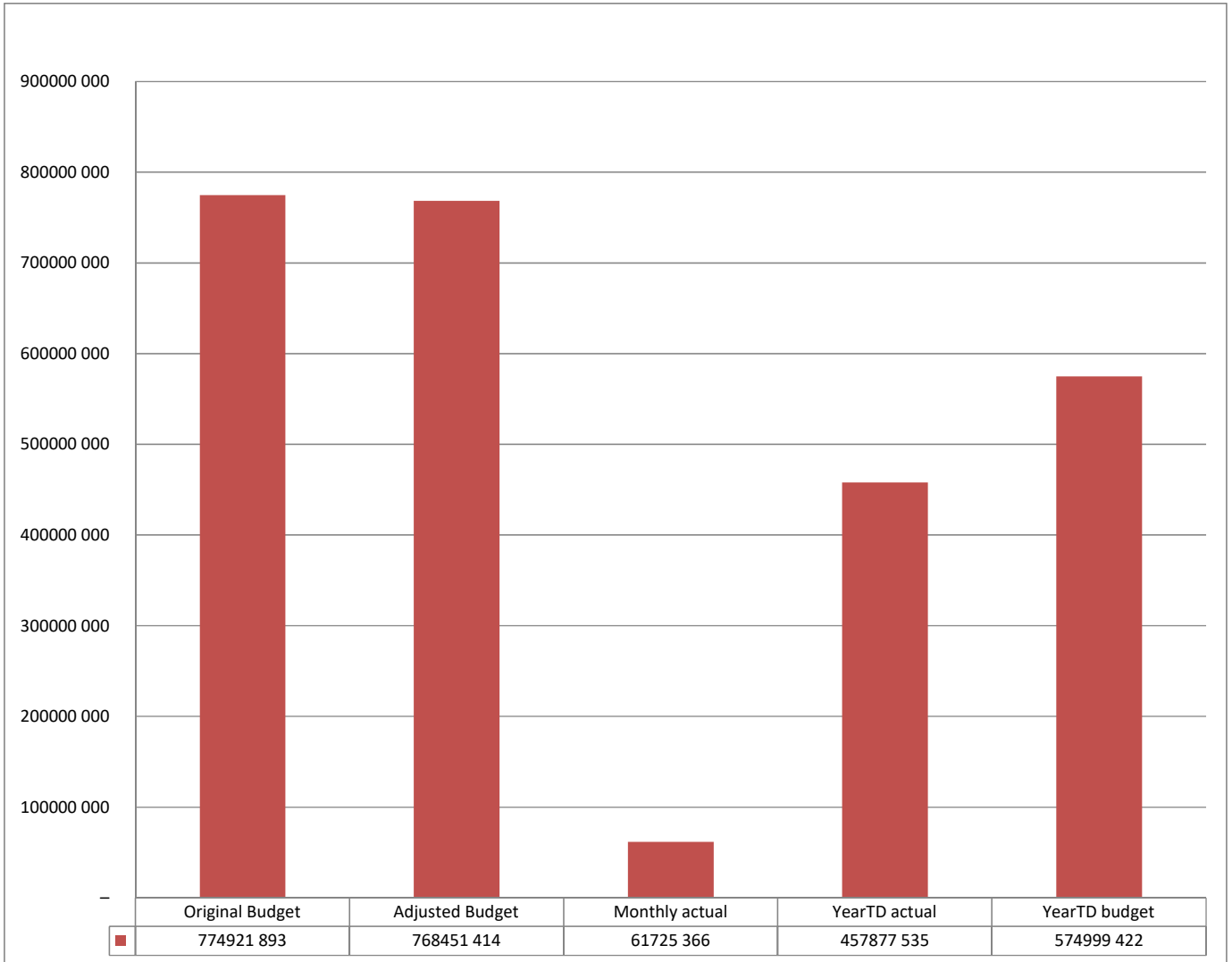
TOTAL OPERATIONAL REVENUE



For the period 1 July 2021 to 31 March 2022, 73,97% of the budgeted operational revenue was raised.

Vir die periode 1 Julie 2021 to 31 Maart 2022, is 73,97% van die begrote operasionele inkomste gehêf.

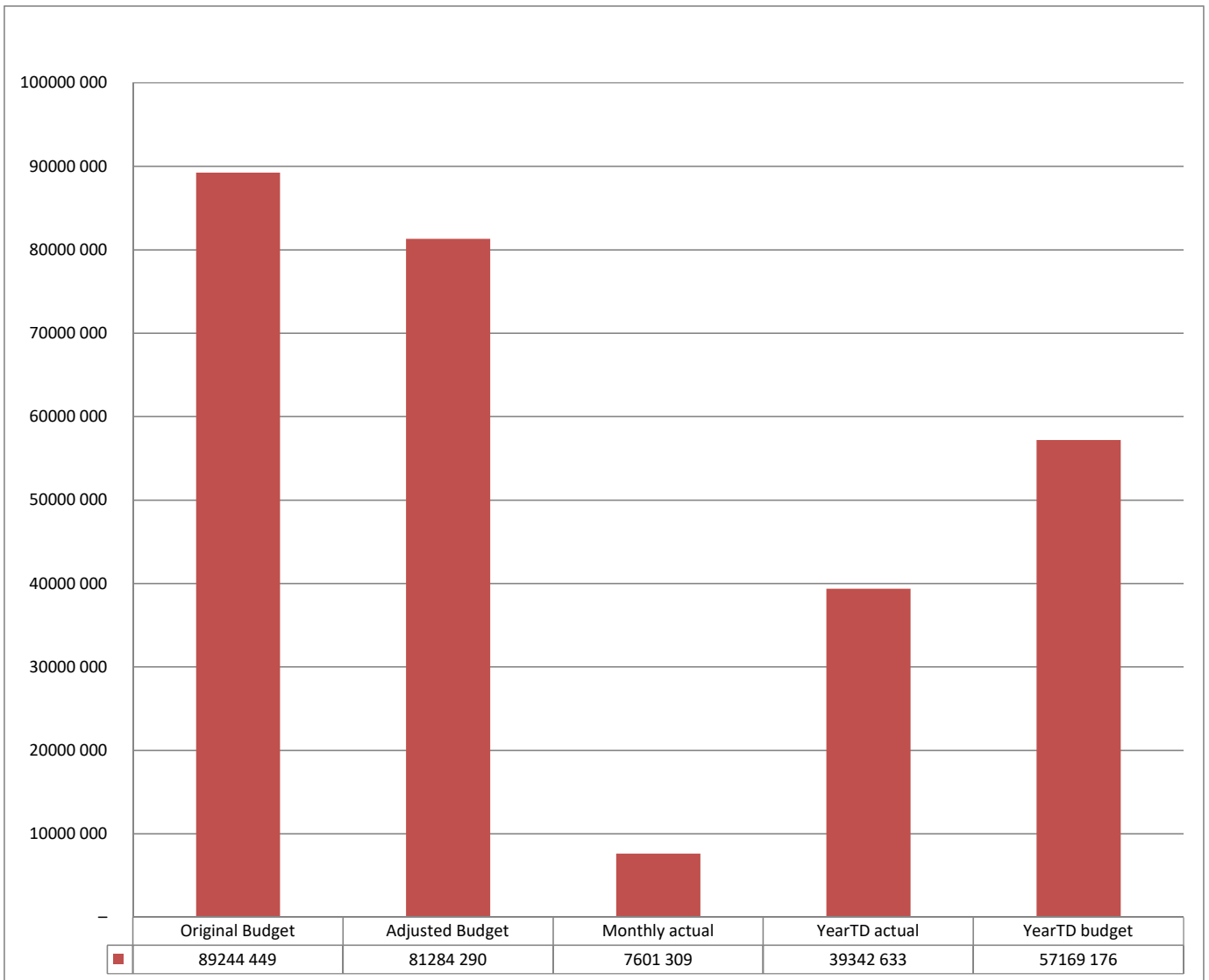
TOTAL OPERATIONAL EXPENDITURE



For the period 1 July 2021 to 31 March 2022, 59,58% of the budgeted operational expenditure was incurred. This figure will increase as some invoices are still outstanding.

Vir die periode 1 Julie 2021 to 31 Maart 2022, is 59,58% van die begrote operasionele uitgawes aangegaan. Die syfer mag verhoog aangesien daar nog uitstaande fakture is.

CAPITAL EXPENDITURE



For the period 1 July 2021 to 31 March 2022, 48,4% of the budgeted capital expenditure was incurred.

Vir die periode 1 Julie 2021 to 31 Maart 2022, is 48,4% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 31 March 2021.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	4 609	74 938	70 400	4 537	6%	83 290
Service charges	376 201	413 772	422 772	37 935	307 491	312 717	(5 227)	-2%	422 772
Investment revenue	3 079	6 990	6 990	181	3 171	5 242	(2 070)	-39%	15 666
Transfers recognised - operational	131 244	145 903	148 892	35 143	107 978	139 604	(31 626)	-23%	148 892
Other own revenue	31 961	52 768	54 959	6 563	36 734	41 208	(4 474)	-11%	54 959
contributions)	623 159	702 723	716 903	84 432	530 312	569 171	(38 859)	-7%	725 579
Employee costs	9 897	237 025	235 189	18 664	159 467	176 371	(16 904)	-10%	235 189
Remuneration of Councillors	9 897	12 007	11 007	836	7 396	8 252	(856)	-10%	11 007
Depreciation & asset impairment	32 145	39 729	39 729	7 273	22 351	29 784	(7 434)	-25%	39 729
Finance charges	4 522	8 696	8 690	-	76	6 515	(6 438)	-99%	8 690
Materials and bulk purchases	252 216	300 766	305 453	25 054	187 196	229 007	(41 810)	-18%	305 453
Transfers and grants	6 534	25 603	23 665	129	1 630	17 749	(16 119)	-91%	23 665
Other expenditure	330 884	151 096	144 718	9 769	79 761	107 322	(27 560)	-26%	144 718
Total Expenditure	646 096	774 922	768 451	61 725	457 878	574 999	(117 122)	-20%	768 451
Surplus/(Deficit)	(22 937)	(72 199)	(51 549)	22 706	72 434	(5 829)	78 263	-1343%	(42 872)
Transfers recognised - capital	52 267	74 937	69 620	21 541	36 895	65 416	(28 521)	-44%	69 620
Contributions & Contributed assets	898	170	170	33	263	127	135	106%	170
Surplus/(Deficit) after capital transfers & contributions	30 227	2 908	18 241	44 281	109 592	59 715	49 877	84%	26 918
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	30 227	2 908	18 241	44 281	109 592	59 715	49 877	84%	26 918
Capital expenditure & funds sources									
Capital expenditure	66 944	89 244	81 284	7 601	39 343	57 169	(17 827)	-31%	81 284
Capital transfers recognised	52 768	75 087	69 277	7 497	37 197	48 164	(10 967)	-23%	69 277
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 157	12 007	105	2 146	9 006	(6 860)	-76%	12 007
Total sources of capital funds	66 944	89 244	81 284	7 601	39 343	57 169	(17 827)	-31%	81 284
Financial position									
Total current assets	217 352	181 281	199 130		341 019				199 130
Total non current assets	1 028 261	1 041 921	1 083 975		1 045 253				1 083 975
Total current liabilities	126 585	201 668	146 339		159 409				146 339
Total non current liabilities	175 032	131 189	174 032		173 284				174 032
Community wealth/Equity	943 996	890 345	962 733		1 053 579				962 733
Cash flows									
Net cash from (used) operating	51 431	85 636	97 574	42 689	112 246	95 086	17 160	18%	97 574
Net cash from (used) investing	(66 038)	(89 094)	(96 927)	(7 706)	(103 570)	(59 158)	(44 412)	75%	(96 927)
Net cash from (used) financing	(482)	(1 000)	(1 000)	55	381	-	381	-	381
Cash/cash equivalents at the month end	115 305	133 360	114 952	-	124 352	151 233	(26 881)	-18%	114 943
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	55 983	5 846	4 894	4 872	4 491	4 363	27 951	211 145	319 546
Debtors Age Analysis									
Total Creditors	869	576	-	-	-	-	-	-	1 445

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q3 Third Quarter

Description	2020/21	Budget Year 2021/22							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue - Functional									
Municipal governance and administration	94 586	110 918	113 730	6 669	86 726	93 547	(6 821)	-7%	113 149
Executive and council	13	-	600	(1)	19	450 000	(431)	-96%	19
Mayor and Council	13	-	-	(1)	19	-	19		19
Municipal Manager, Town Secretary and Chief Execut	-	-	600	-	-	450	(450)	-100%	-
Finance and administration	94 573	110 918	113 130	6 670	86 707	93 097	(6 390)	-7%	113 130
Administrative and Corporate Support	0	9	9	0	1	7	(6)	-91%	9
Asset Management	-	-	-	-	-	-	-		-
Budget and Treasury Office	94 239	110 250	112 462	6 668	86 443	92 596	(6 153)	-7%	112 462
Finance	-	-	-	-	-	-	-		-
Fleet Management	254	580	580	-	222	435	(213)	-49%	580
Human Resources	-	-	-	-	-	-	-		-
Information Technology	-	-	-	-	-	-	-		-
Legal Services	0	5	5	-	-	4	(4)	-100%	5
Marketing, Customer Relations, Publicity and Media	-	-	-	-	-	-	-		-
Property Services	-	-	-	-	-	-	-		-
Risk Management	-	-	-	-	-	-	-		-
Security Services	80	74	74	1	42	56	(14)	-25%	74
Supply Chain Management	-	-	-	-	-	-	-		-
Valuation Service	-	-	-	-	-	-	-		-
Internal audit	-	-	-	-	-	-	-		-
Governance Function	-	-	-	-	-	-	-		-
Community and public safety	155 479	171 710	174 355	39 717	127 402	158 204	(30 802)	-19%	174 355
Community and social services	128 957	120 006	122 331	34 721	107 387	119 136	(11 749)	-10%	122 331
Aged Care	118 121	109 415	111 015	26 795	99 160	110 615	(11 455)	-10%	111 015
Agricultural	-	-	-	-	-	-	-		-
Animal Care and Diseases	-	-	-	-	-	-	-		-
Cemeteries, Funeral Parlours and Crematoriums	328	367	367	19	194	310	(116)	-37%	367
Child Care Facilities	-	-	-	-	-	-	-		-
Community Halls and Facilities	31	485	485	28	129	364	(235)	-65%	485
Consumer Protection	-	-	-	-	-	-	-		-
Cultural Matters	-	-	-	-	-	-	-		-
Disaster Management	-	-	-	-	-	-	-		-
Education	-	-	-	-	-	-	-		-
Indigenous and Customary Law	-	-	-	-	-	-	-		-
Industrial Promotion	-	-	-	-	-	-	-		-
Language Policy	-	-	-	-	-	-	-		-
Libraries and Archives	10 475	9 739	10 463	7 880	7 904	7 847	57	1%	10 463
Literacy Programmes	-	-	-	-	-	-	-		-
Media Services	-	-	-	-	-	-	-		-
Museums and Art Galleries	-	-	-	-	-	-	-		-
Population Development	-	-	-	-	-	-	-		-
Provincial Cultural Matters	-	-	-	-	-	-	-		-
Theatres	-	-	-	-	-	-	-		-
Zoo's	-	-	-	-	-	-	-		-
Sport and recreation	9 314	1 661	2 734	1 906	7 037	2 050	4 987	243%	2 734
Beaches and Jetties	-	-	-	-	-	-	-		-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-		-
Community Parks (including Nurseries)	-	-	-	-	-	-	-		-
Recreational Facilities	2 057	1 611	2 684	726	5 481	2 012	3 469	172%	2 684
Sports Grounds and Stadiums	7 257	50	50	1 180	1 556	38	1 518	4044%	50

Description	2020/21	Budget Year 2021/22						Full Year Forecast	
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands									
Public safety	16 929	26 158	26 713	3 075	12 867	20 027	(7 160)	-36%	26 713
<i>Fire Fighting and Protection</i>	2	6	6	3	14	5	9	192%	6
<i>Licensing and Control of Animals</i>	-	-	-	-	-	-	-		-
<i>Police Forces, Traffic and Street Parking Control</i>	16 928	26 152	26 707	3 072	12 853	20 022	(7 169)	-36%	26 707
Housing	278	23 884	22 577	15	111	16 991	(16 880)	-99%	22 577
<i>Housing</i>	278	23 884	22 577	15	111	16 991	(16 880)	-99%	22 577
<i>Informal Settlements</i>	-	-	-	-	-	-	-		-
Health	-	-	-	-	-	-	-		-
Economic and environmental services	16 878	25 287	19 692	5 758	8 717	15 102	(6 385)	-42%	19 692
Planning and development	4 244	2 365	2 937	193	1 289	2 367	(1 079)	-46%	2 937
<i>Billboards</i>	-	-	-	-	-	-	-		-
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	-	-	-	-	-	-	-		-
<i>Central City Improvement District</i>	-	-	-	-	-	-	-		-
<i>Development Facilitation</i>	-	-	-	-	-	-	-		-
<i>Economic Development/Planning</i>	1 892	279	851	-	2	638	(636)	-100%	851
<i>Regional Planning and Development</i>	-	-	-	-	-	-	-		-
<i>Town Planning, Building Regulations and Enforcement</i>	1 721	1 426	1 426	193	1 287	1 069	218	20%	1 426
<i>Project Management Unit</i>	630	660	660	-	-	660	(660)	-100%	660
<i>Provincial Planning</i>	-	-	-	-	-	-	-		-
<i>Support to Local Municipalities</i>	-	-	-	-	-	-	-		-
Road transport	12 634	22 907	16 742	5 565	7 428	12 725	(5 296)	-42%	16 742
<i>Public Transport</i>	-	-	-	-	-	-	-		-
<i>Road and Traffic Regulation</i>	-	-	-	-	-	-	-		-
<i>Roads</i>	12 634	22 907	16 742	5 565	7 428	12 725	(5 296)	-42%	16 742
<i>Taxi Ranks</i>	-	-	-	-	-	-	-		-
Environmental protection	-	14	14	-	0	11	(10)	-98%	14
<i>Biodiversity and Landscape</i>	-	14	14	-	0	11	(10)	-98%	14
Trading services	409 304	469 795	478 795	53 857	344 508	367 770	(23 262)	-6%	478 795
Energy sources	274 353	334 664	338 664	30 688	229 652	252 169	(22 516)	-9%	338 664
<i>Electricity</i>	274 131	333 099	337 099	30 550	229 162	250 604	(21 441)	-9%	337 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	137	490	1 565	(1 075)	-69%	1 565
<i>Nonelectric Energy</i>	-	-	-	-	-	-	-		-
Water management	52 476	72 201	72 201	13 975	50 137	61 656	(11 520)	-19%	72 201
<i>Water Treatment</i>	-	-	-	-	-	-	-		-
<i>Water Distribution</i>	52 476	60 921	60 921	13 975	50 137	50 377	(241)	0%	60 921
<i>Water Storage</i>	-	11 279	11 279	-	-	11 279	(11 279)	-100%	11 279
Waste water management	49 259	27 843	30 843	2 505	27 897	24 365	3 532	14%	30 843
<i>Public Toilets</i>	-	-	-	-	-	-	-		-
<i>Sewerage</i>	38 651	26 954	29 954	2 505	27 007	23 475	3 532	15%	29 954
<i>Storm Water Management</i>	10 607	889	889	-	889	889	-	0%	889
<i>Waste Water Treatment</i>	-	-	-	-	-	-	-		-
Waste management	33 216	35 087	37 087	6 689	36 822	29 580	7 242	24%	37 087
<i>Recycling</i>	-	-	-	-	-	-	-		-
<i>Solid Waste Disposal (Landfill Sites)</i>	3 086	-	-	-	-	-	-		-
<i>Solid Waste Removal</i>	30 130	35 087	37 087	6 689	36 822	29 580	7 242	24%	37 087
<i>Street Cleaning</i>	-	-	-	-	-	-	-		-
Other	77	120	120	5	116	90	26	29%	120
Licensing and Regulation	77	120	120	5	116	90	26	29%	120
Total Revenue - Functional	676 323	777 830	786 693	106 006	567 470	634 714	(67 245)	-11%	786 111

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q3 Third Quarter									
Description	2020/21	Budget Year 2021/22					YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands									
Expenditure - Functional									
<i>Municipal governance and administration</i>	122 905	145 004	147 809	10 274	85 750	110 715	(24 965)	-23%	147 809
Executive and council	23 838	29 621	30 257	1 807	15 852	22 684	(6 832)	-30%	30 257
<i>Mayor and Council</i>	15 898	18 723	18 224	1 037	9 052	13 662	(4 610)	-34%	18 224
<i>Municipal Manager, Town Secretary and Chief Execut</i>	7 941	10 897	12 033	770	6 799	9 022	(2 222)	-25%	12 033
Finance and administration	96 559	112 849	115 438	8 267	68 471	86 464	(17 993)	-21%	115 438
<i>Administrative and Corporate Support</i>	17 899	11 560	12 009	669	8 514	8 966	(452)	-5%	12 009
<i>Asset Management</i>	31	5 167	1 591	8	15	1 193	(1 178)	-99%	1 591
<i>Finance</i>	30 327	37 107	39 110	3 234	25 773	29 328	(3 555)	-12%	39 110
<i>Fleet Management</i>	3 406	2 806	2 837	404	2 709	2 125	584	27%	2 837
<i>Human Resources</i>	22 230	36 284	39 110	2 229	16 454	29 301	(12 847)	-44%	39 110
<i>Information Technology</i>	4 385	3 372	4 610	282	3 733	3 457	276	8%	4 610
<i>Legal Services</i>	5 416	2 279	2 002	98	1 038	1 501	(463)	-31%	2 002
<i>Marketing, Customer Relations, Publicity and Media</i>	3 904	3 900	3 890	353	3 025	2 914	111	4%	3 890
<i>Property Services</i>	1 783	1 268	1 598	389	1 696	1 198	498	42%	1 598
<i>Risk Management</i>	-	497	355	3	7	266	(260)	-97%	355
<i>Security Services</i>	-	-	-	-	-	-	-	-	-
<i>Supply Chain Management</i>	6 778	7 052	7 393	573	5 229	5 533	(304)	-5%	7 393
<i>Valuation Service</i>	400	1 557	932	26	280	684	(404)	-59%	932
Internal audit	2 508	2 534	2 114	200	1 427	1 566	(140)	-9%	2 114
<i>Governance Function</i>	2 508	2 534	2 114	200	1 427	1 566	(140)	-9%	2 114
Community and public safety	97 434	133 059	138 416	9 557	69 782	103 597	(33 815)	-33%	138 416
Community and social services	23 943	28 680	30 273	2 548	20 488	22 686	(2 198)	-10%	30 273
<i>Aged Care</i>	4 658	4 347	7 511	640	5 172	5 625	(453)	-8%	7 511
<i>Agricultural</i>	-	-	-	-	-	-	-	-	-
<i>Animal Care and Diseases</i>	-	-	-	-	-	-	-	-	-
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	3 189	3 600	3 505	350	2 592	2 628	(35)	-1%	3 505
<i>Child Care Facilities</i>	8	972	132	1	5	99	(94)	-95%	132
<i>Community Halls and Facilities</i>	5 400	6 608	6 340	591	4 374	4 754	(380)	-8%	6 340
<i>Consumer Protection</i>	-	-	-	-	-	-	-	-	-
<i>Cultural Matters</i>	-	-	-	-	-	-	-	-	-
<i>Disaster Management</i>	95	236	208	5	10	156	(146)	-94%	208
<i>Education</i>	1	831	104	-	1	78	(77)	-99%	104
<i>Indigenous and Customary Law</i>	-	-	-	-	-	-	-	-	-
<i>Industrial Promotion</i>	-	-	-	-	-	-	-	-	-
<i>Language Policy</i>	-	-	-	-	-	-	-	-	-
<i>Libraries and Archives</i>	10 591	12 086	12 473	961	8 334	9 347	(1 013)	-11%	12 473
<i>Literacy Programmes</i>	-	-	-	-	-	-	-	-	-
<i>Media Services</i>	-	-	-	-	-	-	-	-	-
<i>Museums and Art Galleries</i>	-	-	-	-	-	-	-	-	-
<i>Population Development</i>	-	-	-	-	-	-	-	-	-
<i>Provincial Cultural Matters</i>	-	-	-	-	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-	-	-	-	-
<i>Zoo's</i>	-	-	-	-	-	-	-	-	-
Sport and recreation	27 018	32 356	30 161	3 954	22 677	22 554	123	1%	30 161
<i>Beaches and Jetties</i>	-	-	-	-	-	-	-	-	-
<i>Casinos, Racing, Gambling, Wagering</i>	-	-	-	-	-	-	-	-	-
<i>Community Parks (including Nurseries)</i>	8 229	7 228	8 000	945	6 253	5 967	286	5%	8 000
<i>Recreational Facilities</i>	12 759	18 999	15 975	2 247	11 699	11 952	(253)	-2%	15 975
<i>Sports Grounds and Stadiums</i>	6 031	6 129	6 186	761	4 725	4 634	91	2%	6 186
Public safety	42 004	43 012	50 896	2 689	22 691	38 093	(15 403)	-40%	50 896
<i>Civil Defence</i>	-	-	96	-	-	72	(72)	-100%	96
<i>Cleansing</i>	-	-	-	-	-	-	-	-	-
<i>Control of Public Nuisances</i>	-	-	-	-	-	-	-	-	-
<i>Fencing and Fences</i>	-	-	-	-	-	-	-	-	-
<i>Fire Fighting and Protection</i>	8 395	8 118	10 270	884	6 679	7 661	(983)	-13%	10 270
<i>Licensing and Control of Animals</i>	-	-	-	-	-	-	-	-	-
<i>Police Forces, Traffic and Street Parking Control</i>	33 609	34 894	40 530	1 805	16 012	30 360	(14 348)	-47%	40 530
<i>Pounds</i>	-	-	-	-	-	-	-	-	-
Housing	4 469	29 011	27 086	366	3 926	20 264	(16 338)	-81%	27 086
<i>Housing</i>	4 463	27 003	26 821	362	3 886	20 065	(16 179)	-81%	26 821
<i>Informal Settlements</i>	6	2 009	265	4	40	199	(159)	-80%	265
Health	-	-	-	-	-	-	-	-	-

Description	2020/21	Budget Year 2021/22						YTD variance	YTD variance %	YearTD budget
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget				
R thousands										
Economic and environmental services	34 813	36 288	32 852	4 847	23 876	24 517	(642)	-3%	32 852	
Planning and development	10 129	11 280	11 706	1 018	8 251	8 760	(510)	-6%	11 706	
<i>Billboards</i>	-	-	-	-	-	-	-	-	-	
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	2 166	243	1 531	1 621	(89)	-6%	2 166	
<i>Central City Improvement District</i>	-	-	-	-	-	-	-	-	-	
<i>Development Facilitation</i>	-	-	-	-	-	-	-	-	-	
<i>Economic Development/Planning</i>	1 400	2 115	2 038	156	1 144	1 527	(383)	-25%	2 038	
<i>Regional Planning and Development</i>	-	-	-	-	-	-	-	-	-	
<i>Town Planning, Building Regulations and Enforcement</i>	4 745	4 473	4 702	413	3 710	3 513	197	6%	4 702	
<i>Project Management Unit</i>	2 298	2 710	2 799	206	1 865	2 099	(234)	-11%	2 799	
<i>Provincial Planning</i>	-	-	-	-	-	-	-	-	-	
<i>Support to Local Municipalities</i>	-	-	-	-	-	-	-	-	-	
Road transport	24 205	22 910	19 624	3 724	15 038	14 622	416	3%	19 624	
<i>Public Transport</i>	-	-	-	-	-	-	-	-	-	
<i>Road and Traffic Regulation</i>	-	-	-	-	-	-	-	-	-	
<i>Roads</i>	24 205	22 910	19 624	3 724	15 038	14 622	416	3%	19 624	
<i>Taxi Ranks</i>	-	-	-	-	-	-	-	-	-	
Environmental protection	479	2 098	1 521	104	587	1 135	(548)	-48%	1 521	
<i>Biodiversity and Landscape</i>	479	2 098	1 521	104	587	1 135	(548)	-48%	1 521	
Trading services	390 042	459 620	448 425	37 047	277 787	335 458	(57 670)	-17%	448 425	
Energy sources	271 820	327 833	324 223	26 776	199 222	243 045	(43 823)	-18%	324 223	
<i>Electricity</i>	269 233	324 461	321 680	26 577	197 363	241 140	(43 776)	-18%	321 680	
<i>Street Lighting and Signal Systems</i>	2 587	3 371	2 543	200	1 859	1 906	(47)	-2%	2 543	
<i>Nonelectric Energy</i>	-	-	-	-	-	-	-	-	-	
Water management	41 092	36 559	37 870	3 631	27 617	28 200	(583)	-2%	37 870	
<i>Water Treatment</i>	154	1 838	1 278	15	150	958	(808)	-84%	1 278	
<i>Water Distribution</i>	37 997	30 463	32 479	3 404	24 970	24 158	812	3%	32 479	
<i>Water Storage</i>	2 941	4 258	4 114	212	2 498	3 085	(587)	-19%	4 114	
Waste water management	36 519	43 400	38 318	3 610	25 048	28 211	(3 163)	-11%	38 318	
<i>Public Toilets</i>	1 566	1 984	1 839	157	1 268	1 378	(111)	-8%	1 839	
<i>Sewerage</i>	27 631	30 347	27 047	2 480	17 949	19 764	(1 814)	-9%	27 047	
<i>Storm Water Management</i>	7 321	8 141	7 978	973	5 831	5 979	(148)	-2%	7 978	
<i>Waste Water Treatment</i>	0	2 928	1 455	-	0	1 091	(1 090)	-100%	1 455	
Waste management	40 611	51 829	48 014	3 030	25 900	36 000	(10 101)	-28%	48 014	
<i>Recycling</i>	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Disposal (Landfill Sites)</i>	7 599	16 403	14 070	296	2 332	10 545	(8 213)	-78%	14 070	
<i>Solid Waste Removal</i>	31 594	33 991	33 425	2 713	23 432	25 066	(1 634)	-7%	33 425	
<i>Street Cleaning</i>	1 418	1 436	519	22	135	389	(254)	-65%	519	
Other	902	951	951	-	683	713	(30)	-4%	951	
Licensing and Regulation	10	51	51	-	8	38	(30)	-79%	51	
Markets	-	-	-	-	-	-	-	-	-	
Tourism	892	900	900	-	675	675	(0)	0%	900	
Total Expenditure - Functional	646 096	774 922	768 451	61 725	457 878	574 999	(117 122)	-20%	768 451	
Surplus/ (Deficit) for the year	30 227	2 908	18 241	44 281	109 592	59 715	49 877	84%	17 660	

Description	2020/21	Budget Year 2021/22						YTD variance	YTD variance %	YearTD budget
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget				
R thousands										
Economic and environmental services	34 813	36 288	32 852	4 847	23 876	24 517	(642)	-3%	32 852	
Planning and development	10 129	11 280	11 706	1 018	8 251	8 760	(510)	-6%	11 706	
Billboards	-	-	-	-	-	-	-	-	-	
Corporate Wide Strategic Planning (IDPs, LEDs)	1 686	1 982	2 166	243	1 531	1 621	(89)	-6%	2 166	
Central City Improvement District	-	-	-	-	-	-	-	-	-	
Development Facilitation	-	-	-	-	-	-	-	-	-	
Economic Development/Planning	1 400	2 115	2 038	156	1 144	1 527	(383)	-25%	2 038	
Regional Planning and Development	-	-	-	-	-	-	-	-	-	
Town Planning, Building Regulations and Enforcement	4 745	4 473	4 702	413	3 710	3 513	197	6%	4 702	
Project Management Unit	2 298	2 710	2 799	206	1 865	2 099	(234)	-11%	2 799	
Provincial Planning	-	-	-	-	-	-	-	-	-	
Support to Local Municipalities	-	-	-	-	-	-	-	-	-	
Road transport	24 205	22 910	19 624	3 724	15 038	14 622	416	3%	19 624	
Public Transport	-	-	-	-	-	-	-	-	-	
Road and Traffic Regulation	-	-	-	-	-	-	-	-	-	
Roads	24 205	22 910	19 624	3 724	15 038	14 622	416	3%	19 624	
Taxi Ranks	-	-	-	-	-	-	-	-	-	
Environmental protection	479	2 098	1 521	104	587	1 135	(548)	-48%	1 521	
Biodiversity and Landscape	479	2 098	1 521	104	587	1 135	(548)	-48%	1 521	
Trading services	390 042	459 620	448 425	37 047	277 787	335 458	(57 670)	-17%	448 425	
Energy sources	271 820	327 833	324 223	26 776	199 222	243 045	(43 823)	-18%	324 223	
Electricity	269 233	324 461	321 680	26 577	197 363	241 140	(43 776)	-18%	321 680	
Street Lighting and Signal Systems	2 587	3 371	2 543	200	1 859	1 906	(47)	-2%	2 543	
Nonelectric Energy	-	-	-	-	-	-	-	-	-	
Water management	41 092	36 559	37 870	3 631	27 617	28 200	(583)	-2%	37 870	
Water Treatment	154	1 838	1 278	15	150	958	(808)	-84%	1 278	
Water Distribution	37 997	30 463	32 479	3 404	24 970	24 158	812	3%	32 479	
Water Storage	2 941	4 258	4 114	212	2 498	3 085	(587)	-19%	4 114	
Waste water management	36 519	43 400	38 318	3 610	25 048	28 211	(3 163)	-11%	38 318	
Public Toilets	1 566	1 984	1 839	157	1 268	1 378	(111)	-8%	1 839	
Sewerage	27 631	30 347	27 047	2 480	17 949	19 764	(1 814)	-9%	27 047	
Storm Water Management	7 321	8 141	7 978	973	5 831	5 979	(148)	-2%	7 978	
Waste Water Treatment	0	2 928	1 455	-	0	1 091	(1 090)	-100%	1 455	
Waste management	40 611	51 829	48 014	3 030	25 900	36 000	(10 101)	-28%	48 014	
Recycling	-	-	-	-	-	-	-	-	-	
Solid Waste Disposal (Landfill Sites)	7 599	16 403	14 070	296	2 332	10 545	(8 213)	-78%	14 070	
Solid Waste Removal	31 594	33 991	33 425	2 713	23 432	25 066	(1 634)	-7%	33 425	
Street Cleaning	1 418	1 436	519	22	135	389	(254)	-65%	519	
Other	902	951	951	-	683	713	(30)	-4%	951	
Licensing and Regulation	10	51	51	-	8	38	(30)	-79%	51	
Markets	-	-	-	-	-	-	-	-	-	
Tourism	892	900	900	-	675	675	(0)	0%	900	
Total Expenditure - Functional	646 096	774 922	768 451	61 725	457 878	574 999	(117 122)	-20%	768 451	
Surplus/ (Deficit) for the year	30 227	2 908	18 241	44 281	109 592	59 715	49 877	84%	17 660	

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q3 Third Quarter

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 497	6 462	84 625	90 394	(5 769)	-6,4%	109 497
Vote 2 - Community Services	13 354	35 720	36 210	8 659	13 855	27 254	(13 399)	-49,2%	36 210
Vote 3 - Community Services	130 857	131 976	134 131	29 550	108 736	127 945	(19 209)	-15,0%	134 131
Vote 4 - Community Services	13 503	4 581	5 152	1 530	5 143	3 863	1 281	33,2%	5 152
Vote 5 - Corporate Services	267	594	594	(0)	241	445	(204)	-45,9%	594
Vote 6 - Technical Services	339 012	388 952	389 786	39 091	267 516	291 884	(24 368)	-8,3%	389 786
Vote 7 - Technical Services	85 638	107 224	109 224	20 664	86 894	91 189	(4 295)	-4,7%	109 224
Vote 8 - Muncipal Manager	1 129	1 072	2 099	51	459	1 740	(1 281)	-73,6%	2 099
Total Revenue by Vote	676 323	777 830	786 693	106 006	567 470	634 714	(67 245)	-10,6%	786 693
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	50 854	4 000	32 698	38 107	(5 409)	-14,2%	50 854
Vote 2 - Community Services	36 229	41 879	44 516	4 409	29 506	33 257	(3 751)	-11,3%	44 516
Vote 3 - Community Services	48 070	54 069	60 231	3 704	28 752	45 099	(16 347)	-36,2%	60 231
Vote 4 - Community Services	16 030	43 719	40 063	1 802	14 193	30 027	(15 834)	-52,7%	40 063
Vote 5 - Corporate Services	68 115	77 479	81 453	5 043	43 866	61 002	(17 136)	-28,1%	81 453
Vote 6 - Technical Services	338 159	401 057	389 431	34 629	243 953	291 356	(47 403)	-16,3%	389 431
Vote 7 - Technical Services	86 066	90 791	87 835	7 117	56 701	65 624	(8 923)	-13,6%	87 835
Vote 8 - Muncipal Manager	14 779	13 462	13 819	1 021	8 208	10 339	(2 132)	-20,6%	13 819
Total Expenditure by Vote	646 034	774 922	768 201	61 725	457 878	574 812	(116 934)	-20,3%	768 201
Surplus/ (Deficit) for the year	30 289	2 908	18 491	44 281	109 592	59 902	49 690	83,0%	18 491

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - A - Q3 Third Quarter

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 497	6 462	84 625	90 394	(5 769)	-6%	109 497
1.1 - Assessment Rates	74 774	83 976	83 976	4 323	67 658	70 966	(3 308)	-5%	83 976
1.2 - Treasury: Administration	18 529	23 901	25 672	2 302	17 699	19 595	(1 896)	-10%	25 672
1.3 - Treasury: Debtors	(821)	(485)	(471)	(164)	(775)	(407)	(368)	90%	(471)
1.4 - Treasury: Credit controle	-	245	245	-	-	184	(184)	-100%	245
1.5 - Supply Chain Management	80	74	74	1	42	56	(14)	-25%	74
1.6 - Director: Finance	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	157 714	172 276	175 492	39 739	127 735	159 062	(31 327)	-20%	175 492
2.1 - Cemeteries	328	367	367	19	194	310	(116)	-37%	367
2.2 - Housing: Administration	492	23 998	22 691	32	261	17 081	(16 820)	-98%	22 691
2.3 - Library Services	10 475	9 739	10 463	7 880	7 904	7 847	57	1%	10 463
2.4 - Fire Protection Sevices	2	6	6	3	14	5	9	192%	6
2.5 - Pine Forest : Administration	2 057	1 609	2 682	726	5 481	2 011	3 470	173%	2 682
2.6-Klipriver Park: Administration	-	-	-	-	-	-	-	-	-
2.7-Community Halls And Facilities	31	200	200	21	52	150	(98)	-65%	200
2.8-Licensing & Regulation	77	120	120	5	116	90	26	29%	120
2.9-Enviromental Protection	-	14	14	-	0	11	(10)	-98%	14
2.10-Parks	53	121	121	-	64	90	(26)	-29%	121
2.11-Traffic	12 574	22 105	22 660	2 729	9 344	16 989	(7 645)	-45%	22 660
2.12-Disaster Management	-	-	-	-	-	-	-	-	-
2.13-Social & Welfare Services	118 121	109 415	111 015	26 795	99 160	110 615	(11 455)	-10%	111 015
2.14-Sport Grounds	-	-	-	-	-	-	-	-	-
2.15-Recreational Land	7 257	50	50	1 180	1 556	38	1 518	4044%	50
2.16-Swimming Pools	-	205	205	6	76	154	(77)	-50%	205
2.17-Vehicle Licensing & Testing	4 354	4 046	4 046	344	3 509	3 034	476	16%	4 046
2.18-L E D	1 892	279	851	-	2	638	(636)	-100%	851
2.19-Director: Community Services	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	267	594	594	(0)	241	445	(204)	-46%	594
3.1-Property Administration	-	-	-	-	-	-	-	-	-
3.2-Information Tecnology	-	-	-	-	-	-	-	-	-
3.3-Human Resources	254	580	580	-	222	435	(213)	-49%	580
3.5-Council Cost	13	-	-	(1)	19	-	19	#DIV/0!	-
3.5-Town Secretary	-	-	-	-	-	-	-	-	-
3.6-Tourism	-	-	-	-	-	-	-	-	-
3.7-Marketing & Communications	0	5	5	-	-	4	(4)	-100%	5
3.8-Thusong Centre	-	-	-	-	-	-	-	-	-
3.9-Administration	0	9	9	0	1	7	(6)	-91%	9
3.10-Director Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services	424 651	496 176	499 010	59 755	354 411	383 074	(28 663)	-7%	499 010
4.1-Building Regulations & Enforce	1 009	947	947	149	787	710	77	11%	947
4.2-Electricity: Administration	274 576	335 097	339 097	30 634	229 955	252 069	(22 115)	-9%	339 097
4.3-Electricity: Street Lights	222	1 565	1 565	137	490	1 565	(1 075)	-69%	1 565
4.4-Mechanical Workshop	-	-	-	-	-	-	-	-	-
4.4-Public Toilets	-	-	-	-	-	-	-	-	-
4.5-Sewerage	39 463	27 281	30 281	2 573	27 641	23 728	3 913	16%	30 281
4.7-Town Planning	501	264	264	33	326	198	129	65%	264
4.8-Stormwater Management	10 607	889	889	-	889	889	-	-	889
4.9-Roads	12 634	22 907	16 742	5 565	7 428	12 725	(5 296)	-42%	16 742
4.10-Solid Waste (Dumping Site)	3 766	8 700	8 700	3 950	12 414	8 518	3 895	46%	8 700
4.11-Solid Waste (Garden)	-	5	5	-	-	4	(4)	-100%	5
4.12-Solid Waste (Removal)	29 396	26 319	28 319	2 739	24 344	21 011	3 333	16%	28 319
4.13-Water Storage	-	11 279	11 279	-	-	11 279	(11 279)	-100%	11 279
4.14-Water Distribution	52 476	60 921	60 921	13 975	50 137	50 377	(241)	0%	60 921
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Manager	1 129	1 072	2 099	51	459	1 740	(1 281)	-74%	1 499
5.1-Property & Legal Services	499	412	839	51	459	630	(171)	-27%	839
5.2-IDP	-	-	-	-	-	-	-	-	-
5.3-Project Management	630	660	660	-	-	660	(660)	-100%	660
5.4-Performance Management	-	-	-	-	-	-	-	-	-
5.5-Internal Audit	-	-	-	-	-	-	-	-	-
5.6-Municipal Manager	-	-	600	-	-	450	(450)	-100%	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	676 323	777 830	786 693	106 006	567 470	634 714	(67 245)	-11%	786 093

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - A - Q3 Third Quarter

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	50 854	4 000	32 698	38 107	(5 409)	-14%	50 854
1.1 - Assessment Rates	1 469	4 683	5 683	413	4 230	4 262	(33)	-1%	5 683
1.2 - Treasury: Administration	13 967	23 920	19 391	1 506	10 587	14 541	(3 954)	-27%	19 391
1.3 - Treasury: Debtors	6 003	6 540	6 525	486	4 034	4 877	(843)	-17%	6 525
1.4 - Treasury: Credit controle	8 748	8 247	10 129	853	7 197	7 595	(399)	-5%	10 129
1.5 - Supply Chain Management	6 779	7 052	7 393	581	5 243	5 533	(290)	-5%	7 393
1.6 - Director: Finance	1 621	2 022	1 733	160	1 408	1 299	109	8%	1 733
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	99 811	139 336	144 324	9 865	72 054	108 019	(35 965)	-33%	144 324
2.1 - Cemeteries	3 189	3 600	3 505	350	2 592	2 628	(35)	-1%	3 505
2.2 - Housing: Administration	4 451	29 011	27 086	361	3 913	20 264	(16 351)	-81%	27 086
2.3 - Library Services	10 591	11 782	12 473	961	8 334	9 347	(1 013)	-11%	12 473
2.4 - Fire Protection Sevices	8 395	8 118	10 180	880	6 675	7 593	(918)	-12%	10 180
2.5 - Pine Forest : Administration	9 576	12 699	10 972	1 850	8 403	8 200	203	2%	10 972
2.6-Klipriver Park: Administration	836	1 578	1 444	73	663	1 083	(419)	-39%	1 444
2.7-Community Halls And Facilities	4 931	6 295	5 864	551	4 010	4 396	(386)	-9%	5 864
2.8-Licensing & Regulation	10	51	51	-	8	38	(30)	-79%	51
2.9-Environmental Protection	479	2 098	1 521	104	587	1 135	(548)	-48%	1 521
2.10-Parks	8 229	7 521	7 998	945	6 253	5 967	287	5%	7 998
2.11-Traffic	28 824	30 141	35 398	1 383	12 042	26 523	(14 481)	-55%	35 398
2.12-Disaster Management	95	236	208	5	10	156	(146)	-94%	208
2.13-Social & Welfare Services	4 667	6 150	7 747	642	5 178	5 802	(624)	-11%	7 747
2.14-Sport Grounds	765	472	880	75	693	660	33	5%	880
2.15-Recreational Land	6 031	6 129	6 186	761	4 725	4 634	91	2%	6 186
2.16-Swimming Pools	2 259	4 722	3 560	318	2 612	2 669	(57)	-2%	3 560
2.17-Vehicle Licensing & Testing	4 784	4 754	5 132	422	3 969	3 837	133	3%	5 132
2.18-L E D	1 400	2 115	2 038	156	1 144	1 527	(383)	-25%	2 038
2.19-Director: Community Services	299	1 865	2 082	26	240	1 561	(1 321)	-85%	2 082
Vote 3 - Corporate Services	68 589	77 811	81 938	5 083	44 231	61 366	(17 135)	-28%	81 938
3.1-Property Administration	973	-	-	304	942	-	942	#DIV/0!	-
3.2-Information Tecnology	4 385	3 371	4 609	282	3 733	3 456	277	8%	4 609
3.3-Human Resources	22 230	36 284	39 110	2 229	16 454	29 301	(12 847)	-44%	39 110
3.5-Council Cost	15 898	18 723	18 224	1 037	9 052	13 662	(4 610)	-34%	18 224
3.5-Town Secretary	1 570	1 634	1 645	138	1 254	1 234	20	2%	1 645
3.6-Tourism	892	900	900	-	675	675	(0)	0%	900
3.7-Marketing & Communications	3 904	3 901	3 891	353	3 025	2 914	110	4%	3 891
3.8-Thusong Centre	473	332	485	39	364	364	1	0%	485
3.9-Administration	16 371	10 553	10 992	541	7 291	8 199	(908)	-11%	10 992
3.10-Director Corporate Services	1 891	2 113	2 082	160	1 440	1 561	(120)	-8%	2 082
Vote 4 - Technical Services	424 518	491 848	477 266	41 826	300 930	356 980	(56 050)	-16%	477 266
4.1-Building Regulations & Enforce	3 112	3 016	3 146	275	2 458	2 346	112	5%	3 146
4.2-Electricity: Administration	268 038	324 300	320 184	26 541	195 934	240 061	(44 127)	-18%	320 184
4.3-Electricity: Street Lights	294	-	-	80	275	-	275	#DIV/0!	-
4.4-Mechanical Workshop	3 406	2 806	2 928	407	2 713	2 193	520	24%	2 928
4.4-Public Toilets	1 566	1 984	1 839	157	1 268	1 378	(111)	-8%	1 839
4.5-Sewerage	31 209	36 443	32 175	2 716	21 238	23 609	(2 371)	-10%	32 175
4.7-Town Planning	1 633	1 457	1 556	137	1 252	1 167	84	7%	1 556
4.8-Stormwater Management	7 321	8 141	7 978	973	5 831	5 979	(148)	-2%	7 978
4.9-Roads	24 205	22 910	19 624	3 724	15 038	14 622	416	3%	19 624
4.10-Solid Waste (Dumping Site)	7 599	16 403	14 070	296	2 332	10 545	(8 213)	-78%	14 070
4.11-Solid Waste (Garden)	11 988	12 168	11 422	1 271	9 096	8 564	532	6%	11 422
4.12-Solid Waste (Removal)	21 025	23 258	22 272	1 464	14 471	16 703	(2 232)	-13%	22 272
4.13-Water Storage	2 941	4 276	4 127	212	2 498	3 094	(597)	-19%	4 127
4.14-Water Distribution	38 351	32 606	33 815	3 419	25 120	25 121	(1)	0%	33 815
4.15-Director: Technical Services	1 830	2 081	2 129	155	1 406	1 596	(190)	-12%	2 129
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Vote 5 - Muncipal Manager	14 779	13 462	13 819	1 021	8 208	10 339	(2 132)	-21%	13 819
5.1-Property & Legal Services	5 418	2 475	2 120	98	1 068	1 589	(521)	-33%	2 120
5.2-IDP	1 686	1 982	2 166	243	1 531	1 621	(89)	-6%	2 166
5.3-Project Management	1 096	1 423	1 497	100	900	1 123	(223)	-20%	1 497
5.4-Performance Management	1 202	1 287	1 302	106	965	976	(11)	-1%	1 302
5.5-Internal Audit	2 508	3 031	2 469	204	1 434	1 833	(399)	-22%	2 469
5.6-Municipal Manager	2 869	3 265	4 265	270	2 310	3 198	(888)	-28%	4 265
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	646 283	774 922	768 201	61 795	458 120	574 812	(116 692)	(0)	768 201
Surplus/ (Deficit) for the year	30 040	2 908	18 491	44 212	109 349	59 902	49 447	0	17 891

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	4 609	74 938	70 400	4 537	6%	83 290
Service charges - electricity revenue	274 180	323 478	327 478	29 226	227 230	240 569	(13 339)	-6%	327 478
Service charges - water revenue	43 137	39 677	39 677	3 958	33 914	29 874	4 040	14%	39 677
Service charges - sanitation revenue	30 920	25 043	28 043	2 269	24 185	21 827	2 359	11%	28 043
Service charges - refuse revenue	27 965	25 574	27 574	2 482	22 161	20 448	1 713	8%	27 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 606	1 470	2 970	599	3 545	2 227	1 318	59%	2 970
Interest earned - external investments	3 079	6 990	6 990	181	3 171	5 242	(2 070)	-39%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 444	12 301	6 507	5 793	89%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 593	21 479	21 479	2 636	8 225	16 103	(7 878)	-49%	21 479
Licences and permits	1 065	2 111	2 111	90	979	1 582	(604)	-38%	2 111
Agency services	4 354	4 046	4 046	344	3 509	3 034	476	16%	4 046
Transfers recognised - operational	131 244	145 903	148 892	35 143	107 978	139 604	(31 626)	-23%	148 892
Other revenue	7 774	14 985	15 676	1 450	8 176	11 754	(3 578)	-30%	15 676
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	623 159	702 723	716 903	84 432	530 312	569 171	(38 859)	-7%	716 903
Expenditure By Type									
Employee related costs	201 544	237 025	235 189	18 664	159 467	176 371	(16 904)	-10%	235 189
Remuneration of councillors	9 897	12 007	11 007	836	7 396	8 252	(856)	-10%	11 007
Debt impairment	50 015	63 750	63 750	2 711	27 716	47 813	(20 097)	-42%	63 750
Depreciation & asset impairment	32 145	39 729	39 729	7 273	22 351	29 784	(7 434)	-25%	39 729
Finance charges	4 522	8 696	8 690	-	76	6 515	(6 438)	-99%	8 690
Bulk purchases	239 632	285 789	289 789	23 980	176 382	217 297	(40 915)	-19%	289 789
Other materials	12 584	14 977	15 665	1 075	10 814	11 710	(896)	-8%	15 665
Contracted services	51 748	48 390	37 495	3 349	22 632	27 379	(4 747)	-17%	37 495
Transfers and grants	6 534	25 603	23 665	129	1 630	17 749	(16 119)	-91%	23 665
Other expenditure	37 409	38 955	43 472	3 709	29 414	32 130	(2 717)	-8%	43 472
Loss on disposal of PPE	66	0	0	-	-	0	(0)	-100%	0
Total Expenditure	646 096	774 922	768 451	61 725	457 878	574 999	(117 122)	-20%	768 451
Surplus/(Deficit)									
Transfers recognised - capital	52 267	74 937	69 620	21 541	36 895	65 416	(28 521)	-44%	69 620
Contributions recognised - capital	898	170	170	33	263	127	135	106%	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	30 227	2 908	18 241	44 281	109 592	59 715	49 877	-	18 241
Surplus/(Deficit) attributable to Share of surplus/ (deficit) of associate	30 227	2 908	18 241	44 281	109 592	59 715			18 241
Surplus/ (Deficit) for the year	30 227	2 908	18 241	44 281	109 592	59 715			18 241

The revenue and expenditure figures excludes internal charges.

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q3 Third Quarter

Vote Description	2020/21	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Multi-Year expenditure appropriation</u>									
Vote 1 - Financial Services	(0)	-	-	-	-	-	-	-	-
Vote 2 - Community Services	206	-	-	-	-	-	-	-	-
Vote 3 - Community Services	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	12 425	27 630	15 209	784	6 341	11 407	(5 065)	-44%	15 209
Vote 7 - Technical Services	3 913	34 373	39 769	5 375	23 048	27 566	(4 517)	-16%	39 769
Vote 8 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	16 545	62 004	54 977	6 159	29 390	38 972	(9 583)	-25%	54 977
<u>Single Year expenditure appropriation</u>									
Vote 1 - Financial Services	165	180	1 012	66	417	759	(342)	-45%	1 012
Vote 2 - Community Services	1 971	-	-	-	-	-	-	-	-
Vote 3 - Community Services	1 126	-	240	-	240	180	60	33%	240
Vote 4 - Community Services	9 507	6 151	3 758	1 009	1 517	2 728	(1 212)	-44%	3 758
Vote 5 - Corporate Services	3 630	900	1 069	-	155	802	(646)	-81%	1 069
Vote 6 - Technical Services	25 539	16 266	19 338	368	6 734	13 061	(6 326)	-48%	19 338
Vote 7 - Technical Services	8 462	3 744	889	-	889	667	222	33%	889
Vote 8 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	50 399	27 241	26 307	1 443	9 953	18 197	(8 244)	-45%	26 307
Total Capital Expenditure	66 944	89 244	81 284	7 601	39 343	57 169	(17 827)	-31%	81 284

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q3 Third Quarter									
Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
<i>Governance and administration</i>	3 162	2 080	4 282	66	1 538	3 212	(1 674)	-52%	4 282
Executive and council	(1)	600	600	-	-	450	(450)	-100%	600
Finance and administration	3 163	1 480	3 682	66	1 538	2 762	(1 224)	-44%	3 682
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	10 876	5 456	3 263	1 009	1 755	2 447	(692)	-28%	3 263
Community and social services	1 613	-	-	-	-	-	-	-	-
Sport and recreation	7 782	5 456	3 023	1 009	1 515	2 267	(752)	-33%	3 023
Public safety	1 481	-	240	-	240	180	60	33%	240
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	17 177	27 042	16 007	809	7 731	11 915	(4 184)	-35%	16 007
Planning and development	1 934	696	736	-	2	461	(460)	-100%	736
Road transport	15 243	26 347	15 272	809	7 729	11 454	(3 725)	-33%	15 272
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	35 728	54 666	57 732	5 717	28 319	39 595	(11 277)	-28%	57 732
Energy sources	4 054	13 163	13 204	343	2 603	8 461	(5 858)	-69%	13 204
Water management	7 954	21 135	18 281	3 631	11 627	11 450	177	2%	18 281
Waste water management	18 448	3 386	3 870	-	1 779	2 902	(1 124)	-39%	3 870
Waste management	5 272	16 982	22 377	1 744	12 311	16 783	(4 472)	-27%	22 377
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	66 944	89 244	81 284	7 601	39 343	57 169	(17 827)	-31%	81 284
Funded by:									
National Government	18 276	49 787	49 827	6 688	26 558	33 666	(7 108)	-21%	49 827
Provincial Government	33 326	24 801	18 635	809	10 399	13 886	(3 487)	-25%	18 635
District Municipality	665	500	815	-	240	611	(371)	-61%	815
Other transfers and grants	501	-	-	-	-	-	-	-	-
Transfers recognised - capital	52 768	75 087	69 277	7 497	37 197	48 164	(10 967)	-23%	69 277
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 157	12 007	105	2 146	9 006	(6 830)	-76%	12 007
Total Capital Funding	66 944	89 244	81 284	7 601	39 343	57 169	(17 827)	-31%	81 284

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and
2. Include capital component of PPP unitary payment
3. Capital expenditure by standard classification must reconcile to the total of multi-year and single year appropriations
4. Include expenditure on investment property, intangible and biological assets
5. Must reconcile to Monthly Budget Statement Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - A - Q3 Third Quarter

Vote Description R thousand	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure - Municipal Vote									
Expenditure of multi-year capital appropriation									
Vote 1 - Financial Services	(0)	-	-	-	-	-	-	-	-
1.1 - Assessment Rates	-	-	-	-	-	-	-	-	-
1.2 - Treasury: Administration	(0)	-	-	-	-	-	-	-	-
1.3 - Treasury: Debtors	-	-	-	-	-	-	-	-	-
1.4 - Treasury: Credit controle	-	-	-	-	-	-	-	-	-
1.5 - Supply Chain Management	-	-	-	-	-	-	-	-	-
1.6 - Director: Finance	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	206	-	-	-	-	-	-	-	-
2.1 - Cemeteries	-	-	-	-	-	-	-	-	-
2.2 - Housing: Administration	-	-	-	-	-	-	-	-	-
2.3 - Library Services	-	-	-	-	-	-	-	-	-
2.4 - Fire Protection Services	-	-	-	-	-	-	-	-	-
2.5 - Pine Forest : Administration	206	-	-	-	-	-	-	-	-
2.6-Klipriver Park: Administration	-	-	-	-	-	-	-	-	-
2.7-Community Halls And Facilities	-	-	-	-	-	-	-	-	-
2.8-Licensing & Regulation	-	-	-	-	-	-	-	-	-
2.9-Enviromental Protection	-	-	-	-	-	-	-	-	-
2.10-Parks	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
3.1-Property Administration	-	-	-	-	-	-	-	-	-
3.2-Information Tecnology	-	-	-	-	-	-	-	-	-
3.3-Human Resources	-	-	-	-	-	-	-	-	-
3.5-Council Cost	-	-	-	-	-	-	-	-	-
3.5-Town Secretary	-	-	-	-	-	-	-	-	-
3.6-Tourism	-	-	-	-	-	-	-	-	-
3.7-Marketing & Communications	-	-	-	-	-	-	-	-	-
3.8-Thusong Centre	-	-	-	-	-	-	-	-	-
3.9-Administration	-	-	-	-	-	-	-	-	-
3.10-Director Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services	16 338	62 004	54 977	6 159	29 390	38 972	(9 537)	-24%	17 316
4.1-Building Regulations & Enforce	-	-	-	-	-	-	-	-	-
4.2-Electricity: Administration	2 041	500	542	39	88	406	(318)	-78%	-
4.3-Electricity: Street Lights	222	1 565	1 565	78	490	1 174	(684)	-58%	-
4.4-Mechanical Workshop	-	-	-	-	-	-	-	-	-
4.4-Public Toilets	-	-	-	-	-	-	-	-	-
4.5-Sewerage	-	-	-	-	-	-	-	-	-
4.7-Town Planning	-	-	-	-	-	-	-	-	-
4.8-Stormwater Management	3 980	108	-	-	-	-	-	-	-
4.9-Roads	6 182	25 457	13 102	667	5 763	9 826	(4 063)	-41%	-
4.10-Solid Waste (Dumping Site)	3 913	16 982	22 377	1 744	12 311	16 783	(4 472)	-27%	-
4.11-Solid Waste (Garden)	-	-	-	-	-	-	-	-	-
4.12-Solid Waste (Removal)	-	-	-	-	-	-	-	-	15 209
4.13-Water Storage	-	-	-	-	-	-	-	-	-
4.14-Water Distribution	-	17 391	17 391	3 631	10 737	10 783	-	-	542
4.15-Director: Technical Services	-	-	-	-	-	-	-	-	1 565
Vote 5 - Muncipal Manager	-	-	-	-	-	-	-	-	52 871
5.1-Property & Legal Services	-	-	-	-	-	-	-	-	-
5.2-IDP	-	-	-	-	-	-	-	-	-
5.3-Project Management	-	-	-	-	-	-	-	-	-
5.4-Performance Management	-	-	-	-	-	-	-	-	-
5.5-Internal Audit	-	-	-	-	-	-	-	-	13 102
5.6-Municipal Manager	-	-	-	-	-	-	-	-	39 769
Total multi-year capital expenditure	16 545	62 004	54 977	6 159	29 390	38 972	(9 583)	-25%	70 186

Capital expenditure - Municipal Vote									
Expenditure of single-year capital appropriation									
Vote 1 - Financial Services	165	180	1 012	66	417	180	237	132%	240
1.1 - Assessment Rates	-	-	-	-	-	-	-	-	-
1.2 - Treasury: Administration	165	180	1 012	66	417	-	417	#DIV/0!	-
1.3 - Treasury: Debtors	-	-	-	-	-	-	-	-	-
1.4 - Treasury: Credit controle	-	-	-	-	-	-	-	-	-
1.5 - Supply Chain Management	-	-	-	-	-	-	-	-	-
1.6 - Director: Finance	-	-	-	-	-	180	(180)	-100%	240
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	12 603	6 151	3 998	1 009	1 757	2 908	(1 152)	-40%	9 295
2.1 - Cemeteries	-	-	-	-	-	-	-	-	-
2.2 - Housing: Administration	-	-	-	-	-	-	-	-	-
2.3 - Library Services	-	-	-	-	-	-	-	-	240
2.4 - Fire Protection Services	696	-	-	-	-	-	-	-	-
2.5 - Pine Forest : Administration	1 275	-	-	-	-	-	-	-	-
2.6-Klipriver Park: Administration	-	-	-	-	-	-	-	-	3 758
2.7-Community Halls And Facilities	917	-	-	-	-	-	-	-	-
2.8-Licensing & Regulation	-	-	-	-	-	-	-	-	-
2.9-Enviromental Protection	-	-	-	-	-	-	-	-	3 023
2.10-Parks	208	-	-	-	-	-	-	-	-
2.11-Traffic	-	-	240	-	240	180	60	33%	-
2.12-Disaster Management	-	-	-	-	-	-	-	-	-
2.13-Social & Welfare Services	-	-	-	-	-	-	-	-	736
2.14-Sport Grounds	-	-	-	-	-	-	-	-	-
2.15-Recreational Land	7 573	5 456	3 023	1 009	1 515	2 267	(752)	-33%	-
2.16-Swimming Pools	-	-	-	-	-	-	-	-	-
2.17-Vehicle Licensing & Testing	-	-	-	-	-	-	-	-	1 069
2.18-L E D	1 934	696	736	-	2	461	(460)	-100%	-
2.19-Director: Community Services	(1)	-	-	-	-	-	-	-	469
Vote 3 - Corporate Services	3 630	900	1 069	-	155	802	(646)	-81%	30 435
3.1-Property Administration	-	-	-	-	-	-	-	-	-
3.2-Information Tecnology	636	300	469	-	155	352	(196)	-56%	-
3.3-Human Resources	-	-	-	-	-	-	-	-	-
3.5-Council Cost	850	600	600	-	-	450	(450)	-100%	-
3.5-Town Secretary	-	-	-	-	-	-	-	-	-
3.6-Tourism	-	-	-	-	-	-	-	-	-
3.7-Marketing & Communications	-	-	-	-	-	-	-	-	19 338
3.8-Thusong Centre	-	-	-	-	-	-	-	-	-
3.9-Administration	2 143	-	-	-	-	-	-	-	11 097
3.10-Director Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services	34 001	20 009	20 227	368	7 624	13 728	(6 104)	-44%	10 019
4.1-Building Regulations & Enforce	-	-	-	-	-	-	-	-	2 201
4.2-Electricity: Administration	1 093	11 097	11 097	226	2 024	6 880	(4 856)	-71%	1 500
4.3-Electricity: Street Lights	698	-	-	-	-	-	-	-	1 480
4.4-Mechanical Workshop	219	1 000	2 201	-	965	1 651	(686)	-42%	-
4.4-Public Toilets	-	1 500	1 500	-	-	1 125	(1 125)	-100%	889
4.5-Sewerage	7 841	889	1 480	-	889	1 110	(221)	-20%	2 170
4.7-Town Planning	-	-	-	-	-	-	-	-	889
4.8-Stormwater Management	6 627	889	889	-	889	667	222	33%	-
4.9-Roads	9 062	889	2 170	141	1 966	1 627	339	21%	-
4.10-Solid Waste (Dumping Site)	-	-	-	-	-	-	-	-	1 500
4.11-Solid Waste (Garden)	-	-	-	-	-	-	-	-	-
4.12-Solid Waste (Removal)	1 359	-	-	-	-	-	-	-	889
4.13-Water Storage	-	2 855	-	-	-	0	(0)	-100%	-
4.14-Water Distribution	7 103	889	889	-	889	667	222	33%	-
4.15-Director: Technical Services	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Manager	-	-	-	-	-	-	-	-	-
5.1-Property & Legal Services	-	-	-	-	-	-	-	-	-
5.2-IDP	-	-	-	-	-	-	-	-	-
5.3-Project Management	-	-	-	-	-	-	-	-	-
5.4-Performance Management	-	-	-	-	-	-	-	-	-
5.5-Internal Audit	-	-	-	-	-	-	-	-	-
5.6-Municipal Manager	-	-	-	-	-	-	-	-	-
Total single-year capital expenditure	50 399	27 241	26 307	1 443	9 953	17 618	(7 665)	(0)	49 989
Total Capital Expenditure	66 944	89 244	81 284	7 601	39 343	56 590	(17 247)	(0)	120 175

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	115 305	133 360	114 952	124 352	114 952
Call investment deposits	-	-	-	60 000	-
Consumer debtors	82 538	28 353	55 673	98 993	55 673
Other debtors	9 546	7 966	18 542	48 552	18 542
Current portion of long-term receivables	-	-	-	-	-
Inventory	9 963	11 602	9 963	9 122	9 963
Total current assets	217 352	181 281	199 130	341 019	199 130
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	44 224	43 765	43 430	44 224	43 430
Investments in Associate	-	-	-	-	-
Property, plant and equipment	982 227	996 031	1 038 873	999 219	1 038 873
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	1 260	1 576	1 122	1 260	1 122
Other non-current assets	550	550	550	550	550
Total non current assets	1 028 261	1 041 921	1 083 975	1 045 253	1 083 975
TOTAL ASSETS	1 245 613	1 223 203	1 283 105	1 386 272	1 283 105
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	1 587	-	1 587	898	1 587
Consumer deposits	9 080	7 976	8 732	10 285	8 732
Trade and other payables	58 906	115 836	110 393	90 658	110 393
Provisions	57 013	77 857	25 627	57 568	25 627
Total current liabilities	126 585	201 668	146 339	159 409	146 339
Non current liabilities					
Borrowing	1 188	2 588	188	1 188	188
Provisions	173 844	128 602	173 844	172 095	173 844
Total non current liabilities	175 032	131 189	174 032	173 284	174 032
TOTAL LIABILITIES	301 617	332 857	320 371	332 693	320 371
NET ASSETS	943 996	890 345	962 733	1 053 579	962 733
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	933 554	879 728	952 291	1 043 136	952 291
Reserves	10 442	10 618	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY	943 996	890 345	962 733	1 053 579	962 733

The cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter

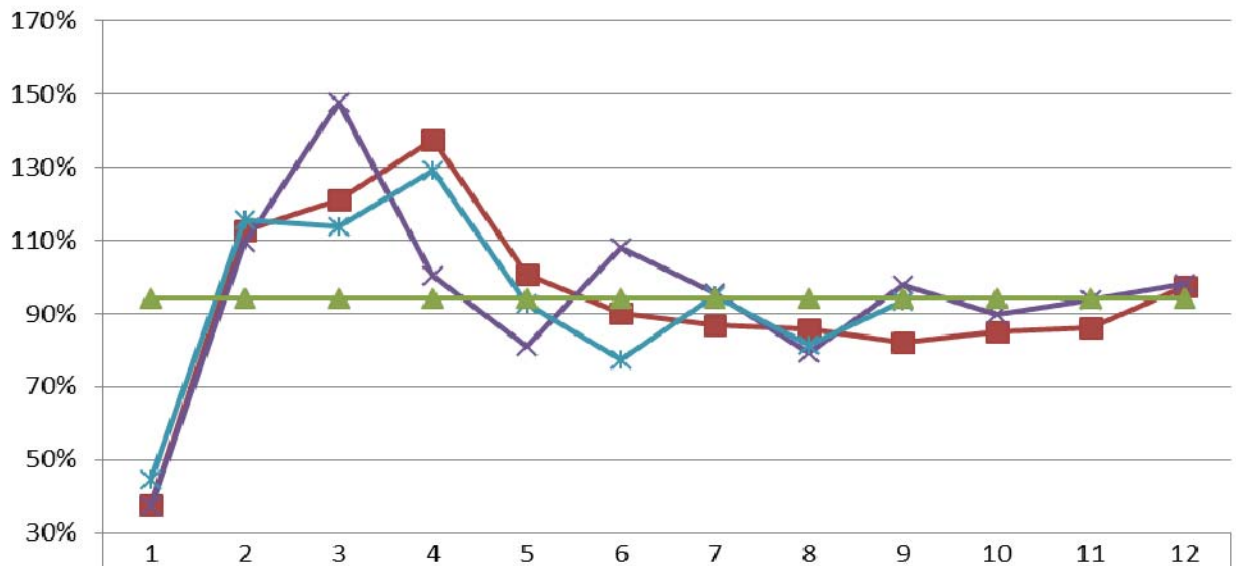
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	82 812	79 126	79 126	4 971	69 544	66 712	2 832	4%	79 126
Service charges	345 134	379 151	437 751	42 975	334 897	262 053	72 843	28%	437 751
Other revenue	859	27 756	19 373	1 371	16 318	16 094	224	1%	19 373
Government - operating	131 051	145 903	154 127	29 302	114 279	145 733	(31 454)	-22%	154 127
Government - capital	52 102	75 107	86 842	21 276	66 137	65 512	624	1%	86 842
Interest	8 648	9 593	9 593	181	2 960	7 610	(4 650)	-61%	9 593
Dividends									
Payments									
Suppliers and employees	(546 597)	(604 934)	(658 415)	(57 263)	(490 024)	(444 950)	45 074	-10%	(658 415)
Finance charges	(226)	(461)	(462)	-	(17)	(252)	(235)	93%	(462)
Transfers and Grants	(22 351)	(25 603)	(30 361)	(124)	(1 848)	(23 427)	(21 579)	92%	(30 361)
NET CASH FROM/(USED) OPERATING ACTIVITIES	51 431	85 636	97 574	42 689	112 246	95 086	63 679	67%	97 574
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	905	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	10 442	-	(59 788)	-	(59 788)	-	10 442
Payments									
Capital assets	(66 944)	(89 094)	(107 369)	(7 706)	(43 782)	(59 158)	(15 375)	26%	(107 369)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(66 038)	(89 094)	(96 927)	(7 706)	(103 570)	(59 158)	44 412	-75%	(96 927)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	849	-	-	55	509	-	509	-	-
Payments									
Repayment of borrowing	(1 331)	(1 000)	(1 000)	-	(128)	-	128	-	(1 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(482)	(1 000)	(1 000)	55	381	-	(381)		381
NET INCREASE/ (DECREASE) IN CASH HELD	(15 089)	(4 459)	(353)	35 039	9 057	35 928			(353)
Cash/cash equivalents at beginning:	130 394	137 819	115 305		115 296	115 305			115 296
Cash/cash equivalents at month/year end:	115 305	133 360	114 952		124 352	151 233			114 943

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

Description	NT Code	Budget Year 2021/22								Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr		
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	11 405	2 049	1 625	1 634	1 643	1 594	9 036	66 953	95 938	80 859
Electricity	1300	25 171	785	368	384	244	266	957	3 592	31 769	5 443
Property Rates	1400	5 655	532	379	369	330	307	5 671	18 010	31 253	24 686
Waste Water Management	1500	8 571	1 062	999	989	949	919	4 986	35 054	53 530	42 898
Waste Management	1600	8 757	1 270	1 218	1 136	1 104	1 043	5 441	36 426	56 394	45 150
Property Rental Debtors	1700	187	13	13	13	12	12	75	1 165	1 489	1 277
Interest on Arrear Accounts	1810	1 196	72	119	161	171	196	1 619	48 610	52 145	50 758
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(4 959)	64	172	185	38	27	165	1 335	(2 973)	1 751
Total By Income Source	2000	55 983	5 846	4 894	4 872	4 491	4 363	27 951	211 145	319 546	252 823
Debtors Age Analysis By Customer Group											
Organs of State	2200	754	313	205	166	145	135	1 710	3 377	6 804	5 533
Commercial	2300	21 958	803	360	445	289	212	2 702	11 591	38 360	15 239
Households	2400	32 833	4 561	4 169	4 087	3 886	3 859	22 335	189 472	265 202	223 640
Other	2500	439	170	159	174	171	157	1 204	6 705	9 179	8 411
Total By Customer Group	2600	55 983	5 846	4 894	4 872	4 491	4 363	27 951	211 145	319 546	252 823

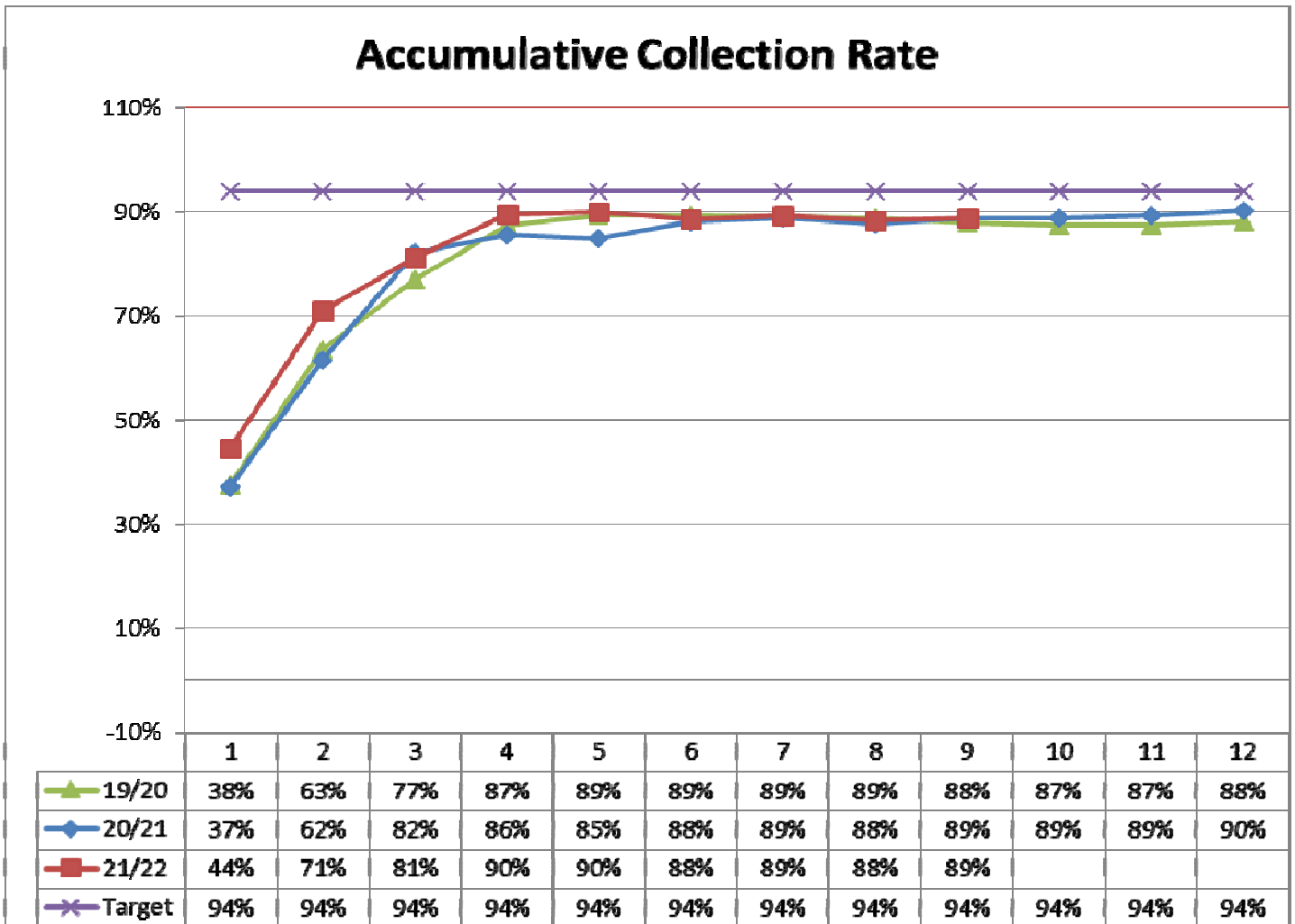
Debtor Collection Rate per Month



19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
21/22	44%	116%	114%	129%	93%	77%	95%	81%	94%			
Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for March 2022 amounts to 94% in comparison to the previous year 98%.

Die doel van hierdie grafiek is om die verhaling van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Maart 2022 94% beloop in vergelyking met die vorige jaar 98%.



The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 89%. Based on historic data with reference to the same period it is estimated that the municipality will reach a collection percentage of 90% at year end.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 89% beloop. Gebaseer op historiese data ten opsigte van dieselfde periode word daar dus beraam dat die munisipaliteit slegs 'n invorderingspersentasie van 90% sal behaal.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

Description	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	869	576	-	-	-	-	-	-	-	1 445	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	869	576	-	-	-	-	-	-	-	1 445	-

Notes

Material increases in value of creditors' categories compared to previous month to be explained

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q3 Third Quarter

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
R thousands								
Municipality								
ABSA Bank Ltd	7 Months	Fixed deposit - 3	28/02/2022	-		-	-	-
Nedbank Ltd	5 Months	Fixed deposit	09/05/2022	-		-	-	10 000
Standard Bank of SA Ltd	5 Months	Fixed deposit	09/05/2022	-		-	-	30 000
First National Bank	5 Months	Fixed deposit	10/05/2022	-		-	-	20 000
-	-			-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	60 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q3 Third Quarter

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	2 210	2 210	-	(1 550)	1 658	(3 208)	-193,5%	2 210
Local Government Financial Management Grant [Schedule 5B]	1 550	1 550	-	(1 550)	1 163	(2 713)	-233,3%	1 550
Municipal Infrastructure Grant [Schedule 5B]	660	660	-	-	495	(495)	-100,0%	660
Provincial Government:	15 902	31 318	2 635	(9 599)	23 488	(33 087)	-140,9%	31 318
Specify (Add grant description)	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-
Specify (Add grant description)	9 703	9 703	-	(8 992)	7 277	(16 269)	-223,6%	9 703
Specify (Add grant description)	2 749	2 749	785	(2 233)	2 062	(4 295)	-208,3%	2 749
Specify (Add grant description)	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-
Specify (Add grant description)	850	250	250	(350)	187	(537)	-286,7%	250
Specify (Add grant description)	252	252	-	(224)	189	(413)	-218,5%	252
Specify (Add grant description)	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	1 600	1 600	1 600	1 200	400	33,3%	1 600
Specify (Add grant description)	-	600	-	600	450	150	33,3%	600
Specify (Add grant description)	2 348	14 374	-	-	10 780	(10 780)	-100,0%	14 374
Specify (Add grant description)	-	1 790	-	-	1 342	(1 342)	-100,0%	1 790
District Municipality:	-	240	-	(417)	180	(597)	-331,9%	-
All Grants	-	240	-	(417)	180	(597)	-331,9%	240
Other grant providers:	-	-	-	(3 274)	-	(3 274)	-	-
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	(1 000)	-	(1 000)	-	-
Households	-	-	-	-	-	-	-	-
Non-profit Institutions	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-
Public Corporations	-	-	-	(2 274)	-	(2 274)	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-
Parent Municipality / Entity	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	18 112	33 768	2 635	(14 840)	25 326	(40 166)	-158,6%	33 528
Capital Transfers and Grants								
National Government:	57 082	57 082	16 891	(6 284)	42 811	(49 095)	-114,7%	57 082
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	12 762	12 762	6 000	12 762	9 572	3 191	33,3%	12 762
Municipal Infrastructure Grant [Schedule 5B]	24 320	24 320	4 093	(19 046)	18 240	(37 286)	-204,4%	24 320
Regional Bulk Infrastructure Grant (Schedule 5B)	20 000	20 000	6 798	-	15 000	(15 000)	-100,0%	20 000
Provincial Government:	48 970	33 017	4 385	(51 483)	24 763	(76 246)	-307,9%	33 017
Specify (Add grant description)	800	800	-	(2 000)	600	(2 600)	-433,3%	800
Specify (Add grant description)	24 540	4 125	-	(53 942)	3 094	(57 036)	-1843,5%	4 125
Specify (Add grant description)	-	-	-	74	-	74	-	-
Specify (Add grant description)	23 630	28 092	4 385	4 385	21 069	(16 684)	-79,2%	28 092
District Municipality:	500	500	-	(500)	375	(875)	-233,3%	500
All Grants	500	500	-	(500)	375	(875)	-233,3%	500
Other grant providers:	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	106 552	90 599	21 276	(58 267)	67 949	(126 216)	-185,8%	90 599
TOTAL RECEIPTS OF TRANSFERS & GRANTS	124 664	124 367	23 911	(73 107)	93 275	(166 383)	-178,4%	124 127

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q3 Third Quarter

Description	Budget Year 2021/22							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	-	-	538	342	-	342		-
Operational Revenue:General Revenue:Equitable Share	-	-	-	-	-	-		-
Operational:Revenue:General Revenue:Fuel Levy	-	-	-	-	-	-		-
2014 African Nations Championship Host City Operating Grant [Schedule 5B]	-	-	-	-	-	-		-
Agriculture Research and Technology	-	-	-	-	-	-		-
Agriculture, Conservation and Environmental	-	-	-	-	-	-		-
Arts and Culture Sustainable Resource Management	-	-	538	342	-	342		-
Provincial Government:	-	-	7 980	7 108	-	7 108		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	7 856	7 856	-	7 856		-
Specify (Add grant description)	-	-	128	(747)	-	(747)		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	(3)	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
All Grants	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:	-	-	8 518	7 450	-	7 450		-
Capital expenditure of Transfers and Grants								
National Government:	-	-	16 979	26 219	-	26 219		-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	1 371	2 329	-	2 329		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	5 582	11 854	-	11 854		-
Regional Bulk Infrastructure Grant (Schedule 5B)	-	-	10 026	12 036	-	12 036		-
Water Services Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
WIFI Connectivity	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	-	-	-	-	-	-		-
Aquaponic Project	-	-	-	-	-	-		-
Restitution Settlement	-	-	-	-	-	-		-
Infrastructure Skills Development Grant [Schedule 5B]	-	-	-	-	-	-		-
Restructuring Seed Funding	-	-	-	-	-	-		-
Municipal Disaster Relief Grant	-	-	-	-	-	-		-
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Metro Informal Settlements Partnership Grant	-	-	-	-	-	-		-
Provincial Government:	-	-	5 586	9 952	-	9 952		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	21	259	-	259		-
Specify (Add grant description)	-	-	-	4 126	-	4 126		-
Specify (Add grant description)	-	-	-	2	-	2		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	-	-	-	-		-
Specify (Add grant description)	-	-	5 565	5 565	-	5 565		-
Specify (Add grant description)	-	-	-	438	-	438		-
All Grants	-	-	-	438	-	438		-
Specify (Add grant description)	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	-	-	22 566	36 609	-	36 609		-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	-	-	31 084	44 059	-	44 059		-

In terms of section 12 of the Division of Revenue Act the municipality confirms that, based on internal controls, all grant funding has been received and spent in terms of the conditions attached thereto.

WC022 Witzenberg - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - Q3 Third Quarter

Description	Ref	Budget Year 2021/22				
		Approved Rollover 2019/20	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
None		-	-	-	-	
Provincial Government:		-	-	-	-	
None		-	-	-	-	
District Municipality:		-	-	-	-	
None		-	-	-	-	
Other grant providers:		-	-	-	-	
None		-	-	-	-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
<u>Capital expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
None		-	-	-	-	
Provincial Government:		-	-	-	-	
None		-	-	-	-	
District Municipality:		-	-	-	-	
None		-	-	-	-	
Other grant providers:		-	-	-	-	
None		-	-	-	-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	653	5 768	5 983	(215)	-4%	7 980
Pension and UIF Contributions	1 787	1 706	95	757	1 279	(522)	-41%	1 706
Medical Aid Contributions	335	335	6	103	251	(148)	-59%	335
Motor Vehicle Allowance	817	0	-	-	-	-		0
Cellphone Allowance	985	942	81	754	707	47	7%	942
Housing Allowances	43	43	-	15	33	(18)	-55%	43
Other benefits and allowances	59	0	-	-	-	-		0
Sub Total - Councillors	12 007	11 007	836	7 396	8 252	(856)	-10%	11 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 317	325	2 926	3 237	(310)	-10%	4 317
Pension and UIF Contributions	925	925	29	257	693	(437)	-63%	925
Medical Aid Contributions	159	159	5	43	119	(76)	-64%	159
Overtime	-	-	-	-	-	-		-
Performance Bonus	1 052	1 052	62	558	788	(231)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	743	931	(188)	-20%	1 242
Cellphone Allowance	84	94	-	35	71	(35)	-50%	94
Housing Allowances	182	182	23	212	136	76	56%	182
Other benefits and allowances	136	136	9	85	102	(17)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-		-
Long service awards	-	-	-	-	-	-		-
Post-retirement benefit obligations	-	-	-	-	-	-		-
Sub Total - Senior Managers	8 276	8 106	536	4 859	6 077	(1 218)	-20%	8 106
Other Municipal Staff								
Basic Salaries and Wages	136 537	131 594	10 836	92 797	98 693	(5 896)	-6%	131 594
Pension and UIF Contributions	20 659	19 968	1 703	15 047	14 976	71	0%	19 968
Medical Aid Contributions	9 200	9 200	703	6 174	6 897	(724)	-10%	9 200
Overtime	10 906	11 131	1 572	13 598	8 348	5 250	63%	11 131
Performance Bonus	9 311	12 428	795	7 144	9 318	(2 174)	-23%	12 428
Motor Vehicle Allowance	5 309	5 915	484	4 425	4 436	(11)	0%	5 915
Cellphone Allowance	478	511	41	378	383	(6)	-2%	511
Housing Allowances	1 947	1 137	93	847	852	(5)	-1%	1 137
Other benefits and allowances	5 175	3 977	393	3 653	2 982	671	22%	3 977
Payments in lieu of leave	1 050	3 043	641	2 750	2 283	467	20%	3 043
Long service awards	-	-	81	725	-	725	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	786	7 071	21 125	(14 053)	-67%	28 178
Sub Total - Other Municipal Staff	228 749	227 083	18 128	154 608	170 294	(15 685)	-9%	227 083
TOTAL SALARY, ALLOWANCES &	249 032	246 196	19 499	166 863	184 623	(17 760)	-10%	246 196
% increase								
TOTAL MANAGERS AND STAFF	237 025	235 189	18 664	159 467	176 371	(16 904)	-10%	235 189

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q3 Third Quarter

Description	Budget Year 2021/22											
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget
Cash Receipts By Source												
Property rates	5 769	15 593	11 710	12 132	5 180	4 215	5 166	4 808	4 971	-	-	10 840
Service charges - electricity revenue	30 337	36 936	33 947	28 552	25 311	21 246	26 243	28 406	34 184	-	-	52 838
Service charges - water revenue	2 880	3 342	2 987	3 128	2 894	2 432	3 734	3 800	4 251	-	-	2 394
Service charges - sanitation revenue	1 789	2 310	1 912	5 727	2 288	1 507	2 414	2 484	1 627	-	-	(5 444)
Service charges - refuse	2 013	2 089	2 126	2 181	2 208	1 520	2 485	2 221	2 560	-	-	(14)
Service charges - other	-	-	3 044	(2 436)	60	1 525	(3 854)	135	353	-	-	1 860
Rental of facilities and equipment	91	77	334	300	374	219	435	320	500	-	-	(2 577)
Interest earned - external investments	221	237	164	136	448	192	665	716	181	-	-	4 012
Interest earned - outstanding debtors	0	-	-	-	-	-	-	-	-	-	-	(0)
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fines	68	53	63	107	176	82	95	195	118	-	-	375
Licences and permits	487	50	325	1 612	3 641	391	88	1 092	99	-	-	(5 576)
Agency services	-	-	-	-	-	-	-	-	-	-	-	3 948
Transfer receipts - operating	-	-	-	-	-	-	251	472	322	-	-	139 388
Other revenue	44 521	6 061	483	4 627	629	26 854	3 489	1 858	29 633	-	-	(111 030)
Cash Receipts by Source	88 177	66 748	57 094	56 065	43 209	60 184	41 213	46 507	78 800	-	-	91 013
Other Cash Flows by Source												
Transfer receipts - capital	9 333	-	-	7 713	21 264	-	6 550	-	21 276	-	-	31 909
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	(1 000)
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	(10)	21	10	61	93	30	8	240	55	-	-	8 223
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	(80 000)	-	-	20 212	20 000	(60 000)	20 000	20 000	-	-	-	59 788
Total Cash Receipts by Source	17 500	66 769	57 104	84 052	84 566	214	67 771	66 746	100 132	-	-	189 933
Cash Payments by Type												
Employee related costs	14 974	14 718	15 104	17 148	24 682	15 513	17 480	14 640	17 981	-	-	70 795
Remuneration of councillors	936	955	938	938	706	871	827	829	836	-	-	(7 835)
Interest paid	-	-	1	-	-	16	0	-	-	-	-	444
Bulk purchases - Electricity	32 051	38 254	33 727	20 676	19 030	18 436	19 488	25 239	27 576	-	-	26 349
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	1 474	451	1 001	1 736	1 449	1 711	1 846	994	1 441	-	-	-
Contracted services	2 677	5 053	4 894	756	6 160	1 153	940	1 740	4 084	-	-	(27 458)
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	54	54	561	279	-	969	(206)	15	124	-	-	90 409
General expenses	8 745	2 054	7 801	8 141	2 691	5 184	2 687	2 986	4 089	-	-	(44 377)
Cash Payments by Type	60 910	61 539	64 024	49 674	54 719	43 852	43 061	46 443	56 131	-	-	108 327
Other Cash Flows/Payments by Type												
Capital assets	1 867	4 551	3 912	232	2 924	5 999	5 214	11 378	7 706	-	-	37 502
Repayment of borrowing	(2)	-	21	-	-	109	-	-	-	-	-	(128)
Other Cash Flows/Payments	(467)	(1 693)	1 461	935	4 680	93	1 084	4 186	1 256	-	-	(11 536)
Total Cash Payments by Type	62 307	64 397	69 419	50 841	62 323	50 053	49 359	62 007	65 093	-	-	134 165
NET INCREASE/(DECREASE) IN CASH HELD	(44 807)	2 372	(12 315)	33 211	22 243	(49 839)	18 412	4 740	35 039	-	-	55 767
Cash/cash equivalents at the month/year beginning:	115 296	70 489	72 861	60 546	93 757	116 001	66 162	84 574	89 314	124 352	124 352	124 352
Cash/cash equivalents at the month/year end:	70 489	72 861	60 546	93 757	116 001	66 162	84 574	89 314	124 352	124 352	124 352	180 120

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q3 Third Quarter

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	-	3 528	4 662	1	1	4 662	4 660	100,0%	0%
August	970	5 053	5 537	4 632	4 633	10 199	5 566	54,6%	5%
September	2 309	7 122	6 328	3 700	8 333	16 527	8 195	49,6%	9%
October	3 822	10 136	8 456	217	8 550	24 983	16 433	65,8%	10%
November	7 006	10 136	8 456	2 677	11 227	33 438	22 211	66,4%	13%
December	3 969	8 647	7 204	5 676	16 903	40 642	23 739	58,4%	19%
January	4 376	3 528	4 662	8 436	25 339	45 304	19 965	44,1%	28%
February	4 502	5 053	5 537	6 403	31 741	50 841	19 099	37,6%	36%
March	15 227	7 122	6 328	7 601	39 343	57 169	17 827	31,2%	44%
April	2 003	10 136	8 456	-	39 343	65 625	26 282	40,0%	
May	6 929	10 136	8 456	-	39 343	74 080	34 738	46,9%	44%
June	65 951	8 647	7 204	-	39 343	81 284	41 942	51,6%	0
Total Capital expenditure	117 064	89 244	81 284	39 343					

WITZENBERG MUNICIPALITY

Report: Expenditure on Staff & Councillor Benefits - YTD Act Apr

(Report in terms of Section 66 of the MFMA)

MFMA Section	Item Description	Original Budget 2021/2022	Amended Budget 2021/2022	Year to Date Total	% Spent to date
Staff Benefits					
66(a)	Salaries and Wages	141 041 480	135 372 855	96 232 454	71,09%
66(b)	Contributions to pension funds and medical aid	30 936 493	30 245 389	21 523 185	71,16%
66(c)	Travel, accomodation and subsistence	6 311 617	7 156 758	5 168 279	72,22%
66(d)	Housing benefits and allowances	2 128 202	1 318 416	1 058 967	80,32%
66(e)	Overtime	10 905 523	11 131 211	13 616 598	122,33%
66(f)	Loans and advances	0	0	0	0,00%
66(g)	Other type of benefit or allowances related to staff	45 157 965	48 622 886	22 398 414	46,07%
	Sub - Total (Staff Benefits)	R 236 481 280	R 233 847 515	R 159 997 897	68,42%
Councillor Benefits					
MAY	Mayor	950 014	688 674	474 377	68,88%
DM	Deputy Mayor	735 490	634 041	397 002	62,61%
SP	Speaker	736 281	589 502	462 181	78,40%
MCM	Mayoral Committee members	2 680 795	2 345 124	1 672 033	71,30%
CLLR	Other Councillors	4 782 254	4 708 833	3 512 138	74,59%
MED	Medical aid contributions	335 140	335 140	103 002	30,73%
PEN	Pension fund contributions	1 786 975	1 705 647	775 236	45,45%
WARD	Ward Committee Allowance	1 012 194	770 394	440 000	57,11%
	Sub - Total (Councillors' Benefits)	13 019 143	R 11 777 355	R 7 835 970	66,53%
Total Councillor and Staff Benefits		R 249 500 423	R 245 624 870	R 167 833 867	68,33%

MUNICIPALITY WITZENBERG

Report: Withdrawals from Municipal Bank Accounts

Quarter ending March 2022

Report in terms of section 11(4)(a) of the MFMA, Act no 56 of 2003

MFMA Section	Item Description	Income	Income	Income	Expenditure	Expenditure	Expenditure	Income	Expenditure	Total YTD	Total YTD
		transactions January 2022	transactions February 2022	transactions March 2022	transactions January 2022	transactions February 2022	transactions March 2022	YTD transactions Quarter 3	YTD transactions Quarter 3	Income	Expenditure
		R	R		R	R		R	R	R	R
11(1) (b)	Expenditure authorised in terms of section 26(4) (Expenditure before annual budget is approved)							-	-	-	-
11(1) (c)	Unforeseeable and unavoidable expenditure authorised in terms of section 29(1) (Mayor may approve emergency or other exceptional circumstances expenditure for which no budget provision was made)							-	-	-	-
11(1) (d)	Section 12 withdrawals (Relief, charitable, trust or other funds withdrawals)							-	-	-	-
11(1) (e) (i)	Money collected on behalf of organ of state:							-	-	-	-
	- VAT	-	-	-	3 109 190	3 837 747	4 631 886	-	11 578 823	-	33 868 128
	- Agency fees, for example motor registration, drivers licence, etc.	-	-	-	-	-	-	-	-	-	-
11(1) (e) (ii)	Insurance received by the Municipality on behalf of organ of state							-	-	-	-
11(1) (f)	Refund of money incorrectly paid into bank account							-	-	-	-
11(1) (g)	Refund of guarantees, sureties & security deposits	-160 182	-365 832	-281 346	115 411	86 389	147 082	-807 359	348 882	-2 013 392	783 518
		-160 182	-365 832	-281 346	3 224 601	3 924 136	4 778 968	-807 359	11 927 705	-2 013 392	34 651 646
11(1) (h)	Cash management and investment purposes:										
	- Realised	-20 000 000	-20 000 000	-				-	-	-	-
	- Made	-	-	-				-	-	-	-
	- Nett movement	-20 000 000	-20 000 000	-				60 000 000	60 000 000	-	-



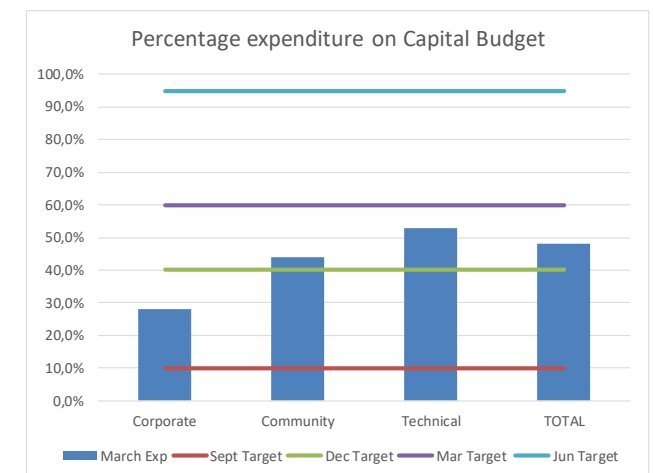
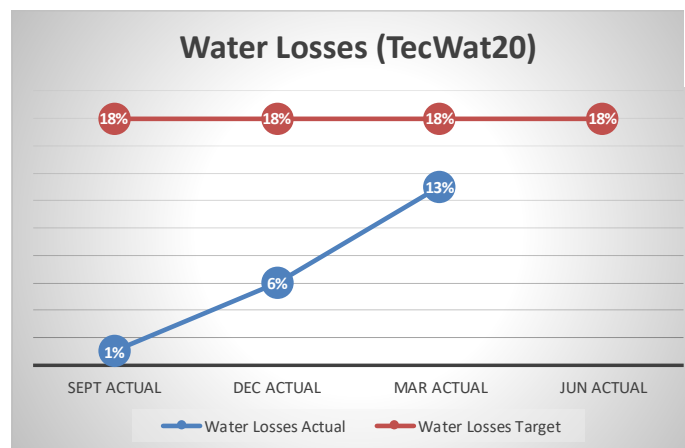
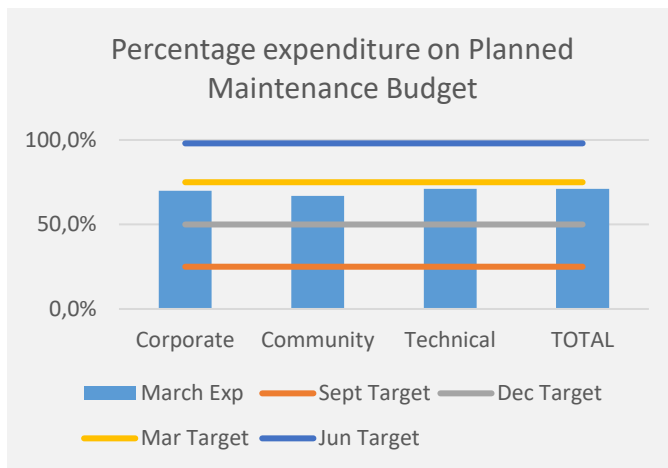
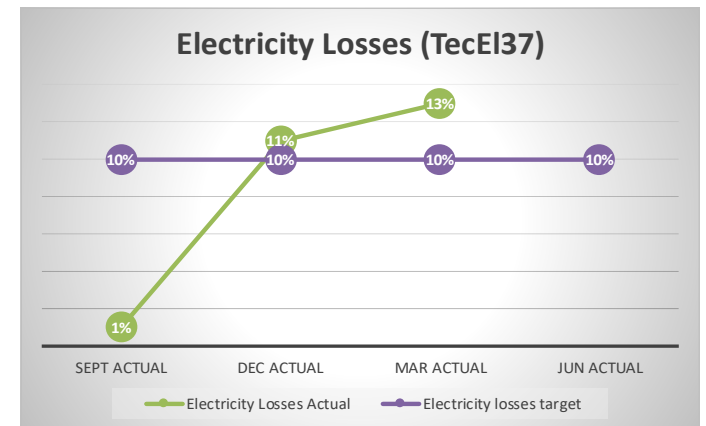
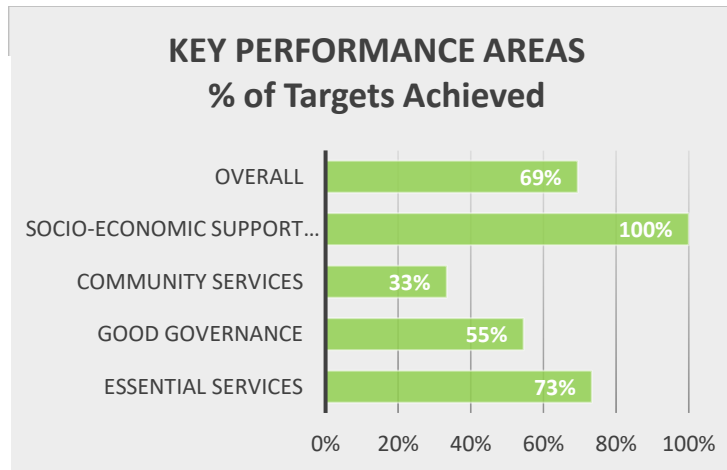
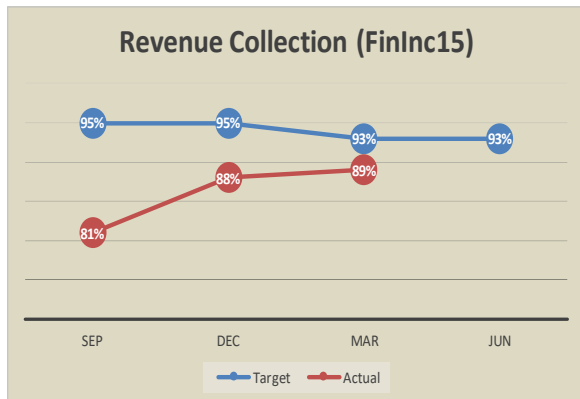
WITZENBERG MUNICIPALITY

QUARTERLY PERFORMANCE REPORT: 3rd QUARTER
2021/22

SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN TOP LAYER

SUMMARY

- Under-performance of indicators relates mainly with **Capital- and Planned Maintenance expenditure**. Contractors have been appointed for all major projects and work is underway.
- **Outstanding debtors** are the main reason for poor revenue collection and strict application of Credit Control Policy is required.
- Due to Council elections, **IDP Community Engagements** could not be scheduled in November. Target has been revised to 7 engagements which was held during March.



Mun KPA	Mun Obj	Ref	Key Performance Indicator	Annual Target 2021/22	Mar Accumulative Monthly Target	Mar Accumulative Monthly Result	Mar Reason if target not achieved	Mar Corrective Measures
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department.	98%	75%	71%	Service providers were not appointed timeously due to various reasons	All service providers are now appointed
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecDir3	Percentage expenditure on capital budget by Technical Directorate.	95%	60%	53%	The Wolseley public Toilets Project service provider has not been appointed yet.	The service provider to be appointed soonest
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecEI37	Percentage of unaccounted electricity losses.	10%	10%	13%	Still within financial year, losses are erratic and not reliable	None - losses will indicate properly in June 2022
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecEI60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	95%	95%	100%		
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecRef46	Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.	7	7	7		
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecRo7	Kilometres of roads upgraded & rehabilitated.	4	2	0,6	Funds for Bid 08/2/18/5: ROADS AND STORMWATER MAINTENANCE was taken away with the adjustment budget	

Mun KPA	Mun Obj	Ref	Key Performance Indicator	Annual Target 2021/22	Mar Accumulative Monthly Target	Mar Accumulative Monthly Result	Mar Reason if target not achieved	Mar Corrective Measures
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	95%	95%	100%		
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecWat20	Percentage of unaccounted water losses.	18%	18%	13%		
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecWat21	Percentage compliance with drinking water quality standards	98%	98%	100%		
1. Essential Services	1.1 Sustainable provision & maintenance of basic services	TecWat36	Percentage of valid water connection applications connected by reporting period end	95%	95%	100%		
1. Essential Services	1.2 Provide for the needs of informal settlements through improved services	TecDir2	Number of subsidised serviced sites developed.	500	300	529		
1. Essential Services	1.2 Provide for the needs of informal settlements through improved services	TecEI36	Percentage of houses in a subsidised housing project connected to the electrical network.	95%	95%	100%		

Mun KPA	Mun Obj	Ref	Key Performance Indicator	Annual Target 2021/22	Mar Accumulative Monthly Target	Mar Accumulative Monthly Result	Mar Reason if target not achieved	Mar Corrective Measures
1. Essential Services	1.2 Provide for the needs of informal settlements through improved services	TecRef31	Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.	95%	95%	100%		
1. Essential Services	1.2 Provide for the needs of informal settlements through improved services	TecSan13	Percentage of households in demarcated informal areas with access to a communal toilet facility. services points (toilets).	95%	95%	100%		
1. Essential Services	1.2 Provide for the needs of informal settlements through improved services	TecWat22	Percentage of households in demarcated informal areas with access to a water point (tap) points (taps).	95%	95%	100%		
2. Governance	2.1 Support institutional	CorpHR12	Report on percentage of people from employment equity target	4	3	3		
2. Governance	2.1 Support institutional	CorpHR13	Percentage budget spend on the implementation of the	96%	75%	50%	Tender was awarded beginning April 2022	Employee to be send on training
2. Governance	2.2 Financial Viability	FinDir3	Achieve an unqualified opinion of the Auditor-General on annual	1 Unqualifi	1	1		
2. Governance	2.2 Financial Viability	FinFAdm10	Financial viability expressed as Debt-Coverage ratio	350	350	572,13		
2. Governance	2.2 Financial Viability	FinFAdm11	Financial viability expressed outstanding service debtors	60%	60%	75%	Increase in oustanding debtors	Ensure compliance to Credit Control Policy. Consider write off of irrecoverable debt
2. Governance	2.2 Financial Viability	FinFAdm9	Financial viability expressed as Cost-Coverage ratio	2,8	2,8	4,53		

Mun KPA	Mun Obj	Ref	Key Performance Indicator	Annual Target 2021/22	Mar Accumulative Monthly Target	Mar Accumulative Monthly Result	Mar Reason if target not achieved	Mar Corrective Measures
2. Governance	2.2 Financial Viability	FinInc15	Increased revenue collection	93%	93%	89%	Increase in outstanding debtors	Ensure compliance to Credit Control Policy. Consider write off of irrecoverable debt
2. Governance	2.2 Financial Viability	MM1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the whole of the municipality.	98%	75%	71%	Service providers were not appointed timeously due to various reasons	All service providers are now appointed
2. Governance	2.2 Financial Viability	MM2	Percentage spend on Capital Budget for the whole municipality.	95%	60%	48%	Service providers were not appointed timeously due to various reasons	All service providers are now appointed
2. Governance	2.3 Strengthen relations	ComSoc49	Number of meetings with intergovernmental partners.	12	9	9		
2. Governance	2.3 Strengthen relations	MMIDP9	Number of IDP community engagements held.	14	7	7	Public Participation took place from 14 to 17 March 2022	
3. Community Services	3.1 Provide & maintain facilities	ComAm34	Report on annual customer satisfaction survey on community facilities.	1	1	1		
3. Community Services	3.1 Provide & maintain facilities	ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	98%	75%	67%	Service providers were not appointed timeously due to various reasons	All service providers are now appointed

Mun KPA	Mun Obj	Ref	Key Performance Indicator	Annual Target 2021/22	Mar Accumulative Monthly Target	Mar Accumulative Monthly Result	Mar Reason if target not achieved	Mar Corrective Measures
3. Community Services	3.1 Provide & maintain facilities	ComDir2	Percentage expenditure on capital budget by Community Directorate.	95%	60%	44%	Highmast lighting at Lyellstr completed. Hamlet economic hub and sportsfield fencing was delayed but appointments finalised.	Projects will be completed by end of June.
4. Socio-Economic Support Services	4.1 Support the poor & vulnerable through programmes & policies	ComHS14	Number of housing opportunities provided per year - top structures.	0				
4. Socio-Economic Support Services	4.1 Support the poor & vulnerable through programmes &	ComHS15	Number of rental stock transferred.	30	20	25		
4. Socio-Economic Support Services	4.1 Support the poor & vulnerable through programmes & policies	ComLed8	The number of jobs created through the municipality's local economic development initiatives including capital projects.	400	300	300		
4. Socio-Economic Support Services	4.1 Support the poor & vulnerable through programmes & policies	ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	4500	4500	3086		
4. Socio-Economic Support Services	4.1 Support the poor & vulnerable through programmes & policies	ComSoc42	Number of engagements with target groups with the implementation of social development programmes.	20	15	23		

Mun KPA	Mun Obj	Ref	Key Performance Indicator	Annual Target 2021/22	Mar Accumulative Monthly Target	Mar Accumulative Monthly Result	Mar Reason if target not achieved	Mar Corrective Measures
4. Socio-Economic Support Services	4.2 Create an enabling environment to attract investment & support local economy.	ComLed19	Quarterly report on investment incentives implemented.	4	3	3		
4. Socio-Economic Support Services	4.2 Create an enabling environment to attract investment & support local	ComLed20	Quarterly report on the Small Business Entrepreneurs Development Programme.	4	3	3		
4. Socio-Economic Support Services	4.2 Create an enabling environment to attract investment &	ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	4	3	3		

Total Cost Savings Disclosure in the In-Year and Annual Report
Quarter ended: March 2022
Witzenberg Municipality

Measures	Budget 2021-2022	Budget 2022-2023	July	August	September	October	November	December	January	February	March	Q1	Q2	Q3	Total YTD	March 2021 Total YTD	YTD Variance	Savings (Budget - Total YTD)
Use of Consultants	22 111 478	10 836 641	49 309	102 515	1 719 687	73 748	1 074 027	158 036	16 799	549 101	1 608 433	1 871 511	1 305 811	2 174 333	5 509 566	12 597 224	7 087 658	5 327 075
Travel and subsistence	1 153 877	893 762	9 967	9 269	12 319	18 087	36 701	10 490	7 323	41 080	31 778	31 555	65 278	80 181	193 324	117 593	-75 731	700 438
Domestic Accomodation	279 785	220 023	-	1 800	-	174	278	-	-	13 643	-	1 800	452	13 643	35 498	-	-35 498	184 525
Sponsorships, events and catering	810 000	62 000	-	-	-	1 970	-	2 789	2 950	7 361	6 770	-	4 759	17 081	22 519	1 449	-21 069	39 482
Communication	3 103 628	2 741 876	179 568	73 429	224 624	363 760	67 996	232 938	204 955	247 564	283 115	477 621	664 693	735 634	2 138 184	1 689 874	-448 310	603 692
Printing, Publications and Boo	979 474	817 434	-	97 567	122 227	72 033	4 308	75 423	65 866	62 713	70 429	219 794	151 764	199 008	574 939	609 956	35 017	242 495
Entertainment	104 110	83 122	-	-	-	-	303	-	-	-	-	-	303	-	1 490	-	-1 490	81 632
TOTAL	29 593 440	16 742 096	245 810	315 238	2 146 666	540 909	1 211 925	610 118	349 261	950 714	2 138 723	2 707 714	2 362 952	3 438 699	8 992 975	15 443 359	6 450 384	7 749 121

**YTD variance is calculated based upon a comparision between the current year year-to-date expenditure items and the comparative information for the same period in the prior year.

***Savings were calculated based upon a comparison between the current year year-to-date expenditure items and the amended budget as well the difference between the current and prior year budget.

WITZENBERG

MUNISIPALITEIT UMASIPALA MUNICIPALITY

- MEMORANDUM -

AAN / TO: Chief Financial Officer

VAN / FROM: Manager: Supply Chain

DATUM / DATE: 4 April 2022

VERW. / REF.: 09/1/2/2

SUPPLY CHAIN MANAGEMENT: PARAGRAPH 7 (4) QUARTERLY REPORT ENDING 31 MARCH 2022: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

1. PURPOSE

(a) To report on the implementation of Council's Supply Chain Management Policy with regards to the following sub sections:

- (i) Demand management
- (ii) Acquisition management
- (iii) Logistics management
- (iv) Disposal management
- (v) Performance management
- (vi) Other matters

2. POLICY REQUIREMENTS

Paragraph 7 (3) of Council's Supply Chain Management Policy as approved on 26 May 2021, states the following:

The Supply Chain Manager must, within 4 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Chief Financial Officer, of which he must submit it within 3 days to the Accounting Officer. The Accounting Officer must within 3 days after receiving the report submit it to the Mayor.

3. DISCUSSION: SUPPLY CHAIN MANAGEMENT COMPONENTS

(a) Demand management

Demand management requires timely planning and management process to ensure that all goods and services which are required are quantified, budgeted for and delivered in a timely and effective manner at the right locations and at the critical delivery dates. These goods and services must be of appropriate quality and quantity at a fair cost.

Furthermore the required specifications must ensure that needs are met.

In order to enhance the demand planning process, an annual procurement plan was implemented for the 2021-2022 financial year for capital spending. The revised Capital budget for 2021-2022 is R 81 284 290. The capital spending for the third quarter amounted to R 38 988 274 which equals 47.97%. This is below the target of 60% for the third quarter. This can be contributed to delays in various capital projects. These projects are in the construction phase and spending will increase significantly in the last quarter. A circular received from National Treasury on 25 February 2022 placed all new processes in abeyance until further guidance is received from the Constitutional Court.

Specifications have been drafted unbiased and advertised as such in order to promote the five pillars of procurement as set out in section 217 of the Constitution of South Africa (Act 108 of 1996). It ultimately ensured that the needs are addressed effectively.

(b) Acquisition management

The system of acquisition management must ensure the following:

- (i) That goods and services are procured in accordance with authorized processes only;
- (ii) That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Municipal Finance Management Act (Act 56 of 2003);
- (iii) That the threshold values for different procurement processes are complied with;
- (iv) That bid documentation, evaluation and adjudication criteria and general conditions of a contract are in accordance with any applicable legislation; and
- (v) That any Treasury guidelines on acquisition management are properly taken into account.

The bid documentation that is utilized is in accordance with the general conditions of contract and applicable legislation such as the Construction Industry Development Board Act (Act 38 of 2000). We have also taken into account guidelines issued by National and Provincial Treasury in order to further enhance our processes.

I. Bid committees

The following table details the number of bid committee meetings held for the quarter under review:

Month	Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
Jan 2022	1	3	2
Feb 2022	4	5	3
Mar 2022	8	3	3

In addition, the Internal Audit section, Legal Services and the Local Economic development department have been invited to attend our bid committee meetings on an ad-hoc basis. This is an effort to promote transparency with regards to the processes that they will be concentrating on.

Competitive bids (in excess of R 200 000) to the value of R 7 668 869 (incl. VAT) was awarded during the quarter under review.

The following table details the number of competitive bids awarded by the bid adjudication committee including the combined values of those bids:

Month	Number of awards	Combined value of awards
Jan 2022	1	R 491 910
Feb 2022	1	R 3 466 500
Mar 2022	4	R 3 710 459
Total	6	R 7 668 869

No competitive bid(s) was awarded by the Accounting Officer during the quarter under review.

The municipality did not make use of Supply Chain Management Regulation 32 which refers to contracts secured by other organs of state for the quarter under review.

The following table details the five highest bids awarded during the quarter under review according to its contract value:

Department	Bid number	Bid description	Contract value
Technical Services	08/2/18/81	Electrical and mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	R 3 466 500
Financial Services	08/2/19/20	Service provider for compilation and maintenance of general valuation roll, supplementary valuation roll and other related valuation services for Witzenberg Municipality	R 2 390 311
Community Services	08/2/19/05	Paving, Stormwater infrastructure and fire hydrant at PAH Business Hub	R 687 656
Corporate Services	08/2/18/72	Appointment of a Travel Agency	R 491 910
Community Services	08/2/19/06	Supply, delivery & installation of rigid mesh fencing & rigid mesh gates in PAH Business Hub	R 356 656

II. Formal written price quotations

Formal written price quotations (between R 30 000 and R 200 000) to the value of R 553 666 (incl. VAT) were awarded during the quarter under review. The following table details the number of formal written price quotations that were awarded including the combined values of those quotations:

Month	Number of awards	Combined value of awards
Jan 2022	1	R 161 063
Feb 2022	1	R 48 300
Mar 2022	3	R 344 302
Total	5	R 553 666

III. Awards made to companies according to their with Broad-Based Black Economic Empowerment (B-BBEE) level of contribution

As from 1 April 2017, the revised Preferential Procurement Regulations, 2017 became effective. This has however been declared invalid on 16 February 2022.

B-BBEE status level of contribution	Combined contract values for competitive bids	Combined contract values for formal written price quotations	Grand total	% of grand total
Level 1	R 5 278 558	R 227 140	R 5 505 698	66.96
Level 2	R 2 390 311	R 326 525	R 2 716 836	33.04
Level 3	R 0	R 0	R 0	0.00
Level 4	R 0	R 0	R 0	0.00
Level 5	R 0	R 0	R 0	0.00
Level 6	R 0	R 0	R 0	0.00
Level 7	R 0	R 0	R 0	0.00
Level 8	R 0	R 0	R 0	0.00
Non-compliant contributors	R 0	R 0	R 0	0.00
Total	R 7 668 869	R 553 666	R 8 222 535	100.00%

The B-BBEE status level of contribution means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. The scoring is done by either an accredited institution, registered auditor or by means of a sworn affidavit. The scorecard contains elements such as ownership, management control, employment equity, skills development, procurement, enterprise development and socio economic development. A score is then calculated as prescribed by B-BBEE Act and the Codes of Good Practice, which places the supplier on a certain B-BBEE level. Each level earns a supplier a certain number of B-BBEE points which they can claim when bidding for goods and services above a value of R 30 000 (incl. VAT)

IV. Appeals by aggrieved bidders

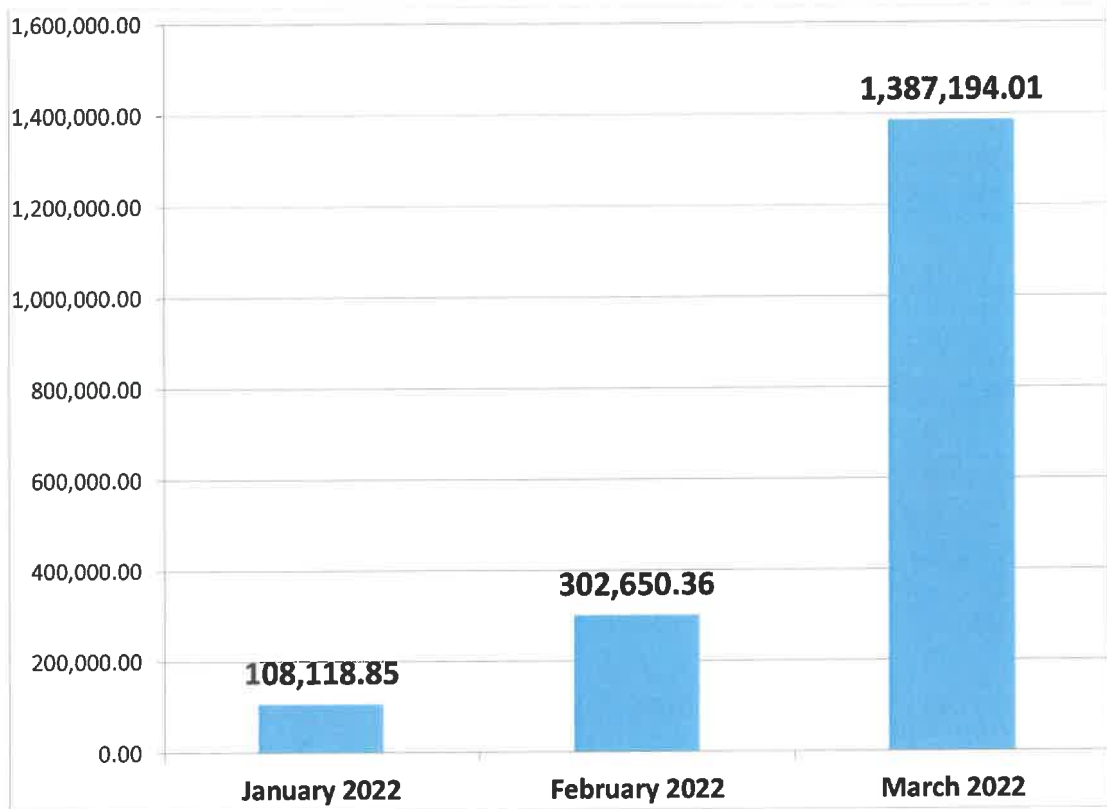
No appeals were received from aggrieved bidders on awards or were dealt with in terms of section 62 of the Municipal Systems Act (Act 32 of 2000) for the quarter under review.

V. Deviations from normal procurement processes

Deviations from the normal procurement processes have been monitored on an ongoing basis. Monthly reporting in terms of paragraph 44 of the SCM policy has been complied with. SCM has identified instances where the normal procurement processes can be followed to avoid having to follow the deviation process.

For the quarter under review, the total deviations approved by the Accounting Officer amounted to R 1 797 963, compared to the previous quarter's figure of R 5 771 807. This represents a decrease compared to the previous quarter. It is noted that deviation values fluctuate during each period and will not necessarily reflect the same patterns.

The following graph shows the breakdown of deviations for the quarter under review:



(c) Logistics management

The system of logistics management must ensure the following:

- (i) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- (ii) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (iii) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (iv) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (v) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (vi) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (vii) Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores, Dromedaris Street are coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper.

Inventory levels were revised at the start of each financial year to ensure sufficient stock for normal operations. Regular checking of the condition of stock is performed.

As at 31 March the value of stock at hand was R 7 884 429. The stock turnover rate was 1.24 times, which is below the norm of 1.50 times. The quarterly stock count of 30 March 2022 revealed no redundant stock.

Shortages, surpluses and damaged stock were reported on. The quarterly report pertaining to the stock count will be submitted to the relevant portfolio committee, MAYCO and Council in due course.

(d) Disposal management

The system of disposal management must ensure the following:

- (i) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (ii) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (iii) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- (iv) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (v) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- (vi) Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- (vii) In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets. Managers were requested to forward all items to be disposed to the SCM section for the compilation of the report to be submitted to council. A Consolidated report of all assets identified for disposal were submitted to the Accounting Officer.

(e) Performance management

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

The Accounting Officer has appointed the Internal Auditor as an independent observer. His task is only to observe the bidding process at a bid committee level and to report back to the Accounting Officer on the following issues:

- Compliance with chapter 11 of the Municipal Finance Management Act (Act 56 of 2003);
- Adherence to bid committee structures as stipulated in the Supply Chain Management regulations of 2005 and the Witzenberg Municipality's Supply Chain Management Policy;
- The applicable sections relating to points scoring and the evaluation of bids in terms of the Preferential Procurement Policy Framework Act (Act 5 of 2005);
- Compliance with the code of conduct for Supply Chain Practitioners and Bid Committee Members; and
- To propose improvements to the bid committee system and process.

No meetings were attended by the Internal Audit section during this quarter therefore no report is available.

(f) Other matters

The SCM staff is equipped to comply with the provisions of the said regulations.

The following training/ workshops were attended by SCM staff during the quarter under review:

Presenter	Topic	Name of attendee(s) and position(s)	Date from	Date to
Chlorine Tech Services	Handling of Dangerous Goods	F Salmon	22/03/2022	23/03/2022
		W Jonkers	22/03/2022	23/03/2022
		J Esau	24/03/2022	25/03/2022

Furthermore:

- (i) No awards were made to persons whose tax matters were not in order.
- (ii) No awards were made to persons who are in the service of the state.

5. RECOMMENDATION

- (a) That the Acting Chief Financial Officer submits the report to the Accounting Officer by 7 April 2022;
- (b) That the Accounting Officer submits the report to the Executive Mayor by 10 April 2022;
- (c) That the report serves before the relevant portfolio committee, the Executive Mayoral Committee and Council for information; and

(d) That the report be made available to the public in terms of section 21 A of the Municipal Systems Act (Act no 32 of 2000) after it has served before Council.

Yours sincerely




MG FRIESLAAR
MANAGER: SUPPLY CHAIN

RECEIPT OF REPORT:


.....
HJ KRITZINGER
CHIEF FINANCIAL OFFICER

DATE: 22/04/2022


.....
D NASSON
ACCOUNTING OFFICER

DATE: 22/04/2022

MEMORANDUM


AAN / TO: Executive Mayor
VAN / FROM: Manager: Supply Chain
DATUM / DATE: 10 April 2022
VERW. / REF.: 09/1/2/2/

**SUPPLY CHAIN MANAGEMENT: PARAGRAPH 7 (4) QUARTERLY REPORT ENDING 31 MARCH 2022:
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

With reference to the attached quarterly report, I, Hennie Smit, in my capacity as Executive Mayor of Witzenberg Municipality hereby acknowledge the report as submitted to the Chief Financial Officer.



Signature
Hennie Smit
EXECUTIVE MAYOR OF WITZENBERG MUNICIPALITY

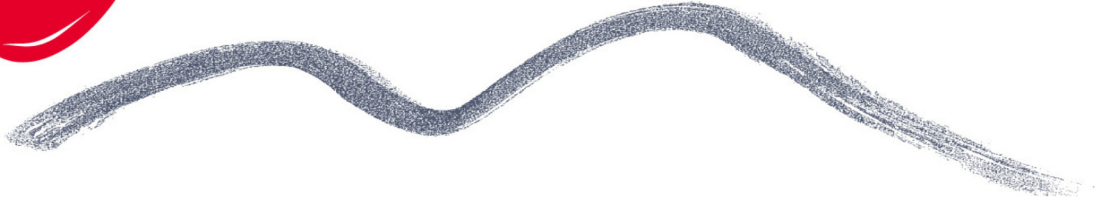


Date



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase



Monthly Budget Statement Report Section 71 for July 2021

**Financial data is in respect of the period
1 July 2021 to 30 June 2022**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

2.3 Monthly budget statements

In terms of Section 71 of the MFMA the accounting officer must prepare monthly budget statements that comply with this section. This section read as follows:

"71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on—*
 - (i) its share of the local government equitable share; and*
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
- (g) when necessary, an explanation of—*
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;*
 - (ii) any material variances from the service delivery and budget implementation plan; and*
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.*

(2) The statement must include—

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after

2.3 Maandelikse begroting state

In terme van Artikel 71 van die MFMA die rekenpligtige beampte moet 'n maandelikse begroting state wat voldoen aan hierdie artikel. Hierdie artikel lees soos volg:

"71. (1) Die rekenpligtige beampte van 'n munisipaliteit moet nie later as 10 werk dae na die einde van elke maand aan die burgemeester van die munisipaliteit en die betrokke Provinsiale Tesourie 1 verklaring in die voorgeskrewe formaat oor die toestand van die munisipaliteit se begroting wat die volgende besonderhede vir die maand en vir die finansiële jaar tot die einde van die maand:

- (a) werklike inkomste per bron van inkomste;*
- (b) werklike lenings;*
- (c) die werklike uitgawes per stem;*
- (d) die werklike kapitaalbesteding, per stem;*
- (e) die bedrag van enige toekennings ontvang;*
- (f) die werklike uitgawes op daardie toekennings, uitgesluit besteding op*
 - (i) sy deel van die plaaslike regering billike deel;*
 - (ii) toekennings vrygestel is by die jaarlikse Verdeling van Inkomste van die nakoming van hierdie paragraaf, en*
 - (g) wanneer dit nodig is, 'n verduideliking van—*
 - (i) enige wesentlike afwykings van die munisipaliteit se geprojekteerde inkomste deur die bron, en van die munisipaliteit se uitgawe projeksies per stem;*
 - (ii) enige wesentlike afwykings van die dienslewering en begrotings implementeringsplan;*
 - (iii) enige remediërende of korrektiewe stappe geneem is of geneem word om te verseker dat die geprojekteerde inkomste en uitgawes in die munisipaliteit se goedgekeurde begroting bly.*

(2) Die staat moet die volgende insluit-

- (a) 'n projeksie van die betrokke munisipaliteit se inkomste en uitgawes vir die res van die finansiële jaar, en enige wysigings van die aanvanklike projeksies, en*
- (b) die voorgeskrewe inligting met betrekking tot die toestand van die begroting van elke munisipale entiteit wat aan die munisipaliteit in terme van artikel 87 (10).*

(3) die bedrae wat in die verklaring moet in elke geval in vergelyking met die ooreenstemmende bedrae begroot vir die munisipaliteit se goedgekeurde begroting.

(4) Die verklaring aan die provinsiale tesourie moet in die formaat van 'n getekende dokument en in elektroniese formaat.

(5) Die rekenpligtige beampte van 'n munisipaliteit wat 'n toekenning bedoel in subartikel (1)(e) gedurende 'n bepaalde maand ontvang het, moet nie later nie as 10 werksdae na die

the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter."

einde van die maand, moet daardie deel van die verklaring wat die besonderhede bedoel in subartikel (1)(e) en (f) om die nasionale of provinsiale orgaan van die staat of munisipaliteit wat die toekenning oorgedra

(6) Die Provinsiale Tesourie moet nie later nie as 22 werksdae na die einde van elke maand aan die Nasionale Tesourie 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van die munisipaliteite se begrotings, per munisipaliteit en per munisipale entiteit.

(7) Die Provinsiale Tesourie moet, binne 30 dae na die einde van elke kwartaal, openbaar te maak as wat voorgeskryf mag word, 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van munisipaliteite se begrotings per munisipaliteit en per munisipale entiteit. Die LUR vir finansies moet so 'n gekonsolideerde staat nie later nie as 45 dae na die einde van elke kwartaal aan die provinsiale wetgewer dien."

A MAYOR'S REPORT

Credit control for various reasons remains a challenge for the municipality.

The unwillingness / inability of government departments to pay their municipal accounts was a big concern. However department are slowing starting to make payment. The debt is in access of R14.95 million in comparison to the prior month figure of R7.3 million.

The monthly billing was also done as scheduled and during this process 23 827 accounts amounting to R 84.2 million was printed and distributed to consumers. The annual assessment rates were also billed during July. The prepaid electricity sales amounted to R 6.4 million in comparison to a cost of R5.3 million for the same month during the prior financial year. .

The indigent cost to the municipality for the month amounts to R 1.6 million in comparison to the prior month figure of R1.5 million

The accumulated debtor's collection target for the year is 94%, and the actual accumulated year to date debtor's collection is 44% in comparison to a rate of 37% for the same month in the previous year.

The municipality issued orders to the value of R 37.5 million of which R 146 thousand was in terms of deviations.

The municipality currently has R 70 million in its primary bank account and investments to the value of R80 million. The bank balance at the end of the previous month was R114 million.

The calculated cost coverage ratio of the municipality as at the end of July 2021 is 2.63 months.

B RECOMMENDATION

It is recommended that council take cognisance of the quarterly budget assessment for the month of July 2021 .

C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

A BURGEMEESTERS VERSLAG

Kredietbeheer bly 'n uitdaging vir die munisipaliteit as gevolg van verskillende redes.

Die onwilligheid / onvermoë van staats departemente om hulle munisipale rekeninge te betaal was 'n groot bekommernis. Departemente is stadig besig om hul betalings te maak. Die skuld beloop tans R14.95miljoen in vergelyking met die vorige maand syfer van R7.3 miljoen.

Die maandelikse rekeninge is ook gehef soos geskeduleer en tydens hierdie proses is 23 827 rekeninge ten bedrae van R 84.2 miljoen gedruk en aan verbruikers versprei. Hierdie bedrag sluit ook die jaarlikse eiendomsbelasting heffing in. Die voorafbetaalde elektrisiteit verkope beloop R 6.4 miljoen en was R5.3 miljoen vir dieselfde maand gedurende die vorige finansiële jaar.

Die deernis subsidies vir die maand beloop R 1.6 miljoen in vergelyking met die vorige maand syfer van R1.5 miljoen.

Die opgehoopde debiteure verhalings se teiken vir die jaar is 94%, en die werklike jaar tot op datum invordering is 44% in vergelyking met 37% vir dieselfde maand in die vorige finansiële jaar.

Bestellings ter waarde van R 37.5 miljoen uitgereik, waarvan R 146 duisend ten opsigte van afwykings is.

Die munisipaliteit het R 70 miljoen in die primêre bankrekening en beleggings ter waarde van R80 miljoen. Die bankbalans aan die einde van die vorige maand was R114 miljoen.

Die berekende koste dekking verhouding van die munisipaliteit soos aan die einde van Julie 2021 is 2.63 maande.

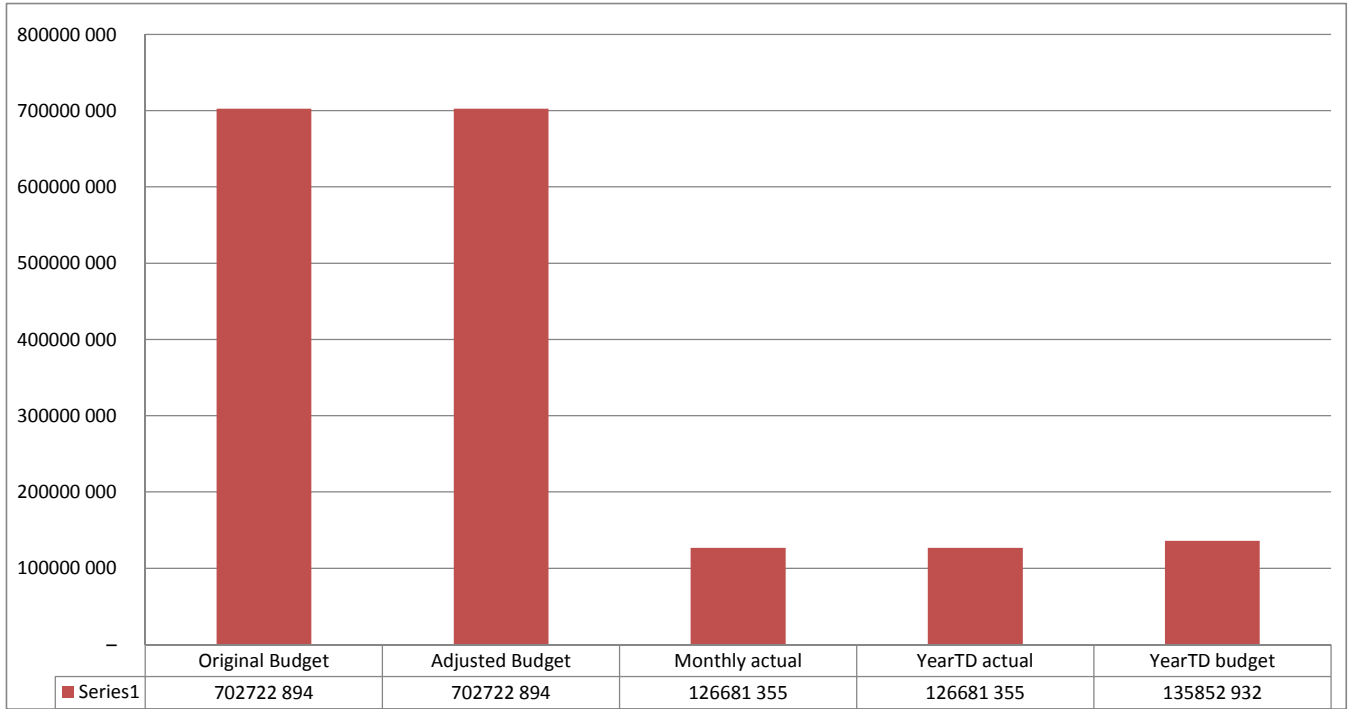
B AANBEVELING

Dit word aanbeveel dat die raad kennis neem van die finansiële maandverslag en ondersteunende dokumente vir Julie 2021 .

C OPSOMMING

Die volgende tabelle voorsien n opsomming van die finansiële inligting:

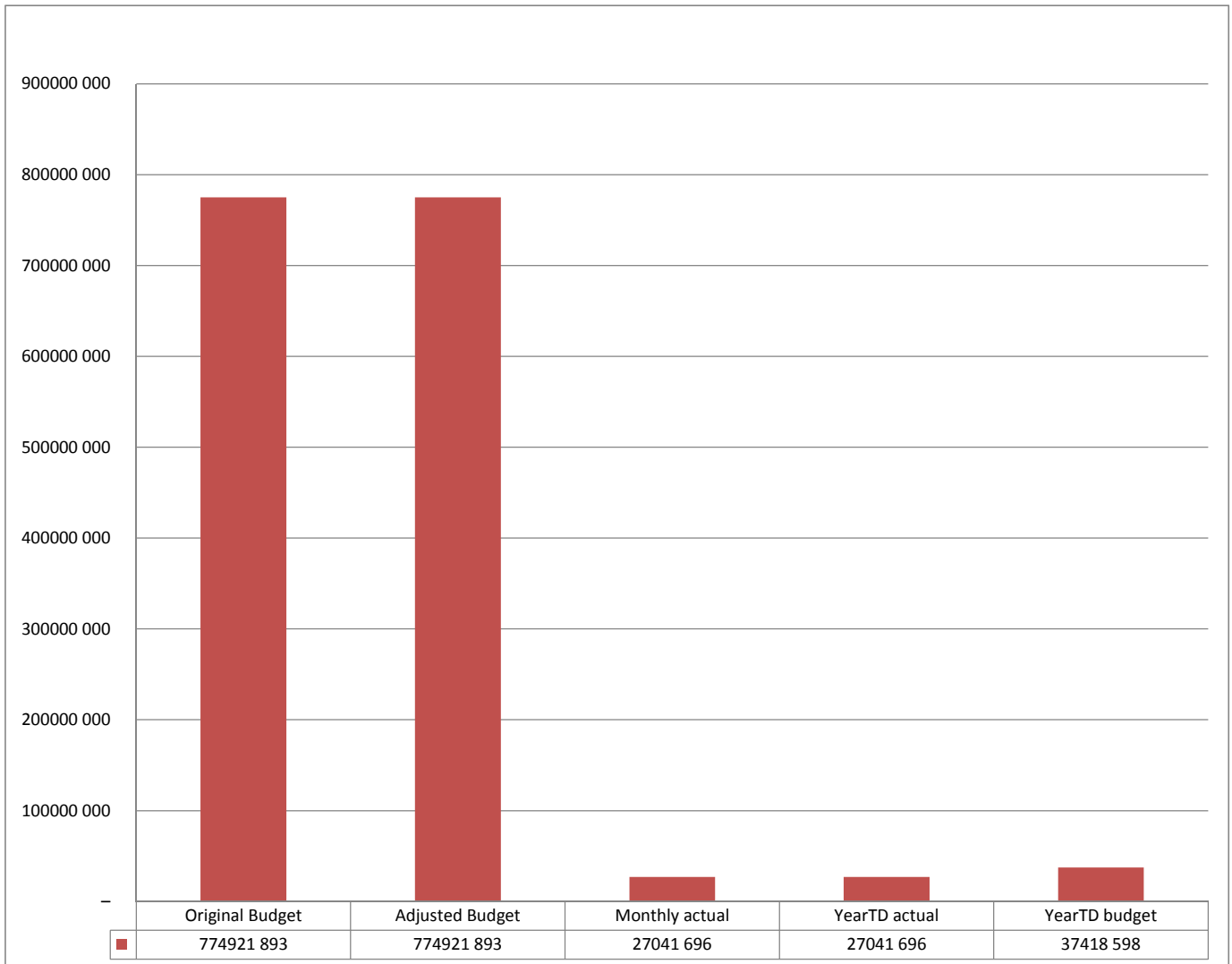
TOTAL OPERATIONAL REVENUE



For the period 1 July 2021 to 30 June 2022, 18.03% of the budgeted operational revenue was raised.

Vir die periode 1 Julie 2021 tot 30 Junie 2022, is 18.03% van die begrote operasionele inkomste gehêf.

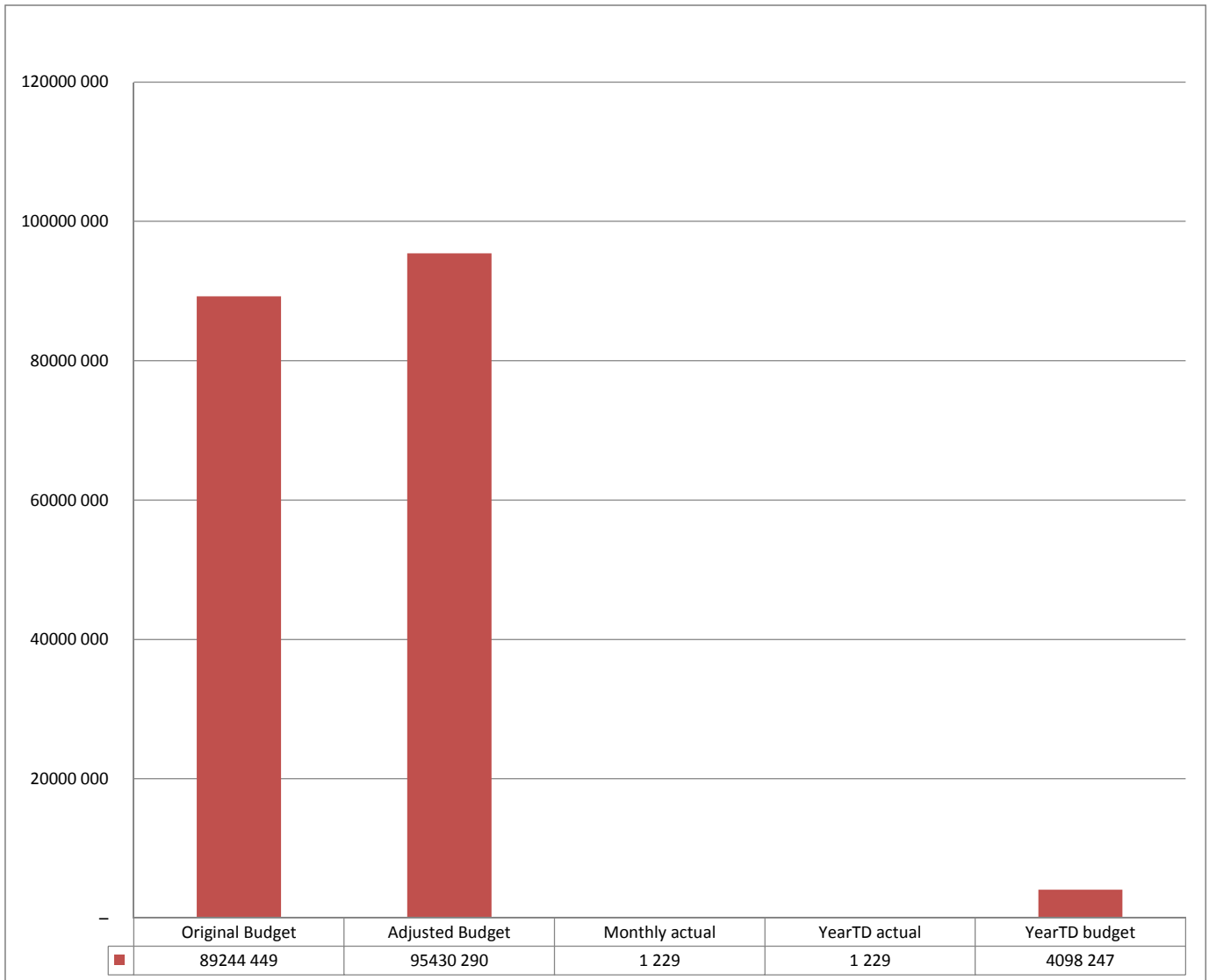
TOTAL OPERATIONAL EXPENDITURE



For the period 1 July 2021 to 30 June 2022, 3.49% of the budgeted operational expenditure was incurred.

Vir die periode 1 Julie 2021 tot 30 Junie 2022, is 3.49% van die begrote operasionele uitgawes aangegaan.

CAPITAL EXPENDITURE



For the period 1 July 2021 to 30 June 2022, 0% of the budgeted capital expenditure was incurred.

Vir die periode 1 Julie 2021 tot 30 Junie 2022, is 0% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 31 July 2021.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M01 July

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	39 128	39 128	40 708	(1 580)	-4%	83 290
Service charges	373 297	413 772	413 772	40 666	40 666	34 716	5 949	17%	413 772
Investment revenue	3 079	6 990	6 990	221	221	582	(361)	-62%	6 990
Transfers recognised - operational	131 222	145 903	145 903	44 632	44 632	55 442	(10 810)	-19%	145 903
Other own revenue	20 760	52 768	52 768	2 035	2 035	4 405	(2 370)	-54%	52 768
transfers and contributions)	609 033	702 723	702 723	126 681	126 681	135 853	(9 172)	-7%	702 723
Employee costs	196 590	237 025	237 025	16 247	16 247	19 750	(3 503)	-18%	237 025
Remuneration of Councillors	9 898	12 007	12 007	825	825	1 000	(175)	-18%	12 007
Depreciation & asset impairment	28 452	39 729	39 729	-	-	3 309	(3 309)	-100%	39 729
Finance charges	238	8 696	8 696	-	-	724	(724)	-100%	8 696
Materials and bulk purchases	252 422	300 766	300 766	946	946	1 596	(650)	-41%	300 766
Transfers and grants	6 534	25 603	25 603	54	54	2 133	(2 079)	-97%	25 603
Other expenditure	120 445	151 096	151 096	8 971	8 971	8 907	64	1%	151 096
Total Expenditure	614 579	774 922	774 922	27 042	27 042	37 419	(10 377)	-28%	774 922
Surplus/(Deficit)	(5 546)	(72 199)	(72 199)	99 640	99 640	98 434	1 205	1%	(72 199)
Transfers recognised - capital	52 275	74 937	74 937	-	-	30 001	(30 001)	-100%	74 937
Contributions & Contributed assets	898	170	170	41	41	14	27	188%	170
& contributions	47 626	2 908	2 908	99 680	99 680	128 450	(28 769)	-22%	2 908
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	47 626	2 908	2 908	99 680	99 680	128 450	(28 769)	-22%	2 908
Capital expenditure & funds sources									
Capital expenditure	66 944	89 244	95 430	1	1	4 098	(4 097)	-100%	95 430
Capital transfers recognised	52 768	74 937	75 252	-	-	2 949	(2 949)	-100%	75 252
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 157	20 058	1	1	1 175	(1 174)	-100%	20 058
Total sources of capital funds	66 944	89 094	95 310	1	1	4 124	(4 123)	-100%	95 310
Financial position									
Total current assets	210 851	181 281	181 281		287 583				181 281
Total non current assets	983 662	1 041 921	1 041 921		983 663				1 041 921
Total current liabilities	122 604	201 668	201 668		99 253				201 668
Total non current liabilities	122 368	131 189	131 189		122 782				131 189
Community wealth/Equity	949 541	890 345	890 345		1 049 212				890 345
Cash flows									
Net cash from (used) operating	70 313	85 636	85 636	37 068	37 068	45 841	(8 773)	-19%	85 636
Net cash from (used) investing	(33 819)	(89 094)	(89 094)	(81 867)	(81 867)	-	(81 867)		(89 094)
Net cash from (used) financing	(371)	(1 000)	(1 000)	(10)	(12)	-	(12)		(12)
end	130 394	133 360	133 360	-	70 485	183 660	(113 175)	-62%	110 837
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	90 726	5 593	4 937	4 655	4 560	3 900	23 795	183 076	321 241
Creditors Age Analysis									
Total Creditors	741	8	-	-	-	-	-	-	749

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The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M01 July

Description	2020/21	Budget Year 2021/22							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue - Functional									
Governance and administration	94 709	110 918	110 918	39 741	39 741	43 891	(4 150)	-9%	110 918
Executive and council	13	-	-	-	-	-	-	-	-
Finance and administration	94 696	110 918	110 918	39 741	39 741	43 891	(4 150)	-9%	110 918
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	144 141	171 710	171 710	45 097	45 097	56 554	(11 457)	-20%	171 710
Community and social services	128 956	120 006	120 006	44 612	44 612	44 752	(141)	0%	120 006
Sport and recreation	9 504	1 661	1 661	122	122	138	(17)	-12%	1 661
Public safety	5 402	26 158	26 158	354	354	2 205	(1 851)	-84%	26 158
Housing	278	23 884	23 884	9	9	9 458	(9 449)	-100%	23 884
Economic and environmental services	16 878	25 287	25 287	215	215	9 579	(9 363)	-98%	25 287
Planning and development	4 244	2 365	2 365	215	215	446	(231)	-52%	2 365
Road transport	12 634	22 907	22 907	-	-	9 131	(9 131)	-100%	22 907
Environmental protection	-	14	14	-	-	1	(1)	-100%	14
Trading services	406 400	469 795	469 795	41 589	41 589	55 835	(14 246)	-26%	469 795
Energy sources	269 767	334 664	334 664	31 644	31 644	30 825	819	3%	334 664
Water management	52 379	72 201	72 201	4 778	4 778	15 286	(10 508)	-69%	72 201
Waste water management	51 038	27 843	27 843	2 456	2 456	4 315	(1 859)	-43%	27 843
Waste management	33 216	35 087	35 087	2 711	2 711	5 409	(2 698)	-50%	35 087
Total Revenue - Functional	662 205	777 830	777 830	126 722	126 722	165 868	(39 146)	-24%	777 830
Expenditure - Functional									
Governance and administration	118 411	145 004	145 004	9 860	9 860	11 387	(1 528)	-13%	145 004
Executive and council	22 328	29 621	29 621	1 824	1 824	2 412	(588)	-24%	29 621
Finance and administration	93 572	112 849	112 849	7 832	7 832	8 782	(950)	-11%	112 849
Internal audit	2 511	2 534	2 534	204	204	194	10	5%	2 534
Community and public safety	84 596	133 059	133 059	5 926	5 926	10 313	(4 386)	-43%	133 059
Community and social services	23 927	28 680	28 680	1 847	1 847	2 432	(586)	-24%	28 680
Sport and recreation	26 702	32 356	32 356	1 545	1 545	2 223	(678)	-31%	32 356
Public safety	29 106	43 012	43 012	2 189	2 189	3 344	(1 155)	-35%	43 012
Housing	4 861	29 011	29 011	346	346	2 313	(1 967)	-85%	29 011
Economic and environmental services	34 637	36 288	36 288	1 706	1 706	2 454	(748)	-30%	36 288
Planning and development	10 130	11 280	11 280	890	890	952	(62)	-7%	11 280
Road transport	24 029	22 910	22 910	775	775	1 333	(558)	-42%	22 910
Environmental protection	478	2 098	2 098	41	41	169	(128)	-76%	2 098
Trading services	376 033	459 620	459 620	9 545	9 545	13 186	(3 640)	-28%	459 620
Energy sources	271 947	327 833	327 833	2 002	2 002	2 894	(892)	-31%	327 833
Water management	37 247	36 559	36 559	2 663	2 663	2 707	(44)	-2%	36 559
Waste water management	33 125	43 400	43 400	2 391	2 391	3 365	(974)	-29%	43 400
Waste management	33 715	51 829	51 829	2 488	2 488	4 219	(1 731)	-41%	51 829
Other	902	951	951	4	4	79	(75)	-94%	951
Total Expenditure - Functional	614 579	774 922	774 922	27 042	27 042	37 419	(10 377)	-28%	774 922
Surplus/ (Deficit) for the year	47 626	2 908	2 908	99 680	99 680	128 450	(28 769)		2 908

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M01 July

Description	2020/21	Budget Year 2021/22						YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands									
Revenue - Functional									
Municipal governance and administration	94 709	110 918	110 918	39 741	39 741	43 891	(4 150)	-9%	110 918
Executive and council	13	-	-	-	-	-	-		-
Mayor and Council	13	-	-	-	-	-	-		-
Municipal Manager, Town Secretary and Chief Execut	-	-	-	-	-	-	-		-
Finance and administration	94 696	110 918	110 918	39 741	39 741	43 891	(4 150)	-9%	110 918
Administrative and Corporate Support	0	9	9	-	-	1	(1)	-100%	9
Finance	94 346	110 250	110 250	39 741	39 741	43 835	(4 094)	-9%	110 250
Human Resources	254	580	580	-	-	48	(48)	-100%	580
Marketing, Customer Relations, Publicity and Media	0	5	5	-	-	0	(0)	-100%	5
Property Services	-	-	-	-	-	-	-		-
Supply Chain Management	96	74	74	0	0	6	(6)	-97%	74
Community and public safety	144 141	171 710	171 710	45 097	45 097	56 554	(11 457)	-20%	171 710
Community and social services	128 956	120 006	120 006	44 612	44 612	44 752	(141)	0%	120 006
Aged Care	118 121	109 415	109 415	44 588	44 588	43 766	822	2%	109 415
Cemeteries, Funeral Parlours and Crematoriums	328	367	367	22	22	74	(52)	-71%	367
Community Halls and Facilities	31	485	485	0	0	40	(40)	-100%	485
Libraries and Archives	10 475	9 739	9 739	2	2	872	(870)	-100%	9 739
Sport and recreation	9 504	1 661	1 661	122	122	138	(17)	-12%	1 661
Recreational Facilities	2 240	1 611	1 611	122	122	134	(12)	-9%	1 611
Sports Grounds and Stadiums	7 264	50	50	-	-	4	(4)	-100%	50

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Public safety	5 402	26 158	26 158	354	354	2 205	(1 851)	-84%	26 158
<i>Fire Fighting and Protection</i>	2	6	6	-	-	1	(1)	(0)	6
Housing	278	23 884	23 884	9	9	9 458	(9 449)	-100%	23 884
<i>Housing</i>	278	23 884	23 884	9	9	9 458	(9 449)	-100%	23 884
Economic and environmental services	16 878	25 287	25 287	215	215	9 579	(9 363)	-98%	25 287
Planning and development	4 244	2 365	2 365	215	215	446	(231)	-52%	2 365
<i>Economic Development/Planning</i>	1 892	279	279	-	-	63	(63)	-100%	279
<i>Town Planning, Building Regulations and Enforcemen</i>	1 721	1 426	1 426	215	215	119	96	81%	1 426
<i>Project Management Unit</i>	630	660	660	-	-	264	(264)	-100%	660
Road transport	12 634	22 907	22 907	-	-	9 131	(9 131)	-100%	22 907
<i>Roads</i>	12 634	22 907	22 907	-	-	9 131	(9 131)	-100%	22 907
Environmental protection	-	14	14	-	-	1	(1)	-100%	14
<i>Biodiversity and Landscape</i>	-	14	14	-	-	1	(1)	-100%	14
Trading services	406 400	469 795	469 795	41 589	41 589	55 835	(14 246)	-26%	469 795
Energy sources	269 767	334 664	334 664	31 644	31 644	30 825	819	3%	334 664
<i>Electricity</i>	269 545	333 099	333 099	31 644	31 644	30 199	1 445	5%	333 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	-	-	626	(626)	-100%	1 565
Water management	52 379	72 201	72 201	4 778	4 778	15 286	(10 508)	-69%	72 201
<i>Water Distribution</i>	52 379	60 921	60 921	4 778	4 778	10 774	(5 996)	-56%	60 921
Waste water management	51 038	27 843	27 843	2 456	2 456	4 315	(1 859)	-43%	27 843
<i>Sewerage</i>	40 431	26 954	26 954	2 456	2 456	3 959	(1 503)	-38%	26 954
<i>Storm Water Management</i>	10 607	889	889	-	-	356	(356)	-100%	889
Waste management	33 216	35 087	35 087	2 711	2 711	5 409	(2 698)	-50%	35 087
<i>Solid Waste Removal</i>	30 130	35 087	35 087	2 711	2 711	5 409	(2 698)	-50%	35 087
Other	77	120	120	80	80	10	70	701%	120
<i>Licensing and Regulation</i>	77	120	120	80	80	10	70	701%	120
Total Revenue - Functional	662 205	777 830	777 830	126 722	126 722	165 868	(39 146)	-24%	777 830

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M01 July

Description	2020/21	Budget Year 2020/21					YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands									
Expenditure - Functional									
Municipal governance and administration	118 411	145 004	145 004	9 860	9 860	11 387	(1 528)	-13%	145 004
Executive and council	22 328	29 621	29 621	1 824	1 824	2 412	(588)	-24%	29 621
<i>Mayor and Council</i>	13 576	18 723	18 723	1 072	1 072	1 542	(470)	-30%	18 723
<i>Municipal Manager, Town Secretary and Chief Execut</i>	8 752	10 897	10 897	751	751	870	(119)	-14%	10 897
Finance and administration	93 572	112 849	112 849	7 832	7 832	8 782	(950)	-11%	112 849
<i>Administrative and Corporate Support</i>	17 822	11 560	11 560	427	427	567	(139)	-25%	11 560
<i>Asset Management</i>	31	5 167	5 167	-	-	430	(430)	-100%	5 167
<i>Finance</i>	32 524	37 107	37 107	4 624	4 624	3 145	1 479	47%	37 107
<i>Fleet Management</i>	3 407	2 806	2 806	236	236	231	5	2%	2 806
<i>Human Resources</i>	17 584	36 284	36 284	1 435	1 435	2 920	(1 484)	-51%	36 284
<i>Information Technology</i>	3 908	3 372	3 372	80	80	281	(201)	-72%	3 372
<i>Legal Services</i>	5 418	2 279	2 279	93	93	76	17	23%	2 279
<i>Marketing, Customer Relations, Publicity and Media</i>	3 897	3 900	3 900	322	322	322	(0)	0%	3 900
<i>Property Services</i>	1 796	1 268	1 268	63	63	106	(43)	-41%	1 268
<i>Risk Management</i>	-	497	497	-	-	41	(41)	-100%	497
<i>Supply Chain Management</i>	6 774	7 052	7 052	528	528	547	(19)	-4%	7 052
<i>Valuation Service</i>	411	1 557	1 557	25	25	116	(91)	-78%	1 557
Internal audit	2 511	2 534	2 534	204	204	194	10	5%	2 534
<i>Governance Function</i>	2 511	2 534	2 534	204	204	194	10	5%	2 534
Community and public safety	84 596	133 059	133 059	5 926	5 926	10 313	(3 231)	-31%	133 059
Community and social services	23 927	28 680	28 680	1 847	1 847	2 432	(586)	-24%	28 680
<i>Aged Care</i>	4 663	4 347	4 347	353	353	355	(2)	0%	4 347
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	3 178	3 600	3 600	256	256	319	(63)	-20%	3 600
<i>Child Care Facilities</i>	8	972	972	-	-	81	(81)	-100%	972
<i>Community Halls and Facilities</i>	5 351	6 608	6 608	405	405	536	(131)	-24%	6 608
<i>Disaster Management</i>	95	236	236	-	-	20	(20)	-100%	236
<i>Education</i>	1	831	831	-	-	69	(69)	-100%	831
<i>Libraries and Archives</i>	10 631	12 086	12 086	833	833	1 052	(220)	-21%	12 086
Sport and recreation	26 702	32 356	32 356	1 545	1 545	2 223	(678)	-31%	32 356
<i>Community Parks (including Nurseries)</i>	8 185	7 228	7 228	504	504	556	(52)	-9%	7 228
<i>Recreational Facilities</i>	12 953	18 999	18 999	675	675	1 217	(542)	-45%	18 999
<i>Sports Grounds and Stadiums</i>	5 564	6 129	6 129	366	366	450	(84)	-19%	6 129
Public safety	29 106	43 012	43 012	2 189	2 189	3 344	0	0%	43 012
<i>Fire Fighting and Protection</i>	8 377	8 118	8 118	636	636	636	0	0%	8 118
Housing	4 861	29 011	29 011	346	346	2 313	(1 967)	-85%	29 011
<i>Housing</i>	4 755	27 003	27 003	341	341	2 146	(1 805)	-84%	27 003
<i>Informal Settlements</i>	106	2 009	2 009	5	5	167	(162)	-97%	2 009

Description	2020/21	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	YearTD budget
R thousands									
Economic and environmental services	34 637	36 288	36 288	1 706	1 706	2 454	(748)	-30%	36 288
Planning and development	10 130	11 280	11 280	890	890	952	(62)	-7%	11 280
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	1 982	184	184	161	23	14%	1 982
<i>Economic Development/Planning</i>	1 401	2 115	2 115	98	98	204	(106)	-52%	2 115
<i>Town Planning, Building Regulations and Enforcement</i>	4 742	4 473	4 473	408	408	360	47	13%	4 473
<i>Project Management Unit</i>	2 301	2 710	2 710	200	200	226	(26)	-11%	2 710
Road transport	24 029	22 910	22 910	775	775	1 333	(558)	-42%	22 910
<i>Roads</i>	24 029	22 910	22 910	775	775	1 333	(558)	-42%	22 910
Environmental protection	478	2 098	2 098	41	41	169	(128)	-76%	2 098
<i>Biodiversity and Landscape</i>	478	2 098	2 098	41	41	169	(128)	-76%	2 098
Trading services	376 033	459 620	459 620	9 545	9 545	13 186	(3 640)	-28%	459 620
Energy sources	271 947	327 833	327 833	2 002	2 002	2 894	(892)	-31%	327 833
<i>Electricity</i>	269 376	324 461	324 461	1 821	1 821	2 656	(835)	-31%	324 461
<i>Street Lighting and Signal Systems</i>	2 571	3 371	3 371	182	182	238	(56)	-24%	3 371
Water management	37 247	36 559	36 559	2 663	2 663	2 707	(44)	-2%	36 559
<i>Water Treatment</i>	154	1 838	1 838	15	15	153	(138)	-90%	1 838
<i>Water Distribution</i>	34 155	30 463	30 463	2 636	2 636	2 244	392	17%	30 463
<i>Water Storage</i>	2 938	4 258	4 258	12	12	310	(298)	-96%	4 258
Waste water management	33 125	43 400	43 400	2 391	2 391	3 365	(974)	-29%	43 400
<i>Public Toilets</i>	1 576	1 984	1 984	112	112	162	(50)	-31%	1 984
<i>Sewerage</i>	24 256	30 347	30 347	1 824	1 824	2 335	(511)	-22%	30 347
<i>Storm Water Management</i>	7 292	8 141	8 141	455	455	624	(169)	-27%	8 141
<i>Waste Water Treatment</i>	0	2 928	2 928	-	-	244	(244)	-100%	2 928
Waste management	33 715	51 829	51 829	2 488	2 488	4 219	(1 731)	-41%	51 829
<i>Solid Waste Disposal (Landfill Sites)</i>	3 911	16 403	16 403	33	33	1 342	(1 308)	-98%	16 403
<i>Solid Waste Removal</i>	28 278	33 991	33 991	2 441	2 441	2 758	(317)	-11%	33 991
<i>Street Cleaning</i>	1 526	1 436	1 436	14	14	120	(106)	-88%	1 436
Other	902	951	951	4	4	79	(75)	-94%	951
Licensing and Regulation	10	51	51	4	4	4	0	5%	51
Tourism	892	900	900	-	-	75	(75)	-100%	900
Total Expenditure - Functional	614 579	774 922	774 922	27 042	27 042	37 419	(9 221)	-25%	774 922
Surplus/ (Deficit) for the year	47 626	2 908	2 908	99 680	99 680	128 450	(28 769)	-22%	2 908

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The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 686	107 712	107 712	39 574	39 574	43 608	(4 034)	-9.3%	107 712
Vote 2 - Community Services	13 536	35 720	35 720	172	172	10 548	(10 376)	-98.4%	35 720
Vote 3 - Community Services	123 683	131 976	131 976	45 023	45 023	45 672	(649)	-1.4%	131 976
Vote 4 - Community Services	9 156	4 581	4 581	-	-	422	(422)	-100.0%	4 581
Vote 5 - Corporate Services	267	594	594	-	-	49	(49)	-100.0%	594
Vote 6 - Technical Services	336 206	388 952	388 952	34 433	34 433	44 581	(10 148)	-22.8%	388 952
Vote 7 - Technical Services	85 542	107 224	107 224	7 489	7 489	20 690	(13 201)	-63.8%	107 224
Vote 8 - Muncipal Manager	1 129	1 072	1 072	31	31	298	(267)	-89.5%	1 072
Total Revenue by Vote	662 205	777 830	777 830	126 722	126 722	165 868	(39 146)	-23.6%	777 830
Vote 1 - Financial Services	41 312	52 465	52 465	5 331	5 331	4 369	961	22.0%	52 465
Vote 2 - Community Services	36 504	41 879	41 879	2 588	2 588	3 130	(542)	-17.3%	41 879
Vote 3 - Community Services	35 087	54 069	54 069	2 535	2 535	4 251	(1 716)	-40.4%	54 069
Vote 4 - Community Services	15 851	43 719	43 719	1 036	1 036	3 504	(2 468)	-70.4%	43 719
Vote 5 - Corporate Services	59 609	77 479	77 479	3 489	3 489	5 932	(2 443)	-41.2%	77 479
Vote 6 - Technical Services	334 371	401 057	401 057	5 657	5 657	8 183	(2 526)	-30.9%	401 057
Vote 7 - Technical Services	75 390	90 791	90 791	5 457	5 457	7 100	(1 642)	-23.1%	90 791
Vote 8 - Muncipal Manager	15 080	13 462	13 462	949	949	950	(1)	-0.1%	13 462
Total Expenditure by Vote	613 204	774 922	774 922	27 042	27 042	37 419	(10 377)	-27.7%	774 922
Surplus/ (Deficit) for the year	49 001	2 908	2 908	99 680	99 680	128 450	(28 769)	-22.4%	2 908

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	39 128	39 128	40 708	(1 580)	-4%	83 290
Service charges - electricity revenue	269 592	323 478	323 478	31 659	31 659	25 878	5 780	22%	323 478
Service charges - water revenue	43 040	39 677	39 677	4 304	4 304	3 215	1 088	34%	39 677
Service charges - sanitation revenue	32 700	25 043	25 043	2 282	2 282	3 537	(1 255)	-35%	25 043
Service charges - refuse revenue	27 965	25 574	25 574	2 421	2 421	2 086	336	16%	25 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 789	1 470	1 470	175	175	122	53	43%	1 470
Interest earned - external investments	3 079	6 990	6 990	221	221	582	(361)	-62%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 257	1 257	723	534	74%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	66	21 479	21 479	0	0	1 789	(1 789)	-100%	21 479
Licences and permits	5 419	2 111	2 111	433	433	176	257	146%	2 111
Agency services	-	4 046	4 046	-	-	337	(337)	-100%	4 046
Transfers recognised - operational	131 222	145 903	145 903	44 632	44 632	55 442	(10 810)	-19%	145 903
Other revenue	7 917	14 985	14 985	169	169	1 258	(1 088)	-87%	14 985
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	609 033	702 723	702 723	126 681	126 681	135 853	(9 172)	-7%	702 723
Expenditure By Type									
Employee related costs	196 590	237 025	237 025	16 247	16 247	19 750	(3 503)	-18%	237 025
Remuneration of councillors	9 898	12 007	12 007	825	825	1 000	(175)	-18%	12 007
Debt impairment	32 487	63 750	63 750	4 801	4 801	5 310	(510)	-10%	63 750
Depreciation & asset impairment	28 452	39 729	39 729	-	-	3 309	(3 309)	-100%	39 729
Finance charges	238	8 696	8 696	-	-	724	(724)	-100%	8 696
Bulk purchases	239 632	285 789	285 789	336	336	269	68	25%	285 789
Other materials	12 789	14 977	14 977	609	609	1 327	(717)	-54%	14 977
Contracted services	51 177	48 390	48 390	246	246	333	(86)	-26%	48 390
Transfers and grants	6 534	25 603	25 603	54	54	2 133	(2 079)	-97%	25 603
Other expenditure	36 099	38 955	38 955	3 924	3 924	3 264	660	20%	38 955
Loss on disposal of PPE	682	0	0	-	-	0	(0)	-100%	0
Total Expenditure	614 579	774 922	774 922	27 042	27 042	37 419	(10 377)	-28%	774 922
Surplus/(Deficit)	(5 546)	(72 199)	(72 199)	99 640	99 640	98 434	1 205	0	(72 199)
Transfers recognised - capital	52 275	74 937	74 937	-	-	30 001	(30 001)	(0)	74 937
Contributions recognised - capital	898	170	170	41	41	14	27	0	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	47 626	2 908	2 908	99 680	99 680	128 450			2 908
Surplus/(Deficit) attributable to Share of surplus/ (deficit) of associate	47 626	2 908	2 908	99 680	99 680	128 450			2 908
Surplus/ (Deficit) for the year	47 626	2 908	2 908	99 680	99 680	128 450			2 908

The revenue and expenditure figures excludes internal charges.

Other expenditure includes operational costs such as:

Advertising, Publicity and Marketing
External Audit Fees
Communication
External Computer Service
Insurance Underwriting
Travel and Subsistence
Printing, Publications and Books
Uniform and Protective Clothing
Wet Fuel
Hire Charges

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M01 July

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	206	-	-	-	-	-	-	-	-
Vote 3 - Community Services	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	12 425	27 630	27 523	-	-	421	(421)	-100%	27 523
Vote 7 - Technical Services	3 913	34 373	34 480	-	-	1 772	(1 772)	-100%	34 480
Vote 8 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	16 545	62 004	62 004	-	-	2 193	(2 193)	-100%	62 004
Single Year expenditure appropriation									
Vote 1 - Financial Services	165	180	261	1	1	13	(12)	-91%	261
Vote 2 - Community Services	1 971	-	2 293	-	-	191	(191)	-100%	2 293
Vote 3 - Community Services	1 126	-	240	-	-	20	(20)	-100%	240
Vote 4 - Community Services	9 507	6 151	6 306	-	-	481	(481)	-100%	6 306
Vote 5 - Corporate Services	3 630	900	1 760	-	-	147	(147)	-100%	1 760
Vote 6 - Technical Services	25 539	16 266	18 423	-	-	707	(707)	-100%	18 423
Vote 7 - Technical Services	8 462	3 744	4 144	-	-	345	(345)	-100%	4 144
Vote 8 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	50 399	27 241	33 427	1	1	1 905	(1 904)	-100%	33 427
Total Capital Expenditure	66 944	89 244	95 430	1	1	4 098	(4 097)	-100%	95 430

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M01 July

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
Governance and administration	3 162	2 080	3 398	1	1	275	(274)	-100%	3 398
Executive and council	(1)	600	1 335	-	-	111	(111)	-100%	1 335
Finance and administration	3 163	1 480	2 064	1	1	164	(162)	-99%	2 064
Community and public safety	10 876	5 456	7 989	-	-	666	(666)	-100%	7 989
Community and social services	1 613	-	-	-	-	-	-	-	-
Sport and recreation	7 782	5 456	5 456	-	-	455	(455)	-100%	5 456
Public safety	1 481	-	2 533	-	-	211	(211)	-100%	2 533
Housing	-	-	-	-	-	-	-	-	-
Economic and environmental services	17 177	27 042	27 197	-	-	512	(512)	-100%	27 197
Planning and development	1 934	696	850	-	-	27	(27)	-100%	850
Road transport	15 243	26 347	26 347	-	-	485	(485)	-100%	26 347
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	35 728	54 666	56 846	-	-	2 646	(2 646)	-100%	56 846
Energy sources	4 054	13 163	13 163	-	-	232	(232)	-100%	13 163
Water management	7 954	21 135	21 535	-	-	693	(693)	-100%	21 535
Waste water management	18 448	3 386	5 059	-	-	297	(297)	-100%	5 059
Waste management	5 272	16 982	17 089	-	-	1 424	(1 424)	-100%	17 089
Total Capital Expenditure - Standard Classification	66 944	89 244	95 430	1	1	4 098	(4 097)	-100%	95 430
Funded by:									
National Government	18 276	49 637	49 637	-	-	2 202	(2 202)	-100%	49 637
Provincial Government	33 326	24 801	24 801	-	-	721	(721)	-100%	24 801
District Municipality	665	500	815	-	-	26	(26)	-100%	815
Transfers recognised - capital	52 768	74 937	75 252	-	-	2 949	(2 949)	-100%	75 252
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 157	20 058	1	1	1 175	(1 174)	-100%	20 058
Total Capital Funding	66 944	89 094	95 310	1	1	4 124	(4 123)	-100%	95 310

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	115 305	133 360	133 360	150 489	133 360
Consumer debtors	75 996	28 353	28 353	117 416	28 353
Other debtors	9 808	7 966	7 966	10 376	7 966
Current portion of long-term receivables	–	–	–	–	–
Inventory	9 742	11 602	11 602	9 302	11 602
Total current assets	210 851	181 281	181 281	287 583	181 281
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	43 486	43 765	43 765	43 486	43 765
Investments in Associate	–	–	–	–	–
Property, plant and equipment	938 257	996 031	996 031	938 258	996 031
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	1 370	1 576	1 576	1 370	1 576
Other non-current assets	550	550	550	550	550
Total non current assets	983 662	1 041 921	1 041 921	983 663	1 041 921
TOTAL ASSETS	1 194 513	1 223 203	1 223 203	1 271 247	1 223 203
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	155	–	–	155	–
Consumer deposits	8 562	7 976	7 976	8 579	7 976
Trade and other payables	57 344	115 836	115 836	33 679	115 836
Provisions	56 543	77 857	77 857	56 839	77 857
Total current liabilities	122 604	201 668	201 668	99 253	201 668
Non current liabilities					
Borrowing	2 620	2 588	2 588	2 620	2 588
Provisions	119 748	128 602	128 602	120 162	128 602
Total non current liabilities	122 368	131 189	131 189	122 782	131 189
TOTAL LIABILITIES	244 972	332 857	332 857	222 034	332 857
NET ASSETS	949 541	890 345	890 345	1 049 212	890 345
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	924 929	879 728	879 728	1 024 600	879 728
Reserves	24 613	10 618	10 618	24 613	10 618
TOTAL COMMUNITY WEALTH/EQUITY	949 541	890 345	890 345	1 049 212	890 345

The cash flows for the year to date are indicated in the following table:

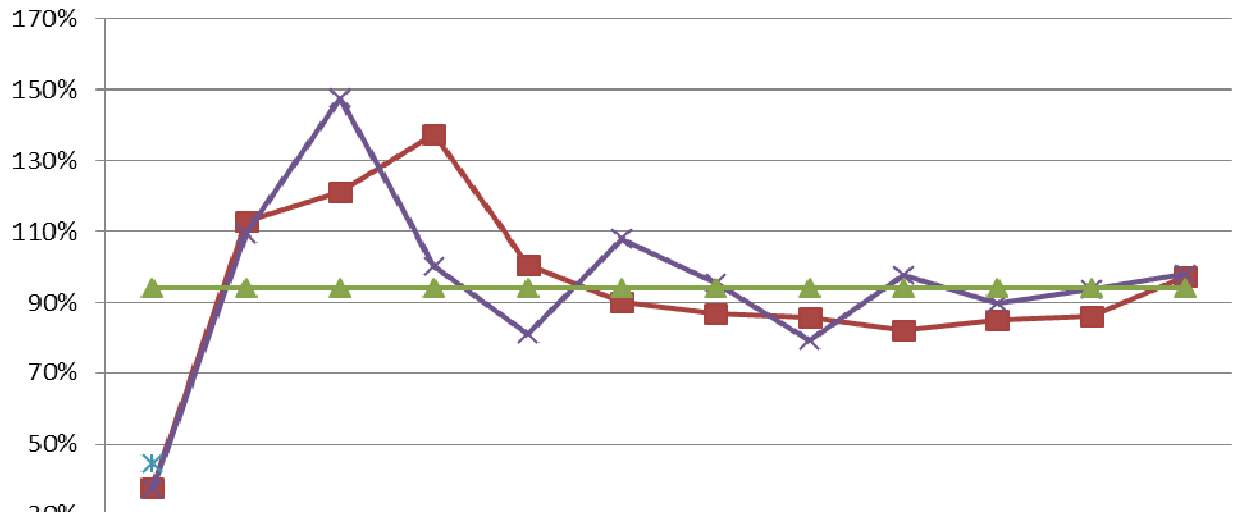
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	68 290	79 126	79 126	5 769	5 769	6 540	(771)	-12%	79 126
Service charges	346 579	379 151	379 151	37 020	37 020	31 611	5 409	17%	379 151
Other revenue	21 385	27 756	27 756	723	723	1 366	(642)	-47%	27 756
Government - operating	131 014	145 903	145 903	44 444	44 444	43 773	671	2%	145 903
Government - capital	13 442	75 107	75 107	9 333	9 333	6 631	2 702	41%	75 107
Interest	17 961	9 593	9 593	221	221	1 305	(1 084)	-83%	9 593
Dividends									
Payments									
Suppliers and employees	(526 395)	(604 934)	(604 934)	(60 389)	(60 389)	(45 346)	15 043	-33%	(604 934)
Finance charges	(469)	(461)	(461)	-	-	(38)	(38)	100%	(461)
Transfers and Grants	(1 495)	(25 603)	(25 603)	(54)	(54)	-	54		(25 603)
NET CASH FROM/(USED) OPERATING ACTIVITIES	70 313	85 636	85 636	37 068	37 068	45 841	21 344	47%	85 636
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	649	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	(80 000)	(80 000)	-	(80 000)		-
Payments									
Capital assets	(34 468)	(89 094)	(89 094)	(1 867)	(1 867)	-	1 867		(89 094)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(33 819)	(89 094)	(89 094)	(81 867)	(81 867)	-	81 867		(89 094)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits	827	-	-	(10)	(10)	-	(10)		-
Payments									
Repayment of borrowing	(1 199)	(1 000)	(1 000)	-	(2)	-	2		(1 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(371)	(1 000)	(1 000)	(10)	(12)	-	12		(12)
NET INCREASE/ (DECREASE) IN CASH HELD	36 123	(4 459)	(4 459)	(44 809)	(44 811)	45 841			(4 459)
Cash/cash equivalents at beginning:	94 272	137 819	137 819		115 296	137 819			115 296
Cash/cash equivalents at month/year end:	130 394	133 360	133 360		70 485	183 660			110 837

WC022 Witzberg - Supporting Table SC1 Material variance explanations - M01 July

Ref	Description	Variance	Reasons for material deviations
R thousands			
1	Revenue By Source		
	Property rates	(1 580)	Immaterial Variance - information only relates to first month of financial year.
	Service charges - electricity revenue	5 780	Increased electricity usage during winter months.
	Service charges - water revenue	1 088	Immaterial Variance - information only relates to first month of financial year.
	Service charges - sanitation revenue	(1 255)	Immaterial Variance - information only relates to first month of financial year.
	Service charges - refuse revenue	336	Immaterial Variance - information only relates to first month of financial year.
	Service charges - other	-	
	Rental of facilities and equipment	53	Immaterial Variance - information only relates to first month of financial year.
	Interest earned - external investments	(361)	Immaterial Variance - information only relates to first month of financial year.
	Interest earned - outstanding debtors	534	Immaterial Variance - information only relates to first month of financial year.
	Dividends received	-	
	Fines, penalties and forfeits	(1 789)	Immaterial Variance - information only relates to first month of financial year.
	Licences and permits	257	Immaterial Variance - information only relates to first month of financial year.
	Agency services	(337)	Immaterial Variance - information only relates to first month of financial year.
	Transfers and subsidies	(10 810)	Delay in receipt of transfers and subsidies - information only relates to first month of financial year.
	Other revenue	(1 088)	Immaterial Variance - information only relates to first month of financial year.
	Gains on disposal of PPE	-	
2	Expenditure By Type		
	Employee related costs	(3 503)	Immaterial Variance - information only relates to first month of financial year.
	Remuneration of councillors	(175)	Immaterial Variance - information only relates to first month of financial year.
	Debt impairment	(510)	Immaterial Variance - information only relates to first month of financial year.
	Depreciation & asset impairment	(3 309)	Depreciation recognised on an annual basis.
	Finance charges	(724)	Immaterial Variance - information only relates to first month of financial year.
	Bulk purchases	68	Immaterial Variance - information only relates to first month of financial year.
	Other materials	(717)	Immaterial Variance - information only relates to first month of financial year.
	Contracted services	(86)	Immaterial Variance - information only relates to first month of financial year.
	Transfers and subsidies	(2 079)	Delay in expenditure with regards to Housing Top Structures
	Other expenditure	660	Immaterial Variance - information only relates to first month of financial year.
	Loss on disposal of PPE	(0)	
3	Capital Expenditure		
	Total Capital Expenditure	(4 093)	Immaterial Variance - information only relates to first month of financial year.
		-	
		-	
4	Financial Position		
		-	
		-	
		-	
5	Cash Flow		
	Receipts	-	
	Property rates	(771)	Immaterial Variance - information only relates to first month of financial year.
	Service charges	5 409	Increased electricity usage during winter months culminating in higher collection.
	Other revenue	(642)	Receipts lower than expected.
	Government - operating	671	Immaterial Variance - information only relates to first month of financial year.
	Government - capital	2 702	Receipts with regards to Capital Grants outstanding of which the most material is with regards to Roads Infrastructure (4m) and DEDAT (1.7m)
	Interest	(1 084)	Immaterial Variance - information only relates to first month of financial year.
	Dividends	-	
	Payments	-	
	Suppliers and employees	15 043	Increase in payments to suppliers due to creditor procedures at year end.
	Finance charges	(38)	Immaterial Variance - information only relates to first month of financial year.
	Transfers and Grants	54	Immaterial Variance - information only relates to first month of financial year.
6	Measureable performance		
7	Municipal Entities		

Debtor Collection Rate per Month

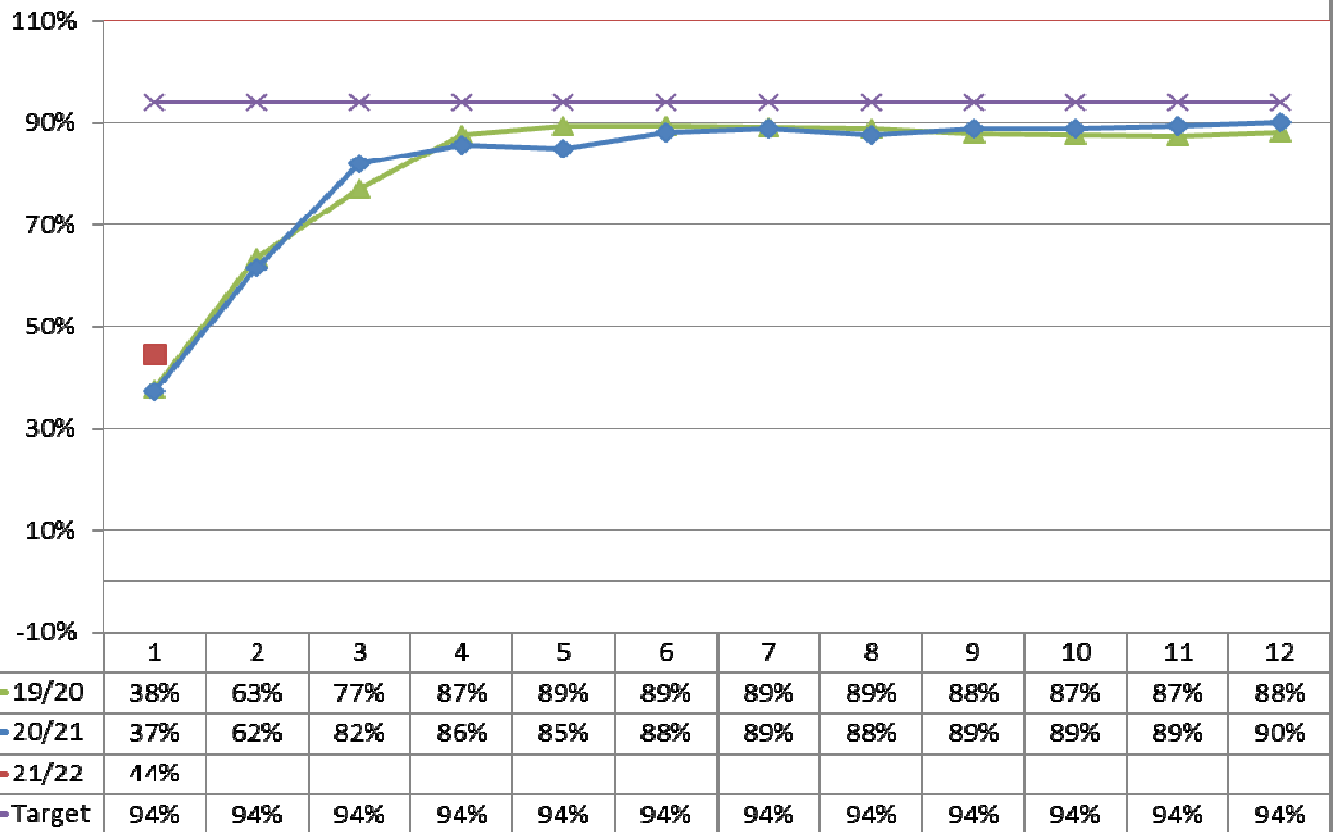


	1	2	3	4	5	6	7	8	9	10	11	12
19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
21/22	44%											
Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for July 2021 amounts to 44% in comparison to the previous year 37%.

Die doel van hierdie grafiek is om die verhaling van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Julie 2021 44% beloop in vergelyking met die vorige jaar 37%.

Accumulative Collection Rate



The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 44%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 44% behoort.

The payment culture of consumers are still the same which has a negative impact on collections.

Die betalingskultuur onder verbruikers is onveranderd wat die invorderings negatief beïnvloed.

No credit control mechanisms were implemented during the Lockdown period.

Geen kredietbeheer meganismes is gedurende die Grendeltydperk toegepas nie.

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2021/22									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Water	1200	12 075	1 848	1 939	1 846	1 907	1 389	7 864	58 242	87 109	71 247	
Electricity	1300	27 992	1 015	389	302	232	162	803	4 948	35 844	6 447	
Property Rates	1400	38 385	394	356	295	279	271	3 689	16 026	59 696	20 561	
Waste Water Management	1500	8 333	1 026	992	962	927	902	4 914	29 980	48 036	37 684	
Waste Management	1600	8 482	1 173	1 089	1 072	1 004	958	5 288	31 159	50 225	39 480	
Property Rental Debtors	1700	184	13	13	14	14	18	106	1 017	1 379	1 169	
Interest on Arrear Accounts	1810	1 279	94	117	138	164	152	939	40 519	43 402	41 911	
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(6 004)	30	40	27	33	48	192	1 186	(4 449)	1 485	
Total By Income Source	2000	90 726	5 593	4 937	4 655	4 560	3 900	23 795	183 076	321 241	219 985	
2019/20 - totals only										-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	7 423	296	254	141	141	107	864	5 721	14 948	6 974	
Commercial	2300	42 355	809	318	336	252	219	2 092	10 168	56 550	13 068	
Households	2400	38 598	4 334	4 185	3 990	4 003	3 420	19 837	162 006	240 374	193 256	
Other	2500	2 350	154	179	187	163	153	1 001	5 182	9 369	6 686	
Total By Customer Group	2600	90 726	5 593	4 937	4 655	4 560	3 900	23 795	183 076	321 241	219 985	

Negative figure as indicated for "Other Debtors" relates to cash received, but not yet allocated.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description R thousands	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	2	-	-	-	-	-	-	-	2
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	739	8	-	-	-	-	-	-	747
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	741	8	-	-	-	-	-	-	749

Notes

Material increases in value of creditors' categories compared to previous month to be explained

0

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
<u>Municipality</u>								
Nedbank Ltd	6 Months	Fixed depos	29/01/2022	-		-	-	20 000
ABSA Bank Ltd	7 Months	Fixed depos	28/02/2022	-		-	-	20 000
Standard Bank of SA Ltd	4 Months	Fixed depos	29/11/2021	-		-	-	20 000
Investec Bank Ltd	-		-	-		-	-	-
First National Bank	3 Months	Fixed depos	29/10/2021	-		-	-	20 000
-	-			-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	80 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	110 696	110 696	44 632	44 632	44 278	1 778	4.0%	110 696
Operational Revenue:General Revenue:Equitable S	106 666	106 666	44 444	44 444	42 666	1 778	4.2%	106 666
Expanded Public Works Programme Integrated Gran	2 617	2 617	144	144	1 047	(903)	-86.2%	2 617
Local Government Financial Management Grant [Sc	1 413	1 413	44	44	565	(522)	-92.3%	1 413
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Provincial Government:	34 268	34 992	-	-	10 695	(10 695)	-100.0%	38 380
Capacity Building	-	-	-	-	-	-	-	-
Capacity Building and Other	10 937	11 661	-	-	1 363	(1 363)	-100.0%	11 661
Infrastructure	23 331	23 331	-	-	9 332	(9 332)	-100.0%	23 331
								1 694
								1 694
District Municipality:	-	1 694	-	-	141	(141)	-1	-
All Grants	-	1 694	-	-	141	(141)	-1	-
Total Operating Transfers and Grants	144 964	147 382	44 632	44 632	55 114	(10 483)	-19.0%	149 836
National Government:	50 296	50 296	-	-	20 118	(20 118)	-300.0%	50 296
Municipal Infrastructure Grant [Schedule 5B]	21 808	21 808	-	-	8 723	(8 723)	-100.0%	21 808
Regional Bulk Infrastructure Grant (Schedule 5B)	17 391	17 391	-	-	6 956	(6 956)	-100.0%	17 391
Provincial Government:	24 801	24 801	-	-	9 921	(9 921)	-100.0%	25 616
Capacity Building and Other	-	-	-	-	-	-	-	-
Infrastructure	24 801	24 801	-	-	9 921	(9 921)	-100.0%	24 801
								815
District Municipality:	500	815	-	-	226	(226)	-100.0%	815
All Grants	500	815	-	-	226	(226)	-100.0%	815
Other grant providers:	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	75 597	75 912	-	-	30 265	(30 265)	-100.0%	76 727
TOTAL RECEIPTS OF TRANSFERS & GRANTS	220 561	223 294	44 632	44 632	85 379	(40 748)	-47.7%	226 563

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	61 657	61 657	3 008	3 008	4 666	-		61 657
Operational Revenue:General Revenue:Equitable	56 917	56 917	2 820	2 820	4 295	(1 475)	-34.3%	56 917
Expanded Public Works Programme Integrated Gr	2 617	2 617	144	144	218	(74)	-33.9%	2 617
Local Government Financial Management Grant [	1 463	1 463	44	44	98	(54)	-55.4%	1 463
Municipal Infrastructure Grant [Schedule 5B]	660	660	-	-	55	(55)	-100.0%	660
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Provincial Government:	34 306	35 030	824	824	2 892	(2 068)	-71.5%	35 030
Capacity Building and Other	10 975	11 700	824	824	949	(125)		11 700
Disaster and Emergency Services	-	-	-	-	-	-		-
Infrastructure	23 331	23 331	-	-	1 943	(1 943)		23 331
District Municipality:	-	1 694	-	-	-	(141)	-100.0%	-
All Grants	-	1 694	-	-	141	(141)	-100.0%	-
Other grant providers:	829	1 287	102	102	107	(5)	-5.0%	1 287
Foreign Government and International Organisatio	829	1 287	102	102	107	(5)	-5.0%	1 287
Total operating expenditure of Transfers and Grants	96 792	99 668	3 934	3 934	7 666	(2 215)	-28.9%	97 974
National Government:	49 637	49 637	-	-	2 202	(2 202)	-100.0%	49 637
Municipal Infrastructure Grant [Schedule 5B]	21 148	21 148	-	-	1 632	(1 632)	-100.00%	21 148
Regional Bulk Infrastructure Grant (Schedule 5B)	17 391	17 391	-	-	348	(348)	-100.00%	17 391
Provincial Government:	25 801	26 431	-	-	774	(774)		24 801
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	24 801	24 801	-	-	721	(721)	-100.0%	24 801
District Municipality:	500	815	-	-	26	(26)	-100.0%	815
All Grants	500	815	-	-	26	(26)	-100.0%	815
Other grant providers:	14 157	20 028	1	1	1 145	(1 144)	-99.9%	20 028
Foreign Government and International Organisatio	-	-	-	-	-	-		-
Transfer from Operational Revenue	14 157	20 028	1	1	1 145	(1 144)	-99.9%	20 028
Total capital expenditure of Transfers and Grants	90 094	96 910	1	1	4 147	(4 145)	-100.0%	95 280
TOTAL EXPENDITURE OF TRANSFERS AND GRAN	186 886	196 579	3 935	3 935	11 812	(6 360)	-53.8%	193 255

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	636	636	665	(28)	-4%	7 980
Pension and UIF Contributions	1 787	1 787	90	90	149	(59)	-40%	1 787
Medical Aid Contributions	335	335	17	17	28	(11)	-39%	335
Motor Vehicle Allowance	817	817	-	-	68	(68)	-100%	817
Cellphone Allowance	985	985	78	78	82	(4)	-5%	985
Housing Allowances	43	43	3	3	4	(0)	-5%	43
Other benefits and allowances	59	59	-	-	5	(5)	-100%	59
Sub Total - Councillors	12 007	12 007	825	825	1 000	(175)	-18%	12 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 497	324	324	375	(50)	-13%	4 497
Pension and UIF Contributions	925	925	29	29	77	(48)	-63%	925
Medical Aid Contributions	159	159	5	5	13	(8)	-64%	159
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	1 052	1 052	62	62	88	(26)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	83	103	(21)	-20%	1 242
Cellphone Allowance	84	84	2	2	7	(5)	-71%	84
Housing Allowances	182	182	24	24	15	9	56%	182
Other benefits and allowances	136	136	9	9	11	(2)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers	8 276	8 276	537	537	689	(152)	-22%	8 276
Other Municipal Staff								
Basic Salaries and Wages	136 537	136 602	9 375	9 375	11 379	(2 004)	-18%	136 602
Pension and UIF Contributions	20 659	20 660	1 577	1 577	1 721	(144)	-8%	20 660
Medical Aid Contributions	9 200	9 200	679	679	766	(87)	-11%	9 200
Overtime	10 906	10 906	1 422	1 422	908	513	57%	10 906
Performance Bonus	9 311	9 311	743	743	776	(33)	-4%	9 311
Motor Vehicle Allowance	5 309	5 309	481	481	442	39	9%	5 309
Cellphone Allowance	478	478	43	43	40	3	8%	478
Housing Allowances	1 947	1 947	95	95	162	(67)	-42%	1 947
Other benefits and allowances	5 175	5 175	437	437	431	5	1%	5 175
Payments in lieu of leave	1 050	1 050	121	121	87	33	38%	1 050
Long service awards	-	-	67	67	-	67	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	670	670	2 347	(1 677)	-71%	28 178
Sub Total - Other Municipal Staff	228 749	228 815	15 709	15 709	19 060	(3 351)	-18%	228 815
TOTAL SALARY, ALLOWANCES & % increase	249 032	249 098	17 071	17 071	20 750	(3 679)	-18%	249 098
TOTAL MANAGERS AND STAFF	237 025	237 091	16 247	16 247	19 750	(3 503)	-18%	237 091

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M01 July

Description	Ref	Budget Year 2021/22											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Budget	June Budget
R thousands	1												
Cash Receipts By Source													
Property rates		5 769	-	-	-	-	-	-	-	-	-	-	72 707
Service charges - electricity revenue		30 337	-	-	-	-	-	-	-	-	-	-	286 860
Service charges - water revenue		2 880	-	-	-	-	-	-	-	-	-	-	26 002
Service charges - sanitation revenue		1 789	-	-	-	-	-	-	-	-	-	-	13 485
Service charges - refuse		2 013	-	-	-	-	-	-	-	-	-	-	15 962
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		91	-	-	-	-	-	-	-	-	-	-	(87)
Interest earned - external investments		221	-	-	-	-	-	-	-	-	-	-	1 697
Interest earned - outstanding debtors		0	-	-	-	-	-	-	-	-	-	-	(0)
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		68	-	-	-	-	-	-	-	-	-	-	1 265
Licences and permits		487	-	-	-	-	-	-	-	-	-	-	1 722
Agency services		-	-	-	-	-	-	-	-	-	-	-	3 948
Transfer receipts - operating		-	-	-	-	-	-	-	-	-	-	-	111 506
Other revenue		44 521	-	-	-	-	-	-	-	-	-	-	(35 733)
Cash Receipts by Source		88 177	-	-	-	-	-	-	-	-	-	-	499 333
Other Cash Flows by Source													-
Transfer receipts - capital		9 333	-	-	-	-	-	-	-	-	-	-	53 579
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(10)	-	-	-	-	-	-	-	-	-	-	10
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		(80 000)	-	-	-	-	-	-	-	-	-	-	80 000
Total Cash Receipts by Source		17 500	-	-	-	-	-	-	-	-	-	-	632 923
Cash Payments by Type													-
Employee related costs		14 974	-	-	-	-	-	-	-	-	-	-	196 610
Remuneration of councillors		936	-	-	-	-	-	-	-	-	-	-	(936)
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity		32 051	-	-	-	-	-	-	-	-	-	-	228 774
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		1 474	-	-	-	-	-	-	-	-	-	-	-
Contracted services		2 677	-	-	-	-	-	-	-	-	-	-	(2 677)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		54	-	-	-	-	-	-	-	-	-	-	(54)
General expenses		8 745	-	-	-	-	-	-	-	-	-	-	62 995
Cash Payments by Type		60 910	-	-	-	-	-	-	-	-	-	-	484 713
Other Cash Flows/Payments by Type													
Capital assets		1 867	-	-	-	-	-	-	-	-	-	-	87 378
Repayment of borrowing		(2)	-	-	-	-	-	-	-	-	-	-	2
Other Cash Flows/Payments		(467)	-	-	-	-	-	-	-	-	-	-	467
Total Cash Payments by Type		62 307	-	-	-	-	-	-	-	-	-	-	572 560
NET INCREASE/(DECREASE) IN CASH HELD		(44 807)	-	-	-	-	-	-	-	-	-	-	60 363
Cash/cash equivalents at the month/year beginning:		115 296	70 489	70 489	70 489	70 489	70 489	70 489	70 489	70 489	70 489	70 489	70 489
Cash/cash equivalents at the month/year end:		70 489	70 489	70 489	70 489	70 489	70 489	70 489	70 489	70 489	70 489	70 489	130 851

FINANCE MONTHLY REPORT JULY 2021 / FINANSIES MAANDELIKSE VERSLAG JULIE
2021

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M01 July

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	-	3 528	4 098	1	1	4 098	4 097	100.0%	0%
August	970	5 053	5 605	-		9 703	-		
September	2 309	7 122	7 624	-		17 327	-		
October	3 822	10 136	10 628	-		27 956	-		
November	7 006	10 136	10 628	-		38 584	-		
December	3 969	8 647	9 131	-		47 715	-		
January	4 376	3 528	4 098	-		51 813	-		
February	4 502	5 053	5 605	-		57 419	-		
March	15 227	7 122	7 624	-		65 042	-		
April	2 003	10 136	10 628	-		75 671	-		
May	6 929	10 136	10 628	-		86 299	-		
June	15 830	8 647	9 131	-		95 430	-		
Total Capital expenditure	66 944	89 244	95 430	1					

3.2 SUPPLY CHAIN MANAGEMENT

3.2 VOORSIENINGSKANAAL BESTUUR

3.2.1 Demand and Acquisition

3.2.1 Aanvraag en Verkryging

3.2.1.1 Advertisement stage

3.2.1.1 Adverteringsfase

The following formal written price quotations are currently in the advertisement stage:

Die volgende formele geskrewe pryskwotasies is tans in die adverterings fase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08-2-19-02	Appointment of a Service Provider for training of Operating Regulations High Voltage Systems (ORHVS)	06-Aug-2021

The following competitive bids are currently in the advertisement stage:

Die volgende mededingende tenders is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08-2-18-69	Supply and fitment of new Tyres, tubes and provision of Tyre repair and other related services, including the supply and fitment of steering and suspension components	06-Sep-2021
08-2-18-78	Sport Field Masts For Lyell Street Sports Field	07-Sep-2021
08-2-18-82	Electrification of Informal Houses in Vredebes, Ceres – Phase H	06-Sep-2021
08-2-19-01	Supply and delivery of Station Uniforms for Fire Department, Emergency Control Room and Disaster Management	19-Aug-2021

3.2.1.2 Evaluation stage:

3.2.1.2 Evaluering stadium:

The following competitive bids are currently in the evaluation stage:

Die volgende mededingende tenders is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/12	Supply and delivery of Protective Clothing	06-Apr-2021	20-Apr-2021 31-May-2021 18-Jun-2021	I Barnard
08/2/18/62	Professional services for Witzenberg Municipality	08-Jul-2021	Awaiting	D Greeff
08/2/18/73	Supply and delivery of copy paper	06-Jul-2021	Awaiting	M Frieslaar
08/2/18/79	Supply and delivery of a Conference System for Council Chambers	15-Jun-2021	16-Jun-2021 05-Jul-2021	R Rhode

The following formal written price quotations are currently in the evaluation stage:

Die volgende formele geskrewe pryskwotasie is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/34	Supply and delivery of Cement (Concrete & Mortar) (Re-advertisement)	25-May-2021	Awaiting	M Frieslaar
08/2/18/34	Supply and delivery of Cement (Concrete & Mortar) (Re-advertisement)	25-May-2021	13-Jul-2021	M Frieslaar
08/2/18/58	Construction of External Sewerage Services for Schoonvlei Development	17-Jun-2021	18-Jun-2021 30-Jun-2021	R Fick
08/2/18/66	Supply and delivery of Water Meters	23-Jul-2021	Awaiting	N Jacobs
08/2/18/67	Periodic Maintenance, General repairs and Provision of Spare parts for Sweeper	08-Jun-2021	24-Jun-2021	O Gatyene
08/2/18/70	Supply and delivery of turbidity meters, dissolved oxygen meters, PH meters and chlorine meters	21-Jun-2021	05-Jul-2021	N Jacobs
08/2/18/74	Supply and delivery of galvanised roof sheets, ridging and Self Drill screws	28-Jun-2021	Awaiting	N Jacobs
08/2/18/84	Supply, delivery & offloading of Disposable diapers	21-Jun-2021	22-Jun-2021	R Fick
08/2/18/86	Renewal of various Fortinet Licenses for One Year	20-Jul-2021	23-Jul-2021	R Rhode
08/2/18/87	Supply and Delivery of Trend Micro Enterprise Security Suite	20-Jul-2021	22-Jul-2021	R Rhode
08/2/19/04	Supply, fit of parts and repairs of Nissan UD90 FE6T (2006)	23-Jul-2021	29-Jul-2021	O Gatyene

3.2.1.3 Adjudication stage

The following competitives bid are currently in the adjudication stage:

3.2.1.3 Toekenningsfase:

Die volgende mededingende tenders is tans in die toekenningsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
08/2/17/88	Supply and delivery of Electrical Equipment and Cables	05-Oct-2020	20-May-2021 15-Jul-2021	26-Jul-2021
08/2/18/05	Roads and Stormwater Maintenance (Re-advertisement)	30-Mar-2021	14-Jul-2021	26-Jul-2021
08/2/18/08	Construction of the Waverenskroon Dam, Inlet Pipeline and Intake Works, Tulbagh	21-Oct-2020	15-Dec-2020	28-Jan-2021
08/2/18/48	Service provider for Plumbing Training	28-Apr-2021	14-Jul-2021	26-Jul-2021

No formal written price quotations are currently in the adjudication stage.

Geen formele geskrewe prys kwotasie is tans in die Toekenningsfase nie.

3.2.1.4 Bids awarded

The following bids were awarded by the Bid Adjudication Committee during the month of July 2021:

3.2.1.4 Tenders toegeken

Die volgende tenders was toegeken deur die Tender Toekenningskomitee gedurende Julie 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/18/43	07-Jul-2021	Du Plessis Auto T/A Ceres Motolek	Supply, delivery and fitment of Vehicle batteries and rendering of Auto electrical repairs and services	Only responsive bidder	R 1 717 250.00

No competitive bids were awarded by the Accounting Officer during the month of July 2021.

Geen mededingende tenders was toegeken deur die Rekenpligtige Beampte gedurende Julie 2021 nie.

3.2.1.5 Paragraph 13 (1): Cancellation and re-invitation of tenders

3.2.1.5 Paragraaf 13 (1): Kansellasië en her-uitnodiging van tenders

Bid ref number	Date	Brief description of services	Reason why bid is cancelled
08/2/18/38	13-Jul-2021	Annual load testing of Lifting equipment including 6 monthly inspection	No acceptable bids were received
08/2/18/44	26-Jul-2021	Translation services from English to Afrikaans and vice versa for Witzenberg municipality	Material irregularity in the bid process
08/2/18/77	13-Jul-2021	Supply and delivery of Laptops and other Electronic equipment	No acceptable bids were received

3.2.1.6 Paragraph 19 (1) I and 19 (2): Written price quotations

3.2.1.6 Paragraaf 19 (1) (c) en 19 (2): Geskrewe Prys Kwotasies

No written price quotations were approved during the month of July 2021.

Geen geskrewe prys kwotasies was goedgekeur gedurende Julie 2021 nie.

3.2.1.7 Formal Written Price Quotations

3.2.1.7 Formele Geskrewe Prys Kwotasies

The following formal written price quotations, in excess of R 30 000 were awarded by an official acting in terms of a sub-delegation for the month of July 2021:

Die volgende formele geskrewe kwotasies, wat meer is as R 30 000.00 is toegeken deur 'n amptenaar wat in terme van 'n sub-afvaardiging vir die maand van Julie 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
08/2/18/52	30-Jun-2021	ZABS Enterprises (PTY) Ltd	Supply, delivery & erection of concrete and steel palisade fencing and gate at N'duli reservoir	Bidder scored the highest points	R 115 847.55 (Incl. VAT)	Director: Technical Services
08/2/18/75	23-Jul-2021	Delta BEC (PTY) Ltd	Determination of the Rehabilitation costs for waste disposal sites in the Witzenberg Municipal Area (Re-advertisement)	Bidder scored the highest points	R 152 691.25 (Incl. VAT)	Director: Financial Services
08/2/18/85	01-Jul-2021	Riding & Watt	Appointment of a service provider for subdivision of 10 erven in Skoonvlei, CERES	Bidder scored the highest points	R 34 625.65 (Incl. VAT)	Acting Director: Community Services

3.2.1.8 Appeals

No appeals were lodged and dealt with by the Accounting Officer during the month of July 2021.

3.2.1.8 Appèlle

Geen appèlle is ontvang of was hanteer deur die Rekenpligtige beampte gedurende Julie 2021 nie.

3.2.1.9 Deviations

The following table contains the actuals against approved deviations by the Accounting Officer for the month of July 2021 which totals R 146 952:

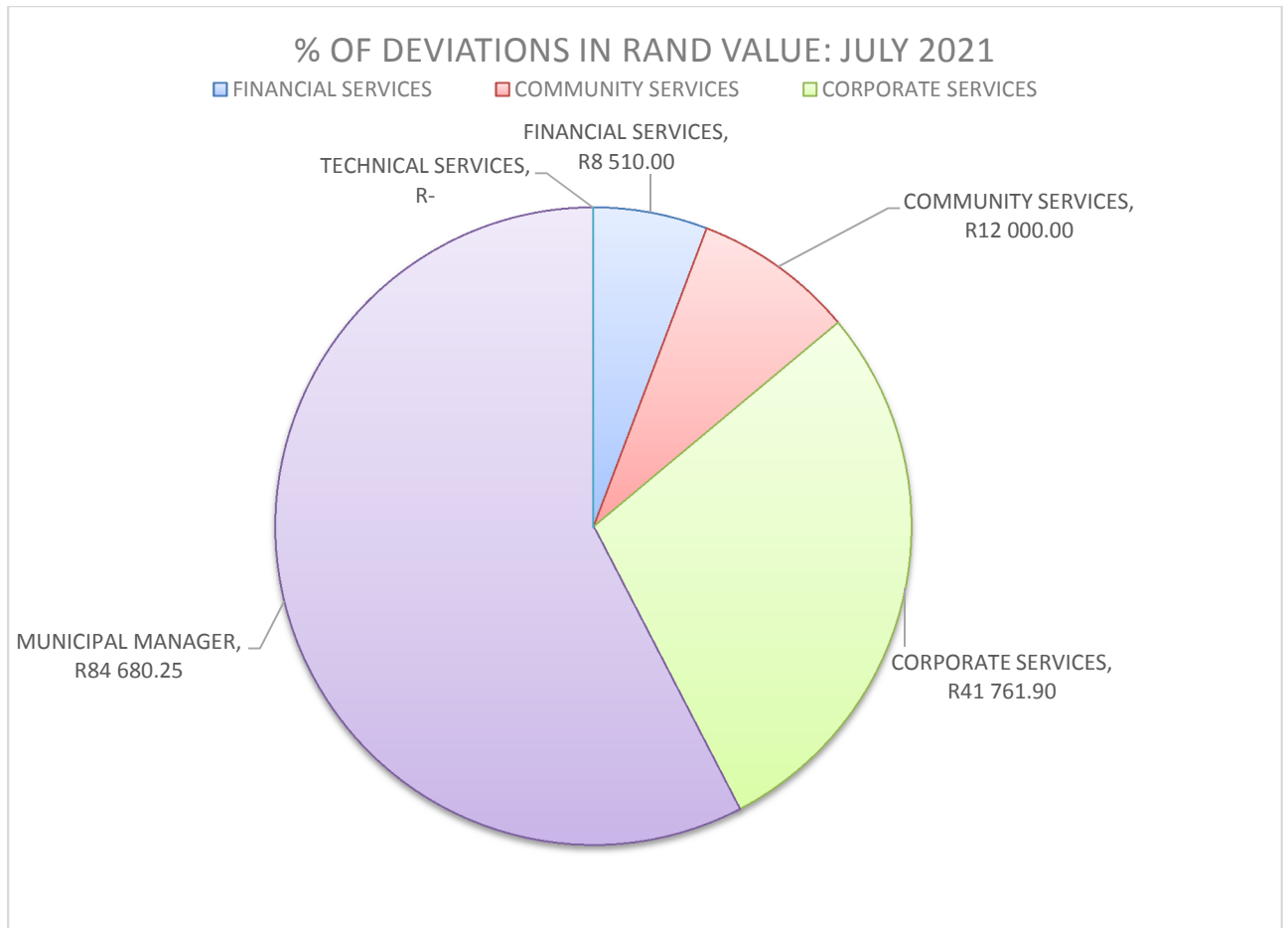
3.2.1.9 Afwykings

Die volgende tabel bevat die werklike uitgawes teen goedgekeurde afwykings deur die Rekenpligtige Beampte vir die maand van Julie 2021 wat beloop op die totaal van R 146 952:

Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
13-Jul-21	Solvem Consulting (Pty) Ltd	Assistance with Tariffs	Impractical	169506	8,510.00
14-Jul-21	Witzenberg Herald	Advertisement of a Council Meeting for July 2021	Single supplier	169527	2,448.00
16-Jul-21	Syntell Networks (Pty) Ltd	Repair iro Traffic Robot Controller	Single supplier	169564	19,656.95
22-Jul-21	IDI Technology Solutions (Pty) Ltd	Risk and Audit Software User Licence	Single supplier	169651	84,680.25
23-Jul-21	Ply General Services (PTY) Ltd	Cutting of dangerous trees in Pine Forest	Emergency	169656	12,000.00
30-Jul-21	Syntell Networks (Pty) Ltd	Repair ro Traffic Robot Controller	Single supplier	169718	19,656.95

MONTH / MAAND	DEVIATION AMOUNT AFWYKING BEDRAG	TOTAL VALUE OF ORDERS ISSUED TOTALE WAARDE VAN BESTELLINGS UITGEREIK	% DEVIATIONS OF TOTAL ORDERS ISSUED % AFWYKINGS VAN TOTALE BESTELLINGS UITGEREIK
May 2021	R 3 051 131	R24 847 569.10	12.27%
June 2021	R 1 619 311	R36 812 684.88	4.39%
July 2021	R 146 952	R37 556 146.40	0.39%

DEVIATIONS PER DIRECTORATE



Logistics

The table below contains a high level summary of information regarding the stores section:

Logistieke

Die tabel hieronder bevat 'n hoë vlak opsomming van inligting rakende die magasyn (stoor):

MONTH	May 2021	Jun 2021	Jul 2021
Value of inventory at hand	R 8 517 869	R 8 479 387	R 8 134 716
Turnover rate of total value of inventory	0.79	0.81	0.84
Date of latest stores reconciliation	31 Jul 2021		
Date of last stock count	30 Jun 2021		
Date of next stock count	10 Sep 2021		



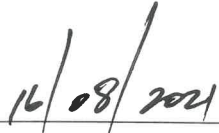
QUALITY CERTIFICATE

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the monthly in year monitoring reports for the month of July 2021 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Mr D Nasson

Municipal Manager of WITZENBERG MUNICIPALITY

Signature: 

Date: 

Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/ Kindly address all correspondence to the Municipal Manager/ Yonke imbalelwano mayithunyelwe kuMlawuli kaMasipala

*Witzenberg, the Eden of Africa, aspires that all residents shall live together in harmony and prosperity.
Witzenberg, die Eden van Afrika, streef daartoe dat alle inwoners in harmonie en voorspoed saamleef.
Witzenberg, IEden yase Africa igquashalazele ekubeni bonke abahlali bakhawulelezise ukuhlalisana ngolomwalo.*



Monthly Budget Statement Report Section 71 for August 2021

**Financial data is in respect of the period
1 July 2021 to 30 June 2022**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

2.3 Monthly budget statements

In terms of Section 71 of the MFMA the accounting officer must prepare monthly budget statements that comply with this section. This section read as follows:

"71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on—*
 - (i) its share of the local government equitable share; and*
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
 - (g) when necessary, an explanation of—*
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;*
 - (ii) any material variances from the service delivery and budget implementation plan; and*
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.*

(2) The statement must include—

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after

2.3 Maandelikse begroting state

In terme van Artikel 71 van die MFMA die rekenpligtige beampte moet 'n maandelikse begroting state wat voldoen aan hierdie artikel. Hierdie artikel lees soos volg:

"71. (1) Die rekenpligtige beampte van 'n munisipaliteit moet nie later as 10 werk dae na die einde van elke maand aan die burgemeester van die munisipaliteit en die betrokke Provinsiale Tesourie 1 verklaring in die voorgeskrewe formaat oor die toestand van die munisipaliteit se begroting wat die volgende besonderhede vir die maand en vir die finansiële jaar tot die einde van die maand:

- (a) werklike inkomste per bron van inkomste;*
- (b) werklike lenings;*
- (c) die werklike uitgawes per stem;*
- (d) die werklike kapitaalbesteding, per stem;*
- (e) die bedrag van enige toekennings ontvang;*
- (f) die werklike uitgawes op daardie toekennings, uitgesluit besteding op*
 - (i) sy deel van die plaaslike regering billike deel;*
 - (ii) toekennings vrygestel is by die jaarlikse Verdeling van Inkomste van die nakoming van hierdie paragraaf, en*
 - (g) wanneer dit nodig is, 'n verduideliking van—*
 - (i) enige wesenslike afwykings van die munisipaliteit se geprojekteerde inkomste deur die bron, en van die munisipaliteit se uitgawe projeksies per stem;*
 - (ii) enige wesenslike afwykings van die dienslewering en begrotings implementeringsplan;*
 - (iii) enige remediërende of korrektiewe stappe geneem is of geneem word om te verseker dat die geprojekteerde inkomste en uitgawes in die munisipaliteit se goedgekeurde begroting bly.*

(2) Die staat moet die volgende insluit-

- (a) 'n projeksie van die betrokke munisipaliteit se inkomste en uitgawes vir die res van die finansiële jaar, en enige wysigings van die aanvanklike projeksies, en*
- (b) die voorgeskrewe inligting met betrekking tot die toestand van die begroting van elke munisipale entiteit wat aan die munisipaliteit in terme van artikel 87 (10).*

(3) die bedrae wat in die verklaring moet in elke geval in vergelyking met die ooreenstemmende bedrae begroot vir die munisipaliteit se goedgekeurde begroting.

(4) Die verklaring aan die provinsiale tesourie moet in die formaat van 'n getekende dokument en in elektroniese formaat.

(5) Die rekenpligtige beampte van 'n munisipaliteit wat 'n toekenning bedoel in subartikel (1)(e) gedurende 'n bepaalde maand ontvang het, moet nie later nie as 10 werksdae na die

the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter."

einde van die maand, moet daardie deel van die verklaring wat die besonderhede bedoel in subartikel (1)(e) en (f) om die nasionale of provinsiale orgaan van die staat of munisipaliteit wat die toekenning oorgedra

(6) Die Provinsiale Tesourie moet nie later nie as 22 werksdae na die einde van elke maand aan die Nasionale Tesourie 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van die munisipaliteite se begrotings, per munisipaliteit en per munisipale entiteit.

(7) Die Provinsiale Tesourie moet, binne 30 dae na die einde van elke kwartaal, openbaar te maak as wat voorgeskryf mag word, 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van munisipaliteite se begrotings per munisipaliteit en per munisipale entiteit. Die LUR vir finansies moet so 'n gekonsolideerde staat nie later nie as 45 dae na die einde van elke kwartaal aan die provinsiale wetgewer dien."

A MAYOR'S REPORT

Credit control for various reasons remains a challenge for the municipality.

The unwillingness / inability of government departments to pay their municipal accounts was a big concern. However department are slowing starting to make payment. The debt is in excess of R10 million in comparison to the prior month figure of R14.95 million.

The monthly billing was also done as scheduled and during this process 19 868 accounts amounting to R 44.5 million was printed and distributed to consumers. The prepaid electricity sales amounted to R 6.3 million in comparison to a cost of R5.3 million for the same month during the prior financial year.

The indigent cost to the municipality for the month amounts to R 1.7 million in comparison to the prior month figure of R1.6 million

The accumulated debtor's collection target for the year is 94%, and the actual accumulated year to date debtor's collection is 71% in comparison to a rate of 62% for the same month in the previous year.

The municipality issued orders to the value of R 57.5 million of which R 242 thousand was in terms of deviations.

The municipality currently has R 76 million in its primary bank account and investments to the value of R80 million. The bank balance at the end of the previous month was R91.5 million.

The calculated cost coverage ratio of the municipality as at the end of August 2021 is 2.65 months.

B RECOMMENDATION

It is recommended that council take cognisance of the quarterly budget assessment for the month of August 2021.

C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

A BURGEMEESTERS VERSLAG

Kredietbeheer bly 'n uitdaging vir die munisipaliteit as gevolg van verskillende redes.

Die onwilligheid / onvermoë van staats departemente om hulle munisipale rekeninge te betaal was 'n groot bekommernis. Departemente is stadig besig om hul betalings te maak. Die skuld beloop tans R10miljoen in vergelyking met die vorige maand syfer van R14.95 miljoen.

Die maandelikse rekeninge is ook gehef soos geskeduleer en tydens hierdie proses is 19 868 rekeninge ten bedrae van R 44.5 miljoen gedruk en aan verbruikers versprei. Die voorafbetaalde elektrisiteit verkope beloop R 6.3 miljoen en was R5.3 miljoen vir dieselfde maand gedurende die vorige finansiële jaar.

Die deernis subsidies vir die maand beloop R 1.7 miljoen in vergelyking met die vorige maand syfer van R1.6 miljoen.

Die opgehoopte debiteure verhalings se teiken vir die jaar is 94%, en die werklike jaar tot op datum invordering is 71% in vergelyking met 62% vir dieselfde maand in die vorige finansiële jaar.

Bestellings ter waarde van R 57.5 miljoen uitgereik, waarvan R 242 duisend ten opsigte van afwykings is.

Die munisipaliteit het R 76 miljoen in die primêre bankrekening en beleggings ter waarde van R80 miljoen. Die bankbalans aan die einde van die vorige maand was R91.5 miljoen.

Die berekende koste dekking verhouding van die munisipaliteit soos aan die einde van Augustus 2021 is 2.65 maande.

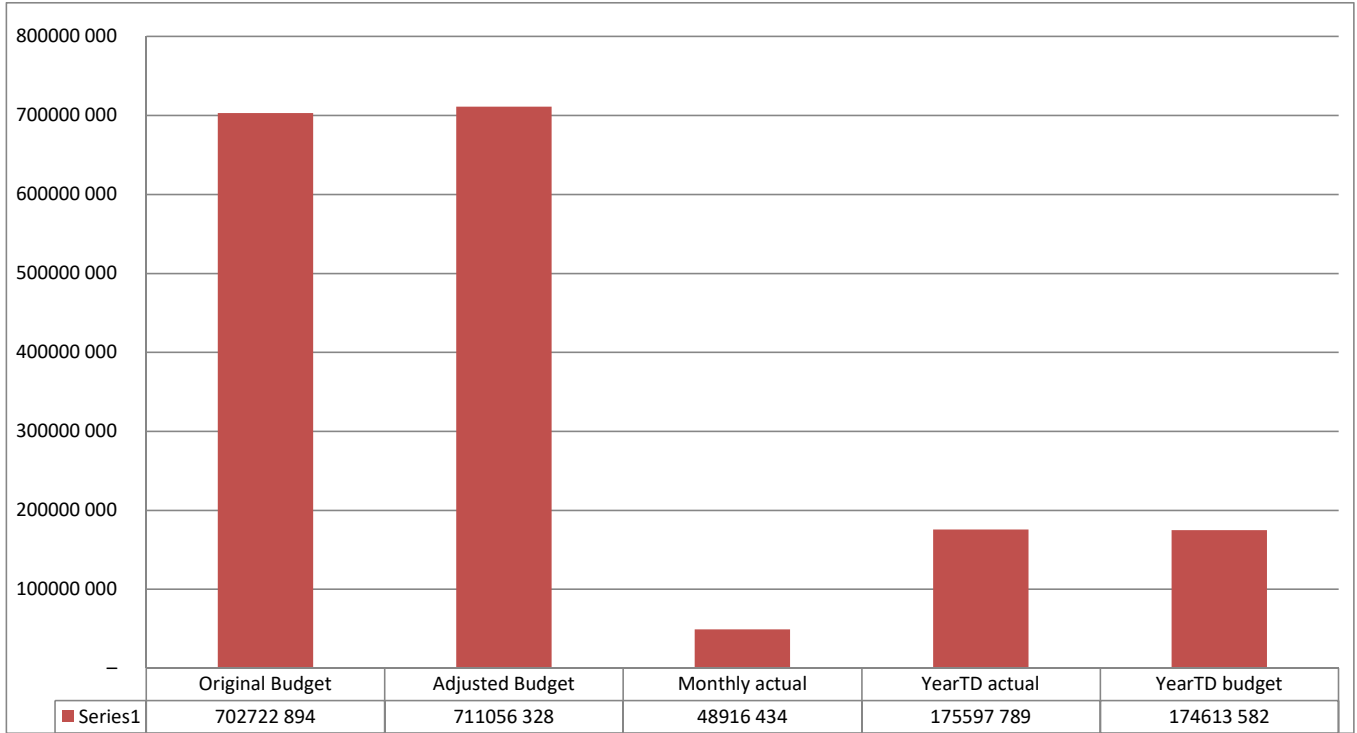
B AANBEVELING

Dit word aanbeveel dat die raad kennis neem van die finansiële maandverslag en ondersteunende dokumente vir Augustus 2021.

C OPSOMMING

Die volgende tabelle voorsien 'n opsomming van die finansiële inligting:

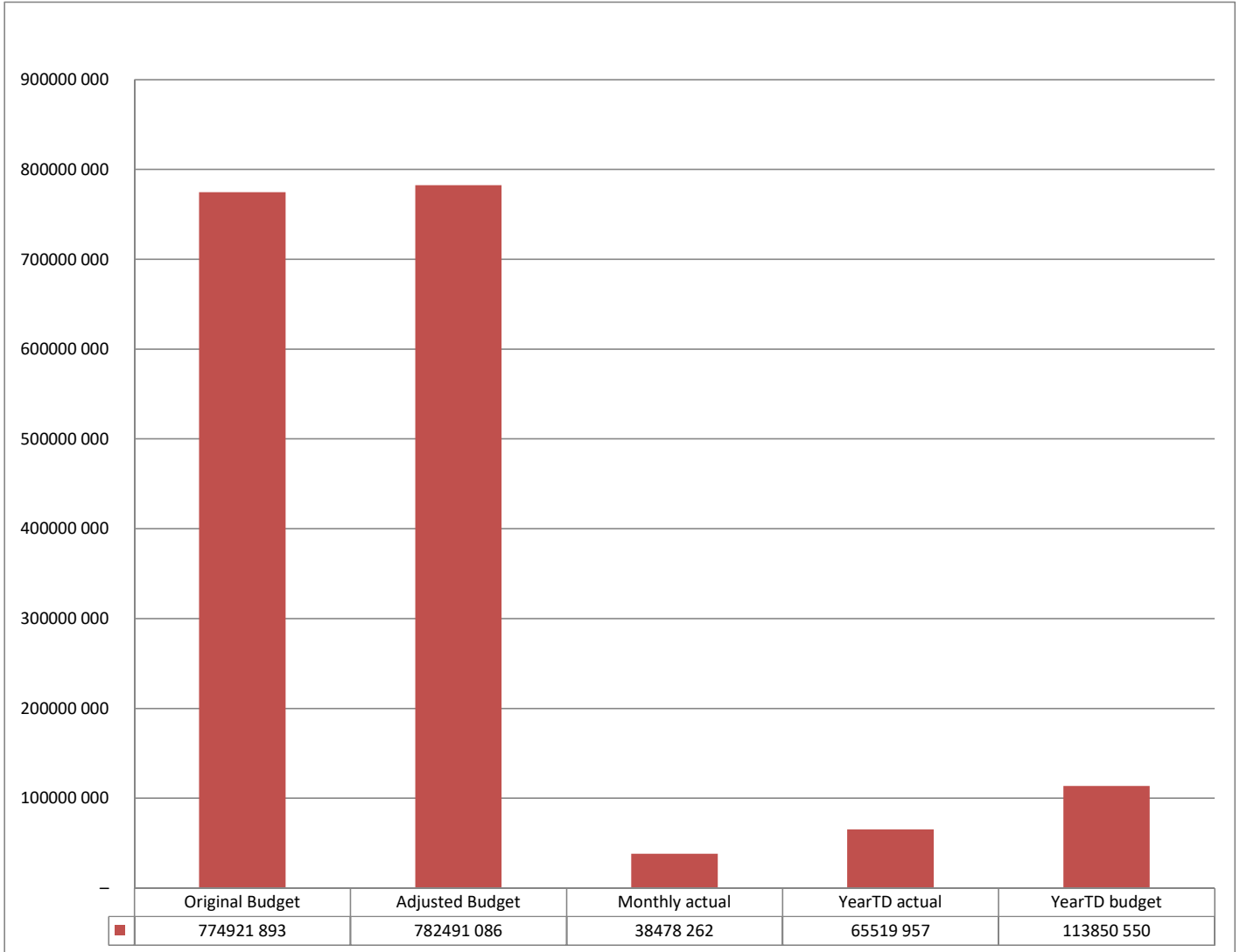
TOTAL OPERATIONAL REVENUE



For the period 1 August 2021 to 30 June 2022, 24,7% of the budgeted operational revenue was raised.

Vir die periode 1 Augustus 2021 tot 30 Junie 2022, is 24,7% van die begrote operasionele inkomste gehêf.

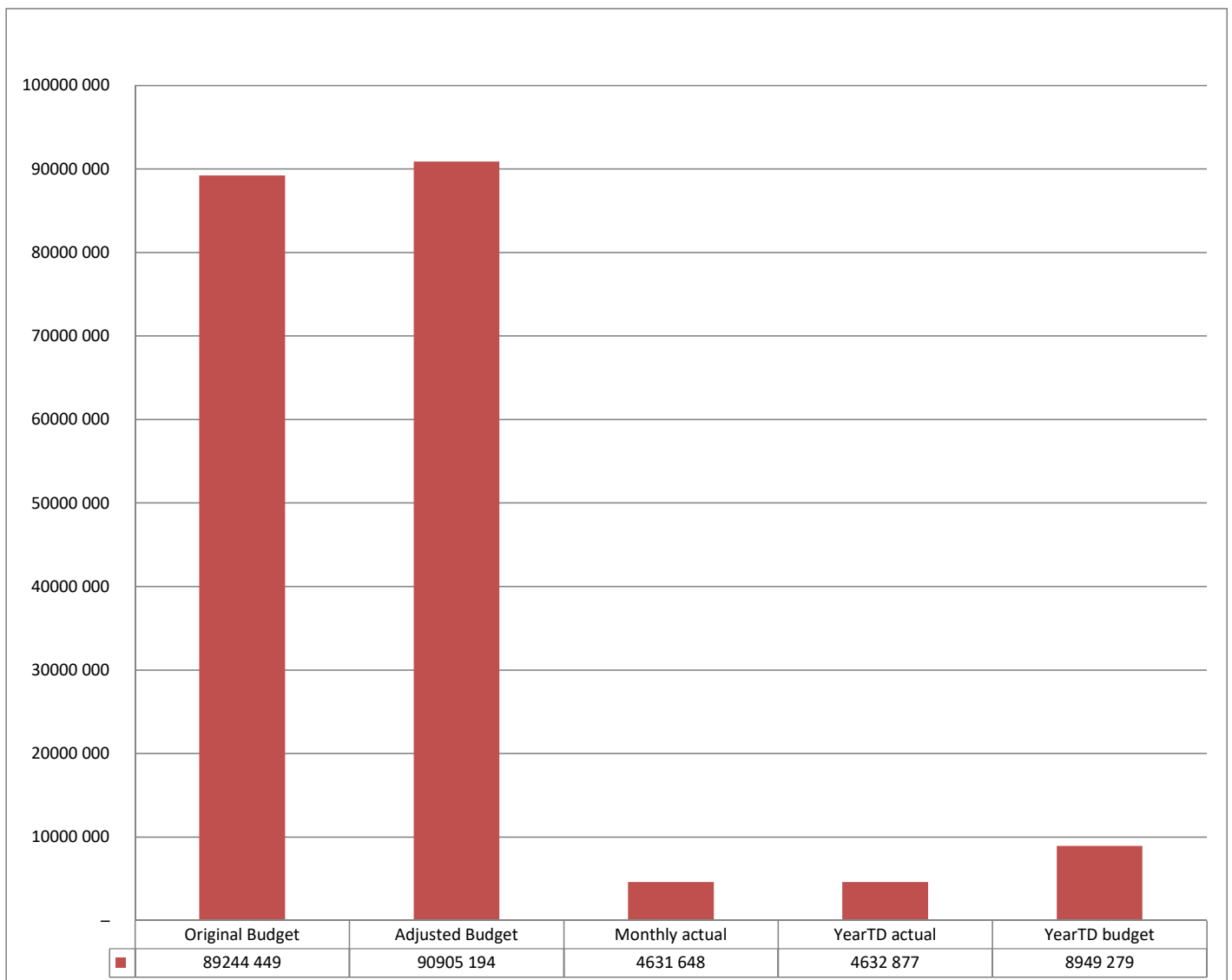
TOTAL OPERATIONAL EXPENDITURE



For the period 1 August 2021 to 30 June 2022, 8,37% of the budgeted operational expenditure was incurred.

Vir die periode 1 Augustus 2021 tot 30 Junie 2022, is 8,37% van die begrote operasionele uitgawes aangegaan.

CAPITAL EXPENDITURE



For the period 1 August 2021 to 30 June 2022, 5,1% of the budgeted capital expenditure was incurred.

Vir die periode 1 Augustus 2021 tot 30 Junie 2022, is 5,1% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 31 August 2021.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M02 August

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	3 779	42 908	44 860	(1 952)	-4%	83 290
Service charges	376 205	413 772	413 772	42 490	83 156	67 821	15 335	23%	413 772
Investment revenue	3 079	6 990	6 990	237	458	1 164	(707)	-61%	6 990
Transfers recognised - operational	131 244	145 903	154 127	281	44 913	51 959	(7 046)	-14%	154 127
Other own revenue	31 880	52 768	52 877	2 129	4 164	8 810	(4 646)	-53%	52 877
transfers and contributions)	623 082	702 723	711 056	48 916	175 598	174 614	984	1%	711 056
Employee costs	201 538	237 025	237 091	16 827	33 073	39 499	(6 426)	-16%	237 091
Remuneration of Councillors	9 897	12 007	12 007	847	1 672	2 000	(329)	-16%	12 007
Depreciation & asset impairment	32 472	39 729	39 729	-	-	6 619	(6 619)	-100%	39 729
Finance charges	4 522	8 696	8 696	-	-	1 449	(1 449)	-100%	8 696
Materials and bulk purchases	252 216	300 766	301 438	34 075	35 021	37 053	(2 033)	-5%	301 438
Transfers and grants	6 534	25 603	30 361	54	107	5 060	(4 953)	-98%	30 361
Other expenditure	139 236	151 096	153 169	(13 323)	(4 352)	22 170	(26 522)	-120%	153 169
Total Expenditure	646 415	774 922	782 491	38 478	65 520	113 851	(48 331)	-42%	782 491
Surplus/(Deficit)	(23 333)	(72 199)	(71 435)	10 438	110 078	60 763	49 315	81%	(71 435)
Transfers recognised - capital	52 267	74 937	75 965	-	-	29 984	(29 984)	-100%	75 965
Contributions & Contributed assets	898	170	170	9	50	28	22	76%	170
& contributions	29 831	2 908	4 700	10 447	110 128	90 775	19 353	21%	4 700
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	29 831	2 908	4 700	10 447	110 128	90 775	19 353	21%	4 700
Capital expenditure & funds sources									
Capital expenditure	117 064	89 244	90 905	4 632	4 633	8 949	(4 316)	-48%	90 905
Capital transfers recognised	52 768	74 937	76 533	4 559	4 559	7 604	(3 045)	-40%	76 533
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	14 372	73	74	1 345	(1 272)	-95%	14 372
Total sources of capital funds	66 944	89 244	90 905	4 632	4 633	8 949	(4 316)	-48%	90 905
Financial position									
Total current assets	216 785	181 281	181 281		313 677				185 556
Total non current assets	1 030 339	1 041 921	1 041 921		1 034 972				1 052 677
Total current liabilities	124 441	201 668	201 668		114 849				205 180
Total non current liabilities	175 032	131 189	131 189		176 030				170 101
Community wealth/Equity	947 651	890 345	890 345		1 057 769				862 953
Cash flows									
Net cash from (used) operating	-	85 636	85 636	6 902	43 970	38 491	5 479	14%	182 362
Net cash from (used) investing	-	(89 094)	(89 094)	(4 551)	(86 418)	(5 679)	(80 738)	1422%	-
Net cash from (used) financing	-	(1 000)	(1 000)	21	9	-	9		9
end	-	133 360	133 360	-	72 857	170 630	(97 774)	-57%	297 658
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	81 487	5 946	4 815	4 604	4 447	4 402	23 852	185 464	315 016
Creditors Age Analysis									
Total Creditors	827	270	-	-	-	-	-	-	1 097

FINANCE MONTHLY REPORT AUGUST 2021 / FINANSIES MAANDELIKSE VERSLAG AUG. 2021

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	94 586	110 918	112 721	4 731	44 472	50 301	(5 829)	-12%	112 721
Executive and council	13	-	-	-	-	-	-	-	-
Finance and administration	94 573	110 918	112 721	4 731	44 472	50 301	(5 829)	-12%	112 721
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	155 398	171 710	178 075	689	45 786	55 297	(9 512)	-17%	178 075
Community and social services	128 957	120 006	120 731	243	44 854	45 684	(830)	-2%	120 731
Sport and recreation	9 235	1 661	1 661	134	255	277	(21)	-8%	1 661
Public safety	16 928	26 158	26 473	304	659	4 410	(3 752)	-85%	26 473
Housing	278	23 884	29 210	9	17	4 926	(4 909)	-100%	29 210
<i>Economic and environmental services</i>	16 878	25 287	26 480	62	277	9 727	(9 449)	-97%	26 480
Planning and development	4 244	2 365	2 846	61	276	628	(352)	-56%	2 846
Road transport	12 634	22 907	23 620	1	1	9 096	(9 095)	-100%	23 620
Environmental protection	-	14	14	-	-	2	(2)	-100%	14
<i>Trading services</i>	409 308	469 795	469 795	43 432	85 021	89 281	(4 259)	-5%	469 795
Energy sources	274 358	334 664	334 664	29 937	61 581	56 585	4 996	9%	334 664
Water management	52 476	72 201	72 201	3 617	8 395	18 712	(10 316)	-55%	72 201
Waste water management	49 259	27 843	27 843	7 043	9 499	6 435	3 064	48%	27 843
Waste management	33 216	35 087	35 087	2 835	5 546	7 549	(2 003)	-27%	35 087
Total Revenue - Functional	676 246	777 830	787 191	48 926	175 648	204 626	(28 978)	-14%	787 191
Expenditure - Functional									
<i>Governance and administration</i>	122 967	145 004	146 691	5 438	15 298	23 832	(8 534)	-36%	146 691
Executive and council	23 838	29 621	29 602	1 837	3 660	4 897	(1 237)	-25%	29 602
Finance and administration	96 620	112 849	114 555	3 444	11 276	18 525	(7 249)	-39%	114 555
Internal audit	2 508	2 534	2 534	157	361	409	(48)	-12%	2 534
<i>Community and public safety</i>	97 728	133 059	138 546	6 376	12 303	22 452	(10 149)	-45%	138 546
Community and social services	23 943	28 680	29 401	1 902	3 749	4 866	(1 117)	-23%	29 401
Sport and recreation	27 313	32 356	32 356	1 797	3 342	5 042	(1 700)	-34%	32 356
Public safety	42 003	43 012	43 019	2 337	4 526	6 992	(2 467)	-35%	43 019
Housing	4 469	29 011	33 769	340	686	5 552	(4 865)	-88%	33 769
<i>Economic and environmental services</i>	34 813	36 288	36 749	1 601	3 307	5 675	(2 368)	-42%	36 749
Planning and development	10 129	11 280	11 741	825	1 715	1 937	(222)	-11%	11 741
Road transport	24 205	22 910	22 910	742	1 517	3 393	(1 875)	-55%	22 910
Environmental protection	479	2 098	2 098	34	75	345	(270)	-78%	2 098
<i>Trading services</i>	390 006	459 620	459 555	25 062	34 608	61 734	(27 126)	-44%	459 555
Energy sources	271 784	327 833	327 773	35 149	37 151	40 236	(3 085)	-8%	327 773
Water management	41 092	36 559	36 559	(5 602)	(2 939)	5 842	(8 780)	-150%	36 559
Waste water management	36 519	43 400	43 394	(2 050)	341	7 094	(6 752)	-95%	43 394
Waste management	40 611	51 829	51 829	(2 434)	54	8 562	(8 509)	-99%	51 829
<i>Other</i>	902	951	951	-	4	158	(154)	-97%	951
Total Expenditure - Functional	646 415	774 922	782 491	38 478	65 520	113 851	(48 331)	-42%	782 491
Surplus/ (Deficit) for the year	29 831	2 908	4 700	10 447	110 128	90 775	19 353		4 700

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

Description	2020/21	Budget Year 2021/22						YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands									
Revenue - Functional									
<i>Municipal governance and administration</i>	94 586	110 918	112 721	4 731	44 472	50 301	(5 829)	-12%	112 721
Executive and council	13	-	-	-	-	-	-		-
<i>Mayor and Council</i>	13	-	-	-	-	-	-		-
<i>Municipal Manager, Town Secretary and Chief Execut</i>	-	-	-	-	-	-	-		-
Finance and administration	94 573	110 918	112 721	4 731	44 472	50 301	(5 829)	-12%	112 721
<i>Administrative and Corporate Support</i>	0	9	9	-	-	2	(2)	-100%	9
<i>Finance</i>	94 239	110 250	112 053	4 642	44 383	50 190	(5 806)	-12%	112 053
<i>Human Resources</i>	254	580	580	82	82	97	(14)	-15%	580
<i>Marketing, Customer Relations, Publicity and Media</i>	0	5	5	-	-	1	(1)	-100%	5
<i>Property Services</i>	-	-	-	-	-	-	-		-
<i>Supply Chain Management</i>	80	74	74	6	6	12	(6)	-50%	74
Community and public safety	155 398	171 710	178 075	689	45 786	55 297	(9 512)	-17%	178 075
Community and social services	128 957	120 006	120 731	243	44 854	45 684	(830)	-2%	120 731
<i>Aged Care</i>	118 121	109 415	109 415	220	44 808	43 766	1 042	2%	109 415
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	328	367	367	23	45	93	(49)	-52%	367
<i>Community Halls and Facilities</i>	31	485	485	-	0	81	(81)	-100%	485
<i>Libraries and Archives</i>	10 475	9 739	10 463	0	2	1 744	(1 742)	-100%	10 463
Sport and recreation	9 235	1 661	1 661	134	255	277	(21)	-8%	1 661
<i>Recreational Facilities</i>	1 978	1 611	1 611	134	255	268	(13)	-5%	1 611
<i>Sports Grounds and Stadiums</i>	7 257	50	50	-	-	8	(8)	-100%	50

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Public safety	16 928	26 158	26 473	304	659	4 410	(3 752)	-85%	26 473
<i>Fire Fighting and Protection</i>	2	6	6	2	2	1	0	0	6
Housing	278	23 884	29 210	9	17	4 926	(4 909)	-100%	29 210
<i>Housing</i>	278	23 884	29 210	9	17	4 926	(4 909)	-100%	29 210
Economic and environmental services	16 878	25 287	26 480	62	277	9 727	(9 449)	-97%	26 480
Planning and development	4 244	2 365	2 846	61	276	628	(352)	-56%	2 846
<i>Economic Development/Planning</i>	1 892	279	760	-	-	127	(127)	-100%	760
<i>Town Planning, Building Regulations and Enforcemen</i>	1 721	1 426	1 426	61	276	238	39	16%	1 426
<i>Project Management Unit</i>	630	660	660	-	-	264	(264)	-100%	660
Road transport	12 634	22 907	23 620	1	1	9 096	(9 095)	-100%	23 620
<i>Roads</i>	12 634	22 907	23 620	1	1	9 096	(9 095)	-100%	23 620
Environmental protection	-	14	14	-	-	2	(2)	-100%	14
<i>Biodiversity and Landscape</i>	-	14	14	-	-	2	(2)	-100%	14
Trading services	409 308	469 795	469 795	43 432	85 021	89 281	(4 259)	-5%	469 795
Energy sources	274 358	334 664	334 664	29 937	61 581	56 585	4 996	9%	334 664
<i>Electricity</i>	274 136	333 099	333 099	29 937	61 581	55 959	5 622	10%	333 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	-	-	626	(626)	-100%	1 565
Water management	52 476	72 201	72 201	3 617	8 395	18 712	(10 316)	-55%	72 201
<i>Water Distribution</i>	52 476	60 921	60 921	3 617	8 395	14 200	(5 805)	-41%	60 921
Waste water management	49 259	27 843	27 843	7 043	9 499	6 435	3 064	48%	27 843
<i>Sewerage</i>	38 651	26 954	26 954	7 043	9 499	6 079	3 420	56%	26 954
<i>Storm Water Management</i>	10 607	889	889	-	-	356	(356)	-100%	889
Waste management	33 216	35 087	35 087	2 835	5 546	7 549	(2 003)	-27%	35 087
<i>Solid Waste Removal</i>	30 130	35 087	35 087	2 835	5 546	7 549	(2 003)	-27%	35 087
Other	77	120	120	11	91	20	71	356%	120
<i>Licensing and Regulation</i>	77	120	120	11	91	20	71	356%	120
Total Revenue - Functional	676 246	777 830	787 191	48 926	175 648	204 626	(28 978)	-14%	787 191

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

Description	2020/21	Budget Year 2020/21						YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands									
Expenditure - Functional									
Municipal governance and administration	122 967	145 004	146 691	5 438	15 298	23 832	(8 534)	-36%	146 691
Executive and council	23 838	29 621	29 602	1 837	3 660	4 897	(1 237)	-25%	29 602
<i>Mayor and Council</i>	15 898	18 723	18 711	1 083	2 155	3 111	(956)	-31%	18 711
<i>Municipal Manager, Town Secretary and Chief Execut</i>	7 941	10 897	10 890	754	1 506	1 787	(281)	-16%	10 890
Finance and administration	96 620	112 849	114 555	3 444	11 276	18 525	(7 249)	-39%	114 555
<i>Administrative and Corporate Support</i>	17 899	11 560	11 572	1 482	1 909	1 636	274	17%	11 572
<i>Asset Management</i>	31	5 167	5 167	-	-	861	(861)	-100%	5 167
<i>Finance</i>	30 327	37 107	38 832	(1 395)	3 228	6 403	(3 174)	-50%	38 832
<i>Fleet Management</i>	3 406	2 806	2 806	251	487	466	21	5%	2 806
<i>Human Resources</i>	22 223	36 284	36 244	1 932	3 367	5 965	(2 598)	-44%	36 244
<i>Information Technology</i>	4 454	3 372	3 372	179	258	562	(303)	-54%	3 372
<i>Legal Services</i>	5 416	2 279	2 279	93	187	296	(109)	-37%	2 279
<i>Marketing, Customer Relations, Publicity and Media</i>	3 904	3 900	3 900	270	592	648	(56)	-9%	3 900
<i>Property Services</i>	1 783	1 268	1 268	63	125	211	(86)	-41%	1 268
<i>Risk Management</i>	-	497	497	-	-	83	(83)	-100%	497
<i>Supply Chain Management</i>	6 778	7 052	7 062	544	1 072	1 147	(75)	-7%	7 062
<i>Valuation Service</i>	400	1 557	1 557	25	50	249	(199)	-80%	1 557
Internal audit	2 508	2 534	2 534	157	361	409	(48)	-12%	2 534
<i>Governance Function</i>	2 508	2 534	2 534	157	361	409	(48)	-12%	2 534
Community and public safety	97 728	133 059	138 546	6 376	12 303	22 452	(7 697)	-34%	138 546
Community and social services	23 943	28 680	29 401	1 902	3 749	4 866	(1 117)	-23%	29 401
<i>Aged Care</i>	4 658	4 347	4 339	422	775	718	58	8%	4 339
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	3 189	3 600	3 600	237	493	594	(101)	-17%	3 600
<i>Child Care Facilities</i>	8	972	972	-	-	162	(162)	-100%	972
<i>Community Halls and Facilities</i>	5 400	6 608	6 613	385	790	1 091	(301)	-28%	6 613
<i>Disaster Management</i>	95	236	236	-	-	39	(39)	-100%	236
<i>Education</i>	1	831	831	1	1	138	(138)	-100%	831
<i>Libraries and Archives</i>	10 591	12 086	12 810	857	1 690	2 123	(433)	-20%	12 810
Sport and recreation	27 313	32 356	32 356	1 797	3 342	5 042	(1 700)	-34%	32 356
<i>Community Parks (including Nurseries)</i>	8 229	7 228	7 228	505	1 009	1 170	(162)	-14%	7 228
<i>Recreational Facilities</i>	13 054	18 999	18 999	951	1 625	2 896	(1 270)	-44%	18 999
<i>Sports Grounds and Stadiums</i>	6 031	6 129	6 129	342	708	977	(269)	-28%	6 129
Public safety	42 003	43 012	43 019	2 337	4 526	6 992	(15)	0%	43 019
<i>Fire Fighting and Protection</i>	8 395	8 118	8 118	672	1 308	1 323	(15)	-1%	8 118
Housing	4 469	29 011	33 769	340	686	5 552	(4 865)	-88%	33 769
<i>Housing</i>	4 463	27 003	31 761	334	675	5 217	(4 542)	-87%	31 761
<i>Informal Settlements</i>	6	2 009	2 009	7	12	335	(323)	-96%	2 009

Description	2020/21	Budget Year 2020/21							YTD variance	YTD variance %	YearTD budget
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance				
R thousands											
<i>Economic and environmental services</i>	34 813	36 288	36 749	1 601	3 307	5 675	(2 368)	-42%	36 749		
<i>Planning and development</i>	10 129	11 280	11 741	825	1 715	1 937	(222)	-11%	11 741		
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	1 982	143	327	327	(0)	0%	1 982		
<i>Economic Development/Planning</i>	1 400	2 115	2 576	115	213	422	(208)	-49%	2 576		
<i>Town Planning, Building Regulations and Enforcement</i>	4 745	4 473	4 473	369	777	736	40	5%	4 473		
<i>Project Management Unit</i>	2 298	2 710	2 710	197	397	452	(54)	-12%	2 710		
Road transport	24 205	22 910	22 910	742	1 517	3 393	(1 875)	-55%	22 910		
<i>Roads</i>	24 205	22 910	22 910	742	1 517	3 393	(1 875)	-55%	22 910		
Environmental protection	479	2 098	2 098	34	75	345	(270)	-78%	2 098		
<i>Biodiversity and Landscape</i>	479	2 098	2 098	34	75	345	(270)	-78%	2 098		
<i>Trading services</i>	390 006	459 620	459 555	25 062	34 608	61 734	(27 126)	-44%	459 555		
Energy sources	271 784	327 833	327 773	35 149	37 151	40 236	(3 085)	-8%	327 773		
<i>Electricity</i>	269 197	324 461	324 401	34 978	36 798	39 706	(2 908)	-7%	324 401		
<i>Street Lighting and Signal Systems</i>	2 587	3 371	3 371	172	353	530	(177)	-33%	3 371		
Water management	41 092	36 559	36 559	(5 602)	(2 939)	5 842	(8 780)	-150%	36 559		
<i>Water Treatment</i>	154	1 838	1 838	19	35	306	(271)	-89%	1 838		
<i>Water Distribution</i>	37 997	30 463	30 463	(5 626)	(2 990)	4 859	(7 849)	-162%	30 463		
<i>Water Storage</i>	2 941	4 258	4 258	5	17	677	(660)	-97%	4 258		
Waste water management	36 519	43 400	43 394	(2 050)	341	7 094	(6 752)	-95%	43 394		
<i>Public Toilets</i>	1 566	1 984	1 984	122	234	328	(95)	-29%	1 984		
<i>Sewerage</i>	27 631	30 347	30 341	(2 631)	(807)	4 961	(5 768)	-116%	30 341		
<i>Storm Water Management</i>	7 321	8 141	8 141	459	914	1 317	(402)	-31%	8 141		
<i>Waste Water Treatment</i>	0	2 928	2 928	-	-	488	(488)	-100%	2 928		
Waste management	40 611	51 829	51 829	(2 434)	54	8 562	(8 509)	-99%	51 829		
<i>Solid Waste Disposal (Landfill Sites)</i>	7 599	16 403	16 403	369	402	2 715	(2 313)	-85%	16 403		
<i>Solid Waste Removal</i>	31 594	33 991	33 991	(2 817)	(377)	5 609	(5 985)	-107%	33 991		
<i>Street Cleaning</i>	1 418	1 436	1 436	14	28	239	(211)	-88%	1 436		
<i>Other</i>	902	951	951	-	4	158	(154)	-97%	951		
Licensing and Regulation	10	51	51	-	4	8	(4)	-47%	51		
Tourism	892	900	900	-	-	150	(150)	-100%	900		
Total Expenditure - Functional	646 415	774 922	782 491	38 478	65 520	113 851	(45 878)	-40%	782 491		
Surplus/ (Deficit) for the year	29 831	2 908	4 700	10 447	110 128	90 775	19 353	21%	4 700		

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 515	4 412	43 986	49 755	(5 769)	-11,6%	109 515
Vote 2 - Community Services	13 275	35 720	41 770	185	357	7 052	(6 695)	-94,9%	41 770
Vote 3 - Community Services	130 855	131 976	132 291	533	45 556	47 577	(2 021)	-4,2%	132 291
Vote 4 - Community Services	13 503	4 581	5 061	-	-	843	(843)	-100,0%	5 061
Vote 5 - Corporate Services	267	594	594	82	82	99	(17)	-16,8%	594
Vote 6 - Technical Services	339 017	388 952	389 664	37 180	71 613	72 717	(1 103)	-1,5%	389 664
Vote 7 - Technical Services	85 638	107 224	107 224	6 452	13 941	26 250	(12 309)	-46,9%	107 224
Vote 8 - Muncipal Manager	1 129	1 072	1 072	81	112	333	(221)	-66,3%	1 072
Total Revenue by Vote	676 246	777 830	787 191	48 926	175 648	204 626	(28 978)	-14,2%	787 191
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	54 199	(671)	4 659	8 922	(4 263)	-47,8%	54 199
Vote 2 - Community Services	36 204	41 879	42 603	2 625	5 213	6 769	(1 556)	-23,0%	42 603
Vote 3 - Community Services	48 069	54 069	54 082	2 573	5 108	8 825	(3 717)	-42,1%	54 082
Vote 4 - Community Services	16 305	43 719	48 930	1 416	2 453	8 024	(5 571)	-69,4%	48 930
Vote 5 - Corporate Services	67 204	77 479	77 439	5 101	8 590	12 526	(3 936)	-31,4%	77 439
Vote 6 - Technical Services	337 830	401 057	400 991	34 317	39 974	51 880	(11 906)	-22,9%	400 991
Vote 7 - Technical Services	86 066	90 791	90 791	(7 737)	(2 280)	14 789	(17 069)	-115,4%	90 791
Vote 8 - Muncipal Manager	14 779	13 462	13 455	854	1 803	2 115	(312)	-14,8%	13 455
Total Expenditure by Vote	645 042	774 922	782 491	38 478	65 520	113 851	(48 331)	-42,5%	782 491
Surplus/ (Deficit) for the year	31 204	2 908	4 700	10 447	110 128	90 775	19 353	21,3%	4 700

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The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	3 779	42 908	44 860	(1 952)	-4%	83 290
Service charges - electricity revenue	274 184	323 478	323 478	29 944	61 602	51 756	9 846	19%	323 478
Service charges - water revenue	43 137	39 677	39 677	3 140	7 444	6 394	1 050	16%	39 677
Service charges - sanitation revenue	30 920	25 043	25 043	6 857	9 139	5 572	3 567	64%	25 043
Service charges - refuse revenue	27 965	25 574	25 574	2 549	4 970	4 099	872	21%	25 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 526	1 470	1 470	210	385	245	140	57%	1 470
Interest earned - external investments	3 079	6 990	6 990	237	458	1 164	(707)	-61%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 238	2 495	1 446	1 050	73%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 592	21 479	21 479	2	2	3 578	(3 576)	-100%	21 479
Licences and permits	1 065	2 111	2 111	311	743	352	392	111%	2 111
Agency services	4 354	4 046	4 046	-	-	674	(674)	-100%	4 046
Transfers recognised - operational	131 244	145 903	154 127	281	44 913	51 959	(7 046)	-14%	154 127
Other revenue	7 774	14 985	15 094	368	538	2 515	(1 977)	-79%	15 094
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	623 082	702 723	711 056	48 916	175 598	174 614	984	1%	711 056
Expenditure By Type									
Employee related costs	201 538	237 025	237 091	16 827	33 073	39 499	(6 426)	-16%	237 091
Remuneration of councillors	9 897	12 007	12 007	847	1 672	2 000	(329)	-16%	12 007
Debt impairment	50 015	63 750	63 750	(19 722)	(14 921)	10 621	(25 542)	-240%	63 750
Depreciation & asset impairment	32 472	39 729	39 729	-	-	6 619	(6 619)	-100%	39 729
Finance charges	4 522	8 696	8 696	-	-	1 449	(1 449)	-100%	8 696
Bulk purchases	239 632	285 789	285 789	33 262	33 599	34 446	(847)	-2%	285 789
Other materials	12 584	14 977	15 650	812	1 422	2 607	(1 186)	-45%	15 650
Contracted services	51 748	48 390	50 121	4 391	4 637	5 002	(365)	-7%	50 121
Transfers and grants	6 534	25 603	30 361	54	107	5 060	(4 953)	-98%	30 361
Other expenditure	37 407	38 955	39 297	2 008	5 932	6 547	(615)	-9%	39 297
Loss on disposal of PPE	66	0	0	-	-	0	(0)	-100%	0
Total Expenditure	646 415	774 922	782 491	38 478	65 520	113 851	(48 331)	-42%	782 491
Surplus/(Deficit)	(23 333)	(72 199)	(71 435)	10 438	110 078	60 763	49 315	0	(71 435)
Transfers recognised - capital	52 267	74 937	75 965	-	-	29 984	(29 984)	(0)	75 965
Contributions recognised - capital	898	170	170	9	50	28	22	0	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 831	2 908	4 700	10 447	110 128	90 775			4 700
Surplus/(Deficit) attributable to	29 831	2 908	4 700	10 447	110 128	90 775			4 700
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	29 831	2 908	4 700	10 447	110 128	90 775			4 700

The revenue and expenditure figures excludes internal charges.

Other expenditure includes operational costs such as:

Advertising, Publicity and Marketing

External Audit Fees

Communication

External Computer Service

Insurance Underwriting

Travel and Subsistence

Printing, Publications and Books

Uniform and Protective Clothing

Wet Fuel

Hire Charges

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M02 August

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	50 121	-	-	-	-	-	-	-	-
Vote 2 - Community Services	206	-	-	-	-	-	-	-	-
Vote 3 - Community Services	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	12 425	27 630	27 523	-	-	1 473	(1 473)	-100%	27 523
Vote 7 - Technical Services	3 913	34 373	36 893	1 060	1 060	4 468	(3 408)	-76%	36 893
Vote 8 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	66 665	62 004	64 416	1 060	1 060	5 941	(4 881)	-82%	64 416
Single Year expenditure appropriation									
Vote 1 - Financial Services	165	180	321	14	15	37	(21)	-58%	321
Vote 2 - Community Services	1 971	-	-	-	-	-	-	-	-
Vote 3 - Community Services	1 126	-	240	-	-	40	(40)	-100%	240
Vote 4 - Community Services	9 507	6 151	3 739	-	-	556	(556)	-100%	3 739
Vote 5 - Corporate Services	3 630	900	900	-	-	150	(150)	-100%	900
Vote 6 - Technical Services	25 539	16 266	17 546	2 668	2 668	1 602	1 067	67%	17 546
Vote 7 - Technical Services	8 462	3 744	3 744	889	889	624	265	43%	3 744
Vote 8 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	50 399	27 241	26 489	3 572	3 573	3 008	565	19%	26 489
Total Capital Expenditure	117 064	89 244	90 905	4 632	4 633	8 949	(4 316)	-48%	90 905

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WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M02 August

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
<i>Governance and administration</i>	53 283	2 080	2 221	14	15	353	(338)	-96%	2 221
Executive and council	(1)	600	600	-	-	100	(100)	-100%	600
Finance and administration	53 284	1 480	1 621	14	15	253	(238)	-94%	1 621
<i>Community and public safety</i>	10 876	5 456	3 283	-	-	547	(547)	-100%	3 283
Community and social services	1 613	-	-	-	-	-	-	-	-
Sport and recreation	7 782	5 456	3 043	-	-	507	(507)	-100%	3 043
Public safety	1 481	-	240	-	-	40	(40)	-100%	240
Housing	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	17 177	27 042	28 323	889	889	1 849	(959)	-52%	28 323
Planning and development	1 934	696	696	-	-	49	(49)	-100%	696
Road transport	15 243	26 347	27 627	889	889	1 800	(911)	-51%	27 627
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	35 728	54 666	57 079	3 728	3 728	6 200	(2 472)	-40%	57 079
Energy sources	4 054	13 163	13 163	-	-	812	(812)	-100%	13 163
Water management	7 954	21 135	21 135	889	889	1 841	(952)	-52%	21 135
Waste water management	18 448	3 386	3 279	1 779	1 779	297	1 482	500%	3 279
Waste management	5 272	16 982	19 501	1 060	1 060	3 250	(2 190)	-67%	19 501
Total Capital Expenditure - Standard Classification	117 064	89 244	90 905	4 632	4 633	8 949	(4 316)	-48%	90 905
Funded by:									
National Government	18 276	49 637	49 637	1 002	1 002	5 258	(4 256)	-81%	49 637
Provincial Government	33 326	24 801	26 081	3 557	3 557	2 293	1 264	55%	26 081
District Municipality	665	500	815	-	-	53	(53)	-100%	815
Transfers recognised - capital	52 768	74 937	76 533	4 559	4 559	7 604	(3 045)	-40%	76 533
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	14 372	73	74	1 345	(1 272)	-95%	14 372
Total Capital Funding	66 944	89 244	90 905	4 632	4 633	8 949	(4 316)	-48%	90 905

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	115 305	133 360	114 952	152 861	114 952
Consumer debtors	82 140	28 353	55 673	135 445	55 673
Other debtors	9 377	7 966	18 542	16 003	18 542
Current portion of long-term receivables	-	-	-	-	-
Inventory	9 963	11 602	9 963	9 368	9 963
Total current assets	216 785	181 281	199 130	313 677	199 130
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	43 430	43 765	43 430	43 430	43 430
Investments in Associate	-	-	-	-	-
Property, plant and equipment	985 237	996 031	1 038 873	989 870	1 038 873
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	1 122	1 576	1 122	1 122	1 122
Other non-current assets	550	550	550	550	550
Total non current assets	1 030 339	1 041 921	1 083 975	1 034 972	1 083 975
TOTAL ASSETS	1 247 124	1 223 203	1 283 105	1 348 649	1 283 105
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	1 587	-	1 587	1 587	1 587
Consumer deposits	8 732	7 976	8 732	8 789	8 732
Trade and other payables	58 125	115 836	110 393	46 948	110 393
Provisions	55 997	77 857	25 627	57 526	25 627
Total current liabilities	124 441	201 668	146 339	114 849	146 339
Non current liabilities					
Borrowing	1 188	2 588	188	1 188	188
Provisions	173 844	128 602	173 844	174 842	173 844
Total non current liabilities	175 032	131 189	174 032	176 030	174 032
TOTAL LIABILITIES	299 473	332 857	320 371	290 879	320 371
NET ASSETS	947 651	890 345	962 733	1 057 769	962 733
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	937 209	879 728	952 291	1 047 327	952 291
Reserves	10 442	10 618	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY	947 651	890 345	962 733	1 057 769	962 733

The cash flows for the year to date are indicated in the following table:

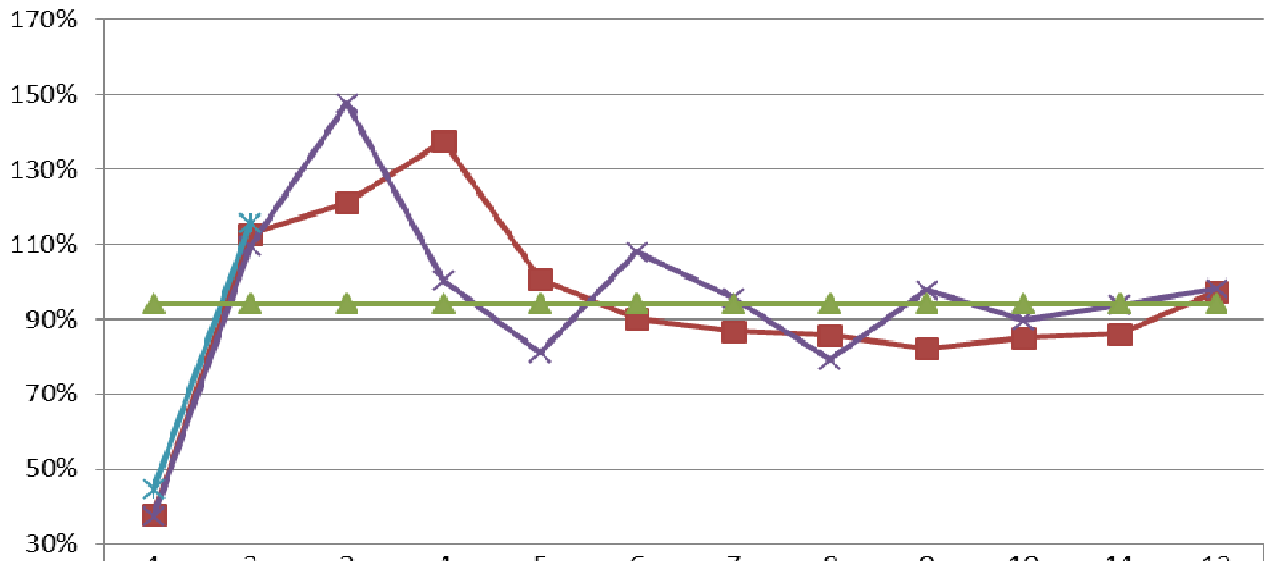
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	-	79 126	79 126	15 593	21 362	79 126	7 332	9%	79 126
Service charges	-	379 151	437 751	44 677	81 697	437 751	21 431	5%	437 751
Other revenue	-	27 756	19 373	363	1 086	19 373	(1 069)	-6%	19 373
Government - operating	-	145 903	154 127	5 879	50 323	154 127	(3 768)	-2%	154 127
Government - capital	-	75 107	86 842	-	9 333	86 842	(10 403)	-12%	86 842
Interest	-	9 593	9 593	237	458	9 593	(292)	-3%	9 593
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	-	(604 934)	(658 415)	(59 793)	(120 182)	(658 415)	9 360	-1%	(658 415)
Finance charges	-	(461)	(462)	-	-	(462)	-	0%	(462)
Transfers and Grants	-	(25 603)	(30 361)	(54)	(107)	(30 361)	(1 608)	5%	(30 361)
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	85 636	97 574	6 902	43 970	97 574	20 982	22%	97 574
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	10 442	-	(80 000)	10 442	(80 000)	-766%	10 442
Payments									
Capital assets	-	(89 094)	(107 369)	(4 551)	(6 418)	(107 369)	738	-1%	(107 369)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(89 094)	(96 927)	(4 551)	(86 418)	(96 927)	(10 509)	11%	(96 927)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	21	11	-	11	-	-
Payments									
Repayment of borrowing	-	(1 000)	(1 000)	-	(2)	(1 000)	2	0%	(1 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(1 000)	(1 000)	21	9	(1 000)	(1 009)	101%	(1 000)
NET INCREASE/ (DECREASE) IN CASH HELD	-	(4 459)	(353)	2 372	(42 439)	(353)			(353)
Cash/cash equivalents at beginning:	-	137 819	115 305		115 296	115 305			115 305
Cash/cash equivalents at month/year end:	-	133 360	114 952		72 857	114 952			114 952

WC022 Witzenberg - Supporting Table SC1 Material variance explanations - M02 August

Ref	Description	Variance	Reasons for material deviations
	R thousands		
1	Revenue By Source		
	Property rates	(1 952)	Immaterial Variance - information only relates to second month of financial year.
	Service charges - electricity revenue	9 846	Increased electricity usage during winter months.
	Service charges - water revenue	1 050	Immaterial Variance - information only relates to second month of financial year.
	Service charges - sanitation revenue	3 567	Immaterial Variance - information only relates to second month of financial year.
	Service charges - refuse revenue	872	Immaterial Variance - information only relates to second month of financial year.
	Service charges - other	-	
	Rental of facilities and equipment	140	Immaterial Variance - information only relates to second month of financial year.
	Interest earned - external investments	(707)	Immaterial Variance - information only relates to second month of financial year.
	Interest earned - outstanding debtors	1 050	Immaterial Variance - information only relates to second month of financial year.
	Dividends received	-	
	Fines, penalties and forfeits	(3 576)	Fines Revenue Recognised on an Annual Basis.
	Licences and permits	392	Immaterial Variance - information only relates to second month of financial year.
	Agency services	(674)	Immaterial Variance - information only relates to second month of financial year.
	Transfers and subsidies	(7 046)	Delay in receipt of transfers and subsidies - information only relates to second month of financial year.
	Other revenue	(1 977)	Immaterial Variance - information only relates to second month of financial year.
	Gains on disposal of PPE	-	
2	Expenditure By Type		
	Employee related costs	(6 426)	Variance due to non-cash provisions related to post employment benefits included in employee related costs.
	Remuneration of councillors	(329)	Immaterial Variance - information only relates to second month of financial year.
	Debt impairment	(25 542)	Provision in line with calculated provision based on Debtors Aging.
	Depreciation & asset impairment	(6 619)	Depreciation recognised on an annual basis.
	Finance charges	(1 449)	Immaterial Variance - information only relates to second month of financial year.
	Bulk purchases	(847)	Immaterial Variance - information only relates to second month of financial year.
	Other materials	(1 186)	Immaterial Variance - information only relates to second month of financial year.
	Contracted services	(365)	Immaterial Variance - information only relates to second month of financial year.
	Transfers and subsidies	(4 953)	Delay in expenditure with regards to Housing Top Structures
	Other expenditure	(615)	Immaterial Variance - information only relates to second month of financial year.
	Loss on disposal of PPE	(0)	
3	Capital Expenditure		
	Total Capital Expenditure	(4 316)	Information only relates to second month of financial year - capital expenditure on bigger projects due to commence shortly.
		-	
		-	
		-	
4	Financial Position		
		-	
		-	
		-	
		-	
5	Cash Flow		
	Receipts	-	
	Property rates	7 332	Annual Property Rates levied during July.
	Service charges	21 431	High collection mainly attributable to increased electricity usage during winter months.
	Other revenue	(1 069)	Receipts lower than expected.
	Government - operating	(3 768)	Immaterial Variance - information only relates to second month of financial year.
	Government - capital	(10 403)	Receipts with regards to Capital Grants outstanding of which the most material is Housing and MIG.
	Interest	(292)	Immaterial Variance - information only relates to second month of financial year.
	Dividends	-	
	Payments	-	
	Suppliers and employees	9 360	Variance due to increased expenditure pertaining to Bulk Purchases as well as contracted services.
	Finance charges	-	Immaterial Variance - information only relates to second month of financial year.
	Transfers and Grants	(1 608)	Immaterial Variance - information only relates to second month of financial year.
6	Measureable performance		
7	Municipal Entities		

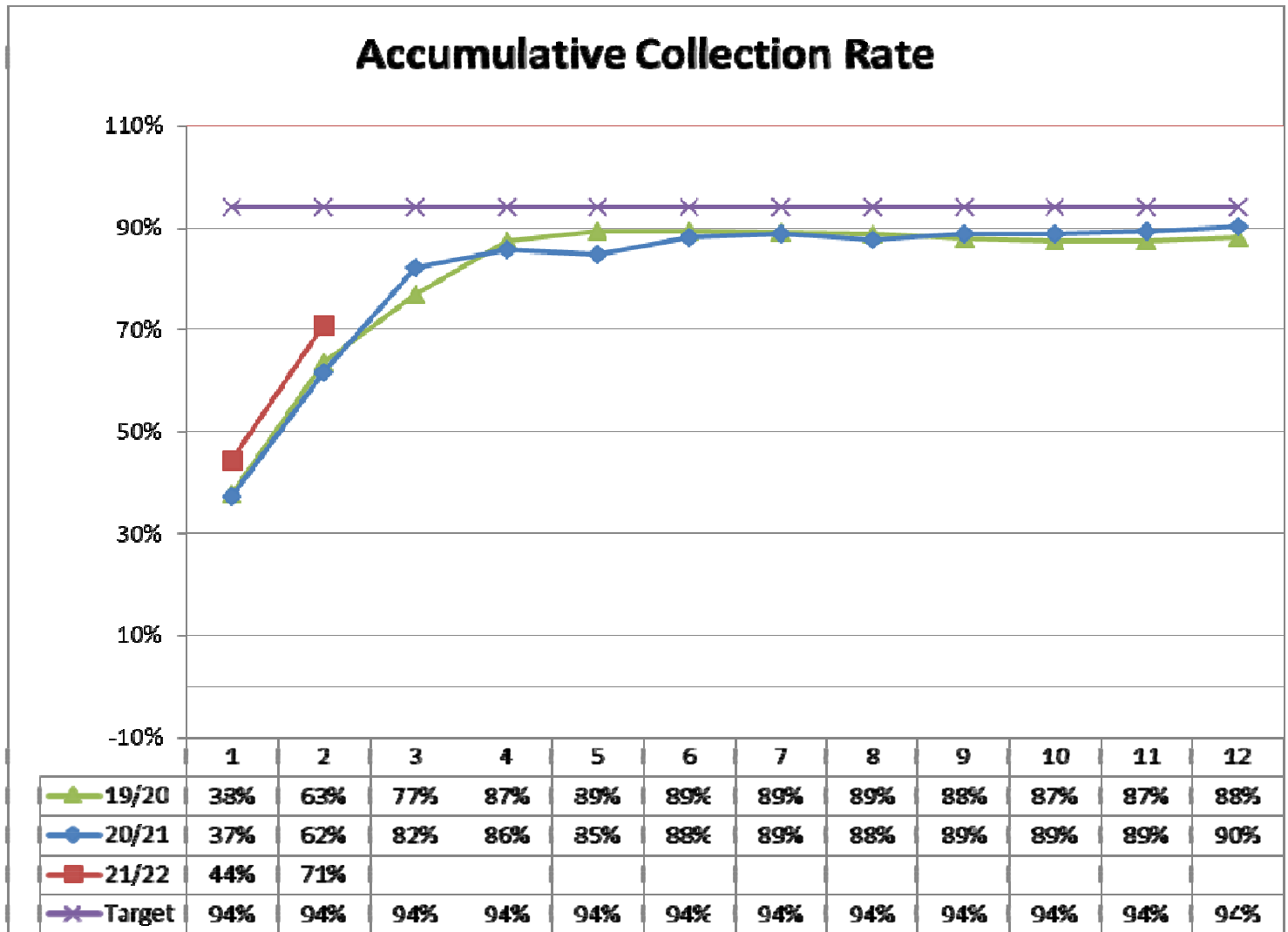
Debtor Collection Rate per Month



	1	2	3	4	5	6	7	8	9	10	11	12
19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
21/22	44%	116%										
Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for Aug 2021 amounts to 116% in comparison to the previous year 109%.

Die doel van hierdie grafiek is om die verhaling van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Aug 2021 116% beloop in vergelyking met die vorige jaar 109%.



The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 71%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 71% behoel.

The payment culture of consumers are still the same which has a negative impact on collections.

Die betalingskultuur onder verbruikers is onveranderd wat die invorderings negatief beïnvloed.

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2021/22									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	11 337	1 960	1 730	1 846	1 765	1 855	8 014	59 074	87 580	72 553
Electricity	1300	25 049	1 109	571	307	274	213	822	4 553	32 899	6 169
Property Rates	1400	26 075	512	312	290	262	248	3 509	15 974	47 181	20 283
Waste Water Management	1500	13 475	1 019	961	944	923	893	4 876	30 569	53 659	38 204
Waste Management	1600	8 835	1 182	1 087	1 029	1 027	966	5 256	31 785	51 166	40 063
Property Rental Debtors	1700	182	13	13	13	14	14	105	1 037	1 391	1 183
Interest on Arrear Accounts	1810	1 262	112	111	136	157	181	1 057	41 271	44 288	42 802
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(4 728)	39	29	38	26	33	212	1 202	(3 149)	1 511
Total By Income Source	2000	81 487	5 946	4 815	4 604	4 447	4 402	23 852	185 464	315 016	222 769
2019/20 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	2 976	369	168	150	123	138	842	5 235	10 000	6 487
Commercial	2300	39 571	947	518	265	288	225	1 965	10 125	53 905	12 869
Households	2400	36 717	4 438	3 976	4 011	3 850	3 876	20 012	164 778	241 658	196 527
Other	2500	2 223	192	152	178	186	162	1 033	5 326	9 453	6 886
Total By Customer Group	2600	81 487	5 946	4 815	4 604	4 447	4 402	23 852	185 464	315 016	222 769

Negative figure as indicated for "Other Debtors" relates to cash received, but not yet allocated.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description R thousands	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	827	270	-	-	-	-	-	-	1 097
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	827	270	-	-	-	-	-	-	1 097

Notes

Material increases in value of creditors' categories compared to previous month to be explained

0

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
<u>Municipality</u>								
Nedbank Ltd	6 Months	Fixed depos	29/01/2022	-		-	-	20 000
ABSA Bank Ltd	7 Months	Fixed depos	28/02/2022	-		-	-	20 000
Standard Bank of SA Ltd	4 Months	Fixed depos	29/11/2021	-		-	-	20 000
Investec Bank Ltd	-		-	-		-	-	-
First National Bank	3 Months	Fixed depos	29/10/2021	-		-	-	20 000
-	-			-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	80 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	110 696	110 696	281	44 913	44 278	1 778	4,0%	110 696
Operational Revenue:General Revenue:Equitable S	106 666	106 666	-	44 444	42 666	1 778	4,2%	106 666
Expanded Public Works Programme Integrated Gran	2 617	2 617	220	364	1 047	(683)	-65,2%	2 617
Local Government Financial Management Grant [Sc	1 413	1 413	62	105	565	(460)	-81,4%	1 413
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Provincial Government:	34 268	40 318	-	-	7 008	(7 008)	-100,0%	43 706
Capacity Building	-	-	-	-	-	-	-	-
Capacity Building and Other	10 937	11 661	-	-	2 231	(2 231)	-100,0%	11 661
Infrastructure	23 331	28 656	-	-	4 776	(4 776)	-100,0%	28 656
								1 694
								1 694
								-
District Municipality:	-	1 694	-	-	282	(282)	-1	-
All Grants	-	1 694	-	-	282	(282)	-1	1 694
Total Operating Transfers and Grants	144 964	152 708	281	44 913	51 568	(6 655)	-12,9%	155 162
National Government:	50 296	50 296	-	-	20 118	(20 118)	-300,0%	50 296
Municipal Infrastructure Grant [Schedule 5B]	21 808	21 808	-	-	8 723	(8 723)	-100,0%	21 808
Regional Bulk Infrastructure Grant (Schedule 5B)	17 391	17 391	-	-	6 956	(6 956)	-100,0%	17 391
Provincial Government:	24 801	25 514	-	-	9 877	(9 877)	-100,0%	26 329
Capacity Building and Other	-	-	-	-	-	-	-	-
Infrastructure	24 801	25 514	-	-	9 877	(9 877)	-100,0%	25 514
								815
District Municipality:	500	815	-	-	253	(253)	-100,0%	815
All Grants	500	815	-	-	253	(253)	-100,0%	815
Other grant providers:	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	75 597	76 625	-	-	30 248	(30 248)	-100,0%	77 440
TOTAL RECEIPTS OF TRANSFERS & GRANTS	220 561	229 332	281	44 913	81 816	(36 903)	-45,1%	232 601

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	61 657	61 657	3 135	6 143	9 915	-		61 657
Operational Revenue:General Revenue:Equitable	56 917	56 917	2 854	5 674	9 154	(3 480)	-38,0%	56 917
Expanded Public Works Programme Integrated Gr	2 617	2 617	220	364	436	(72)	-16,6%	2 617
Local Government Financial Management Grant [	1 463	1 463	62	105	215	(110)	-51,2%	1 463
Municipal Infrastructure Grant [Schedule 5B]	660	660	-	-	110	(110)	-100,0%	660
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Provincial Government:	34 306	39 788	822	1 646	6 612	(4 966)	-75,1%	39 788
Capacity Building and Other	10 975	11 700	822	1 646	1 930	(285)		11 700
Disaster and Emergency Services	-	-	-	-	-	-		-
Infrastructure	23 331	28 089	-	-	4 681	(4 681)		28 089
District Municipality:	-	1 694	-	-	-	(282)	-100,0%	-
All Grants	-	1 694	-	-	282	(282)	-100,0%	-
Other grant providers:	829	1 287	112	214	215	(0)	-0,1%	1 287
Foreign Government and International Organisatio	829	1 287	112	214	215	(0)	-0,1%	1 287
Total operating expenditure of Transfers and Grant	96 792	104 427	4 069	8 003	16 741	(5 249)	-31,4%	102 733
National Government:	49 637	49 637	1 002	1 002	5 258	(4 256)	-81,0%	49 637
Municipal Infrastructure Grant [Schedule 5B]	21 148	21 148	1 002	1 002	3 264	(2 262)	-69,31%	21 148
Regional Bulk Infrastructure Grant (Schedule 5B)	17 391	17 391	-	-	1 217	(1 217)	-100,00%	17 391
Provincial Government:	25 801	27 711	3 557	3 557	2 398	1 159		26 081
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	24 801	26 081	3 557	3 557	2 293	1 264	55,1%	26 081
District Municipality:	500	815	-	-	53	(53)	-100,0%	815
All Grants	500	815	-	-	53	(53)	-100,0%	815
Other grant providers:	14 157	14 222	73	74	1 337	(1 263)	-94,5%	14 222
Foreign Government and International Organisatio	-	-	-	-	-	-		-
Transfer from Operational Revenue	14 157	14 222	73	74	1 337	(1 263)	-94,5%	14 222
Total capital expenditure of Transfers and Grants	90 094	92 385	4 632	4 633	9 046	(4 413)	-48,8%	90 755
TOTAL EXPENDITURE OF TRANSFERS AND GRAN	186 886	196 812	8 701	12 636	25 787	(9 662)	-37,5%	193 488

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	636	1 273	1 330	(57)	-4%	7 980
Pension and UIF Contributions	1 787	1 787	90	179	298	(119)	-40%	1 787
Medical Aid Contributions	335	335	17	34	56	(22)	-39%	335
Motor Vehicle Allowance	817	817	-	-	136	(136)	-100%	817
Cellphone Allowance	985	985	100	179	164	14	9%	985
Housing Allowances	43	43	3	7	7	(0)	-5%	43
Other benefits and allowances	59	59	-	-	10	(10)	-100%	59
Sub Total - Councillors	12 007	12 007	847	1 672	2 000	(329)	-16%	12 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 497	324	649	749	(101)	-13%	4 497
Pension and UIF Contributions	925	925	29	58	154	(97)	-63%	925
Medical Aid Contributions	159	159	5	10	27	(17)	-64%	159
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	1 052	1 052	62	124	175	(51)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	165	207	(42)	-20%	1 242
Cellphone Allowance	84	84	2	4	14	(10)	-71%	84
Housing Allowances	182	182	24	47	30	17	56%	182
Other benefits and allowances	136	136	9	19	23	(4)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers	8 276	8 276	538	1 075	1 379	(304)	-22%	8 276
Other Municipal Staff								
Basic Salaries and Wages	136 537	136 602	9 374	18 749	22 758	(4 009)	-18%	136 602
Pension and UIF Contributions	20 659	20 660	1 566	3 144	3 442	(298)	-9%	20 660
Medical Aid Contributions	9 200	9 200	680	1 359	1 533	(174)	-11%	9 200
Overtime	10 906	10 906	1 489	2 910	1 817	1 094	60%	10 906
Performance Bonus	9 311	9 311	737	1 480	1 551	(71)	-5%	9 311
Motor Vehicle Allowance	5 309	5 309	492	973	885	89	10%	5 309
Cellphone Allowance	478	478	42	85	80	6	7%	478
Housing Allowances	1 947	1 947	95	190	324	(135)	-42%	1 947
Other benefits and allowances	5 175	5 175	447	884	862	22	3%	5 175
Payments in lieu of leave	1 050	1 050	371	492	175	317	181%	1 050
Long service awards	-	-	95	161	-	161	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	901	1 572	4 694	(3 123)	-67%	28 178
Sub Total - Other Municipal Staff	228 749	228 815	16 289	31 998	38 121	(6 122)	-16%	228 815
TOTAL SALARY, ALLOWANCES &	249 032	249 098	17 673	34 745	41 500	(6 755)	-16%	249 098
% increase								
TOTAL MANAGERS AND STAFF	237 025	237 091	16 827	33 073	39 499	(6 426)	-16%	237 091

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M02 August

Description	Ref	Budget Year 2021/22											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget
Cash Receipts By Source													
Property rates		5 769	15 593	-	-	-	-	-	-	-	-	-	52 315
Service charges - electricity revenue		30 337	36 936	-	-	-	-	-	-	-	-	-	(6 476)
Service charges - water revenue		2 880	3 342	-	-	-	-	-	-	-	-	-	(265 628)
Service charges - sanitation revenue		1 789	2 310	-	-	-	-	-	-	-	-	-	22 743
Service charges - refuse		2 013	2 089	-	-	-	-	-	-	-	-	-	6 894
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	686
Rental of facilities and equipment		91	77	-	-	-	-	-	-	-	-	-	(11 144)
Interest earned - external investments		221	237	-	-	-	-	-	-	-	-	-	4 676
Interest earned - outstanding debtors		0	-	-	-	-	-	-	-	-	-	-	1 456
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		68	53	-	-	-	-	-	-	-	-	-	18 003
Licences and permits		487	50	-	-	-	-	-	-	-	-	-	1 672
Agency services		-	-	-	-	-	-	-	-	-	-	-	(2 167)
Transfer receipts - operating		-	-	-	-	-	-	-	-	-	-	-	22 488
Other revenue		44 521	6 061	-	-	-	-	-	-	-	-	-	(41 107)
Cash Receipts by Source		88 177	66 748	-	-	-	-	-	-	-	-	-	(195 588)
Other Cash Flows by Source													-
Transfer receipts - capital		9 333	-	-	-	-	-	-	-	-	-	-	103 092
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(10)	21	-	-	-	-	-	-	-	-	-	(11)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		(80 000)	-	-	-	-	-	-	-	-	-	-	80 000
Total Cash Receipts by Source		17 500	66 769	-	-	-	-	-	-	-	-	-	(12 507)
Cash Payments by Type													-
Employee related costs		14 974	14 718	-	-	-	-	-	-	-	-	-	207 400
Remuneration of councillors		936	955	-	-	-	-	-	-	-	-	-	10 116
Interest paid		-	-	-	-	-	-	-	-	-	-	-	8 661
Bulk purchases - Electricity		32 051	38 254	-	-	-	-	-	-	-	-	-	215 483
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	15 650
Other materials		1 474	451	-	-	-	-	-	-	-	-	-	-
Contracted services		2 677	5 053	-	-	-	-	-	-	-	-	-	42 390
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		54	54	-	-	-	-	-	-	-	-	-	30 254
General expenses		8 745	2 054	-	-	-	-	-	-	-	-	-	28 534
Cash Payments by Type		60 910	61 539	-	-	-	-	-	-	-	-	-	558 488
Other Cash Flows/Payments by Type													-
Capital assets		1 867	4 551	-	-	-	-	-	-	-	-	-	84 487
Repayment of borrowing		(2)	-	-	-	-	-	-	-	-	-	-	2
Other Cash Flows/Payments		(467)	(1 693)	-	-	-	-	9	-	-	-	-	4 151
Total Cash Payments by Type		62 307	64 397	-	-	-	-	9	-	-	-	-	647 128
NET INCREASE/(DECREASE) IN CASH HELD		(44 807)	2 372	-	-	-	-	(9)	-	-	-	-	(659 635)
Cash/cash equivalents at the month/year beginning:		115 296	70 489	72 861	72 861	72 861	72 861	72 861	72 852	72 852	72 852	72 852	72 852
Cash/cash equivalents at the month/year end:		70 489	72 861	72 861	72 861	72 861	72 861	72 852	72 852	72 852	72 852	72 852	(586 783)

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	-	3 528	3 721	1	1	3 721	3 720	100,0%	0%
August	970	5 053	5 228	4 632	4 633	8 949	4 316	48,2%	5%
September	2 309	7 122	7 247	-		16 196	-		
October	3 822	10 136	10 251	-		26 447	-		
November	7 006	10 136	10 251	-		36 699	-		
December	3 969	8 647	8 754	-		45 453	-		
January	4 376	3 528	3 721	-		49 174	-		
February	4 502	5 053	5 228	-		54 402	-		
March	15 227	7 122	7 247	-		61 649	-		
April	2 003	10 136	10 251	-		71 900	-		
May	6 929	10 136	10 251	-		82 151	-		
June	65 951	8 647	8 754	-		90 905	-		
Total Capital expenditure	117 064	89 244	90 905	4 633					



QUALITY CERTIFICATE

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the monthly in year monitoring reports for the month of August 2021 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.


Mr D Nasson

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:



Date:



Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/ Kindly address all correspondence to the Municipal Manager/ Yonke imbalelwano mayithunyelwe kuMlawuli kaMasipala

*Witzenberg, the Eden of Africa, aspires that all residents shall live together in harmony and prosperity.
Witzenberg, die Eden van Afrika, streef daarna dat alle inwoners in harmonie en voorspoed saamleef.
Witzenberg, iEden yase Africa igquashalazele ekubeni bonke abahlali bakhawulelezise ukuhlalisana ngolomwalo.*



Monthly Budget Statement Report Section 71 for September 2021

**Financial data is in respect of the period
1 July 2021 to 30 June 2022**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

2.3 Monthly budget statements

In terms of Section 71 of the MFMA the accounting officer must prepare monthly budget statements that comply with this section. This section read as follows:

"71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on—*
 - (i) its share of the local government equitable share; and*
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
- (g) when necessary, an explanation of—*
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;*
 - (ii) any material variances from the service delivery and budget implementation plan; and*
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.*

(2) The statement must include—

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after

2.3 Maandelikse begroting state

In terme van Artikel 71 van die MFMA die rekenpligtige beampte moet 'n maandelikse begroting state wat voldoen aan hierdie artikel. Hierdie artikel lees soos volg:

"71. (1) Die rekenpligtige beampte van 'n munisipaliteit moet nie later as 10 werk dae na die einde van elke maand aan die burgemeester van die munisipaliteit en die betrokke Provinsiale Tesourie 1 verklaring in die voorgeskrewe formaat oor die toestand van die munisipaliteit se begroting wat die volgende besonderhede vir die maand en vir die finansiële jaar tot die einde van die maand:

- (a) werklike inkomste per bron van inkomste;*
- (b) werklike lenings;*
- (c) die werklike uitgawes per stem;*
- (d) die werklike kapitaalbesteding, per stem;*
- (e) die bedrag van enige toekennings ontvang;*
- (f) die werklike uitgawes op daardie toekennings, uitgesluit besteding op*
 - (i) sy deel van die plaaslike regering billike deel;*
 - (ii) toekennings vrygestel is by die jaarlikse Verdeling van Inkomste van die nakoming van hierdie paragraaf, en*
 - (g) wanneer dit nodig is, 'n verduideliking van—*
 - (i) enige wesenslike afwykings van die munisipaliteit se geprojekteerde inkomste deur die bron, en van die munisipaliteit se uitgawe projeksies per stem;*
 - (ii) enige wesenslike afwykings van die dienslewering en begrotings implementeringsplan;*
 - (iii) enige remediërende of korrektiewe stappe geneem is of geneem word om te verseker dat die geprojekteerde inkomste en uitgawes in die munisipaliteit se goedgekeurde begroting bly.*

(2) Die staat moet die volgende insluit-

- (a) 'n projeksie van die betrokke munisipaliteit se inkomste en uitgawes vir die res van die finansiële jaar, en enige wysigings van die aanvanklike projeksies, en*
- (b) die voorgeskrewe inligting met betrekking tot die toestand van die begroting van elke munisipale entiteit wat aan die munisipaliteit in terme van artikel 87 (10).*

(3) die bedrae wat in die verklaring moet in elke geval in vergelyking met die ooreenstemmende bedrae begroot vir die munisipaliteit se goedgekeurde begroting.

(4) Die verklaring aan die provinsiale tesourie moet in die formaat van 'n getekende dokument en in elektroniese formaat.

(5) Die rekenpligtige beampte van 'n munisipaliteit wat 'n toekenning bedoel in subartikel (1)(e) gedurende 'n bepaalde maand ontvang het, moet nie later nie as 10 werksdae na die

the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter."

einde van die maand, moet daardie deel van die verklaring wat die besonderhede bedoel in subartikel (1)(e) en (f) om die nasionale of provinsiale orgaan van die staat of munisipaliteit wat die toekenning oorgedra

(6) Die Provinsiale Tesourie moet nie later nie as 22 werksdae na die einde van elke maand aan die Nasionale Tesourie 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van die munisipaliteite se begrotings, per munisipaliteit en per munisipale entiteit.

(7) Die Provinsiale Tesourie moet, binne 30 dae na die einde van elke kwartaal, openbaar te maak as wat voorgeskryf mag word, 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van munisipaliteite se begrotings per munisipaliteit en per munisipale entiteit. Die LUR vir finansies moet so 'n gekonsolideerde staat nie later nie as 45 dae na die einde van elke kwartaal aan die provinsiale wetgewer dien."

A MAYOR'S REPORT

Credit control for various reasons remains a challenge for the municipality.

The unwillingness / inability of government departments to pay their municipal accounts was a big concern. However department are slowing starting to make payment. The debt is in access of R10 million in comparison to the prior month figure of R10 million.

The monthly billing was also done as scheduled and during this process 19 617 accounts amounting to R 43.8 million was printed and distributed to consumers compared to a total of R 44.5 million for the preceding month. The prepaid electricity sales amounted to R 5.7 million in comparison to a cost of R4.9 million for the same month during the prior financial year.

The indigent cost to the municipality for the month amounts to R 1.6 million in comparison to the prior month figure of R1.7 million

The accumulated debtor's collection target for the year is 94%, and the actual accumulated year to date debtor's collection is 81% in comparison to a rate of 82% for the same month in the previous year.

The municipality issued orders to the value of R 12.8 million of which R 332 thousand was in terms of deviations.

The municipality currently has R 67 million in its primary bank account and investments to the value of R80 million. The bank balance at the end of the previous month was R76 million.

The calculated cost coverage ratio of the municipality as at the end of September 2021 is 2.86 months. The ratio for the prior month was 2.65 months.

B RECOMMENDATION

It is recommended that council take cognisance of the quarterly budget assessment for the month of September 2021 .

C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

A BURGEMEESTERS VERSLAG

Kredietbeheer bly 'n uitdaging vir die munisipaliteit as gevolg van verskillende redes.

Die onwilligheid / onvermoë van staats departemente om hulle munisipale rekeninge te betaal was 'n groot bekommernis. Departemente is stadig besig om hul betalings te maak. Die skuld beloop tans R10,8miljoen in vergelyking met die vorige maand syfer van R10 miljoen.

Die maandelikse rekeninge is ook gehef soos geskeduleer en tydens hierdie proses is 19 617 rekeninge ten bedrae van R 43.8 miljoen gedruk en aan verbruikers versprei in vergelyking met 'n totaal van R 44.5 miljoen vir die vorige maand. Die voorafbetaalde elektrisiteit verkope beloop R 5.7 miljoen en was R4.9 miljoen vir dieselfde maand gedurende die vorige finansiële jaar.

Die deernis subsidies vir die maand beloop R 1.6 miljoen in vergelyking met die vorige maand syfer van R1.7 miljoen.

Die opgehoopde debiteure verhalings se teiken vir die jaar is 94%, en die werklike jaar tot op datum invordering is 81% in vergelyking met 82% vir dieselfde maand in die vorige finansiële jaar.

Bestellings ter waarde van R 12.8 miljoen uitgereik, waarvan R 332 duisend ten opsigte van afwykings is.

Die munisipaliteit het R 67 miljoen in die primêre bankrekening en beleggings ter waarde van R80 miljoen. Die bankbalans aan die einde van die vorige maand was R76 miljoen.

Die berekende koste dekking verhouding van die munisipaliteit soos aan die einde van September 2021 is 2.86 maande. Die verhouding ten opsigte van die vorige maand was 2.65 maande.

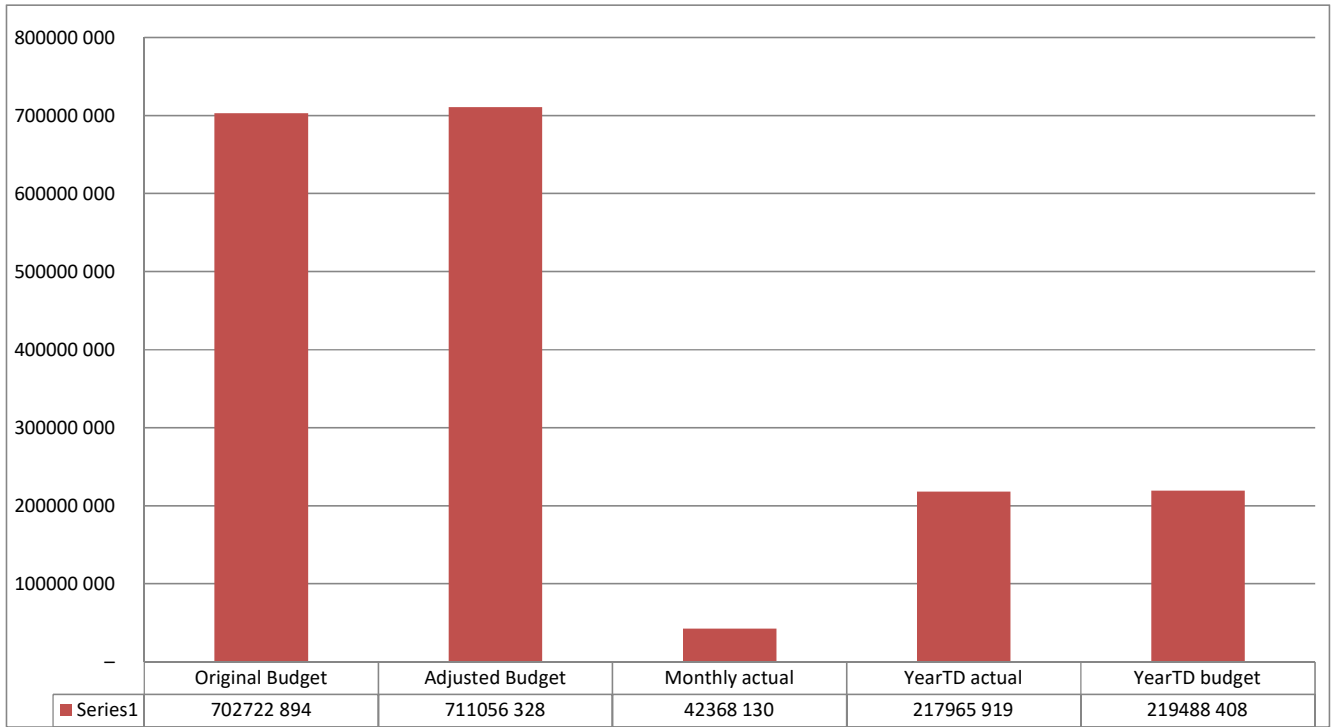
B AANBEVELING

Dit word aanbeveel dat die raad kennis neem van die finansiële maandverslag en ondersteunende dokumente vir September 2021 .

C OPSOMMING

Die volgende tabelle voorsien n opsomming van die finansiële inligting:

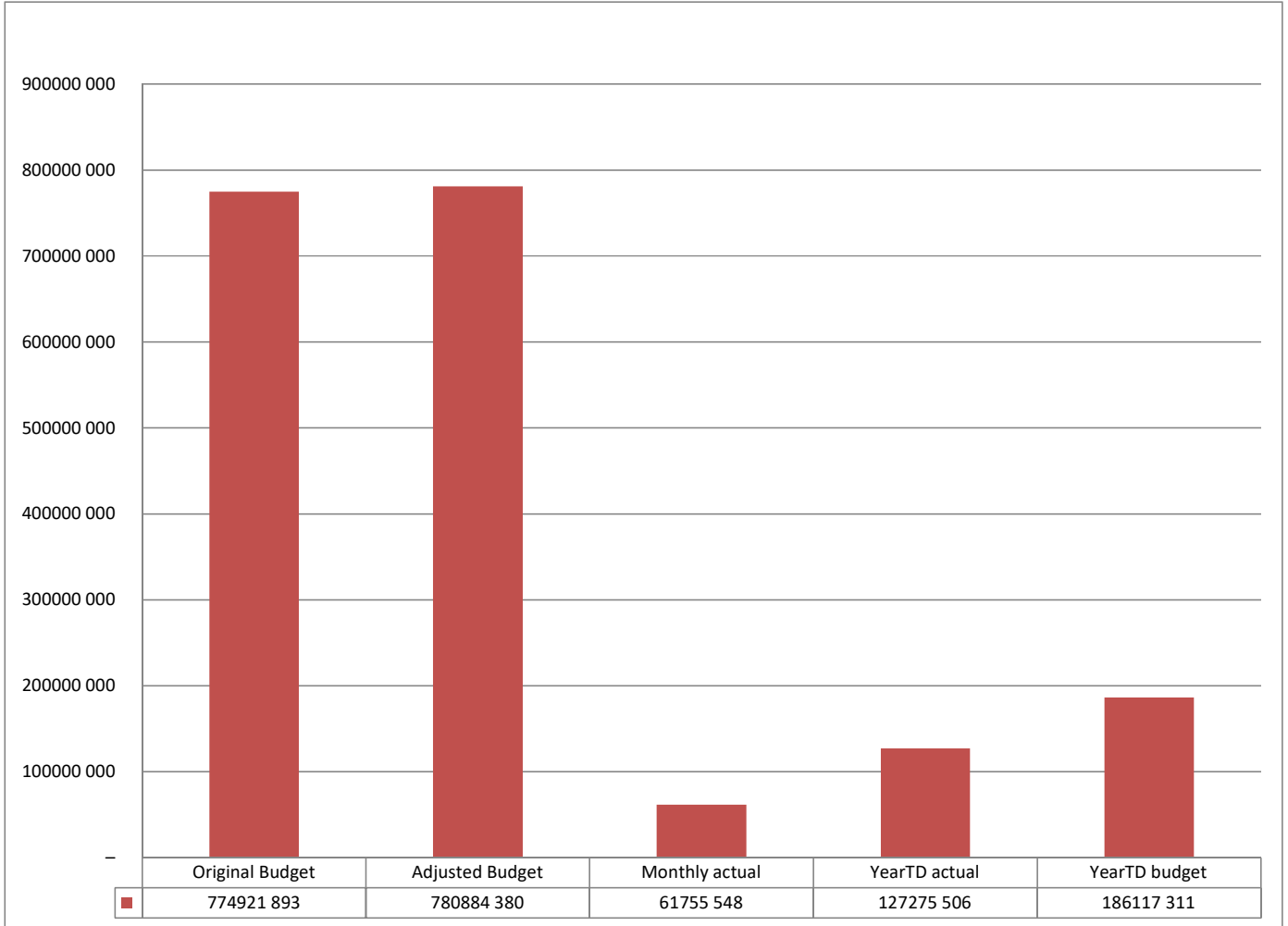
TOTAL OPERATIONAL REVENUE



For the period 1 September 2021 to 30 June 2022, 30.65% of the budgeted operational revenue was raised.

Vir die periode 1 September 2021 tot 30 Junie 2022, is 30.65% van die begrote operasionele inkomste gehêf.

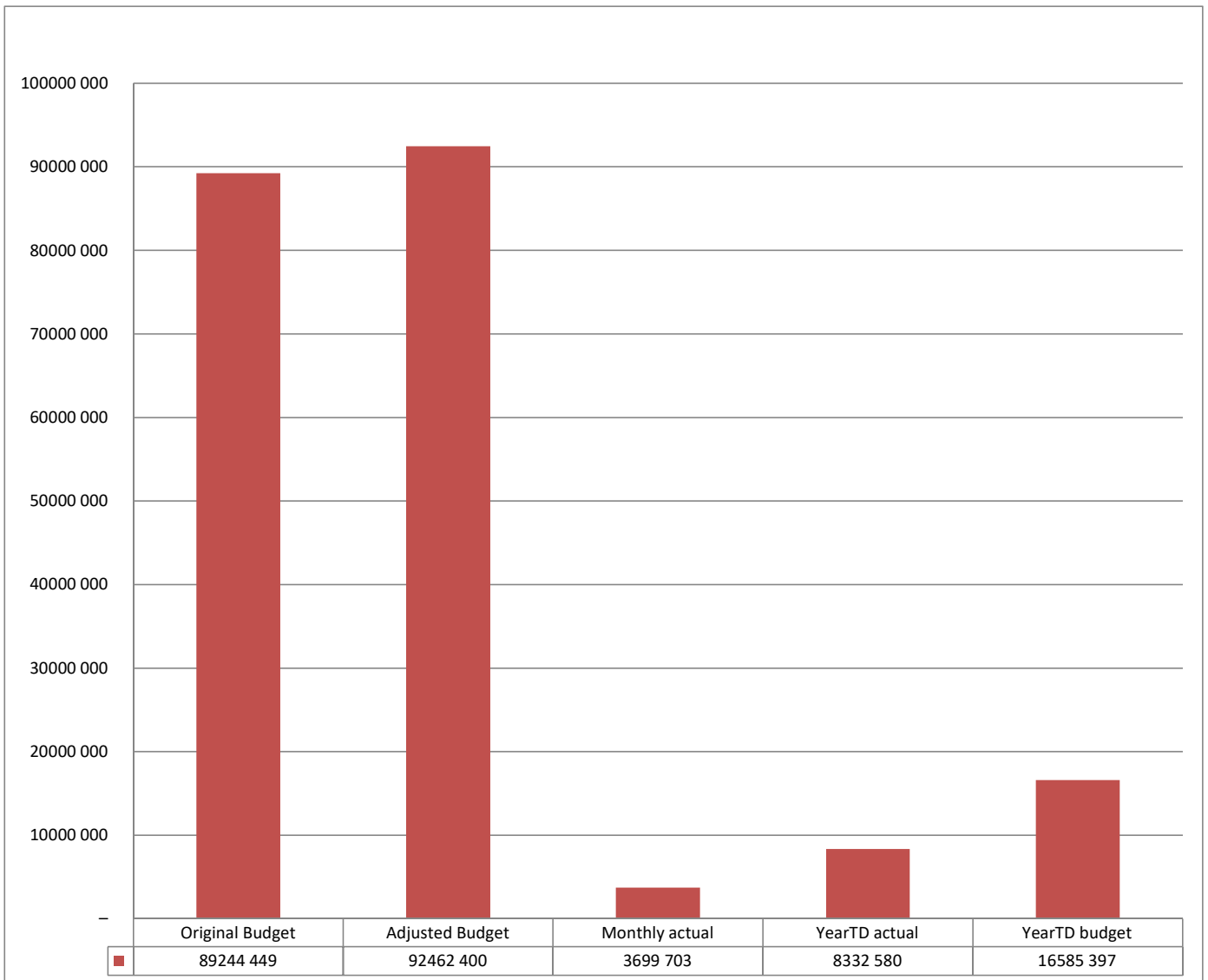
TOTAL OPERATIONAL EXPENDITURE



For the period 1 September 2021 to 30 June 2022, 16.3% of the budgeted operational expenditure was incurred.

Vir die periode 1 September 2021 tot 30 Junie 2022, is 16.3% van die begrote operasionele uitgawes aangegaan.

CAPITAL EXPENDITURE



For the period 1 September 2021 to 30 June 2022, 9.01% of the budgeted capital expenditure was incurred.

Vir die periode 1 September 2021 tot 30 Junie 2022, is 9.01% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 30 September 2021.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M03 September

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	4 231	47 138	48 862	(1 724)	-4%	83 290
Service charges	376 205	413 772	413 772	34 398	117 554	100 245	17 309	17%	413 772
Investment revenue	3 079	6 990	6 990	164	622	1 747	(1 125)	-64%	6 990
Transfers recognised - operational	131 244	145 903	154 127	620	45 533	55 420	(9 887)	-18%	154 127
Other own revenue	31 880	52 768	52 877	2 954	7 118	13 214	(6 096)	-46%	52 877
transfers and contributions)	623 082	702 723	711 056	42 368	217 966	219 488	(1 522)	-1%	711 056
Employee costs	201 538	237 025	237 091	17 036	50 109	59 249	(9 140)	-15%	237 091
Remuneration of Councillors	9 897	12 007	12 007	828	2 499	3 001	(501)	-17%	12 007
Depreciation & asset impairment	32 472	39 729	39 729	-	-	9 928	(9 928)	-100%	39 729
Finance charges	4 522	8 696	8 696	1	1	2 173	(2 172)	-100%	8 696
Materials and bulk purchases	252 216	300 766	300 979	30 962	65 983	68 410	(2 427)	-4%	300 979
Transfers and grants	6 534	25 603	30 386	336	443	7 596	(7 154)	-94%	30 386
Other expenditure	139 236	151 096	151 997	12 593	8 240	35 760	(27 520)	-77%	151 997
Total Expenditure	646 415	774 922	780 884	61 756	127 276	186 117	(58 842)	-32%	780 884
Surplus/(Deficit)	(23 333)	(72 199)	(69 828)	(19 387)	90 690	33 371	57 319	172%	(69 828)
Transfers recognised - capital	52 267	74 937	75 965	-	-	30 127	(30 127)	-100%	75 965
Contributions & Contributed assets	898	170	170	24	74	42	32	75%	170
& contributions	29 831	2 908	6 307	(19 363)	90 765	63 541	27 224	43%	6 307
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	29 831	2 908	6 307	(19 363)	90 765	63 541	27 224	43%	6 307
Capital expenditure & funds sources									
Capital expenditure	117 064	89 244	92 462	3 700	8 333	16 585	(8 253)	-50%	92 462
Capital transfers recognised	52 768	74 937	76 533	3 645	8 204	12 668	(4 464)	-35%	76 533
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	15 930	55	129	3 917	(3 789)	-97%	15 930
Total sources of capital funds	66 944	89 244	92 462	3 700	8 333	16 585	(8 253)	-50%	92 462
Financial position									
Total current assets	216 785	181 281	199 130		295 368				199 130
Total non current assets	1 030 339	1 041 921	1 083 975		1 038 672				1 083 975
Total current liabilities	124 441	201 668	146 339		121 199				146 339
Total non current liabilities	175 032	131 189	174 032		174 435				174 032
Community wealth/Equity	947 651	890 345	962 733		1 038 406				962 733
Cash flows									
Net cash from (used) operating	-	85 636	97 574	(8 391)	35 579	25 049	10 530	42%	97 574
Net cash from (used) investing	-	(89 094)	(96 927)	(3 912)	(90 330)	(14 453)	(75 876)	525%	(96 927)
Net cash from (used) financing	-	(1 000)	(1 000)	(11)	2	-	2		2
end	-	133 360	114 952	-	60 546	125 901	(65 354)	-52%	114 943
Debtors Age Analysis									
Creditors Age Analysis									

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
Governance and administration	94 586	110 918	112 721	5 398	49 870	56 559	(6 689)	-12%	112 721
Executive and council	13	-	-	2	2	-	2	#DIV/0!	-
Finance and administration	94 573	110 918	112 721	5 397	49 868	56 559	(6 691)	-12%	112 721
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	155 398	171 710	178 075	1 384	47 170	60 985	(13 815)	-23%	178 075
Community and social services	128 957	120 006	120 731	522	45 376	46 615	(1 239)	-3%	120 731
Sport and recreation	9 235	1 661	1 661	559	815	415	399	96%	1 661
Public safety	16 928	26 158	26 473	294	953	6 616	(5 663)	-86%	26 473
Housing	278	23 884	29 210	9	26	7 339	(7 313)	-100%	29 210
Economic and environmental services	16 878	25 287	26 480	209	486	10 036	(9 550)	-95%	26 480
Planning and development	4 244	2 365	2 846	209	485	810	(326)	-40%	2 846
Road transport	12 634	22 907	23 620	-	1	9 222	(9 220)	-100%	23 620
Environmental protection	-	14	14	-	-	4	(4)	-100%	14
Trading services	409 308	469 795	469 795	35 396	120 417	122 048	(1 631)	-1%	469 795
Energy sources	274 358	334 664	334 664	26 067	87 649	82 345	5 303	6%	334 664
Water management	52 476	72 201	72 201	4 054	12 449	21 546	(9 097)	-42%	72 201
Waste water management	49 259	27 843	27 843	2 495	11 994	8 377	3 616	43%	27 843
Waste management	33 216	35 087	35 087	2 780	8 326	9 780	(1 454)	-15%	35 087
Total Revenue - Functional	676 246	777 830	787 191	42 393	218 040	249 658	(31 618)	-13%	787 191
Expenditure - Functional									
Governance and administration	122 967	145 004	146 738	9 329	24 627	36 000	(11 373)	-32%	146 738
Executive and council	23 838	29 621	29 673	1 885	5 545	7 377	(1 832)	-25%	29 673
Finance and administration	96 620	112 849	114 531	7 289	18 566	28 004	(9 439)	-34%	114 531
Internal audit	2 508	2 534	2 534	155	516	619	(102)	-17%	2 534
Community and public safety	97 728	133 059	138 433	7 083	19 385	34 005	(14 620)	-43%	138 433
Community and social services	23 943	28 680	29 294	2 287	6 036	7 289	(1 253)	-17%	29 294
Sport and recreation	27 313	32 356	32 351	2 061	5 403	7 712	(2 309)	-30%	32 351
Public safety	42 003	43 012	43 019	2 331	6 857	10 649	(3 793)	-36%	43 019
Housing	4 469	29 011	33 769	404	1 090	8 355	(7 265)	-87%	33 769
Economic and environmental services	34 813	36 288	36 282	2 272	5 580	8 926	(3 347)	-37%	36 282
Planning and development	10 129	11 280	11 753	829	2 543	2 917	(373)	-13%	11 753
Road transport	24 205	22 910	22 431	1 366	2 883	5 490	(2 606)	-47%	22 431
Environmental protection	479	2 098	2 098	78	153	520	(367)	-71%	2 098
Trading services	390 006	459 620	458 481	42 846	77 454	106 949	(29 495)	-28%	458 481
Energy sources	271 784	327 833	327 366	32 382	69 533	74 702	(5 169)	-7%	327 366
Water management	41 092	36 559	36 523	4 576	1 637	8 844	(7 207)	-81%	36 523
Waste water management	36 519	43 400	42 777	2 446	2 787	10 535	(7 749)	-74%	42 777
Waste management	40 611	51 829	51 814	3 443	3 497	12 867	(9 370)	-73%	51 814
Other	902	951	951	225	229	238	(8)	-3%	951
Surplus/ (Deficit) for the year	29 831	2 908	6 307	(19 363)	90 765	63 541	27 224		6 307

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

Description	2020/21	Budget Year 2021/22							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue - Functional									
Municipal governance and administration	94 586	110 918	112 721	5 398	49 870	56 559	(6 689)	-12%	112 721
Executive and council	13	-	-	2	2	-	2		-
Mayor and Council	13	-	-	2	2	-	2		-
Municipal Manager, Town Secretary and Chief	-	-	-	-	-	-	-		-
Finance and administration	94 573	110 918	112 721	5 397	49 868	56 559	(6 691)	-12%	112 721
Administrative and Corporate Support	0	9	9	-	-	2	(2)	-100%	9
Finance	94 239	110 250	112 053	5 389	49 773	56 392	(6 619)	-12%	112 053
Human Resources	254	580	580	-	82	145	(63)	-43%	580
Marketing, Customer Relations, Publicity and Media	0	5	5	-	-	1	(1)	-100%	5
Property Services	-	-	-	-	-	-	-		-
Supply Chain Management	80	74	74	7	13	19	(5)	-29%	74
Community and public safety	155 398	171 710	178 075	1 384	47 170	60 985	(13 815)	-23%	178 075
Community and social services	128 957	120 006	120 731	522	45 376	46 615	(1 239)	-3%	120 731
Aged Care	118 121	109 415	109 415	491	45 299	43 766	1 533	4%	109 415
Cemeteries, Funeral Parlours and Crematoriums	328	367	367	25	70	112	(42)	-38%	367
Community Halls and Facilities	31	485	485	2	2	121	(119)	-98%	485
Libraries and Archives	10 475	9 739	10 463	3	5	2 616	(2 611)	-100%	10 463
Sports Grounds and Stadiums	7 257	50	50	2	2	13	(10)	-83%	50

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Public safety	16 928	26 158	26 473	294	953	6 616	(5 663)	-86%	26 473
<i>Fire Fighting and Protection</i>	2	6	6	0	2	2	0	0	6
Housing	278	23 884	29 210	9	26	7 339	(7 313)	-100%	29 210
<i>Housing</i>	278	23 884	29 210	9	26	7 339	(7 313)	-100%	29 210
Economic and environmental services	16 878	25 287	26 480	209	486	10 036	(9 550)	-95%	26 480
Planning and development	4 244	2 365	2 846	209	485	810	(326)	-40%	2 846
<i>Economic Development/Planning</i>	1 892	279	760	-	-	190	(190)	-100%	760
<i>Town Planning, Building Regulations and Project Management Unit</i>	1 721	1 426	1 426	209	485	356	128	36%	1 426
Road transport	12 634	22 907	23 620	-	1	9 222	(9 220)	-100%	23 620
<i>Roads</i>	12 634	22 907	23 620	-	1	9 222	(9 220)	-100%	23 620
Environmental protection	-	14	14	-	-	4	(4)	-100%	14
<i>Biodiversity and Landscape</i>	-	14	14	-	-	4	(4)	-100%	14
Trading services	409 308	469 795	469 795	35 396	120 417	122 048	(1 631)	-1%	469 795
Energy sources	274 358	334 664	334 664	26 067	87 649	82 345	5 303	6%	334 664
<i>Electricity</i>	274 136	333 099	333 099	26 067	87 649	81 719	5 929	7%	333 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	-	-	626	(626)	-100%	1 565
Water management	52 476	72 201	72 201	4 054	12 449	21 546	(9 097)	-42%	72 201
<i>Water Distribution</i>	52 476	60 921	60 921	4 054	12 449	17 034	(4 585)	-27%	60 921
Waste water management	49 259	27 843	27 843	2 495	11 994	8 377	3 616	43%	27 843
<i>Sewerage</i>	38 651	26 954	26 954	2 495	11 994	8 022	3 972	50%	26 954
<i>Storm Water Management</i>	10 607	889	889	-	-	356	(356)	-100%	889
Waste management	33 216	35 087	35 087	2 780	8 326	9 780	(1 454)	-15%	35 087
<i>Solid Waste Removal</i>	30 130	35 087	35 087	2 780	8 326	9 780	(1 454)	-15%	35 087
Other	77	120	120	6	97	30	67	223%	120
Licensing and Regulation	77	120	120	6	97	30	67	223%	120
Total Revenue - Functional	676 246	777 830	787 191	42 393	218 040	249 658	(31 618)	-13%	787 191

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

Description	2020/21	Budget Year 2020/21							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Expenditure - Functional									
Municipal governance and administration	122 967	145 004	146 738	9 329	24 627	36 000	(11 373)	-32%	146 738
Executive and council	23 838	29 621	29 673	1 885	5 545	7 377	(1 832)	-25%	29 673
<i>Mayor and Council</i>	15 898	18 723	18 701	1 077	3 232	4 666	(1 434)	-31%	18 701
<i>Municipal Manager, Town Secretary and Chief</i>	7 941	10 897	10 972	808	2 314	2 711	(397)	-15%	10 972
Finance and administration	96 620	112 849	114 531	7 289	18 566	28 004	(9 439)	-34%	114 531
<i>Administrative and Corporate Support</i>	17 899	11 560	11 572	1 657	3 567	2 560	1 007	39%	11 572
<i>Asset Management</i>	31	5 167	5 167	0	0	1 291	(1 291)	-100%	5 167
<i>Finance</i>	30 327	37 107	38 807	2 452	5 680	9 642	(3 962)	-41%	38 807
<i>Fleet Management</i>	3 406	2 806	2 806	247	734	699	35	5%	2 806
<i>Human Resources</i>	22 223	36 284	36 244	1 664	5 031	8 974	(3 943)	-44%	36 244
<i>Information Technology</i>	4 454	3 372	3 372	200	458	843	(385)	-46%	3 372
<i>Legal Services</i>	5 416	2 279	2 279	111	297	474	(177)	-37%	2 279
<i>Marketing, Customer Relations, Publicity and Media</i>	3 904	3 900	3 900	316	909	972	(64)	-7%	3 900
<i>Property Services</i>	1 783	1 268	1 268	63	188	317	(129)	-41%	1 268
<i>Risk Management</i>	-	497	497	-	-	124	(124)	-100%	497
<i>Supply Chain Management</i>	6 778	7 052	7 062	554	1 626	1 731	(104)	-6%	7 062
<i>Valuation Service</i>	400	1 557	1 557	25	75	377	(303)	-80%	1 557
Internal audit	2 508	2 534	2 534	155	516	619	(102)	-17%	2 534
<i>Governance Function</i>	2 508	2 534	2 534	155	516	619	(102)	-17%	2 534
Community and public safety	97 728	133 059	138 433	7 083	19 385	34 005	(10 882)	-32%	138 433
Community and social services	23 943	28 680	29 294	2 287	6 036	7 289	(1 253)	-17%	29 294
<i>Aged Care</i>	4 658	4 347	4 294	705	1 480	1 067	413	39%	4 294
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	3 189	3 600	3 590	270	763	895	(131)	-15%	3 590
<i>Child Care Facilities</i>	8	972	972	0	0	243	(242)	-100%	972
<i>Community Halls and Facilities</i>	5 400	6 608	6 564	416	1 206	1 629	(423)	-26%	6 564
<i>Disaster Management</i>	95	236	236	-	-	59	(59)	-100%	236
<i>Education</i>	1	831	828	-	1	207	(206)	-100%	828
<i>Libraries and Archives</i>	10 591	12 086	12 810	896	2 586	3 189	(603)	-19%	12 810
Sport and recreation	27 313	32 356	32 351	2 061	5 403	7 712	(2 309)	-30%	32 351
<i>Community Parks (including Nurseries)</i>	8 229	7 228	7 248	586	1 594	1 773	(178)	-10%	7 248
<i>Recreational Facilities</i>	13 054	18 999	18 984	1 095	2 721	4 447	(1 727)	-39%	18 984
<i>Sports Grounds and Stadiums</i>	6 031	6 129	6 119	380	1 088	1 492	(404)	-27%	6 119
Public safety	42 003	43 012	43 019	2 331	6 857	10 649	(55)	-1%	43 019
<i>Fire Fighting and Protection</i>	8 395	8 118	8 118	632	1 940	1 995	(55)	-3%	8 118
Housing	4 469	29 011	33 769	404	1 090	8 355	(7 265)	-87%	33 769
<i>Housing</i>	4 463	27 003	31 761	396	1 071	7 853	(6 782)	-86%	31 761
<i>Informal Settlements</i>	6	2 009	2 009	8	20	502	(482)	-96%	2 009

Description	2020/21	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	YearTD budget
R thousands									
Economic and environmental services	34 813	36 288	36 282	2 272	5 580	8 926	(3 347)	-37%	36 282
Planning and development	10 129	11 280	11 753	829	2 543	2 917	(373)	-13%	11 753
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	1 982	151	478	492	(14)	-3%	1 982
<i>Economic Development/Planning</i>	1 400	2 115	2 556	107	320	632	(311)	-49%	2 556
<i>Town Planning, Building Regulations and Enforcement</i>	4 745	4 473	4 505	370	1 147	1 115	32	3%	4 505
<i>Project Management Unit</i>	2 298	2 710	2 710	200	598	677	(80)	-12%	2 710
Road transport	24 205	22 910	22 431	1 366	2 883	5 490	(2 606)	-47%	22 431
Roads	24 205	22 910	22 431	1 366	2 883	5 490	(2 606)	-47%	22 431
Environmental protection	479	2 098	2 098	78	153	520	(367)	-71%	2 098
<i>Biodiversity and Landscape</i>	479	2 098	2 098	78	153	520	(367)	-71%	2 098
Trading services	390 006	459 620	458 481	42 846	77 454	106 949	(29 495)	-28%	458 481
Energy sources	271 784	327 833	327 366	32 382	69 533	74 702	(5 169)	-7%	327 366
Electricity	269 197	324 461	323 995	32 230	69 028	73 896	(4 867)	-7%	323 995
<i>Street Lighting and Signal Systems</i>	2 587	3 371	3 371	151	505	807	(302)	-37%	3 371
Water management	41 092	36 559	36 523	4 576	1 637	8 844	(7 207)	-81%	36 523
Water Treatment	154	1 838	1 838	15	50	459	(410)	-89%	1 838
Water Distribution	37 997	30 463	29 877	3 054	63	7 220	(7 157)	-99%	29 877
Water Storage	2 941	4 258	4 808	1 507	1 524	1 164	360	31%	4 808
Waste water management	36 519	43 400	42 777	2 446	2 787	10 535	(7 749)	-74%	42 777
Public Toilets	1 566	1 984	1 984	128	361	493	(132)	-27%	1 984
Sewerage	27 631	30 347	29 724	1 811	1 004	7 321	(6 318)	-86%	29 724
Storm Water Management	7 321	8 141	8 141	507	1 422	1 989	(568)	-29%	8 141
Waste Water Treatment	0	2 928	2 928	-	-	732	(732)	-100%	2 928
Waste management	40 611	51 829	51 814	3 443	3 497	12 867	(9 370)	-73%	51 814
Solid Waste Disposal (Landfill Sites)	7 599	16 403	16 245	414	817	4 039	(3 223)	-80%	16 245
Solid Waste Removal	31 594	33 991	34 134	3 006	2 630	8 469	(5 839)	-69%	34 134
Street Cleaning	1 418	1 436	1 436	22	50	359	(308)	-86%	1 436
Other	902	951	951	225	229	238	(8)	-3%	951
Licensing and Regulation	10	51	51	-	4	13	(8)	-65%	51
Tourism	892	900	900	225	225	225	0	0%	900
Total Expenditure - Functional	646 415	774 922	780 884	61 756	127 276	186 117	(55 104)	-30%	780 884
Surplus/ (Deficit) for the year	29 831	2 908	6 307	(19 363)	90 765	63 541	27 224	43%	6 307

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

**WC022 Witzberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03
September**

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 515	5 201	49 186	55 752	(6 566)	-11,8%	109 515
Vote 2 - Community Services	13 275	35 720	41 770	608	965	10 501	(9 535)	-90,8%	41 770
Vote 3 - Community Services	130 855	131 976	132 291	792	46 348	49 483	(3 135)	-6,3%	132 291
Vote 4 - Community Services	13 503	4 581	5 061	4	4	1 265	(1 261)	-99,7%	5 061
Vote 5 - Corporate Services	267	594	594	2	84	148	(65)	-43,5%	594
Vote 6 - Technical Services	339 017	388 952	389 664	28 907	100 520	100 833	(312)	-0,3%	389 664
Vote 7 - Technical Services	85 638	107 224	107 224	6 834	20 775	31 310	(10 535)	-33,6%	107 224
Vote 8 - Muncipal Manager	1 129	1 072	1 072	46	158	367	(209)	-57,0%	1 072
Total Revenue by Vote	676 246	777 830	787 191	42 393	218 040	249 658	(31 618)	-12,7%	787 191
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	54 174	3 186	7 845	13 436	(5 592)	-41,6%	54 174
Vote 2 - Community Services	36 204	41 879	42 593	2 944	8 157	10 284	(2 127)	-20,7%	42 593
Vote 3 - Community Services	48 069	54 069	53 917	3 076	8 184	13 356	(5 172)	-38,7%	53 917
Vote 4 - Community Services	16 305	43 719	48 972	1 335	3 788	12 115	(8 328)	-68,7%	48 972
Vote 5 - Corporate Services	67 204	77 479	77 439	5 292	13 882	18 926	(5 044)	-26,7%	77 439
Vote 6 - Technical Services	337 830	401 057	399 520	36 667	76 641	92 460	(15 819)	-17,1%	399 520
Vote 7 - Technical Services	86 066	90 791	90 788	8 321	6 041	22 315	(16 274)	-72,9%	90 788
Vote 8 - Muncipal Manager	14 779	13 462	13 480	935	2 738	3 225	(487)	-15,1%	13 480
Total Expenditure by Vote	645 042	774 922	780 884	61 756	127 276	186 117	(58 842)	-31,6%	780 884
Surplus/ (Deficit) for the year	31 204	2 908	6 307	(19 363)	90 765	63 541	27 224	42,8%	6 307

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	4 231	47 138	48 862	(1 724)	-4%	83 290
Service charges - electricity revenue	274 184	323 478	323 478	26 080	87 683	77 635	10 048	13%	323 478
Service charges - water revenue	43 137	39 677	39 677	3 566	11 010	8 981	2 029	23%	39 677
Service charges - sanitation revenue	30 920	25 043	25 043	2 261	11 400	7 426	3 974	54%	25 043
Service charges - refuse revenue	27 965	25 574	25 574	2 491	7 461	6 203	1 258	20%	25 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 526	1 470	1 470	427	812	367	445	121%	1 470
Interest earned - external investments	3 079	6 990	6 990	164	622	1 747	(1 125)	-64%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 282	3 777	2 168	1 609	74%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 592	21 479	21 479	7	10	5 368	(5 358)	-100%	21 479
Licences and permits	1 065	2 111	2 111	294	1 037	527	510	97%	2 111
Agency services	4 354	4 046	4 046	-	-	1 011	(1 011)	-100%	4 046
Transfers recognised - operational	131 244	145 903	154 127	620	45 533	55 420	(9 887)	-18%	154 127
Other revenue	7 774	14 985	15 094	944	1 481	3 773	(2 291)	-61%	15 094
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	623 082	702 723	711 056	42 368	217 966	219 488	(1 522)	-1%	711 056
Expenditure By Type									
Employee related costs	201 538	237 025	237 091	17 036	50 109	59 249	(9 140)	-15%	237 091
Remuneration of councillors	9 897	12 007	12 007	828	2 499	3 001	(501)	-17%	12 007
Debt impairment	50 015	63 750	63 750	3 756	(11 166)	15 931	(27 097)	-170%	63 750
Depreciation & asset impairment	32 472	39 729	39 729	-	-	9 928	(9 928)	-100%	39 729
Finance charges	4 522	8 696	8 696	1	1	2 173	(2 172)	-100%	8 696
Bulk purchases	239 632	285 789	285 789	29 332	62 931	64 613	(1 683)	-3%	285 789
Other materials	12 584	14 977	15 191	1 631	3 052	3 797	(744)	-20%	15 191
Contracted services	51 748	48 390	48 749	4 445	9 082	9 958	(876)	-9%	48 749
Transfers and grants	6 534	25 603	30 386	336	443	7 596	(7 154)	-94%	30 386
Other expenditure	37 407	38 955	39 497	4 392	10 324	9 871	453	5%	39 497
Loss on disposal of PPE	66	0	0	-	-	0	(0)	-100%	0
Total Expenditure	646 415	774 922	780 884	61 756	127 276	186 117	(58 842)	-32%	780 884
Surplus/(Deficit)	(23 333)	(72 199)	(69 828)	(19 387)	90 690	33 371	57 319	0	(69 828)
Transfers recognised - capital	52 267	74 937	75 965	-	-	30 127	(30 127)	(0)	75 965
Contributions recognised - capital	898	170	170	24	74	42	32	0	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 831	2 908	6 307	(19 363)	90 765	63 541			6 307
Surplus/(Deficit) attributable to Share of surplus/ (deficit) of associate	29 831	2 908	6 307	(19 363)	90 765	63 541			6 307
Surplus/ (Deficit) for the year	29 831	2 908	6 307	(19 363)	90 765	63 541			6 307

The revenue and expenditure figures excludes internal charges.

Other expenditure includes operational costs such as:

Advertising, Publicity and Marketing

External Audit Fees

Communication

External Computer Service

Insurance Underwriting

Travel and Subsistence

Printing, Publications and Books

Uniform and Protective Clothing

Wet Fuel

Hire Charges

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03 September

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	50 121	-	-	-	-	-	-	-	-
Vote 2 - Community Services	206	-	-	-	-	-	-	-	-
Vote 3 - Community Services	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	12 425	27 630	27 523	82	82	4 145	(4 063)	-98%	27 523
Vote 7 - Technical Services	3 913	34 373	36 893	2 711	3 771	6 962	(3 192)	-46%	36 893
Vote 8 - Municipal Manager	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	66 665	62 004	64 416	2 792	3 852	11 107	(7 254)	-65%	64 416
Single Year expenditure appropriation									
Vote 1 - Financial Services	165	180	677	-	15	169	(154)	-91%	677
Vote 2 - Community Services	1 971	-	-	-	-	-	-	-	-
Vote 3 - Community Services	1 126	-	240	-	-	60	(60)	-100%	240
Vote 4 - Community Services	9 507	6 151	3 739	2	2	844	(843)	-100%	3 739
Vote 5 - Corporate Services	3 630	900	900	-	-	225	(225)	-100%	900
Vote 6 - Technical Services	25 539	16 266	18 747	906	3 574	3 244	330	10%	18 747
Vote 7 - Technical Services	8 462	3 744	3 744	-	889	936	(47)	-5%	3 744
Vote 8 - Municipal Manager	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	50 399	27 241	28 047	907	4 480	5 479	(998)	-18%	28 047
Total Capital Expenditure	117 064	89 244	92 462	3 700	8 333	16 585	(8 253)	-50%	92 462

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03 September

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
Governance and administration	53 283	2 080	3 778	-	15	944	(929)	-98%	3 778
Executive and council	(1)	600	600	-	-	150	(150)	-100%	600
Community and social services	1 613	-	-	-	-	-	-	-	-
Public safety	1 481	-	240	-	-	60	(60)	-100%	240
Housing	-	-	-	-	-	-	-	-	-
Economic and environmental service	17 177	27 042	28 323	569	1 459	4 319	(2 860)	-66%	28 323
Planning and development	1 934	696	696	2	2	83	(82)	-98%	696
Road transport	15 243	26 347	27 627	568	1 457	4 236	(2 779)	-66%	27 627
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	35 728	54 666	57 079	3 130	6 858	10 501	(3 643)	-35%	57 079
Energy sources	4 054	13 163	13 163	420	420	1 783	(1 363)	-76%	13 163
Water management	7 954	21 135	21 135	-	889	3 023	(2 134)	-71%	21 135
Waste water management	18 448	3 386	3 279	-	1 779	820	959	117%	3 279
Waste management	5 272	16 982	19 501	2 711	3 771	4 875	(1 105)	-23%	19 501
Total Capital Expenditure - Standard Classification	117 064	89 244	92 462	3 700	8 333	16 585	(8 253)	-50%	92 462
Funded by:									
National Government	18 276	49 637	49 637	3 075	4 077	8 706	(4 629)	-53%	49 637
Provincial Government	33 326	24 801	26 081	569	4 127	3 759	368	10%	26 081
District Municipality	665	500	815	-	-	204	(204)	-100%	815
Transfers recognised - capital	52 768	74 937	76 533	3 645	8 204	12 668	(4 464)	-35%	76 533
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	15 930	55	129	3 917	(3 789)	-97%	15 930
Total Capital Funding	66 944	89 244	92 462	3 700	8 333	16 585	(8 253)	-50%	92 462

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	115 305	133 360	114 952	140 546	114 952
Consumer debtors	82 140	28 353	55 673	123 382	55 673
Other debtors	9 377	7 966	18 542	22 237	18 542
Current portion of long-term receivables	–	–	–	–	–
Inventory	9 963	11 602	9 963	9 203	9 963
Total current assets	216 785	181 281	199 130	295 368	199 130
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	43 430	43 765	43 430	43 430	43 430
Investments in Associate	–	–	–	–	–
Property, plant and equipment	985 237	996 031	1 038 873	993 570	1 038 873
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	1 122	1 576	1 122	1 122	1 122
Other non-current assets	550	550	550	550	550
Total non current assets	1 030 339	1 041 921	1 083 975	1 038 672	1 083 975
TOTAL ASSETS	1 247 124	1 223 203	1 283 105	1 334 040	1 283 105
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	1 587	–	1 587	1 566	1 587
Consumer deposits	8 732	7 976	8 732	8 879	8 732
Trade and other payables	58 125	115 836	110 393	52 124	110 393
Provisions	55 997	77 857	25 627	58 630	25 627
Total current liabilities	124 441	201 668	146 339	121 199	146 339
Non current liabilities					
Borrowing	1 188	2 588	188	1 188	188
Provisions	173 844	128 602	173 844	173 247	173 844
Total non current liabilities	175 032	131 189	174 032	174 435	174 032
TOTAL LIABILITIES	299 473	332 857	320 371	295 634	320 371
NET ASSETS	947 651	890 345	962 733	1 038 406	962 733
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	937 209	879 728	952 291	1 027 964	952 291
Reserves	10 442	10 618	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY	947 651	890 345	962 733	1 038 406	962 733

The cash flows for the year to date are indicated in the following table:

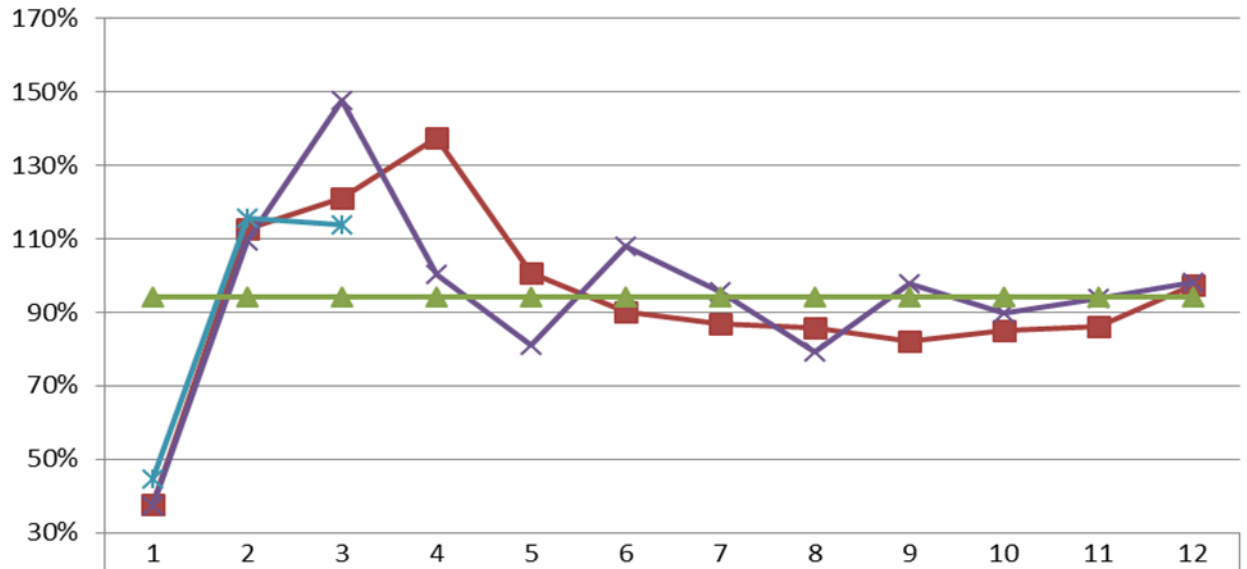
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	–	79 126	79 126	11 710	33 072	21 887	11 185	51%	79 126
Service charges	–	379 151	437 751	40 972	122 669	89 010	33 659	38%	437 751
Other revenue	–	27 756	19 373	1 035	2 121	4 180	(2 059)	-49%	19 373
Government - operating	–	145 903	154 127	169	50 492	59 079	(8 587)	-15%	154 127
Government - capital	–	75 107	86 842	–	9 333	19 736	(10 403)	-53%	86 842
Interest	–	9 593	9 593	164	623	1 331	(708)	-53%	9 593
Dividends									
Payments									
Suppliers and employees	–	(604 934)	(658 415)	(61 880)	(182 062)	(167 875)	14 187	-8%	(658 415)
Finance charges	–	(461)	(462)	(1)	(1)	–	1		(462)
Transfers and Grants	–	(25 603)	(30 361)	(561)	(668)	(2 299)	(1 632)	71%	(30 361)
NET CASH FROM/(USED) OPERATING ACTIVITIES	–	85 636	97 574	(8 391)	35 579	25 049	35 643	142%	97 574
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments	–	–	10 442	–	(80 000)	–	(80 000)		10 442
Payments									
Capital assets	–	(89 094)	(107 369)	(3 912)	(10 330)	(14 453)	(4 124)	29%	(107 369)
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	(89 094)	(96 927)	(3 912)	(90 330)	(14 453)	75 876	-525%	(96 927)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–		–
Borrowing long term/refinancing	–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits	–	–	–	10	21	–	21		–
Payments									
Repayment of borrowing	–	(1 000)	(1 000)	(21)	(19)	–	19		(1 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	(1 000)	(1 000)	(11)	2	–	(2)		2
NET INCREASE/ (DECREASE) IN CASH HELD	–	(4 459)	(353)	(12 315)	(54 749)	10 596			(353)
Cash/cash equivalents at beginning:	–	137 819	115 305		115 296	115 305			115 296
Cash/cash equivalents at month/year end:	–	133 360	114 952		60 546	125 901			114 943

WC022 Witzberg - Supporting Table SC1 Material variance explanations - M03 September

Ref	Description	Variance	Reasons for material deviations
	R thousands		
1	Revenue By Source		
	Property rates	(1 724)	Immaterial variance.
	Service charges - electricity revenue	10 048	Increased electricity usage during winter months.
	Service charges - water revenue	2 029	Immaterial variance.
	Service charges - sanitation revenue	3 974	Usage higher than expected.
	Service charges - refuse revenue	1 258	Immaterial variance.
	Service charges - other	-	
	Rental of facilities and equipment	445	Immaterial variance.
	Interest earned - external investments	(1 125)	Immaterial variance.
	Interest earned - outstanding debtors	1 609	Immaterial variance.
	Dividends received	-	
	Fines, penalties and forfeits	(5 358)	Fines Revenue Recognised on an Annual Basis.
	Licences and permits	510	Immaterial variance.
	Agency services	(1 011)	Immaterial variance.
	Transfers and subsidies	(9 887)	Delay in receipt of transfers and subsidies - information only relates to first quarter of financial year.
	Other revenue	(2 291)	Immaterial variance.
	Gains on disposal of PPE	-	
2	Expenditure By Type		
	Employee related costs	(9 140)	Variance due to non-cash provisions related to post employment benefits included in employee related costs.
	Remuneration of councillors	(501)	Immaterial variance.
	Debt impairment	(27 097)	Provision in line with calculated provision based on Debtors Aging.
	Depreciation & asset impairment	(9 928)	Depreciation recognised on an annual basis.
	Finance charges	(2 172)	Immaterial variance.
	Bulk purchases	(1 683)	Immaterial variance.
	Other materials	(744)	Immaterial variance.
	Contracted services	(876)	Immaterial variance.
	Transfers and subsidies	(7 154)	Delay in expenditure with regards to Housing Top Structures
	Other expenditure	453	Immaterial variance.
	Loss on disposal of PPE	-	
3	Capital Expenditure		
	Total Capital Expenditure	(8 253)	Information only relates to first quarter of financial year - capital expenditure on bigger projects due to commence shortly.
		-	
		-	
4	Financial Position		
		-	
		-	
		-	
		-	
	Receipts		
	Service charges	33 659	High collection mainly attributable to increased electricity usage during winter months.
	Government - operating	(8 587)	Delay in receipt of Operational Grants - information only relates to first quarter of financial year.
	Government - capital	(10 403)	Receipts with regards to Capital Grants outstanding of which the most material is Housing and MIG.
	Interest	(708)	Immaterial variance.
	Dividends	-	
	Payments		
	Suppliers and employees	14 187	Variance due to increased expenditure pertaining to Bulk Purchases as well as contracted services.
	Finance charges	1	Immaterial variance.
	Transfers and Grants	(1 632)	Immaterial variance.
6	Measureable performance		
7	Municipal Entities		

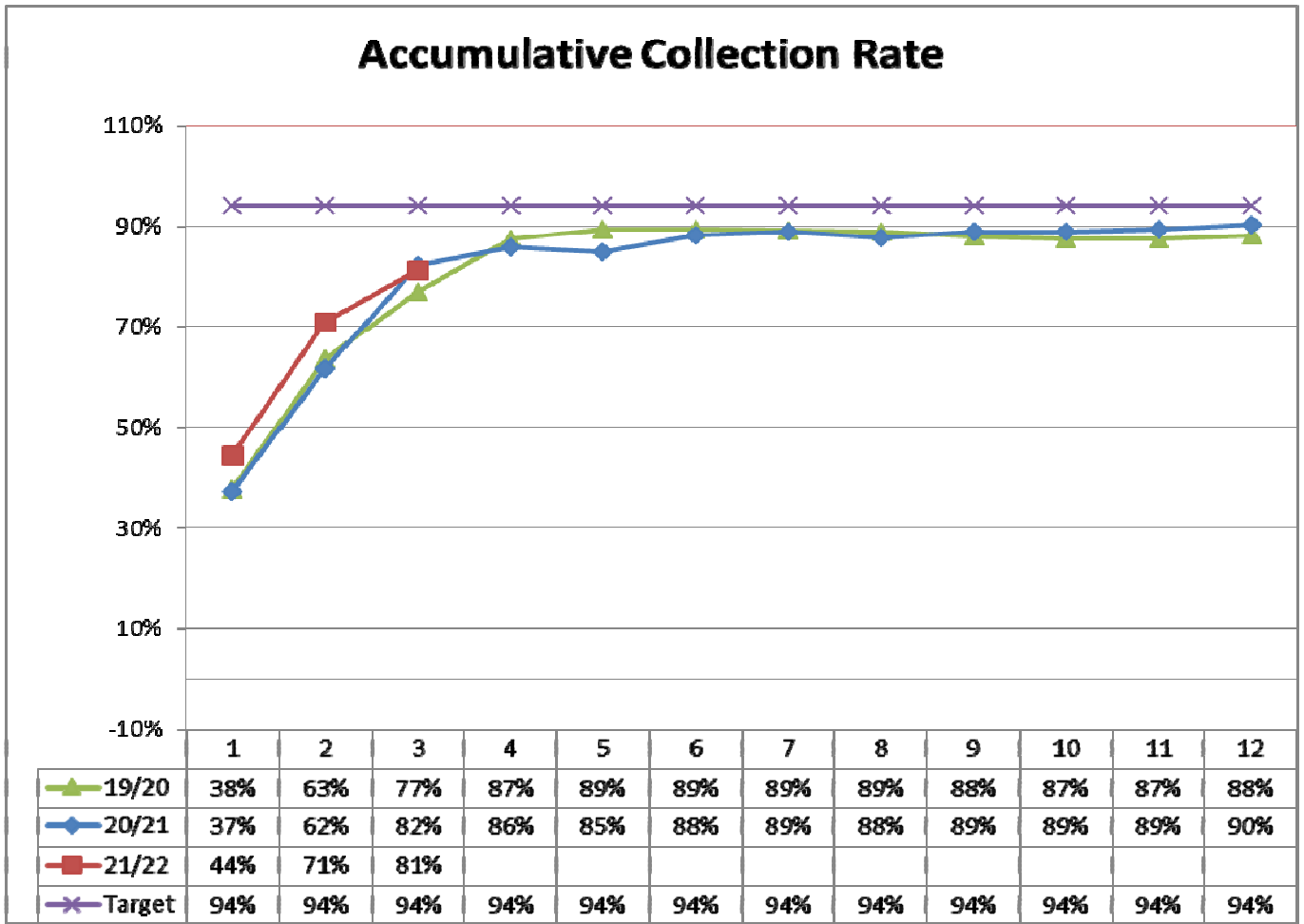
Debtor Collection Rate per Month



19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
21/22	44%	116%	114%									
Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for Sept 2021 amounts to 114% in comparison to the previous year 148%.

Die doel van hierdie grafiek is om die verhaling van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Sept 2021 114% behoel in vergelyking met die vorige jaar 148%.



The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 81%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 81% behoort.

The payment culture of consumers are still the same which has a negative impact on collections.

Die betalingskultuur onder verbruikers is onveranderd wat die invorderings negatief beïnvloed.

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2021/22									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Water	1200	11 069	2 202	1 856	1 663	1 796	1 699	8 351	60 317	88 954	73 826	
Electricity	1300	22 534	717	459	291	254	228	860	4 651	29 993	6 284	
Property Rates	1400	16 020	896	444	264	261	237	1 231	18 204	37 556	20 197	
Waste Water Management	1500	13 458	1 112	970	929	915	899	4 887	31 227	54 398	38 858	
Waste Management	1600	8 810	1 300	1 112	1 040	993	998	5 287	32 490	52 029	40 808	
Property Rental Debtors	1700	190	13	13	12	13	13	101	1 055	1 410	1 194	
Interest on Arrear Accounts	1810	1 253	139	130	126	155	175	1 086	42 301	45 365	43 843	
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(5 071)	40	33	29	38	26	214	1 205	(3 485)	1 512	
Total By Income Source	2000	68 263	6 419	5 017	4 355	4 427	4 275	22 017	191 450	306 220	226 522	
2019/20 - totals only										-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	2 861	964	334	159	136	123	614	5 608	10 797	6 639	
Commercial	2300	29 271	669	365	250	241	245	936	11 139	43 116	12 811	
Households	2400	35 124	4 602	4 128	3 795	3 871	3 719	19 572	169 055	243 867	200 012	
Other	2500	1 006	184	190	151	179	187	895	5 648	8 440	7 060	
Total By Customer Group	2600	68 263	6 419	5 017	4 355	4 427	4 275	22 017	191 450	306 220	226 522	

Negative figure as indicated for "Other Debtors" relates to cash received, but not yet allocated.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 732	-	-	-	-	-	-	-	1 732
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 732	-	-	-	-	-	-	-	1 732

Notes

Material increases in value of creditors' categories compared to previous month to be explained

0

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
R thousands								
<u>Municipality</u>								
Nedbank Ltd	6 Months	Fixed depos	29/01/2022	-		-	-	20 000
ABSA Bank Ltd	7 Months	Fixed depos	28/02/2022	-		-	-	20 000
Standard Bank of SA Ltd	4 Months	Fixed depos	29/11/2021	-		-	-	20 000
Investec Bank Ltd	-		-	-		-	-	-
First National Bank	3 Months	Fixed depos	29/10/2021	-		-	-	20 000
-	-			-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	80 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	110 696	110 696	620	45 533	44 278	1 778	4,0%	110 696
Operational Revenue:General Revenue:Equitable S	106 666	106 666	-	44 444	42 666	1 778	4,2%	106 666
Expanded Public Works Programme Integrated Gran	2 617	2 617	491	855	1 047	(192)	-18,3%	2 617
Local Government Financial Management Grant [S	1 413	1 413	129	234	565	(331)	-58,5%	1 413
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Provincial Government:	34 268	40 318	-	-	10 264	(10 264)	-100,0%	43 706
Capacity Building	-	-	-	-	-	-	-	-
Capacity Building and Other	10 937	11 661	-	-	3 100	(3 100)	-100,0%	11 661
Infrastructure	23 331	28 656	-	-	7 164	(7 164)	-100,0%	28 656
								1 694
								1 694
								-
District Municipality:	-	1 694	-	-	424	(424)	-1	-
All Grants	-	1 694	-	-	424	(424)	-1	-
Total Operating Transfers and Grants	144 964	152 708	620	45 533	54 966	(9 433)	-17,2%	155 162
National Government:	50 296	50 296	-	-	20 118	(20 118)	-300,0%	50 296
Municipal Infrastructure Grant [Schedule 5B]	21 808	21 808	-	-	8 723	(8 723)	-100,0%	21 808
Regional Bulk Infrastructure Grant (Schedule 5B)	17 391	17 391	-	-	6 956	(6 956)	-100,0%	17 391
Provincial Government:	24 801	25 514	-	-	9 994	(9 994)	-100,0%	26 329
Capacity Building and Other	-	-	-	-	-	-	-	-
Infrastructure	24 801	25 514	-	-	9 994	(9 994)	-100,0%	25 514
								815
District Municipality:	500	815	-	-	279	(279)	-100,0%	815
All Grants	500	815	-	-	279	(279)	-100,0%	815
Other grant providers:	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	75 597	76 625	-	-	30 391	(30 391)	-100,0%	77 440
TOTAL RECEIPTS OF TRANSFERS & GRANTS	220 561	229 332	620	45 533	85 358	(39 824)	-46,7%	232 601

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Budget Year 2021/22							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	61 657	61 262	3 744	9 887	14 976	-		61 262
Operational Revenue:General Revenue:Equitable	56 917	56 522	3 123	8 797	13 804	(5 007)	-36,3%	56 522
Expanded Public Works Programme Integrated Gr	2 617	2 617	491	855	654	201	30,7%	2 617
Local Government Financial Management Grant [	1 463	1 463	129	234	352	(118)	-33,5%	1 463
Municipal Infrastructure Grant [Schedule 5B]	660	660	-	-	165	(165)	-100,0%	660
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Provincial Government:	34 306	39 788	824	2 470	9 924	(7 454)	-75,1%	39 788
Capacity Building and Other	10 975	11 700	824	2 470	2 902	(432)		11 700
Disaster and Emergency Services	-	-	-	-	-	-		-
Infrastructure	23 331	28 089	-	-	7 022	(7 022)		28 089
District Municipality:	-	1 694	-	-	-	(424)	-100,0%	-
All Grants	-	1 694	-	-	424	(424)	-100,0%	-
Other grant providers:	829	1 287	151	366	322	44	13,7%	1 287
Foreign Government and International Organisatio	829	1 287	151	366	322	44	13,7%	1 287
Total operating expenditure of Transfers and Grants	96 792	104 032	4 720	12 723	25 222	(7 834)	-31,1%	102 338
National Government:	49 637	49 637	3 075	4 077	8 706	(4 629)	-53,2%	49 637
Municipal Infrastructure Grant [Schedule 5B]	21 148	21 148	2 737	3 739	5 287	(1 548)	-29,28%	21 148
Regional Bulk Infrastructure Grant (Schedule 5B)	17 391	17 391	-	-	2 087	(2 087)	-100,00%	17 391
Provincial Government:	25 801	27 711	569	4 127	4 166	(39)		26 081
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	24 801	26 081	569	4 127	3 759	368	9,8%	26 081
District Municipality:	500	815	-	-	204	(204)	-100,0%	815
All Grants	500	815	-	-	204	(204)	-100,0%	815
Other grant providers:	14 157	15 780	55	129	3 880	(3 751)	-96,7%	15 780
Foreign Government and International Organisatio	-	-	-	-	-	-		-
Transfer from Operational Revenue	14 157	15 780	55	129	3 880	(3 751)	-96,7%	15 780
Total capital expenditure of Transfers and Grants	90 094	93 942	3 700	8 333	16 955	(8 623)	-50,9%	92 312
TOTAL EXPENDITURE OF TRANSFERS AND GRAN	186 886	197 974	8 419	21 055	42 177	(16 457)	-39,0%	194 650

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	636	1 909	1 994	(85)	-4%	7 980
Pension and UIF Contributions	1 787	1 787	90	269	447	(178)	-40%	1 787
Medical Aid Contributions	335	335	17	51	84	(32)	-39%	335
Motor Vehicle Allowance	817	817	-	-	204	(204)	-100%	817
Cellphone Allowance	985	985	81	260	246	13	5%	985
Housing Allowances	43	43	3	10	11	(1)	-5%	43
Other benefits and allowances	59	59	-	-	15	(15)	-100%	59
Sub Total - Councillors	12 007	12 007	828	2 499	3 001	(501)	-17%	12 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 497	324	973	1 124	(151)	-13%	4 497
Pension and UIF Contributions	925	925	29	87	231	(145)	-63%	925
Medical Aid Contributions	159	159	5	14	40	(25)	-64%	159
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	1 052	1 052	62	186	263	(77)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	248	310	(63)	-20%	1 242
Cellphone Allowance	84	84	2	6	21	(15)	-71%	84
Housing Allowances	182	182	24	71	45	26	56%	182
Other benefits and allowances	136	136	9	28	34	(6)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers	8 276	8 276	538	1 613	2 068	(456)	-22%	8 276
Other Municipal Staff								
Basic Salaries and Wages	136 537	136 602	9 875	28 624	34 137	(5 513)	-16%	136 602
Pension and UIF Contributions	20 659	20 660	1 606	4 750	5 163	(414)	-8%	20 660
Medical Aid Contributions	9 200	9 200	675	2 034	2 299	(265)	-12%	9 200
Overtime	10 906	10 906	1 513	4 424	2 725	1 698	62%	10 906
Performance Bonus	9 311	9 311	737	2 217	2 327	(110)	-5%	9 311
Motor Vehicle Allowance	5 309	5 309	488	1 462	1 327	135	10%	5 309
Cellphone Allowance	478	478	43	128	119	9	7%	478
Housing Allowances	1 947	1 947	95	284	486	(202)	-42%	1 947
Other benefits and allowances	5 175	5 175	431	1 315	1 293	22	2%	5 175
Payments in lieu of leave	1 050	1 050	170	661	262	399	152%	1 050
Long service awards	-	-	81	242	-	242	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	786	2 357	7 042	(4 684)	-67%	28 178
Sub Total - Other Municipal Staff	228 749	228 815	16 499	48 497	57 181	(8 684)	-15%	228 815
TOTAL SALARY, ALLOWANCES & % increase	249 032	249 098	17 864	52 609	62 250	(9 641)	-15%	249 098
TOTAL MANAGERS AND STAFF	237 025	237 091	17 036	50 109	59 249	(9 140)	-15%	237 091

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

Description	Ref	Budget Year 2021/22											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget
Cash Receipts By Source													
Property rates		5 769	15 593	11 710	-	-	-	-	-	-	-	-	45 404
Service charges - electricity revenue		30 337	36 936	33 947	-	-	-	-	-	-	-	-	215 976
Service charges - water revenue		2 880	3 342	2 987	-	-	-	-	-	-	-	-	19 673
Service charges - sanitation revenue		1 789	2 310	1 912	-	-	-	-	-	-	-	-	9 263
Service charges - refuse		2 013	2 089	2 126	-	-	-	-	-	-	-	-	11 746
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		91	77	334	-	-	-	-	-	-	-	-	(497)
Interest earned - external investments		221	237	164	-	-	-	-	-	-	-	-	1 296
Interest earned - outstanding debtors		0	-	-	-	-	-	-	-	-	-	-	(0)
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		68	53	63	-	-	-	-	-	-	-	-	1 149
Licences and permits		487	50	325	-	-	-	-	-	-	-	-	1 348
Agency services		-	-	-	-	-	-	-	-	-	-	-	3 948
Transfer receipts - operating		-	-	-	-	-	-	-	-	-	-	-	111 506
Other revenue		44 521	6 061	483	-	-	-	-	-	-	-	-	(42 277)
Cash Receipts by Source		88 177	66 748	54 050	-	-	-	-	-	-	-	-	378 535
Other Cash Flows by Source													-
Transfer receipts - capital		9 333	-	-	-	-	-	-	-	-	-	-	53 579
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(10)	21	10	-	-	-	-	-	-	-	-	(21)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		(80 000)	-	-	-	-	-	-	-	-	-	-	80 000
Total Cash Receipts by Source		17 500	66 769	54 060	-	-	-	-	-	-	-	-	512 093
Cash Payments by Type													-
Employee related costs		14 974	14 718	15 104	-	-	-	-	-	-	-	-	166 789
Remuneration of councillors		936	955	938	-	-	-	-	-	-	-	-	(2 828)
Interest paid		-	-	1	-	-	-	-	-	-	-	-	(1)
Bulk purchases - Electricity		32 051	38 254	33 727	-	-	-	-	-	-	-	-	156 793
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		1 474	451	1 001	-	-	-	-	-	-	-	-	-
Contracted services		2 677	5 053	4 894	-	-	-	-	-	-	-	-	(12 624)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		54	54	561	-	-	-	-	-	-	-	-	(668)
General expenses		8 745	2 054	7 801	-	-	-	-	-	-	-	-	53 140
Cash Payments by Type		60 910	61 539	64 024	-	-	-	-	-	-	-	-	360 602
Other Cash Flows/Payments by Type													-
Repayment of borrowing		(2)	-	21	-	-	-	-	-	-	-	-	(19)
Total Cash Payments by Type		62 307	64 397	66 375	-	-	-	-	-	-	-	-	443 240
NET INCREASE/(DECREASE) IN CASH HELD		(44 807)	2 372	(12 315)	-	-	-	-	-	-	-	-	68 853
Cash/cash equivalents at the month/year beginning:		115 296	70 489	72 861	60 546	60 546	60 546	60 546	60 546	60 546	60 546	60 546	60 546
Cash/cash equivalents at the month/year end:		70 489	72 861	60 546	60 546	60 546	60 546	60 546	60 546	60 546	60 546	60 546	129 399

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	–	3 528	3 851	1	1	3 851	3 850	100,0%	0%
August	970	5 053	5 358	4 632	4 633	9 209	4 576	49,7%	5%
September	2 309	7 122	7 377	3 700	8 333	16 585	8 253	49,8%	9%
October	3 822	10 136	10 381	–		26 967	–		
November	7 006	10 136	10 381	–		37 348	–		
December	3 969	8 647	8 884	–		46 231	–		
January	4 376	3 528	3 851	–		50 082	–		
February	4 502	5 053	5 358	–		55 440	–		
March	15 227	7 122	7 377	–		62 817	–		
April	2 003	10 136	10 381	–		73 198	–		
May	6 929	10 136	10 381	–		83 579	–		
June	65 951	8 647	8 884	–		92 462	–		
Total Capital expenditure	117 064	89 244	92 462	8 333					

3.2 SUPPLY CHAIN MANAGEMENT

3.2 VOORSIENINGSKANAAL BESTUUR

3.2.1 Demand and Acquisition

3.2.1 Aanvraag en Verkryging

3.2.1.1 Advertisement stage

3.2.1.1 Adverteringsfase

The following formal written price quotations are currently in the advertisement stage:

Die volgende formele geskrewe pryskwotasies is tans in die adverterings fase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/19/03	Periodic Maintenance, General repairs and Provision of Spare parts for Sweeper (Re-advertisement)	14-Oct-2021
08/2/19/13	Supply and delivery of a Server as specified	07-Oct-2021
08/2/19/18	Lease of the Café building in Pine Forest holiday resort	15-Oct-2021
08/2/19/19	Lease of the Café building at PA Hamlet swimming pool	15-Oct-2021

The following competitive bids are currently in the advertisement stage:

Die volgende mededingende tenders is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/18/64	Appointment of contractors for maintenance, repair and replacement of general electrical infrastructure and wiring of premises for Witzenberg municipality	04-Nov-2021
08/2/19/12	Leasing of the Tolhuis together with the adjacent building on a portion of erf 1001, Ceres	14-Oct-2021

3.2.1.2 Evaluation stage:

3.2.1.2 Evaluering stadium:

The following competitive bids are currently in the evaluation stage:

Die volgende mededingende tenders is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/62	Professional services for Witzenberg Municipality	08-Jul-2021	30-Aug-2021	D Greeff
08/2/18/69	Supply and fitment of new Tyres, tubes and provision of Tyre repair and other related services, including the supply and fitment of steering and suspension components	06-Sep-2021	20-Sep-2021	O Gatyene
08/2/18/72	Appointment of a Travel Agency	27-Sep-2021	Awaiting	R Hendricks
08/2/18/81	Electrical and Mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	30-Sep-2021	Awaiting	N Jacobs

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/82	Electrification of Informal Houses in Vredebes, Ceres – Phase H	06-Sep-2021	21-Sep-2021	D Greeff
08/2/19/01	Supply and delivery of Station Uniforms for Fire Department, Emergency Control Room and Disaster Management	19-Aug-2021	Awaiting	A Lamprecht-Vertue

The following formal written price quotations are currently in the evaluation stage:

Die volgende formele geskrewe pryskwotasie is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/66	Supply and delivery of Water Meters	23-Jul-2021	08-Sep-2021	M Frieslaar / N Jacobs
08/2/18/74	Supply and delivery of galvanised roof sheets, ridging and Self Drill screws	28-Jun-2021	Awaiting	N Jacobs
08/2/19/02	Appointment of a Service Provider for training of Operating Regulations High Voltage Systems (ORHVS)	06-Aug-2021	23-Aug-2021	I Barnard

3.2.1.3 Adjudication stage

3.2.1.3 Toekenningsfase:

The following competitives bid are currently in the adjudication stage:

Die volgende mededingende tenders is tans in die toekenningsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
08/2/18/05	Roads and Stormwater Maintenance (Re-advertisement)	30-Mar-2021	14-Jul-2021	26-Jul-2021 27-Sep-2021
08/2/18/73	Supply and delivery of copy paper	06-Jul-2021	22-Sep-2021 29-Sep-2021	-
08/2/18/78	Sport Field Masts For Lyell Street Sports Field	07-Sep-2021	30-Sep-2021	-
08/2/18/79	Supply and delivery of a Conference System for Council Chambers	15-Jun-2021	14-Jul-2021	13-Sep-2021

No formal written price quotations are currently in the adjudication stage.

Geen formele geskrewe prys kwotasie is tans in die Toekenningsfase nie.

3.2.1.4 Bids Awarded

No bids were awarded by the Bid Adjudication Committee during the month of September 2021.

The following competitives bids were awarded by the Accounting Officer during the month of September 2021:

3.2.1.5 Paragraph 13 (1): Cancellation and re-invitation of tenders

3.2.1.4 Tenders toegeken

Geen tender is toegeken deur die Tender Toekenningskomitee gedurende September 2021 nie.

Die volgende mededingende tenders is toegeken deur die Rekenpligtige Beampte gedurende September 2021:

3.2.1.5 Paragraaf 13 (1): Kansellasië en her-uitnodiging van tenders

Bid ref number	Date	Name of Supplier	Brief description of services	Reason why awarded made	Value (incl. VAT)
08/2/18/12	07-Sep-2021	Uhambo Procurement & Distribute CC	Supply and delivery of Protective Clothing	Bidder scored the highest points	Based on reates estimated at R4 803 345.00

3.2.1.6 Paragraph 19 (1) l and 19 (2): Written price quotations

The following written price quotations were approved during the month of September 2021:

3.2.1.6 Paragraaf 19 (1) (c) en 19 (2): Geskrewe Prys Kwotasies

Die volgende geskrewe prys kwotasies was goedgekeur gedurende September 2021:

Order number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
170127	01-September-2021	Chama General Service (Pty) Ltd	Removing of Vehicles from Onder Swaarmoed, Ceres	Lowest responsive quotation	R 7 200.00 (Incl. VAT)	Chief Financial Officer
170393	20-September-2021	Kaap Agri Bedryf Beperk	Supply and Delivery of Safety shoes and gloves	Lowest responsive quotation	R 25 629.35 (Incl. VAT)	Chief Financial Officer
170507	29-September-2021	Breerivier Training Development CC	Service Provider for Cherry Picker Operator Training	Lowest responsive quotation	R 9 432.20 (Incl. VAT)	Chief Financial Officer

3.2.1.7 Formal Written Price Quotations

3.2.1.7 Formele Geskrewe Prys Kwotasies

The following formal written price quotations, in excess of R 30 000 were awarded by an official acting in terms of a sub-delegation for the month of September 2021:

Die volgende formele geskrewe kwotasies, wat meer is as R 30 000.00 is toegeken deur 'n amptenaar wat in terme van 'n sub-afvaardiging vir die maand van September 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
08/2/19/04	21-Sep-2021	AAD Truck & Bus (PTY) Ltd	Supply, fit of parts and repairs of Nissan UD90 FE6T (2006)	Bidder scored the highest points	R 160 609.44 (Incl. VAT)	Director: Technical Services

3.2.1.8 Appeals

The following appeals were lodged and dealt with by the Accounting Officer during the month of September 2021:

3.2.1.8 Appèlle

Die volgende appèlle is ontvang of was hanteer deur die Rekenpligtige beamppte gedurende September 2021:

Bid number	Bid title	Date of appeal	Appellant	Reason for appeal	Status	Dealt by
08/2/18/60	Shortterm Insurance (Re-sdvertisement)	09-Jul-2021	AON South Africa	Reason for non-compliance	Appeal was upheld on 15 Sep 2021	Accounting Officer

3.2.1.9 Deviations

The following table contains the actuals against approved deviations by the Accounting Officer for the month of September 2021 which totals R 332 734:

3.2.1.9 Afwykings

Die volgende tabel bevat die werklike uitgawes teen goedgekeurde afwykings deur die Rekenpligtige Beamppte vir die maand van September 2021 wat beloop op die totaal van R 332 734:

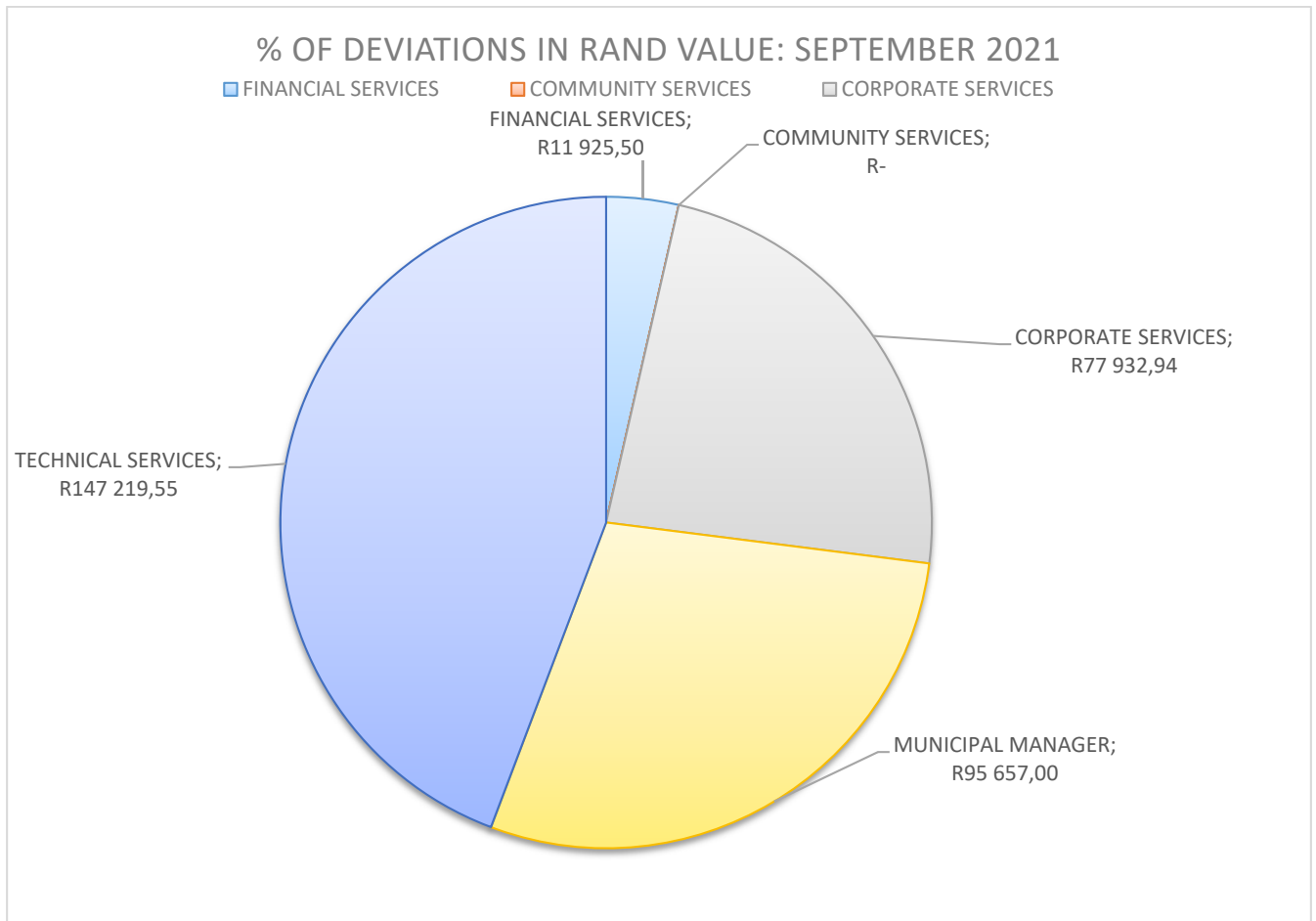
Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
1-Jul-21	Static Power	Supply spares for battery charger	Single supplier	203	4,748.35
8-Jul-21	Witzenberg Herald	Publish Notice Approved 2021/2022 SDBIP & Performance Agreements	Impractical	169471	3,825.00
8-Jul-21	Multichoice Support Services (PTY) Ltd	DSTV Subscriptions: Jul - Dec 2020	Single supplier	169472	6,930.00
1-Sep-21	Witzenberg Herald	Publish Notice: IDP & Budget Process Plan	Single supplier	170125	2,244.00
1-Sep-21	Witzenberg Herald	Publish Notice: Concept Ward Committee Policy	Single supplier	170126	2,040.00
2-Sep-21	Witzenberg Herald	Publish Notice: Sale of Erf 622, Wolseley for Public Comment	Single supplier	170133	3,876.00
7-Sep-21	Witzenberg Herald	Publish notice: Bid 08/2/19/12 Leasing of Tolhuis	Single supplier	170211	4,284.00

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Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
7-Sep-21	Witzenberg Herald	Publish notice: Adjustment Budget approved 25 Aug 2021	Single supplier	170212	2,754.00
15-Sep-21	Johan Bezuidenhout Attorneys	Legal Services	Impractical	170306	80,000.00
15-Sep-21	Witzenberg Herald	Publish Notice: Removal of wreckages on R46	Single supplier	170307	3,672.00
15-Sep-21	Ian Dickey & CO (PTY) Ltd	Supply of Sewer Rods & Accessories	Single supplier	170319	95,321.20
15-Sep-21	WC Communications	Repair of Telephone Lines & Emergency and Traffic services	Emergency	170322	4,392.71
15-Sep-21	Consolidated African Technologies (PTY) Ltd	Supply and delivery of batteries for meter reading devices	Single supplier	170325	4,887.50
20-Sep-21	Zelpy 2707 (PTY) Ltd T/A Boland Isuzu	Repair engine: CT 2490	Emergency	170374	50,277.23
20-Sep-21	Witzenberg Herald	Publish Notice: Council Meeting 29 Sep 2021	Single supplier	170378	2,448.00
21-Sep-21	Juno Corp (PTY) Ltd	Hiring of Combination Vacuum & Jetting Truck - 4 days	Emergency	170394	47,150.00
22-Sep-21	Witzenberg Herald	Publish Notice: Public Notice	Single supplier	170441	6,885.00
28-Sep-21	Chama General Services (PTY) Ltd	Towing of Impounded vehicles to Paarl	Emergency	170483	7,000.00

MONTH / MAAND	DEVIATION AMOUNT AFWYKING BEDRAG	TOTAL VALUE OF ORDERS ISSUED TOTALE WAARDE VAN BESTELLINGS UITGEREIK	% DEVIATIONS OF TOTAL ORDERS ISSUED % AFWYKINGS VAN TOTALE BESTELLINGS UITGEREIK
July 2021	R 146 952	R37 556 146.40	0.39%
August 2021	R 242 767	R57 580 512.72	0.42%
September 2021	R 332 734	R12 829 976.36	2.59%

DEVIATIONS PER DIRECTORATE



Logistics

The table below contains a high level summary of information regarding the stores section:

Logistieke

Die tabel hieronder bevat 'n hoë vlak opsomming van inligting rakende die magasyn (stoor):

MONTH	Jul 2021	Aug 2021	Sept 2021
Value of inventory at hand	R 8 134 716	R 8 148 002	R 7 838 531
Turnover rate of total value of inventory	0.84	0.85	1.02
Date of latest stores reconciliation	30 Sep 2021		
Date of last stock count	22 Sep 2021		
Date of next stock count	08 Dec 2021		



QUALITY CERTIFICATE

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the monthly in year monitoring reports for the month of September 2021 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Mr D Nasson

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:

Date:



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase

Monthly Budget Statement Report Section 71 for October 2021

**Financial data is in respect of the period
1 July 2021 to 30 June 2022**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

2.3 Monthly budget statements

In terms of Section 71 of the MFMA the accounting officer must prepare monthly budget statements that comply with this section. This section read as follows:

"71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on—*
 - (i) its share of the local government equitable share; and*
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
- (g) when necessary, an explanation of—*
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;*
 - (ii) any material variances from the service delivery and budget implementation plan; and*
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.*

(2) The statement must include—

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after

2.3 Maandelikse begroting state

In terme van Artikel 71 van die MFMA die rekenpligtige beampte moet 'n maandelikse begroting state wat voldoen aan hierdie artikel. Hierdie artikel lees soos volg:

"71. (1) Die rekenpligtige beampte van 'n munisipaliteit moet nie later as 10 werk dae na die einde van elke maand aan die burgemeester van die munisipaliteit en die betrokke Provinsiale Tesourie 1 verklaring in die voorgeskrewe formaat oor die toestand van die munisipaliteit se begroting wat die volgende besonderhede vir die maand en vir die finansiële jaar tot die einde van die maand:

- (a) werklike inkomste per bron van inkomste;*
- (b) werklike lenings;*
- (c) die werklike uitgawes per stem;*
- (d) die werklike kapitaalbesteding, per stem;*
- (e) die bedrag van enige toekennings ontvang;*
- (f) die werklike uitgawes op daardie toekennings, uitgesluit besteding op*
 - (i) sy deel van die plaaslike regering billike deel;*
 - (ii) toekennings vrygestel is by die jaarlikse Verdeling van Inkomste van die nakoming van hierdie paragraaf, en*
 - (g) wanneer dit nodig is, 'n verduideliking van—*
 - (i) enige wesenslike afwykings van die munisipaliteit se geprojekteerde inkomste deur die bron, en van die munisipaliteit se uitgawe projeksies per stem;*
 - (ii) enige wesenslike afwykings van die dienslewering en begrotings implementeringsplan;*
 - (iii) enige remediërende of korrektiewe stappe geneem is of geneem word om te verseker dat die geprojekteerde inkomste en uitgawes in die munisipaliteit se goedgekeurde begroting bly.*

(2) Die staat moet die volgende insluit-

- (a) 'n projeksie van die betrokke munisipaliteit se inkomste en uitgawes vir die res van die finansiële jaar, en enige wysigings van die aanvanklike projeksies, en*
- (b) die voorgeskrewe inligting met betrekking tot die toestand van die begroting van elke munisipale entiteit wat aan die munisipaliteit in terme van artikel 87 (10).*

(3) die bedrae wat in die verklaring moet in elke geval in vergelyking met die ooreenstemmende bedrae begroot vir die munisipaliteit se goedgekeurde begroting.

(4) Die verklaring aan die provinsiale tesourie moet in die formaat van 'n getekende dokument en in elektroniese formaat.

(5) Die rekenpligtige beampte van 'n munisipaliteit wat 'n toekenning bedoel in subartikel (1)(e) gedurende 'n bepaalde maand ontvang het, moet nie later nie as 10 werksdae na die

the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter."

einde van die maand, moet daardie deel van die verklaring wat die besonderhede bedoel in subartikel (1)(e) en (f) om die nasionale of provinsiale orgaan van die staat of munisipaliteit wat die toekenning oorgedra

(6) Die Provinsiale Tesourie moet nie later nie as 22 werksdae na die einde van elke maand aan die Nasionale Tesourie 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van die munisipaliteite se begrotings, per munisipaliteit en per munisipale entiteit.

(7) Die Provinsiale Tesourie moet, binne 30 dae na die einde van elke kwartaal, openbaar te maak as wat voorgeskryf mag word, 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van munisipaliteite se begrotings per munisipaliteit en per munisipale entiteit. Die LUR vir finansies moet so 'n gekonsolideerde staat nie later nie as 45 dae na die einde van elke kwartaal aan die provinsiale wetgewer dien."

A MAYOR'S REPORT

Credit control for various reasons remains a challenge for the municipality.

The unwillingness / inability of government departments to pay their municipal accounts was a big concern. However department are slowing starting to make payment. The debt is in excess of R8.56 million in comparison to the prior month figure of R10 million.

The monthly billing was also done as scheduled and during this process 19 477 accounts amounting to R 34.6 million was printed and distributed to consumers. The prepaid electricity sales amounted to R 5.6 million in comparison to a cost of R5 million for the same month during the prior financial year.

The indigent cost to the municipality for the month amounts to R 1.7 million in comparison to the prior month figure of R1.6 million

The accumulated debtor's collection target for the year is 94%, and the actual accumulated year to date debtor's collection is 90% in comparison to a rate of 87% for the same month in the previous year.

The municipality issued orders to the value of R 23.6 million of which R 713 thousand was in terms of deviations.

The municipality currently has R 99 million in its primary bank account and investments to the value of R60 million. The bank balance at the end of the previous month was R67 million.

The calculated cost coverage ratio of the municipality as at the end of October 2021 is 2.80 months.

B RECOMMENDATION

It is recommended that council take cognisance of the quarterly budget assessment for the month of October 2021 .

C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

A BURGEMEESTERS VERSLAG

Kredietbeheer bly 'n uitdaging vir die munisipaliteit as gevolg van verskillende redes.

Die onwilligheid / onvermoë van staats departemente om hulle munisipale rekeninge te betaal was 'n groot bekommernis. Departemente is stadig besig om hul betalings te maak. Die skuld beloop tans R8,56miljoen in vergelyking met die vorige maand syfer van R10 miljoen.

Die maandelikse rekeninge is ook gehef soos geskeduleer en tydens hierdie proses is 19 477 rekeninge ten bedrae van R 34.6 miljoen gedruk en aan verbruikers versprei. Die voorafbetaalde elektrisiteit verkope beloop R 5.6 miljoen en was R5 miljoen vir dieselfde maand gedurende die vorige finansiële jaar.

Die deernis subsidies vir die maand beloop R 1.7 miljoen in vergelyking met die vorige maand syfer van R1.6 miljoen.

Die opgehoopte debiteure verhalings se teiken vir die jaar is 94%, en die werklike jaar tot op datum invordering is 90% in vergelyking met 87% vir dieselfde maand in die vorige finansiële jaar.

Bestellings ter waarde van R 23.6 miljoen uitgereik, waarvan R 713 duisend ten opsigte van afwykings is.

Die munisipaliteit het R 99 miljoen in die primêre bankrekening en beleggings ter waarde van R60 miljoen. Die bankbalans aan die einde van die vorige maand was R67 miljoen.

Die berekende koste dekking verhouding van die munisipaliteit soos aan die einde van Oktober 2021 is 2.80 maande.

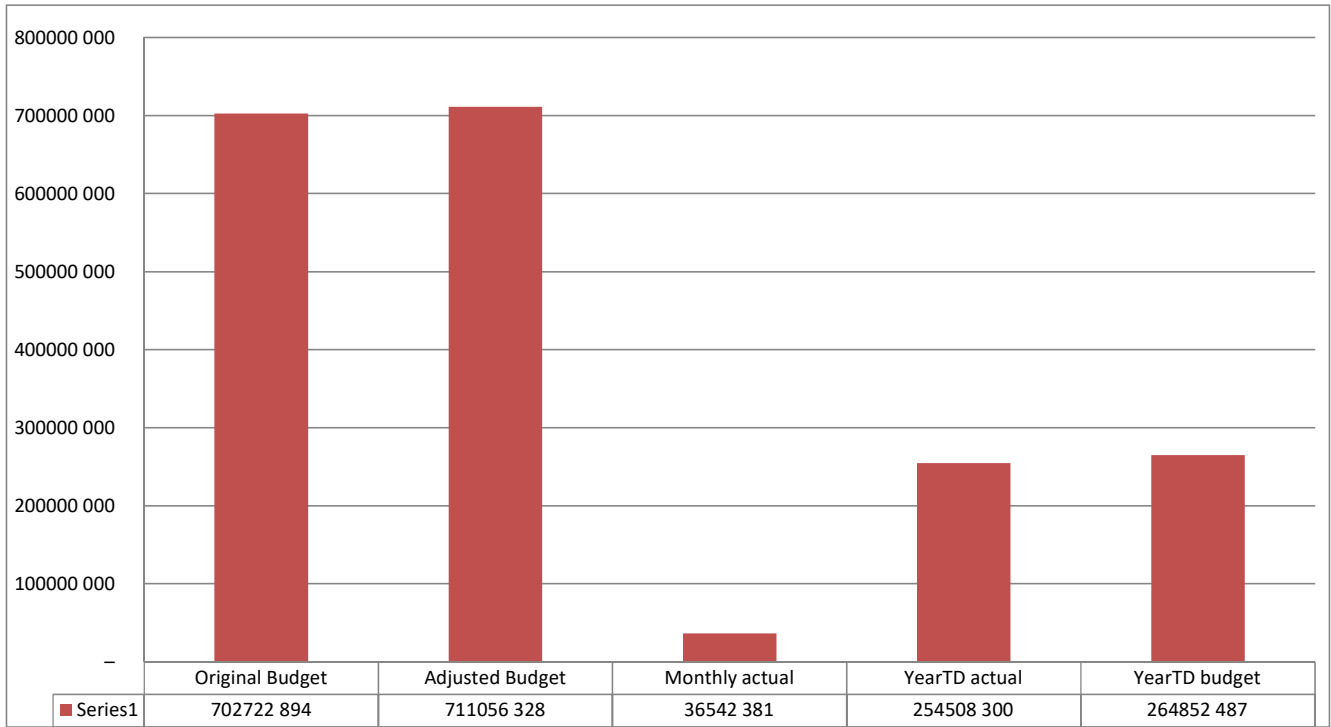
B AANBEVELING

Dit word aanbeveel dat die raad kennis neem van die finansiële maandverslag en ondersteunende dokumente vir Oktober 2021

C OPSOMMING

Die volgende tabelle voorsien n opsomming van die finansiële inligting:

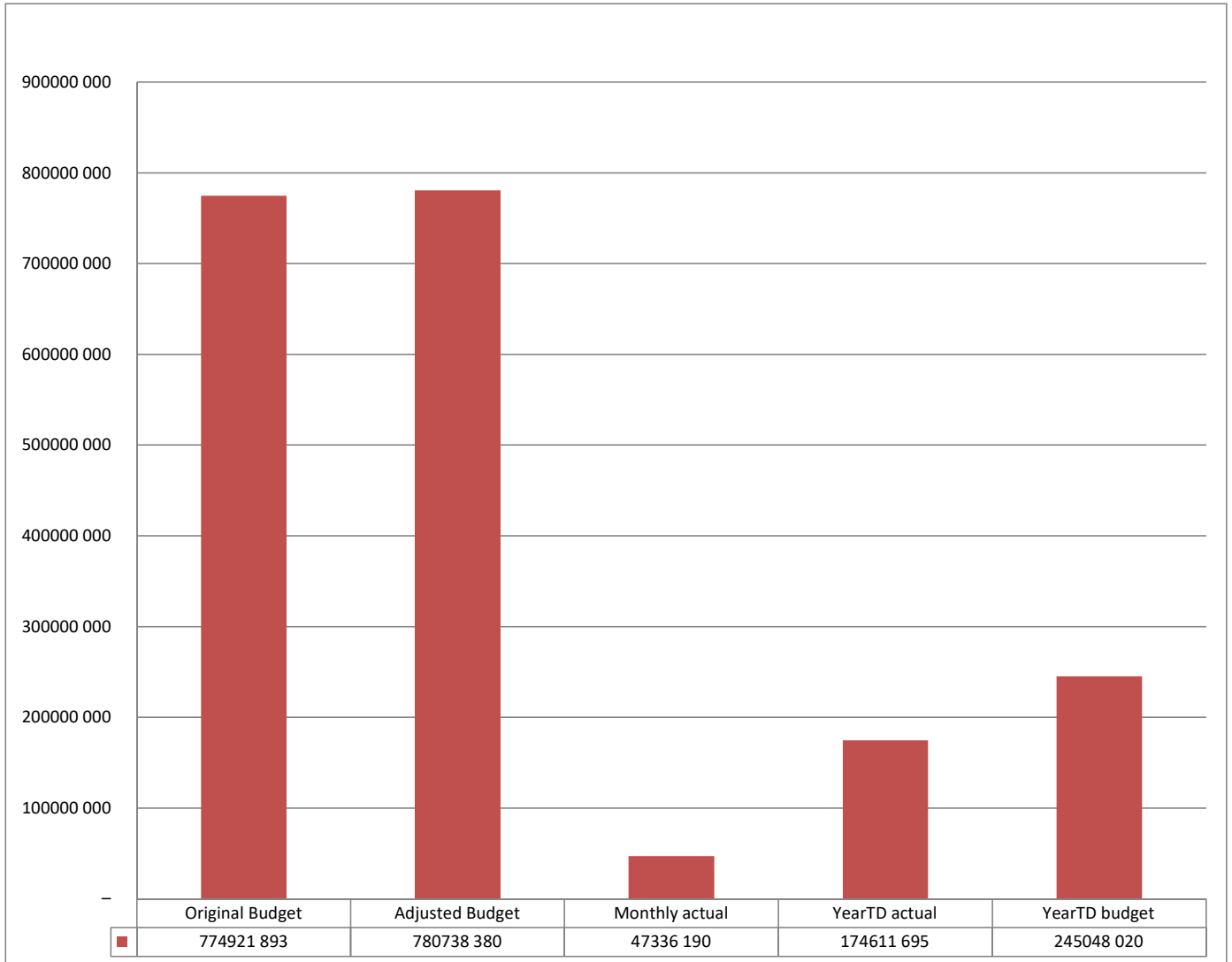
TOTAL OPERATIONAL REVENUE



For the period 1 October 2021 to 30 June 2022, 35,79% of the budgeted operational revenue was raised.

Vir die periode 1 Oktober 2021 tot 30 Junie 2022, is 35,79% van die begrote operasionele inkomste gehêf.

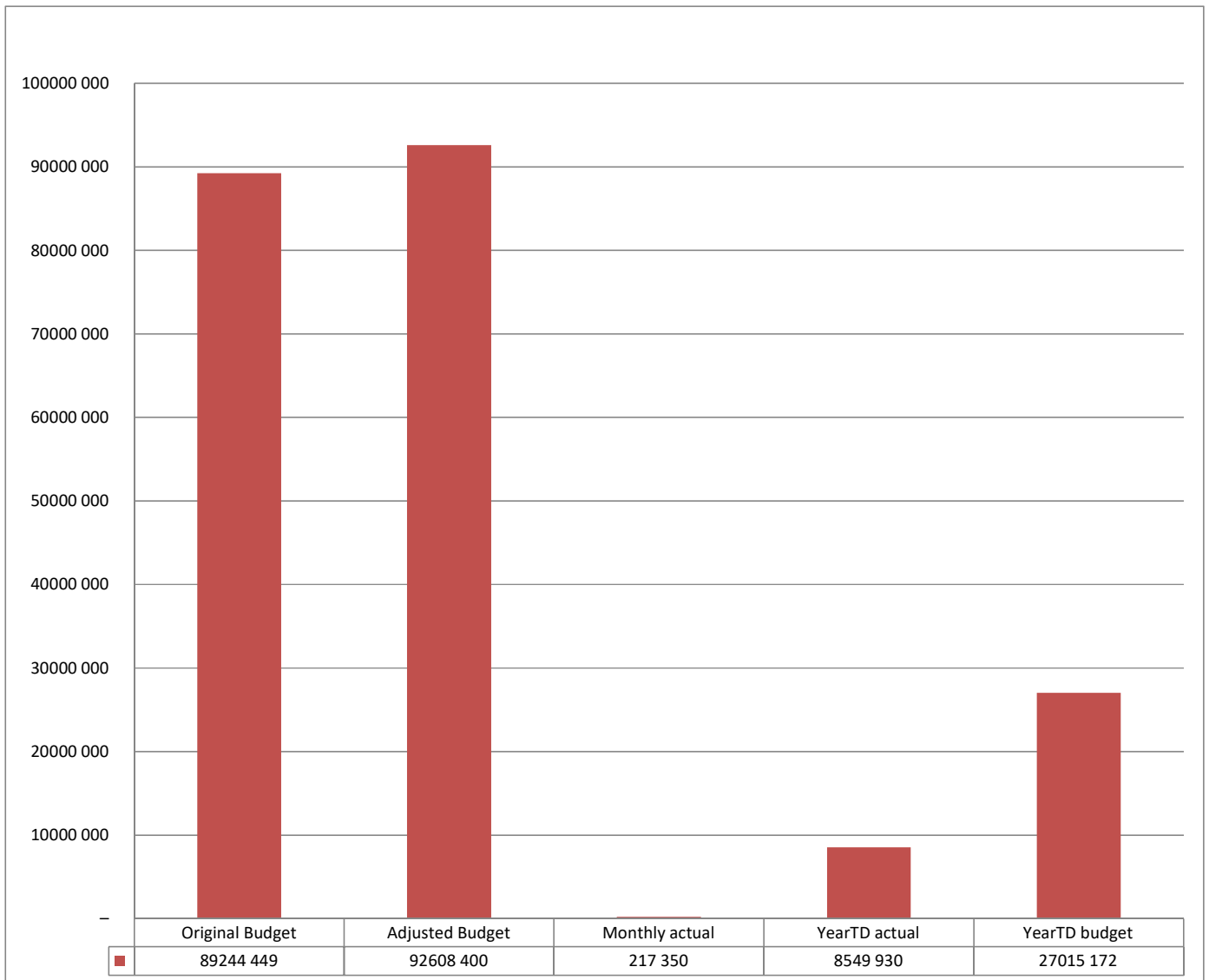
TOTAL OPERATIONAL EXPENDITURE



For the period 1 October 2021 to 30 June 2022, 22,36% of the budgeted operational expenditure was incurred.

Vir die periode 1 Oktober 2021 tot 30 Junie 2022, is 22,36% van die begrote operasionele uitgawes aangegaan.

CAPITAL EXPENDITURE



For the period 1 October 2021 to 30 June 2022, 9,23% of the budgeted capital expenditure was incurred.

Vir die periode 1 Oktober 2021 tot 30 Junie 2022, is 9,23% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 31 October 2021.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M04 October

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	4 549	51 688	52 745	(1 058)	-2%	83 290
Service charges	376 205	413 772	413 772	28 090	145 644	133 277	12 367	9%	413 772
Investment revenue	3 079	6 990	6 990	348	970	2 329	(1 359)	-58%	6 990
Transfers recognised - operational	131 244	145 903	154 127	452	45 985	58 882	(12 896)	-22%	154 127
Other own revenue	31 880	52 768	52 877	3 103	10 222	17 619	(7 398)	-42%	52 877
transfers and contributions)	623 082	702 723	711 056	36 542	254 508	264 852	(10 344)	-4%	711 056
Employee costs	201 538	237 025	237 091	19 636	69 745	78 999	(9 254)	-12%	237 091
Remuneration of Councillors	9 897	12 007	12 007	828	3 327	4 001	(674)	-17%	12 007
Depreciation & asset impairment	32 472	39 729	39 729	-	-	13 238	(13 238)	-100%	39 729
Finance charges	4 522	8 696	8 696	-	1	2 898	(2 897)	-100%	8 696
Materials and bulk purchases	252 216	300 766	300 061	19 355	85 338	86 512	(1 175)	-1%	300 061
Transfers and grants	6 534	25 603	30 439	279	721	10 146	(9 425)	-93%	30 439
Other expenditure	139 236	151 096	152 715	7 239	15 480	49 255	(33 775)	-69%	152 715
Total Expenditure	646 415	774 922	780 738	47 336	174 612	245 048	(70 436)	-29%	780 738
Surplus/(Deficit)	(23 333)	(72 199)	(69 682)	(10 794)	79 897	19 804	60 092	303%	(69 682)
Transfers recognised - capital	52 267	74 937	75 965	-	-	30 271	(30 271)	-100%	75 965
Contributions & Contributed assets	898	170	170	12	86	57	30	52%	170
& contributions	29 831	2 908	6 453	(10 782)	79 983	50 132	29 851	60%	6 453
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	29 831	2 908	6 453	(10 782)	79 983	50 132	29 851	60%	6 453
Capital expenditure & funds sources									
Capital expenditure	117 064	89 244	92 608	217	8 550	27 015	(18 465)	-68%	92 608
Capital transfers recognised	52 768	74 937	76 533	38	8 241	22 189	(13 948)	-63%	76 533
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 157	15 926	180	309	4 784	(4 476)	-94%	15 926
Total sources of capital funds	66 944	89 094	92 458	217	8 550	26 974	(18 424)	-68%	92 458
Financial position									
Total current assets	216 785	181 281	199 130		294 702				199 130
Total non current assets	1 030 339	1 041 921	1 083 975		1 038 851				1 083 975
Total current liabilities	124 441	201 668	146 339		131 617				146 339
Total non current liabilities	175 032	131 189	174 032		174 354				174 032
Community wealth/Equity	947 651	890 345	962 733		1 027 581				962 733
Cash flows									
Net cash from (used) operating	-	85 636	97 574	13 169	48 748	42 436	6 312	15%	97 574
Net cash from (used) investing	-	(89 094)	(96 927)	19 981	(70 349)	(20 730)	(49 619)	239%	(96 927)
Net cash from (used) financing	-	(1 000)	(1 000)	61	63	-	63		63
end	-	133 360	114 952	-	93 757	137 011	(43 253)	-32%	114 943
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	48 246	12 389	5 183	4 610	4 152	4 237	22 451	194 747	296 015
Creditors Age Analysis									
Total Creditors	1 126	-	-	-	-	-	-	-	1 126

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	94 586	110 918	112 721	5 405	55 275	62 698	(7 423)	-12%	112 721
Executive and council	13	-	-	-	2	-	2	#DIV/0!	-
Finance and administration	94 573	110 918	112 721	5 405	55 274	62 698	(7 425)	-12%	112 721
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	155 398	171 710	178 075	1 905	49 075	66 673	(17 598)	-26%	178 075
Community and social services	128 957	120 006	120 731	427	45 804	47 547	(1 743)	-4%	120 731
Sport and recreation	9 235	1 661	1 661	763	1 577	554	1 024	185%	1 661
Public safety	16 928	26 158	26 473	702	1 655	8 821	(7 166)	-81%	26 473
Housing	278	23 884	29 210	13	39	9 752	(9 712)	-100%	29 210
<i>Economic and environmental services</i>	16 878	25 287	26 480	142	628	10 345	(9 716)	-94%	26 480
Planning and development	4 244	2 365	2 846	142	627	992	(366)	-37%	2 846
Road transport	12 634	22 907	23 620	-	1	9 347	(9 346)	-100%	23 620
Environmental protection	-	14	14	0	0	5	(4)	-95%	14
<i>Trading services</i>	409 308	469 795	469 795	29 098	149 515	155 424	(5 909)	-4%	469 795
Energy sources	274 358	334 664	334 664	21 168	108 816	108 106	711	1%	334 664
Water management	52 476	72 201	72 201	4 109	16 557	25 000	(8 443)	-34%	72 201
Waste water management	49 259	27 843	27 843	1 064	13 058	10 324	2 734	26%	27 843
Waste management	33 216	35 087	35 087	2 758	11 084	11 995	(911)	-8%	35 087
Total Revenue - Functional	676 246	777 830	787 191	36 554	254 595	295 180	(40 585)	-14%	787 191
Expenditure - Functional									
<i>Governance and administration</i>	122 967	145 004	147 035	9 949	34 576	48 444	(13 868)	-29%	147 035
Executive and council	23 838	29 621	29 727	1 911	7 456	9 873	(2 417)	-24%	29 727
Finance and administration	96 620	112 849	114 774	7 895	26 460	37 739	(11 279)	-30%	114 774
Internal audit	2 508	2 534	2 534	144	660	832	(172)	-21%	2 534
<i>Community and public safety</i>	97 728	133 059	138 330	7 222	26 608	45 598	(18 990)	-42%	138 330
Community and social services	23 943	28 680	29 294	2 406	8 441	9 734	(1 293)	-13%	29 294
Sport and recreation	27 313	32 356	32 251	1 831	7 234	10 433	(3 199)	-31%	32 251
Public safety	42 003	43 012	43 016	2 573	9 429	14 248	(4 819)	-34%	43 016
Housing	4 469	29 011	33 769	413	1 503	11 183	(9 680)	-87%	33 769
<i>Economic and environmental services</i>	34 813	36 288	36 212	2 005	7 584	11 954	(4 369)	-37%	36 212
Planning and development	10 129	11 280	11 753	973	3 517	3 899	(382)	-10%	11 753
Road transport	24 205	22 910	22 361	966	3 849	7 360	(3 510)	-48%	22 361
Environmental protection	479	2 098	2 098	66	219	695	(477)	-69%	2 098
<i>Trading services</i>	390 006	459 620	458 211	27 935	105 389	138 736	(33 347)	-24%	458 211
Energy sources	271 784	327 833	327 226	19 797	89 330	95 496	(6 167)	-6%	327 226
Water management	41 092	36 559	36 493	2 597	4 235	11 953	(7 718)	-65%	36 493
Waste water management	36 519	43 400	42 877	2 382	5 169	14 157	(8 988)	-63%	42 877
Waste management	40 611	51 829	51 614	3 159	6 656	17 129	(10 474)	-61%	51 614
<i>Other</i>	902	951	951	225	454	317	138	43%	951
Total Expenditure - Functional	646 415	774 922	780 738	47 336	174 612	245 048	(70 436)	-29%	780 738
Surplus/ (Deficit) for the year	29 831	2 908	6 453	(10 782)	79 983	50 132	29 851		6 453

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October

Description	2020/21	Budget Year 2021/22						YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance			
R thousands										
Revenue - Functional										
Municipal governance and administration	94 586	110 918	112 721	5 405	55 275	62 698	(7 423)	-12%	112 721	
Executive and council	13	-	-	-	2	-	2		-	
Mayor and Council	13	-	-	-	2	-	2		-	
Municipal Manager, Town Secretary and Chief	-	-	-	-	-	-	-		-	
Finance and administration	94 573	110 918	112 721	5 405	55 274	62 698	(7 425)	-12%	112 721	
Administrative and Corporate Support	0	9	9	-	-	3	(3)	-100%	9	
Finance	94 239	110 250	112 053	5 400	55 173	62 476	(7 303)	-12%	112 053	
Human Resources	254	580	580	-	82	193	(111)	-57%	580	
Marketing, Customer Relations, Publicity and Media	0	5	5	-	-	2	(2)	-100%	5	
Property Services	-	-	-	-	-	-	-		-	
Supply Chain Management	80	74	74	5	18	25	(7)	-27%	74	
Community and public safety	155 398	171 710	178 075	1 905	49 075	66 673	(17 598)	-26%	178 075	
Community and social services	128 957	120 006	120 731	427	45 804	47 547	(1 743)	-4%	120 731	
Aged Care	118 121	109 415	109 415	402	45 701	43 766	1 935	4%	109 415	
Cemeteries, Funeral Parlours and Crematoriums	328	367	367	16	86	132	(45)	-34%	367	
Community Halls and Facilities	31	485	485	4	6	162	(155)	-96%	485	
Libraries and Archives	10 475	9 739	10 463	5	10	3 488	(3 478)	-100%	10 463	
Sport and recreation	9 235	1 661	1 661	763	1 577	554	1 024	185%	1 661	
Recreational Facilities	1 978	1 611	1 611	762	1 574	537	1 037	193%	1 611	
Sports Grounds and Stadiums	7 257	50	50	1	3	17	(14)	-82%	50	

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Public safety	16 928	26 158	26 473	702	1 655	8 821	(7 166)	-81%	26 473
<i>Fire Fighting and Protection</i>	2	6	6	0	2	2	0	0	6
Housing	278	23 884	29 210	13	39	9 752	(9 712)	-100%	29 210
<i>Housing</i>	278	23 884	29 210	13	39	9 752	(9 712)	-100%	29 210
Economic and environmental services	16 878	25 287	26 480	142	628	10 345	(9 716)	-94%	26 480
Planning and development	4 244	2 365	2 846	142	627	992	(366)	-37%	2 846
<i>Economic Development/Planning</i>	1 892	279	760	-	-	253	(253)	-100%	760
<i>Town Planning, Building Regulations and Project Management Unit</i>	1 721	1 426	1 426	142	627	475	152	32%	1 426
Road transport	12 634	22 907	23 620	-	1	9 347	(9 346)	-100%	23 620
<i>Roads</i>	12 634	22 907	23 620	-	1	9 347	(9 346)	-100%	23 620
Environmental protection	-	14	14	0	0	5	(4)	-95%	14
<i>Biodiversity and Landscape</i>	-	14	14	0	0	5	(4)	-95%	14
Trading services	409 308	469 795	469 795	29 098	149 515	155 424	(5 909)	-4%	469 795
Energy sources	274 358	334 664	334 664	21 168	108 816	108 106	711	1%	334 664
<i>Electricity</i>	274 136	333 099	333 099	21 168	108 816	107 479	1 337	1%	333 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	-	-	626	(626)	-100%	1 565
Water management	52 476	72 201	72 201	4 109	16 557	25 000	(8 443)	-34%	72 201
<i>Water Distribution</i>	52 476	60 921	60 921	4 109	16 557	20 489	(3 931)	-19%	60 921
Waste water management	49 259	27 843	27 843	1 064	13 058	10 324	2 734	26%	27 843
<i>Sewerage</i>	38 651	26 954	26 954	1 064	13 058	9 968	3 090	31%	26 954
<i>Storm Water Management</i>	10 607	889	889	-	-	356	(356)	-100%	889
Waste management	33 216	35 087	35 087	2 758	11 084	11 995	(911)	-8%	35 087
<i>Solid Waste Removal</i>	30 130	35 087	35 087	2 758	11 084	11 995	(911)	-8%	35 087
Other	77	120	120	4	101	40	61	151%	120
Licensing and Regulation	77	120	120	4	101	40	61	151%	120
Total Revenue - Functional	676 246	777 830	787 191	36 554	254 595	295 180	(40 585)	-14%	787 191

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October

Description	2020/21	Budget Year 2020/21							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Expenditure - Functional									
Municipal governance and administration	122 967	145 004	147 035	9 949	34 576	48 444	(13 868)	-29%	147 035
Executive and council	23 838	29 621	29 727	1 911	7 456	9 873	(2 417)	-24%	29 727
<i>Mayor and Council</i>	15 898	18 723	18 701	1 134	4 365	6 225	(1 860)	-30%	18 701
<i>Municipal Manager, Town Secretary and Chief</i>	7 941	10 897	11 025	777	3 090	3 648	(557)	-15%	11 025
Finance and administration	96 620	112 849	114 774	7 895	26 460	37 739	(11 279)	-30%	114 774
<i>Administrative and Corporate Support</i>	17 899	11 560	11 541	585	4 152	3 581	571	16%	11 541
<i>Asset Management</i>	31	5 167	5 167	(12)	(11)	1 722	(1 733)	-101%	5 167
<i>Finance</i>	30 327	37 107	38 654	2 805	8 485	12 832	(4 347)	-34%	38 654
<i>Fleet Management</i>	3 406	2 806	2 806	271	1 005	933	72	8%	2 806
<i>Human Resources</i>	22 223	36 284	36 206	2 841	7 871	11 994	(4 122)	-34%	36 206
<i>Information Technology</i>	4 454	3 372	3 868	230	688	1 289	(601)	-47%	3 868
<i>Legal Services</i>	5 416	2 279	2 279	130	428	679	(252)	-37%	2 279
<i>Marketing, Customer Relations, Publicity and Media</i>	3 904	3 900	3 870	345	1 253	1 287	(34)	-3%	3 870
<i>Property Services</i>	1 783	1 268	1 268	73	262	422	(161)	-38%	1 268
<i>Risk Management</i>	-	497	497	-	-	166	(166)	-100%	497
<i>Supply Chain Management</i>	6 778	7 052	7 062	604	2 231	2 325	(94)	-4%	7 062
<i>Valuation Service</i>	400	1 557	1 557	22	97	509	(412)	-81%	1 557
Internal audit	2 508	2 534	2 534	144	660	832	(172)	-21%	2 534
<i>Governance Function</i>	2 508	2 534	2 534	144	660	832	(172)	-21%	2 534
Community and public safety	97 728	133 059	138 330	7 222	26 608	45 598	(14 204)	-31%	138 330
Community and social services	23 943	28 680	29 294	2 406	8 441	9 734	(1 293)	-13%	29 294
<i>Aged Care</i>	4 658	4 347	4 294	649	2 129	1 426	703	49%	4 294
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	3 189	3 600	3 590	307	1 071	1 194	(124)	-10%	3 590
<i>Child Care Facilities</i>	8	972	972	-	0	324	(323)	-100%	972
<i>Community Halls and Facilities</i>	5 400	6 608	6 564	475	1 681	2 178	(497)	-23%	6 564
<i>Disaster Management</i>	95	236	236	3	3	79	(76)	-97%	236
<i>Education</i>	1	831	828	-	1	276	(275)	-100%	828
<i>Libraries and Archives</i>	10 591	12 086	12 810	972	3 557	4 258	(701)	-16%	12 810
Sport and recreation	27 313	32 356	32 251	1 831	7 234	10 433	(3 199)	-31%	32 251
<i>Community Parks (including Nurseries)</i>	8 229	7 228	7 248	592	2 187	2 383	(196)	-8%	7 248
<i>Recreational Facilities</i>	13 054	18 999	18 884	830	3 551	6 042	(2 492)	-41%	18 884
<i>Sports Grounds and Stadiums</i>	6 031	6 129	6 119	409	1 497	2 008	(510)	-25%	6 119
Public safety	42 003	43 012	43 016	2 573	9 429	14 248	(33)	0%	43 016
<i>Fire Fighting and Protection</i>	8 395	8 118	8 118	704	2 644	2 677	(33)	-1%	8 118
Housing	4 469	29 011	33 769	413	1 503	11 183	(9 680)	-87%	33 769
<i>Housing</i>	4 463	27 003	31 761	408	1 478	10 513	(9 035)	-86%	31 761
<i>Informal Settlements</i>	6	2 009	2 009	5	25	669	(645)	-96%	2 009

Description	2020/21	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	YearTD budget
R thousands									
Economic and environmental services	34 813	36 288	36 212	2 005	7 584	11 954	(4 369)	-37%	36 212
Planning and development	10 129	11 280	11 753	973	3 517	3 899	(382)	-10%	11 753
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	1 982	165	643	658	(15)	-2%	1 982
<i>Economic Development/Planning</i>	1 400	2 115	2 556	116	436	846	(410)	-48%	2 556
<i>Town Planning, Building Regulations and Enforcement</i>	4 745	4 473	4 505	473	1 620	1 492	127	9%	4 505
<i>Project Management Unit</i>	2 298	2 710	2 710	220	818	903	(85)	-9%	2 710
Road transport	24 205	22 910	22 361	966	3 849	7 360	(3 510)	-48%	22 361
Roads	24 205	22 910	22 361	966	3 849	7 360	(3 510)	-48%	22 361
Environmental protection	479	2 098	2 098	66	219	695	(477)	-69%	2 098
<i>Biodiversity and Landscape</i>	479	2 098	2 098	66	219	695	(477)	-69%	2 098
Trading services	390 006	459 620	458 211	27 935	105 389	138 736	(33 347)	-24%	458 211
Energy sources	271 784	327 833	327 226	19 797	89 330	95 496	(6 167)	-6%	327 226
Electricity	269 197	324 461	324 555	19 680	88 709	94 607	(5 898)	-6%	324 555
<i>Street Lighting and Signal Systems</i>	2 587	3 371	2 671	116	621	890	(268)	-30%	2 671
Water management	41 092	36 559	36 493	2 597	4 235	11 953	(7 718)	-65%	36 493
Water Treatment	154	1 838	1 838	16	66	612	(546)	-89%	1 838
Water Distribution	37 997	30 463	30 097	2 575	2 639	9 822	(7 183)	-73%	30 097
Water Storage	2 941	4 258	4 558	5	1 530	1 519	10	1%	4 558
Waste water management	36 519	43 400	42 877	2 382	5 169	14 157	(8 988)	-63%	42 877
Public Toilets	1 566	1 984	1 984	150	512	659	(147)	-22%	1 984
Sewerage	27 631	30 347	29 824	1 741	2 745	9 848	(7 103)	-72%	29 824
Storm Water Management	7 321	8 141	8 141	491	1 912	2 675	(762)	-28%	8 141
Waste Water Treatment	0	2 928	2 928	-	-	976	(976)	-100%	2 928
Waste management	40 611	51 829	51 614	3 159	6 656	17 129	(10 474)	-61%	51 614
Solid Waste Disposal (Landfill Sites)	7 599	16 403	16 245	308	1 125	5 396	(4 271)	-79%	16 245
Solid Waste Removal	31 594	33 991	33 934	2 839	5 469	11 255	(5 786)	-51%	33 934
Street Cleaning	1 418	1 436	1 436	12	62	478	(416)	-87%	1 436
Other	902	951	951	225	454	317	138	43%	951
Licensing and Regulation	10	51	51	-	4	17	(12)	-74%	51
Tourism	892	900	900	225	450	300	150	50%	900
Total Expenditure - Functional	646 415	774 922	780 738	47 336	174 612	245 048	(65 650)	-27%	780 738
Surplus/ (Deficit) for the year	29 831	2 908	6 453	(10 782)	79 983	50 132	29 851	60%	6 453

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

**WC022 Witzberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04
October**

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 515	5 200	54 386	61 630	(7 244)	-11,8%	109 515
Vote 2 - Community Services	13 275	35 720	41 770	813	1 779	13 949	(12 170)	-87,2%	41 770
Vote 3 - Community Services	130 855	131 976	132 291	1 112	47 460	51 388	(3 928)	-7,6%	132 291
Vote 4 - Community Services	13 503	4 581	5 061	0	4	1 686	(1 683)	-99,8%	5 061
Vote 5 - Corporate Services	267	594	594	-	84	198	(114)	-57,6%	594
Vote 6 - Technical Services	339 017	388 952	389 664	22 517	123 037	128 953	(5 916)	-4,6%	389 664
Vote 7 - Technical Services	85 638	107 224	107 224	6 866	27 641	36 974	(9 333)	-25,2%	107 224
Vote 8 - Muncipal Manager	1 129	1 072	1 072	46	203	401	(198)	-49,3%	1 072
Total Revenue by Vote	676 246	777 830	787 191	36 554	254 595	295 180	(40 585)	-13,7%	787 191
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	54 021	3 577	11 422	17 914	(6 492)	-36,2%	54 021
Vote 2 - Community Services	36 204	41 879	42 553	3 008	11 165	13 876	(2 711)	-19,5%	42 553
Vote 3 - Community Services	48 069	54 069	53 914	3 221	11 405	17 865	(6 459)	-36,2%	53 914
Vote 4 - Community Services	16 305	43 719	48 912	1 277	5 064	16 196	(11 131)	-68,7%	48 912
Vote 5 - Corporate Services	67 204	77 479	77 836	5 527	19 409	25 591	(6 182)	-24,2%	77 836
Vote 6 - Technical Services	337 830	401 057	399 410	23 725	100 366	119 334	(18 968)	-15,9%	399 410
Vote 7 - Technical Services	86 066	90 791	90 558	6 079	12 121	29 884	(17 763)	-59,4%	90 558
Vote 8 - Muncipal Manager	14 779	13 462	13 533	921	3 659	4 388	(729)	-16,6%	13 533
Total Expenditure by Vote	645 042	774 922	780 738	47 336	174 612	245 048	(70 436)	-28,7%	780 738
Surplus/ (Deficit) for the year	31 204	2 908	6 453	(10 782)	79 983	50 132	29 851	59,5%	6 453

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	4 549	51 688	52 745	(1 058)	-2%	83 290
Service charges - electricity revenue	274 184	323 478	323 478	21 176	108 859	103 513	5 346	5%	323 478
Service charges - water revenue	43 137	39 677	39 677	3 615	14 625	12 189	2 436	20%	39 677
Service charges - sanitation revenue	30 920	25 043	25 043	838	12 237	9 284	2 953	32%	25 043
Service charges - refuse revenue	27 965	25 574	25 574	2 462	9 923	8 291	1 632	20%	25 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 526	1 470	1 470	384	1 197	490	707	144%	1 470
Interest earned - external investments	3 079	6 990	6 990	348	970	2 329	(1 359)	-58%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 366	5 143	2 891	2 252	78%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 592	21 479	21 479	2	12	7 157	(7 145)	-100%	21 479
Licences and permits	1 065	2 111	2 111	698	1 735	703	1 032	147%	2 111
Agency services	4 354	4 046	4 046	-	-	1 348	(1 348)	-100%	4 046
Transfers recognised - operational	131 244	145 903	154 127	452	45 985	58 882	(12 896)	-22%	154 127
Other revenue	7 774	14 985	15 094	654	2 135	5 030	(2 895)	-58%	15 094
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	623 082	702 723	711 056	36 542	254 508	264 852	(10 344)	-4%	711 056
Expenditure By Type									
Employee related costs	201 538	237 025	237 091	19 636	69 745	78 999	(9 254)	-12%	237 091
Remuneration of councillors	9 897	12 007	12 007	828	3 327	4 001	(674)	-17%	12 007
Debt impairment	50 015	63 750	63 750	3 675	(7 491)	21 242	(28 733)	-135%	63 750
Depreciation & asset impairment	32 472	39 729	39 729	-	-	13 238	(13 238)	-100%	39 729
Finance charges	4 522	8 696	8 696	-	1	2 898	(2 897)	-100%	8 696
Bulk purchases	239 632	285 789	285 789	17 987	80 917	81 756	(838)	-1%	285 789
Other materials	12 584	14 977	14 273	1 368	4 420	4 757	(336)	-7%	14 273
Contracted services	51 748	48 390	48 948	785	9 867	14 678	(4 812)	-33%	48 948
Transfers and grants	6 534	25 603	30 439	279	721	10 146	(9 425)	-93%	30 439
Other expenditure	37 407	38 955	40 017	2 780	13 104	13 335	(231)	-2%	40 017
Loss on disposal of PPE	66	0	0	-	-	0	(0)	-100%	0
Total Expenditure	646 415	774 922	780 738	47 336	174 612	245 048	(70 436)	-29%	780 738
Surplus/(Deficit)	(23 333)	(72 199)	(69 682)	(10 794)	79 897	19 804	60 092	0	(69 682)
Transfers recognised - capital	52 267	74 937	75 965	-	-	30 271	(30 271)	(0)	75 965
Contributions recognised - capital	898	170	170	12	86	57	30	0	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 831	2 908	6 453	(10 782)	79 983	50 132			6 453
Surplus/(Deficit) attributable to Share of surplus/ (deficit) of associate	29 831	2 908	6 453	(10 782)	79 983	50 132			6 453
Surplus/ (Deficit) for the year	29 831	2 908	6 453	(10 782)	79 983	50 132			6 453

The revenue and expenditure figures excludes internal charges.

Other expenditure includes operational costs such as:

Advertising, Publicity and Marketing

External Audit Fees

Communication

External Computer Service

Insurance Underwriting

Travel and Subsistence

Printing, Publications and Books

Uniform and Protective Clothing

Wet Fuel

Hire Charges

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M04 October

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	50 121	-	-	-	-	-	-	-	-
Vote 2 - Community Services	206	-	-	-	-	-	-	-	-
Vote 3 - Community Services	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	12 425	27 630	27 523	-	82	7 302	(7 220)	-99%	27 523
Vote 7 - Technical Services	3 913	34 373	36 893	141	3 912	11 196	(7 284)	-65%	36 893
Vote 8 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	66 665	62 004	64 416	141	3 993	18 498	(14 505)	-78%	64 416
Single Year expenditure appropriation									
Vote 1 - Financial Services	165	180	808	39	54	261	(207)	-79%	808
Vote 2 - Community Services	1 971	-	-	-	-	-	-	-	-
Vote 3 - Community Services	1 126	-	240	-	-	80	(80)	-100%	240
Vote 4 - Community Services	9 507	6 151	3 739	38	39	1 202	(1 163)	-97%	3 739
Vote 5 - Corporate Services	3 630	900	915	-	-	305	(305)	-100%	915
Vote 6 - Technical Services	25 539	16 266	18 747	-	3 574	5 421	(1 847)	-34%	18 747
Vote 7 - Technical Services	8 462	3 744	3 744	-	889	1 248	(359)	-29%	3 744
Vote 8 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	50 399	27 241	28 193	76	4 557	8 517	(3 961)	-47%	28 193
Total Capital Expenditure	117 064	89 244	92 608	217	8 550	27 015	(18 465)	-68%	92 608

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M04 October

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
Governance and administration	53 283	2 080	3 924	39	54	1 300	(1 245)	-96%	3 924
Executive and council	(1)	600	600	–	–	200	(200)	-100%	600
Finance and administration	53 284	1 480	3 324	39	54	1 100	(1 045)	-95%	3 324
Community and public safety	10 876	5 456	3 283	38	38	1 094	(1 057)	-97%	3 283
Community and social services	1 613	–	–	–	–	–	–	–	–
Sport and recreation	7 782	5 456	3 043	38	38	1 014	(977)	-96%	3 043
Public safety	1 481	–	240	–	–	80	(80)	-100%	240
Housing	–	–	–	–	–	–	–	–	–
Economic and environmental service	17 177	27 042	28 323	–	1 459	7 686	(6 228)	-81%	28 323
Planning and development	1 934	696	696	–	2	188	(186)	-99%	696
Road transport	15 243	26 347	27 627	–	1 457	7 499	(6 041)	-81%	27 627
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	35 728	54 666	57 079	141	6 999	16 935	(9 935)	-59%	57 079
Energy sources	4 054	13 163	13 163	–	420	3 523	(3 103)	-88%	13 163
Water management	7 954	21 135	21 135	–	889	5 944	(5 054)	-85%	21 135
Waste water management	18 448	3 386	3 279	–	1 779	968	811	84%	3 279
Waste management	5 272	16 982	19 501	141	3 912	6 500	(2 589)	-40%	19 501
Total Capital Expenditure - Standard Classification	117 064	89 244	92 608	217	8 550	27 015	(18 465)	-68%	92 608
Funded by:									
National Government	18 276	49 637	49 637	38	4 114	14 611	(10 496)	-72%	49 637
Provincial Government	33 326	24 801	26 081	–	4 127	7 348	(3 222)	-44%	26 081
District Municipality	665	500	815	–	–	230	(230)	-100%	815
Transfers recognised - capital	52 768	74 937	76 533	38	8 241	22 189	(13 948)	-63%	76 533
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	14 175	14 157	15 926	180	309	4 784	(4 476)	-94%	15 926
Total Capital Funding	66 944	89 094	92 458	217	8 550	26 974	(18 424)	-68%	92 458

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	115 305	133 360	114 952	153 760	114 952
Consumer debtors	82 140	28 353	55 673	106 565	55 673
Other debtors	9 377	7 966	18 542	25 470	18 542
Current portion of long-term receivables	–	–	–	–	–
Inventory	9 963	11 602	9 963	8 907	9 963
Total current assets	216 785	181 281	199 130	294 702	199 130
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	43 430	43 765	43 430	43 430	43 430
Investments in Associate	–	–	–	–	–
Property, plant and equipment	985 237	996 031	1 038 873	993 750	1 038 873
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	1 122	1 576	1 122	1 122	1 122
Other non-current assets	550	550	550	550	550
Total non current assets	1 030 339	1 041 921	1 083 975	1 038 851	1 083 975
TOTAL ASSETS	1 247 124	1 223 203	1 283 105	1 333 553	1 283 105
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	1 587	–	1 587	1 566	1 587
Consumer deposits	8 732	7 976	8 732	8 992	8 732
Trade and other payables	58 125	115 836	110 393	59 585	110 393
Provisions	55 997	77 857	25 627	61 474	25 627
Total current liabilities	124 441	201 668	146 339	131 617	146 339
Non current liabilities					
Borrowing	1 188	2 588	188	1 188	188
Provisions	173 844	128 602	173 844	173 166	173 844
Total non current liabilities	175 032	131 189	174 032	174 354	174 032
TOTAL LIABILITIES	299 473	332 857	320 371	305 972	320 371
NET ASSETS	947 651	890 345	962 733	1 027 581	962 733
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	937 209	879 728	952 291	1 017 139	952 291
Reserves	10 442	10 618	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY	947 651	890 345	962 733	1 027 581	962 733

The cash flows for the year to date are indicated in the following table:

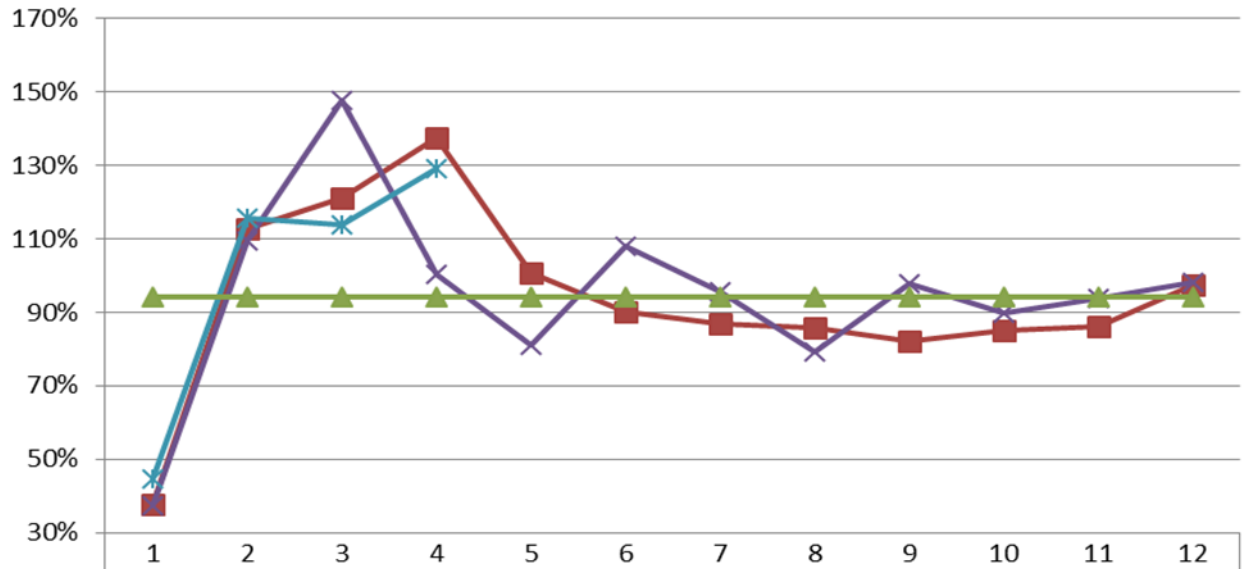
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	-	79 126	79 126	12 132	45 204	44 570	634	1%	79 126
Service charges	-	379 151	437 751	37 150	162 863	119 643	43 221	36%	437 751
Other revenue	-	27 756	19 373	2 558	4 679	8 105	(3 426)	-42%	19 373
Government - operating	-	145 903	154 127	4 089	54 581	61 898	(7 318)	-12%	154 127
Government - capital	-	75 107	86 842	7 713	17 047	23 799	(6 753)	-28%	86 842
Interest	-	9 593	9 593	136	758	1 680	(922)	-55%	9 593
Dividends									
Payments									
Suppliers and employees	-	(604 934)	(658 415)	(50 331)	(235 437)	(213 967)	21 469	-10%	(658 415)
Finance charges	-	(461)	(462)	-	(1)	-	1		(462)
Transfers and Grants	-	(25 603)	(30 361)	(279)	(946)	(3 291)	(2 345)	71%	(30 361)
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	85 636	97 574	13 169	48 748	42 436	44 562	105%	97 574
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	10 442	20 212	(59 788)	-	(59 788)		10 442
Payments									
Capital assets	-	(89 094)	(107 369)	(232)	(10 562)	(20 730)	(10 169)	49%	(107 369)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(89 094)	(96 927)	19 981	(70 349)	(20 730)	49 619	-239%	(96 927)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	61	82	-	82		-
Payments									
Repayment of borrowing	-	(1 000)	(1 000)	-	(19)	-	19		(1 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(1 000)	(1 000)	61	63	-	(63)		63
NET INCREASE/ (DECREASE) IN CASH HELD	-	(4 459)	(353)	33 211	(21 538)	21 706			(353)
Cash/cash equivalents at beginning:	-	137 819	115 305		115 296	115 305			115 296
Cash/cash equivalents at month/year end:	-	133 360	114 952		93 757	137 011			114 943

WC022 Witzenberg - Supporting Table SC1 Material variance explanations - M04 October

Ref	Description	Variance	Reasons for material deviations
	R thousands		
1	Revenue By Source		
	Property rates	(1 058)	Immaterial Variance.
	Service charges - electricity revenue	5 346	Increased electricity usage during winter months.
	Service charges - water revenue	2 436	Immaterial Variance.
	Service charges - sanitation revenue	2 953	Immaterial Variance.
	Service charges - refuse revenue	1 632	Immaterial Variance.
	Service charges - other	-	
	Rental of facilities and equipment	707	Immaterial Variance.
	Interest earned - external investments	(1 359)	Immaterial Variance.
	Interest earned - outstanding debtors	2 252	Immaterial Variance.
	Dividends received	-	
	Fines, penalties and forfeits	(7 145)	Fines Revenue Recognised on an Annual Basis. No service provider appointed.
	Licences and permits	1 032	Immaterial Variance.
	Agency services	(1 348)	Immaterial Variance.
	Transfers and subsidies	(12 896)	Delay in expenditure with regards to Housing Top Structures. Second tranche of Equitable Share expected during December.
	Other revenue	(2 895)	Immaterial Variance.
	Gains on disposal of PPE	-	
2	Expenditure By Type		
	Employee related costs	(9 254)	Variance due to non-cash provisions related to post employment benefits included in employee related costs.
	Remuneration of councillors	(674)	Immaterial Variance.
	Debt impairment	(28 733)	Provision in line with calculated provision based on Debtors Aging.
	Depreciation & asset impairment	(13 238)	Depreciation recognised on an annual basis.
	Finance charges	(2 897)	Immaterial Variance.
	Bulk purchases	(838)	Immaterial Variance.
	Other materials	(336)	Immaterial Variance.
	Contracted services	(4 812)	Decrease in contracted services.
	Transfers and subsidies	(9 425)	Delay in expenditure with regards to Housing Top Structures.
	Other expenditure	(231)	Immaterial Variance.
	Loss on disposal of PPE	(0)	
3	Capital Expenditure		
	Total Capital Expenditure	(18 465)	Capital expenditure on bigger projects due to commence shortly. Awaiting approval from necessary authorities.
		-	
		-	
4	Financial Position		
		-	
		-	
		-	
5	Cash Flow		
	Receipts		
	Property rates	634	Immaterial Variance.
	Service charges	43 221	High collection mainly attributable to increased electricity usage during winter months.
	Other revenue	(3 426)	Immaterial Variance.
	Government - operating	(7 318)	Receipts with regards to Operational Grants outstanding - second tranche of Equitable Share expected during December.
	Government - capital	(6 753)	Receipts with regards to Capital Grants outstanding of which the most material is Housing and RBIG.
	Interest	(922)	Immaterial Variance.
	Dividends	-	
	Payments		
	Suppliers and employees	21 469	Variance due to increased expenditure pertaining to Bulk Purchases as well as contracted services. Higher tariffs charged by Eskom during winter months.
	Finance charges	1	Immaterial Variance.
	Transfers and Grants	(2 345)	Immaterial Variance.
6	Measureable performance		
7	Municipal Entities		

Debtor Collection Rate per Month

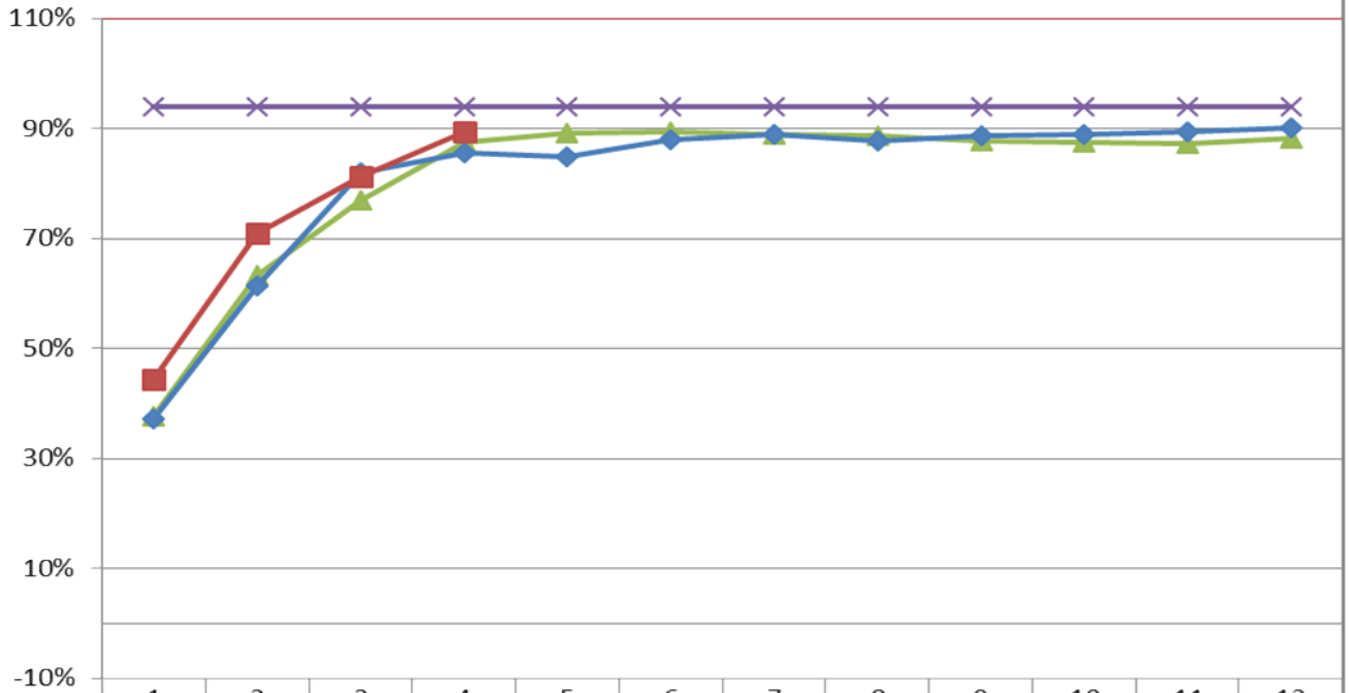


■ 19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
× 20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
* 21/22	44%	116%	114%	129%								
▲ Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for Oct 2021 amounts to 129% in comparison to the previous year 100%.

Die doel van hierdie grafiek is om die verhaling van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Okt 2021 129% behoort in vergelyking met die vorige jaar 100%.

Accumulative Collection Rate



19/20	38%	63%	77%	87%	89%	89%	89%	89%	88%	87%	87%	88%
20/21	37%	62%	82%	86%	85%	88%	89%	88%	89%	89%	89%	90%
21/22	44%	71%	81%	90%								
Target	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 90%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 90% beloop.

The payment culture of consumers are still the same which has a negative impact on collections.

Die betalingskultuur onder verbruikers is onveranderd wat die invorderings negatief beïnvloed.

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2021/22									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Water	1200	11 171	1 789	2 067	1 760	1 598	1 752	8 770	61 151	90 057	75 031	
Electricity	1300	18 730	1 129	370	324	246	184	818	4 740	26 542	6 312	
Property Rates	1400	4 967	6 929	364	372	239	235	1 220	18 219	32 546	20 286	
Waste Water Management	1500	8 196	1 051	1 013	918	893	886	4 874	31 870	49 700	39 440	
Waste Management	1600	8 873	1 262	1 172	1 047	991	956	5 281	33 147	52 728	41 421	
Property Rental Debtors	1700	185	13	13	12	12	13	96	1 074	1 418	1 207	
Interest on Arrear Accounts	1810	1 211	150	147	144	143	172	1 187	43 302	46 457	44 949	
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(5 086)	66	37	33	29	37	205	1 245	(3 433)	1 550	
Total By Income Source	2000	48 246	12 389	5 183	4 610	4 152	4 237	22 451	194 747	296 015	230 197	
2019/20 - totals only										-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	(124)	1 734	264	167	105	120	609	5 681	8 558	6 683	
Commercial	2300	15 622	3 817	559	342	235	168	878	11 137	32 758	12 760	
Households	2400	32 434	6 232	4 177	3 911	3 660	3 770	20 013	172 114	246 312	203 469	
Other	2500	315	604	183	190	151	178	951	5 815	8 387	7 285	
Total By Customer Group	2600	48 246	12 389	5 183	4 610	4 152	4 237	22 451	194 747	296 015	230 197	

Negative figure as indicated for "Other Debtors" relates to cash received, but not yet allocated.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 126	-	-	-	-	-	-	-	1 126
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 126	-	-	-	-	-	-	-	1 126

Notes

Material increases in value of creditors' categories compared to previous month to be explained

0

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
R thousands								
Municipality								
Nedbank Ltd	6 Months	Fixed depos	29/01/2022	-		-	-	20 000
ABSA Bank Ltd	7 Months	Fixed depos	28/02/2022	-		-	-	20 000
Standard Bank of SA Ltd	4 Months	Fixed depos	29/11/2021	-		-	-	20 000
Investec Bank Ltd	-		-	-		-	-	-
First National Bank	3 Months	Fixed depos	29/10/2021	-		-	-	-
-	-			-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	60 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	110 696	110 696	452	45 985	44 278	1 778	4,0%	110 696
Operational Revenue:General Revenue:Equitable S	106 666	106 666	-	44 444	42 666	1 778	4,2%	106 666
Expanded Public Works Programme Integrated Gran	2 617	2 617	402	1 257	1 047	210	20,1%	2 617
Local Government Financial Management Grant [S	1 413	1 413	50	284	565	(281)	-49,7%	1 413
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-
Capacity Building	-	-	-	-	-	-	-	-
Capacity Building and Other	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-
All Grants	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	110 696	110 696	452	45 985	44 278	1 707	3,9%	111 456
National Government:	50 296	50 296	-	-	20 118	(20 118)	-300,0%	50 296
Municipal Infrastructure Grant [Schedule 5B]	21 808	21 808	-	-	8 723	(8 723)	-100,0%	21 808
Regional Bulk Infrastructure Grant (Schedule 5B)	17 391	17 391	-	-	6 956	(6 956)	-100,0%	17 391
Provincial Government:	-	-	-	-	-	-	-	-
Capacity Building and Other	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-
All Grants	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	50 296	50 296	-	-	20 118	(20 118)	-100,0%	50 296
TOTAL RECEIPTS OF TRANSFERS & GRANTS	160 992	160 992	452	45 985	64 397	(18 411)	-28,6%	161 751

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

Description	Budget Year 2021/22							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	61 657	61 262	3 907	13 793	20 124	-		61 262
Operational Revenue:General Revenue:Equitable	56 917	56 522	3 455	12 252	18 564	(6 312)	-34,0%	56 522
Expanded Public Works Programme Integrated Gr	2 617	2 617	402	1 257	872	385	44,2%	2 617
Local Government Financial Management Grant [	1 463	1 463	50	284	468	(184)	-39,3%	1 463
Municipal Infrastructure Grant [Schedule 5B]	660	660	-	-	220	(220)	-100,0%	660
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Provincial Government:	34 306	39 788	946	3 416	13 243	(9 827)	-74,2%	39 788
Capacity Building and Other	10 975	11 700	946	3 416	3 880	(464)		11 700
Disaster and Emergency Services	-	-	-	-	-	-		-
Infrastructure	23 331	28 089	-	-	9 363	(9 363)		28 089
District Municipality:	-	1 694	1	1	-	(564)	-99,9%	-
All Grants	-	1 694	1	1	565	(564)	-99,9%	-
Other grant providers:	829	1 287	98	463	429	34	8,0%	1 287
Foreign Government and International Organisatio	829	1 287	98	463	429	34	8,0%	1 287
Total operating expenditure of Transfers and Grants	96 792	104 032	4 951	17 674	33 796	(10 356)	-30,6%	102 338
National Government:	49 637	49 637	38	4 114	14 611	(10 496)	-71,8%	49 637
Municipal Infrastructure Grant [Schedule 5B]	21 148	21 148	38	3 777	6 919	(3 142)	-45,42%	21 148
Regional Bulk Infrastructure Grant (Schedule 5B)	17 391	17 391	-	-	4 696	(4 696)	-100,00%	17 391
Provincial Government:	25 801	27 711	-	4 127	7 808	(3 682)		26 081
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	24 801	26 081	-	4 127	7 348	(3 222)	-43,8%	26 081
District Municipality:	500	815	-	-	230	(230)	-100,0%	815
All Grants	500	815	-	-	230	(230)	-100,0%	815
Other grant providers:	14 157	15 926	180	309	4 784	(4 476)	-93,5%	15 926
Foreign Government and International Organisatio	-	-	-	-	-	-		-
Transfer from Operational Revenue	14 157	15 926	180	309	4 784	(4 476)	-93,5%	15 926
Total capital expenditure of Transfers and Grants	90 094	94 088	217	8 550	27 434	(18 884)	-68,8%	92 458
TOTAL EXPENDITURE OF TRANSFERS AND GRAN	186 886	198 120	5 169	26 224	61 230	(29 240)	-47,8%	194 796

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	636	2 546	2 659	(113)	-4%	7 980
Pension and UIF Contributions	1 787	1 787	90	358	595	(237)	-40%	1 787
Medical Aid Contributions	335	335	17	68	112	(43)	-39%	335
Motor Vehicle Allowance	817	817	-	-	272	(272)	-100%	817
Cellphone Allowance	985	985	81	341	328	12	4%	985
Housing Allowances	43	43	3	14	14	(1)	-5%	43
Other benefits and allowances	59	59	-	-	20	(20)	-100%	59
Sub Total - Councillors	12 007	12 007	828	3 327	4 001	(674)	-17%	12 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 497	325	1 298	1 498	(200)	-13%	4 497
Pension and UIF Contributions	925	925	29	116	308	(193)	-63%	925
Medical Aid Contributions	159	159	5	19	53	(34)	-64%	159
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	1 052	1 052	62	248	350	(102)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	330	414	(84)	-20%	1 242
Cellphone Allowance	84	84	10	16	28	(12)	-41%	84
Housing Allowances	182	182	24	95	60	34	56%	182
Other benefits and allowances	136	136	9	38	45	(8)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers	8 276	8 276	547	2 159	2 758	(598)	-22%	8 276
Other Municipal Staff								
Basic Salaries and Wages	136 537	136 602	10 880	39 504	45 516	(6 012)	-13%	136 602
Pension and UIF Contributions	20 659	20 660	1 861	6 610	6 884	(274)	-4%	20 660
Medical Aid Contributions	9 200	9 200	683	2 716	3 065	(349)	-11%	9 200
Overtime	10 906	10 906	1 563	5 987	3 634	2 353	65%	10 906
Performance Bonus	9 311	9 311	849	3 066	3 102	(37)	-1%	9 311
Motor Vehicle Allowance	5 309	5 309	497	1 958	1 769	189	11%	5 309
Cellphone Allowance	478	478	43	171	159	12	7%	478
Housing Allowances	1 947	1 947	95	379	649	(269)	-42%	1 947
Other benefits and allowances	5 175	5 175	413	1 728	1 724	4	0%	5 175
Payments in lieu of leave	1 050	1 050	1 340	2 001	350	1 651	472%	1 050
Long service awards	-	-	81	322	-	322	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	786	3 143	9 389	(6 246)	-67%	28 178
Sub Total - Other Municipal Staff	228 749	228 815	19 089	67 586	76 241	(8 655)	-11%	228 815
TOTAL SALARY, ALLOWANCES & % increase	249 032	249 098	20 464	73 072	83 000	(9 927)	-12%	249 098
TOTAL MANAGERS AND STAFF	237 025	237 091	19 636	69 745	78 999	(9 254)	-12%	237 091

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M04 October

Description	Ref	Budget Year 2021/22											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget
Cash Receipts By Source													
Property rates		5 769	15 593	11 710	12 132	-	-	-	-	-	-	-	33 272
Service charges - electricity revenue		30 337	36 936	33 947	28 552	-	-	-	-	-	-	-	187 425
Service charges - water revenue		2 880	3 342	2 987	3 128	-	-	-	-	-	-	-	16 546
Service charges - sanitation revenue		1 789	2 310	1 912	5 727	-	-	-	-	-	-	-	3 537
Service charges - refuse		2 013	2 089	2 126	2 181	-	-	-	-	-	-	-	9 566
Service charges - other		-	-	3 044	(2 436)	-	-	-	-	-	-	-	(607)
Rental of facilities and equipment		91	77	334	300	-	-	-	-	-	-	-	(798)
Interest earned - external investments		221	237	164	136	-	-	-	-	-	-	-	1 160
Interest earned - outstanding debtors		0	-	-	-	-	-	-	-	-	-	-	(0)
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		68	53	63	107	-	-	-	-	-	-	-	1 042
Licences and permits		487	50	325	1 612	-	-	-	-	-	-	-	(265)
Agency services		-	-	-	-	-	-	-	-	-	-	-	3 948
Transfer receipts - operating		-	-	-	-	-	-	-	-	-	-	-	111 506
Other revenue		44 521	6 061	483	4 627	-	-	-	-	-	-	-	(46 904)
Cash Receipts by Source		88 177	66 748	57 094	56 065	-	-	-	-	-	-	-	319 426
Other Cash Flows by Source													-
Transfer receipts - capital		9 333	-	-	7 713	-	-	-	-	-	-	-	45 866
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(10)	21	10	61	-	-	-	-	-	-	-	(82)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		(80 000)	-	-	20 212	-	-	-	-	-	-	-	59 788
Total Cash Receipts by Source		17 500	66 769	57 104	84 052	-	-	-	-	-	-	-	424 997
Cash Payments by Type													-
Employee related costs		14 974	14 718	15 104	17 148	-	-	-	-	-	-	-	149 641
Remuneration of councillors		936	955	938	938	-	-	-	-	-	-	-	(3 766)
Interest paid		-	-	1	-	-	-	-	-	-	-	-	(1)
Bulk purchases - Electricity		32 051	38 254	33 727	20 676	-	-	-	-	-	-	-	136 117
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		1 474	451	1 001	1 736	-	-	-	-	-	-	-	-
Contracted services		2 677	5 053	4 894	756	-	-	-	-	-	-	-	(13 380)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		54	54	561	279	-	-	-	-	-	-	-	(946)
General expenses		8 745	2 054	7 801	8 141	-	-	-	-	-	-	-	44 999
Cash Payments by Type		60 910	61 539	64 024	49 674	-	-	-	-	-	-	-	312 664
Other Cash Flows/Payments by Type													-
Capital assets		1 867	4 551	3 912	232	-	-	-	-	-	-	-	78 683
Repayment of borrowing		(2)	-	21	-	-	-	-	-	-	-	-	(19)
Other Cash Flows/Payments		(467)	(1 693)	1 461	935	-	-	-	-	-	-	-	(237)
Total Cash Payments by Type		62 307	64 397	69 419	50 841	-	-	-	-	-	-	-	391 091
NET INCREASE/(DECREASE) IN CASH HELD		(44 807)	2 372	(12 315)	33 211	-	-	-	-	-	-	-	33 906
Cash/cash equivalents at the month/year beginning:		115 296	70 489	72 861	60 546	93 757	93 757	93 757	93 757	93 757	93 757	93 757	93 757
Cash/cash equivalents at the month/year end:		70 489	72 861	60 546	93 757	93 757	93 757	93 757	93 757	93 757	93 757	93 757	127 663

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M04 October

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	–	3 528	3 863	1	1	3 863	3 862	100,0%	0%
August	970	5 053	5 370	4 632	4 633	9 233	4 600	49,8%	5%
September	2 309	7 122	7 389	3 700	8 333	16 622	8 289	49,9%	9%
October	3 822	10 136	10 393	217	8 550	27 015	18 465	68,4%	9%
November	7 006	10 136	10 393	–	–	37 408	–	–	–
December	3 969	8 647	8 896	–	–	46 304	–	–	–
January	4 376	3 528	3 863	–	–	50 167	–	–	–
February	4 502	5 053	5 370	–	–	55 537	–	–	–
March	15 227	7 122	7 389	–	–	62 926	–	–	–
April	2 003	10 136	10 393	–	–	73 319	–	–	–
May	6 929	10 136	10 393	–	–	83 713	–	–	–
June	65 951	8 647	8 896	–	–	92 608	–	–	–
Total Capital expenditure	117 064	89 244	92 608	8 550					

3.2 SUPPLY CHAIN MANAGEMENT

3.2 VOORSIENINGSKANAAL BESTUUR

3.2.1 Demand and Acquisition

3.2.1 Aanvraag en Verkryging

3.2.1.1 Advertisement stage

3.2.1.1 Adverteringsfase

No formal written price quotations are currently in the advertisement stage.

Geen formele geskrewe pryskwotasies is tans in die adverterings fase nie.

The following competitive bids are currently in the advertisement stage:

Die volgende mededingende tenders is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/18/64	Appointment of contractors for maintenance, repair and replacement of general electrical infrastructure and wiring of premises for Witzenberg municipality	04-Nov-2021
08/2/19/05	Paving, stormwater infrastructure and fire hydrant at PAH Business Hub	05-Nov-2021
08/2/19/06	Supply, delivery& installation of rigid mesh fencing & rigid mesh gates in PAH Business Hub	05-Nov-2021
08/2/19/08	Provision of Security services, Tactical and crowd control management at municipal buildings and sites in the Witzenberg municipal area	23-Nov-2021
08/2/19/15	Supply and delivery of Electrical equipment and cables	07-Dec-2021
08/2/19/16	Clearing of Alien vegetation in Prince Alfred Hamlet commonage	26-Nov-2021
08/2/1/17	Facilitation of training for Municipal Minimum Competency Levels (MMCL) programme for a three year period	24-Nov-2021

3.2.1.2 Evaluation stage:

3.2.1.2 Evaluering stadium:

The following competitive bids are currently in the evaluation stage:

Die volgende mededingende tenders is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/62	Professional services for Witzenberg Municipality	08-Jul-2021	30-Aug-2021 Referred back	D Greeff
08/2/18/72	Appointment of a Travel Agency	27-Sep-2021	29-Oct-2021	R Hendricks
08/2/18/81	Electrical and Mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	30-Sep-2021	Awaiting	N Jacobs
08/2/19/01	Supply and delivery of Station Uniforms for Fire Department, Emergency Control Room and Disaster Management	19-Aug-2021	20-Oct-2021	A Lamprecht-Vertue

The following formal written price quotations are currently in the evaluation stage:

Die volgende formele geskrewe pryskwotasie is tans in die evalueringsfase:

08/2/18/66	Supply and delivery of Water Meters	23-Jul-2021	08-Sep-2021	M Frieslaar / N Jacobs
08/2/18/74	Supply and delivery of galvanised roof sheets, ridging and Self Drill screws	28-Jun-2021	Awaiting	N Jacobs
08/2/19/03	Periodic Maintenance, General repairs and Provision of Spare parts for Sweeper (Re-Advertisement)	14-Oct-2021	25-Oct-2021	O Gatyene
08/2/19/21	Supply, deliver and fit new Vacuum pumps on truck	18-Oct-2021	25-Oct-2021	O Gatyene
08/2/19/22	Engine repairs to Nissan UD90 (FE6T), including the recovery / tow in of the refuse compactor truck from ceres to bidder's workshop	25-Oct-2021	Awaiting	O Gatyene
08/2/19/23	Supply and delivery of Laptops	28-Oct-2021	Awaiting	R Rhode

3.2.1.3 Adjudication stage

3.2.1.3 Toekenningsfase:

The following competitives bid are currently in the adjudication stage:

Die volgende mededingende tenders is tans in die toekenningsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
08/2/18/05	Roads and Stormwater Maintenance (Re-advertisement)	30-Mar-2021	14-Jul-2021	26-Jul-2021 27-Sep-2021 22-Oct-2021
08/2/18/69	Supply and fitment of new Tyres, tubes and provision of Tyre repair and other related services, including the supply and fitment of steering and suspension components	06-Sep-2021	27-Oct-2021	-
08/2/18/79	Supply and delivery of a Conference System for Council Chambers	15-Jun-2021	14-Jul-2021	13-Sep-2021

No formal written price quotations are currently in the adjudication stage.

Geen formele geskrewe prys kwotasie is tans in die Toekenningsfase nie.

3.2.1.4 Bids awarded

3.2.1.4 Tenders toegeken

The following bids were awarded by the Accounting Officer during the month of October 2021:

Die volgende tenders was toegeken deur die Rekenpligtige Beampte gedurende Oktober 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/18/82	26-Oct-2021	Motheo Construction Group (PTY) Ltd	Electrification of Informal Houses in Vredebes, Ceres – Phase H	Bidder scored the highest points	Based on rates estimated at R 14 525 576.82 (Incl. VAT)

The following competitive bids were awarded by the Bid Adjudication Committee during the month of October 2021:

Die volgende mededingende tenders was toegeken deur die Tender Toekenningskomitee gedurende Oktober 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/18/73	04-Oct-2021	Bidvest Waltons	Supply and delivery of copy paper	Bidder scored the highest points	Based on rates estimated at R 621 227.97
08/2/18/78	04-Oct-2021	Alsu Ondernemings (PTY) Ltd	Sport Field Masts For Lyell Street Sports Field	Bidder scored the highest points	Based on rates estimated at R 2 177 836.02

3.2.1.5 Paragraph 13 (1): Cancellation and re-invitation of tenders

3.2.1.5 Paragraaf 13 (1): Kansellasië en her-uitnodiging van tenders

Bid ref number	Date	Brief description of services	Reason why bid is cancelled
08/2/19/12	14-Oct-2021	Leasing of the Tolhuis together with the adjacent building on a portion of erf 1001, Ceres	No bids were received
08/2/19/18	15-Oct-2021 26-Oct-2021 (Re-Advert)	Lease of the Café building in Pine Forest holiday resort	No bids were received
08/2/19/19	15-Oct-2021 26-Oct-2021(Re-Advert)	Lease of the Café building at PA Hamlet swimming pool	No bids were received

3.2.1.6 Paragraph 19 (1) I and 19 (2): Written price quotations

The following written price quotations were approved during the month of October 2021:

3.2.1.6 Paragraaf 19 (1) (c) en 19 (2): Geskrewe Prys Kwotasies

Die volgende geskrewe prys kwotasies was goedgekeur gedurende Oktober 2021:

Order number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
170663	07-October-2021	Riding & Watt	Topographical survey of toilets in Informal areas	Lowest responsive quotation	R 16 645.10 (Incl. VAT)	Chief Financial Officer
170759	15-October-2021	Ultimate Recruitment Solutions	Publish Adverts: Bid 08-2-19-08, 08-2-19-17 and 08-2-18-44	Lowest responsive quotation	R 17864.63 (Incl. VAT)	Chief Financial Officer
170948	27-October-2021	Arina Wilson	Translation of By-Law – Water & Sanitation	Lowest responsive quotation	R 27 171.90 (Incl. VAT)	Chief Financial Officer

3.2.1.7 Formal Written Price Quotations

The following formal written price quotations, in excess of R 30 000 were awarded by an official acting in terms of a sub-delegation for the month of October 2021:

3.2.1.7 Formele Geskrewe Prys Kwotasies

Die volgende formele geskrewe kwotasies, wat meer is as R 30 000.00 is toegeken deur 'n amptenaar wat in terme van 'n sub-afvaardiging vir die maand van Oktober 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
08/2/19/02	05-Oct-2021	HV Test Academy (PTY) Ltd	Appointment of a Service Provider for training of Operating Regulations High Voltage Systems (ORHVS)	Only responsive Bidder	R 62 617.50 (Incl. VAT)	Acting Director: Corporate Services
08/2/19/13	27-Oct-2021	Ubuntu Technologies (PTY) Ltd	Supply and delivery of a Server as specified	Bidder scored the highest points	R 160 398.88 (Incl. VAT)	Director: Corporate Services

3.2.1.8 Appeals

No appeals were lodged or dealt with by the Accounting Officer during the month of October 2021.

3.2.1.8 Appèlle

Geen appèlle is ontvang of was hanteer deur die Rekenpligtige beampte gedurende Oktober 2021 nie.

3.2.1.9 Deviations

3.2.1.9 Afwykings

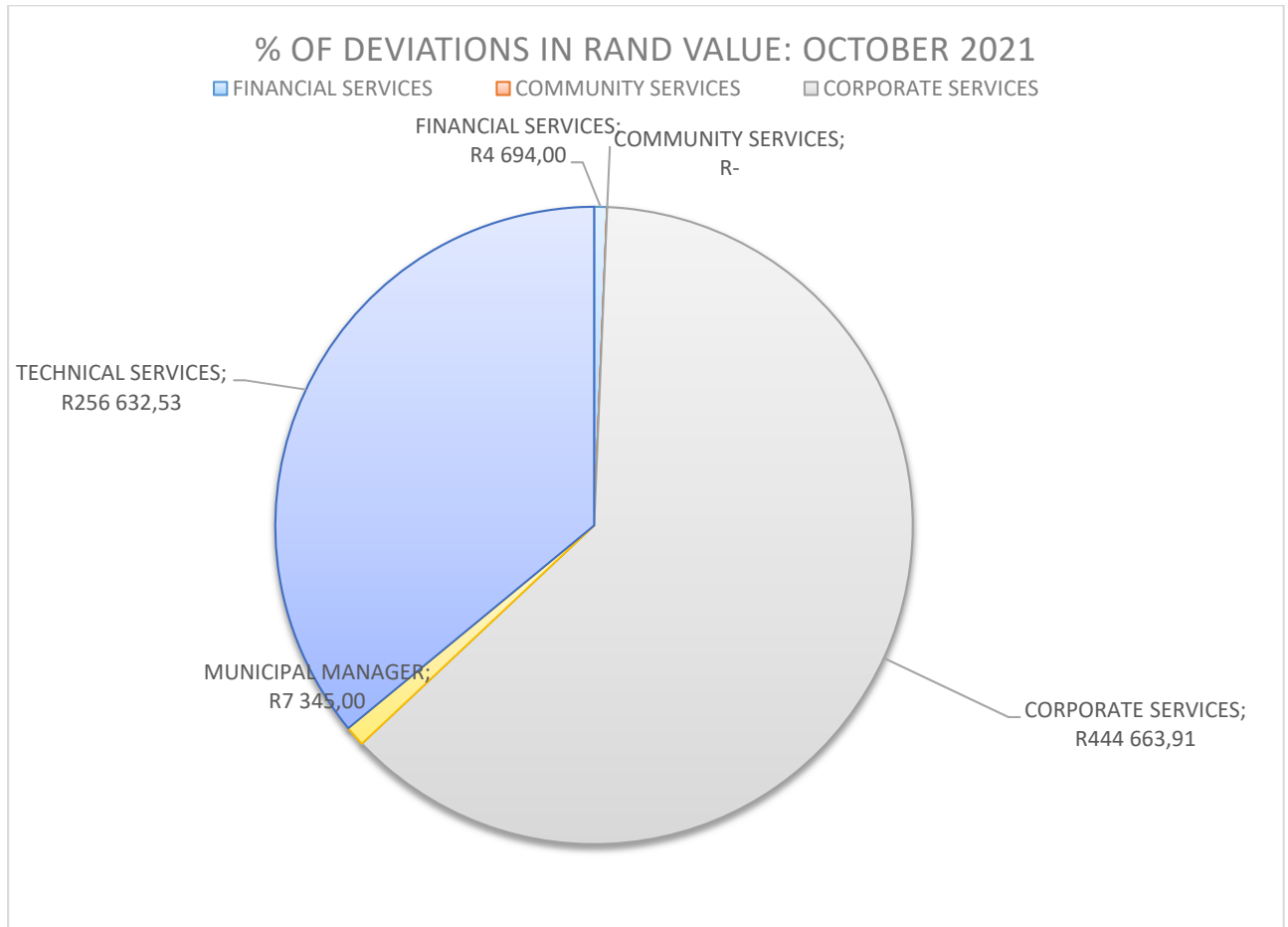
The following table contains the actuals against approved deviations by the Accounting Officer for the month of October 2021 which totals R 713 334:

Die volgende tabel bevat die werklike uitgawes teen goedgekeurde afwykings deur die Rekenpligtige Beampte vir die maand van Oktober 2021 wat beloop op die totaal van R 713 334:

Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
1-Oct-21	Cigfaro (Chartered Institute of Government Finance, Audit & Risk Officers) (NPC)	Registration fees: H Kritzinger & H Smit Conference 20-22 Sep 2021	Impractical	170561	4,694.00
7-Oct-21	Witzenberg Herald	Publish notice: Special Council Meeting 8 Oct 2021	Single supplier	170672	2,448.00
13-Oct-21	Witzenberg Herald	Publication: Approved Indigent Policy Spread	Single supplier	170733	7,344.00
15-Oct-21	IQMS Software (PTY) Ltd	Renewal of Licences - IQMS Software	Impractical	170750	107,971.13
15-Oct-21	Meniko Records management Services	Renewal of Licences - TRIM Content Management	Single supplier	170763	220,775.16
19-Oct-21	Witzenberg Herald	Publish Notice: Matric Message & Coronation day	Single supplier	170805	11,840.00
20-Oct-21	Drager SA (PTY) Ltd	Calibration of Drager Equipment	Single supplier	170810	6,560.75
21-Oct-21	Mafoko Security Patrols	Supply security services	Impractical	170852	203,040.00
27-Oct-21	PC Berning	Repair Diggerloader: CT 16451	Impractical	170954	148,661.40

MONTH / MAAND	DEVIATION AMOUNT AFWYKING BEDRAG	TOTAL VALUE OF ORDERS ISSUED TOTALE WAARDE VAN BESTELLINGS UITGEREIK	% DEVIATIONS OF TOTAL ORDERS ISSUED % AFWYKINGS VAN TOTALE BESTELLINGS UITGEREIK
August 2021	R 242 767	R57 580 512.72	0.42%
September 2021	R 332 734	R12 829 976.36	2.59%
October 2021	R 713 334	R23 624 762.51	3.01%

DEVIATIONS PER DIRECTORATE



Logistics

The table below contains a high level summary of information regarding the stores section:

Logistieke

Die tabel hieronder bevat 'n hoë vlak opsomming van inligting rakende die magasyn (stoor):

MONTH	Aug 2021	Sep 2021	Oct 2021
Value of inventory at hand	R 8 148 002	R 7 838 531	R 7 764 148
Turnover rate of total value of inventory	0.85	1.02	0.93
Date of latest stores reconciliation	31 Oct 2021		
Date of last stock count	22 Sep 2021		
Date of next stock count	08 Dec 2021		



QUALITY CERTIFICATE

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the monthly in year monitoring reports for the month of October 2021 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Mr D Nasson

Municipal Manager of WITZENBERG MUNICIPALITY

Signature: _____

Date: _____

Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/ Kindly address all correspondence to the Municipal Manager/ Yonke imbalelwano mayithumyelwe kuMlawuli kaMasipala

*Witzenberg, the Eden of Africa, aspires that all residents shall live together in harmony and prosperity.
Witzenberg, die Eden van Afrika, streef daarna dat alle inwoners in harmonie en voorspoed saamleef.
Witzenberg, iEden yase Africa igquashalazele ekubeni bonke abahlali bakhawulelezise ukuhlalisana ngolomwalo.*



Monthly Budget Statement Report Section 71 for November 2021

**Financial data is in respect of the period
1 July 2021 to 30 June 2022**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

2.3 Monthly budget statements

In terms of Section 71 of the MFMA the accounting officer must prepare monthly budget statements that comply with this section. This section read as follows:

"71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on—*
 - (i) its share of the local government equitable share; and*
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
 - (g) when necessary, an explanation of—*
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;*
 - (ii) any material variances from the service delivery and budget implementation plan; and*
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.*

(2) The statement must include—

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after

2.3 Maandelikse begroting state

In terme van Artikel 71 van die MFMA die rekenpligtige beampte moet 'n maandelikse begroting state wat voldoen aan hierdie artikel. Hierdie artikel lees soos volg:

"71. (1) Die rekenpligtige beampte van 'n munisipaliteit moet nie later as 10 werk dae na die einde van elke maand aan die burgemeester van die munisipaliteit en die betrokke Provinsiale Tesourie 1 verklaring in die voorgeskrewe formaat oor die toestand van die munisipaliteit se begroting wat die volgende besonderhede vir die maand en vir die finansiële jaar tot die einde van die maand:

- (a) werklike inkomste per bron van inkomste;*
- (b) werklike lenings;*
- (c) die werklike uitgawes per stem;*
- (d) die werklike kapitaalbesteding, per stem;*
- (e) die bedrag van enige toekennings ontvang;*
- (f) die werklike uitgawes op daardie toekennings, uitgesluit besteding op*
 - (i) sy deel van die plaaslike regering billike deel;*
 - (ii) toekennings vrygestel is by die jaarlikse Verdeling van Inkomste van die nakoming van hierdie paragraaf, en*
 - (g) wanneer dit nodig is, 'n verduideliking van—*
 - (i) enige wesenslike afwykings van die munisipaliteit se geprojekteerde inkomste deur die bron, en van die munisipaliteit se uitgawe projeksies per stem;*
 - (ii) enige wesenslike afwykings van die dienslewering en begrotings implementeringsplan;*
 - (iii) enige remediërende of korrektiewe stappe geneem is of geneem word om te verseker dat die geprojekteerde inkomste en uitgawes in die munisipaliteit se goedgekeurde begroting bly.*

(2) Die staat moet die volgende insluit-

- (a) 'n projeksie van die betrokke munisipaliteit se inkomste en uitgawes vir die res van die finansiële jaar, en enige wysigings van die aanvanklike projeksies, en*
- (b) die voorgeskrewe inligting met betrekking tot die toestand van die begroting van elke munisipale entiteit wat aan die munisipaliteit in terme van artikel 87 (10).*

(3) die bedrae wat in die verklaring moet in elke geval in vergelyking met die ooreenstemmende bedrae begroot vir die munisipaliteit se goedgekeurde begroting.

(4) Die verklaring aan die provinsiale tesourie moet in die formaat van 'n getekende dokument en in elektroniese formaat.

(5) Die rekenpligtige beampte van 'n munisipaliteit wat 'n toekenning bedoel in subartikel (1)(e) gedurende 'n bepaalde maand ontvang het, moet nie later nie as 10 werksdae na die

the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter."

einde van die maand, moet daardie deel van die verklaring wat die besonderhede bedoel in subartikel (1)(e) en (f) om die nasionale of provinsiale orgaan van die staat of munisipaliteit wat die toekenning oorgedra

(6) Die Provinsiale Tesourie moet nie later nie as 22 werksdae na die einde van elke maand aan die Nasionale Tesourie 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van die munisipaliteite se begrotings, per munisipaliteit en per munisipale entiteit.

(7) Die Provinsiale Tesourie moet, binne 30 dae na die einde van elke kwartaal, openbaar te maak as wat voorgeskryf mag word, 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van munisipaliteite se begrotings per munisipaliteit en per munisipale entiteit. Die LUR vir finansies moet so 'n gekonsolideerde staat nie later nie as 45 dae na die einde van elke kwartaal aan die provinsiale wetgewer dien."

A MAYOR'S REPORT

Credit control for various reasons remains a challenge for the municipality.

The unwillingness / inability of government departments to pay their municipal accounts was a big concern. However department are slowing starting to make payment. The debt is in access of R9 million in comparison to the prior month figure of R8.6 million.

The monthly billing was also done as scheduled and during this process 19 404 accounts amounting to R 33.2 million was printed and distributed to consumers. The prepaid electricity sales amounted to R 5.5 million in comparison to a cost of R4.8 million for the same month during the prior financial year.

The indigent cost to the municipality for the month amounts to R 1.8 million in comparison to the prior month figure of R1.7 million

The accumulated debtor's collection target for the year is 94%, and the actual accumulated year to date debtor's collection is 90% in comparison to a rate of 85% for the same month in the previous year.

The municipality issued orders to the value of R 44.6 million of which R 4.9 million was in terms of deviations.

The municipality currently has R 116 million in its primary bank account and investments to the value of R40 million. The bank balance at the end of the previous month was R99 million.

The calculated cost coverage ratio of the municipality as at the end of November 2021 is 1.26 months.

B RECOMMENDATION

It is recommended that council take cognisance of the quarterly budget assessment for the month of November 2021 .

C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

A BURGEMEESTERS VERSLAG

Kredietbeheer bly 'n uitdaging vir die munisipaliteit as gevolg van verskillende redes.

Die onwilligheid / onvermoë van staats departemente om hulle munisipale rekeninge te betaal was 'n groot bekommernis. Departemente is stadig besig om hul betalings te maak. Die skuld beloop tans R9miljoen in vergelyking met die vorige maand syfer van R8.6 miljoen.

Die maandelikse rekeninge is ook gehef soos geskeduleer en tydens hierdie proses is 19 404 rekeninge ten bedrae van R 33.2 miljoen gedruk en aan verbruikers versprei. Die voorafbetaalde elektrisiteit verkope beloop R 5.5 miljoen en was R4.8 miljoen vir dieselfde maand gedurende die vorige finansiele jaar.

Die deernis subsidies vir die maand beloop R 1.8 miljoen in vergelyking met die vorige maand syfer van R1.7 miljoen.

Die opgehoopte debiteure verhalings se teiken vir die jaar is 94%, en die werklike jaar tot op datum invordering is 90% in vergelyking met 85% vir dieselfde maand in die vorige finansiele jaar.

Bestellings ter waarde van R 44.6 miljoen uitgereik, waarvan R 4.9 miljoen ten opsigte van afwykings is.

Die munisipaliteit het R 116 miljoen in die primêre bankrekening en beleggings ter waarde van R40 miljoen. Die bankbalans aan die einde van die vorige maand was R99 miljoen.

Die berekende koste dekking verhouding van die munisipaliteit soos aan die einde van November 2021 is 1.26 maande.

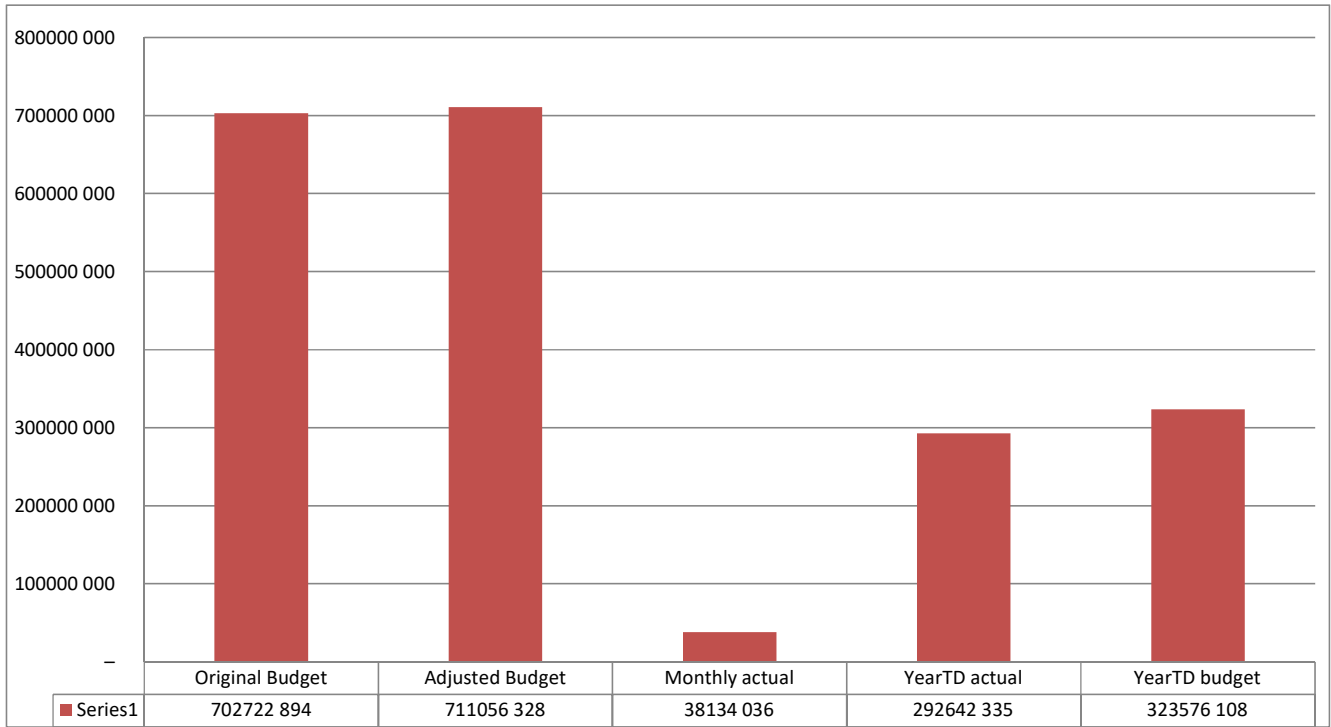
B AANBEVELING

Dit word aanbeveel dat die raad kennis neem van die finansiële maandverslag en ondersteunende dokumente vir November 2021 .

C OPSOMMING

Die volgende tabelle voorsien n opsomming van die finansiele inligting:

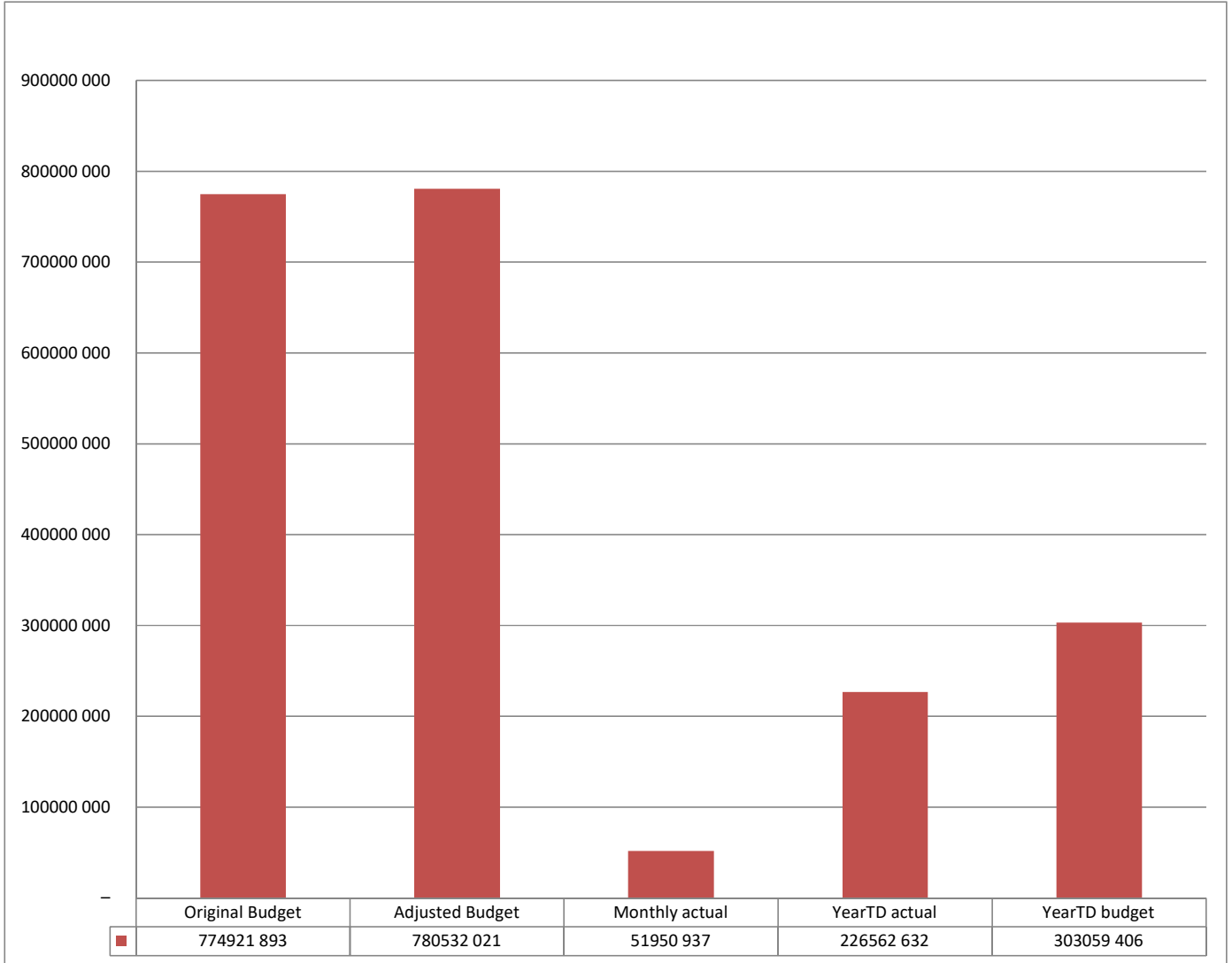
TOTAL OPERATIONAL REVENUE



For the period 1 July 2021 to 30 November 2022, 41,16% of the budgeted operational revenue was raised.

Vir die periode 1 Julie 2021 tot 30 November 2022, is 41,16% van die begrote operasionele inkomste gehêf.

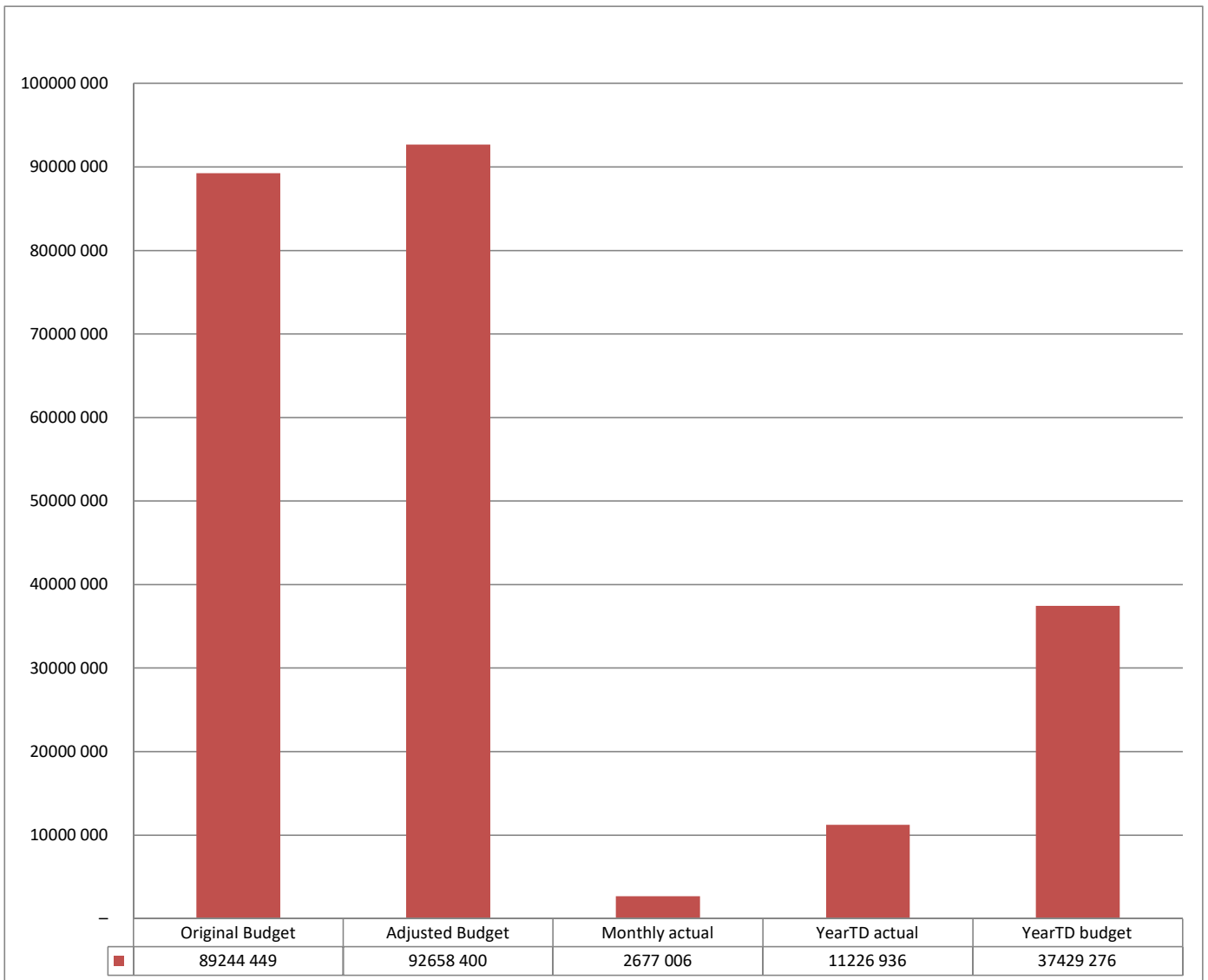
TOTAL OPERATIONAL EXPENDITURE



For the period 1 July 2021 to 30 November 2022, 29,03% of the budgeted operational expenditure was incurred.

Vir die periode 1 Julie 2021 tot 30 November 2022, is 29,03% van die begrote operasionele uitgawes aangegaan.

CAPITAL EXPENDITURE



For the period 1 July 2021 to 30 November 2022, 12,12% of the budgeted capital expenditure was incurred.

Vir die periode 1 Julie 2021 tot 30 November 2022, is 12,12% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 30 November 2021.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M05 November

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	4 526	56 214	52 844	3 369	6%	83 290
Service charges	376 205	413 772	413 772	29 279	174 923	166 565	8 358	5%	413 772
Investment revenue	3 079	6 990	6 990	448	1 417	2 911	(1 494)	-51%	6 990
Transfers recognised - operational	131 244	145 903	154 127	469	46 455	79 232	(32 777)	-41%	154 127
Other own revenue	31 880	52 768	52 877	3 412	13 634	22 024	(8 390)	-38%	52 877
transfers and contributions)	623 082	702 723	711 056	38 134	292 642	323 576	(30 934)	-10%	711 056
Employee costs	201 538	237 025	237 091	20 895	90 640	98 749	(8 109)	-8%	237 091
Remuneration of Councillors	9 897	12 007	12 007	706	4 033	5 001	(968)	-19%	12 007
Depreciation & asset impairment	32 472	39 729	39 729	-	-	16 547	(16 547)	-100%	39 729
Finance charges	4 522	8 696	8 696	59	60	3 622	(3 562)	-98%	8 696
Materials and bulk purchases	252 216	300 766	300 071	17 755	103 092	104 825	(1 732)	-2%	300 071
Transfers and grants	6 534	25 603	30 439	-	721	12 683	(11 962)	-94%	30 439
Other expenditure	139 236	151 096	152 499	12 537	28 016	61 634	(33 617)	-55%	152 499
Total Expenditure	646 415	774 922	780 532	51 951	226 563	303 059	(76 497)	-25%	780 532
Surplus/(Deficit)	(23 333)	(72 199)	(69 476)	(13 817)	66 080	20 517	45 563	222%	(69 476)
Transfers recognised - capital	52 267	74 937	75 965	-	-	41 551	(41 551)	-100%	75 965
Contributions & Contributed assets	898	170	170	29	115	71	45	63%	170
& contributions	29 831	2 908	6 659	(13 788)	66 195	62 138	4 057	7%	6 659
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	29 831	2 908	6 659	(13 788)	66 195	62 138	4 057	7%	6 659
Capital expenditure & funds sources									
Capital expenditure	117 064	89 244	92 658	2 677	11 227	37 429	(26 202)	-70%	92 658
Capital transfers recognised	52 768	74 937	76 533	1 272	9 514	31 710	(22 197)	-70%	76 533
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	16 126	1 405	1 713	5 719	(4 006)	-70%	16 126
Total sources of capital funds	66 944	89 244	92 658	2 677	11 227	37 429	(26 202)	-70%	92 658
Financial position									
Total current assets	216 785	181 281	199 130		298 673				199 130
Total non current assets	1 030 339	1 041 921	1 083 975		1 041 566				1 083 975
Total current liabilities	124 441	201 668	146 339		152 232				146 339
Total non current liabilities	175 032	131 189	174 032		174 170				174 032
Community wealth/Equity	947 651	890 345	962 733		1 013 837				962 733
Cash flows									
Net cash from (used) operating	-	85 636	97 574	5 074	53 822	31 408	22 414	71%	97 574
Net cash from (used) investing	-	(89 094)	(96 927)	17 076	(53 273)	(30 621)	(22 652)	74%	(96 927)
Net cash from (used) financing	-	(1 000)	(1 000)	93	156	-	156		156
end	-	133 360	114 952	-	116 001	116 092	(92)	-0%	114 943
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	48 051	5 469	11 393	4 883	4 443	3 978	22 492	198 570	299 279
Creditors Age Analysis									
Total Creditors	689	-	-	-	-	-	-	-	689

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M05 November

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
Governance and administration	94 586	110 918	112 721	5 660	60 935	65 398	(4 462)	-7%	112 721
Executive and council	13	–	–	–	2	–	2	#DIV/0!	–
Finance and administration	94 573	110 918	112 721	5 660	60 934	65 398	(4 464)	-7%	112 721
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	155 398	171 710	178 075	2 074	51 149	88 831	(37 683)	-42%	178 075
Community and social services	128 957	120 006	120 731	465	46 269	64 911	(18 642)	-29%	120 731
Sport and recreation	9 235	1 661	1 661	676	2 253	692	1 561	226%	1 661
Public safety	16 928	26 158	26 473	920	2 574	11 026	(8 452)	-77%	26 473
Housing	278	23 884	29 210	13	53	12 202	(12 149)	-100%	29 210
Economic and environmental services	16 878	25 287	26 480	105	734	14 069	(13 335)	-95%	26 480
Planning and development	4 244	2 365	2 846	105	732	1 274	(541)	-42%	2 846
Road transport	12 634	22 907	23 620	–	1	12 790	(12 789)	-100%	23 620
Environmental protection	–	14	14	–	0	6	(6)	-96%	14
Trading services	409 308	469 795	469 795	30 320	179 835	196 849	(17 014)	-9%	469 795
Energy sources	274 358	334 664	334 664	20 611	129 427	135 765	(6 338)	-5%	334 664
Water management	52 476	72 201	72 201	4 145	20 702	32 775	(12 073)	-37%	72 201
Waste water management	49 259	27 843	27 843	2 872	15 930	12 891	3 038	24%	27 843
Waste management	33 216	35 087	35 087	2 692	13 776	15 418	(1 642)	-11%	35 087
Total Revenue - Functional	676 246	777 830	787 191	38 163	292 758	365 198	(72 440)	-20%	787 191
Expenditure - Functional									
Governance and administration	122 967	145 004	147 018	13 264	47 840	60 565	(12 725)	-21%	147 018
Executive and council	23 838	29 621	29 679	1 456	8 912	12 321	(3 409)	-28%	29 679
Finance and administration	96 620	112 849	114 804	11 674	38 134	47 205	(9 071)	-19%	114 804
Internal audit	2 508	2 534	2 534	134	794	1 040	(245)	-24%	2 534
Community and public safety	97 728	133 059	138 330	8 272	34 880	56 995	(22 115)	-39%	138 330
Community and social services	23 943	28 680	29 274	2 420	10 861	12 159	(1 298)	-11%	29 274
Sport and recreation	27 313	32 356	32 271	2 750	9 984	13 048	(3 064)	-23%	32 271
Public safety	42 003	43 012	43 016	2 660	12 089	17 809	(5 720)	-32%	43 016
Housing	4 469	29 011	33 769	442	1 945	13 978	(12 032)	-86%	33 769
Economic and environmental services	34 813	36 288	36 164	2 501	10 085	14 931	(4 846)	-32%	36 164
Planning and development	10 129	11 280	11 785	932	4 449	4 887	(438)	-9%	11 785
Road transport	24 205	22 910	22 281	1 502	5 352	9 175	(3 824)	-42%	22 281
Environmental protection	479	2 098	2 098	66	285	869	(584)	-67%	2 098
Trading services	390 006	459 620	458 070	27 914	133 303	170 172	(36 869)	-22%	458 070
Energy sources	271 784	327 833	327 121	19 128	108 458	116 029	(7 571)	-7%	327 121
Water management	41 092	36 559	36 488	3 168	7 403	14 937	(7 534)	-50%	36 488
Waste water management	36 519	43 400	42 894	2 619	7 787	17 755	(9 968)	-56%	42 894
Waste management	40 611	51 829	51 566	2 999	9 654	21 451	(11 796)	-55%	51 566
Other	902	951	951	–	454	396	58	15%	951
Total Expenditure - Functional	646 415	774 922	780 532	51 951	226 563	303 059	(76 497)	-25%	780 532
Surplus/ (Deficit) for the year	29 831	2 908	6 659	(13 788)	66 195	62 138	4 057		6 659

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M05 November

Description	2020/21	Budget Year 2021/22							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue - Functional									
Municipal governance and administration	94 586	110 918	112 721	5 660	60 935	65 398	(4 462)	-7%	112 721
Executive and council	13	-	-	-	2	-	2		-
Mayor and Council	13	-	-	-	2	-	2		-
Municipal Manager, Town Secretary and Chief	-	-	-	-	-	-	-		-
Finance and administration	94 573	110 918	112 721	5 660	60 934	65 398	(4 464)	-7%	112 721
Administrative and Corporate Support	0	9	9	-	-	4	(4)	-100%	9
Finance	94 239	110 250	112 053	5 566	60 739	65 119	(4 380)	-7%	112 053
Human Resources	254	580	580	82	164	242	(77)	-32%	580
Marketing, Customer Relations, Publicity and Media	0	5	5	-	-	2	(2)	-100%	5
Property Services	-	-	-	-	-	-	-		-
Supply Chain Management	80	74	74	12	30	31	(0)	-1%	74
Community and public safety	155 398	171 710	178 075	2 074	51 149	88 831	(37 683)	-42%	178 075
Community and social services	128 957	120 006	120 731	465	46 269	64 911	(18 642)	-29%	120 731
Aged Care	118 121	109 415	109 415	424	46 125	60 178	(14 053)	-23%	109 415
Cemeteries, Funeral Parlours and Crematoriums	328	367	367	29	116	171	(56)	-32%	367
Community Halls and Facilities	31	485	485	7	14	202	(188)	-93%	485
Libraries and Archives	10 475	9 739	10 463	5	14	4 360	(4 345)	-100%	10 463
Sport and recreation	9 235	1 661	1 661	676	2 253	692	1 561	226%	1 661
Recreational Facilities	1 978	1 611	1 611	674	2 248	671	1 577	235%	1 611
Sports Grounds and Stadiums	7 257	50	50	2	5	21	(16)	-77%	50

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Public safety	16 928	26 158	26 473	920	2 574	11 026	(8 452)	-77%	26 473
<i>Fire Fighting and Protection</i>	2	6	6	2	4	3	2	0	6
Housing	278	23 884	29 210	13	53	12 202	(12 149)	-100%	29 210
<i>Housing</i>	278	23 884	29 210	13	53	12 202	(12 149)	-100%	29 210
Economic and environmental services	16 878	25 287	26 480	105	734	14 069	(13 335)	-95%	26 480
Planning and development	4 244	2 365	2 846	105	732	1 274	(541)	-42%	2 846
<i>Economic Development/Planning</i>	1 892	279	760	-	-	317	(317)	-100%	760
<i>Town Planning, Building Regulations and Project Management Unit</i>	1 721	1 426	1 426	105	732	594	138	23%	1 426
Road transport	12 634	22 907	23 620	-	1	12 790	(12 789)	-100%	23 620
<i>Roads</i>	12 634	22 907	23 620	-	1	12 790	(12 789)	-100%	23 620
Environmental protection	-	14	14	-	0	6	(6)	-96%	14
<i>Biodiversity and Landscape</i>	-	14	14	-	0	6	(6)	-96%	14
Trading services	409 308	469 795	469 795	30 320	179 835	196 849	(17 014)	-9%	469 795
Energy sources	274 358	334 664	334 664	20 611	129 427	135 765	(6 338)	-5%	334 664
<i>Electricity</i>	274 136	333 099	333 099	20 611	129 427	134 904	(5 477)	-4%	333 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	-	-	861	(861)	-100%	1 565
Water management	52 476	72 201	72 201	4 145	20 702	32 775	(12 073)	-37%	72 201
<i>Water Distribution</i>	52 476	60 921	60 921	4 145	20 702	26 571	(5 869)	-22%	60 921
Waste water management	49 259	27 843	27 843	2 872	15 930	12 891	3 038	24%	27 843
<i>Sewerage</i>	38 651	26 954	26 954	2 872	15 930	12 402	3 528	28%	26 954
<i>Storm Water Management</i>	10 607	889	889	-	-	489	(489)	-100%	889
Waste management	33 216	35 087	35 087	2 692	13 776	15 418	(1 642)	-11%	35 087
<i>Solid Waste Removal</i>	30 130	35 087	35 087	2 692	13 776	15 418	(1 642)	-11%	35 087
Other	77	120	120	4	105	50	55	109%	120
Licensing and Regulation	77	120	120	4	105	50	55	109%	120
Total Revenue - Functional	676 246	777 830	787 191	38 163	292 758	365 198	(72 440)	-20%	787 191

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M05 November

Description	2020/21	Budget Year 2020/21							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Expenditure - Functional									
Municipal governance and administration	122 967	145 004	147 018	13 264	47 840	60 565	(12 725)	-21%	147 018
Executive and council	23 838	29 621	29 679	1 456	8 912	12 321	(3 409)	-28%	29 679
<i>Mayor and Council</i>	15 898	18 723	18 651	761	5 126	7 760	(2 634)	-34%	18 651
<i>Municipal Manager, Town Secretary and Chief</i>	7 941	10 897	11 028	695	3 786	4 560	(775)	-17%	11 028
Finance and administration	96 620	112 849	114 804	11 674	38 134	47 205	(9 071)	-19%	114 804
<i>Administrative and Corporate Support</i>	17 899	11 560	11 571	2 013	6 164	4 486	1 678	37%	11 571
<i>Asset Management</i>	31	5 167	5 167	12	1	2 152	(2 151)	-100%	5 167
<i>Finance</i>	30 327	37 107	38 654	2 956	11 441	16 060	(4 619)	-29%	38 654
<i>Fleet Management</i>	3 406	2 806	2 806	275	1 281	1 166	114	10%	2 806
<i>Human Resources</i>	22 223	36 284	36 206	5 090	12 961	14 995	(2 034)	-14%	36 206
<i>Information Technology</i>	4 454	3 372	3 868	96	785	1 611	(827)	-51%	3 868
<i>Legal Services</i>	5 416	2 279	2 279	195	623	848	(225)	-27%	2 279
<i>Marketing, Customer Relations, Publicity and Media</i>	3 904	3 900	3 870	337	1 591	1 609	(19)	-1%	3 870
<i>Property Services</i>	1 783	1 268	1 268	70	331	528	(197)	-37%	1 268
<i>Risk Management</i>	-	497	497	-	-	207	(207)	-100%	497
<i>Supply Chain Management</i>	6 778	7 052	7 062	598	2 828	2 905	(77)	-3%	7 062
<i>Valuation Service</i>	400	1 557	1 557	32	128	636	(508)	-80%	1 557
Internal audit	2 508	2 534	2 534	134	794	1 040	(245)	-24%	2 534
<i>Governance Function</i>	2 508	2 534	2 534	134	794	1 040	(245)	-24%	2 534
Community and public safety	97 728	133 059	138 330	8 272	34 880	56 995	(16 415)	-29%	138 330
Community and social services	23 943	28 680	29 274	2 420	10 861	12 159	(1 298)	-11%	29 274
<i>Aged Care</i>	4 658	4 347	4 294	641	2 770	1 783	988	55%	4 294
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	3 189	3 600	3 570	308	1 379	1 484	(106)	-7%	3 570
<i>Child Care Facilities</i>	8	972	972	1	1	405	(403)	-100%	972
<i>Community Halls and Facilities</i>	5 400	6 608	6 564	442	2 123	2 722	(599)	-22%	6 564
<i>Disaster Management</i>	95	236	236	-	3	98	(96)	-97%	236
<i>Education</i>	1	831	828	-	1	345	(344)	-100%	828
<i>Libraries and Archives</i>	10 591	12 086	12 810	1 027	4 584	5 322	(738)	-14%	12 810
Sport and recreation	27 313	32 356	32 271	2 750	9 984	13 048	(3 064)	-23%	32 271
<i>Community Parks (including Nurseries)</i>	8 229	7 228	7 248	690	2 877	2 978	(101)	-3%	7 248
<i>Recreational Facilities</i>	13 054	18 999	18 884	1 425	4 975	7 550	(2 575)	-34%	18 884
<i>Sports Grounds and Stadiums</i>	6 031	6 129	6 139	635	2 132	2 520	(388)	-15%	6 139
Public safety	42 003	43 012	43 016	2 660	12 089	17 809	(20)	0%	43 016
<i>Fire Fighting and Protection</i>	8 395	8 118	8 118	682	3 326	3 346	(20)	-1%	8 118
Housing	4 469	29 011	33 769	442	1 945	13 978	(12 032)	-86%	33 769
<i>Housing</i>	4 463	27 003	31 761	440	1 918	13 141	(11 223)	-85%	31 761
<i>Informal Settlements</i>	6	2 009	2 009	2	27	837	(809)	-97%	2 009

Description	2020/21	Budget Year 2020/21							YTD variance	YTD variance	YearTD budget
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance				
R thousands									%		
Economic and environmental services	34 813	36 288	36 164	2 501	10 085	14 931	(4 846)	-32%	36 164		
Planning and development	10 129	11 280	11 785	932	4 449	4 887	(438)	-9%	11 785		
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	1 982	154	797	822	(25)	-3%	1 982		
<i>Economic Development/Planning</i>	1 400	2 115	2 556	129	565	1 057	(493)	-47%	2 556		
<i>Town Planning, Building Regulations and Enforcement</i>	4 745	4 473	4 537	435	2 055	1 879	176	9%	4 537		
<i>Project Management Unit</i>	2 298	2 710	2 710	215	1 032	1 129	(96)	-9%	2 710		
Road transport	24 205	22 910	22 281	1 502	5 352	9 175	(3 824)	-42%	22 281		
Roads	24 205	22 910	22 281	1 502	5 352	9 175	(3 824)	-42%	22 281		
Environmental protection	479	2 098	2 098	66	285	869	(584)	-67%	2 098		
<i>Biodiversity and Landscape</i>	479	2 098	2 098	66	285	869	(584)	-67%	2 098		
Trading services	390 006	459 620	458 070	27 914	133 303	170 172	(36 869)	-22%	458 070		
Energy sources	271 784	327 833	327 121	19 128	108 458	116 029	(7 571)	-7%	327 121		
Electricity	269 197	324 461	324 450	18 989	107 697	114 918	(7 220)	-6%	324 450		
<i>Street Lighting and Signal Systems</i>	2 587	3 371	2 671	140	761	1 112	(351)	-32%	2 671		
Water management	41 092	36 559	36 488	3 168	7 403	14 937	(7 534)	-50%	36 488		
Water Treatment	154	1 838	1 838	15	81	765	(684)	-89%	1 838		
Water Distribution	37 997	30 463	30 092	3 111	5 750	12 273	(6 522)	-53%	30 092		
Water Storage	2 941	4 258	4 558	42	1 571	1 899	(328)	-17%	4 558		
Waste water management	36 519	43 400	42 894	2 619	7 787	17 755	(9 968)	-56%	42 894		
Public Toilets	1 566	1 984	1 964	142	654	817	(163)	-20%	1 964		
Sewerage	27 631	30 347	29 814	1 937	4 682	12 356	(7 674)	-62%	29 814		
Storm Water Management	7 321	8 141	8 191	539	2 451	3 364	(912)	-27%	8 191		
Waste Water Treatment	0	2 928	2 926	0	0	1 218	(1 218)	-100%	2 926		
Waste management	40 611	51 829	51 566	2 999	9 654	21 451	(11 796)	-55%	51 566		
Solid Waste Disposal (Landfill Sites)	7 599	16 403	16 105	312	1 437	6 705	(5 268)	-79%	16 105		
Solid Waste Removal	31 594	33 991	34 026	2 673	8 142	14 148	(6 005)	-42%	34 026		
Street Cleaning	1 418	1 436	1 436	13	75	598	(523)	-87%	1 436		
Other	902	951	951	-	454	396	58	15%	951		
Licensing and Regulation	10	51	51	-	4	21	(17)	-79%	51		
Tourism	892	900	900	-	450	375	75	20%	900		
Total Expenditure - Functional	646 415	774 922	780 532	51 951	226 563	303 059	(70 796)	-23%	780 532		
Surplus/ (Deficit) for the year	29 831	2 908	6 659	(13 788)	66 195	62 138	4 057	7%	6 659		

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 515	5 365	59 751	64 064	(4 313)	-6,7%	109 515
Vote 2 - Community Services	13 275	35 720	41 770	740	2 518	17 456	(14 937)	-85,6%	41 770
Vote 3 - Community Services	130 855	131 976	132 291	1 355	48 815	69 706	(20 891)	-30,0%	132 291
Vote 4 - Community Services	13 503	4 581	5 061	1	5	2 108	(2 103)	-99,8%	5 061
Vote 5 - Corporate Services	267	594	594	82	166	247	(82)	-33,0%	594
Vote 6 - Technical Services	339 017	388 952	389 664	23 734	146 771	162 915	(16 144)	-9,9%	389 664
Vote 7 - Technical Services	85 638	107 224	107 224	6 835	34 477	48 167	(13 690)	-28,4%	107 224
Vote 8 - Muncipal Manager	1 129	1 072	1 072	51	254	535	(280)	-52,5%	1 072
Total Revenue by Vote	676 246	777 830	787 191	38 163	292 758	365 198	(72 440)	-19,8%	787 191
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	54 021	3 753	15 175	22 411	(7 236)	-32,3%	54 021
Vote 2 - Community Services	36 204	41 879	42 533	3 261	14 426	17 334	(2 907)	-16,8%	42 533
Vote 3 - Community Services	48 069	54 069	53 874	3 386	14 791	22 313	(7 522)	-33,7%	53 874
Vote 4 - Community Services	16 305	43 719	48 972	1 916	6 980	20 271	(13 291)	-65,6%	48 972
Vote 5 - Corporate Services	67 204	77 479	77 816	8 453	27 862	31 981	(4 119)	-12,9%	77 816
Vote 6 - Technical Services	337 830	401 057	399 274	23 804	124 170	145 879	(21 709)	-14,9%	399 274
Vote 7 - Technical Services	86 066	90 791	90 508	6 475	18 595	37 387	(18 791)	-50,3%	90 508
Vote 8 - Muncipal Manager	14 779	13 462	13 533	903	4 562	5 484	(921)	-16,8%	13 533
Total Expenditure by Vote	645 042	774 922	780 532	51 951	226 563	303 059	(76 497)	-25,2%	780 532
Surplus/ (Deficit) for the year	31 204	2 908	6 659	(13 788)	66 195	62 138	4 057	6,5%	6 659

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	4 526	56 214	52 844	3 369	6%	83 290
Service charges - electricity revenue	274 184	323 478	323 478	20 623	129 482	129 391	91	0%	323 478
Service charges - water revenue	43 137	39 677	39 677	3 626	18 251	15 283	2 968	19%	39 677
Service charges - sanitation revenue	30 920	25 043	25 043	2 656	14 893	11 502	3 392	29%	25 043
Service charges - refuse revenue	27 965	25 574	25 574	2 374	12 296	10 389	1 907	18%	25 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 526	1 470	1 470	474	1 670	612	1 058	173%	1 470
Interest earned - external investments	3 079	6 990	6 990	448	1 417	2 911	(1 494)	-51%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 429	6 572	3 614	2 958	82%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 592	21 479	21 479	14	26	8 946	(8 920)	-100%	21 479
Licences and permits	1 065	2 111	2 111	910	2 645	879	1 766	201%	2 111
Agency services	4 354	4 046	4 046	-	-	1 685	(1 685)	-100%	4 046
Transfers recognised - operational	131 244	145 903	154 127	469	46 455	79 232	(32 777)	-41%	154 127
Other revenue	7 774	14 985	15 094	585	2 720	6 288	(3 567)	-57%	15 094
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	623 082	702 723	711 056	38 134	292 642	323 576	(30 934)	-10%	711 056
Expenditure By Type									
Employee related costs	201 538	237 025	237 091	20 895	90 640	98 749	(8 109)	-8%	237 091
Remuneration of councillors	9 897	12 007	12 007	706	4 033	5 001	(968)	-19%	12 007
Debt impairment	50 015	63 750	63 750	4 180	(3 311)	26 552	(29 863)	-112%	63 750
Depreciation & asset impairment	32 472	39 729	39 729	-	-	16 547	(16 547)	-100%	39 729
Finance charges	4 522	8 696	8 696	59	60	3 622	(3 562)	-98%	8 696
Bulk purchases	239 632	285 789	285 789	16 548	97 465	98 875	(1 410)	-1%	285 789
Other materials	12 584	14 977	14 283	1 207	5 627	5 950	(323)	-5%	14 283
Contracted services	51 748	48 390	48 834	5 466	15 333	18 455	(3 122)	-17%	48 834
Transfers and grants	6 534	25 603	30 439	-	721	12 683	(11 962)	-94%	30 439
Other expenditure	37 407	38 955	39 914	2 890	15 995	16 626	(632)	-4%	39 914
Loss on disposal of PPE	66	0	0	-	-	0	(0)	-100%	0
Total Expenditure	646 415	774 922	780 532	51 951	226 563	303 059	(76 497)	-25%	780 532
Surplus/(Deficit)	(23 333)	(72 199)	(69 476)	(13 817)	66 080	20 517	45 563	0	(69 476)
Transfers recognised - capital	52 267	74 937	75 965	-	-	41 551	(41 551)	(0)	75 965
Contributions recognised - capital	898	170	170	29	115	71	45	0	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 831	2 908	6 659	(13 788)	66 195	62 138			6 659
Surplus/(Deficit) attributable to Share of surplus/ (deficit) of associate	29 831	2 908	6 659	(13 788)	66 195	62 138			6 659
Surplus/ (Deficit) for the year	29 831	2 908	6 659	(13 788)	66 195	62 138			6 659

The revenue and expenditure figures excludes internal charges.

Other expenditure includes operational costs such as:

Advertising, Publicity and Marketing

External Audit Fees

Communication

External Computer Service

Insurance Underwriting

Travel and Subsistence

Printing, Publications and Books

Uniform and Protective Clothing

Wet Fuel

Hire Charges

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M05 November

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	50 121	–	–	–	–	–	–		–
Vote 2 - Community Services	206	–	–	–	–	–	–		–
Vote 3 - Community Services	–	–	–	–	–	–	–		–
Vote 4 - Community Services	–	–	–	–	–	–	–		–
Vote 5 - Corporate Services	–	–	–	–	–	–	–		–
Vote 6 - Technical Services	12 425	27 630	27 523	239	321	10 459	(10 138)	-97%	27 523
Vote 7 - Technical Services	3 913	34 373	36 893	1 831	5 742	15 430	(9 688)	-63%	36 893
Vote 8 - Municipal Manager	–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	66 665	62 004	64 416	2 070	6 063	25 889	(19 826)	-77%	64 416
Single Year expenditure appropriation									
Vote 1 - Financial Services	165	180	858	50	105	341	(236)	-69%	858
Vote 2 - Community Services	1 971	–	–	–	–	–	–		–
Vote 3 - Community Services	1 126	–	240	–	–	100	(100)	-100%	240
Vote 4 - Community Services	9 507	6 151	3 739	–	39	1 560	(1 521)	-97%	3 739
Vote 5 - Corporate Services	3 630	900	915	–	–	381	(381)	-100%	915
Vote 6 - Technical Services	25 539	16 266	18 747	557	4 131	7 598	(3 468)	-46%	18 747
Vote 7 - Technical Services	8 462	3 744	3 744	–	889	1 560	(671)	-43%	3 744
Vote 8 - Municipal Manager	–	–	–	–	–	–	–		–
Total Capital single-year expenditure	50 399	27 241	28 243	607	5 164	11 540	(6 377)	-55%	28 243
Total Capital Expenditure	117 064	89 244	92 658	2 677	11 227	37 429	(26 202)	-70%	92 658

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M05 November

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
Governance and administration	53 283	2 080	3 974	50	105	1 639	(1 535)	-94%	3 974
Executive and council	(1)	600	600	–	–	250	(250)	-100%	600
Finance and administration	53 284	1 480	3 374	50	105	1 389	(1 285)	-92%	3 374
Community and public safety	10 876	5 456	3 283	–	38	1 368	(1 331)	-97%	3 283
Community and social services	1 613	–	–	–	–	–	–	–	–
Sport and recreation	7 782	5 456	3 043	–	38	1 268	(1 231)	-97%	3 043
Public safety	1 481	–	240	–	–	100	(100)	-100%	240
Housing	–	–	–	–	–	–	–	–	–
Economic and environmental service	17 177	27 042	28 323	405	1 864	11 054	(9 190)	-83%	28 323
Planning and development	1 934	696	696	–	2	292	(291)	-99%	696
Road transport	15 243	26 347	27 627	405	1 862	10 761	(8 899)	-83%	27 627
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	35 728	54 666	57 079	2 222	9 221	23 368	(14 148)	-61%	57 079
Energy sources	4 054	13 163	13 163	391	811	5 262	(4 452)	-85%	13 163
Water management	7 954	21 135	21 135	351	1 240	8 864	(7 624)	-86%	21 135
Waste water management	18 448	3 386	3 279	–	1 779	1 116	662	59%	3 279
Waste management	5 272	16 982	19 501	1 480	5 392	8 126	(2 734)	-34%	19 501
Total Capital Expenditure - Standard Classification	117 064	89 244	92 658	2 677	11 227	37 429	(26 202)	-70%	92 658
Funded by:									
National Government	18 276	49 637	49 637	867	4 982	20 516	(15 534)	-76%	49 637
Provincial Government	33 326	24 801	26 081	405	4 532	10 938	(6 406)	-59%	26 081
District Municipality	665	500	815	–	–	256	(256)	-100%	815
Transfers recognised - capital	52 768	74 937	76 533	1 272	9 514	31 710	(22 197)	-70%	76 533
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	14 175	14 307	16 126	1 405	1 713	5 719	(4 006)	-70%	16 126
Total Capital Funding	66 944	89 244	92 658	2 677	11 227	37 429	(26 202)	-70%	92 658

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	115 305	133 360	114 952	156 001	114 952
Consumer debtors	82 140	28 353	55 673	104 173	55 673
Other debtors	9 377	7 966	18 542	29 556	18 542
Current portion of long-term receivables	–	–	–	–	–
Inventory	9 963	11 602	9 963	8 943	9 963
Total current assets	216 785	181 281	199 130	298 673	199 130
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	43 430	43 765	43 430	43 430	43 430
Investments in Associate	–	–	–	–	–
Property, plant and equipment	985 237	996 031	1 038 873	996 464	1 038 873
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	1 122	1 576	1 122	1 122	1 122
Other non-current assets	550	550	550	550	550
Total non current assets	1 030 339	1 041 921	1 083 975	1 041 566	1 083 975
TOTAL ASSETS	1 247 124	1 223 203	1 283 105	1 340 239	1 283 105
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	1 587	–	1 587	1 007	1 587
Consumer deposits	8 732	7 976	8 732	9 408	8 732
Trade and other payables	58 125	115 836	110 393	85 187	110 393
Provisions	55 997	77 857	25 627	56 630	25 627
Total current liabilities	124 441	201 668	146 339	152 232	146 339
Non current liabilities					
Borrowing	1 188	2 588	188	1 188	188
Provisions	173 844	128 602	173 844	172 982	173 844
Total non current liabilities	175 032	131 189	174 032	174 170	174 032
TOTAL LIABILITIES	299 473	332 857	320 371	326 402	320 371
NET ASSETS	947 651	890 345	962 733	1 013 837	962 733
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	937 209	879 728	952 291	1 003 395	952 291
Reserves	10 442	10 618	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY	947 651	890 345	962 733	1 013 837	962 733

The cash flows for the year to date are indicated in the following table:

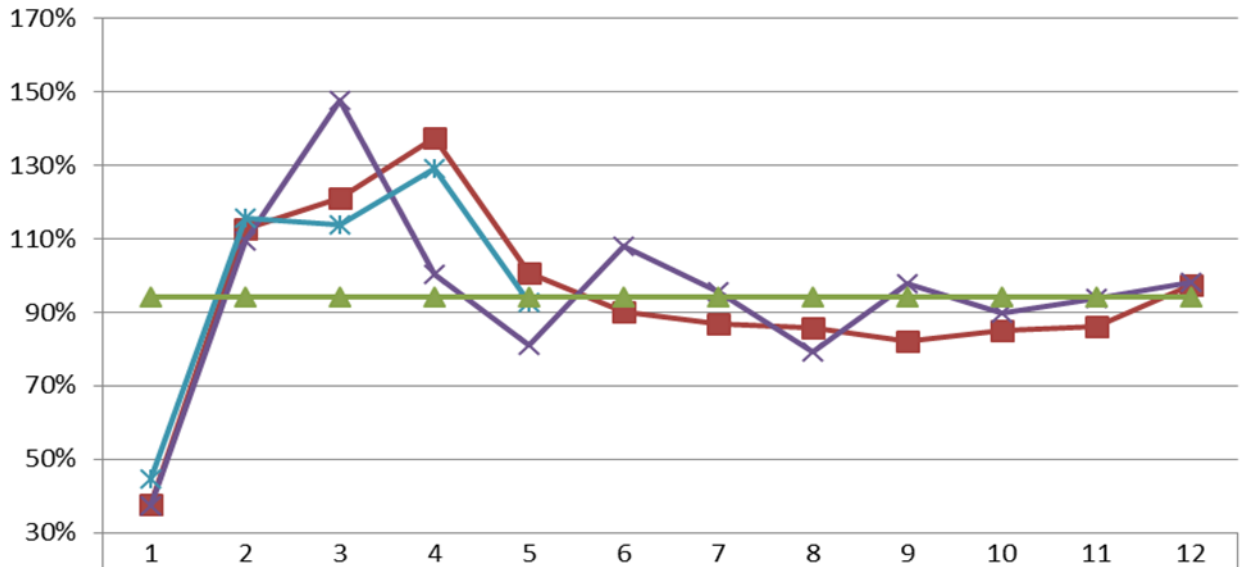
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M05 November

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	-	79 126	79 126	5 180	50 384	49 260	1 124	2%	79 126
Service charges	-	379 151	437 751	32 762	195 625	146 316	49 309	34%	437 751
Other revenue	-	27 756	19 373	4 688	9 367	10 534	(1 167)	-11%	19 373
Government - operating	-	145 903	154 127	132	54 713	64 777	(10 065)	-16%	154 127
Government - capital	-	75 107	86 842	21 264	38 311	30 068	8 242	27%	86 842
Interest	-	9 593	9 593	448	1 206	2 216	(1 011)	-46%	9 593
Dividends									
Payments									
Suppliers and employees	-	(604 934)	(658 415)	(59 399)	(294 836)	(268 471)	26 364	-10%	(658 415)
Finance charges	-	(461)	(462)	-	(1)	-	1		(462)
Transfers and Grants	-	(25 603)	(30 361)	-	(946)	(3 291)	(2 345)	71%	(30 361)
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	85 636	97 574	5 074	53 822	31 408	70 454	224%	97 574
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	10 442	20 000	(39 788)	-	(39 788)		10 442
Payments									
Capital assets	-	(89 094)	(107 369)	(2 924)	(13 485)	(30 621)	(17 136)	56%	(107 369)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(89 094)	(96 927)	17 076	(53 273)	(30 621)	22 652	-74%	(96 927)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	93	175	-	175		-
Payments									
Repayment of borrowing	-	(1 000)	(1 000)	-	(19)	-	19		(1 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(1 000)	(1 000)	93	156	-	(156)		156
NET INCREASE/ (DECREASE) IN CASH HELD	-	(4 459)	(353)	22 243	705	787			(353)
Cash/cash equivalents at beginning:	-	137 819	115 305		115 296	115 305			115 296
Cash/cash equivalents at month/year end:	-	133 360	114 952		116 001	116 092			114 943

WC022 Witzberg - Supporting Table SC1 Material variance explanations - M05 November

Ref	Description	Variance	Reasons for material deviations
	R thousands		
1	Revenue By Source		
	Property rates	3 369	Immaterial Variance.
	Service charges - electricity revenue	91	Immaterial Variance.
	Service charges - water revenue	2 968	Immaterial Variance.
	Service charges - sanitation revenue	3 392	Immaterial Variance.
	Service charges - refuse revenue	1 907	Immaterial Variance.
	Service charges - other	-	
	Rental of facilities and equipment	1 058	Immaterial Variance.
	Interest earned - external investments	(1 494)	Immaterial Variance.
	Interest earned - outstanding debtors	2 958	Immaterial Variance.
	Dividends received	-	
	Fines, penalties and forfeits	(8 920)	Fines Revenue Recognised on an Annual Basis. No service provider appointed.
	Licences and permits	1 766	Immaterial Variance.
	Agency services	(1 685)	Immaterial Variance.
	Transfers and subsidies	(32 777)	Delay in expenditure with regards to Housing Top Structures. Second tranche of Equitable Share expected during December.
	Other revenue	(3 567)	Immaterial Variance.
	Gains on disposal of PPE	-	
2	Expenditure By Type		
	Employee related costs	(8 109)	Variance due to non-cash provisions related to post employment benefits included in employee related costs.
	Remuneration of councillors	(968)	Immaterial Variance.
	Debt impairment	(29 863)	Provision in line with calculated provision based on Debtors Aging.
	Depreciation & asset impairment	(16 547)	Depreciation recognised on an annual basis.
	Finance charges	(3 562)	Immaterial Variance.
	Bulk purchases	(1 410)	Immaterial Variance.
	Other materials	(323)	Immaterial Variance.
	Contracted services	(3 122)	Decrease in contracted services.
	Transfers and subsidies	(11 962)	Delay in expenditure with regards to Housing Top Structures.
	Other expenditure	(632)	Immaterial Variance.
	Loss on disposal of PPE	(0)	
3	Capital Expenditure		
	Total Capital Expenditure	(26 202)	Capital expenditure on bigger projects due to commence shortly. Awaiting approval from necessary authorities.
		-	
		-	
4	Financial Position		
		-	
		-	
		-	
5	Cash Flow		
	Receipts		
	Property rates	1 124	Immaterial Variance.
	Service charges	49 309	High collection mainly attributable to increased electricity usage during winter months.
	Other revenue	(1 167)	Receipts lower than expected.
	Government - operating	(10 065)	Receipts with regards to Operational Grants outstanding - second tranche of Equitable Share expected during December.
	Government - capital	8 242	RBIG and INEP received during November.
	Interest	(1 011)	Immaterial Variance.
	Dividends	-	
	Payments		
	Suppliers and employees	26 364	Variance due to increased expenditure pertaining to Bulk Purchases as well as contracted services. Higher tariffs charged by Eskom during winter months.
	Finance charges	1	Immaterial Variance.
	Transfers and Grants	(2 345)	Immaterial Variance.
6	Measureable performance		
7	Municipal Entities		

Debtor Collection Rate per Month

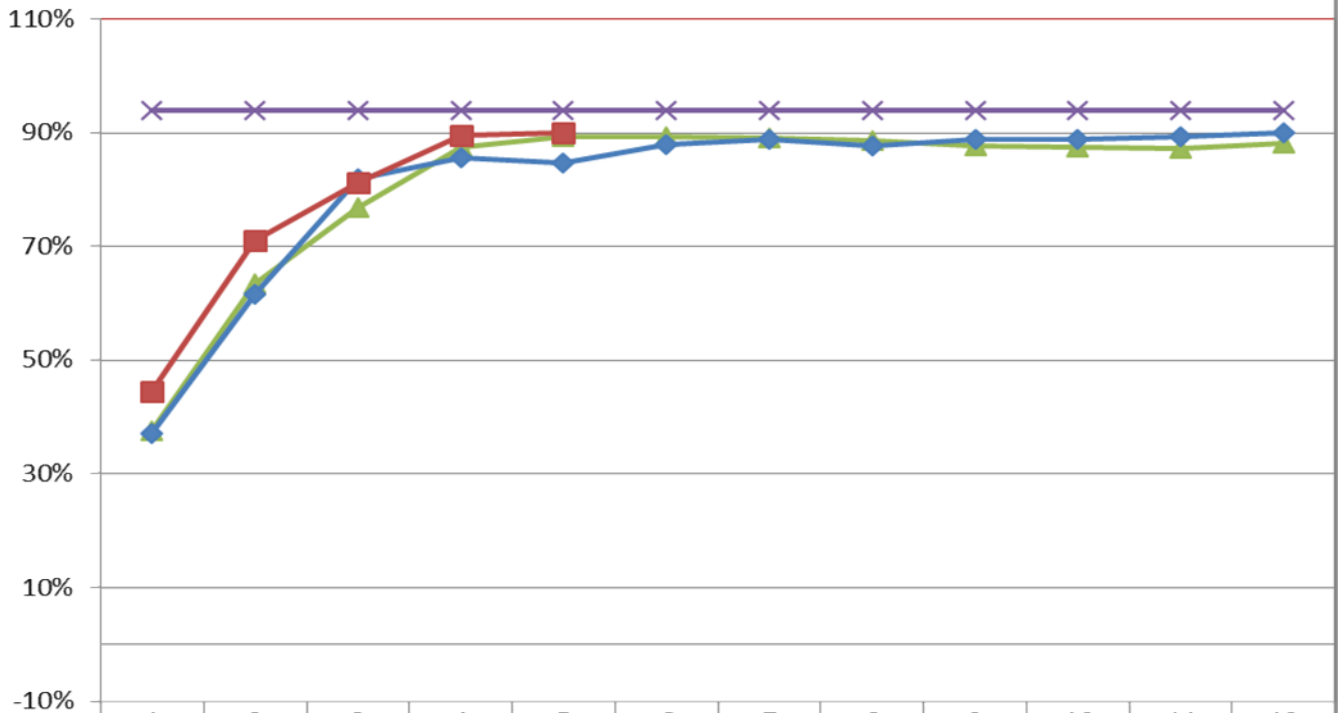


19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
21/22	44%	116%	114%	129%	93%							
Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for Nov 2021 amounts to 93% in comparison to the previous year 81%.

Die doel van hierdie grafiek is om die verhoging van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Nov 2021 93% behoort in vergelyking met die vorige jaar 81%.

Accumulative Collection Rate



	1	2	3	4	5	6	7	8	9	10	11	12
▲ 19/20	38%	63%	77%	87%	89%	89%	89%	89%	88%	87%	87%	88%
◆ 20/21	37%	62%	82%	86%	85%	88%	89%	88%	89%	89%	89%	90%
■ 21/22	44%	71%	81%	90%	90%							
✕ Target	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 90%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 90% beloop.

The payment culture of consumers are still the same which has a negative impact on collections.

Die betalingskultuur onder verbruikers is onveranderd wat die invorderings negatief beïnvloed.

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description	NT Code	Budget Year 2021/22								Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr		
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	11 563	1 845	1 720	1 968	1 702	1 534	8 760	62 437	91 529	76 402
Electricity	1300	17 489	673	947	272	301	196	835	4 832	25 544	6 435
Property Rates	1400	5 030	449	6 225	334	338	221	1 211	18 261	32 070	20 365
Waste Water Management	1500	8 477	1 065	997	975	887	867	4 871	32 473	50 612	40 073
Waste Management	1600	9 001	1 266	1 187	1 119	1 007	960	5 265	33 774	53 580	42 126
Property Rental Debtors	1700	201	13	13	13	12	12	90	1 090	1 444	1 218
Interest on Arrear Accounts	1810	1 232	108	245	165	164	159	1 255	44 458	47 786	46 201
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(4 942)	51	60	36	32	28	204	1 245	(3 285)	1 546
Total By Income Source	2000	48 051	5 469	11 393	4 883	4 443	3 978	22 492	198 570	299 279	234 366
2019/20 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	153	269	1 639	265	155	105	614	5 799	8 998	6 937
Commercial	2300	15 823	501	3 513	431	307	166	817	11 223	32 781	12 944
Households	2400	31 702	4 539	5 827	4 007	3 795	3 557	20 083	175 570	249 080	207 012
Other	2500	373	160	414	180	186	150	979	5 978	8 420	7 473
Total By Customer Group	2600	48 051	5 469	11 393	4 883	4 443	3 978	22 492	198 570	299 279	234 366

Negative figure as indicated for "Other Debtors" relates to cash received, but not yet allocated.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	689	-	-	-	-	-	-	-	689
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	689	-	-	-	-	-	-	-	689

Notes

Material increases in value of creditors' categories compared to previous month to be explained

0

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
R thousands								
Municipality								
Nedbank Ltd	6 Months	Fixed depos	29/01/2022	-		-	-	20 000
ABSA Bank Ltd	7 Months	Fixed depos	28/02/2022	-		-	-	20 000
Standard Bank of SA Ltd	4 Months	Fixed depos	29/11/2021	-		-	-	
Investec Bank Ltd	-		-	-		-	-	-
First National Bank	3 Months	Fixed depos	29/10/2021	-		-	-	-
-	-			-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	40 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M05 November

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	2 210	2 210	–	1 550	553	–		2 210
Operational Revenue:General Revenue:Equitable S	–	–	–	–	–	–		–
Expanded Public Works Programme Integrated Gran	–	–	–	–	–	–		–
Local Government Financial Management Grant [S	1 550	1 550	–	1 550	388	1 163	300,0%	1 550
Municipal Infrastructure Grant [Schedule 5B]	660	660	–	–	165	(165)	-100,0%	660
Provincial Government:	29 456	29 456	264	16 774	11 401	5 373	47,1%	29 456
Capacity Building	–	–	–	–	–	–		–
Capacity Building and Other	15 902	15 902	132	8 387	6 190	2 197	35,5%	15 902
Infrastructure	2 749	2 749	132	787	709	78	11,0%	2 749
								–
								–
								2 348
District Municipality:	–	–	–	–	–	–		–
All Grants	–	–	–	–	–	–		–
Total Operating Transfers and Grants	34 014	34 014	264	18 324	14 301	4 023	28,1%	34 014
National Government:	–	–	–	–	–	–		–
Municipal Infrastructure Grant [Schedule 5B]	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant (Schedule 5B)	–	–	–	–	–	–		–
Provincial Government:	–	–	–	1 167	–	1 167		–
Capacity Building and Other	–	–	–	–	–	–		–
Infrastructure	–	–	–	584	–	584		–
								–
District Municipality:	18 112	18 112	132	10 521	6 742	3 778	56,0%	18 112
All Grants	18 112	18 112	132	10 521	6 742	3 778	56,0%	18 112
Other grant providers:	94 164	94 164	26 726	55 400	31 648	23 752	75,1%	94 164
Departmental Agencies and Accounts	–	–	–	–	–	–		–
Foreign Government and International Organisations	57 082	57 082	19 964	34 301	18 324	15 977	87,2%	57 082
Total Capital Transfers and Grants	112 276	112 276	26 858	67 088	38 390	28 698	74,8%	112 276
TOTAL RECEIPTS OF TRANSFERS & GRANTS	146 290	146 290	27 122	85 412	52 691	32 721	62,1%	146 290

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November

Description	Budget Year 2021/22							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	-	-	45	345	-	-		-
Operational Revenue:General Revenue:Equitable	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Gr	-	-	-	-	-	-		-
Local Government Financial Management Grant [-	-	-	-	-	-		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Provincial Government:	-	-	861	3 382	-	3 382		-
Capacity Building and Other	-	-	431	1 691	-	1 691		-
Disaster and Emergency Services	-	-	-	-	-	-		-
Infrastructure	-	-	431	1 691	-	1 691		-
District Municipality:	-	-	-	-	-	-		-
All Grants	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-		-
Foreign Government and International Organisatio	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants	-	-	907	3 727	-	3 382		-
National Government:	-	-	-	-	-	-		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant (Schedule 5B)	-	-	-	-	-	-		-
Provincial Government:	-	-	952	4 072	-	4 072		-
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	-	-	-	-	-	-		-
District Municipality:	-	-	476	2 036	-	2 036		-
All Grants	-	-	476	2 036	-	2 036		-
Other grant providers:	-	-	169	1 273	-	1 273		-
Foreign Government and International Organisatio	-	-	111	663	-	663	#DIV/0!	-
Transfer from Operational Revenue	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	-	-	1 597	7 381	-	7 381		-
TOTAL EXPENDITURE OF TRANSFERS AND GRAN	-	-	2 504	11 108	-	10 763		-

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	613	3 159	3 324	(165)	-5%	7 980
Pension and UIF Contributions	1 787	1 787	13	371	744	(373)	-50%	1 787
Medical Aid Contributions	335	335	-	68	140	(71)	-51%	335
Motor Vehicle Allowance	817	817	-	-	340	(340)	-100%	817
Cellphone Allowance	985	985	79	420	410	9	2%	985
Housing Allowances	43	43	1	15	18	(3)	-19%	43
Other benefits and allowances	59	59	-	-	25	(25)	-100%	59
Sub Total - Councillors	12 007	12 007	706	4 033	5 001	(968)	-19%	12 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 497	325	1 623	1 873	(250)	-13%	4 497
Pension and UIF Contributions	925	925	29	145	385	(241)	-62%	925
Medical Aid Contributions	159	159	5	24	66	(42)	-64%	159
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	1 052	1 052	62	310	438	(128)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	413	517	(105)	-20%	1 242
Cellphone Allowance	84	84	2	18	35	(17)	-47%	84
Housing Allowances	182	182	24	118	76	43	56%	182
Other benefits and allowances	136	136	9	47	56	(9)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers	8 276	8 276	538	2 698	3 447	(749)	-22%	8 276
Other Municipal Staff								
Basic Salaries and Wages	136 537	136 602	10 365	49 869	56 895	(7 026)	-12%	136 602
Pension and UIF Contributions	20 659	20 660	1 696	8 306	8 605	(299)	-3%	20 660
Medical Aid Contributions	9 200	9 200	679	3 395	3 832	(436)	-11%	9 200
Overtime	10 906	10 906	1 506	7 493	4 542	2 951	65%	10 906
Performance Bonus	9 311	9 311	805	3 871	3 878	(7)	0%	9 311
Motor Vehicle Allowance	5 309	5 309	505	2 463	2 211	252	11%	5 309
Cellphone Allowance	478	478	43	214	199	15	7%	478
Housing Allowances	1 947	1 947	95	474	811	(337)	-42%	1 947
Other benefits and allowances	5 175	5 175	400	2 128	2 155	(27)	-1%	5 175
Payments in lieu of leave	1 050	1 050	3 397	5 398	437	4 961	1135%	1 050
Long service awards	-	-	81	403	-	403	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	786	3 929	11 736	(7 807)	-67%	28 178
Sub Total - Other Municipal Staff	228 749	228 815	20 356	87 942	95 302	(7 360)	-8%	228 815
TOTAL SALARY, ALLOWANCES & % increase	249 032	249 098	21 600	94 673	103 750	(9 077)	-9%	249 098
TOTAL MANAGERS AND STAFF	237 025	237 091	20 895	90 640	98 749	(8 109)	-8%	237 091

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M05 November

Description	Ref	Budget Year 2021/22											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget
Cash Receipts By Source													
Property rates		5 769	15 593	11 710	12 132	5 180	-	-	-	-	-	-	28 092
Service charges - electricity revenue		30 337	36 936	33 947	28 552	25 311	-	-	-	-	-	-	162 114
Service charges - water revenue		2 880	3 342	2 987	3 128	2 894	-	-	-	-	-	-	13 651
Service charges - sanitation revenue		1 789	2 310	1 912	5 727	2 288	-	-	-	-	-	-	1 248
Service charges - refuse		2 013	2 089	2 126	2 181	2 208	-	-	-	-	-	-	7 357
Service charges - other		-	-	3 044	(2 436)	60	-	-	-	-	-	-	19
Rental of facilities and equipment		91	77	334	300	374	-	-	-	-	-	-	(1 172)
Interest earned - external investments		221	237	164	136	448	-	-	-	-	-	-	12 543
Interest earned - outstanding debtors		0	-	-	-	-	-	-	-	-	-	-	1 917
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		68	53	63	107	176	-	-	-	-	-	-	866
Licences and permits		487	50	325	1 612	3 641	-	-	-	-	-	-	(3 906)
Agency services		-	-	-	-	-	-	-	-	-	-	-	3 948
Transfer receipts - operating		-	-	-	-	-	-	-	-	-	-	-	124 778
Other revenue		44 521	6 061	483	4 627	629	-	-	-	-	-	-	(48 111)
Cash Receipts by Source		88 177	66 748	57 094	56 065	43 209	-	-	-	-	-	-	303 346
Other Cash Flows by Source													
Transfer receipts - capital		9 333	-	-	7 713	21 264	-	-	-	-	-	-	74 022
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(10)	21	10	61	93	-	-	-	-	-	-	(175)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		(80 000)	-	-	20 212	20 000	-	-	-	-	-	-	39 788
Total Cash Receipts by Source		17 500	66 769	57 104	84 052	84 566	-	-	-	-	-	-	416 981
Cash Payments by Type													
Employee related costs		14 974	14 718	15 104	17 148	24 682	-	-	-	-	-	-	150 466
Remuneration of councillors		936	955	938	938	706	-	-	-	-	-	-	7 535
Interest paid		-	-	1	-	-	-	-	-	-	-	-	8 660
Bulk purchases - Electricity		32 051	38 254	33 727	20 676	19 030	-	-	-	-	-	-	142 051
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	14 283
Other materials		1 474	451	1 001	1 736	1 449	-	-	-	-	-	-	-
Contracted services		2 677	5 053	4 894	756	6 160	-	-	-	-	-	-	29 293
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		54	54	561	279	-	-	-	-	-	-	-	29 493
General expenses		8 745	2 054	7 801	8 141	2 691	-	-	-	-	-	-	10 518
Cash Payments by Type		60 910	61 539	64 024	49 674	54 719	-	-	-	-	-	-	392 298
Other Cash Flows/Payments by Type													
Capital assets		1 867	4 551	3 912	232	2 924	-	-	-	-	-	-	79 173
Repayment of borrowing		(2)	-	21	-	-	-	-	-	-	-	-	(19)
Other Cash Flows/Payments		(467)	(1 693)	1 461	935	4 680	-	-	-	-	-	-	(3 917)
Total Cash Payments by Type		62 307	64 397	69 419	50 841	62 323	-	-	-	-	-	-	467 535
NET INCREASE/(DECREASE) IN CASH HELD		(44 807)	2 372	(12 315)	33 211	22 243	-	-	-	-	-	-	(50 555)
Cash/cash equivalents at the month/year beginning:		115 296	70 489	72 861	60 546	93 757	116 001	116 001	116 001	116 001	116 001	116 001	116 001
Cash/cash equivalents at the month/year end:		70 489	72 861	60 546	93 757	116 001	116 001	116 001	116 001	116 001	116 001	116 001	65 446

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M05 November

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	–	3 528	3 867	1	1	3 867	3 866	100,0%	0%
August	970	5 053	5 374	4 632	4 633	9 241	4 609	49,9%	5%
September	2 309	7 122	7 393	3 700	8 333	16 634	8 302	49,9%	9%
October	3 822	10 136	10 397	217	8 550	27 032	18 482	68,4%	9%
November	7 006	10 136	10 397	2 677	11 227	37 429	26 202	70,0%	12%
December	3 969	8 647	8 900	–	–	46 329	–	–	–
January	4 376	3 528	3 867	–	–	50 196	–	–	–
February	4 502	5 053	5 374	–	–	55 571	–	–	–
March	15 227	7 122	7 393	–	–	62 964	–	–	–
April	2 003	10 136	10 397	–	–	73 361	–	–	–
May	6 929	10 136	10 397	–	–	83 758	–	–	–
June	65 951	8 647	8 900	–	–	92 658	–	–	–
Total Capital expenditure	117 064	89 244	92 658	11 227					

3.2 SUPPLY CHAIN MANAGEMENT

3.2 VOORSIENINGSKANAAL BESTUUR

3.2.1 Demand and Acquisition

3.2.1 Aanvraag en Verkryging

3.2.1.1 Advertisement stage

3.2.1.1 Adverteringsfase

The following formal written price quotations are currently in the advertisement stage:

Die volgende formele geskrewe pryskwotasies is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/19/34	Supply of Licences for handhelds and meter reading software	03-Dec-2021
08/2/19/35	Vehicle Body repairs including upholstery and flooring for Two vehicles	03-Dec-2021

The following competitive bids are currently in the advertisement stage:

Die volgende mededingende tenders is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/19/15	Supply and delivery of Electrical equipment and cables	07-Dec-2021
08/2/19/11	Revenue Enhancement: Addressing illegal Electricity Connections	28-Jan-2022
08//19/20	Service provider for compilation and maintenance of General Valuation roll, supplementary valuation roll and other related valuation services for Witzenberg Municipality	14-Dec-2021
08/2/19/26	Implementation of Protection study and the supply of associated equipment for the electricity network in witzenberg Municipal Area for a three financial year period	04-Feb-2022

3.2.1.2 Evaluation stage:

3.2.1.2 Evaluering stadium:

The following competitive bids are currently in the evaluation stage:

Die volgende mededingende tenders is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/62	Professional services for Witzenberg Municipality	08-Jul-2021	30-Aug-2021	D Greeff
08/2/18/64	Appointment of contractors for maintenance, repair and replacement of general electrical infrastructure and wiring of premises for Witzenberg municipality	04-Nov-2021	Awaiting	D Greeff
08/2/18/72	Appointment of a Travel Agency	27-Sep-2021	29-Oct-2021	R Hendricks

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/81	Electrical and Mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	30-Sep-2021	10-Nov-2021	N Jacobs
08/2/19/01	Supply and delivery of Station Uniforms for Fire Department, Emergency Control Room and Disaster Management	19-Aug-2021	20-Oct-2021	A Lamprecht-Vertue
08/2/19/05	Paving, stormwater infrastructure and fire hydrant at PAH Business Hub	05-Nov-2021	12-Nov-2021	R Fick
08/2/19/06	Supply, delivery & installation of rigid mesh fencing & rigid mesh gates in PAH Business Hub	05-Nov-2021	11-Nov-2021	R Fick
08/2/19/08	Provision of Security services, Tactical and crowd control management at municipal buildings and sites in the Witzenberg municipal area	23-Nov-2021	29-Nov-2021	C Wessels
08/2/19/16	Clearing of Alien vegetation in Prince Alfred Hamlet commonage	26-Nov-2021	Awaiting	H Truter
08/2/19/17	Facilitation of training for Municipal Minimum Competency Levels (MMCL) programme for a three year period	24-Nov-2021	Awaiting	I Barnard
08/2/19/27	The supply and dispensing of Fuel (unleaded petrol & 50ppm diesel) for Municipal vehicles and plant from Lisenced Fuel retail sites / service stations	29-Nov-2021	Awaiting	O Gatyene

The following formal written price quotations are currently in the evaluation stage:

Die volgende formele geskrewe pryskwotasie is tans in die evalueringsfase:

08/2/19/03	Periodic Maintenance, General repairs and Provision of Spare parts for Sweeper (Re-Advertisement)	14-Oct-2021	25-Oct-2021	O Gatyene
08/2/19/31	Supply and delivery of Decontamination solution, which is effective against SARS-Cov-2 and its variants	24-Nov-2021	29-Nov-2021	A Lamprecht-Vertue

3.2.1.3 Adjudication stage

The following competitives bid are currently in the adjudication stage:

3.2.1.3 Toekenningsfase:

Die volgende mededingende tenders is tans in die toekenningsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
08/2/18/05	Roads and Stormwater Maintenance (Re-advertisement)	30-Mar-2021	14-Jul-2021	26-Jul-2021 27-Sep-2021 22-Oct-2021 24-Nov-2021
08/2/18/79	Supply and delivery of a Conference System for Council Chambers	15-Jun-2021	14-Jul-2021	13-Sep-2021

No formal written price quotations are currently in the adjudication stage.

Geen formele geskrewe prys kwotasie is tans in die Toekenningsfase nie.

3.2.1.4 Bids awarded

3.2.1.4 Tenders toegeken

No bids were awarded by the Accounting Officer during the month of November 2021.

Geen tenders was toegeken deur die Rekenpligtige Beampte gedurende November 2021 nie.

The following competitive bids were awarded by the Bid Adjudication Committee during the month of November 2021:

Die volgende mededingende tenders was toegeken deur die Tender Toekenningskomitee gedurende November 2021:

Bid ref number	Date	Name of supplier	Reason why award made	Value (incl. VAT)
08/2/18/69	25-Nov-2021	Werman tyres T/A CT Tyre King	Bidder scored the highest points	Based on rates estimated at R 2 969 741.45

3.2.1.5 Paragraph 13 (1): Cancellation and re-invitation of tenders

3.2.1.5 Paragraaf 13 (1): Kansellasië en her-uitnodiging van tenders

Bid ref number	Date	Brief description of services	Reason why bid is cancelled
08/2/18/74	16-Nov-2021	Supply and delivery of galvanised roof sheets, ridging and Self Drill screws	Funds are no longer available to cover the envisaged expenditure

3.2.1.6 Paragraph 19 (1) I and 19 (2): Written price quotations

3.2.1.6 Paragraaf 19 (1) (c) en 19 (2): Geskrewe Prys Kwotasies

The following written price quotations were approved during the month of November 2021:

Die volgende geskrewe prys kwotasies was goedgekeur gedurende November 2021:

Order number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
170663	07-October-2021	Riding & Watt	Topographical survey of toilets in Informal areas	Lowest responsive quotation	R 16 645.10 (Incl. VAT)	Chief Financial Officer
170759	15-October-2021	Ultimate Recruitment Solutions	Publish Adverts: Bid 08-2-19-08, 08-2-19-17 and 08-2-18-44	Lowest responsive quotation	R 17864.63 (Incl. VAT)	Chief Financial Officer
170948	27-October-2021	Arina Wilson	Translation of By-Law – Water & Sanitation	Lowest responsive quotation	R 27 171.90 (Incl. VAT)	Chief Financial Officer

3.2.1.7 Formal Written Price Quotations

3.2.1.7 Formele Geskrewe Prys Kwotasies

The following formal written price quotations, in excess of R 30 000 were awarded by an official acting in terms of a sub-delegation for the month of November 2021:

Die volgende formele geskrewe kwotasies, wat meer is as R 30 000.00 is toegeken deur 'n amptenaar wat in terme van 'n sub-afvaardiging vir die maand van November 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
08/2/18/66	09-Nov-2021	Inzalo UMS (PTY) Ltd	Supply and delivery of Water Meters	Bidder scored the highest points	R 144 555.00 (Incl. VAT)	Acting Director: Technical Services
08/2/19/21	25-Nov-2021	Ian Dickie & Co	Supply, deliver and fit new Vacuum pumps on truck	Bidder scored the highest points	R 75 948.30 (Incl. VAT)	Director: Technical Services
08/2/19/22	25-Nov-2021	Automotive Dynamix Engine Rebuilders	Engine repairs to Nissan UD90 (FE6T), including the recovery / tow in of the refuse compactor truck from Ceres to bidder's workshop	Only responsive bidder	R 196 083.12 (Incl. VAT)	Director: Technical Services
08/2/19/23	24-Nov-2021	Khusela Solutions (PTY) Ltd	Supply and delivery of Laptops	Bidder scored the highest points	R 111 826.00 (Incl. VAT)	Director: Corporate Services

08/2/19/32	24-Nov-2021	Stenop Properties CC T/A Ceres Service Station	The Supply And Dispensing Of Fuel (Unleaded Petrol & 50ppm Diesel) For Municipal Vehicles And Plant From Licensed Fuel Retail Site / Service Station In Ceres	Bidder scored the highest points	R 135 810.00 (Incl. VAT)	Director: Technical Services
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3.2.1.8 Appeals

No appeals were lodged or dealt with by the Accounting Officer during the month of November 2021.

3.2.1.9 Deviations

The following table contains the actuals against approved deviations by the Accounting Officer for the month of November 2021 which totals R 4 971 710:

3.2.1.8 Appèlle

Geen appèlle is ontvang of was hanteer deur die Rekenpligtige beampte gedurende November 2021 nie.

3.2.1.9 Afwykings

Die volgende tabel bevat die werklike uitgawes teen goedgekeurde afwykings deur die Rekenpligtige Beampte vir die maand van November 2021 wat beloop op die totaal van R 4 971 710:

Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
3-Oct-18	Spilhaus	Supply of material: After Hours	Emergency	156016	2,974.50
10-Feb-20	South African Broadcasting Corporation (SABC)	TV License fees: Pine Forest	Single supplier	163657	8,215.00
13-Mar-20	Marieke van Rooyen Attorneys	Legal services: R du Plessis	Impractical	164191	18,948.00
23-Apr-20	Witzenberg Besproeiing CC	PPE: Disposable overalls	Emergency	164511	33,120.00
25-May-20	Caprichem (PTY) Ltd	Supply and delivery of bleach - Covid 19 pandemic	Emergency	164670	154,502.50
2-Jun-20	Eyamanzotho Language Practitioner	Service Provider for IsiXhosa to English Translations	Emergency	164755	436.00
12-Jun-20	Transunion Credit Bureau (PTY) Ltd	Online verification services	Impractical	164904	22,887.46
22-May-20	Boland Isuzu	Repairs to Isuzu NPR400 Tipper Truck	Single supplier	164925	59,243.19
18-Jun-20	Witzenberg Herald	Publish notice: Adjustment Budget	Single supplier	164934	3,024.00
19-Jun-20	O'Neil & Visser Attorneys	Legal services: Rijks Cellar & Pine Forest Semi-Permanent Homeowners	Impractical	164935	32,283.32
20-Jul-20	Total Computer Services (PTY) Ltd	Extension of License: 6 Months	Single supplier	165099	44,689.00
20-Jul-20	WC Communications SA (PTY) Ltd	Repair of Telephone System	Emergency	165110	2,674.33
29-Jul-20	Witzenberg Herald	Publish notice: Land for Stray Animals	Single supplier	165254	2,016.00
30-Jul-20	JPCE (PTY) Ltd	Professional fees: Calculation and Report on Landfill site closure provision	Impractical	165259	47,840.00

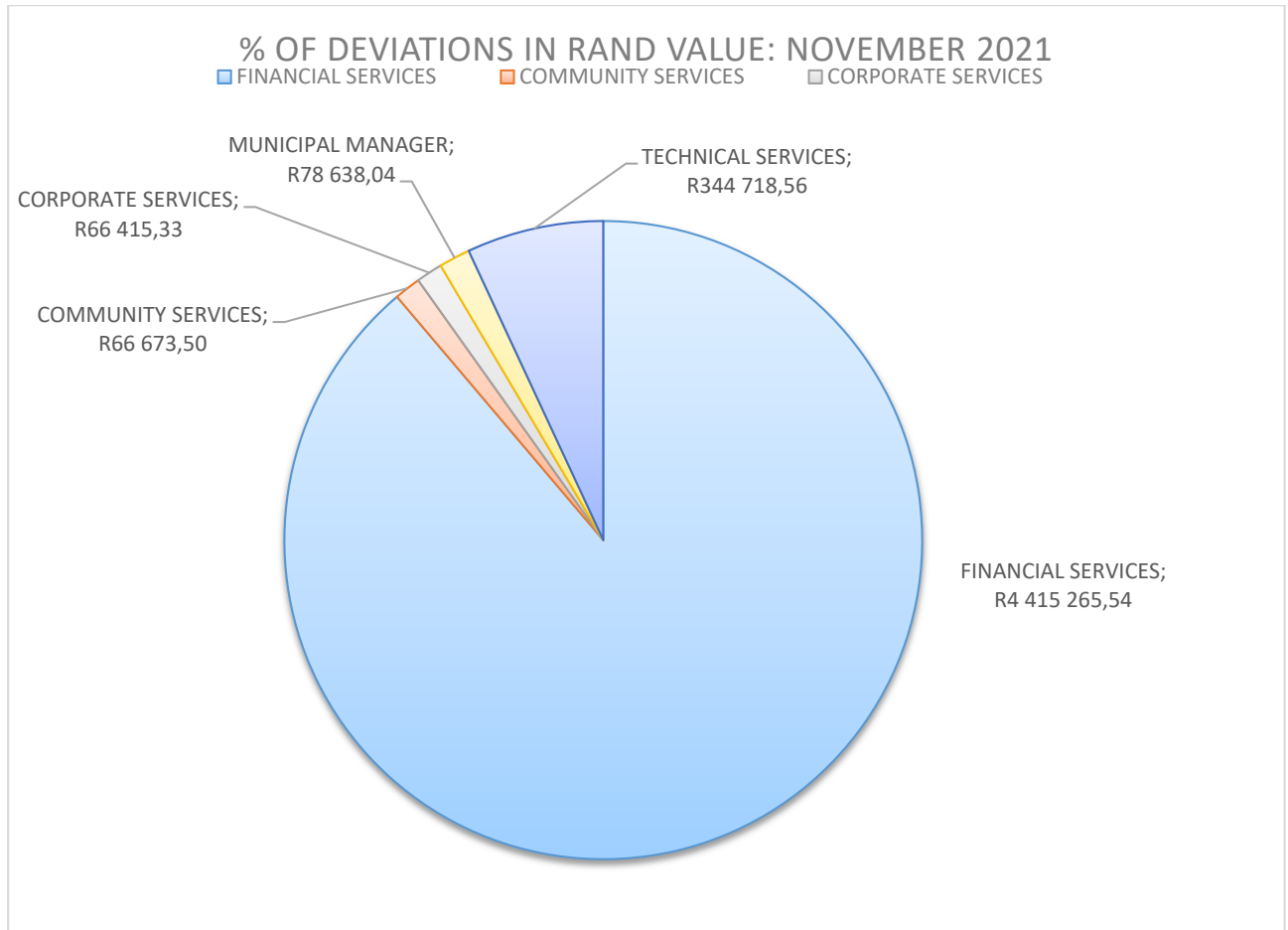
FINANCE SECTION 71 REPORT - NOVEMBER 2021 - FINANSIES ARTIKEL 71 VERSLAG

Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
4-Aug-20	Witzenberg Herald	Publish Notice: Leasing of Municipal Building	Single supplier	165357	3,744.00
13-Aug-20	Witzenberg Herald	Publish Notice: Special Council Meeting 30 July 2020	Single supplier	165445	2,496.00
4-Feb-20	Johan Bezuidenhout Attorneys	Legal Services: request Reg 68 (1) search Erf 7564	Impractical	167456	4,287.50
13-Jul-20	Silver Lake Trading 305 (PTY) Ltd	Short-Term Insurance: 12 months	Impractical	170430	4,126,797.58
17-Jul-20	Ply General Services	Cutting & Removing of Trees in Pine Forest	Emergency	170494	52,500.00
1-Oct-21	Cigfaro (Chartered Institute of Government Finance, Audit & Risk Officers) (NPC)	Registration fees: H Kritzinger & H Smit Conference 20-22 Sep 2021	Impractical	170561	4,694.00
17-Nov-21	Adenco Construction (PTY) Ltd	Supply & Install of New Static Power BTU	Emergency	171254	83,035.87
18-Nov-21	Joubert & van Vuuren Attorneys	Legal Services: Registration of Farm 210/4 & servitude line	Impractical	171258	21,103.22
19-Nov-21	South African Local Government Association (SALGA)	TASK Job evaluation System Costs 2020/2021	Single supplier	171306	8,250.00
19-Nov-21	Ian Dickie & Co (Pty) Ltd	Supply and Delivery of Flexicon Drain Rods	Single supplier	171311	9,085.00
24-Nov-21	Witzenberg Herald	Public Notice: Christmas Message & Closing dates	Single supplier	171369	5,920.00
8-Jul-20	Witzenberg Herald	Publish Notice: Budget Tariffs & Clean Audit	Single supplier	600147	22,400.00
24-Jul-19	Witzenberg Autoglass	Repair of Traffic Vehicle Window CT 5749	Emergency	10144443	1,950.00
28-Sep-20	Johan Bezuidenhout Attorneys	Legal Services: request Reg 68 (1) searches	Impractical	10150040	2,214.50
25-Nov-21	Kaap Agri	Supply and Dispense of Fuel for Vehicles	Single supplier	171399 - 171404	190,380.00

** It should be noted that the above information include deviations approved in the prior financial years and not yet reported on.*

MONTH / MAAND	DEVIATION AMOUNT AFWYKING BEDRAG	TOTAL VALUE OF ORDERS ISSUED TOTALE WAARDE VAN BESTELLINGS UITGEREIK	% DEVIATIONS OF TOTAL ORDERS ISSUED % AFWYKINGS VAN TOTALE BESTELLINGS UITGEREIK
September 2021	R 332 734	R12 829 976.36	2.59%
October 2021	R 713 334	R23 624 762.51	3.01%
November 2021	R 4 971 710	R44 640 666.23	11.13%

DEVIATIONS PER DIRECTORATE:



Logistics

The table below contains a high level summary of information regarding the stores section:

Logistieke

Die tabel hieronder bevat 'n hoë vlak opsomming van inligting rakende die magasyn (stoor):

MONTH	Sep 2021	Oct 2021	Nov 2021
Value of inventory at hand	R 7 838 531	R 7 764 148	R 8 155 037
Turnover rate of total value of inventory	1.02	0.93	0.94
Date of latest stores reconciliation	30 Nov 2021		
Date of last stock count	22 Sep 2021		
Date of next stock count	14 Dec 2021		

The following (AUGUST 2021) Supply Chain Management report was unfortunately omitted from the Section 71 report for August 2021:

Die volgende (AUGUSTUS 2021) Voorsieningskanaal Bestuur Verslag was ongelukkig nie ingesluit by die Artikel 71 verslag vir Augustus 2021 nie:

3.2 SUPPLY CHAIN MANAGEMENT

3.2 VOORSIENINGSKANAAL BESTUUR

3.2.1 Demand and Acquisition

3.2.1 Aanvraag en Verkryging

3.2.1.1 Advertisement stage

3.2.1.1 Adverteringsfase

No formal written price quotations are currently in the advertisement stage.

Geen formele geskrewe pryskwotasies is tans in die adverterings fase nie.

The following competitive bids are currently in the advertisement stage:

Die volgende mededingende tenders is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/18/69	Supply and fitment of new Tyres, tubes and provision of Tyre repair and other related services, including the supply and fitment of steering and suspension components	06-Sep-2021
08/2/18/72	Appointment of a Travel Agency	27-Sep-2021
08/2/18/78	Sport Field Masts For Lyell Street Sports Field	07-Sep-2021
08/2/18/81	Electrical and Mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	30-Sep-2021
08/2/18/82	Electrification of Informal Houses in Vredebes, Ceres – Phase H	06-Sep-2021

3.2.1.2 Evaluation stage:

3.2.1.2 Evaluering stadium:

The following competitive bids are currently in the evaluation stage:

Die volgende mededingende tenders is tans in die evalueringfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/62	Professional services for Witzenberg Municipality	08-Jul-2021	Awaiting	D Greeff
08/2/18/73	Supply and delivery of copy paper	06-Jul-2021	13-Aug-2021	M Frieslaar
08/2/19/01	Supply and delivery of Station Uniforms for Fire Department, Emergency Control Room and Disaster Management	19-Aug-2021	Awaiting	A Lamprecht-Vertue

The following formal written price quotations are currently in the evaluation stage:

Die volgende formele geskrewe pryskwotasie is tans in die evalueringfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/66	Supply and delivery of Water Meters	23-Jul-2021	Awaiting	N Jacobs
08/2/18/74	Supply and delivery of galvanised roof sheets, ridging and Self Drill screws	28-Jun-2021	Awaiting	N Jacobs

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/19/02	Appointment of a Service Provider for training of Operating Regulations High Voltage Systems (ORHVS)	06-Aug-2021	23-Aug-2021	I Barnard
08/2/19/04	Supply, fit of parts and repairs of Nissan UD90 FE6T (2006)	23-Jul-2021	29-Jul-2021 18-Aug-2021	O Gatyene

3.2.1.3 Adjudication stage

The following competitives bid are currently in the adjudication stage:

3.2.1.3 Toekenningsfase:

Die volgende mededingende tenders is tans in die toekenningsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
08/2/18/05	Roads and Stormwater Maintenance (Re-advertisement)	30-Mar-2021	14-Jul-2021	26-Jul-2021
08/2/18/12	Supply and delivery of Protective Clothing	06-Apr-2021	06-Jul-2021 05-Aug-2021	10-Aug-2021
08/2/18/79	Supply and delivery of a Conference System for Council Chambers	15-Jun-2021	14-Jul-2021	-

No formal written price quotations are currently in the adjudication stage.

3.2.1.4 Bids awarded

The following bids were awarded by the Bid Adjudication Committee during the month of August 2021:

Geen formele geskrewe prys kwotasie is tans in die Toekenningsfase nie.

3.2.1.4 Tenders toegeken

Die volgende tenders was toegeken deur die Tender Toekenningskomitee gedurende Augustus 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/18/48	10-Aug-2021	Tjeka Training Matters	Service provider for Plumbing Training	Only responsive bidder	R 904 256.50
08/2/18/70	16-Aug-2021	Agua Africa CC	Supply and delivery of turbidity meters, dissolved oxygen meters, PH meters and chlorine meters	Only responsive bidder	R 295 737.21

The following competitive bids were awarded by the Accounting Officer during the month of August 2021:

Die volgende mededingende tenders was toegeken deur die Rekenpligtige Beampte gedurende Augustus 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/17/88	04-Aug-2021	Zonart Labour Distribution (PTY) Ltd	Supply and delivery of Electrical Equipment and Cables Cluster 1: HDG Streetlight poles	Bidder scored the highest points	Based on rates estimated at R 289 365.00
		Power Process Systems (PTY) Ltd	Cluster 3: Kiosk		Based on rates estimated at R 85 374.12
		Zonart Labour Distribution (PTY) Ltd	Cluster 8: Wooden Transmission poles (treated wood) Class B		Based on rates estimated at R 273 250.00
		Zonart Labour Distribution (PTY) Ltd	Cluster 9: Termination kit		Based on rates estimated at R 289 250.00
		Zonart Labour Distribution (PTY) Ltd	Cluster 10: MV Overhead Line Gear		Based on rates estimated at R 144 790.00
		Siyphambili Electrical & Industrial Supplies CC	Cluster 11: Light fittings		Based on rates estimated at R 1 810 803.05
		Siyphambili Electrical & Industrial Supplies CC	Cluster 12: Circuit Breakers – Feeder Breakers		Based on rates estimated at R 867 376.79
		Zonart Labour Distribution (PTY) Ltd	Cluster 13: Various Electrical items – Medium Voltage		Based on rates estimated at R 423 371.10
		Siyphambili Electrical & Industrial Supplies CC	Cluster 14: Various Electrical items – Low Voltage		Based on rates estimated at R 589 744.72
		Pinnaculum Energy Technologies (PTY) Ltd	Cluster 18: Metering & Comms Interface		Based on rates estimated at R 934 441.40
08/2/18/08	27-Aug-2021	Lulenco JV	Construction of the Waverenskroon Dam, Inlet Pipeline and Intake Works, Tulbagh	Bidder scored the highest points	Based on rates estimated at R 27 640 655.43

3.2.1.5 Paragraph 13 (1): Cancellation and re-invitation of tenders

3.2.1.5 Paragraaf 13 (1): Kansellasië en her-uitnodiging van tenders

Bid ref number	Date	Brief description of services	Reason why bid is cancelled
08/2/18/67	06-Aug-2021	Periodic Maintenance, General repairs and Provision of Spare parts for Sweeper	No acceptable bids were received
08/2/18/84	11-Aug-2021	Supply, delivery & offloading of Disposable diapers	No acceptable bids were received

3.2.1.6 Paragraph 19 (1) l and 19 (2): Written price quotations

The following written price quotations were approved during the month of August 2021:

3.2.1.6 Paragraaf 19 (1) (c) en 19 (2): Geskrewe Prys Kwotasies

Die volgende geskrewe prys kwotasies was goedgekeur gedurende Augustus 2021:

Order number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
169999	20-Aug-2021	Altimax (Pty) Ltd	Review of Annual Financial Statements	Lowest responsive quotation	R 23 000.00 (Incl. VAT)	Chief Financial Officer
170012	23-Aug-2021	Kaap Agri Bedryf Beperk	Supply and Installation of Air Conditioner	Lowest responsive quotation	R 2 415.00 (Incl. VAT)	Chief Financial Officer
170026	26-Aug-2021	RJ Design (Pty) Ltd	Upgrading of existing building plans for building on Erven 2050	Only responsive quotation	R 11 497.50 (Incl. VAT)	Chief Financial Officer

3.2.1.7 Formal Written Price Quotations

The following formal written price quotations, in excess of R 30 000 were awarded by an official acting in terms of a sub-delegation for the month of August 2021:

3.2.1.7 Formele Geskrewe Prys Kwotasies

Die volgende formele geskrewe kwotasies, wat meer is as R 30 000.00 is toegeken deur 'n amptenaar wat in terme van 'n sub-afvaardiging vir die maand van Augustus 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
08/2/18/34	13-Aug-2021	Memotek Trading CC	Supply and delivery of Cement (Concrete & Mortar) (Re-advertisement)	Bidder scored the highest points	R 130 276.83 (Incl. VAT)	Director: Financial Services
08/2/18/58	13-Aug-2021	CAL Construction	Construction of External Sewerage Services for Schoonvlei Development	Bidder scored the highest points	R 147 315.00 (Incl. VAT)	Acting Director: Community Services
08/2/18/86	31-Aug-2021	Business Connexion (PTY) Ltd	Renewal of various Fortinet Licenses for One Year	Bidder scored the highest points	R 87 534.62 (Incl. VAT)	Director: Corporate Services
08/2/18/87	31-Aug-2021	Business Connexion (PTY) Ltd	Supply and Delivery of Trend Micro Enterprise Security Suite	Bidder scored the highest points	R 67 620.00 (Incl. VAT)	Director: Corporate Services

3.2.1.8 Appeals

No appeals were lodged and dealt with by the Accounting Officer during the month of August 2021.

3.2.1.8 Appèlle

Geen appèlle is ontvang of was hanteer deur die Rekenpligtige beampte gedurende Augustus 2021 nie.

3.2.1.9 Deviations

The following table contains the actuals against approved deviations by the Accounting Officer for the month of August 2021 which totals R 242 767:

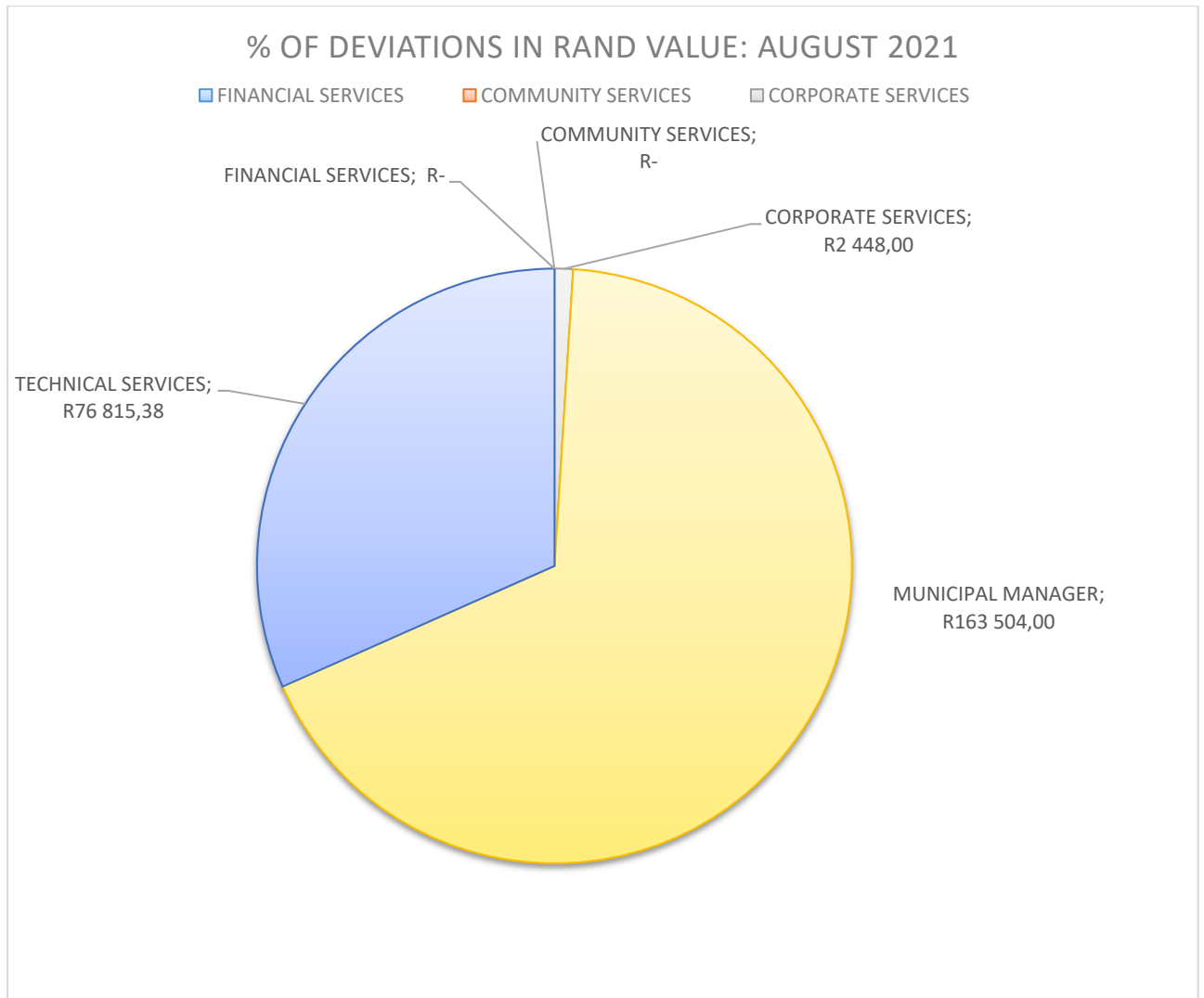
3.2.1.9 Afwykings

Die volgende tabel bevat die werklike uitgawes teen goedgekeurde afwykings deur die Rekenpligtige Beampte vir die maand van Augustus 2021 wat beloop op die totaal van R 242 767:

Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
2-Aug-21	Juno Corp (PTY) Ltd	Hiring of Combination Vacuum and Jetting Truck	Emergency	169740	39,804.38
4-Aug-21	Kellerman Joubert Heyns Attorneys	Legal Services: Labour Matter Muller	Impractical	169774	80,000.00
6-Aug-21	Witzenberg Herald	Publish Notice: Power Interruption 19 Aug 2021	Single supplier	169838	3,468.00
11-Aug-21	Adenco Construction (PTY) Ltd	Emergency repair work to switchgear	Emergency	169871	19,803.00
16-Aug-21	Johan Bezuidenhout Attorneys	Legal Services: Bid 08/2/18/08 & Agreement	Emergency	169924	50,000.00
17-Aug-21	IMESA (Institute of Municipal Engineering of SA)	Registration fees: IMESA Conference 17-19 Nov 2021	Single supplier	169947	9,600.00
19-Aug-21	Witzenberg Herald	Publish Notice: Council Meeting 25 Aug 2021	Single supplier	169976	2,448.00
20-Aug-21	Witzenberg Herald	Notice 20 August 2021 IDP	Single supplier	169994	2,040.00
28-Aug-21	WRP Consulting Engineers (PTY) Ltd	1 Year license fees: Pressure and Flow Monitoring System	Single supplier	170035	4,140.00
30-Aug-21	Ignite Advisory Services (PTY) Ltd	Subscription fees: Compliance System	Impractical	170085	31,464.00

MONTH / MAAND	DEVIATION AMOUNT AFWYKING BEDRAG	TOTAL VALUE OF ORDERS ISSUED TOTALE WAARDE VAN BESTELLINGS UITGEREIK	% DEVIATIONS OF TOTAL ORDERS ISSUED % AFWYKINGS VAN TOTALE BESTELLINGS UITGEREIK
June 2021	R 1 619 311	R36 812 684.88	4.39%
July 2021	R 146 952	R37 556 146.40	0.39%
August 2021	R 242 767	R57 580 512.72	0.42%

DEVIATIONS PER DIRECTORATE



Logistics

The table below contains a high level summary of information regarding the stores section:

Logistieke

Die tabel hieronder bevat 'n hoë vlak opsomming van inligting rakende die magasyn (stoor):

MONTH	Jun 2021	Jul 2021	Aug 2021
Value of inventory at hand	R 8 479 387	R 8 134 716	R 8 148 002
Turnover rate of total value of inventory	0.81	0.84	0.85
Date of latest stores reconciliation	31 Aug 2021		
Date of last stock count	30 Jun 2021		
Date of next stock count	22 Sep 2021		



QUALITY CERTIFICATE

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the monthly in year monitoring reports for the month of November 2021 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Mr D Nasson

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:

Date:



Monthly Budget Statement Report Section 71 for December 2021

**Financial data is in respect of the period
1 July 2021 to 30 June 2022**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

2.3 Monthly budget statements

In terms of Section 71 of the MFMA the accounting officer must prepare monthly budget statements that comply with this section. This section read as follows:

"71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on—*
 - (i) its share of the local government equitable share; and*
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
 - (g) when necessary, an explanation of—*
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;*
 - (ii) any material variances from the service delivery and budget implementation plan; and*
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.*

(2) The statement must include—

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after

2.3 Maandelikse begroting state

In terme van Artikel 71 van die MFMA die rekenpligtige beampte moet 'n maandelikse begroting state wat voldoen aan hierdie artikel. Hierdie artikel lees soos volg:

"71. (1) Die rekenpligtige beampte van 'n munisipaliteit moet nie later as 10 werk dae na die einde van elke maand aan die burgemeester van die munisipaliteit en die betrokke Provinsiale Tesourie 1 verklaring in die voorgeskrewe formaat oor die toestand van die munisipaliteit se begroting wat die volgende besonderhede vir die maand en vir die finansiële jaar tot die einde van die maand:

- (a) werklike inkomste per bron van inkomste;*
- (b) werklike lenings;*
- (c) die werklike uitgawes per stem;*
- (d) die werklike kapitaalbesteding, per stem;*
- (e) die bedrag van enige toekennings ontvang;*
- (f) die werklike uitgawes op daardie toekennings, uitgesluit besteding op*
 - (i) sy deel van die plaaslike regering billike deel;*
 - (ii) toekennings vrygestel is by die jaarlikse Verdeling van Inkomste van die nakoming van hierdie paragraaf, en*
 - (g) wanneer dit nodig is, 'n verduideliking van—*
 - (i) enige wesentliche afwykings van die munisipaliteit se geprojekteerde inkomste deur die bron, en van die munisipaliteit se uitgawe projeksies per stem;*
 - (ii) enige wesentliche afwykings van die dienslewering en begrotings implementeringsplan;*
 - (iii) enige remediërende of korrektiewe stappe geneem is of geneem word om te verseker dat die geprojekteerde inkomste en uitgawes in die munisipaliteit se goedgekeurde begroting bly.*

(2) Die staat moet die volgende insluit-

- (a) 'n projeksie van die betrokke munisipaliteit se inkomste en uitgawes vir die res van die finansiële jaar, en enige wysigings van die aanvanklike projeksies, en*
- (b) die voorgeskrewe inligting met betrekking tot die toestand van die begroting van elke munisipale entiteit wat aan die munisipaliteit in terme van artikel 87 (10).*

(3) die bedrae wat in die verklaring moet in elke geval in vergelyking met die ooreenstemmende bedrae begroot vir die munisipaliteit se goedgekeurde begroting.

(4) Die verklaring aan die provinsiale tesourie moet in die formaat van 'n getekende dokument en in elektroniese formaat.

(5) Die rekenpligtige beampte van 'n munisipaliteit wat 'n toekenning bedoel in subartikel (1)(e) gedurende 'n bepaalde maand ontvang het, moet nie later nie as 10 werksdae na die

the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter."

einde van die maand, moet daardie deel van die verklaring wat die besonderhede bedoel in subartikel (1)(e) en (f) om die nasionale of provinsiale orgaan van die staat of munisipaliteit wat die toekenning oorgedra

(6) Die Provinsiale Tesourie moet nie later nie as 22 werksdae na die einde van elke maand aan die Nasionale Tesourie 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van die munisipaliteite se begrotings, per munisipaliteit en per munisipale entiteit.

(7) Die Provinsiale Tesourie moet, binne 30 dae na die einde van elke kwartaal, openbaar te maak as wat voorgeskryf mag word, 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van munisipaliteite se begrotings per munisipaliteit en per munisipale entiteit. Die LUR vir finansies moet so 'n gekonsolideerde staat nie later nie as 45 dae na die einde van elke kwartaal aan die provinsiale wetgewer dien."

A MAYOR'S REPORT

Credit control for various reasons remains a challenge for the municipality.

The unwillingness / inability of government departments to pay their municipal accounts was a big concern. However department are slowing starting to make payment. The debt is in excess of R8.87 million in comparison to the prior month figure of R9 million.

The monthly billing was also done as scheduled and during this process 19 465 accounts amounting to R 32.1 million was printed and distributed to consumers. The prepaid electricity sales amounted to R 6.1 million in comparison to a cost of R5.1 million for the same month during the prior financial year.

The indigent cost to the municipality for the month amounts to R 1.8 million in comparison to the prior month figure of R1.8 million

The accumulated debtor's collection target for the year is 94%, and the actual accumulated year to date debtor's collection is 88% in comparison to a rate of 88% for the same month in the previous year.

The municipality issued orders to the value of R 24.5 million of which R 91 thousand was in terms of deviations.

The municipality currently has R 66 million in its primary bank account and investments to the value of R100 million. The bank balance at the end of the previous month was R116 million.

The calculated cost coverage ratio of the municipality as at the end of December 2021 is 2.4 months.

B RECOMMENDATION

It is recommended that council take cognisance of the quarterly budget assessment for the month of December 2021 .

C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

A BURGEMEESTERS VERSLAG

Kredietbeheer bly 'n uitdaging vir die munisipaliteit as gevolg van verskillende redes.

Die onwilligheid / onvermoë van staats departemente om hulle munisipale rekeninge te betaal was 'n groot bekommernis. Departemente is stadig besig om hul betalings te maak. Die skuld beloop tans R8,87miljoen in vergelyking met die vorige maand syfer van R9 miljoen.

Die maandelikse rekeninge is ook gehef soos geskeduleer en tydens hierdie proses is 19 465 rekeninge ten bedrae van R 32.1 miljoen gedruk en aan verbruikers versprei. Die voorafbetaalde elektrisiteit verkope beloop R 6.1 miljoen en was R5.1 miljoen vir dieselfde maand gedurende die vorige finansiële jaar.

Die deernis subsidies vir die maand beloop R 1.8 miljoen in vergelyking met die vorige maand syfer van R1.8 miljoen.

Die opgehoopte debiteure verhalings se teiken vir die jaar is 94%, en die werklike jaar tot op datum invordering is 88% in vergelyking met 88% vir dieselfde maand in die vorige finansiële jaar.

Bestellings ter waarde van R 24.5 miljoen uitgereik, waarvan R 91 duisend ten opsigte van afwykings is.

Die munisipaliteit het R 66 miljoen in die primêre bankrekening en beleggings ter waarde van R100 miljoen. Die bankbalans aan die einde van die vorige maand was R116 miljoen.

Die berekende koste dekking verhouding van die munisipaliteit soos aan die einde van Desember 2021 is 2.4 maande.

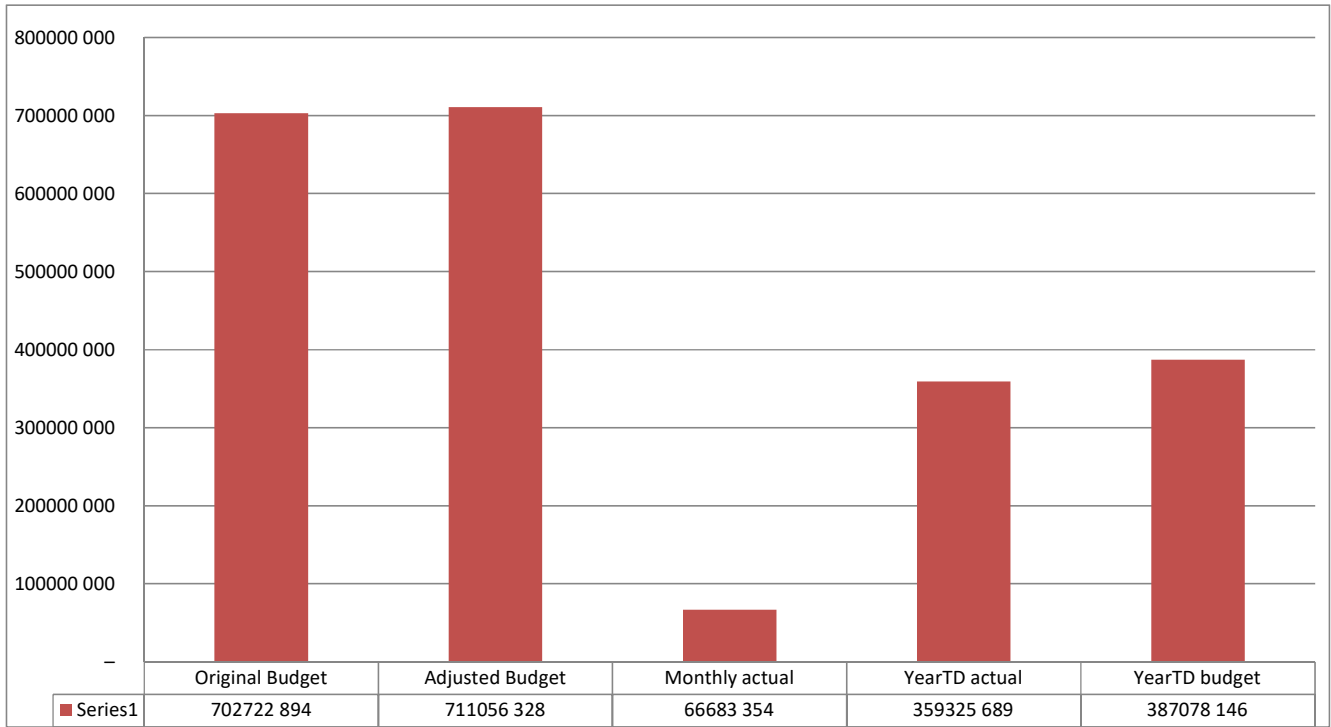
B AANBEVELING

Dit word aanbeveel dat die raad kennis neem van die finansiële maandverslag en ondersteunende dokumente vir Desember 2021 .

C OPSOMMING

Die volgende tabelle voorsien n opsomming van die finansiële inligting:

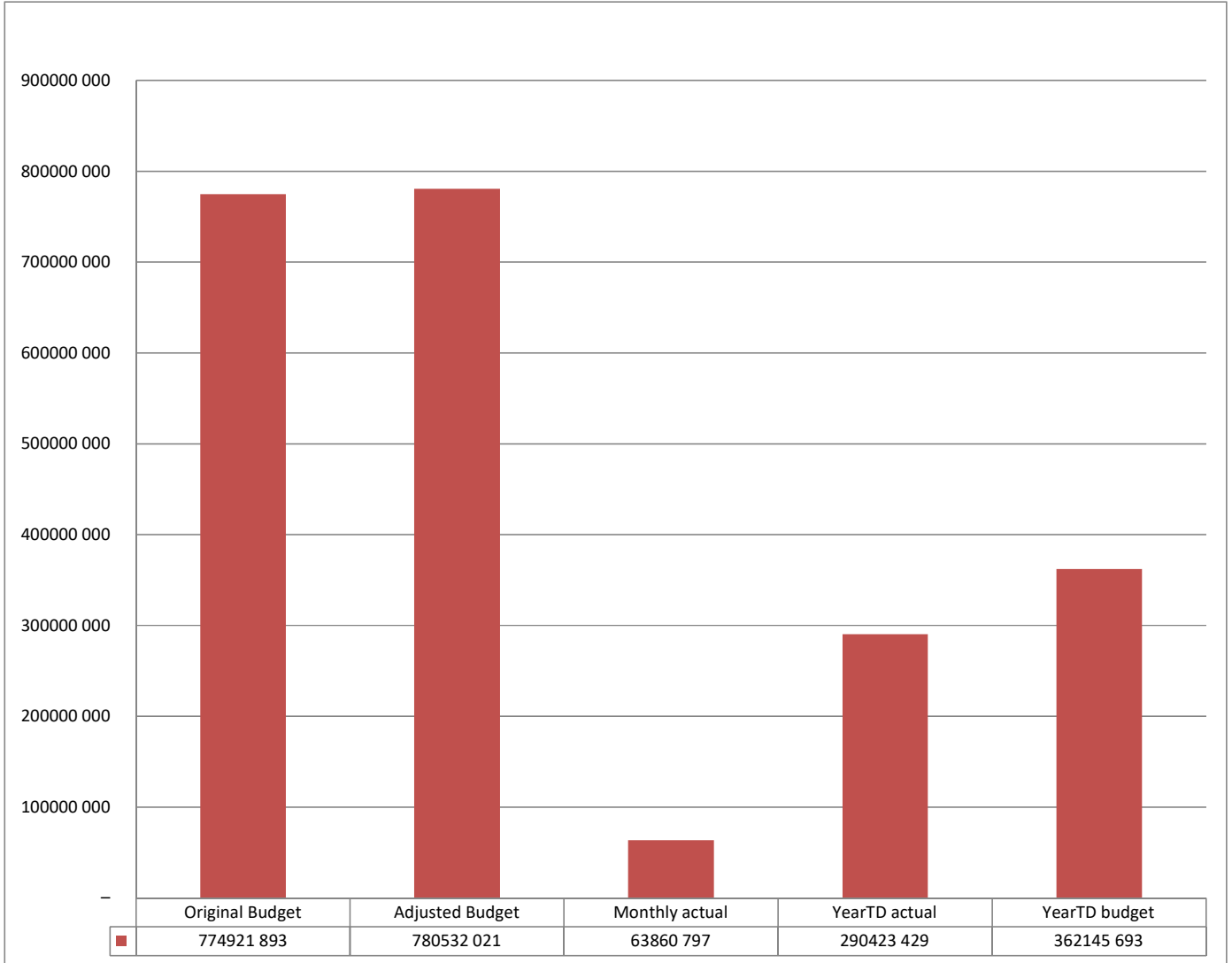
TOTAL OPERATIONAL REVENUE



For the period 1 July 2021 to 31 December 2021, 50,53% of the budgeted operational revenue was raised.

Vir die periode 1 Julie 2021 tot 31 Desember 2021, is 50,53% van die begrote operasionele inkomste gehêf.

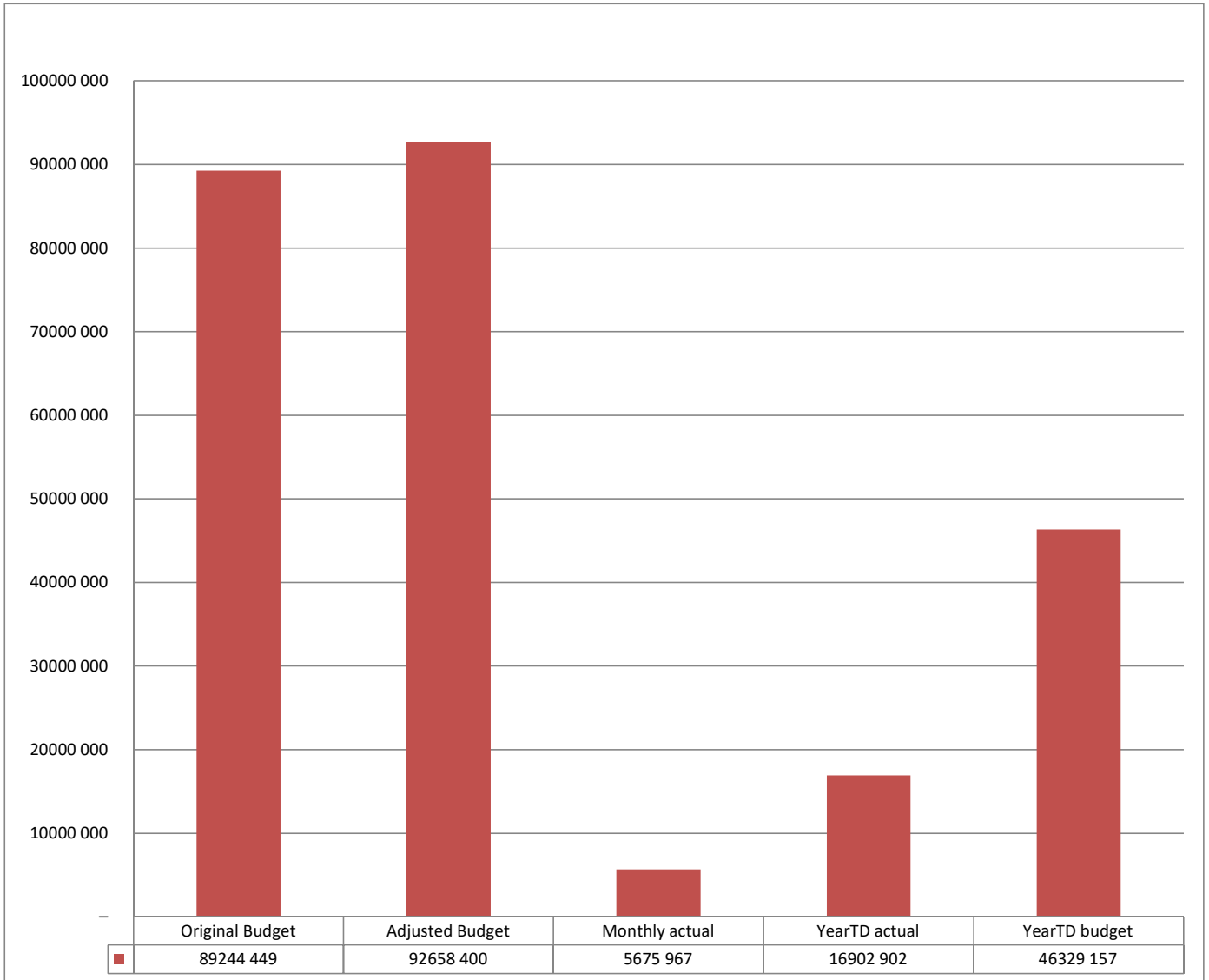
TOTAL OPERATIONAL EXPENDITURE



For the period 1 July 2021 to 31 December 2021, 37,21% of the budgeted operational expenditure was incurred.

Vir die periode 1 Julie 2021 tot 31 Desember 2021, is 37,21% van die begrote operasionele uitgawes aangegaan.

CAPITAL EXPENDITURE



For the period 1 July 2021 to 31 December 2021, 18,24% of the budgeted capital expenditure was incurred.

Vir die periode 1 Julie 2021 tot 31 Desember 2021, is 18,24% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 31 December 2021.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M06 December

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	4 537	60 751	57 746	3 005	5%	83 290
Service charges	376 205	413 772	413 772	27 170	202 093	199 828	2 265	1%	413 772
Investment revenue	3 079	6 990	6 990	192	1 609	3 493	(1 884)	-54%	6 990
Transfers recognised - operational	131 244	145 903	154 127	25 633	72 088	99 582	(27 494)	-28%	154 127
Other own revenue	31 880	52 768	52 877	9 151	22 785	26 429	(3 644)	-14%	52 877
transfers and contributions)	623 082	702 723	711 056	66 683	359 326	387 078	(27 752)	-7%	711 056
Employee costs	201 538	237 025	237 091	13 332	103 972	118 498	(14 527)	-12%	237 091
Remuneration of Councillors	9 897	12 007	12 007	871	4 904	6 001	(1 097)	-18%	12 007
Depreciation & asset impairment	32 472	39 729	39 729	15 078	15 078	19 856	(4 779)	-24%	39 729
Finance charges	4 522	8 696	8 696	16	76	4 346	(4 270)	-98%	8 696
Materials and bulk purchases	252 216	300 766	300 051	17 590	120 682	123 076	(2 394)	-2%	300 051
Transfers and grants	6 534	25 603	30 550	969	1 690	15 274	(13 585)	-89%	30 550
Other expenditure	139 236	151 096	152 408	16 006	44 022	75 093	(31 071)	-41%	152 408
Total Expenditure	646 415	774 922	780 532	63 861	290 423	362 146	(71 722)	-20%	780 532
Surplus/(Deficit)	(23 333)	(72 199)	(69 476)	2 823	68 902	24 932	43 970	176%	(69 476)
Transfers recognised - capital	52 267	74 937	75 965	15 354	15 354	52 831	(37 477)	-71%	75 965
Contributions & Contributed assets	898	170	170	35	150	85	65	76%	170
& contributions	29 831	2 908	6 659	18 211	84 406	77 848	6 558	8%	6 659
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	29 831	2 908	6 659	18 211	84 406	77 848	6 558	8%	6 659
Capital expenditure & funds sources									
Capital expenditure	66 944	89 244	92 658	5 676	16 903	46 329	(29 426)	-64%	92 658
Capital transfers recognised	52 768	74 937	76 533	5 840	15 354	38 266	(22 912)	-60%	76 533
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	16 201	(164)	1 549	8 138	(6 589)	-81%	16 201
Total sources of capital funds	66 944	89 244	92 733	5 676	16 903	46 404	(29 501)	-64%	92 733
Financial position									
Total current assets	216 785	181 281	199 130		318 765				199 130
Total non current assets	1 030 339	1 041 921	1 083 975		1 032 164				1 083 975
Total current liabilities	124 441	201 668	146 339		140 820				146 339
Total non current liabilities	175 032	131 189	174 032		178 061				174 032
Community wealth/Equity	947 651	890 345	962 733		1 032 048				962 733
Cash flows									
Net cash from (used) operating	-	85 636	97 574	16 238	70 060	61 386	8 674	14%	182 362
Net cash from (used) investing	-	(89 094)	(96 927)	(65 999)	(119 272)	(33 103)	(86 169)	260%	(92 658)
Net cash from (used) financing	-	(1 000)	(1 000)	(79)	77	-	77		77
end	-	133 360	114 952	-	66 162	143 589	(77 427)	-54%	204 999
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	48 507	5 799	5 000	10 347	4 705	4 276	22 861	202 152	303 648
Creditors Age Analysis									
Total Creditors	596	295	155	-	-	-	-	3	1 049

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	94 586	110 918	112 721	6 147	67 082	72 895	(5 813)	-8%	112 721
Executive and council	13	-	-	-	2	-	2	#DIV/0!	-
Finance and administration	94 573	110 918	112 721	6 147	67 080	72 895	(5 815)	-8%	112 721
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	155 398	171 710	178 075	32 795	83 944	110 990	(27 046)	-24%	178 075
Community and social services	128 957	120 006	120 731	25 603	71 872	82 276	(10 404)	-13%	120 731
Sport and recreation	9 235	1 661	1 661	915	3 167	830	2 337	281%	1 661
Public safety	16 928	26 158	26 473	6 263	8 838	13 231	(4 394)	-33%	26 473
Housing	278	23 884	29 210	14	67	14 652	(14 586)	-100%	29 210
<i>Economic and environmental services</i>	16 878	25 287	26 480	1 992	2 726	17 794	(15 068)	-85%	26 480
Planning and development	4 244	2 365	2 846	130	862	1 555	(692)	-45%	2 846
Road transport	12 634	22 907	23 620	1 862	1 863	16 232	(14 369)	-89%	23 620
Environmental protection	-	14	14	-	0	7	(7)	-97%	14
<i>Trading services</i>	409 308	469 795	469 795	41 135	220 970	238 255	(17 284)	-7%	469 795
Energy sources	274 358	334 664	334 664	19 886	149 313	163 425	(14 112)	-9%	334 664
Water management	52 476	72 201	72 201	6 282	26 984	40 817	(13 833)	-34%	72 201
Waste water management	49 259	27 843	27 843	4 194	20 124	15 114	5 010	33%	27 843
Waste management	33 216	35 087	35 087	10 774	24 550	18 900	5 650	30%	35 087
Total Revenue - Functional	676 246	777 830	787 191	82 072	374 829	439 994	(65 164)	-15%	787 191
Expenditure - Functional									
<i>Governance and administration</i>	122 967	145 004	147 150	9 529	57 369	73 259	(15 890)	-22%	147 150
Executive and council	23 838	29 621	29 629	1 939	10 850	14 809	(3 958)	-27%	29 629
Finance and administration	96 620	112 849	114 986	7 457	45 591	57 191	(11 600)	-20%	114 986
Internal audit	2 508	2 534	2 534	133	928	1 260	(332)	-26%	2 534
<i>Community and public safety</i>	97 728	133 059	138 198	10 169	45 049	68 827	(23 778)	-35%	138 198
Community and social services	23 943	28 680	29 272	2 625	13 486	14 618	(1 132)	-8%	29 272
Sport and recreation	27 313	32 356	32 271	3 328	13 312	15 957	(2 645)	-17%	32 271
Public safety	42 003	43 012	42 886	2 896	14 985	21 404	(6 419)	-30%	42 886
Housing	4 469	29 011	33 769	1 321	3 266	16 847	(13 581)	-81%	33 769
<i>Economic and environmental services</i>	34 813	36 288	36 164	5 161	15 246	18 018	(2 772)	-15%	36 164
Planning and development	10 129	11 280	11 785	940	5 389	5 881	(492)	-8%	11 785
Road transport	24 205	22 910	22 281	4 152	9 503	11 091	(1 588)	-14%	22 281
Environmental protection	479	2 098	2 098	69	354	1 046	(692)	-66%	2 098
<i>Trading services</i>	390 006	459 620	458 070	39 002	172 305	201 567	(29 262)	-15%	458 070
Energy sources	271 784	327 833	327 121	20 134	128 592	136 604	(8 012)	-6%	327 121
Water management	41 092	36 559	36 341	7 504	14 907	18 050	(3 143)	-17%	36 341
Waste water management	36 519	43 400	43 041	6 497	14 284	21 152	(6 867)	-32%	43 041
Waste management	40 611	51 829	51 566	4 868	14 522	25 762	(11 240)	-44%	51 566
<i>Other</i>	902	951	951	0	455	475	(21)	-4%	951
Total Expenditure - Functional	646 415	774 922	780 532	63 861	290 423	362 146	(71 722)	-20%	780 532
Surplus/ (Deficit) for the year	29 831	2 908	6 659	18 211	84 406	77 848	6 558		6 659

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
Municipal governance and administration	94 586	110 918	112 721	6 147	67 082	72 895	(5 813)	-8%	112 721
Executive and council	13	-	-	-	2	-	2		-
Mayor and Council	13	-	-	-	2	-	2		-
Municipal Manager, Town Secretary and Chief	-	-	-	-	-	-	-		-
Finance and administration	94 573	110 918	112 721	6 147	67 080	72 895	(5 815)	-8%	112 721
Administrative and Corporate Support	0	9	9	1	1	5	(4)	-87%	9
Finance	94 239	110 250	112 053	6 144	66 883	72 561	(5 678)	-8%	112 053
Human Resources	254	580	580	-	164	290	(125)	-43%	580
Marketing, Customer Relations, Publicity and Media	0	5	5	-	-	2	(2)	-100%	5
Property Services	-	-	-	-	-	-	-		-
Supply Chain Management	80	74	74	2	32	37	(5)	-12%	74
Community and public safety	155 398	171 710	178 075	32 795	83 944	110 990	(27 046)	-24%	178 075
Community and social services	128 957	120 006	120 731	25 603	71 872	82 276	(10 404)	-13%	120 731
Aged Care	118 121	109 415	109 415	25 584	71 709	76 591	(4 882)	-6%	109 415
Cemeteries, Funeral Parlours and Crematoriums	328	367	367	20	136	211	(75)	-36%	367
Community Halls and Facilities	31	485	485	(4)	10	242	(233)	-96%	485
Libraries and Archives	10 475	9 739	10 463	4	18	5 232	(5 214)	-100%	10 463
Sport and recreation	9 235	1 661	1 661	915	3 167	830	2 337	281%	1 661
Recreational Facilities	1 978	1 611	1 611	558	2 806	805	2 000	248%	1 611
Sports Grounds and Stadiums	7 257	50	50	357	362	25	337	1346%	50

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Public safety	16 928	26 158	26 473	6 263	8 838	13 231	(4 394)	-33%	26 473
<i>Fire Fighting and Protection</i>	2	6	6	4	9	3	5	0	6
Housing	278	23 884	29 210	14	67	14 652	(14 586)	-100%	29 210
<i>Housing</i>	278	23 884	29 210	14	67	14 652	(14 586)	-100%	29 210
Economic and environmental services	16 878	25 287	26 480	1 992	2 726	17 794	(15 068)	-85%	26 480
Planning and development	4 244	2 365	2 846	130	862	1 555	(692)	-45%	2 846
<i>Economic Development/Planning</i>	1 892	279	760	2	2	380	(378)	-100%	760
<i>Town Planning, Building Regulations and Project Management Unit</i>	1 721	1 426	1 426	128	861	713	148	21%	1 426
Road transport	12 634	22 907	23 620	1 862	1 863	16 232	(14 369)	-89%	23 620
<i>Roads</i>	12 634	22 907	23 620	1 862	1 863	16 232	(14 369)	-89%	23 620
Environmental protection	-	14	14	-	0	7	(7)	-97%	14
<i>Biodiversity and Landscape</i>	-	14	14	-	0	7	(7)	-97%	14
Trading services	409 308	469 795	469 795	41 135	220 970	238 255	(17 284)	-7%	469 795
Energy sources	274 358	334 664	334 664	19 886	149 313	163 425	(14 112)	-9%	334 664
<i>Electricity</i>	274 136	333 099	333 099	19 533	148 960	162 329	(13 369)	-8%	333 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	353	353	1 096	(743)	-68%	1 565
Water management	52 476	72 201	72 201	6 282	26 984	40 817	(13 833)	-34%	72 201
<i>Water Distribution</i>	52 476	60 921	60 921	6 282	26 984	32 921	(5 938)	-18%	60 921
Waste water management	49 259	27 843	27 843	4 194	20 124	15 114	5 010	33%	27 843
<i>Sewerage</i>	38 651	26 954	26 954	3 305	19 234	14 491	4 743	33%	26 954
<i>Storm Water Management</i>	10 607	889	889	889	889	623	267	43%	889
Waste management	33 216	35 087	35 087	10 774	24 550	18 900	5 650	30%	35 087
<i>Solid Waste Removal</i>	30 130	35 087	35 087	10 774	24 550	18 900	5 650	30%	35 087
Other	77	120	120	2	107	60	47	78%	120
Licensing and Regulation	77	120	120	2	107	60	47	78%	120
Total Revenue - Functional	676 246	777 830	787 191	82 072	374 829	439 994	(65 164)	-15%	787 191

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	2020/21	Budget Year 2020/21						YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands									
Expenditure - Functional									
Municipal governance and administration	122 967	145 004	147 150	9 529	57 369	73 259	(15 890)	-22%	147 150
Executive and council	23 838	29 621	29 629	1 939	10 850	14 809	(3 958)	-27%	29 629
<i>Mayor and Council</i>	15 898	18 723	18 601	1 102	6 228	9 297	(3 069)	-33%	18 601
<i>Municipal Manager, Town Secretary and Chief</i>	7 941	10 897	11 028	837	4 622	5 512	(889)	-16%	11 028
Finance and administration	96 620	112 849	114 986	7 457	45 591	57 191	(11 600)	-20%	114 986
<i>Administrative and Corporate Support</i>	17 899	11 560	11 603	520	6 684	5 630	1 053	19%	11 603
<i>Asset Management</i>	31	5 167	5 167	0	1	2 583	(2 582)	-100%	5 167
<i>Finance</i>	30 327	37 107	38 619	4 576	16 017	19 285	(3 267)	-17%	38 619
<i>Fleet Management</i>	3 406	2 806	2 806	528	1 808	1 401	407	29%	2 806
<i>Human Resources</i>	22 223	36 284	36 186	(2 389)	10 572	18 049	(7 477)	-41%	36 186
<i>Information Technology</i>	4 454	3 372	4 073	2 186	2 970	2 036	934	46%	4 073
<i>Legal Services</i>	5 416	2 279	2 279	98	721	1 095	(374)	-34%	2 279
<i>Marketing, Customer Relations, Publicity and Media</i>	3 904	3 900	3 870	405	1 995	1 933	62	3%	3 870
<i>Property Services</i>	1 783	1 268	1 268	816	1 148	634	514	81%	1 268
<i>Risk Management</i>	-	497	497	-	-	248	(248)	-100%	497
<i>Supply Chain Management</i>	6 778	7 052	7 062	692	3 521	3 524	(4)	0%	7 062
<i>Valuation Service</i>	400	1 557	1 557	26	154	773	(619)	-80%	1 557
Internal audit	2 508	2 534	2 534	133	928	1 260	(332)	-26%	2 534
<i>Governance Function</i>	2 508	2 534	2 534	133	928	1 260	(332)	-26%	2 534
Community and public safety	97 728	133 059	138 198	10 169	45 049	68 827	(17 047)	-25%	138 198
Community and social services	23 943	28 680	29 272	2 625	13 486	14 618	(1 132)	-8%	29 272
<i>Aged Care</i>	4 658	4 347	4 294	614	3 384	2 144	1 240	58%	4 294
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	3 189	3 600	3 570	265	1 643	1 783	(140)	-8%	3 570
<i>Child Care Facilities</i>	8	972	972	1	2	486	(483)	-100%	972
<i>Community Halls and Facilities</i>	5 400	6 608	6 594	729	2 852	3 291	(438)	-13%	6 594
<i>Disaster Management</i>	95	236	236	0	3	118	(115)	-98%	236
<i>Education</i>	1	831	828	-	1	414	(413)	-100%	828
<i>Libraries and Archives</i>	10 591	12 086	12 778	1 016	5 601	6 383	(783)	-12%	12 778
Sport and recreation	27 313	32 356	32 271	3 328	13 312	15 957	(2 645)	-17%	32 271
<i>Community Parks (including Nurseries)</i>	8 229	7 228	7 248	1 231	4 108	3 605	503	14%	7 248
<i>Recreational Facilities</i>	13 054	18 999	18 884	1 298	6 273	9 300	(3 027)	-33%	18 884
<i>Sports Grounds and Stadiums</i>	6 031	6 129	6 139	799	2 931	3 052	(121)	-4%	6 139
Public safety	42 003	43 012	42 886	2 896	14 985	21 404	311	1%	42 886
<i>Fire Fighting and Protection</i>	8 395	8 118	8 120	1 028	4 354	4 043	311	8%	8 120
Housing	4 469	29 011	33 769	1 321	3 266	16 847	(13 581)	-81%	33 769
<i>Housing</i>	4 463	27 003	31 761	1 318	3 236	15 843	(12 607)	-80%	31 761
<i>Informal Settlements</i>	6	2 009	2 009	2	30	1 004	(974)	-97%	2 009

Description	2020/21	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	YearTD budget
R thousands									
Economic and environmental services	34 813	36 288	36 164	5 161	15 246	18 018	(2 772)	-15%	36 164
Planning and development	10 129	11 280	11 785	940	5 389	5 881	(492)	-8%	11 785
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	1 982	163	960	989	(29)	-3%	1 982
<i>Economic Development/Planning</i>	1 400	2 115	2 556	151	715	1 274	(559)	-44%	2 556
<i>Town Planning, Building Regulations and Enforcement</i>	4 745	4 473	4 537	418	2 473	2 263	210	9%	4 537
<i>Project Management Unit</i>	2 298	2 710	2 710	208	1 240	1 355	(114)	-8%	2 710
Road transport	24 205	22 910	22 281	4 152	9 503	11 091	(1 588)	-14%	22 281
Roads	24 205	22 910	22 281	4 152	9 503	11 091	(1 588)	-14%	22 281
Environmental protection	479	2 098	2 098	69	354	1 046	(692)	-66%	2 098
<i>Biodiversity and Landscape</i>	479	2 098	2 098	69	354	1 046	(692)	-66%	2 098
Trading services	390 006	459 620	458 070	39 002	172 305	201 567	(29 262)	-15%	458 070
Energy sources	271 784	327 833	327 121	20 134	128 592	136 604	(8 012)	-6%	327 121
Electricity	269 197	324 461	324 465	19 640	127 338	135 277	(7 939)	-6%	324 465
<i>Street Lighting and Signal Systems</i>	2 587	3 371	2 656	493	1 254	1 328	(74)	-6%	2 656
Water management	41 092	36 559	36 341	7 504	14 907	18 050	(3 143)	-17%	36 341
Water Treatment	154	1 838	1 838	16	97	919	(822)	-89%	1 838
Water Distribution	37 997	30 463	30 092	7 029	12 780	14 926	(2 146)	-14%	30 092
Water Storage	2 941	4 258	4 411	459	2 030	2 205	(175)	-8%	4 411
Waste water management	36 519	43 400	43 041	6 497	14 284	21 152	(6 867)	-32%	43 041
Public Toilets	1 566	1 984	1 964	147	801	981	(181)	-18%	1 964
Sewerage	27 631	30 347	29 961	5 023	9 705	14 635	(4 930)	-34%	29 961
Storm Water Management	7 321	8 141	8 191	1 327	3 778	4 073	(295)	-7%	8 191
Waste Water Treatment	0	2 928	2 926	-	0	1 462	(1 462)	-100%	2 926
Waste management	40 611	51 829	51 566	4 868	14 522	25 762	(11 240)	-44%	51 566
Solid Waste Disposal (Landfill Sites)	7 599	16 403	16 105	181	1 617	8 048	(6 431)	-80%	16 105
Solid Waste Removal	31 594	33 991	34 026	4 675	12 817	16 996	(4 179)	-25%	34 026
Street Cleaning	1 418	1 436	1 436	12	88	718	(630)	-88%	1 436
Other	902	951	951	0	455	475	(21)	-4%	951
Licensing and Regulation	10	51	51	0	5	25	(21)	-82%	51
Tourism	892	900	900	-	450	450	0	0%	900
Total Expenditure - Functional	646 415	774 922	780 532	63 861	290 423	362 146	(64 992)	-18%	780 532
Surplus/ (Deficit) for the year	29 831	2 908	6 659	18 211	84 406	77 848	6 558	8%	6 659

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

**WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06
December**

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 515	5 942	65 693	71 300	(5 607)	-7,9%	109 515
Vote 2 - Community Services	13 275	35 720	41 770	616	3 134	20 963	(17 828)	-85,0%	41 770
Vote 3 - Community Services	130 855	131 976	132 291	29 404	78 219	88 024	(9 805)	-11,1%	132 291
Vote 4 - Community Services	13 503	4 581	5 061	2 801	2 807	2 530	277	10,9%	5 061
Vote 5 - Corporate Services	267	594	594	1	166	297	(130)	-43,9%	594
Vote 6 - Technical Services	339 017	388 952	389 664	26 207	172 978	196 528	(23 549)	-12,0%	389 664
Vote 7 - Technical Services	85 638	107 224	107 224	17 050	51 527	59 685	(8 158)	-13,7%	107 224
Vote 8 - Municipal Manager	1 129	1 072	1 072	51	305	668	(363)	-54,3%	1 072
Total Revenue by Vote	676 246	777 830	787 191	82 072	374 829	439 994	(65 164)	-14,8%	787 191
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	53 986	5 449	20 624	26 954	(6 329)	-23,5%	53 986
Vote 2 - Community Services	36 230	41 879	42 503	3 574	18 000	21 083	(3 082)	-14,6%	42 503
Vote 3 - Community Services	48 069	54 069	53 773	4 126	18 917	26 836	(7 920)	-29,5%	53 773
Vote 4 - Community Services	16 324	43 719	48 972	2 842	9 822	24 425	(14 603)	-59,8%	48 972
Vote 5 - Corporate Services	68 177	77 479	77 983	2 665	30 527	38 767	(8 240)	-21,3%	77 983
Vote 6 - Technical Services	338 123	401 057	399 421	31 339	155 510	172 363	(16 853)	-9,8%	399 421
Vote 7 - Technical Services	86 066	90 791	90 361	12 922	31 518	45 007	(13 489)	-30,0%	90 361
Vote 8 - Municipal Manager	14 779	13 462	13 533	943	5 505	6 711	(1 206)	-18,0%	13 533
Total Expenditure by Vote	646 353	774 922	780 532	63 861	290 423	362 146	(71 722)	-19,8%	780 532
Surplus/ (Deficit) for the year	29 893	2 908	6 659	18 211	84 406	77 848	6 558	8,4%	6 659

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	4 537	60 751	57 746	3 005	5%	83 290
Service charges - electricity revenue	274 184	323 478	323 478	18 847	148 329	155 269	(6 940)	-4%	323 478
Service charges - water revenue	43 137	39 677	39 677	3 607	21 858	18 644	3 214	17%	39 677
Service charges - sanitation revenue	30 920	25 043	25 043	2 199	17 092	13 369	3 723	28%	25 043
Service charges - refuse revenue	27 965	25 574	25 574	2 518	14 814	12 546	2 268	18%	25 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 526	1 470	1 470	323	1 994	735	1 259	171%	1 470
Interest earned - external investments	3 079	6 990	6 990	192	1 609	3 493	(1 884)	-54%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 457	8 030	4 337	3 693	85%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 592	21 479	21 479	5 561	5 587	10 735	(5 148)	-48%	21 479
Licences and permits	1 065	2 111	2 111	(1 981)	664	1 055	(391)	-37%	2 111
Agency services	4 354	4 046	4 046	2 442	2 442	2 022	419	21%	4 046
Transfers recognised - operational	131 244	145 903	154 127	25 633	72 088	99 582	(27 494)	-28%	154 127
Other revenue	7 774	14 985	15 094	1 349	4 069	7 545	(3 476)	-46%	15 094
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	623 082	702 723	711 056	66 683	359 326	387 078	(27 752)	-7%	711 056
Expenditure By Type									
Employee related costs	201 538	237 025	237 091	13 332	103 972	118 498	(14 527)	-12%	237 091
Remuneration of councillors	9 897	12 007	12 007	871	4 904	6 001	(1 097)	-18%	12 007
Debt impairment	50 015	63 750	63 750	9 979	6 667	31 862	(25 195)	-79%	63 750
Depreciation & asset impairment	32 472	39 729	39 729	15 078	15 078	19 856	(4 779)	-24%	39 729
Finance charges	4 522	8 696	8 696	16	76	4 346	(4 270)	-98%	8 696
Bulk purchases	239 632	285 789	285 789	16 031	113 496	115 971	(2 475)	-2%	285 789
Other materials	12 584	14 977	14 263	1 559	7 186	7 105	81	1%	14 263
Contracted services	51 748	48 390	48 229	1 127	16 460	23 335	(6 874)	-29%	48 229
Transfers and grants	6 534	25 603	30 550	969	1 690	15 274	(13 585)	-89%	30 550
Other expenditure	37 407	38 955	40 428	4 900	20 894	19 896	998	5%	40 428
Loss on disposal of PPE	66	0	0	-	-	0	(0)	-100%	0
Total Expenditure	646 415	774 922	780 532	63 861	290 423	362 146	(71 722)	-20%	780 532
Surplus/(Deficit)	(23 333)	(72 199)	(69 476)	2 823	68 902	24 932	43 970	0	(69 476)
Transfers recognised - capital	52 267	74 937	75 965	15 354	15 354	52 831	(37 477)	(0)	75 965
Contributions recognised - capital	898	170	170	35	150	85	65	0	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 831	2 908	6 659	18 211	84 406	77 848			6 659
Surplus/(Deficit) attributable to Share of surplus/ (deficit) of associate	29 831	2 908	6 659	18 211	84 406	77 848			6 659
Surplus/ (Deficit) for the year	29 831	2 908	6 659	18 211	84 406	77 848			6 659

The revenue and expenditure figures excludes internal charges.

Other expenditure includes operational costs such as:

Advertising, Publicity and Marketing

External Audit Fees

Communication

External Computer Service

Insurance Underwriting

Travel and Subsistence

Printing, Publications and Books

Uniform and Protective Clothing

Wet Fuel

Hire Charges

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	–	–	–	–	–	–	–		–
Vote 2 - Community Services	206	–	–	–	–	–	–		–
Vote 3 - Community Services	–	–	–	–	–	–	–		–
Vote 4 - Community Services	–	–	–	–	–	–	–		–
Vote 5 - Corporate Services	–	–	–	–	–	–	–		–
Vote 6 - Technical Services	12 425	27 630	27 523	279	600	13 762	(13 162)	-96%	27 523
Vote 7 - Technical Services	3 913	34 373	36 893	3 784	9 527	18 446	(8 920)	-48%	36 893
Vote 8 - Municipal Manager	–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	16 545	62 004	64 416	4 064	10 127	32 208	(22 081)	-69%	64 416
Single Year expenditure appropriation									
Vote 1 - Financial Services	165	180	858	92	197	429	(232)	-54%	858
Vote 2 - Community Services	1 971	–	–	–	–	–	–		–
Vote 3 - Community Services	1 126	–	240	240	240	120	120	100%	240
Vote 4 - Community Services	9 507	6 151	3 739	315	354	1 870	(1 515)	-81%	3 739
Vote 5 - Corporate Services	3 630	900	915	–	–	457	(457)	-100%	915
Vote 6 - Technical Services	25 539	16 266	18 747	965	5 096	9 373	(4 277)	-46%	18 747
Vote 7 - Technical Services	8 462	3 744	3 744	–	889	1 872	(983)	-52%	3 744
Vote 8 - Municipal Manager	–	–	–	–	–	–	–		–
Total Capital single-year expenditure	50 399	27 241	28 243	1 612	6 776	14 121	(7 345)	-52%	28 243
Total Capital Expenditure	66 944	89 244	92 658	5 676	16 903	46 329	(29 426)	-64%	92 658

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
Governance and administration	3 162	2 080	3 974	1 057	1 162	1 987	(825)	-42%	3 974
Executive and council	(1)	600	600	–	–	300	(300)	-100%	600
Finance and administration	3 163	1 480	3 374	1 057	1 162	1 687	(525)	-31%	3 374
Community and public safety	10 876	5 456	3 283	555	593	1 642	(1 049)	-64%	3 283
Community and social services	1 613	–	–	–	–	–	–	–	–
Sport and recreation	7 782	5 456	3 043	315	353	1 522	(1 169)	-77%	3 043
Public safety	1 481	–	240	240	240	120	120	100%	240
Housing	–	–	–	–	–	–	–	–	–
Economic and environmental service	17 177	27 042	28 323	–	1 864	14 161	(12 297)	-87%	28 323
Planning and development	1 934	696	696	–	2	348	(346)	-100%	696
Road transport	15 243	26 347	27 627	–	1 862	13 813	(11 951)	-87%	27 627
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	35 728	54 666	57 079	4 064	13 285	28 539	(15 255)	-53%	57 079
Energy sources	4 054	13 163	13 163	279	1 090	6 581	(5 492)	-83%	13 163
Water management	7 954	21 135	21 135	906	2 146	10 568	(8 422)	-80%	21 135
Waste water management	18 448	3 386	3 279	–	1 779	1 640	139	8%	3 279
Waste management	5 272	16 982	19 501	2 879	8 270	9 751	(1 481)	-15%	19 501
Total Capital Expenditure - Standard Classification	66 944	89 244	92 658	5 676	16 903	46 329	(29 426)	-64%	92 658
Funded by:									
National Government	18 276	49 637	49 637	5 600	10 582	24 818	(14 236)	-57%	49 637
Provincial Government	33 326	24 801	26 081	–	4 532	13 041	(8 509)	-65%	26 081
District Municipality	665	500	815	240	240	408	(168)	-41%	815
Transfers recognised - capital	52 768	74 937	76 533	5 840	15 354	38 266	(22 912)	-60%	76 533
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	14 175	14 307	16 201	(164)	1 549	8 138	(6 589)	-81%	16 201
Total Capital Funding	66 944	89 244	92 733	5 676	16 903	46 404	(29 501)	-64%	92 733

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	115 305	133 360	114 952	66 162	114 952
Call investment deposits	–	–	–	100 000	–
Consumer debtors	82 140	28 353	55 673	110 542	55 673
Other debtors	9 377	7 966	18 542	33 376	18 542
Current portion of long-term receivables	–	–	–	–	–
Inventory	9 963	11 602	9 963	8 685	9 963
Total current assets	216 785	181 281	199 130	318 765	199 130
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	43 430	43 765	43 430	43 430	43 430
Investments in Associate	–	–	–	–	–
Property, plant and equipment	985 237	996 031	1 038 873	987 063	1 038 873
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	1 122	1 576	1 122	1 122	1 122
Other non-current assets	550	550	550	550	550
Total non current assets	1 030 339	1 041 921	1 083 975	1 032 164	1 083 975
TOTAL ASSETS	1 247 124	1 223 203	1 283 105	1 350 929	1 283 105
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	1 587	–	1 587	898	1 587
Consumer deposits	8 732	7 976	8 732	9 479	8 732
Trade and other payables	58 125	115 836	110 393	76 976	110 393
Provisions	55 997	77 857	25 627	53 466	25 627
Total current liabilities	124 441	201 668	146 339	140 820	146 339
Non current liabilities					
Borrowing	1 188	2 588	188	1 188	188
Provisions	173 844	128 602	173 844	176 873	173 844
Total non current liabilities	175 032	131 189	174 032	178 061	174 032
TOTAL LIABILITIES	299 473	332 857	320 371	318 881	320 371
NET ASSETS	947 651	890 345	962 733	1 032 048	962 733
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	937 209	879 728	952 291	1 021 606	952 291
Reserves	10 442	10 618	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY	947 651	890 345	962 733	1 032 048	962 733

The cash flows for the year to date are indicated in the following table:

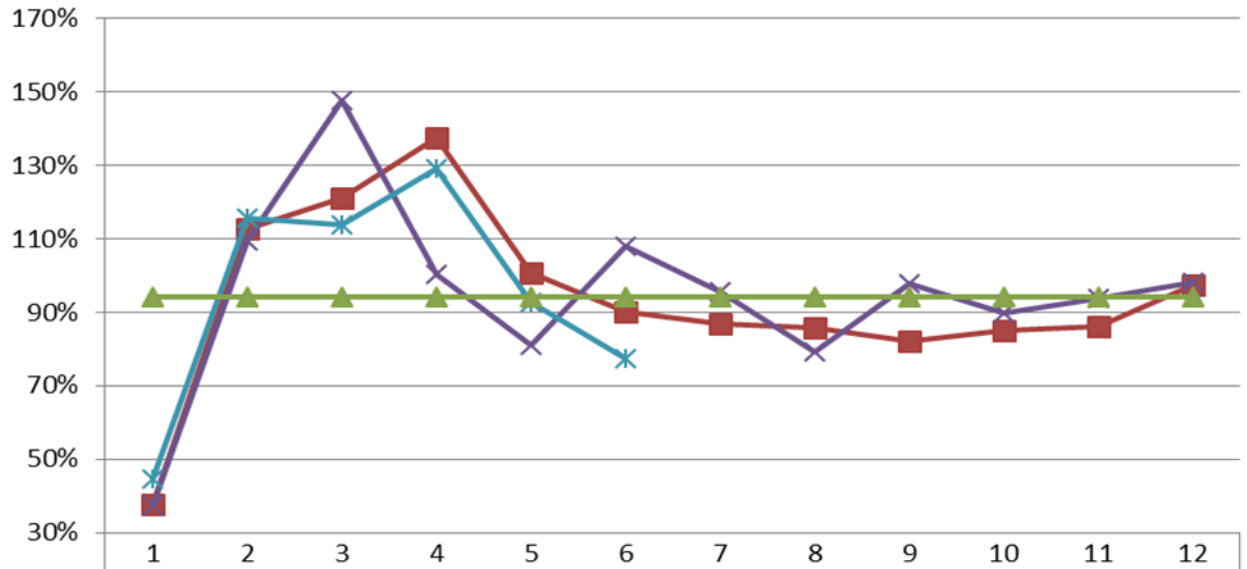
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	-	79 126	79 126	4 215	54 599	52 928	1 671	3%	78 476
Service charges	-	379 151	437 751	28 229	223 854	166 853	57 001	34%	379 328
Other revenue	-	27 756	19 373	1 165	10 532	11 212	(680)	-6%	16 391
Government - operating	-	145 903	154 127	26 392	81 105	104 778	(23 674)	-23%	124 778
Government - capital	-	75 107	86 842	-	38 311	38 852	(541)	-1%	112 333
Interest	-	9 593	9 593	192	1 397	2 621	(1 224)	-47%	15 666
Dividends									
Payments									
Suppliers and employees	-	(604 934)	(658 415)	(42 971)	(337 806)	(312 329)	25 477	-8%	(544 150)
Finance charges	-	(461)	(462)	(16)	(17)	(230)	(214)	93%	(461)
Transfers and Grants	-	(25 603)	(30 361)	(969)	(1 915)	(3 299)	(1 385)	42%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	85 636	97 574	16 238	70 060	61 386	56 432	92%	182 362
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	10 442	(60 000)	(99 788)	-	(99 788)		-
Payments									
Capital assets	-	(89 094)	(107 369)	(5 999)	(19 484)	(33 103)	(13 619)	41%	(92 658)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(89 094)	(96 927)	(65 999)	(119 272)	(33 103)	86 169	-260%	(92 658)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	30	205	-	205		-
Payments									
Repayment of borrowing	-	(1 000)	(1 000)	(109)	(128)	-	128		-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	(1 000)	(1 000)	(79)	77	-	(77)		77
NET INCREASE/ (DECREASE) IN CASH HELD	-	(4 459)	(353)	(49 839)	(49 134)	28 284			89 703
Cash/cash equivalents at beginning:	-	137 819	115 305		115 296	115 305			115 296
Cash/cash equivalents at month/year end:	-	133 360	114 952		66 162	143 589			204 999

WC022 Witzberg - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations
	R thousands		
1	Revenue By Source		
	Property rates	3 005	Immaterial Variance.
	Service charges - electricity revenue	(6 940)	Immaterial Variance.
	Service charges - water revenue	3 214	Immaterial Variance.
	Service charges - sanitation revenue	3 723	Immaterial Variance.
	Service charges - refuse revenue	2 268	Immaterial Variance.
	Service charges - other	-	
	Rental of facilities and equipment	1 259	Immaterial Variance.
	Interest earned - external investments	(1 884)	Immaterial Variance.
	Interest earned - outstanding debtors	3 693	Immaterial Variance.
	Dividends received	-	
	Fines, penalties and forfeits	(5 148)	Fines Revenue Recognised on an Annual Basis. No service provider appointed.
	Licences and permits	(391)	Immaterial Variance.
	Agency services	419	Immaterial Variance.
	Transfers and subsidies	(27 494)	Delay in expenditure with regards to Housing Top Structures. Deduction of unspent grants from second equitable share tranche.
	Other revenue	(3 476)	Immaterial Variance.
	Gains on disposal of PPE	-	
2	Expenditure By Type		
	Employee related costs	(14 527)	Variance due to non-cash provisions related to post employment benefits included in employee related costs.
	Remuneration of councillors	(1 097)	Immaterial Variance.
	Debt impairment	(25 195)	Provision in line with calculated provision based on Debtors Aging.
	Depreciation & asset impairment	(4 779)	Immaterial Variance.
	Finance charges	(4 270)	Immaterial Variance.
	Bulk purchases	(2 475)	Immaterial Variance.
	Other materials	81	Immaterial Variance.
	Contracted services	(6 874)	Decrease in contracted services.
	Transfers and subsidies	(13 585)	Delay in expenditure with regards to Housing Top Structures.
	Other expenditure	998	Immaterial Variance.
	Loss on disposal of PPE	-	
3	Capital Expenditure		
	Total Capital Expenditure	(29 426)	Capital expenditure on bigger projects due to commence shortly. Awaiting approval from necessary authorities.
		-	
		-	
4	Financial Position		
		-	
		-	
		-	
5	Cash Flow		
	Receipts		
	Property rates	1 671	Immaterial Variance.
	Service charges	57 001	High collection mainly attributable to increased electricity usage during winter months.
	Other revenue	(680)	Receipts lower than expected.
	Government - operating	(23 674)	Receipts with regards to Operational Grants outstanding - deduction of unspent grants from second equitable share tranche.
	Government - capital	(541)	Immaterial Variance.
	Interest	(1 224)	Immaterial Variance.
	Dividends	-	
	Payments		
	Suppliers and employees	25 477	Variance due to increased expenditure pertaining to Bulk Purchases as well as contracted services. Higher tariffs charged by Eskom during winter months.
	Finance charges	(214)	Immaterial Variance.
	Transfers and Grants	(1 385)	Immaterial Variance.
6	Measureable performance		
7	Municipal Entities		

Debtor Collection Rate per Month

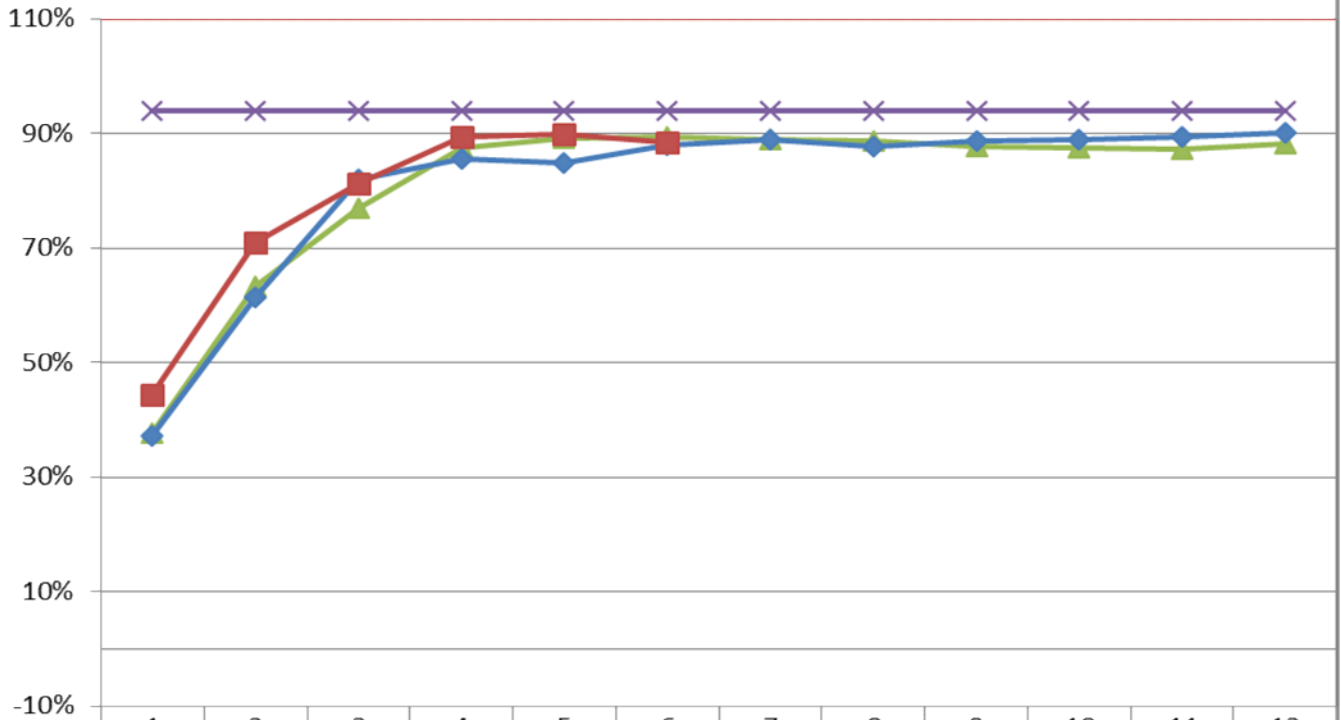


19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
21/22	44%	116%	114%	129%	93%	77%						
Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for Nov 2021 amounts to 93% in comparison to the previous year 81%.

Die doel van hierdie grafiek is om die verhoging van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Nov 2021 93% beloop in vergelyking met die vorige jaar 81%.

Accumulative Collection Rate



	1	2	3	4	5	6	7	8	9	10	11	12
▲ 19/20	38%	63%	77%	87%	89%	89%	89%	89%	88%	87%	87%	88%
◆ 20/21	37%	62%	82%	86%	85%	88%	89%	88%	89%	89%	89%	90%
■ 21/22	44%	71%	81%	90%	90%	88%						
✕ Target	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 88%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 98% beloop.

The payment culture of consumers are still the same which has a negative impact on collections.

Die betalingskultuur onder verbruikers is onveranderd wat die invorderings negatief beïnvloed.

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2021/22									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Water	1200	11 752	1 910	1 757	1 650	1 872	1 650	8 982	63 532	93 105	77 687	
Electricity	1300	17 597	801	442	424	244	227	873	4 933	25 541	6 701	
Property Rates	1400	5 050	475	379	5 832	310	331	1 200	18 189	31 767	25 863	
Waste Water Management	1500	8 388	1 104	1 030	974	955	874	4 913	33 146	51 384	40 862	
Waste Management	1600	8 939	1 336	1 206	1 146	1 087	970	5 305	34 459	54 447	42 966	
Property Rental Debtors	1700	198	12	13	13	13	12	86	1 111	1 457	1 234	
Interest on Arrear Accounts	1810	1 217	117	134	248	191	183	1 321	45 516	48 927	47 459	
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(4 631)	44	39	60	33	29	181	1 266	(2 979)	1 570	
Total By Income Source	2000	48 507	5 799	5 000	10 347	4 705	4 276	22 861	202 152	303 648	244 341	
2019/20 - totals only										-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	132	267	204	1 477	173	101	602	5 914	8 870	8 268	
Commercial	2300	16 561	760	357	2 915	401	245	805	11 197	33 241	15 562	
Households	2400	31 446	4 601	4 282	5 607	3 950	3 744	20 463	178 896	252 988	212 659	
Other	2500	368	172	158	349	181	186	991	6 145	8 549	7 852	
Total By Customer Group	2600	48 507	5 799	5 000	10 347	4 705	4 276	22 861	202 152	303 648	244 341	

Negative figure as indicated for "Other Debtors" relates to cash received, but not yet allocated.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	596	295	155	-	-	-	-	3	1 049
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	596	295	155	-	-	-	-	3	1 049

Notes

Material increases in value of creditors' categories compared to previous month to be explained

0

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
R thousands								
<u>Municipality</u>								
Nedbank Ltd	6 Months	Fixed depos	29/01/2022	-		-	-	20 000
ABSA Bank Ltd	7 Months	Fixed depos	28/02/2022	-		-	-	20 000
Nedbank Ltd	5 Months	Fixed depos	30/05/2022	-		-	-	10 000
Standard Bank of SA Ltd	5 Months	Fixed depos	30/05/2022	-		-	-	30 000
First National Bank	5 Months	Fixed depos	30/05/2022	-		-	-	20 000
TOTAL INVESTMENTS AND INTEREST				-		-	-	100 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	2 210	2 210	-	(1 550)	1 105	-		2 210
Operational Revenue:General Revenue:Equitable S	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Gran	-	-	-	-	-	-		-
Local Government Financial Management Grant [S	1 550	1 550	-	(1 550)	775	(2 325)	-300,0%	1 550
Municipal Infrastructure Grant [Schedule 5B]	660	660	-	-	330	(330)	-100,0%	660
Provincial Government:	29 456	29 456	2 354	(32 044)	14 728	(46 772)	-317,6%	29 456
Capacity Building	-	-	-	-	-	-		-
Capacity Building and Other	15 902	15 902	1 177	(16 022)	7 951	(23 973)	-301,5%	15 902
Infrastructure	2 749	2 749	1 177	(3 018)	1 375	(4 393)	-319,6%	2 749
								-
								2 348
District Municipality:	-	-	-	-	-	-		-
All Grants	-	-	-	-	-	-		-
Total Operating Transfers and Grants	34 014	34 014	2 354	(33 594)	18 181	(51 775)	-284,8%	34 014
National Government:	-	-	-	(835)	-	(835)		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant (Schedule 5B)	-	-	-	-	-	-		-
Provincial Government:	-	-	-	(6 717)	-	(6 717)		-
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	-	-	-	(3 359)	-	(3 359)		-
								-
District Municipality:	18 112	18 112	1 177	(21 348)	9 056	(30 404)	-335,7%	18 112
All Grants	18 112	18 112	1 177	(21 348)	9 056	(30 404)	-335,7%	18 112
Other grant providers:	94 164	94 164	-	(52 652)	47 082	(99 734)	-211,8%	94 164
Departmental Agencies and Accounts	-	-	-	-	-	-		-
Foreign Government and International Organisations	57 082	57 082	-	(29 725)	28 541	(58 266)	-204,1%	57 082
Total Capital Transfers and Grants	112 276	112 276	1 177	(81 552)	56 138	(137 690)	-245,3%	112 276
TOTAL RECEIPTS OF TRANSFERS & GRANTS	146 290	146 290	3 531	(115 146)	74 319	(189 465)	-254,9%	146 290

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Budget Year 2021/22							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	-	-	49	(287)	-	-		-
Operational Revenue:General Revenue:Equitable	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Gr	-	-	-	-	-	-		-
Local Government Financial Management Grant [-	-	-	-	-	-		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Provincial Government:	-	-	739	(3 070)	-	(3 070)		-
Capacity Building and Other	-	-	370	(1 535)	-	(1 535)		-
Disaster and Emergency Services	-	-	-	-	-	-		-
Infrastructure	-	-	370	(1 535)	-	(1 535)		-
District Municipality:	-	-	-	-	-	-		-
All Grants	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-		-
Foreign Government and International Organisatio	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants	-	-	789	(3 357)	-	(3 070)		-
National Government:	-	-	-	-	-	-		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant (Schedule 5B)	-	-	-	-	-	-		-
Provincial Government:	-	-	838	(3 643)	-	(3 643)		-
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	-	-	-	-	-	-		-
District Municipality:	-	-	419	(1 822)	-	(1 822)		-
All Grants	-	-	419	(1 822)	-	(1 822)		-
Other grant providers:	-	-	21 452	14 864	-	14 864		-
Foreign Government and International Organisatio	-	-	11 422	8 155	-	8 155	#DIV/0!	-
Transfer from Operational Revenue	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	-	-	22 709	9 400	-	9 400		-
TOTAL EXPENDITURE OF TRANSFERS AND GRAN	-	-	23 498	6 043	-	6 330		-

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C					%	D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	672	3 831	3 989	(157)	-4%	7 980
Pension and UIF Contributions	1 787	1 787	103	474	893	(419)	-47%	1 787
Medical Aid Contributions	335	335	11	79	168	(88)	-53%	335
Motor Vehicle Allowance	817	817	-	-	408	(408)	-100%	817
Cellphone Allowance	985	985	85	505	492	12	3%	985
Housing Allowances	43	43	-	15	22	(7)	-32%	43
Other benefits and allowances	59	59	-	-	29	(29)	-100%	59
Sub Total - Councillors	12 007	12 007	871	4 904	6 001	(1 097)	-18%	12 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 497	325	1 948	2 248	(300)	-13%	4 497
Pension and UIF Contributions	925	925	29	173	462	(289)	-63%	925
Medical Aid Contributions	159	159	5	29	80	(51)	-64%	159
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	1 052	1 052	62	372	526	(154)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	495	621	(125)	-20%	1 242
Cellphone Allowance	84	84	15	33	42	(9)	-20%	84
Housing Allowances	182	182	23	142	91	51	56%	182
Other benefits and allowances	136	136	9	56	68	(11)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers	8 276	8 276	551	3 249	4 137	(888)	-21%	8 276
Other Municipal Staff								
Basic Salaries and Wages	136 537	136 602	10 081	59 950	68 274	(8 324)	-12%	136 602
Pension and UIF Contributions	20 659	20 660	1 680	9 986	10 326	(340)	-3%	20 660
Medical Aid Contributions	9 200	9 200	671	4 067	4 598	(531)	-12%	9 200
Overtime	10 906	10 906	1 609	9 102	5 451	3 651	67%	10 906
Performance Bonus	9 311	9 311	779	4 650	4 654	(4)	0%	9 311
Motor Vehicle Allowance	5 309	5 309	499	2 962	2 654	309	12%	5 309
Cellphone Allowance	478	478	42	256	239	17	7%	478
Housing Allowances	1 947	1 947	94	568	973	(405)	-42%	1 947
Other benefits and allowances	5 175	5 175	336	2 464	2 586	(123)	-5%	5 175
Payments in lieu of leave	1 050	1 050	(3 876)	1 522	525	997	190%	1 050
Long service awards	-	-	81	483	-	483	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	786	4 714	14 083	(9 369)	-67%	28 178
Sub Total - Other Municipal Staff	228 749	228 815	12 781	100 723	114 362	(13 639)	-12%	228 815
TOTAL SALARY, ALLOWANCES & % increase	249 032	249 098	14 203	108 876	124 499	(15 624)	-13%	249 098
TOTAL MANAGERS AND STAFF	237 025	237 091	13 332	103 972	118 498	(14 527)	-12%	237 091

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2021/22											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget
Cash Receipts By Source													
Property rates		5 769	15 593	11 710	12 132	5 180	4 215	-	-	-	-	-	23 876
Service charges - electricity revenue		30 337	36 936	33 947	28 552	25 311	21 246	-	-	-	-	-	140 868
Service charges - water revenue		2 880	3 342	2 987	3 128	2 894	2 432	-	-	-	-	-	11 220
Service charges - sanitation revenue		1 789	2 310	1 912	5 727	2 288	1 507	-	-	-	-	-	(258)
Service charges - refuse		2 013	2 089	2 126	2 181	2 208	1 520	-	-	-	-	-	5 837
Service charges - other		-	-	3 044	(2 436)	60	1 525	-	-	-	-	-	(1 506)
Rental of facilities and equipment		91	77	334	300	374	219	-	-	-	-	-	(1 391)
Interest earned - external investments		221	237	164	136	448	192	-	-	-	-	-	12 352
Interest earned - outstanding debtors		0	-	-	-	-	-	-	-	-	-	-	1 917
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		68	53	63	107	176	82	-	-	-	-	-	783
Licences and permits		487	50	325	1 612	3 641	400	-	-	-	-	-	(4 306)
Agency services		-	-	-	-	-	-	-	-	-	-	-	3 948
Transfer receipts - operating		-	-	-	-	-	-	-	-	-	-	-	124 778
Other revenue		44 521	6 061	483	4 627	629	26 854	-	-	-	-	-	(74 965)
Cash Receipts by Source		88 177	66 748	57 094	56 065	43 209	60 193	-	-	-	-	-	243 153
Other Cash Flows by Source													-
Transfer receipts - capital		9 333	-	-	7 713	21 264	-	-	-	-	-	-	74 022
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	(1 000)
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(10)	21	10	61	93	30	-	-	-	-	-	(205)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		(80 000)	-	-	20 212	20 000	(60 000)	-	-	-	-	-	99 788
Total Cash Receipts by Source		17 500	66 769	57 104	84 052	84 566	223	-	-	-	-	-	415 757
Cash Payments by Type													-
Employee related costs		14 974	14 718	15 104	17 148	24 682	15 513	-	-	-	-	-	109 446
Remuneration of councillors		936	955	938	938	706	871	-	-	-	-	-	(5 343)
Interest paid		-	-	1	-	-	16	-	-	-	-	-	444
Bulk purchases - Electricity		32 051	38 254	33 727	20 676	19 030	18 436	-	-	-	-	-	98 652
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		1 474	451	1 001	1 736	1 449	1 711	-	-	-	-	-	-
Contracted services		2 677	5 053	4 894	756	6 160	1 153	-	-	-	-	-	(20 694)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		54	54	561	279	-	969	-	-	-	-	-	69 825
General expenses		8 745	2 054	7 801	8 141	2 691	5 184	-	-	-	-	-	(34 615)
Cash Payments by Type		60 910	61 539	64 024	49 674	54 719	43 852	-	-	-	-	-	217 714
Other Cash Flows/Payments by Type													-
Capital assets		1 867	4 551	3 912	232	2 924	5 999	-	-	-	-	-	73 175
Repayment of borrowing		(2)	-	21	-	-	109	-	-	-	-	-	(128)
Other Cash Flows/Payments		(467)	(1 693)	1 461	935	4 680	103	-	-	-	-	-	(5 020)
Total Cash Payments by Type		62 307	64 397	69 419	50 841	62 323	50 063	-	-	-	-	-	285 741
NET INCREASE/(DECREASE) IN CASH HELD		(44 807)	2 372	(12 315)	33 211	22 243	(49 839)	-	-	-	-	-	130 016
Cash/cash equivalents at the month/year beginning:		115 296	70 489	72 861	60 546	93 757	116 001	66 162	66 162	66 162	66 162	66 162	66 162
Cash/cash equivalents at the month/year end:		70 489	72 861	60 546	93 757	116 001	66 162	66 162	66 162	66 162	66 162	66 162	196 178

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	–	3 528	3 867	1	1	3 867	3 866	100,0%	0%
August	970	5 053	5 374	4 632	4 633	9 241	4 609	49,9%	5%
September	2 309	7 122	7 393	3 700	8 333	16 634	8 302	49,9%	9%
October	3 822	10 136	10 397	217	8 550	27 032	18 482	68,4%	9%
November	7 006	10 136	10 397	2 677	11 227	37 429	26 202	70,0%	12%
December	3 969	8 647	8 900	5 676	16 903	46 329	29 426	63,5%	18%
January	4 376	3 528	3 867	–	–	50 196	–	–	–
February	4 502	5 053	5 374	–	–	55 571	–	–	–
March	15 227	7 122	7 393	–	–	62 964	–	–	–
April	2 003	10 136	10 397	–	–	73 361	–	–	–
May	6 929	10 136	10 397	–	–	83 758	–	–	–
June	65 951	8 647	8 900	–	–	92 658	–	–	–
Total Capital expenditure	117 064	89 244	92 658	16 903					

3.2 SUPPLY CHAIN MANAGEMENT

3.2 VOORSIENINGSKANAAL BESTUUR

3.2.1 Demand and Acquisition

3.2.1 Aanvraag en Verkryging

3.2.1.1 Advertisement stage

3.2.1.1 Adverteringsfase

No formal written price quotations are currently in the advertisement stage.

Geen formele geskrewe pryskwotasies is tans in die adverteringsfase nie.

The following competitive bids are currently in the advertisement stage:

Die volgende mededingende tenders is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/19/11	Revenue Enhancement: Addressing illegal Electricity Connections	28-Jan-2022
08/2/19/26	Implementation of Protection study and the supply of associated equipment for the electricity network in witzenberg Municipal Area for a three financial year period	04-Feb-2022

3.2.1.2 Evaluation stage:

3.2.1.2 Evaluering stadium:

The following competitive bids are currently in the evaluation stage:

Die volgende mededingende tenders is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/62	Professional services for Witzenberg Municipality	08-Jul-2021	30-Aug-2021	D Greeff
08/2/18/64	Appointment of contractors for maintenance, repair and replacement of general electrical infrastructure and wiring of premises for Witzenberg municipality	04-Nov-2021	Awaiting	D Greeff
08/2/19/01	Supply and delivery of Station Uniforms for Fire Department, Emergency Control Room and Disaster Management	19-Aug-2021	20-Oct-2021	A Lamprecht-Vertue
08/2/19/05	Paving, stormwater infrastructure and fire hydrant at PAH Business Hub	05-Nov-2021	12-Nov-2021	R Fick
08/2/19/06	Supply, delivery& installation of rigid mesh fencing & rigid mesh gates in PAH Business Hub	05-Nov-2021	11-Nov-2021	R Fick
08/2/19/15	Supply and delivery of Electrical equipment and cables	07-Dec-2021	Awaiting	D Greeff
08/2/19/16	Clearing of Alien vegetation in Prince Alfred Hamlet commonage	26-Nov-2021	03-Dec-2021	H Truter

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/19/17	Facilitation of training for Municipal Minimum Competency Levels (MMCL) programme for a three year period	24-Nov-2021	01-Dec-2021	I Barnard
08/2/19/20	Service provider for compilation and maintenance of General Valuation roll, supplementary valuation roll and other related valuation services for Witzenberg Municipality	14-Dec-2021	Awaiting	C Stevens

The following formal written price quotations are currently in the evaluation stage:

Die volgende formele geskrewe pryskwotasie is tans in die evalueringfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/19/31	Supply and delivery of Decontamination solution, which is effective against SARS-Cov-2 and its variants	24-Nov-2021	29-Nov-2021 22-Dec-2021	A Lamprecht-Vertue
08/2/19/34	Supply of Licences for handhelds and meter reading software	03-Dec-2021	17-Dec-2021	C Stevens

3.2.1.3 Adjudication stage

3.2.1.3 Toekenningsfase:

The following competitives bid are currently in the adjudication stage:

Die volgende mededingende tenders is tans in die toekenningsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
08/2/18/72	Appointment of a Travel Agency	27-Sep-2021	15-Dec-2021	-
08/2/18/79	Supply and delivery of a Conference System for Council Chambers	15-Jun-2021	14-Jul-2021	13-Sep-2021
08/2/18/81	Electrical and Mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	30-Sep-2021	15-Dec-2021	-

No formal written price quotations are currently in the adjudication stage.

Geen formele geskrewe prys kwotasie is tans in die Toekenningsfase nie.

3.2.1.4 Bids awarded

3.2.1.4 Tenders toegeken

The following bids were awarded by the Accounting Officer during the month of December 2021:

Die volgende tenders was toegeken deur die Rekenpligtige Beamppte gedurende Desember 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/18/05	15-Dec-2021	Actophambili Roads (Pty) Ltd	Roads and Storm Water Maintenance (Re-Advertisement)	Bidder scored the highest points	Based on rates estimated at R24 016 100.00 (Incl. Vat & 10 % Contingencies)

The following competitive bids were awarded by the Bid Adjudication Committee during the month of December 2021:

Die volgende mededingende tenders was toegeken deur die Tender Toekenningskomitee gedurende Desember 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/19/27	17-Dec-2021	Stenop Properties CC T/A Ceres Service Station	The supply and dispensing of Fuel (unleaded petrol & 50ppm diesel) for Municipal vehicles and plant from Lisenced Fuel retail sites / service stations	Only responsive bidder	Based on rates estimated at R 3 240 200.45
		No Award	1. Ceres	No responsive bidder	
		Kaap Agri Bedryf Beperk	2. Tulbagh	Only responsive bidder	Based on rates estimated at R 1 662 600.00
		Kaap Agri Bedryf Beperk	3. Wolseley	Only responsive bidder	Based on rates estimated at R 272 950.00
			4. Op-Die-Berg	Only responsive bidder	

3.2.1.5 Paragraph 13 (1): Cancellation and re-invitation of tenders

3.2.1.5 Paragraaf 13 (1): Kansellasië en her-uitnodiging van tenders

Bid ref number	Date	Brief description of services	Reason why bid is cancelled
08/2/19/08	15-Dec-2021	Provision of Security services, Tactical and crowd control management at municipal buildings and sites in the Witzenberg municipal area	No acceptable bids were received and there was an material irregularity in the process
08/2/19/35	03-Dec-2021	Vehicle Body repairs including upholstery and flooring for Two vehicles	No bids were received

3.2.1.6 Paragraph 19 (1) I and 19 (2): Written price quotations	3.2.1.6 Paragraaf 19 (1) (c) en 19 (2): Geskrewe Prys Kwotasies
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The following written price quotations were approved during the month of December 2021:

Die volgende geskrewe prys kwotasies was goedgekeur gedurende Desember 2021:

Order number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
170663	07-October-2021	Riding & Watt	Topographical survey of toilets in Informal areas	Lowest responsive quotation	R 16 645.10 (Incl. VAT)	Chief Financial Officer

3.2.1.7 Formal Written Price Quotations

3.2.1.7 Formele Geskrewe Prys Kwotasies

The following formal written price quotations, in excess of R 30 000 were awarded by an official acting in terms of a sub-delegation for the month of December 2021:

Die volgende formele geskrewe kwotasies, wat meer is as R 30 000.00 is toegeken deur 'n amptenaar wat in terme van 'n sub-afvaardiging vir die maand van Desember 2021:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
08/2/19/03	01-Dec-2021	Trans Manufacturing (PTY) Ltd T/A Transtech	Periodic Maintenance, General repairs and Provision of Spare parts for Sweeper (Re-Advertisement)	Only responsive bidder	R 180 495.49 (Incl. VAT)	Director: Technical Services
08/2/19/36	21-Dec-2021	Juno Copr (PTY) Ltd	Hiring of a double Axle combination unit for the unblocking of main sewer lines	Only responsive bidder	R 195 000.00 (Incl. VAT)	Acting Director: Technical Services

3.2.1.8 Appeals

3.2.1.8 Appèlle

No appeals were lodged or dealt with by the Accounting Officer during the month of December 2021.

Geen appèlle is ontvang of was hanteer deur die Rekenpligtige beampste gedurende Desember 2021 nie.

3.2.1.9 Deviations

3.2.1.9 Afwykings

The following table contains the actuals against approved deviations by the Accounting Officer for the month of December 2021 which totals R 91 455.70:

Die volgende tabel bevat die werklike uitgawes teen goedgekeurde afwykings deur die Rekenpligtige Beampste vir die maand van Desember 2021 wat beloop op die totaal van R 91 455.70:

FINANCE SECTION 71 REPORT - DECEMBER 2021 - FINANSIES ARTIKEL 71 VERSLAG

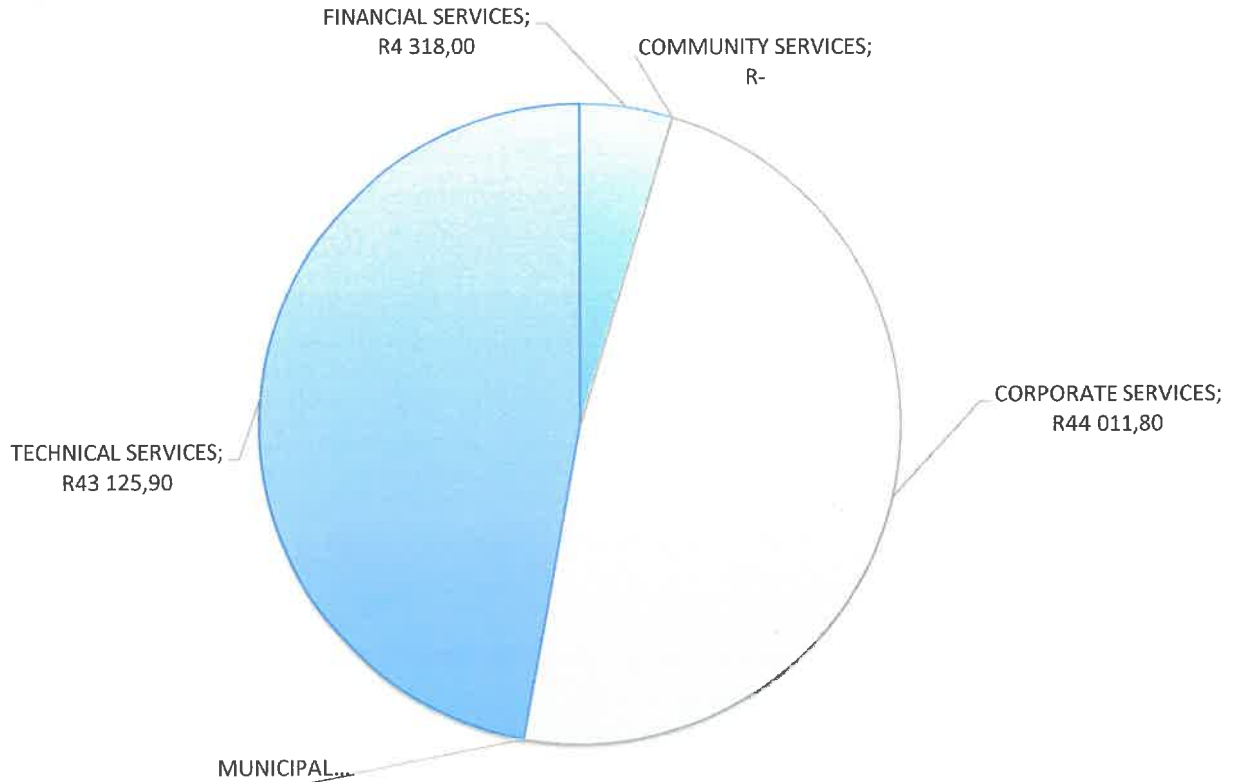
Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
2-Dec-21	Batsumi Enterprise Solutions (PTY) Ltd	Postage on Franking machine	Single supplier	171462	28,320.00
9-Dec-21	ESL Audiovisual Solutions	Live Streaming and Sound of Council meeting - 22 November 2021	Impractical	171562	6,450.00
13-Dec-21	WC Communications SA (PTY) Ltd	Repair of Telephone Lines: Speaker Office	Impractical	171619	3,325.80
13-Dec-21	Witzenberg Herald	Publish Notice: Council meetings for Dec & Jan	Single supplier	171631	3,060.00
13-Dec-21	Witzenberg Herald	Public Notice: Special Council Meeting 22 Nov 2021	Single supplier	171632	2,856.00
15-Dec-21	South African Institute of Chartered Accountants (SAICA)	Annual Subscription fee: AJ Raubenheimer 2022	Single supplier	171678	4,318.00
15-Dec-21	South African Revenue Protection Association	Membership Fee 2022	Single supplier	171680	6,825.00
21-Dec-21	Macsteel Service Centres SA (PTY) Ltd	Supply and install Bermad Control Valve	Single supplier	171732	36,300.90

MONTH / MAAND	DEVIATION AMOUNT AFWYKING BEDRAG	TOTAL VALUE OF ORDERS ISSUED TOTALE WAARDE VAN BESTELLINGS UITGEREIK	% DEVIATIONS OF TOTAL ORDERS ISSUED % AFWYKINGS VAN TOTALE BESTELLINGS UITGEREIK
October 2021	R 713 334	R23 624 762.51	3.01%
November 2021	R 4 971 710	R44 640 666.23	11.13%
December 2021	R 91 455.70	R24 514 427.11	0.37%

DEVIATIONS PER DIRECTORATE:

% OF DEVIATIONS IN RAND VALUE: DECEMBER 2021

■ FINANCIAL SERVICES ■ COMMUNITY SERVICES □ CORPORATE SERVICES



Logistics

The table below contains a high level summary of information regarding the stores section:

Logistieke

Die tabel hieronder bevat 'n hoë vlak opsomming van inligting rakende die magasyn (stoor):

MONTH	Oct 2021	Nov 2021	Dec 2021
Value of inventory at hand	R 7 764 148	R 8 155 037	R 8 581 939
Turnover rate of total value of inventory	0.93	0.94	0.93
Date of latest stores reconciliation	31 December 2021		
Date of last stock count	14 December 2021		
Date of next stock count	24 March 2022		



QUALITY CERTIFICATE

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the monthly in year monitoring reports for the month of December 2021 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Mr D Nasson

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:



Date:



Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/ Kindly address all correspondence to the Municipal Manager/ Yonke imbalelwano mayithunyelwe kuMlawuli kaMasipala

*Witzenberg, the Eden of Africa, aspires that all residents shall live together in harmony and prosperity.
Witzenberg, die Eden van Afrika, streef daarna dat alle inwoners in harmonie en voorspoed saamleef.
Witzenberg, iEden yase Africa igquashalazele ekubeni bonke abahlali bakhawulelezise ukuhlalisana ngolomwalo.*



Monthly Budget Statement Report Section 71 for January 2022

**Financial data is in respect of the period
1 July 2021 to 30 June 2022**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

2.3 Monthly budget statements

In terms of Section 71 of the MFMA the accounting officer must prepare monthly budget statements that comply with this section. This section read as follows:

"71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on—*
 - (i) its share of the local government equitable share; and*
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
 - (g) when necessary, an explanation of—*
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;*
 - (ii) any material variances from the service delivery and budget implementation plan; and*
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.*

(2) The statement must include—

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after

2.3 Maandelikse begroting state

In terme van Artikel 71 van die MFMA die rekenpligtige beampte moet 'n maandelikse begroting state wat voldoen aan hierdie artikel. Hierdie artikel lees soos volg:

"71. (1) Die rekenpligtige beampte van 'n munisipaliteit moet nie later as 10 werk dae na die einde van elke maand aan die burgemeester van die munisipaliteit en die betrokke Provinsiale Tesourie 1 verklaring in die voorgeskrewe formaat oor die toestand van die munisipaliteit se begroting wat die volgende besonderhede vir die maand en vir die finansiële jaar tot die einde van die maand:

- (a) werklike inkomste per bron van inkomste;*
- (b) werklike lenings;*
- (c) die werklike uitgawes per stem;*
- (d) die werklike kapitaalbesteding, per stem;*
- (e) die bedrag van enige toekennings ontvang;*
- (f) die werklike uitgawes op daardie toekennings, uitgesluit besteding op*
 - (i) sy deel van die plaaslike regering billike deel;*
 - (ii) toekennings vrygestel is by die jaarlikse Verdeling van Inkomste van die nakoming van hierdie paragraaf, en*
 - (g) wanneer dit nodig is, 'n verduideliking van—*
 - (i) enige wesentliche afwykings van die munisipaliteit se geprojekteerde inkomste deur die bron, en van die munisipaliteit se uitgawe projeksies per stem;*
 - (ii) enige wesentliche afwykings van die dienslewering en begrotings implementeringsplan;*
 - (iii) enige remediërende of korrektiewe stappe geneem is of geneem word om te verseker dat die geprojekteerde inkomste en uitgawes in die munisipaliteit se goedgekeurde begroting bly.*

(2) Die staat moet die volgende insluit-

- (a) 'n projeksie van die betrokke munisipaliteit se inkomste en uitgawes vir die res van die finansiële jaar, en enige wysigings van die aanvanklike projeksies, en*
- (b) die voorgeskrewe inligting met betrekking tot die toestand van die begroting van elke munisipale entiteit wat aan die munisipaliteit in terme van artikel 87 (10).*

(3) die bedrae wat in die verklaring moet in elke geval in vergelyking met die ooreenstemmende bedrae begroot vir die munisipaliteit se goedgekeurde begroting.

(4) Die verklaring aan die provinsiale tesourie moet in die formaat van 'n getekende dokument en in elektroniese formaat.

(5) Die rekenpligtige beampte van 'n munisipaliteit wat 'n toekenning bedoel in subartikel (1)(e) gedurende 'n bepaalde maand ontvang het, moet nie later nie as 10 werksdae na die

the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter."

einde van die maand, moet daardie deel van die verklaring wat die besonderhede bedoel in subartikel (1)(e) en (f) om die nasionale of provinsiale orgaan van die staat of munisipaliteit wat die toekenning oorgedra

(6) Die Provinsiale Tesourie moet nie later nie as 22 werksdae na die einde van elke maand aan die Nasionale Tesourie 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van die munisipaliteite se begrotings, per munisipaliteit en per munisipale entiteit.

(7) Die Provinsiale Tesourie moet, binne 30 dae na die einde van elke kwartaal, openbaar te maak as wat voorgeskryf mag word, 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van munisipaliteite se begrotings per munisipaliteit en per munisipale entiteit. Die LUR vir finansies moet so 'n gekonsolideerde staat nie later nie as 45 dae na die einde van elke kwartaal aan die provinsiale wetgewer dien."

A MAYOR'S REPORT

Credit control for various reasons remains a challenge for the municipality.

The unwillingness / inability of government departments to pay their municipal accounts was a big concern. However department are slowing starting to make payment. The debt is in excess of R6.48 million in comparison to the prior month figure of R8.87 million.

The monthly billing was also done as scheduled and during this process 19 432 accounts amounting to R 34.3 million was printed and distributed to consumers. The prepaid electricity sales amounted to R 6.2 million in comparison to a cost of R5 million for the same month during the prior financial year.

The indigent cost to the municipality for the month amounts to R 1.8 million in comparison to the prior month figure of R1.8 million

The accumulated debtor's collection target for the year is 94%, and the actual accumulated year to date debtor's collection is 89% in comparison to a rate of 89% for the same month in the previous year.

The municipality issued orders to the value of R 18.7 million of which R 108 thousand was in terms of deviations.

The municipality currently has R 87 million in its primary bank account and investments to the value of R80 million. The bank balance at the end of the previous month was R71 million.

The calculated cost coverage ratio of the municipality as at the end of January 2022 is 2.05 months.

B RECOMMENDATION

It is recommended that council take cognisance of the quarterly budget assessment for the month of January 2022 .

C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

A BURGEMEESTERS VERSLAG

Kredietbeheer bly 'n uitdaging vir die munisipaliteit as gevolg van verskillende redes.

Die onwilligheid / onvermoë van staats departemente om hulle munisipale rekeninge te betaal was 'n groot bekommernis. Departemente is stadig besig om hul betalings te maak. Die skuld beloop tans R6,48miljoen in vergelyking met die vorige maand syfer van R8.87 miljoen.

Die maandelikse rekeninge is ook gehef soos geskeduleer en tydens hierdie proses is 19 432 rekeninge ten bedrae van R 34.3 miljoen gedruk en aan verbruikers versprei. Die voorafbetaalde elektrisiteit verkope beloop R 6.2 miljoen en was R5 miljoen vir dieselfde maand gedurende die vorige finansiële jaar.

Die deernis subsidies vir die maand beloop R 1.8 miljoen in vergelyking met die vorige maand syfer van R1.8 miljoen.

Die opgehoopde debiteure verhalings se teiken vir die jaar is 94%, en die werklike jaar tot op datum invordering is 89% in vergelyking met 89% vir dieselfde maand in die vorige finansiële jaar.

Bestellings ter waarde van R 18.7 miljoen uitgereik, waarvan R 108 duisend ten opsigte van afwykings is.

Die munisipaliteit het R 87 miljoen in die primêre bankrekening en beleggings ter waarde van R80 miljoen. Die bankbalans aan die einde van die vorige maand was R71 miljoen.

Die berekende koste dekking verhouding van die munisipaliteit soos aan die einde van Januarie 2022 is 2.05 maande.

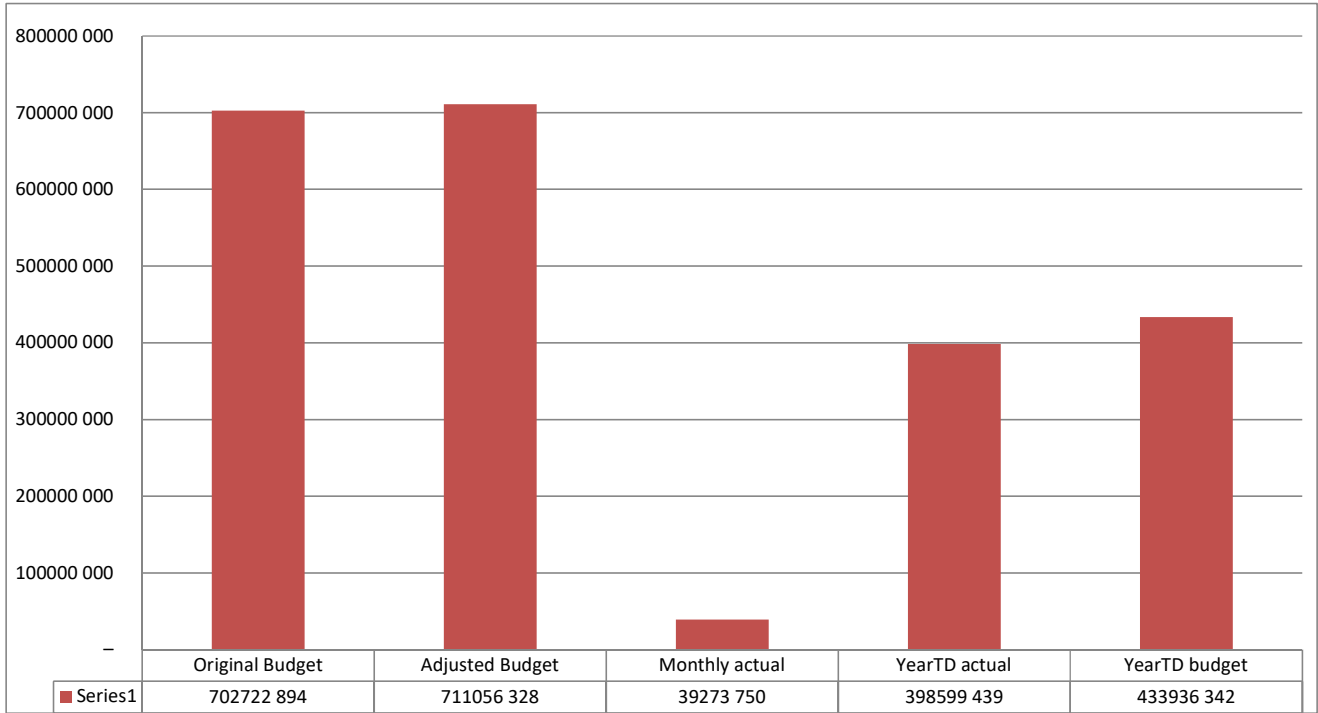
B AANBEVELING

Dit word aanbeveel dat die raad kennis neem van die finansiële maandverslag en ondersteunende dokumente vir Januarie 2022 .

C OPSOMMING

Die volgende tabelle voorsien n opsomming van die finansiële inligting:

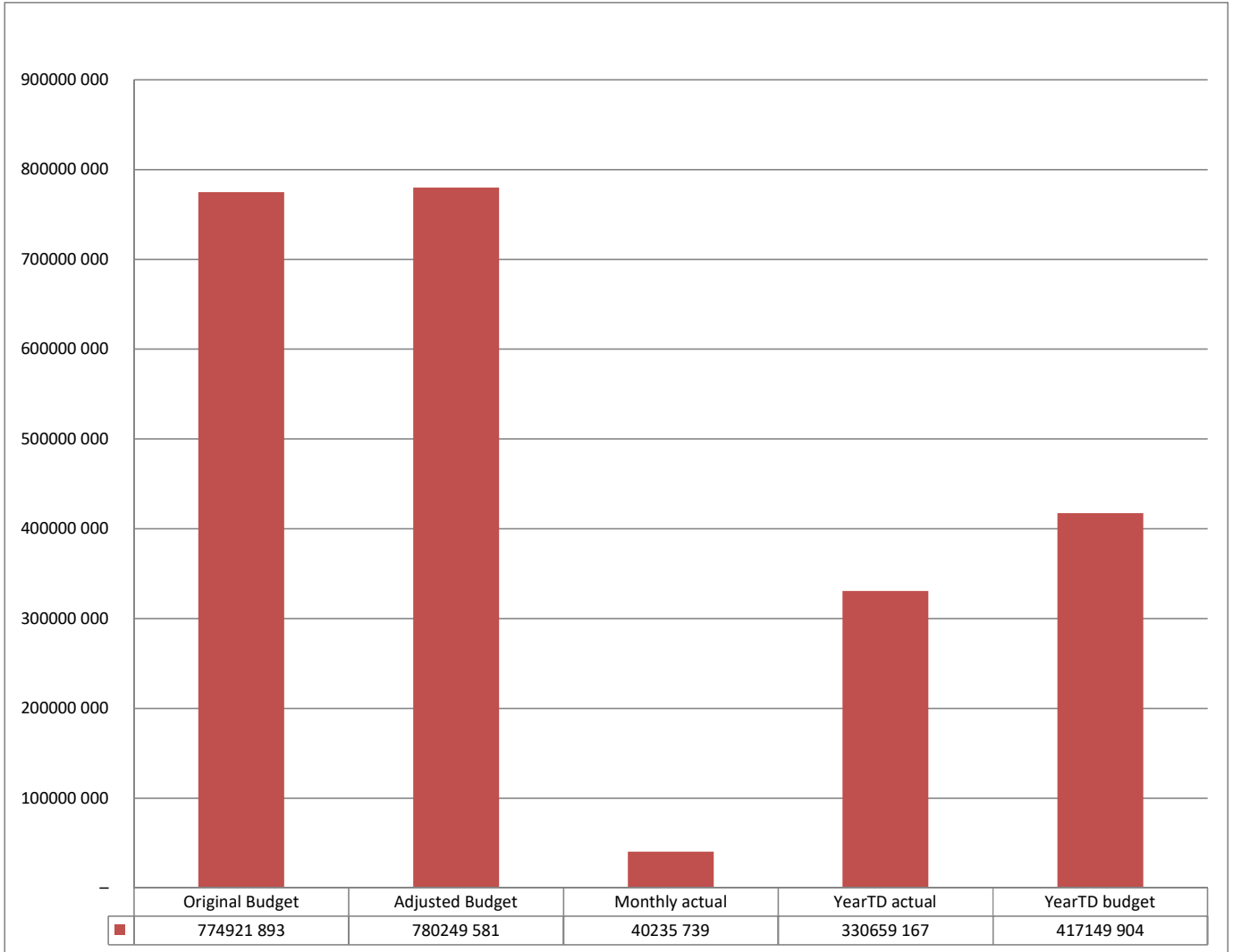
TOTAL OPERATIONAL REVENUE



For the period 1 July 2021 to 31 January 2022, 56,06% of the budgeted operational revenue was raised.

Vir die periode 1 Julie 2021 tot 31 Januarie 2022, is 56,06% van die begrote operasionele inkomste gehêf.

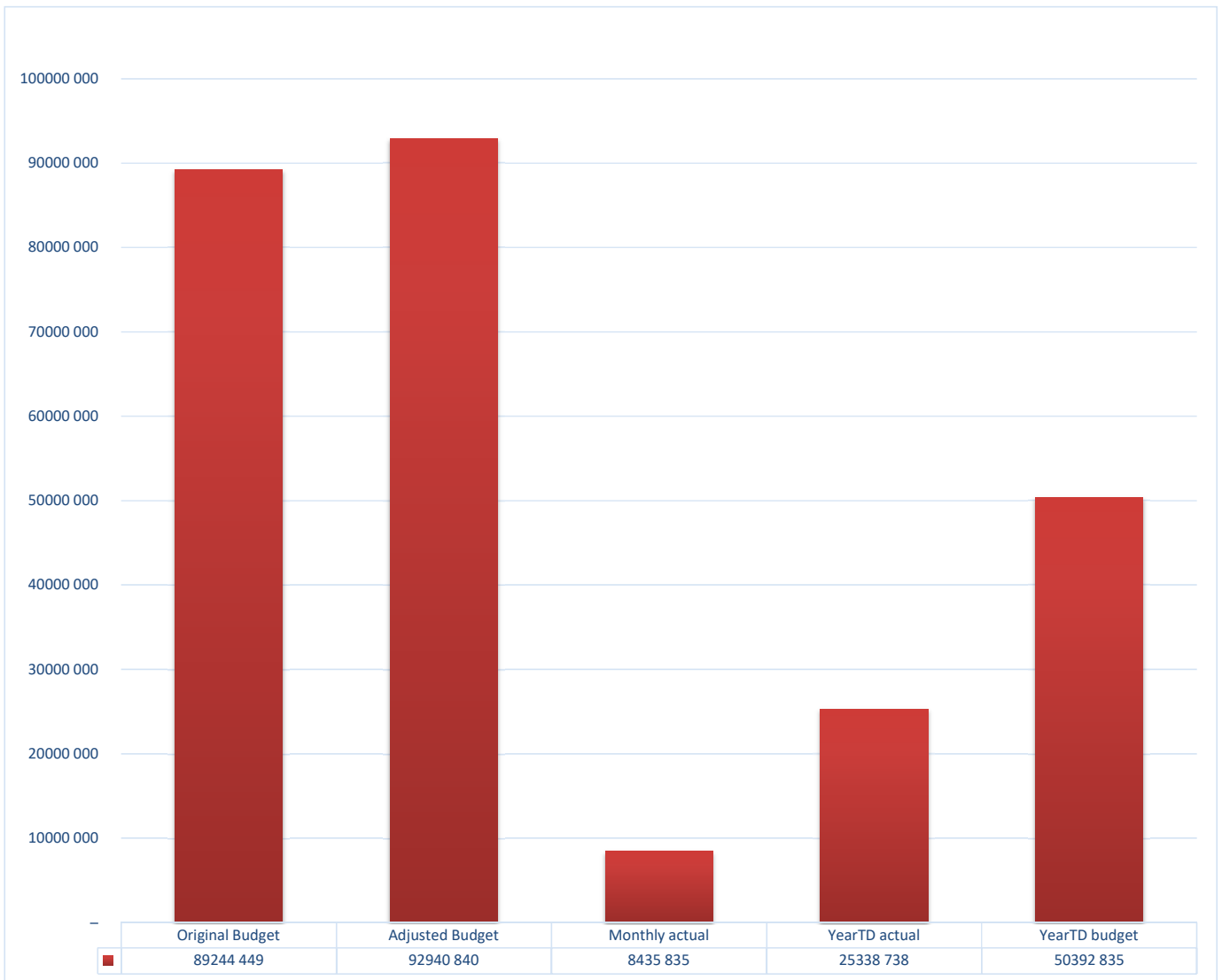
TOTAL OPERATIONAL EXPENDITURE



For the period 1 July 2021 to 31 January 2022, 42,38% of the budgeted operational expenditure was incurred.

Vir die periode 1 Julie 2021 tot 31 Januarie 2022, is 42,38% van die begrote operasionele uitgawes aangegaan.

CAPITAL EXPENDITURE



For the period 1 July 2021 to 31 January 2022, 27,26% of the budgeted capital expenditure was incurred.

Vir die periode 1 Julie 2021 tot 31 Januarie 2022, is 27,26% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 31 January 2022.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	4 347	65 098	62 175	2 923	5%	83 290
Service charges	376 205	413 772	413 772	30 414	232 507	233 808	(1 302)	-1%	413 772
Investment revenue	3 079	6 990	6 990	665	2 274	4 076	(1 801)	-44%	6 990
Transfers recognised - operational	131 244	145 903	154 127	390	72 478	103 043	(30 566)	-30%	154 127
Other own revenue	31 880	52 768	52 877	3 458	26 243	30 834	(4 591)	-15%	52 877
transfers and contributions)	623 082	702 723	711 056	39 274	398 599	433 936	(35 337)	-8%	711 056
Employee costs	201 538	237 025	237 074	18 389	122 360	138 239	(15 878)	-11%	237 074
Remuneration of Councillors	9 897	12 007	12 007	827	5 731	7 001	(1 271)	-18%	12 007
Depreciation & asset impairment	32 472	39 729	39 729	-	15 078	23 166	(8 088)	-35%	39 729
Finance charges	4 522	8 696	8 684	0	76	5 064	(4 988)	-98%	8 684
Materials and bulk purchases	252 216	300 766	300 949	18 035	138 717	139 670	(953)	-1%	300 949
Transfers and grants	6 534	25 603	30 525	(206)	1 484	17 806	(16 322)	-92%	30 525
Other expenditure	139 236	151 096	151 282	3 191	47 213	86 204	(38 991)	-45%	151 282
Total Expenditure	646 415	774 922	780 250	40 236	330 659	417 150	(86 491)	-21%	780 250
Surplus/(Deficit)	(23 333)	(72 199)	(69 193)	(962)	67 940	16 786	51 154	305%	(69 193)
Transfers recognised - capital	52 267	74 937	75 965	-	15 354	52 974	(37 620)	-71%	75 965
Contributions & Contributed assets	898	170	170	47	197	99	98	99%	170
& contributions	29 831	2 908	6 941	(915)	83 491	69 860	13 631	20%	6 941
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	29 831	2 908	6 941	(915)	83 491	69 860	13 631	20%	6 941
Capital expenditure & funds sources									
Capital expenditure	66 944	89 244	92 941	8 436	25 339	50 393	(25 054)	-50%	92 941
Capital transfers recognised	52 768	74 937	76 533	8 216	23 570	41 322	(17 753)	-43%	76 533
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	16 483	220	1 769	9 146	(7 377)	-81%	16 483
Total sources of capital funds	66 944	89 244	93 016	8 436	25 339	50 468	(25 129)	-50%	93 016
Financial position									
Total current assets	216 785	181 281	199 130		323 589				199 130
Total non current assets	1 030 339	1 041 921	1 083 975		1 040 600				1 083 975
Total current liabilities	124 441	201 668	146 339		154 499				146 339
Total non current liabilities	175 032	131 189	174 032		178 557				174 032
Community wealth/Equity	947 651	890 345	962 733		1 031 133				962 733
Cash flows									
Net cash from (used) operating	51 431	85 636	97 574	3 618	73 678	119 411	(45 733)	-38%	182 362
Net cash from (used) investing	(66 038)	(89 094)	(96 927)	14 786	(104 486)	(38 709)	(65 777)	170%	(92 941)
Net cash from (used) financing	(482)	(1 000)	(1 000)	8	86	-	86		86
end	115 305	133 360	114 952	-	84 574	196 007	(111 433)	-57%	204 717
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	50 393	6 970	5 135	4 813	9 933	4 461	23 406	203 269	308 381
Creditors Age Analysis									
Total Creditors	4 516	387	73	-	-	-	-	-	4 975

FINANCE SECTION 71 REPORT - JANUARY 2022 - FINANSIES ARTIKEL VERSLAG

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	2020/21	Budget Year 2021/22							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	94 586	110 918	112 721	5 439	72 521	79 581	(7 061)	-9%	112 721
Executive and council	13	-	-	3	4	-	4	#DIV/0!	-
Finance and administration	94 573	110 918	112 721	5 436	72 516	79 581	(7 065)	-9%	112 721
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	155 398	171 710	178 075	2 238	86 182	116 678	(30 496)	-26%	178 075
Community and social services	128 957	120 006	120 731	427	72 299	83 207	(10 908)	-13%	120 731
Sport and recreation	9 235	1 661	1 661	1 456	4 623	969	3 655	377%	1 661
Public safety	16 928	26 158	26 473	340	9 178	15 437	(6 259)	-41%	26 473
Housing	278	23 884	29 210	14	81	17 065	(16 984)	-100%	29 210
<i>Economic and environmental services</i>	16 878	25 287	26 480	112	2 838	18 103	(15 265)	-84%	26 480
Planning and development	4 244	2 365	2 846	112	974	1 737	(763)	-44%	2 846
Road transport	12 634	22 907	23 620	-	1 863	16 358	(14 494)	-89%	23 620
Environmental protection	-	14	14	-	0	8	(8)	-97%	14
<i>Trading services</i>	409 308	469 795	469 795	31 531	252 501	272 578	(20 077)	-7%	469 795
Energy sources	274 358	334 664	334 664	21 559	170 872	189 185	(18 313)	-10%	334 664
Water management	52 476	72 201	72 201	4 456	31 440	45 110	(13 670)	-30%	72 201
Waste water management	49 259	27 843	27 843	2 773	22 897	17 164	5 733	33%	27 843
Waste management	33 216	35 087	35 087	2 743	27 293	21 120	6 173	29%	35 087
Total Revenue - Functional	676 246	777 830	787 191	39 321	414 150	487 010	(72 859)	-15%	787 191
Expenditure - Functional									
<i>Governance and administration</i>	122 967	145 004	147 091	7 526	64 895	85 175	(20 280)	-24%	147 091
Executive and council	23 838	29 621	29 195	1 597	12 447	17 019	(4 572)	-27%	29 195
Finance and administration	96 620	112 849	115 362	5 800	51 391	66 693	(15 301)	-23%	115 362
Internal audit	2 508	2 534	2 534	129	1 057	1 463	(407)	-28%	2 534
<i>Community and public safety</i>	97 728	133 059	138 102	6 860	51 909	80 010	(28 101)	-35%	138 102
Community and social services	23 943	28 680	29 246	2 237	15 723	17 030	(1 307)	-8%	29 246
Sport and recreation	27 313	32 356	32 250	2 211	15 523	18 473	(2 950)	-16%	32 250
Public safety	42 003	43 012	42 852	2 487	17 472	24 894	(7 422)	-30%	42 852
Housing	4 469	29 011	33 755	(75)	3 191	19 613	(16 422)	-84%	33 755
<i>Economic and environmental services</i>	34 813	36 288	36 133	2 052	17 298	20 949	(3 651)	-17%	36 133
Planning and development	10 129	11 280	11 788	886	6 275	6 854	(579)	-8%	11 788
Road transport	24 205	22 910	22 253	1 105	10 609	12 880	(2 271)	-18%	22 253
Environmental protection	479	2 098	2 092	61	415	1 216	(801)	-66%	2 092
<i>Trading services</i>	390 006	459 620	457 972	23 569	195 874	230 461	(34 587)	-15%	457 972
Energy sources	271 784	327 833	327 020	18 375	146 966	154 867	(7 900)	-5%	327 020
Water management	41 092	36 559	36 340	1 118	16 025	20 971	(4 946)	-24%	36 340
Waste water management	36 519	43 400	42 948	1 769	16 053	24 522	(8 469)	-35%	42 948
Waste management	40 611	51 829	51 664	2 307	16 830	30 101	(13 272)	-44%	51 664
<i>Other</i>	902	951	951	228	683	554	128	23%	951
Total Expenditure - Functional	646 415	774 922	780 250	40 236	330 659	417 150	(86 491)	-21%	780 250
Surplus/ (Deficit) for the year	29 831	2 908	6 941	(915)	83 491	69 860	13 631		6 941

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	2020/21	Budget Year 2021/22					YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands									
Revenue - Functional									
<i>Municipal governance and administration</i>	94 586	110 918	112 721	5 439	72 521	79 581	(7 061)	-9%	112 721
Executive and council	13	-	-	3	4	-	4		-
<i>Mayor and Council</i>	13	-	-	3	4	-	4		-
<i>Municipal Manager, Town Secretary and Chief Execut</i>	-	-	-	-	-	-	-		-
Finance and administration	94 573	110 918	112 721	5 436	72 516	79 581	(7 065)	-9%	112 721
<i>Administrative and Corporate Support</i>	0	9	9	-	1	6	(5)	-89%	9
<i>Finance</i>	94 239	110 250	112 053	5 435	72 318	79 192	(6 874)	-9%	112 053
<i>Human Resources</i>	254	580	580	-	164	338	(174)	-51%	580
<i>Marketing, Customer Relations, Publicity and Media</i>	0	5	5	-	-	3	(3)	-100%	5
<i>Property Services</i>	-	-	-	-	-	-	-		-
<i>Supply Chain Management</i>	80	74	74	1	34	43	(9)	-21%	74
Community and public safety	155 398	171 710	178 075	2 238	86 182	116 678	(30 496)	-26%	178 075
Community and social services	128 957	120 006	120 731	427	72 299	83 207	(10 908)	-13%	120 731
<i>Aged Care</i>	118 121	109 415	109 415	345	72 053	76 591	(4 537)	-6%	109 415
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	328	367	367	26	162	230	(68)	-30%	367
<i>Community Halls and Facilities</i>	31	485	485	54	64	283	(219)	-77%	485
<i>Libraries and Archives</i>	10 475	9 739	10 463	2	20	6 104	(6 084)	-100%	10 463
Sport and recreation	9 235	1 661	1 661	1 456	4 623	969	3 655	377%	1 661
<i>Recreational Facilities</i>	1 978	1 611	1 611	1 449	4 254	940	3 315	353%	1 611
<i>Sports Grounds and Stadiums</i>	7 257	50	50	7	369	29	340	1164%	50

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Public safety	16 928	26 158	26 473	340	9 178	15 437	(6 259)	-41%	26 473
<i>Fire Fighting and Protection</i>	2	6	6	2	10	4	6	0	6
Housing	278	23 884	29 210	14	81	17 065	(16 984)	-100%	29 210
<i>Housing</i>	278	23 884	29 210	14	81	17 065	(16 984)	-100%	29 210
Economic and environmental services	16 878	25 287	26 480	112	2 838	18 103	(15 265)	-84%	26 480
Planning and development	4 244	2 365	2 846	112	974	1 737	(763)	-44%	2 846
<i>Economic Development/Planning</i>	1 892	279	760	-	2	443	(442)	-100%	760
<i>Town Planning, Building Regulations and Enforcemen</i>	1 721	1 426	1 426	112	973	832	141	17%	1 426
<i>Project Management Unit</i>	630	660	660	-	-	462	(462)	-100%	660
Road transport	12 634	22 907	23 620	-	1 863	16 358	(14 494)	-89%	23 620
<i>Roads</i>	12 634	22 907	23 620	-	1 863	16 358	(14 494)	-89%	23 620
Environmental protection	-	14	14	-	0	8	(8)	-97%	14
<i>Biodiversity and Landscape</i>	-	14	14	-	0	8	(8)	-97%	14
Trading services	409 308	469 795	469 795	31 531	252 501	272 578	(20 077)	-7%	469 795
Energy sources	274 358	334 664	334 664	21 559	170 872	189 185	(18 313)	-10%	334 664
<i>Electricity</i>	274 136	333 099	333 099	21 559	170 519	188 089	(17 570)	-9%	333 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	-	353	1 096	(743)	-68%	1 565
Water management	52 476	72 201	72 201	4 456	31 440	45 110	(13 670)	-30%	72 201
<i>Water Distribution</i>	52 476	60 921	60 921	4 456	31 440	37 214	(5 775)	-16%	60 921
Waste water management	49 259	27 843	27 843	2 773	22 897	17 164	5 733	33%	27 843
<i>Sewerage</i>	38 651	26 954	26 954	2 773	22 008	16 541	5 467	33%	26 954
<i>Storm Water Management</i>	10 607	889	889	-	889	623	267	43%	889
Waste management	33 216	35 087	35 087	2 743	27 293	21 120	6 173	29%	35 087
<i>Solid Waste Removal</i>	30 130	35 087	35 087	2 743	27 293	21 120	6 173	29%	35 087
Other	77	120	120	2	109	70	39	55%	120
Licensing and Regulation	77	120	120	2	109	70	39	55%	120
Total Revenue - Functional	676 246	777 830	787 191	39 321	414 150	487 010	(72 859)	-15%	787 191

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	2020/21	Budget Year 2020/21						YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		
R thousands									
Expenditure - Functional									
Municipal governance and administration	122 967	145 004	147 091	7 526	64 895	85 175	(20 280)	-24%	147 091
Executive and council	23 838	29 621	29 195	1 597	12 447	17 019	(4 572)	-27%	29 195
<i>Mayor and Council</i>	15 898	18 723	18 493	893	7 121	10 779	(3 658)	-34%	18 493
<i>Municipal Manager, Town Secretary and Chief Execut</i>	7 941	10 897	10 702	704	5 327	6 240	(914)	-15%	10 702
Finance and administration	96 620	112 849	115 362	5 800	51 391	66 693	(15 301)	-23%	115 362
<i>Administrative and Corporate Support</i>	17 899	11 560	11 631	587	7 270	6 443	828	13%	11 631
<i>Asset Management</i>	31	5 167	5 167	-	1	3 013	(3 012)	-100%	5 167
<i>Finance</i>	30 327	37 107	38 615	1 865	17 882	22 481	(4 598)	-20%	38 615
<i>Fleet Management</i>	3 406	2 806	2 793	254	2 062	1 626	436	27%	2 793
<i>Human Resources</i>	22 223	36 284	36 535	1 836	12 408	21 223	(8 816)	-42%	36 535
<i>Information Technology</i>	4 454	3 372	4 091	166	3 136	2 386	750	31%	4 091
<i>Legal Services</i>	5 416	2 279	2 279	96	817	1 236	(419)	-34%	2 279
<i>Marketing, Customer Relations, Publicity and Media</i>	3 904	3 900	3 870	341	2 336	2 254	82	4%	3 870
<i>Property Services</i>	1 783	1 268	1 261	79	1 226	735	491	67%	1 261
<i>Risk Management</i>	-	497	497	-	-	290	(290)	-100%	497
<i>Supply Chain Management</i>	6 778	7 052	7 066	542	4 063	4 109	(46)	-1%	7 066
<i>Valuation Service</i>	400	1 557	1 557	36	190	897	(707)	-79%	1 557
Internal audit	2 508	2 534	2 534	129	1 057	1 463	(407)	-28%	2 534
<i>Governance Function</i>	2 508	2 534	2 534	129	1 057	1 463	(407)	-28%	2 534
Community and public safety	97 728	133 059	138 102	6 860	51 909	80 010	(20 335)	-25%	138 102
Community and social services	23 943	28 680	29 246	2 237	15 723	17 030	(1 307)	-8%	29 246
<i>Aged Care</i>	4 658	4 347	4 275	584	3 968	2 489	1 480	59%	4 275
<i>Cemeteries, Funeral Parlours and Crematoriums</i>	3 189	3 600	3 570	314	1 957	2 079	(122)	-6%	3 570
<i>Child Care Facilities</i>	8	972	972	0	3	567	(564)	-100%	972
<i>Community Halls and Facilities</i>	5 400	6 608	6 588	469	3 321	3 831	(510)	-13%	6 588
<i>Disaster Management</i>	95	236	235	-	3	137	(134)	-98%	235
<i>Education</i>	1	831	828	-	1	483	(482)	-100%	828
<i>Libraries and Archives</i>	10 591	12 086	12 778	870	6 471	7 444	(974)	-13%	12 778
Sport and recreation	27 313	32 356	32 250	2 211	15 523	18 473	(2 950)	-16%	32 250
<i>Community Parks (including Nurseries)</i>	8 229	7 228	7 257	588	4 697	4 194	503	12%	7 257
<i>Recreational Facilities</i>	13 054	18 999	18 844	1 149	7 422	10 698	(3 276)	-31%	18 844
<i>Sports Grounds and Stadiums</i>	6 031	6 129	6 148	474	3 405	3 581	(177)	-5%	6 148
Public safety	42 003	43 012	42 852	2 487	17 472	24 894	345	1%	42 852
<i>Fire Fighting and Protection</i>	8 395	8 118	8 115	695	5 049	4 705	345	7%	8 115
Housing	4 469	29 011	33 755	(75)	3 191	19 613	(16 422)	-84%	33 755
<i>Housing</i>	4 463	27 003	31 746	(79)	3 157	18 442	(15 285)	-83%	31 746
<i>Informal Settlements</i>	6	2 009	2 009	4	34	1 171	(1 137)	-97%	2 009

Description	2020/21	Budget Year 2020/21								
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	YearTD budget	
R thousands								%		
<i>Economic and environmental services</i>	34 813	36 288	36 133	2 052	17 298	20 949	(3 651)	-17%	36 133	
Planning and development	10 129	11 280	11 788	886	6 275	6 854	(579)	-8%	11 788	
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	1 982	154	1 114	1 153	(38)	-3%	1 982	
<i>Economic Development/Planning</i>	1 400	2 115	2 560	136	852	1 486	(635)	-43%	2 560	
<i>Town Planning, Building Regulations and Enforcement</i>	4 745	4 473	4 535	393	2 866	2 635	231	9%	4 535	
<i>Project Management Unit</i>	2 298	2 710	2 710	203	1 443	1 580	(137)	-9%	2 710	
Road transport	24 205	22 910	22 253	1 105	10 609	12 880	(2 271)	-18%	22 253	
<i>Roads</i>	24 205	22 910	22 253	1 105	10 609	12 880	(2 271)	-18%	22 253	
Environmental protection	479	2 098	2 092	61	415	1 216	(801)	-66%	2 092	
<i>Biodiversity and Landscape</i>	479	2 098	2 092	61	415	1 216	(801)	-66%	2 092	
<i>Trading services</i>	390 006	459 620	457 972	23 569	195 874	230 461	(34 587)	-15%	457 972	
Energy sources	271 784	327 833	327 020	18 375	146 966	154 867	(7 900)	-5%	327 020	
<i>Electricity</i>	269 197	324 461	324 399	18 219	145 557	153 339	(7 782)	-5%	324 399	
<i>Street Lighting and Signal Systems</i>	2 587	3 371	2 621	155	1 409	1 528	(119)	-8%	2 621	
Water management	41 092	36 559	36 340	1 118	16 025	20 971	(4 946)	-24%	36 340	
<i>Water Treatment</i>	154	1 838	1 838	23	120	1 072	(952)	-89%	1 838	
<i>Water Distribution</i>	37 997	30 463	30 092	989	13 768	17 341	(3 573)	-21%	30 092	
<i>Water Storage</i>	2 941	4 258	4 410	107	2 137	2 558	(421)	-16%	4 410	
Waste water management	36 519	43 400	42 948	1 769	16 053	24 522	(8 469)	-35%	42 948	
<i>Public Toilets</i>	1 566	1 984	1 957	165	965	1 140	(175)	-15%	1 957	
<i>Sewerage</i>	27 631	30 347	29 886	1 073	10 778	16 950	(6 172)	-36%	29 886	
<i>Storm Water Management</i>	7 321	8 141	8 180	531	4 309	4 726	(417)	-9%	8 180	
<i>Waste Water Treatment</i>	0	2 928	2 926	0	0	1 706	(1 706)	-100%	2 926	
Waste management	40 611	51 829	51 664	2 307	16 830	30 101	(13 272)	-44%	51 664	
<i>Solid Waste Disposal (Landfill Sites)</i>	7 599	16 403	16 090	119	1 736	9 380	(7 643)	-81%	16 090	
<i>Solid Waste Removal</i>	31 594	33 991	34 138	2 174	14 991	19 884	(4 893)	-25%	34 138	
<i>Street Cleaning</i>	1 418	1 436	1 436	14	102	837	(735)	-88%	1 436	
<i>Other</i>	902	951	951	228	683	554	128	23%	951	
Licensing and Regulation	10	51	51	3	8	30	(22)	-74%	51	
Tourism	892	900	900	225	675	525	150	29%	900	
Total Expenditure - Functional	646 415	774 922	780 250	40 236	330 659	417 150	(78 725)	-19%	780 250	
Surplus/ (Deficit) for the year	29 831	2 908	6 941	(915)	83 491	69 860	13 631	20%	6 941	

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 515	5 211	70 904	77 724	(6 820)	-8,8%	109 515
Vote 2 - Community Services	13 275	35 720	41 770	1 509	4 644	24 411	(19 767)	-81,0%	41 770
Vote 2 - Community Services	130 855	131 976	132 291	480	78 699	89 929	(11 230)	-12,5%	132 291
Vote 2 - Community Services	13 503	4 581	5 061	303	3 110	2 951	158	5,4%	5 061
Vote 3 - Corporate Services	267	594	594	3	169	346	(177)	-51,2%	594
Vote 4 - Technical Services	339 017	388 952	389 664	24 601	197 580	224 753	(27 173)	-12,1%	389 664
Vote 4 - Technical Services	85 638	107 224	107 224	7 162	58 689	66 193	(7 504)	-11,3%	107 224
Vote 5 - Muncipal Manager	1 129	1 072	1 072	51	356	702	(346)	-49,3%	1 072
Total Revenue by Vote	676 246	777 830	787 191	39 321	414 150	487 010	(72 859)	-15,0%	787 191
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	53 986	2 601	23 226	31 420	(8 194)	-26,1%	53 986
Vote 2 - Community Services	36 230	41 879	42 456	3 120	21 120	24 425	(3 305)	-13,5%	42 456
Vote 2 - Community Services	48 069	54 069	53 736	3 069	21 985	31 219	(9 234)	-29,6%	53 736
Vote 2 - Community Services	16 324	43 719	48 771	979	10 801	28 355	(17 555)	-61,9%	48 771
Vote 3 - Corporate Services	68 177	77 479	78 225	4 200	34 728	45 183	(10 456)	-23,1%	78 225
Vote 4 - Technical Services	338 123	401 057	399 184	21 723	177 233	196 363	(19 130)	-9,7%	399 184
Vote 4 - Technical Services	86 066	90 791	90 458	3 753	35 271	52 463	(17 191)	-32,8%	90 458
Vote 5 - Muncipal Manager	14 779	13 462	13 433	790	6 296	7 722	(1 427)	-18,5%	13 433
Total Expenditure by Vote	646 353	774 922	780 250	40 236	330 659	417 150	(86 491)	-20,7%	780 250
Surplus/ (Deficit) for the year	29 893	2 908	6 941	(915)	83 491	69 860	13 631	19,5%	6 941

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	4 347	65 098	62 175	2 923	5%	83 290
Service charges - electricity revenue	274 184	323 478	323 478	21 564	169 893	181 147	(11 255)	-6%	323 478
Service charges - water revenue	43 137	39 677	39 677	3 917	25 775	22 690	3 085	14%	39 677
Service charges - sanitation revenue	30 920	25 043	25 043	2 552	19 644	15 332	4 311	28%	25 043
Service charges - refuse revenue	27 965	25 574	25 574	2 381	17 195	14 639	2 556	17%	25 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 526	1 470	1 470	538	2 531	857	1 674	195%	1 470
Interest earned - external investments	3 079	6 990	6 990	665	2 274	4 076	(1 801)	-44%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 388	9 418	5 059	4 359	86%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 592	21 479	21 479	0	5 587	12 525	(6 937)	-55%	21 479
Licences and permits	1 065	2 111	2 111	85	749	1 231	(482)	-39%	2 111
Agency services	4 354	4 046	4 046	251	2 693	2 359	334	14%	4 046
Transfers recognised - operational	131 244	145 903	154 127	390	72 478	103 043	(30 566)	-30%	154 127
Other revenue	7 774	14 985	15 094	1 195	5 264	8 803	(3 539)	-40%	15 094
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	623 082	702 723	711 056	39 274	398 599	433 936	(35 337)	-8%	711 056
Expenditure By Type									
Employee related costs	201 538	237 025	237 074	18 389	122 360	138 239	(15 878)	-11%	237 074
Remuneration of councillors	9 897	12 007	12 007	827	5 731	7 001	(1 271)	-18%	12 007
Debt impairment	50 015	63 750	63 750	-	6 667	37 173	(30 505)	-82%	63 750
Depreciation & asset impairment	32 472	39 729	39 729	-	15 078	23 166	(8 088)	-35%	39 729
Finance charges	4 522	8 696	8 684	0	76	5 064	(4 988)	-98%	8 684
Bulk purchases	239 632	285 789	285 789	16 960	130 456	130 858	(402)	0%	285 789
Other materials	12 584	14 977	15 160	1 076	8 262	8 813	(551)	-6%	15 160
Contracted services	51 748	48 390	47 456	891	17 352	26 060	(8 708)	-33%	47 456
Transfers and grants	6 534	25 603	30 525	(206)	1 484	17 806	(16 322)	-92%	30 525
Other expenditure	37 407	38 955	40 076	2 299	23 194	22 971	222	1%	40 076
Loss on disposal of PPE	66	0	0	-	-	0	(0)	-100%	0
Total Expenditure	646 415	774 922	780 250	40 236	330 659	417 150	(86 491)	-21%	780 250
Surplus/(Deficit)	(23 333)	(72 199)	(69 193)	(962)	67 940	16 786	51 154	0	(69 193)
Transfers recognised - capital	52 267	74 937	75 965	-	15 354	52 974	(37 620)	(0)	75 965
Contributions recognised - capital	898	170	170	47	197	99	98	0	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	29 831	2 908	6 941	(915)	83 491	69 860			6 941
Surplus/(Deficit) attributable to Share of surplus/ (deficit) of associate	29 831	2 908	6 941	(915)	83 491	69 860			6 941
Surplus/ (Deficit) for the year	29 831	2 908	6 941	(915)	83 491	69 860			6 941

The revenue and expenditure figures excludes internal charges.

Other expenditure includes operational costs such as:

Advertising, Publicity and Marketing

External Audit Fees

Communication

External Computer Service

Insurance Underwriting

Travel and Subsistence

Printing, Publications and Books

Uniform and Protective Clothing

Wet Fuel

Hire Charges

The tables provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M07 January

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	206	-	-	-	-	-	-	-	-
Vote 2 - Community Services	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services	12 425	27 630	27 564	4 349	4 949	14 238	(9 289)	-65%	27 564
Vote 4 - Technical Services	3 913	34 373	36 893	3 344	12 870	20 420	(7 549)	-37%	36 893
Vote 5 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	16 545	62 004	64 458	7 693	17 819	34 658	(16 838)	-49%	64 458
Single Year expenditure appropriation									
Vote 1 - Financial Services	165	180	944	47	243	543	(299)	-55%	944
Vote 2 - Community Services	1 971	-	-	-	-	-	-	-	-
Vote 2 - Community Services	1 126	-	240	-	240	140	100	71%	240
Vote 2 - Community Services	9 507	6 151	6 594	381	735	3 802	(3 067)	-81%	6 594
Vote 3 - Corporate Services	3 630	900	1 069	155	155	624	(468)	-75%	1 069
Vote 4 - Technical Services	25 539	16 266	18 747	161	5 257	10 108	(4 851)	-48%	18 747
Vote 4 - Technical Services	8 462	3 744	889	-	889	519	371	71%	889
Vote 5 - Muncipal Manager	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	50 399	27 241	28 483	743	7 519	15 735	(8 216)	-52%	28 483
Total Capital Expenditure	66 944	89 244	92 941	8 436	25 339	50 393	(25 054)	-50%	92 941

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M07 January

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
<i>Governance and administration</i>	3 162	2 080	4 215	202	1 364	2 450	(1 086)	-44%	4 215
Executive and council	(1)	600	600	-	-	350	(350)	-100%	600
Finance and administration	3 163	1 480	3 615	202	1 364	2 100	(736)	-35%	3 615
<i>Community and public safety</i>	10 876	5 456	6 138	381	973	3 581	(2 607)	-73%	6 138
Community and social services	1 613	-	-	-	-	-	-	-	-
Sport and recreation	7 782	5 456	5 898	381	733	3 441	(2 707)	-79%	5 898
Public safety	1 481	-	240	-	240	140	100	71%	240
Housing	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	17 177	27 042	28 323	4 510	6 373	14 767	(8 394)	-57%	28 323
Planning and development	1 934	696	696	-	2	362	(360)	-100%	696
Road transport	15 243	26 347	27 627	4 510	6 372	14 405	(8 033)	-56%	27 627
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	35 728	54 666	54 266	3 344	16 628	29 595	(12 967)	-44%	54 266
Energy sources	4 054	13 163	13 204	-	1 090	6 869	(5 779)	-84%	13 204
Water management	7 954	21 135	18 281	2 080	4 226	9 562	(5 337)	-56%	18 281
Waste water management	18 448	3 386	3 279	-	1 779	1 788	(9)	0%	3 279
Waste management	5 272	16 982	19 502	1 264	9 534	11 376	(1 842)	-16%	19 502
Total Capital Expenditure - Standard Classification	66 944	89 244	92 941	8 436	25 339	50 393	(25 054)	-50%	92 941
Funded by:									
National Government	18 276	49 637	49 637	3 706	14 288	27 020	(12 732)	-47%	49 637
Provincial Government	33 326	24 801	26 081	4 510	9 042	13 869	(4 827)	-35%	26 081
District Municipality	665	500	815	-	240	434	(194)	-45%	815
Transfers recognised - capital	52 768	74 937	76 533	8 216	23 570	41 322	(17 753)	-43%	76 533
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	16 483	220	1 769	9 146	(7 377)	-81%	16 483
Total Capital Funding	66 944	89 244	93 016	8 436	25 339	50 468	(25 129)	-50%	93 016

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	115 305	133 360	114 952	84 574	114 952
Call investment deposits	-	-	-	80 000	-
Consumer debtors	82 140	28 353	55 673	112 199	55 673
Other debtors	9 377	7 966	18 542	37 714	18 542
Current portion of long-term receivables	-	-	-	-	-
Inventory	9 963	11 602	9 963	9 102	9 963
Total current assets	216 785	181 281	199 130	323 589	199 130
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	43 430	43 765	43 430	43 430	43 430
Investments in Associate	-	-	-	-	-
Property, plant and equipment	985 237	996 031	1 038 873	995 498	1 038 873
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	1 122	1 576	1 122	1 122	1 122
Other non-current assets	550	550	550	550	550
Total non current assets	1 030 339	1 041 921	1 083 975	1 040 600	1 083 975
TOTAL ASSETS	1 247 124	1 223 203	1 283 105	1 364 189	1 283 105
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	1 587	-	1 587	898	1 587
Consumer deposits	8 732	7 976	8 732	9 524	8 732
Trade and other payables	58 125	115 836	110 393	90 567	110 393
Provisions	55 997	77 857	25 627	53 510	25 627
Total current liabilities	124 441	201 668	146 339	154 499	146 339
Non current liabilities					
Borrowing	1 188	2 588	188	1 188	188
Provisions	173 844	128 602	173 844	177 368	173 844
Total non current liabilities	175 032	131 189	174 032	178 557	174 032
TOTAL LIABILITIES	299 473	332 857	320 371	333 056	320 371
NET ASSETS	947 651	890 345	962 733	1 031 133	962 733
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	937 209	879 728	952 291	1 020 691	952 291
Reserves	10 442	10 618	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY	947 651	890 345	962 733	1 031 133	962 733

The cash flows for the year to date are indicated in the following table:

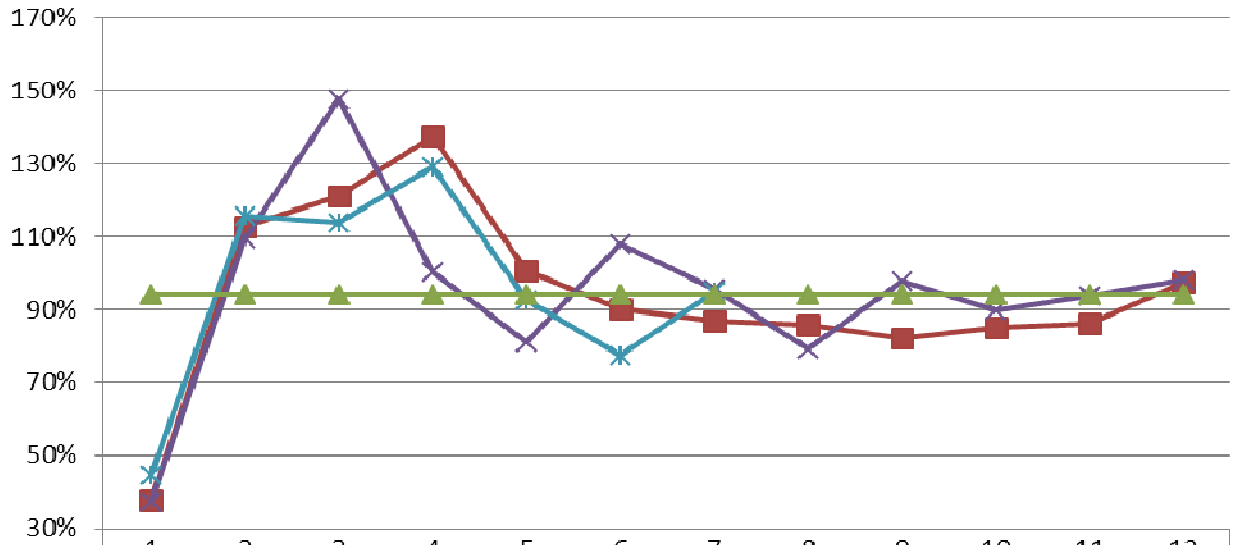
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	82 812	79 126	79 126	5 166	59 765	57 898	1 868	3%	78 476
Service charges	345 134	379 151	437 751	31 023	254 877	255 355	(478)	0%	379 328
Other revenue	859	27 756	19 373	2 004	12 526	13 712	(1 185)	-9%	16 391
Government - operating	131 051	145 903	154 127	2 355	83 460	104 778	(21 319)	-20%	124 778
Government - capital	52 102	75 107	86 842	6 550	44 861	38 852	6 009	15%	112 333
Interest	8 648	9 593	9 593	665	2 063	3 765	(1 702)	-45%	15 666
Dividends									
Payments									
Suppliers and employees	(546 597)	(604 934)	(658 415)	(44 351)	(382 148)	(349 659)	32 488	-9%	(544 150)
Finance charges	(226)	(461)	(462)	(0)	(17)	(230)	(213)	93%	(461)
Transfers and Grants	(22 351)	(25 603)	(30 361)	206	(1 709)	(5 059)	(3 350)	66%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	51 431	85 636	97 574	3 618	73 678	119 411	12 117	10%	182 362
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	905	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	10 442	20 000	(79 788)	-	(79 788)	-	-
Payments									
Capital assets	(66 944)	(89 094)	(107 369)	(5 214)	(24 698)	(38 709)	(14 011)	36%	(92 941)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(66 038)	(89 094)	(96 927)	14 786	(104 486)	(38 709)	65 777	-170%	(92 941)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	849	-	-	8	214	-	214	-	-
Payments									
Repayment of borrowing	(1 331)	(1 000)	(1 000)	-	(128)	-	128	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(482)	(1 000)	(1 000)	8	86	-	(86)		86
NET INCREASE/ (DECREASE) IN CASH HELD	(15 089)	(4 459)	(353)	18 412	(30 722)	80 702			89 421
Cash/cash equivalents at beginning:	130 394	137 819	115 305		115 296	115 305			115 296
Cash/cash equivalents at month/year end:	115 305	133 360	114 952		84 574	196 007			204 717

WC022 Witzenberg - Supporting Table SC1 Material variance explanations - M07 January

Ref	Description	Variance	Reasons for material deviations
	R thousands		
1	Revenue By Source		
	Property rates	2 923	Immaterial Variance.
	Service charges - electricity revenue	(11 255)	Increase expected during last months of financial year in line with agricultural seasonal trends.
	Service charges - water revenue	3 085	Immaterial Variance.
	Service charges - sanitation revenue	4 311	Immaterial Variance.
	Service charges - refuse revenue	2 556	Immaterial Variance.
	Service charges - other	-	
	Rental of facilities and equipment	1 674	Immaterial Variance.
	Interest earned - external investments	(1 801)	Immaterial Variance.
	Interest earned - outstanding debtors	4 359	Immaterial Variance.
	Dividends received	-	
	Fines, penalties and forfeits	(6 937)	Fines Revenue Recognised on an Annual Basis. No service provider appointed.
	Licences and permits	(482)	Immaterial Variance.
	Agency services	334	Immaterial Variance.
	Transfers and subsidies	(30 566)	Delay in expenditure with regards to Housing Top Structures. Deduction of unspent grants from second equitable share tranche.
	Other revenue	(3 539)	Immaterial Variance.
	Gains on disposal of PPE	-	
2	Expenditure By Type		
	Employee related costs	(15 878)	Variance due to non-cash provisions related to post employment benefits included in employee related costs.
	Remuneration of councillors	(1 271)	Immaterial Variance.
	Debt impairment	(30 505)	Provision in line with calculated provision based on Debtors Aging.
	Depreciation & asset impairment	(8 088)	Depreciation recognised on an annual basis.
	Finance charges	(4 988)	Immaterial Variance.
	Bulk purchases	(402)	Immaterial Variance.
	Other materials	(551)	Immaterial Variance.
	Contracted services	(8 708)	Decrease in contracted services.
	Transfers and subsidies	(16 322)	Delay in expenditure with regards to Housing Top Structures.
	Other expenditure	222	Immaterial Variance.
	Loss on disposal of PPE	(0)	
3	Capital Expenditure		
	Total Capital Expenditure	(25 054)	Capital expenditure on bigger projects due to commence shortly. Capital expenditure expected to increase as based on historical trends.
		-	
		-	
4	Financial Position		
		-	
		-	
		-	
5	Cash Flow		
	Receipts		
	Property rates	1 868	Immaterial Variance.
	Service charges	(478)	High collection mainly attributable to increased electricity usage during winter months.
	Other revenue	(1 185)	Receipts lower than expected.
	Government - operating	(21 319)	Receipts with regards to Operational Grants outstanding - deduction of unspent grants from second equitable share tranche.
	Government - capital	6 009	Immaterial Variance.
	Interest	(1 702)	Immaterial Variance.
	Dividends	-	
	Payments		
	Suppliers and employees	32 488	Variance due to increased expenditure pertaining to Bulk Purchases.
	Finance charges	(213)	Immaterial Variance.
	Transfers and Grants	(3 350)	Immaterial Variance.
6	Measureable performance		
7	Municipal Entities		

Debtor Collection Rate per Month

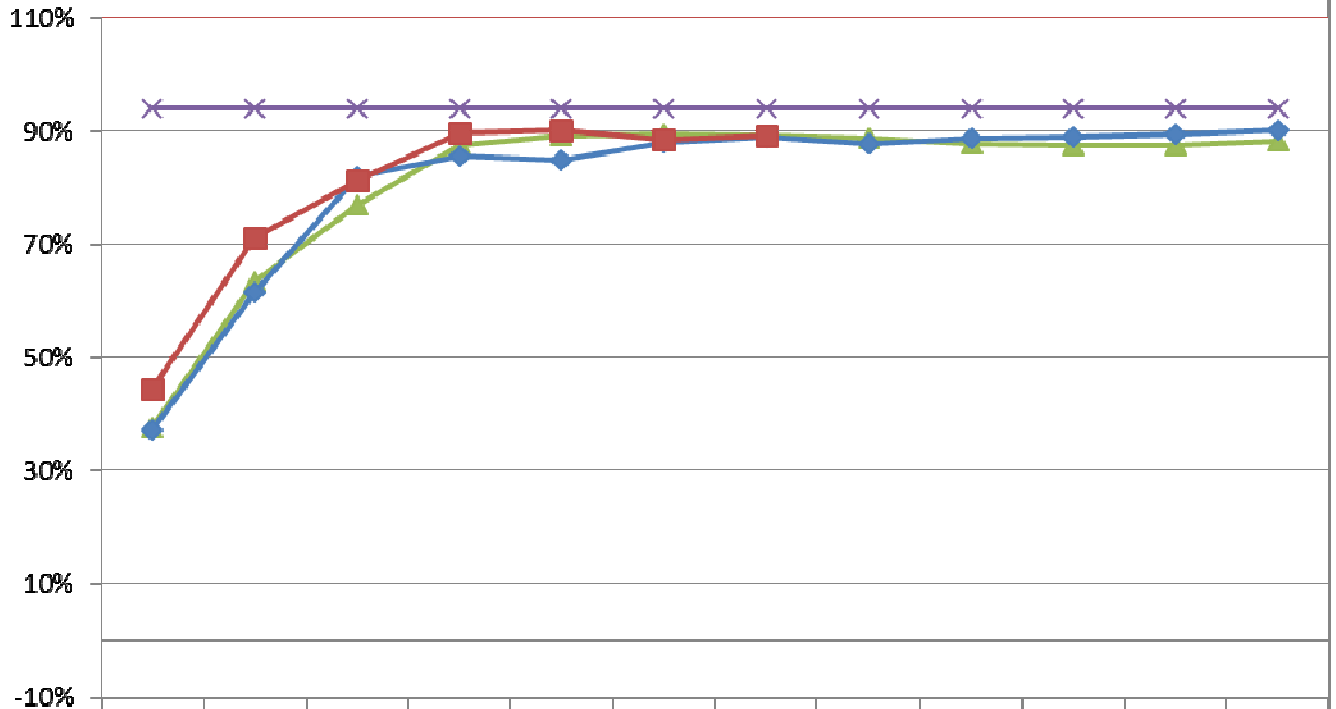


	1	2	3	4	5	6	7	8	9	10	11	12
19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
21/22	44%	116%	114%	129%	93%	77%	95%					
Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for Jan 2022 amounts to 95% in comparison to the previous year 96%.

Die doel van hierdie grafiek is om die verhaling van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Jan 2022 95% beloop in vergelyking met die vorige jaar 96%.

Accumulative Collection Rate



19/20

20/21

21/22

Target

The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 89%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 89% behoel.

The payment culture of consumers are still the same which has a negative impact on collections.

Die betalingskultuur onder verbruikers is onveranderd wat die invorderings negatief beïnvloed.

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2021/22									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	11 565	2 199	1 786	1 718	1 625	1 698	9 191	64 490	94 272	78 722
Electricity	1300	19 588	1 370	451	359	352	213	948	3 407	26 688	5 279
Property Rates	1400	5 281	492	392	361	5 540	295	1 305	17 877	31 544	25 379
Waste Water Management	1500	8 477	1 197	1 056	1 003	954	938	4 957	33 661	52 243	41 512
Waste Management	1600	8 743	1 366	1 257	1 160	1 114	1 058	5 360	35 183	55 240	43 875
Property Rental Debtors	1700	192	14	12	12	13	13	81	1 131	1 468	1 250
Interest on Arrear Accounts	1810	1 172	139	141	161	296	213	1 390	46 234	49 747	48 295
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(4 625)	194	39	38	40	33	174	1 286	(2 822)	1 571
Total By Income Source	2000	50 393	6 970	5 135	4 813	9 933	4 461	23 406	203 269	308 381	245 882
2019/20 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	440	275	263	201	1 372	170	617	3 145	6 483	5 505
Commercial	2300	17 704	1 695	404	299	2 771	229	906	11 350	35 356	15 554
Households	2400	31 863	4 827	4 299	4 156	5 445	3 881	20 863	182 447	257 780	216 792
Other	2500	386	174	170	157	345	181	1 020	6 328	8 761	8 031
Total By Customer Group	2600	50 393	6 970	5 135	4 813	9 933	4 461	23 406	203 269	308 381	245 882

Negative figure as indicated for "Other Debtors" relates to cash received, but not yet allocated.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description R thousands	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	4 516	387	73	-	-	-	-	-	4 975
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	4 516	387	73	-	-	-	-	-	4 975

Notes

Material increases in value of creditors' categories compared to previous month to be explained

0

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
R thousands								
Municipality								
ABSA Bank Ltd	7 Months	Fixed depos	28/02/2022	-		-	-	20 000
Nedbank Ltd	5 Months	Fixed depos	09/05/2022	-		-	-	10 000
Standard Bank of SA Ltd	5 Months	Fixed depos	09/05/2022	-		-	-	30 000
First National Bank	5 Months	Fixed depos	10/05/2022	-		-	-	20 000
	-	-	-	-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	80 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	2 210	2 210	-	(1 550)	1 105	-		2 210
Operational Revenue:General Revenue:Equitable S	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Gran	-	-	-	-	-	-		-
Local Government Financial Management Grant [Sc	1 550	1 550	-	(1 550)	775	(2 325)	-300,0%	1 550
Municipal Infrastructure Grant [Schedule 5B]	660	660	-	-	330	(330)	-100,0%	660
Provincial Government:	29 456	29 456	4 710	(27 334)	16 746	(44 080)	-263,2%	29 456
Capacity Building	-	-	-	-	-	-		-
Capacity Building and Other	15 902	15 902	2 355	(13 667)	9 058	(22 725)	-250,9%	15 902
Infrastructure	2 749	2 749	-	(3 018)	1 386	(4 404)	-317,8%	2 749
								-
								2 348
District Municipality:	-	-	-	-	-	-		-
All Grants	-	-	-	-	-	-		-
Total Operating Transfers and Grants	34 014	34 014	4 710	(28 884)	20 199	(49 083)	-243,0%	34 014
National Government:	-	-	-	(835)	-	(835)		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant (Schedule 5B)	-	-	-	-	-	-		-
Provincial Government:	-	-	-	(6 717)	-	(6 717)		-
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	-	-	-	(3 359)	-	(3 359)		-
District Municipality:	18 112	18 112	2 355	(18 993)	10 163	(29 156)	-286,9%	18 112
All Grants	18 112	18 112	2 355	(18 993)	10 163	(29 156)	-286,9%	18 112
Other grant providers:	94 164	94 164	13 100	(39 552)	51 135	(90 687)	-177,3%	94 164
Departmental Agencies and Accounts	-	-	-	-	-	-		-
Foreign Government and International Organisations	57 082	57 082	6 550	(23 175)	30 568	(53 743)	-175,8%	57 082
Total Capital Transfers and Grants	112 276	112 276	15 455	(66 097)	61 298	(127 396)	-207,8%	112 276
TOTAL RECEIPTS OF TRANSFERS & GRANTS	146 290	146 290	20 165	(94 981)	81 498	(176 479)	-216,5%	146 290

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	-	-	45	(241)	-	-		-
Operational Revenue:General Revenue:Equitable	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Gr	-	-	-	-	-	-		-
Local Government Financial Management Grant [-	-	-	-	-	-		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Provincial Government:	-	-	702	(2 368)	-	(2 368)		-
Capacity Building and Other	-	-	351	(1 184)	-	(1 184)		-
Disaster and Emergency Services	-	-	-	-	-	-		-
Infrastructure	-	-	348	(1 187)	-	(1 187)		-
District Municipality:	-	-	-	-	-	-		-
All Grants	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-		-
Foreign Government and International Organisatio	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants	-	-	747	(2 610)	-	(2 368)		-
National Government:	-	-	-	-	-	-		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant (Schedule 5B)	-	-	-	-	-	-		-
Provincial Government:	-	-	792	(2 851)	-	(2 851)		-
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	-	-	-	-	-	-		-
District Municipality:	-	-	396	(1 425)	-	(1 425)		-
All Grants	-	-	396	(1 425)	-	(1 425)		-
Other grant providers:	-	-	-	14 864	-	14 864		-
Foreign Government and International Organisatio	-	-	-	8 155	-	8 155	#DIV/0!	-
Transfer from Operational Revenue	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	-	-	1 189	10 588	-	10 588		-
TOTAL EXPENDITURE OF TRANSFERS AND GRAN	-	-	1 936	7 979	-	8 220		-

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	636	4 467	4 653	(186)	-4%	7 980
Pension and UIF Contributions	1 787	1 787	94	567	1 042	(474)	-46%	1 787
Medical Aid Contributions	335	335	11	90	195	(105)	-54%	335
Motor Vehicle Allowance	817	817	-	-	476	(476)	-100%	817
Cellphone Allowance	985	985	86	591	575	16	3%	985
Housing Allowances	43	43	-	15	25	(11)	-42%	43
Other benefits and allowances	59	59	-	-	34	(34)	-100%	59
Sub Total - Councillors	12 007	12 007	827	5 731	7 001	(1 271)	-18%	12 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 317	328	2 276	2 518	(241)	-10%	4 317
Pension and UIF Contributions	925	925	29	202	539	(338)	-63%	925
Medical Aid Contributions	159	159	5	33	93	(59)	-64%	159
Overtime	-	-	-	-	-	-	-	-
Performance Bonus	1 052	1 052	62	434	613	(179)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	578	724	(146)	-20%	1 242
Cellphone Allowance	84	84	-	33	49	(16)	-32%	84
Housing Allowances	182	182	23	165	106	59	56%	182
Other benefits and allowances	136	136	9	66	79	(13)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers	8 276	8 096	539	3 788	4 721	(934)	-20%	8 096
Other Municipal Staff								
Basic Salaries and Wages	136 537	136 765	11 622	71 572	79 748	(8 176)	-10%	136 765
Pension and UIF Contributions	20 659	20 660	1 679	11 665	12 047	(382)	-3%	20 660
Medical Aid Contributions	9 200	9 200	703	4 770	5 364	(594)	-11%	9 200
Overtime	10 906	10 906	1 608	10 710	6 359	4 351	68%	10 906
Performance Bonus	9 311	9 311	-	4 650	5 429	(779)	-14%	9 311
Motor Vehicle Allowance	5 309	5 309	487	3 449	3 096	354	11%	5 309
Cellphone Allowance	478	478	40	296	279	17	6%	478
Housing Allowances	1 947	1 947	93	661	1 135	(474)	-42%	1 947
Other benefits and allowances	5 175	5 175	414	2 878	3 018	(139)	-5%	5 175
Payments in lieu of leave	1 050	1 050	336	1 857	612	1 245	204%	1 050
Long service awards	-	-	81	564	-	564	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	786	5 500	16 430	(10 930)	-67%	28 178
Sub Total - Other Municipal Staff	228 749	228 978	17 850	118 573	133 518	(14 945)	-11%	228 978
TOTAL SALARY, ALLOWANCES & % increase	249 032	249 081	19 216	128 091	145 240	(17 149)	-12%	249 081
TOTAL MANAGERS AND STAFF	237 025	237 074	18 389	122 360	138 239	(15 878)	-11%	237 074

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M07 January

Description	Ref	Budget Year 2021/22											
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget
Cash Receipts By Source													
Property rates		5 769	15 593	11 710	12 132	5 180	4 215	5 166	-	-	-	-	18 710
Service charges - electricity revenue		30 337	36 936	33 947	28 552	25 311	21 246	26 243	-	-	-	-	114 625
Service charges - water revenue		2 880	3 342	2 987	3 128	2 894	2 432	3 734	-	-	-	-	7 486
Service charges - sanitation revenue		1 789	2 310	1 912	5 727	2 288	1 507	2 414	-	-	-	-	(2 673)
Service charges - refuse		2 013	2 089	2 126	2 181	2 208	1 520	2 485	-	-	-	-	3 352
Service charges - other		-	-	3 044	(2 436)	60	1 525	(3 854)	-	-	-	-	2 348
Rental of facilities and equipment		91	77	334	300	374	219	435	-	-	-	-	(1 826)
Interest earned - external investments		221	237	164	136	448	192	665	-	-	-	-	11 686
Interest earned - outstanding debtors		0	-	-	-	-	-	-	-	-	-	-	1 917
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		68	53	63	107	176	82	95	-	-	-	-	688
Licences and permits		487	50	325	1 612	3 641	391	88	-	-	-	-	(4 384)
Agency services		-	-	-	-	-	-	-	-	-	-	-	3 948
Transfer receipts - operating		-	-	-	-	-	-	251	-	-	-	-	124 527
Other revenue		44 521	6 061	483	4 627	629	26 854	3 489	-	-	-	-	(78 455)
Cash Receipts by Source		88 177	66 748	57 094	56 065	43 209	60 184	41 213	-	-	-	-	201 949
Other Cash Flows by Source													-
Transfer receipts - capital		9 333	-	-	7 713	21 264	-	6 550	-	-	-	-	67 472
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	(1 000)
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(10)	21	10	61	93	30	8	-	-	-	-	(214)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		(80 000)	-	-	20 212	20 000	(60 000)	20 000	-	-	-	-	79 788
Total Cash Receipts by Source		17 500	66 769	57 104	84 052	84 566	214	67 771	-	-	-	-	347 995
Cash Payments by Type													-
Employee related costs		14 974	14 718	15 104	17 148	24 682	15 513	17 480	-	-	-	-	91 966
Remuneration of councillors		936	955	938	938	706	871	827	-	-	-	-	(6 170)
Interest paid		-	-	1	-	-	16	0	-	-	-	-	444
Bulk purchases - Electricity		32 051	38 254	33 727	20 676	19 030	18 436	19 488	-	-	-	-	79 164
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		1 474	451	1 001	1 736	1 449	1 711	1 846	-	-	-	-	-
Contracted services		2 677	5 053	4 894	756	6 160	1 153	940	-	-	-	-	(21 634)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		54	54	561	279	-	969	(206)	-	-	-	-	70 031
General expenses		8 745	2 054	7 801	8 141	2 691	5 184	2 687	-	-	-	-	(37 302)
Cash Payments by Type		60 910	61 539	64 024	49 674	54 719	43 852	43 061	-	-	-	-	176 500
Other Cash Flows/Payments by Type													-
Capital assets		1 867	4 551	3 912	232	2 924	5 999	5 214	-	-	-	-	68 243
Repayment of borrowing		(2)	-	21	-	-	109	-	-	-	-	-	(128)
Other Cash Flows/Payments		(467)	(1 693)	1 461	935	4 680	93	1 093	-	-	-	-	(6 104)
Total Cash Payments by Type		62 307	64 397	69 419	50 841	62 323	50 053	49 369	-	-	-	-	238 511
NET INCREASE/(DECREASE) IN CASH HELD		(44 807)	2 372	(12 315)	33 211	22 243	(49 839)	18 403	-	-	-	-	109 484
Cash/cash equivalents at the month/year beginning:		115 296	70 489	72 861	60 546	93 757	116 001	66 162	84 564	84 564	84 564	84 564	84 564
Cash/cash equivalents at the month/year end:		70 489	72 861	60 546	93 757	116 001	66 162	84 564	84 564	84 564	84 564	84 564	194 049

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	-	3 528	3 922	1	1	3 922	3 921	100,0%	0%
August	970	5 053	5 414	4 632	4 633	9 337	4 704	50,4%	5%
September	2 309	7 122	7 433	3 700	8 333	16 770	8 437	50,3%	9%
October	3 822	10 136	10 388	217	8 550	27 158	18 608	68,5%	9%
November	7 006	10 136	10 388	2 677	11 227	37 545	26 318	70,1%	12%
December	3 969	8 647	8 925	5 676	16 903	46 470	29 567	63,6%	18%
January	4 376	3 528	3 922	8 436	25 339	50 393	25 054	49,7%	28%
February	4 502	5 053	5 414	-	-	55 807	-	-	-
March	15 227	7 122	7 433	-	-	63 240	-	-	-
April	2 003	10 136	10 388	-	-	73 628	-	-	-
May	6 929	10 136	10 388	-	-	84 016	-	-	-
June	65 951	8 647	8 925	-	-	92 941	-	-	-
Total Capital expenditure	117 064	89 244	92 941	25 339					

3.2 SUPPLY CHAIN MANAGEMENT

3.2 VOORSIENINGSKANAAL BESTUUR

3.2.1 Demand and Acquisition

3.2.1 Aanvraag en Verkryging

3.2.1.1 Advertisement stage

3.2.1.1 Adverteringsfase

The following formal written price quotations are currently in the advertisement stage:

Die volgende formele geskrewe pryskwotasies is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/19/24	Supply, delivery and offloading of toilet paper, paper hand wipes and cleaning chemicals	03-Feb-2022
08/2/19/31	Supply and delivery of Decontamination solution, which is effective against SARS-Cov-2 and its variants (Re-advertisement)	11-Feb-2022
08/2/19/35	Vehicle Body repairs including upholstery and flooring for Two vehicles (Re-advertisement)	03-Feb-2022
08/2/19/40	Supply, delivery and offloading calcium hypochlorite 25kg	07-Feb-2022

The following competitive bids are currently in the advertisement stage:

Die volgende mededingende tenders is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/19/10	Construction of Ablution Facility at Wolseley	24-Feb-2022
08/2/19/26	Implementation of Protection study and the supply of associated equipment for the electricity network in witzenberg Municipal Area for a three financial year period	04-Feb-2022
08/2/19/29	Upgrade of multi-purpose courts at Lyell street sports field, Ceres	25-Feb-2022
08/2/19/30	Construction of High jump and hammer throw facility at Lyell street sports field, Ceres	25-Feb-2022

3.2.1.2 Evaluation stage:

3.2.1.2 Evaluering stadium:

The following competitive bids are currently in the evaluation stage:

Die volgende mededingende tenders is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/62	Professional services for Witzenberg Municipality	08-Jul-2021	30-Aug-2021	M Grové
08/2/18/64	Appointment of contractors for maintenance, repair and replacement of general electrical infrastructure and wiring of premises for Witzenberg municipality	04-Nov-2021	Awaiting	M Grové
08/2/19/01	Supply and delivery of Station Uniforms for Fire Department,	19-Aug-2021	20-Oct-2021	A Lamprecht-Vertue

FINANCE SECTION 71 REPORT - JANUARY 2022 - FINANSIES ARTIKEL 71 VERSLAG

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
	Emergency Control Room and Disaster Management			
08/2/19/11	Revenue Enhancement: Addressing illegal Electricity Connections	28-Jan-2022	Awaiting	M Grové
08/2/19/15	Supply and delivery of Electrical equipment and cables	07-Dec-2021	Awaiting	M Grové
08/2/19/16	Clearing of Alien vegetation in Prince Alfred Hamlet commonage	26-Nov-2021	03-Dec-2021	H Truter
08/2/19/17	Facilitation of training for Municipal Minimum Competency Levels (MMCL) programme for a three year period	24-Nov-2021	01-Dec-2021	I Barnard
08/2/19/20	Service provider for compilation and maintenance of General Valuation roll, supplementary valuation roll and other related valuation services for Witzenberg Municipality	14-Dec-2021	31-Jan-2022	C Stevens

The following formal written price quotations are currently in the evaluation stage:

Die volgende formele geskrewe pryskwotasie is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/19/33	Supply and delivery of one new petrol cylinder mower with detachable seat	24-Jan-2022	Awaiting	H Truter

3.2.1.3 Adjudication stage

3.2.1.3 Toekenningsfase:

The following competitives bid are currently in the adjudication stage:

Die volgende mededingende tenders is tans in die toekenningsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
08/2/18/79	Supply and delivery of a Conference System for Council Chambers	15-Jun-2021	14-Jul-2021	13-Sep-2021
08/2/18/81	Electrical and Mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	30-Sep-2021	15-Dec-2021	19-Jan-2022 31-Jan-2022
08/2/19/05	Paving, stormwater infrastructure and fire hydrant at PAH Business Hub	05-Nov-2021	19-Jan-2022 26-Jan-2022	-
08/2/19/06	Supply, delivery & installation of rigid mesh fencing & rigid mesh gates in PAH Business Hub	05-Nov-2021	19-Jan-2022 26-Jan-2022	-

No formal written price quotations are currently in the adjudication stage.

Geen formele geskrewe prys kwotasie is tans in die Toekenningsfase nie.

3.2.1.4 Bids awarded

No bids were awarded by the Accounting Officer during the month of January 2022.

3.2.1.4 Tenders toegeken

Geen tenders was toegeken deur die Rekenpligtige Beampte gedurende Januarie 2022 nie.

The following competitive bids were awarded by the Bid Adjudication Committee during the month of January 2022:

Die volgende mededingende tenders was toegeken deur die Tender Toekenningskomitee gedurende Januarie 2022:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/18/72	31-Jan-2022	Trigon Travel (PTY) Ltd	Appointment of a Travel Agency	Bidder scored the highest points	Based on rates estimated at R 491 910.00

3.2.1.5 Paragraph 13 (1): Cancellation and re-invitation of tenders

3.2.1.5 Paragraaf 13 (1): Kansellasië en her-uitnodiging van tenders

Bid ref number	Date	Brief description of services	Reason why bid is cancelled
08/2/19/31	24-Jan-2022	Supply and delivery of Decontamination solution, which is effective against SARS-Cov-2 and its variants	No acceptable bids were received

3.2.1.6 Paragraph 19 (1) I and 19 (2): Written price quotations

3.2.1.6 Paragraaf 19 (1) (c) en 19 (2): Geskrewe Prys Kwotasies

The following written price quotations were approved during the month of January 2022:

Die volgende geskrewe prys kwotasies was goedgekeur gedurende Januarie 2022:

Order number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
171915	20-January-2022	Roy Steele & Associates BK	Service Provider for Interview of Manager: Electro Technical Services	Only responsive quotation	R 23 221.95 (Incl. VAT)	Chief Financial Officer

3.2.1.7 Formal Written Price Quotations

3.2.1.7 Formele Geskrewe Prys Kwotasies

The following formal written price quotations, in excess of R 30 000 were awarded by an official acting in terms of a sub-delegation for the month of January 2022:

Die volgende formele geskrewe kwotasies, wat meer is as R 30 000.00 is toegeken deur 'n amptenaar wat in terme van 'n sub-afvaardiging vir die maand van Januarie 2022:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
08/2/19/34	20-Dec-2021	Consolidated African Technologies (Pty) Ltd	Supply of Licences for handhelds and meter reading software	Only responsive bidder	R 161 063.88 (Incl. VAT)	Acting Chief Financial Officer

3.2.1.8 Appeals

No appeals were lodged or dealt with by the Accounting Officer during the month of January 2022.

3.2.1.8 Appèlle

Geen appèlle is ontvang of was hanteer deur die Rekenpligtige beamppte gedurende Januarie 2022 nie.

3.2.1.9 Deviations

The following table contains the actuals against approved deviations by the Accounting Officer for the month of January 2022 which totals R 108 118:

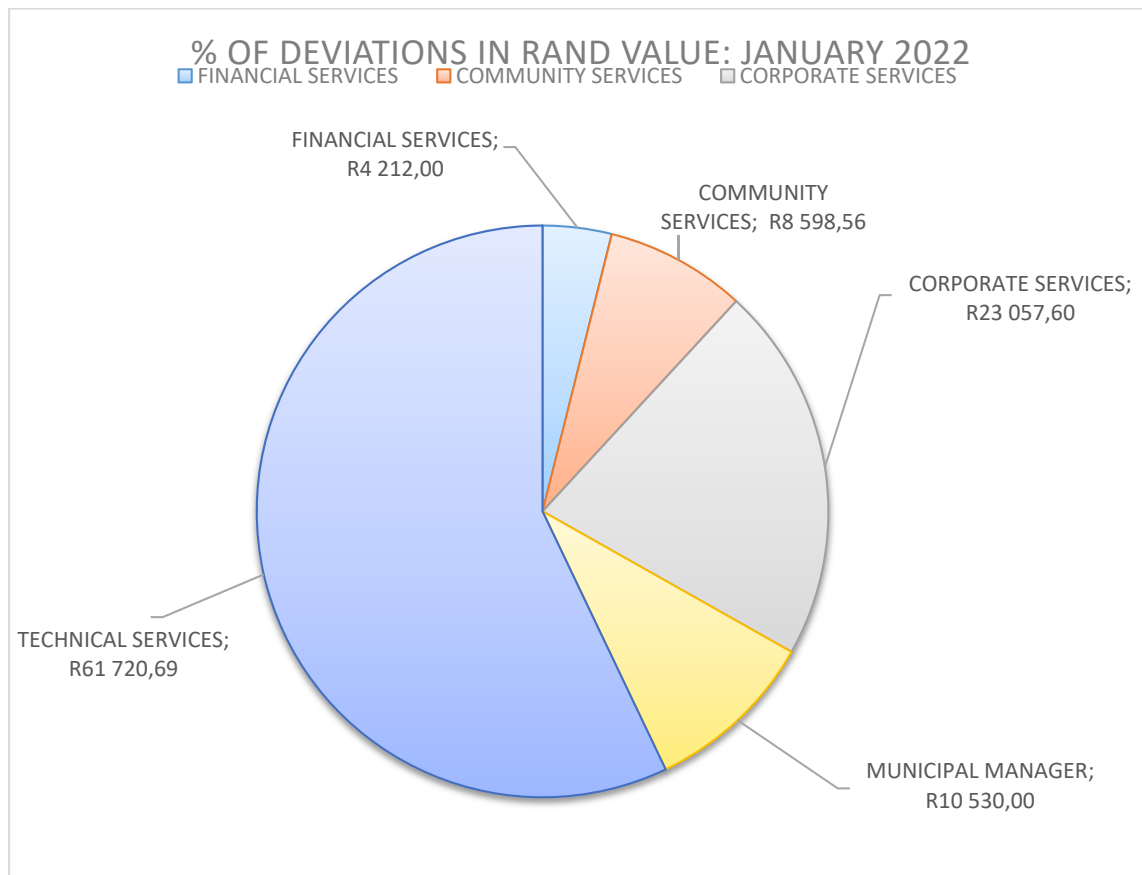
3.2.1.9 Afwykings

Die volgende tabel bevat die werklike uitgawes teen goedgekeurde afwykings deur die Rekenpligtige Beamppte vir die maand van Januarie 2022 wat beloop op die totaal van R 108 118:

Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
8-Nov-21	Witzenberg Herald	Publish notice: Special Council Meeting 12 Nov 2021	Single supplier	171080	2,448.00
19-Jan-21	Witzenberg besproeiing	Emergency Work: Stamper str. Reservoir	Emergency	171900	2,312.60
21-Dec-21	Working on Fire (PTY) Ltd	Supply ground teams to assist with Fire Supression on Municipal Property	Emergency	171932	8,598.56
17-Jan-22	Workshop Electronics (PTY) Ltd	Service & Calibration of Roadworthy Equipment	Single supplier	171888	12,419.60
19-Jan-22	Witzenberg Herald	Publish Notice: Upgrading of van Breda Bridge	Single supplier	171905	3,240.00
21-Jan-22	Witzenberg Herald	Publish Notice: Eskom rates increase	Single supplier	171933	5,070.00
28-Jan-22	Viking Pony Africa Pumps (PTY) Ltd T/A Tricom Africa	Emergency Works: Wolseley water	Emergency	172089	53,718.09
28-Jan-22	Witzenberg Herald	Publish Notice: Draft Annual Report (2020-2021)	Single supplier	172078	4,212.00
27-Jan-22	Witzenberg Auto Glass (PTY) Ltd	Emergency Works: Replace window glass after break in	Emergency	172051	2,450.00
27-Jan-22	Witzenberg Herald	Publish Notice: Ward Committees	Single supplier	172070	10,530.00
27-Jan-22	Witzenberg Herald	Publish Notice: Congratulatory message to 2021 matric class	Single supplier	172071	3,120.00

MONTH / MAAND	DEVIATION AMOUNT AFWYKING BEDRAG	TOTAL VALUE OF ORDERS ISSUED TOTALE WAARDE VAN BESTELLINGS UITGEREIK	% DEVIATIONS OF TOTAL ORDERS ISSUED % AFWYKINGS VAN TOTALE BESTELLINGS UITGEREIK
November 2021	R 4 971 710	R44 640 666.23	11.13%
December 2021	R 91 455.70	R24 514 427.11	0.03%
January 2022	R 108 118.85	R18 738 559.02	0.05%

DEVIATIONS PER DIRECTORATE:



Logistics

The table below contains a high level summary of information regarding the stores section:

Logistieke

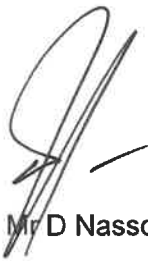
Die tabel hieronder bevat 'n hoë vlak opsomming van inligting rakende die magasyn (stoor):

MONTH	Nov 2021	Dec 2021	Jan 2022
Value of inventory at hand	R 8 155 037	R 8 581 939	R 7 950 686
Turnover rate of total value of inventory	0.94	0.93	1.14
Date of latest stores reconciliation	31 January 2022		
Date of last stock count	14 December 2021		
Date of next stock count	24 March 2022		



QUALITY CERTIFICATE

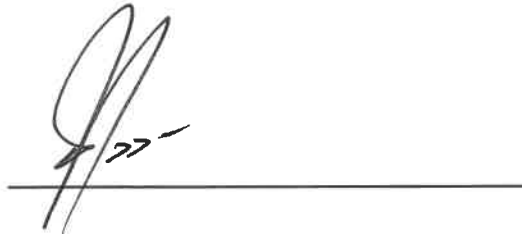
I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the monthly in year monitoring reports for the month of January 2022 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.



Mr D Nasson

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:



Date:



Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/ Kindly address all correspondence to the Municipal Manager/ Yonke imbalelwano mayithunyehwe kuMlawuli kaMasipala

*Witzenberg, the Eden of Africa, aspires that all residents shall live together in harmony and prosperity.
Witzenberg, die Eden van Afrika, streef daarna dat alle inwoners in harmonie en voorspoed saamleef.
Witzenberg, iEden yase Africa igquashalazele ekubeni bonke abahlali bakhawulelezise ukuhlalisana ngoTomwalo.*



Monthly Budget Statement Report Section 71 for February 2022

**Financial data is in respect of the period
1 July 2021 to 30 June 2022**

Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

Glossary (Continued)

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

Legal requirements

2.3 Monthly budget statements

In terms of Section 71 of the MFMA the accounting officer must prepare monthly budget statements that comply with this section. This section read as follows:

"71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;*
- (b) actual borrowings;*
- (c) actual expenditure, per vote;*
- (d) actual capital expenditure, per vote;*
- (e) the amount of any allocations received;*
- (f) actual expenditure on those allocations, excluding expenditure on—*
 - (i) its share of the local government equitable share; and*
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and*
 - (g) when necessary, an explanation of—*
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;*
 - (ii) any material variances from the service delivery and budget implementation plan; and*
 - (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.*

(2) The statement must include—

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and*
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).*

(3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after

2.3 Maandelikse begroting state

In terme van Artikel 71 van die MFMA die rekenpligtige beampte moet 'n maandelikse begroting state wat voldoen aan hierdie artikel. Hierdie artikel lees soos volg:

"71. (1) Die rekenpligtige beampte van 'n munisipaliteit moet nie later as 10 werk dae na die einde van elke maand aan die burgemeester van die munisipaliteit en die betrokke Provinsiale Tesourie 1 verklaring in die voorgeskrewe formaat oor die toestand van die munisipaliteit se begroting wat die volgende besonderhede vir die maand en vir die finansiële jaar tot die einde van die maand:

- (a) werklike inkomste per bron van inkomste;*
- (b) werklike lenings;*
- (c) die werklike uitgawes per stem;*
- (d) die werklike kapitaalbesteding, per stem;*
- (e) die bedrag van enige toekennings ontvang;*
- (f) die werklike uitgawes op daardie toekennings, uitgesluit besteding op*
 - (i) sy deel van die plaaslike regering billike deel;*
 - (ii) toekennings vrygestel is by die jaarlikse Verdeling van Inkomste van die nakoming van hierdie paragraaf, en*
 - (g) wanneer dit nodig is, 'n verduideliking van—*
 - (i) enige wesenslike afwykings van die munisipaliteit se geprojekteerde inkomste deur die bron, en van die munisipaliteit se uitgawe projeksies per stem;*
 - (ii) enige wesenslike afwykings van die dienslewering en begrotings implementeringsplan;*
 - (iii) enige remediërende of korrektiewe stappe geneem is of geneem word om te verseker dat die geprojekteerde inkomste en uitgawes in die munisipaliteit se goedgekeurde begroting bly.*

(2) Die staat moet die volgende insluit-

- (a) 'n projeksie van die betrokke munisipaliteit se inkomste en uitgawes vir die res van die finansiële jaar, en enige wysigings van die aanvanklike projeksies, en*
- (b) die voorgeskrewe inligting met betrekking tot die toestand van die begroting van elke munisipale entiteit wat aan die munisipaliteit in terme van artikel 87 (10).*

(3) die bedrae wat in die verklaring moet in elke geval in vergelyking met die ooreenstemmende bedrae begroot vir die munisipaliteit se goedgekeurde begroting.

(4) Die verklaring aan die provinsiale tesourie moet in die formaat van 'n getekende dokument en in elektroniese formaat.

(5) Die rekenpligtige beampte van 'n munisipaliteit wat 'n toekenning bedoel in subartikel (1)(e) gedurende 'n bepaalde maand ontvang het, moet nie later nie as 10 werksdae na die

the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter."

einde van die maand, moet daardie deel van die verklaring wat die besonderhede bedoel in subartikel (1)(e) en (f) om die nasionale of provinsiale orgaan van die staat of munisipaliteit wat die toekenning oorgedra

(6) Die Provinsiale Tesourie moet nie later nie as 22 werksdae na die einde van elke maand aan die Nasionale Tesourie 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van die munisipaliteite se begrotings, per munisipaliteit en per munisipale entiteit.

(7) Die Provinsiale Tesourie moet, binne 30 dae na die einde van elke kwartaal, openbaar te maak as wat voorgeskryf mag word, 'n gekonsolideerde staat in die voorgeskrewe formaat oor die stand van munisipaliteite se begrotings per munisipaliteit en per munisipale entiteit. Die LUR vir finansies moet so 'n gekonsolideerde staat nie later nie as 45 dae na die einde van elke kwartaal aan die provinsiale wetgewer dien."

A MAYOR'S REPORT

Credit control for various reasons remains a challenge for the municipality.

The unwillingness / inability of government departments to pay their municipal accounts was a big concern. However department are slowing starting to make payment. The debt is in excess of R7.08 million in comparison to the prior month figure of R6.48 million.

The monthly billing was also done as scheduled and during this process 19 432 accounts amounting to R 44.3 million was printed and distributed to consumers. The prepaid electricity sales amounted to R 5.6 million in comparison to a cost of R4.6 million for the same month during the prior financial year.

The indigent cost to the municipality for the month amounts to R 1.6 million in comparison to the prior month figure of R1.8 million

The accumulated debtor's collection target for the year is 94%, and the actual accumulated year to date debtor's collection is 88% in comparison to a rate of 88% for the same month in the previous year.

The municipality issued orders to the value of R 20.4 million of which R 302 thousand was in terms of deviations.

The municipality currently has R 90 million in its primary bank account and investments to the value of R60 million. The bank balance at the end of the previous month was R87 million.

The calculated cost coverage ratio of the municipality as at the end of February 2022 is 2.10 months.

B RECOMMENDATION

It is recommended that council take cognisance of the quarterly budget assessment for the month of February 2022 .

C EXECUTIVE SUMMARY

The following tables provides a summary of the financial information:

A BURGEMEESTERS VERSLAG

Kredietbeheer bly 'n uitdaging vir die munisipaliteit as gevolg van verskillende redes.

Die onwilligheid / onvermoë van staats departemente om hulle munisipale rekeninge te betaal was 'n groot bekommernis. Departemente is stadig besig om hul betalings te maak. Die skuld beloop tans R7.08miljoen in vergelyking met die vorige maand syfer van R6.48 miljoen.

Die maandelikse rekeninge is ook gehef soos geskeduleer en tydens hierdie proses is 19 432 rekeninge ten bedrae van R 44.3 miljoen gedruk en aan verbruikers versprei. Die voorafbetaalde elektrisiteit verkope beloop R 5.6 miljoen en was R4.6 miljoen vir dieselfde maand gedurende die vorige finansiële jaar.

Die deernis subsidies vir die maand beloop R 1.6 miljoen in vergelyking met die vorige maand syfer van R1.8 miljoen.

Die opgehoopde debiteure verhalings se teiken vir die jaar is 94%, en die werklike jaar tot op datum invordering is 88% in vergelyking met 88% vir dieselfde maand in die vorige finansiële jaar.

Bestellings ter waarde van R 20.4 miljoen uitgereik, waarvan R 302 duisend ten opsigte van afwykings is.

Die munisipaliteit het R 90 miljoen in die primêre bankrekening en beleggings ter waarde van R60 miljoen. Die bankbalans aan die einde van die vorige maand was R87 miljoen.

Die berekende koste dekking verhouding van die munisipaliteit soos aan die einde van Februarie 2022 is 2.10 maande.

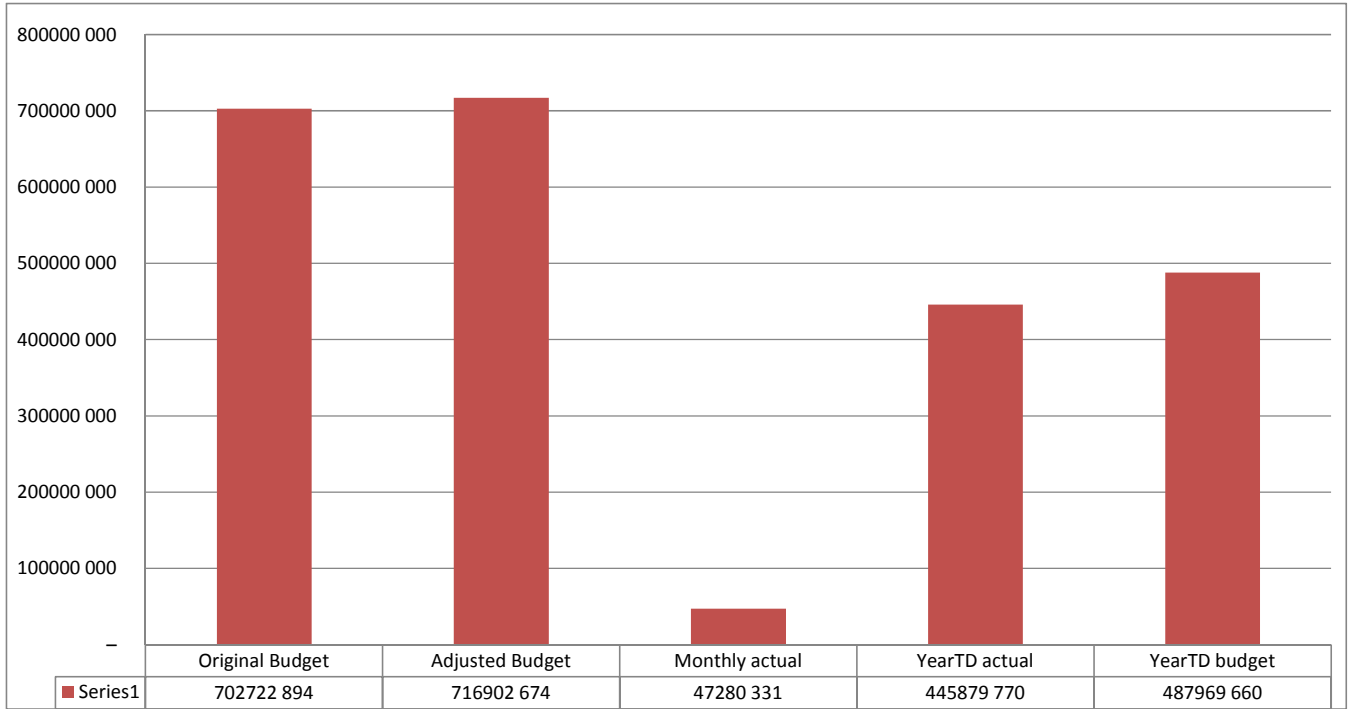
B AANBEVELING

Dit word aanbeveel dat die raad kennis neem van die finansiële maandverslag en ondersteunende dokumente vir Februarie 2022 .

C OPSOMMING

Die volgende tabelle voorsien n opsomming van die finansiële inligting:

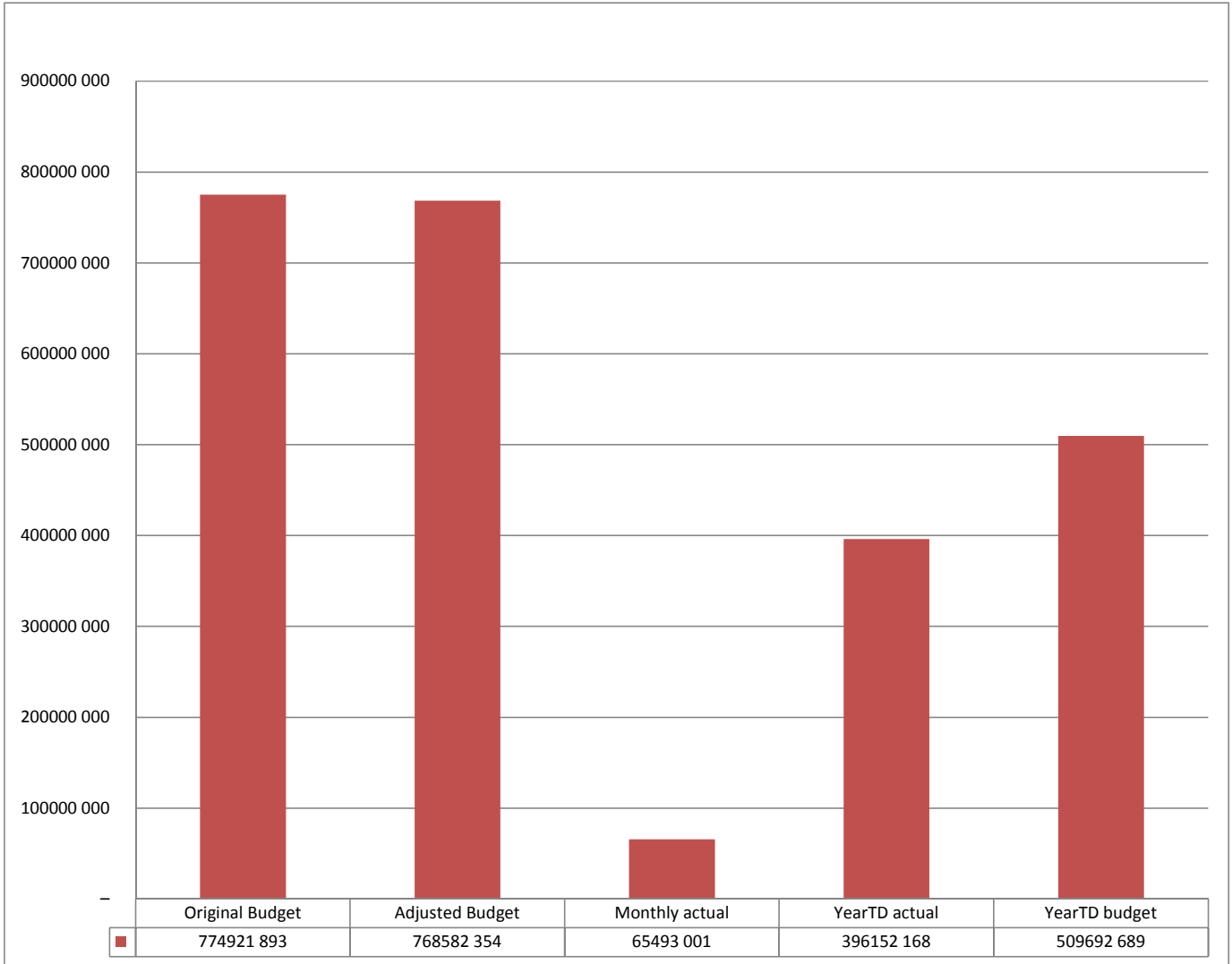
TOTAL OPERATIONAL REVENUE



For the period 1 July 2021 to 28 February 2022, 62.2% of the budgeted operational revenue was raised.

Vir die periode 1 Julie 2021 tot 28 Februarie 2022, is 62.2% van die begrote operasionele inkomste gehêf.

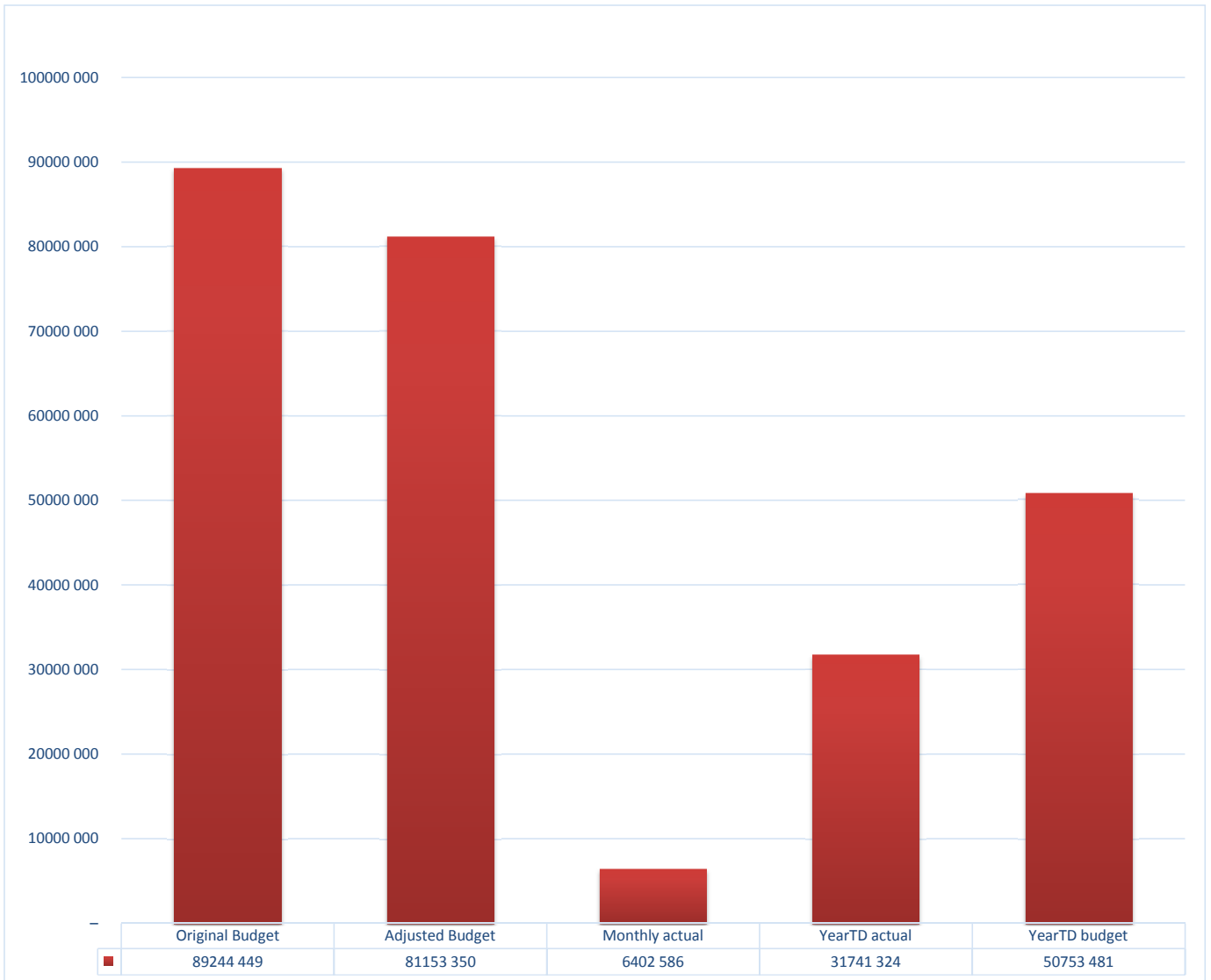
TOTAL OPERATIONAL EXPENDITURE



For the period 1 July 2021 to 28 February 2022, 51.54% of the budgeted operational expenditure was incurred.

Vir die periode 1 Julie 2021 tot 28 Februarie 2022, is 51.54% van die begrote operasionele uitgawes aangeaan.

CAPITAL EXPENDITURE



For the period 1 July 2021 to 28 February 2022, 39.11% of the budgeted capital expenditure was incurred.

Vir die periode 1 Julie 2021 tot 28 Februarie 2022, is 39.11% van die begrote kapitale uitgawes aangegaan.

In-year budget statement tables

The following table provides a summary of the financial performance and financial position of the municipality as at 28 February 2022.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M08 February

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	80 674	83 290	83 290	5 230	70 328	66 077	4 251	6%	83 290
Service charges	376 201	413 772	422 772	37 049	269 566	277 658	(8 103)	-3%	422 772
Investment revenue	3 079	6 990	6 990	716	2 990	4 659	(1 669)	-36%	6 990
Transfers recognised - operational	131 244	145 903	148 892	357	72 835	102 946	(30 111)	-29%	148 892
Other own revenue	31 961	52 768	54 959	3 928	30 171	36 629	(6 458)	-18%	54 959
transfers and contributions)	623 159	702 723	716 903	47 280	445 880	487 970	(42 090)	-9%	716 903
Employee costs	201 544	237 025	234 254	18 443	140 804	156 151	(15 347)	-10%	234 254
Remuneration of Councillors	9 897	12 007	11 007	829	6 560	7 335	(775)	-11%	11 007
Depreciation & asset impairment	32 145	39 729	39 729	-	15 078	26 475	(11 397)	-43%	39 729
Finance charges	4 522	8 696	8 684	-	76	5 787	(5 711)	-99%	8 684
Materials and bulk purchases	252 216	300 766	304 919	23 424	162 142	203 188	(41 047)	-20%	304 919
Transfers and grants	6 534	25 603	23 333	17	1 501	15 555	(14 054)	-90%	23 333
Other expenditure	139 238	151 096	146 657	22 779	69 992	95 201	(25 209)	-26%	146 657
Total Expenditure	646 096	774 922	768 582	65 493	396 152	509 693	(113 541)	-22%	768 582
Surplus/(Deficit)	(22 937)	(72 199)	(51 680)	(18 213)	49 728	(21 723)	71 451	-329%	(51 680)
Transfers recognised - capital	52 267	74 937	69 620	-	15 354	48 173	(32 819)	-68%	69 620
Contributions & Contributed assets	898	170	170	33	230	113	116	103%	170
contributions	30 227	2 908	18 110	(18 180)	65 311	26 564	38 747	146%	18 110
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	30 227	2 908	18 110	(18 180)	65 311	26 564	38 747	146%	18 110
Capital expenditure & funds sources									
Capital expenditure	66 944	89 244	81 153	6 403	31 741	50 753	(19 012)	-37%	81 153
Capital transfers recognised	52 768	74 937	69 087	6 131	29 700	42 893	(13 192)	-31%	69 087
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	12 066	272	2 041	7 861	(5 820)	-74%	12 066
Total sources of capital funds	66 944	89 244	81 153	6 403	31 741	50 753	(19 012)	-37%	81 153
Financial position									
Total current assets	217 352	181 281	199 130	-	297 804	-	-	-	199 130
Total non current assets	1 028 261	1 041 921	1 083 975	-	1 044 924	-	-	-	1 083 975
Total current liabilities	126 585	201 668	146 339	-	159 862	-	-	-	146 339
Total non current liabilities	175 032	131 189	174 032	-	173 568	-	-	-	174 032
Community wealth/Equity	943 996	890 345	962 733	-	1 009 298	-	-	-	962 733
Cash flows									
Net cash from (used) operating	51 431	85 636	97 574	(4 122)	69 556	63 962	5 595	9%	97 574
Net cash from (used) investing	(66 038)	(89 094)	(96 927)	8 622	(95 864)	(46 271)	(49 594)	107%	(96 927)
Net cash from (used) financing	(482)	(1 000)	(1 000)	240	325	-	325	-	325
Cash/cash equivalents at the month end	115 305	133 360	114 952	-	89 314	132 996	(43 683)	-33%	114 943
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	55 437	5 627	5 531	4 769	4 593	9 356	23 927	207 312	316 552
Debtors Age Analysis									
Total Creditors	496	462	8	0	-	-	-	-	967

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
Governance and administration	94 586	110 918	113 730	7 536	80 056	86 386	(6 330)	-7%	113 730
Executive and council	13	–	600	15	19	400	(381)	-95%	600
Finance and administration	94 573	110 918	113 130	7 521	80 037	85 986	(5 949)	-7%	113 130
Internal audit	–	–	–	–	–	–	–	–	–
Community and public safety	155 479	171 710	174 355	1 504	87 685	119 845	(32 160)	-27%	174 355
Community and social services	128 957	120 006	122 331	367	72 666	85 205	(12 540)	-15%	122 331
Sport and recreation	9 314	1 661	2 734	508	5 132	1 822	3 310	182%	2 734
Public safety	16 929	26 158	26 713	614	9 792	17 762	(7 970)	-45%	26 713
Housing	278	23 884	22 577	15	96	15 056	(14 960)	-99%	22 577
Economic and environmental services	16 878	25 287	19 692	121	2 959	13 172	(10 213)	-78%	19 692
Planning and development	4 244	2 365	2 937	121	1 095	1 980	(884)	-45%	2 937
Road transport	12 634	22 907	16 742	–	1 863	11 183	(9 320)	-83%	16 742
Environmental protection	–	14	14	–	0	9	(9)	-98%	14
Trading services	409 304	469 795	478 795	38 150	290 651	316 773	(26 121)	-8%	478 795
Energy sources	274 353	334 664	338 664	28 093	198 965	221 758	(22 794)	-10%	338 664
Water management	52 476	72 201	72 201	4 722	36 162	48 892	(12 730)	-26%	72 201
Waste water management	49 259	27 843	30 843	2 495	25 392	21 414	3 977	19%	30 843
Waste management	33 216	35 087	37 087	2 840	30 133	24 708	5 425	22%	37 087
Total Revenue - Functional	676 323	777 830	786 693	47 313	461 463	536 256	(74 793)	-14%	786 693
Expenditure - Functional									
Governance and administration	122 905	145 004	147 792	10 580	75 475	97 779	(22 304)	-23%	147 792
Executive and council	23 838	29 621	30 071	1 597	14 045	20 031	(5 986)	-30%	30 071
Finance and administration	96 559	112 849	115 607	8 813	60 204	76 361	(16 156)	-21%	115 607
Internal audit	2 508	2 534	2 114	170	1 227	1 388	(161)	-12%	2 114
Community and public safety	97 434	133 059	138 542	8 315	60 225	91 551	(31 326)	-34%	138 542
Community and social services	23 943	28 680	30 260	2 216	17 939	20 153	(2 213)	-11%	30 260
Sport and recreation	27 018	32 356	30 212	3 200	18 723	19 658	(935)	-5%	30 212
Public safety	42 004	43 012	50 984	2 529	20 001	33 792	(13 791)	-41%	50 984
Housing	4 469	29 011	27 086	370	3 561	17 948	(14 387)	-80%	27 086
Economic and environmental services	34 813	36 288	32 932	1 731	19 029	21 810	(2 781)	-13%	32 932
Planning and development	10 129	11 280	11 706	957	7 232	7 782	(550)	-7%	11 706
Road transport	24 205	22 910	19 684	705	11 314	13 006	(1 692)	-13%	19 684
Environmental protection	479	2 098	1 541	68	483	1 021	(538)	-53%	1 541
Trading services	390 042	459 620	448 366	44 867	240 740	297 919	(57 179)	-19%	448 366
Energy sources	271 820	327 833	324 463	25 480	172 446	216 174	(43 728)	-20%	324 463
Water management	41 092	36 559	37 827	7 962	23 987	24 980	(994)	-4%	37 827
Waste water management	36 519	43 400	38 243	5 385	21 438	24 903	(3 465)	-14%	38 243
Waste management	40 611	51 829	47 834	6 040	22 870	31 861	(8 992)	-28%	47 834
Other	902	951	951	–	683	634	49	8%	951
Total Expenditure - Functional	646 096	774 922	768 582	65 493	396 152	509 693	(113 541)	-22%	768 582
Surplus/ (Deficit) for the year	30 227	2 908	18 110	(18 180)	65 311	26 564	38 747		18 110

The following table provides detail of revenue and expenditure according to the international standard classification framework.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	2020/21	Budget Year 2021/22							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue - Functional									
Municipal governance and administration	94 586	110 918	113 730	7 536	80 056	86 386	(6 330)	-7%	113 730
Executive and council	13	–	600	15	19	400	(381)	-95%	600
Mayor and Council	13	–	–	15	19	–	19		–
Municipal Manager, Town Secretary and Chief Execut	–	–	600	–	–	400	(400)	-100%	600
Finance and administration	94 573	110 918	113 130	7 521	80 037	85 986	(5 949)	-7%	113 130
Administrative and Corporate Support	0	9	9	–	1	6	(6)	-90%	9
Finance	94 239	110 250	112 462	7 457	79 775	85 541	(5 766)	-7%	112 462
Human Resources	254	580	580	58	222	386	(164)	-43%	580
Marketing, Customer Relations, Publicity and Media	0	5	5	–	–	3	(3)	-100%	5
Property Services	–	–	–	–	–	–	–		–
Supply Chain Management	80	74	74	6	40	49	(9)	-18%	74
Community and public safety	155 479	171 710	174 355	1 504	87 685	119 845	(32 160)	-27%	174 355
Community and social services	128 957	120 006	122 331	367	72 666	85 205	(12 540)	-15%	122 331
Aged Care	118 121	109 415	111 015	312	72 365	77 657	(5 292)	-7%	111 015
Cemeteries, Funeral Parlours and Crematoriums	328	367	367	13	175	250	(75)	-30%	367
Community Halls and Facilities	31	485	485	37	101	323	(222)	-69%	485
Libraries and Archives	10 475	9 739	10 463	5	25	6 975	(6 951)	-100%	10 463
Sport and recreation	9 314	1 661	2 734	508	5 132	1 822	3 310	182%	2 734
Recreational Facilities	2 057	1 611	2 684	501	4 756	1 789	2 967	166%	2 684
Sports Grounds and Stadiums	7 257	50	50	7	376	33	343	1027%	50

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Public safety	16 929	26 158	26 713	614	9 792	17 762	(7 970)	-45%	26 713
<i>Fire Fighting and Protection</i>	2	6	6	1	12	4	7	0	6
Housing	278	23 884	22 577	15	96	15 056	(14 960)	-99%	22 577
<i>Housing</i>	278	23 884	22 577	15	96	15 056	(14 960)	-99%	22 577
Economic and environmental services	16 878	25 287	19 692	121	2 959	13 172	(10 213)	-78%	19 692
Planning and development	4 244	2 365	2 937	121	1 095	1 980	(884)	-45%	2 937
<i>Economic Development/Planning</i>	1 892	279	851	-	2	567	(566)	-100%	851
<i>Town Planning, Building Regulations and Enforcemen</i>	1 721	1 426	1 426	121	1 094	950	143	15%	1 426
<i>Project Management Unit</i>	630	660	660	-	-	462	(462)	-100%	660
Road transport	12 634	22 907	16 742	-	1 863	11 183	(9 320)	-83%	16 742
<i>Roads</i>	12 634	22 907	16 742	-	1 863	11 183	(9 320)	-83%	16 742
Environmental protection	-	14	14	-	0	9	(9)	-98%	14
<i>Biodiversity and Landscape</i>	-	14	14	-	0	9	(9)	-98%	14
Trading services	409 304	469 795	478 795	38 150	290 651	316 773	(26 121)	-8%	478 795
Energy sources	274 353	334 664	338 664	28 093	198 965	221 758	(22 794)	-10%	338 664
<i>Electricity</i>	274 131	333 099	337 099	28 093	198 612	220 663	(22 051)	-10%	337 099
<i>Street Lighting and Signal Systems</i>	222	1 565	1 565	-	353	1 096	(743)	-68%	1 565
Water management	52 476	72 201	72 201	4 722	36 162	48 892	(12 730)	-26%	72 201
<i>Water Distribution</i>	52 476	60 921	60 921	4 722	36 162	40 996	(4 835)	-12%	60 921
Waste water management	49 259	27 843	30 843	2 495	25 392	21 414	3 977	19%	30 843
<i>Sewerage</i>	38 651	26 954	29 954	2 495	24 502	20 792	3 711	18%	29 954
<i>Storm Water Management</i>	10 607	889	889	-	889	623	267	43%	889
Waste management	33 216	35 087	37 087	2 840	30 133	24 708	5 425	22%	37 087
<i>Solid Waste Removal</i>	30 130	35 087	37 087	2 840	30 133	24 708	5 425	22%	37 087
Other	77	120	120	2	111	80	31	38%	120
Licensing and Regulation	77	120	120	2	111	80	31	38%	120
Total Revenue - Functional	676 323	777 830	786 693	47 313	461 463	536 256	(74 793)	-14%	786 693

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	2020/21	Budget Year 2021/22					YTD variance	YTD variance %	Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands									
Expenditure - Functional									
Municipal governance and administration	122 905	145 004	147 792	10 580	75 475	97 779	(22 304)	-23%	147 792
Executive and council	23 838	29 621	30 071	1 597	14 045	20 031	(5 986)	-30%	30 071
Mayor and Council	15 898	18 723	18 393	895	8 016	12 248	(4 232)	-35%	18 393
Municipal Manager, Town Secretary and Chief Execut	7 941	10 897	11 678	702	6 029	7 783	(1 754)	-23%	11 678
Finance and administration	96 559	112 849	115 607	8 813	60 204	76 361	(16 156)	-21%	115 607
Administrative and Corporate Support	17 899	11 560	11 880	574	7 845	7 426	419	6%	11 880
Asset Management	31	5 167	1 591	6	7	1 061	(1 054)	-99%	1 591
Finance	30 327	37 107	38 760	4 657	22 539	25 804	(3 265)	-13%	38 760
Fleet Management	3 406	2 806	2 837	243	2 305	1 888	417	22%	2 837
Human Resources	22 230	36 284	39 141	1 817	14 225	26 052	(11 826)	-45%	39 141
Information Technology	4 385	3 372	4 534	315	3 451	2 924	527	18%	4 534
Legal Services	5 416	2 279	2 346	123	939	1 563	(623)	-40%	2 346
Marketing, Customer Relations, Publicity and Media	3 904	3 900	3 890	336	2 672	2 589	83	3%	3 890
Property Services	1 783	1 268	1 598	81	1 308	1 065	243	23%	1 598
Risk Management	-	497	355	3	3	237	(233)	-99%	355
Supply Chain Management	6 778	7 052	7 743	593	4 656	5 148	(493)	-10%	7 743
Valuation Service	400	1 557	932	64	254	604	(350)	-58%	932
Internal audit	2 508	2 534	2 114	170	1 227	1 388	(161)	-12%	2 114
Governance Function	2 508	2 534	2 114	170	1 227	1 388	(161)	-12%	2 114
Community and public safety	97 434	133 059	138 542	8 315	60 225	91 551	(18 648)	-20%	138 542
Community and social services	23 943	28 680	30 260	2 216	17 939	20 153	(2 213)	-11%	30 260
Aged Care	4 658	4 347	7 511	563	4 532	4 998	(467)	-9%	7 511
Cemeteries, Funeral Parlours and Crematoriums	3 189	3 600	3 515	285	2 242	2 342	(100)	-4%	3 515
Child Care Facilities	8	972	132	1	4	88	(84)	-95%	132
Community Halls and Facilities	5 400	6 608	6 316	462	3 783	4 210	(426)	-10%	6 316
Disaster Management	95	236	208	2	5	139	(134)	-96%	208
Education	1	831	104	-	1	69	(69)	-99%	104
Libraries and Archives	10 591	12 086	12 473	902	7 373	8 306	(934)	-11%	12 473
Sport and recreation	27 018	32 356	30 212	3 200	18 723	19 658	(935)	-5%	30 212
Community Parks (including Nurseries)	8 229	7 228	7 945	611	5 308	5 251	57	1%	7 945
Recreational Facilities	12 759	18 999	15 975	2 029	9 451	10 226	(775)	-8%	15 975
Sports Grounds and Stadiums	6 031	6 129	6 292	559	3 964	4 180	(217)	-5%	6 292
Public safety	42 004	43 012	50 984	2 529	20 001	33 792	(1 112)	-3%	50 984
Fire Fighting and Protection	8 395	8 118	10 334	745	5 795	6 843	(1 048)	-15%	10 334
Housing	4 469	29 011	27 086	370	3 561	17 948	(14 387)	-80%	27 086
Housing	4 463	27 003	26 821	367	3 524	17 771	(14 247)	-80%	26 821
Informal Settlements	6	2 009	265	3	36	177	(140)	-79%	265

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	YearTD budget
R thousands									
Economic and environmental services	34 813	36 288	32 932	1 731	19 029	21 810	(2 781)	-13%	32 932
Planning and development	10 129	11 280	11 706	957	7 232	7 782	(550)	-7%	11 706
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>	1 686	1 982	2 166	173	1 288	1 440	(152)	-11%	2 166
<i>Economic Development/Planning</i>	1 400	2 115	2 038	137	988	1 357	(369)	-27%	2 038
<i>Town Planning, Building Regulations and Enforcement</i>	4 745	4 473	4 702	431	3 297	3 120	177	6%	4 702
<i>Project Management Unit</i>	2 298	2 710	2 799	215	1 659	1 866	(207)	-11%	2 799
Road transport	24 205	22 910	19 684	705	11 314	13 006	(1 692)	-13%	19 684
<i>Roads</i>	24 205	22 910	19 684	705	11 314	13 006	(1 692)	-13%	19 684
Environmental protection	479	2 098	1 541	68	483	1 021	(538)	-53%	1 541
<i>Biodiversity and Landscape</i>	479	2 098	1 541	68	483	1 021	(538)	-53%	1 541
Trading services	390 042	459 620	448 366	44 867	240 740	297 919	(57 179)	-19%	448 366
Energy sources	271 820	327 833	324 463	25 480	172 446	216 174	(43 728)	-20%	324 463
<i>Electricity</i>	269 233	324 461	321 820	25 230	170 787	214 414	(43 627)	-20%	321 820
<i>Street Lighting and Signal Systems</i>	2 587	3 371	2 643	250	1 659	1 760	(101)	-6%	2 643
Water management	41 092	36 559	37 827	7 962	23 987	24 980	(994)	-4%	37 827
<i>Water Treatment</i>	154	1 838	1 278	15	135	852	(717)	-84%	1 278
<i>Water Distribution</i>	37 997	30 463	32 319	7 797	21 566	21 309	257	1%	32 319
<i>Water Storage</i>	2 941	4 258	4 231	149	2 286	2 820	(534)	-19%	4 231
Waste water management	36 519	43 400	38 243	5 385	21 438	24 903	(3 465)	-14%	38 243
<i>Public Toilets</i>	1 566	1 984	1 837	145	1 111	1 224	(113)	-9%	1 837
<i>Sewerage</i>	27 631	30 347	26 923	4 691	15 469	17 363	(1 894)	-11%	26 923
<i>Storm Water Management</i>	7 321	8 141	8 028	549	4 858	5 347	(489)	-9%	8 028
<i>Waste Water Treatment</i>	0	2 928	1 455	-	0	969	(969)	-100%	1 455
Waste management	40 611	51 829	47 834	6 040	22 870	31 861	(8 992)	-28%	47 834
<i>Solid Waste Disposal (Landfill Sites)</i>	7 599	16 403	14 072	300	2 037	9 374	(7 337)	-78%	14 072
<i>Solid Waste Removal</i>	31 594	33 991	33 243	5 728	20 720	22 141	(1 422)	-6%	33 243
<i>Street Cleaning</i>	1 418	1 436	519	12	113	346	(232)	-67%	519
Other	902	951	951	-	683	634	49	8%	951
Licensing and Regulation	10	51	51	-	8	34	(26)	-77%	51
Tourism	892	900	900	-	675	600	75	12%	900
Total Expenditure - Functional	646 096	774 922	768 582	65 493	396 152	509 693	(100 862)	-20%	768 582
Surplus/ (Deficit) for the year	30 227	2 908	18 110	(18 180)	65 311	26 564	38 747	146%	18 110

The table provides detail of revenue and expenditure according to municipal votes including capital transfers.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Financial Services	92 562	107 712	109 497	7 259	78 162	83 582	(5 420)	-6.5%	109 497
Vote 2 - Community Services	13 354	35 720	36 210	552	5 196	24 152	(18 957)	-78.5%	36 210
Vote 2 - Community Services	130 857	131 976	134 131	488	79 187	93 022	(13 835)	-14.9%	134 131
Vote 2 - Community Services	13 503	4 581	5 152	504	3 614	3 434	180	5.2%	5 152
Vote 3 - Corporate Services	267	594	594	72	242	396	(154)	-39.0%	594
Vote 4 - Technical Services	339 012	388 952	389 786	30 845	228 425	256 691	(28 266)	-11.0%	389 786
Vote 4 - Technical Services	85 638	107 224	109 224	7 542	66 231	73 558	(7 327)	-10.0%	109 224
Vote 5 - Muncipal Manager	1 129	1 072	2 099	51	407	1 422	(1 014)	-71.3%	2 099
Total Revenue by Vote	676 323	777 830	786 693	47 313	461 463	536 256	(74 793)	-13.9%	786 693
Expenditure by Vote									
Vote 1 - Financial Services	38 586	52 465	50 854	5 473	28 699	33 835	(5 137)	-15.2%	50 854
Vote 2 - Community Services	36 229	41 879	44 640	3 977	25 097	29 274	(4 177)	-14.3%	44 640
Vote 2 - Community Services	48 070	54 069	60 197	3 063	25 048	39 931	(14 883)	-37.3%	60 197
Vote 2 - Community Services	16 030	43 719	40 118	1 589	12 390	26 612	(14 221)	-53.4%	40 118
Vote 3 - Corporate Services	68 115	77 479	81 438	4 095	38 823	53 634	(14 811)	-27.6%	81 438
Vote 4 - Technical Services	338 159	401 057	389 655	32 091	209 324	258 957	(49 633)	-19.2%	389 655
Vote 4 - Technical Services	86 066	90 791	87 610	14 313	49 584	58 099	(8 515)	-14.7%	87 610
Vote 5 - Muncipal Manager	14 779	13 462	13 819	891	7 187	9 185	(1 998)	-21.8%	13 819
Total Expenditure by Vote	646 034	774 922	768 332	65 493	396 152	509 526	(113 374)	-22.3%	768 332
Surplus/ (Deficit) for the year	30 289	2 908	18 360	(18 180)	65 311	26 730	38 581	144.3%	18 360

The table provides detail of revenue according to source and expenditure according to type.

WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	80 674	83 290	83 290	5 230	70 328	66 077	4 251	6%	83 290
Service charges - electricity revenue	274 180	323 478	327 478	28 112	198 004	213 839	(15 835)	-7%	327 478
Service charges - water revenue	43 137	39 677	39 677	4 180	29 956	26 224	3 731	14%	39 677
Service charges - sanitation revenue	30 920	25 043	28 043	2 272	21 916	19 495	2 421	12%	28 043
Service charges - refuse revenue	27 965	25 574	27 574	2 485	19 679	18 100	1 579	9%	27 574
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 606	1 470	2 970	415	2 946	1 980	966	49%	2 970
Interest earned - external investments	3 079	6 990	6 990	716	2 990	4 659	(1 669)	-36%	6 990
Interest earned - outstanding debtors	5 569	8 677	8 677	1 439	10 857	5 784	5 073	88%	8 677
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	11 593	21 479	21 479	1	5 588	14 314	(8 726)	-61%	21 479
Licences and permits	1 065	2 111	2 111	140	889	1 407	(518)	-37%	2 111
Agency services	4 354	4 046	4 046	472	3 166	2 697	469	17%	4 046
Transfers recognised - operational	131 244	145 903	148 892	357	72 835	102 946	(30 111)	-29%	148 892
Other revenue	7 774	14 985	15 676	1 461	6 725	10 448	(3 723)	-36%	15 676
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	623 159	702 723	716 903	47 280	445 880	487 970	(42 090)	-9%	716 903
Expenditure By Type									
Employee related costs	201 544	237 025	234 254	18 443	140 804	156 151	(15 347)	-10%	234 254
Remuneration of councillors	9 897	12 007	11 007	829	6 560	7 335	(775)	-11%	11 007
Debt impairment	50 015	63 750	63 750	18 338	25 005	42 500	(17 495)	-41%	63 750
Depreciation & asset impairment	32 145	39 729	39 729	-	15 078	26 475	(11 397)	-43%	39 729
Finance charges	4 522	8 696	8 684	-	76	5 787	(5 711)	-99%	8 684
Bulk purchases	239 632	285 789	289 789	21 947	152 402	193 145	(40 742)	-21%	289 789
Other materials	12 584	14 977	15 131	1 478	9 739	10 044	(305)	-3%	15 131
Contracted services	51 748	48 390	40 004	1 931	19 283	24 692	(5 409)	-22%	40 004
Transfers and grants	6 534	25 603	23 333	17	1 501	15 555	(14 054)	-90%	23 333
Other expenditure	37 409	38 955	42 902	2 511	25 704	28 009	(2 304)	-8%	42 902
Loss on disposal of PPE	66	0	0	-	-	0	(0)	-100%	0
Total Expenditure	646 096	774 922	768 582	65 493	396 152	509 693	(113 541)	-22%	768 582
Surplus/(Deficit)									
Transfers recognised - capital	52 267	74 937	69 620	-	15 354	48 173	(32 819)	(0)	69 620
Contributions recognised - capital	898	170	170	33	230	113	116	0	170
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	30 227	2 908	18 110	(18 180)	65 311	26 564			18 110
Surplus/(Deficit) attributable to Share of surplus/ (deficit) of associate	30 227	2 908	18 110	(18 180)	65 311	26 564			18 110
Surplus/ (Deficit) for the year	30 227	2 908	18 110	(18 180)	65 311	26 564			18 110

The revenue and expenditure figures excludes internal charges.

Other expenditure includes operational costs such as:

Advertising, Publicity and Marketing
External Audit Fees
Communication
External Computer Service
Insurance Underwriting
Travel and Subsistence
Printing, Publications and Books
Uniform and Protective Clothing
Wet Fuel
Hire Charges

The tables provides detail of capital expenditure according to municipal votes.

**WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08
February**

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Financial Services	(0)	-	-	-	-	-	-		-
Vote 2 - Community Services	206	-	-	-	-	-	-		-
Vote 2 - Community Services	-	-	-	-	-	-	-		-
Vote 2 - Community Services	-	-	-	-	-	-	-		-
Vote 3 - Corporate Services	-	-	-	-	-	-	-		-
Vote 4 - Technical Services	12 425	27 630	15 209	609	5 558	9 878	(4 321)	-44%	15 209
Vote 4 - Technical Services	3 913	34 373	39 769	4 803	17 673	24 831	(7 158)	-29%	39 769
Vote 5 - Muncipal Manager	-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	16 545	62 004	54 977	5 412	23 231	34 710	(11 479)	-33%	54 977
Single Year expenditure appropriation									
Vote 1 - Financial Services	165	180	1 012	108	351	658	(307)	-47%	1 012
Vote 2 - Community Services	1 971	-	-	-	-	-	-		-
Vote 2 - Community Services	1 126	-	240	-	240	160	80	50%	240
Vote 2 - Community Services	9 507	6 151	3 758	(227)	508	2 438	(1 931)	-79%	3 758
Vote 3 - Corporate Services	3 630	900	1 069	-	155	713	(557)	-78%	1 069
Vote 4 - Technical Services	25 539	16 266	19 207	1 110	6 367	11 482	(5 115)	-45%	19 207
Vote 4 - Technical Services	8 462	3 744	889	-	889	593	296	50%	889
Vote 5 - Muncipal Manager	-	-	-	-	-	-	-		-
Total Capital single-year expenditure	50 399	27 241	26 176	991	8 510	16 044	(7 534)	-47%	26 176
Total Capital Expenditure	66 944	89 244	81 153	6 403	31 741	50 753	(19 012)	-37%	81 153

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08 February

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
Governance and administration	3 162	2 080	4 282	108	1 472	2 838	(1 366)	-48%	4 282
Executive and council	(1)	600	600	-	-	400	(400)	-100%	600
Finance and administration	3 163	1 480	3 682	108	1 472	2 438	(966)	-40%	3 682
Community and public safety	10 876	5 456	3 263	(227)	746	2 175	(1 429)	-66%	3 263
Community and social services	1 613	-	-	-	-	-	-	-	-
Sport and recreation	7 782	5 456	3 023	(227)	506	2 015	(1 509)	-75%	3 023
Public safety	1 481	-	240	-	240	160	80	50%	240
Housing	-	-	-	-	-	-	-	-	-
Economic and environmental services	17 177	27 042	16 007	549	6 922	10 604	(3 682)	-35%	16 007
Planning and development	1 934	696	736	-	2	423	(422)	-100%	736
Road transport	15 243	26 347	15 272	549	6 920	10 181	(3 261)	-32%	15 272
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	35 728	54 666	57 601	5 973	22 601	35 136	(12 534)	-36%	57 601
Energy sources	4 054	13 163	13 204	1 170	2 260	7 469	(5 209)	-70%	13 204
Water management	7 954	21 135	18 281	3 770	7 996	10 506	(2 510)	-24%	18 281
Waste water management	18 448	3 386	3 739	-	1 779	2 242	(464)	-21%	3 739
Waste management	5 272	16 982	22 377	1 033	10 567	14 918	(4 351)	-29%	22 377
Total Capital Expenditure - Standard Cla	66 944	89 244	81 153	6 403	31 741	50 753	(19 012)	-37%	81 153
Funded by:									
National Government	18 276	49 637	49 637	5 582	19 870	30 076	(10 206)	-34%	49 637
Provincial Government	33 326	24 801	18 635	549	9 590	12 356	(2 766)	-22%	18 635
District Municipality	665	500	815	-	240	460	(220)	-48%	815
Transfers recognised - capital	52 768	74 937	69 087	6 131	29 700	42 893	(13 192)	-31%	69 087
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14 175	14 307	12 066	272	2 041	7 861	(5 820)	-74%	12 066
Total Capital Funding	66 944	89 244	81 153	6 403	31 741	50 753	(19 012)	-37%	81 153

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	115 305	133 360	114 952	89 313	114 952
Call investment deposits	–	–	–	60 000	–
Consumer debtors	82 538	28 353	55 673	96 934	55 673
Other debtors	9 546	7 966	18 542	42 807	18 542
Current portion of long-term receivables	–	–	–	–	–
Inventory	9 963	11 602	9 963	8 749	9 963
Total current assets	217 352	181 281	199 130	297 804	199 130
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	44 224	43 765	43 430	44 224	43 430
Investments in Associate	–	–	–	–	–
Property, plant and equipment	982 227	996 031	1 038 873	998 890	1 038 873
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	1 260	1 576	1 122	1 260	1 122
Other non-current assets	550	550	550	550	550
Total non current assets	1 028 261	1 041 921	1 083 975	1 044 924	1 083 975
TOTAL ASSETS	1 245 613	1 223 203	1 283 105	1 342 729	1 283 105
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	1 587	–	1 587	898	1 587
Consumer deposits	9 080	7 976	8 732	10 151	8 732
Trade and other payables	58 906	115 836	110 393	92 186	110 393
Provisions	57 013	77 857	25 627	56 627	25 627
Total current liabilities	126 585	201 668	146 339	159 862	146 339
Non current liabilities					
Borrowing	1 188	2 588	188	1 188	188
Provisions	173 844	128 602	173 844	172 380	173 844
Total non current liabilities	175 032	131 189	174 032	173 568	174 032
TOTAL LIABILITIES	301 617	332 857	320 371	333 431	320 371
NET ASSETS	943 996	890 345	962 733	1 009 298	962 733
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	933 554	879 728	952 291	998 855	952 291
Reserves	10 442	10 618	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY	943 996	890 345	962 733	1 009 298	962 733

The cash flows for the year to date are indicated in the following table:

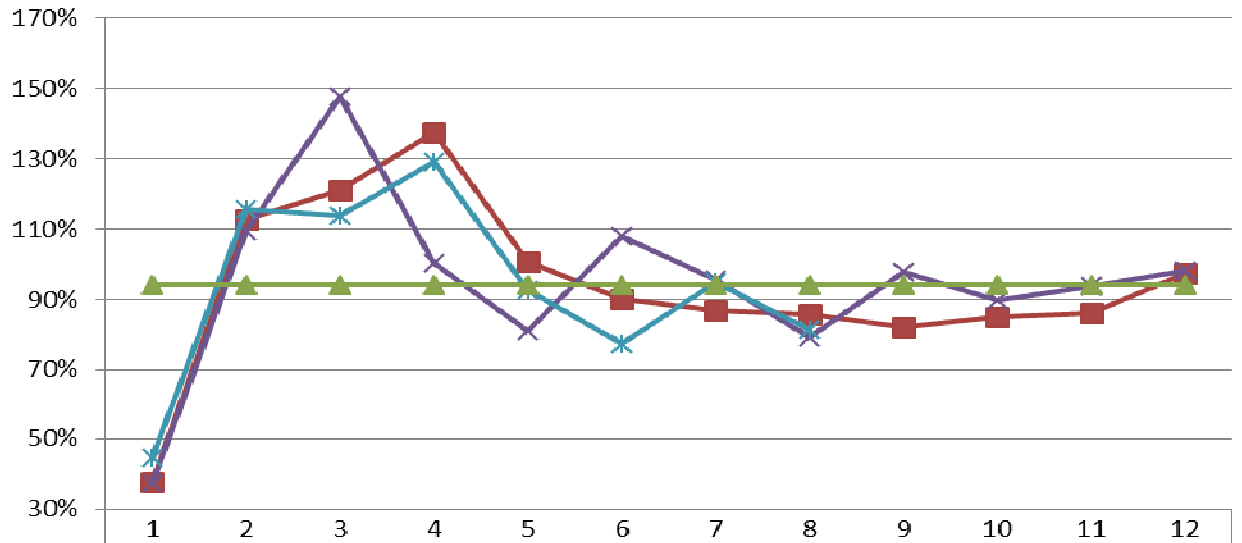
WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	82 812	79 126	79 126	4 808	64 573	62 629	1 944	3%	79 126
Service charges	345 134	379 151	437 751	37 045	291 922	226 351	65 571	29%	437 751
Other revenue	859	27 756	19 373	2 420	14 946	15 201	(255)	-2%	19 373
Government - operating	131 051	145 903	154 127	1 518	84 977	110 738	(25 761)	-23%	154 127
Government - capital	52 102	75 107	86 842	-	44 861	46 978	(2 118)	-5%	86 842
Interest	8 648	9 593	9 593	716	2 778	4 553	(1 775)	-39%	9 593
Dividends									
Payments									
Suppliers and employees	(546 597)	(604 934)	(658 415)	(50 613)	(432 761)	(396 946)	35 815	-9%	(658 415)
Finance charges	(226)	(461)	(462)	-	(17)	(230)	(213)	93%	(462)
Transfers and Grants	(22 351)	(25 603)	(30 361)	(15)	(1 724)	(5 313)	(3 589)	68%	(30 361)
NET CASH FROM/(USED) OPERATING ACTIVITIES	51 431	85 636	97 574	(4 122)	69 556	63 962	69 621	109%	97 574
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	905	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	10 442	20 000	(59 788)	-	(59 788)		10 442
Payments									
Capital assets	(66 944)	(89 094)	(107 369)	(11 378)	(36 076)	(46 271)	(10 194)	22%	(107 369)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(66 038)	(89 094)	(96 927)	8 622	(95 864)	(46 271)	49 594	-107%	(96 927)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	849	-	-	240	453	-	453		-
Payments									
Repayment of borrowing	(1 331)	(1 000)	(1 000)	-	(128)	-	128		(1 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(482)	(1 000)	(1 000)	240	325	-	(325)		325
NET INCREASE/ (DECREASE) IN CASH HELD	(15 089)	(4 459)	(353)	4 740	(25 982)	17 691			(353)
Cash/cash equivalents at beginning:	130 394	137 819	115 305		115 296	115 305			115 296
Cash/cash equivalents at month/year end:	115 305	133 360	114 952		89 314	132 996			114 943

WC022 Witzberg - Supporting Table SC1 Material variance explanations - M08 February

Ref	Description	Variance	Reasons for material deviations
R thousands			
1	Revenue By Source		
	Property rates	4 251	Immaterial Variance.
	Service charges - electricity revenue	(15 835)	Increase expected during last months of financial year in line with agricultural seasonal trends.
	Service charges - water revenue	3 731	Immaterial Variance.
	Service charges - sanitation revenue	2 421	Immaterial Variance.
	Service charges - refuse revenue	1 579	Immaterial Variance.
	Service charges - other	-	
	Rental of facilities and equipment	966	Immaterial Variance.
	Interest earned - external investments	(1 669)	Immaterial Variance.
	Interest earned - outstanding debtors	5 073	Immaterial Variance.
	Dividends received	-	
	Fines, penalties and forfeits	(8 726)	Fines Revenue Recognised on an Annual Basis. No service provider appointed.
	Licences and permits	(518)	Immaterial Variance.
	Agency services	469	Immaterial Variance.
	Transfers and subsidies	(30 111)	Delay in expenditure with regards to Housing Top Structures. Deduction of unspent grants from second equitable share tranche.
	Other revenue	(3 723)	Immaterial Variance.
	Gains on disposal of PPE	-	
2	Expenditure By Type		
	Employee related costs	(15 347)	Variance due to non-cash provisions related to post employment benefits included in employee related costs.
	Remuneration of councillors	(775)	Immaterial Variance.
	Debt impairment	(17 495)	Provision in line with calculated provision based on Debtors Aging.
	Depreciation & asset impairment	(11 397)	Depreciation recognised on an annual basis.
	Finance charges	(5 711)	Immaterial Variance.
	Bulk purchases	(40 742)	Increase expected during last months of financial year in line with agricultural seasonal trends.
	Other materials	(305)	Immaterial Variance.
	Contracted services	(5 409)	Decrease in contracted services.
	Transfers and subsidies	(14 054)	Delay in expenditure with regards to Housing Top Structures.
	Other expenditure	(2 304)	Immaterial Variance.
	Loss on disposal of PPE	(0)	
3	Capital Expenditure		
	Total Capital Expenditure	(19 012)	Capital expenditure expected to increase as based on historical trends.
		-	
		-	
		-	
4	Financial Position		
		-	
		-	
		-	
		-	
5	Cash Flow		
	Receipts	-	
	Property rates	1 944	Immaterial Variance.
	Service charges	65 571	High collection pertaining to electricity revenue due to bulk of total budget residing in last quarter of year - based on historical seasonal trends.
	Other revenue	(255)	Receipts lower than expected.
	Government - operating	(25 761)	Receipts with regards to Grants outstanding - deduction of unspent grants from second equitable share tranche.
	Government - capital	(2 118)	Immaterial Variance.
	Interest	(1 775)	Immaterial Variance.
	Dividends	-	
	Payments	-	
	Suppliers and employees	35 815	Budget in line with historical seasonal trends. Actual expenditure to date more than anticipated.
	Finance charges	(213)	Immaterial Variance.
	Transfers and Grants	(3 589)	Immaterial Variance.
6	Measureable performance		
7	Municipal Entities		

Debtor Collection Rate per Month

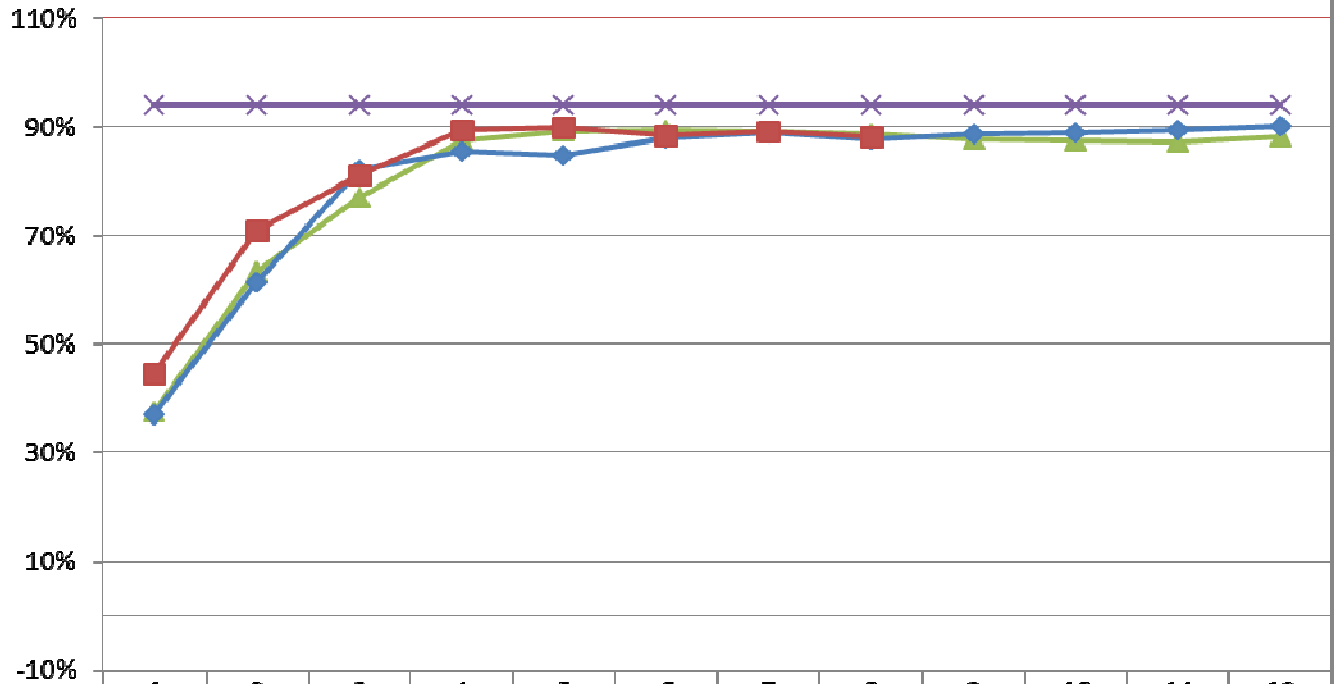


■ 19/20	38%	113%	121%	138%	101%	90%	87%	86%	82%	85%	86%	97%
× 20/21	37%	109%	148%	100%	81%	108%	96%	79%	98%	90%	94%	98%
* 21/22	44%	116%	114%	129%	93%	77%	95%	81%				
▲ Target 94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate the collection against targets set for the relevant months. The target for the month is 94% while the actual figure for Feb 2022 amounts to 81% in comparison to the previous year 79%.

Die doel van hierdie grafiek is om die verhaling van debiteure te illustreer teen die teikens gestel vir die onderskeie maande. Die teiken vir die maand is 94%, terwyl die syfer vir Feb 2022 81% beloop in vergelyking met die vorige jaar 79%.

Accumulative Collection Rate



	1	2	3	4	5	6	7	8	9	10	11	12
19/20	38%	63%	77%	87%	89%	89%	89%	89%	88%	87%	87%	88%
20/21	37%	62%	82%	86%	85%	88%	89%	88%	89%	89%	89%	90%
21/22	44%	71%	81%	90%	90%	88%	89%	88%				
Target	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%

The purpose of this graph is to illustrate effectiveness of collection of debt against targets set for the year. The target for the year to date is 94% while the actual figure is 88%.

Die doel van hierdie grafiek is om die doeltreffendheid van die verhaling van skuld te illustreer teen die teikens gestel vir die jaar. Die teiken vir die jaar tot datum is 94%, terwyl die werklike syfer 88% behoort.

The payment culture of consumers are still the same which has a negative impact on collections.

Die betalingskultuur onder verbruikers is onveranderd wat die invorderings negatief beïnvloed.

The debtors age analysis per Income source and customer group is as follows:

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2021/22									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Water	1200	11 864	1 778	1 868	1 708	1 658	1 576	9 429	65 633	95 514	80 004
Electricity	1300	24 763	653	606	311	315	197	1 007	3 503	31 355	5 333
Property Rates	1400	5 983	468	410	370	326	5 167	1 364	17 970	32 057	25 197
Waste Water Management	1500	8 093	1 085	1 058	996	959	922	4 990	34 367	52 470	42 233
Waste Management	1600	8 698	1 349	1 241	1 178	1 105	1 069	5 433	35 874	55 947	44 658
Property Rental Debtors	1700	188	13	13	12	12	13	76	1 152	1 479	1 265
Interest on Arrear Accounts	1810	1 130	102	150	155	180	373	1 465	47 495	51 051	49 668
Recoverable expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(5 282)	179	185	38	38	40	164	1 318	(3 320)	1 598
Total By Income Source	2000	55 437	5 627	5 531	4 769	4 593	9 356	23 927	207 312	316 552	249 957
2019/20 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	988	300	242	206	171	1 236	698	3 242	7 083	5 553
Commercial	2300	21 640	585	775	323	250	2 546	951	11 524	38 593	15 594
Households	2400	32 371	4 581	4 340	4 070	4 014	5 243	21 227	186 022	261 868	220 576
Other	2500	438	161	174	170	157	331	1 050	6 525	9 007	8 234
Total By Customer Group	2600	55 437	5 627	5 531	4 769	4 593	9 356	23 927	207 312	316 552	249 957

Negative figure as indicated for "Other Debtors" relates to cash received, but not yet allocated.

WC022 Witzenberg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	NT Code	Budget Year 2021/22								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	496	462	8	0	-	-	-	-	967
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	496	462	8	0	-	-	-	-	967

Notes

Material increases in value of creditors' categories compared to previous month to be explained

0

The movement in investments is detailed below.

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
Municipality								
ABSA Bank Ltd	7 Months	Fixed deposit - 3 months	28/02/2022	-		-	-	-
Nedbank Ltd	5 Months	Fixed deposit	09/05/2022	-		-	-	10 000
Standard Bank of SA Ltd	5 Months	Fixed deposit	09/05/2022	-		-	-	30 000
First National Bank	5 Months	Fixed deposit	10/05/2022	-		-	-	20 000
-	-			-		-	-	-
TOTAL INVESTMENTS AND INTEREST				-		-	-	60 000

Operating and Capital transfers recognised as revenue are indicated in the following table:
Transfers are recognised when the conditions are met.

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	2 210	2 210	-	(1 550)	1 105	-		2 210
Operational Revenue:General Revenue:Equitable Share	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Grant	-	-	-	-	-	-		-
Local Government Financial Management Grant [Schedule 5B]	1 550	1 550	-	(1 550)	775	(2 325)	-300.0%	1 550
Municipal Infrastructure Grant [Schedule 5B]	660	660	-	-	330	(330)	-100.0%	660
Provincial Government:	29 456	45 872	2 266	(25 068)	29 709	(54 777)	-184.4%	46 472
Capacity Building	-	-	-	-	-	-		-
Capacity Building and Other	15 902	31 318	1 433	(12 234)	20 442	(32 676)	-159.8%	31 318
Infrastructure	2 749	2 749	-	(3 018)	1 397	(4 415)	-316.1%	2 749
								-
								14 374
District Municipality:	-	-	-	-	-	-		1 790
All Grants	-	-	-	-	-	-		-
Total Operating Transfers and Grants	47 830	64 246	2 266	(26 618)	46 978	(73 596)	-156.7%	66 636
National Government:	-	480	-	(835)	240	(1 075)	-895.7%	480
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant (Schedule 5B)	-	-	-	-	-	-		-
Provincial Government:	-	-	170	(6 548)	-	(6 548)		-
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	-	-	85	(3 274)	-	(3 274)		-
								-
District Municipality:	18 112	33 768	1 518	(17 475)	21 667	(39 143)	-180.7%	33 768
All Grants	18 112	33 768	1 518	(17 475)	21 667	(39 143)	-180.7%	33 768
Other grant providers:	94 164	94 164	-	(39 552)	55 189	(94 741)	-171.7%	94 164
Departmental Agencies and Accounts	-	-	-	-	-	-		-
Foreign Government and International Organisations	57 082	57 082	-	(23 175)	32 594	(55 769)	-171.1%	57 082
Total Capital Transfers and Grants	112 276	128 412	1 687	(64 410)	77 096	(141 506)	-183.5%	128 412
TOTAL RECEIPTS OF TRANSFERS & GRANTS	160 106	192 658	3 953	(91 028)	124 074	(215 102)	-173.4%	195 048

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Operating and Capital expenditure financed from grants are indicated in the following table:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	Budget Year 2021/22							Full Year Forecast
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	-	-	45	(196)	-	-		-
Operational Revenue:General Revenue:Equitable S	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Gra	-	-	-	-	-	-		-
Local Government Financial Management Grant [S	-	-	-	-	-	-		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Municipal Emergency Housing Grant	-	-	-	-	-	-		-
Provincial Government:	-	-	624	(1 744)	-	(1 744)		-
Capacity Building and Other	-	-	312	(872)	-	(872)		-
Disaster and Emergency Services	-	-	-	-	-	-		-
Infrastructure	-	-	312	(875)	-	(875)		-
District Municipality:	-	-	-	-	-	-		-
All Grants	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-		-
Foreign Government and International Organisation	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants	-	-	669	(1 940)	-	(1 744)		-
National Government:	-	-	-	-	-	-		-
Municipal Infrastructure Grant [Schedule 5B]	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant (Schedule 5B)	-	-	-	-	-	-		-
Provincial Government:	-	-	715	(2 136)	-	(2 136)		-
Capacity Building and Other	-	-	-	-	-	-		-
Infrastructure	-	-	-	-	-	-		-
District Municipality:	-	-	357	(1 068)	-	(1 068)		-
All Grants	-	-	357	(1 068)	-	(1 068)		-
Other grant providers:	-	-	1 604	16 468	-	16 468		-
Foreign Government and International Organisation	-	-	1 085	9 239	-	9 239	#DIV/0!	-
Transfer from Operational Revenue	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	-	-	2 675	13 263	-	13 263		-
TOTAL EXPENDITURE OF TRANSFERS AND GRANT	-	-	3 345	11 323	-	11 520		-

According to our knowledge, the Municipality complies with the Division of Revenue Act (DoRA) as well as all the conditions of the allocations in terms thereof.

Expenditure on councillor allowances and employee benefits:

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	7 980	7 980	647	5 115	5 318	(203)	-4%	7 980
Pension and UIF Contributions	1 787	1 706	94	662	1 137	(475)	-42%	1 706
Medical Aid Contributions	335	335	6	97	223	(127)	-57%	335
Motor Vehicle Allowance	817	0	-	-	-	-		0
Cellphone Allowance	985	942	81	672	628	44	7%	942
Housing Allowances	43	43	-	15	29	(14)	-49%	43
Other benefits and allowances	59	0	-	-	-	-		0
Sub Total - Councillors	12 007	11 007	829	6 560	7 335	(775)	-11%	11 007
Senior Managers of the Municipality								
Basic Salaries and Wages	4 497	4 317	325	2 601	2 877	(276)	-10%	4 317
Pension and UIF Contributions	925	925	26	228	616	(388)	-63%	925
Medical Aid Contributions	159	159	5	38	106	(68)	-64%	159
Overtime	-	-	-	-	-	-		-
Performance Bonus	1 052	1 052	62	496	701	(205)	-29%	1 052
Motor Vehicle Allowance	1 242	1 242	83	661	828	(167)	-20%	1 242
Cellphone Allowance	84	84	2	35	56	(21)	-37%	84
Housing Allowances	182	182	23	189	121	68	56%	182
Other benefits and allowances	136	136	9	75	90	(15)	-17%	136
Payments in lieu of leave	-	-	-	-	-	-		-
Long service awards	-	-	-	-	-	-		-
Post-retirement benefit obligations	-	-	-	-	-	-		-
Sub Total - Senior Managers	8 276	8 096	536	4 323	5 395	(1 072)	-20%	8 096
Other Municipal Staff								
Basic Salaries and Wages	136 537	130 761	10 388	81 961	87 171	(5 211)	-6%	130 761
Pension and UIF Contributions	20 659	19 968	1 678	13 343	13 312	31	0%	19 968
Medical Aid Contributions	9 200	9 200	701	5 471	6 131	(660)	-11%	9 200
Overtime	10 906	11 040	1 316	12 026	7 359	4 667	63%	11 040
Performance Bonus	9 311	12 428	1 699	6 349	8 283	(1 934)	-23%	12 428
Motor Vehicle Allowance	5 309	5 915	492	3 941	3 943	(2)	0%	5 915
Cellphone Allowance	478	511	40	337	341	(4)	-1%	511
Housing Allowances	1 947	1 137	93	754	758	(4)	0%	1 137
Other benefits and allowances	5 175	3 977	382	3 260	2 651	609	23%	3 977
Payments in lieu of leave	1 050	3 043	252	2 109	2 029	80	4%	3 043
Long service awards	-	-	81	644	-	644	#DIV/0!	-
Post-retirement benefit obligations	28 178	28 178	786	6 286	18 778	(12 492)	-67%	28 178
Sub Total - Other Municipal Staff	228 749	226 158	17 908	136 480	150 755	(14 275)	-9%	226 158
TOTAL SALARY, ALLOWANCES &	249 032	245 261	19 273	147 364	163 486	(16 122)	-10%	245 261
% increase								
TOTAL MANAGERS AND STAFF	237 025	234 254	18 443	140 804	156 151	(15 347)	-10%	234 254

The monthly cash flows for the year to date are indicated in the following table:

WC022 Witzenberg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February

Description	Ref	Budget Year 2021/22											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Budget
R thousands	1												
Cash Receipts By Source													
Property rates		5 769	15 593	11 710	12 132	5 180	4 215	5 166	4 808	-	-	-	15 811
Service charges - electricity revenue		30 337	36 936	33 947	28 552	25 311	21 246	26 243	28 406	-	-	-	87 022
Service charges - water revenue		2 880	3 342	2 987	3 128	2 894	2 432	3 734	3 800	-	-	-	6 644
Service charges - sanitation revenue		1 789	2 310	1 912	5 727	2 288	1 507	2 414	2 484	-	-	-	(3 817)
Service charges - refuse		2 013	2 089	2 126	2 181	2 208	1 520	2 485	2 221	-	-	-	2 546
Service charges - other		-	-	3 044	(2 436)	60	1 525	(3 854)	135	-	-	-	2 213
Rental of facilities and equipment		91	77	334	300	374	219	435	320	-	-	-	(2 077)
Interest earned - external investments		221	237	164	136	448	192	665	716	-	-	-	4 193
Interest earned - outstanding debtors		0	-	-	-	-	-	-	-	-	-	-	(0)
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		68	53	63	107	176	82	95	195	-	-	-	493
Licences and permits		487	50	325	1 612	3 641	391	88	1 092	-	-	-	(5 476)
Agency services		-	-	-	-	-	-	-	-	-	-	-	3 948
Transfer receipts - operating		-	-	-	-	-	-	251	472	-	-	-	139 710
Other revenue		44 521	6 061	483	4 627	629	26 854	3 489	1 858	-	-	-	(81 397)
Cash Receipts by Source		88 177	66 748	57 094	56 065	43 209	60 184	41 213	46 507	-	-	-	169 813
Other Cash Flows by Source													
Transfer receipts - capital		9 333	-	-	7 713	21 264	-	6 550	-	-	-	-	53 185
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	(1 000)
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		(10)	21	10	61	93	30	8	240	-	-	-	8 279
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		(80 000)	-	-	20 212	20 000	(60 000)	20 000	20 000	-	-	-	59 788
Total Cash Receipts by Source		17 500	66 769	57 104	84 052	84 566	214	67 771	66 746	-	-	-	290 064
Cash Payments by Type													
Employee related costs		14 974	14 718	15 104	17 148	24 682	15 513	17 480	14 640	-	-	-	88 775
Remuneration of councillors		936	955	938	938	706	871	827	829	-	-	-	(6 999)
Interest paid		-	-	1	-	-	16	0	-	-	-	-	444
Bulk purchases - Electricity		32 051	38 254	33 727	20 676	19 030	18 436	19 488	25 239	-	-	-	53 926
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-
Other materials		1 474	451	1 001	1 736	1 449	1 711	1 846	994	-	-	-	-
Contracted services		2 677	5 053	4 894	756	6 160	1 153	940	1 740	-	-	-	(23 373)
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		54	54	561	279	-	969	(206)	15	-	-	-	90 533
General expenses		8 745	2 054	7 801	8 141	2 691	5 184	2 687	2 986	-	-	-	(40 288)
Cash Payments by Type		60 910	61 539	64 024	49 674	54 719	43 852	43 061	46 443	-	-	-	163 017
Other Cash Flows/Payments by Type													
Capital assets		1 867	4 551	3 912	232	2 924	5 999	5 214	11 378	-	-	-	45 077
Repayment of borrowing		(2)	-	21	-	-	109	-	-	-	-	-	(128)
Other Cash Flows/Payments		(467)	(1 693)	1 461	935	4 680	93	1 084	4 186	-	-	-	(10 280)
Total Cash Payments by Type		62 307	64 397	69 419	50 841	62 323	50 053	49 359	62 007	-	-	-	197 686
NET INCREASE/(DECREASE) IN CASH HELD		(44 807)	2 372	(12 315)	33 211	22 243	(49 839)	18 412	4 740	-	-	-	92 378
Cash/cash equivalents at the month/year beginning:		115 296	70 489	72 861	60 546	93 757	116 001	66 162	84 574	89 314	89 314	89 314	89 314
Cash/cash equivalents at the month/year end:		70 489	72 861	60 546	93 757	116 001	66 162	84 574	89 314	89 314	89 314	89 314	181 692

WC022 Witzenberg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February

Month	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	–	3 528	4 651	1	1	4 651	4 649	100.0%	0%
August	970	5 053	5 526	4 632	4 633	10 177	5 544	54.5%	6%
September	2 309	7 122	6 317	3 700	8 333	16 494	8 162	49.5%	10%
October	3 822	10 136	8 445	217	8 550	24 939	16 389	65.7%	11%
November	7 006	10 136	8 445	2 677	11 227	33 384	22 157	66.4%	14%
December	3 969	8 647	7 193	5 676	16 903	40 577	23 674	58.3%	21%
January	4 376	3 528	4 651	8 436	25 339	45 227	19 889	44.0%	28%
February	4 502	5 053	5 526	6 403	31 741	50 753	19 012	37.5%	36%
March	15 227	7 122	6 317	–	–	57 071	–	–	–
April	2 003	10 136	8 445	–	–	65 516	–	–	–
May	6 929	10 136	8 445	–	–	73 960	–	–	–
June	65 951	8 647	7 193	–	–	81 153	–	–	–
Total Capital expenditure	117 064	89 244	81 153	31 741					

3.2 SUPPLY CHAIN MANAGEMENT

3.2 VOORSIENINGSKANAAL BESTUUR

3.2.1 Demand and Acquisition

3.2.1 Aanvraag en Verkryging

3.2.1.1 Advertisement stage

3.2.1.1 Adverteringsfase

No formal written price quotations are currently in the advertisement stage.

Geen formele geskrewe pryskwotasies is tans in die adverteringsfase nie.

The following competitive bids are currently in the advertisement stage:

Die volgende mededingende tenders is tans in die adverteringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM
08/2/19/28	Supply, delivery and installation of various bookshelves at John Steyn Library	23-Mar-2022
08/2/19/41	Supply and delivery of laptops	18-Mar-2022

3.2.1.2 Evaluation stage:

3.2.1.2 Evaluering stadium:

The following competitive bids are currently in the evaluation stage:

Die volgende mededingende tenders is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/18/62	Professional services for Witzenberg Municipality	08-Jul-2021	30-Aug-2021 Referred back	M Grové
08/2/18/64	Appointment of contractors for maintenance, repair and replacement of general electrical infrastructure and wiring of premises for Witzenberg municipality	04-Nov-2021	Awaiting	M Grové
08/2/19/01	Supply and delivery of Station Uniforms for Fire Department, Emergency Control Room and Disaster Management	19-Aug-2021	20-Oct-2021	A Lamprecht-Vertue
08/2/19/10	Construction of Ablution Facility at Wolseley	24-Feb-2022	Awaiting	J Jacobs
08/2/19/11	Revenue Enhancement: Addressing illegal Electricity Connections	28-Jan-2022	15-Feb-2022	M Grové
08/2/19/15	Supply and delivery of Electrical equipment and cables	07-Dec-2021	15-Feb-2022	M Grové
08/2/19/16	Clearing of Alien vegetation in Prince Alfred Hamlet commonage	26-Nov-2021	03-Dec-2021	H Truter
08/2/19/20	Service provider for compilation and maintenance of General Valuation roll, supplementary valuation roll and other related valuation services for Witzenberg Municipality	14-Dec-2021	31-Jan-2022	C Stevens

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/19/26	Implementation of protection study and the supply of associated equipment for the electricity network in witzenberg municipal area for a three financial year period	04-Feb-2022	Awaiting	M Grové
08/2/19/29	Upgrade of multi-purpose courts at Lyell street sports field, Ceres	25-Feb-2022	Awaiting	H Truter
08/2/19/30	Construction of High jump and hammer throw facility at Lyell street sports field, Ceres	25-Feb-2022	Awaiting	H Truter

The following formal written price quotations are currently in the evaluation stage:

Die volgende formele geskrewe pryskwotasie is tans in die evalueringsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE SLUITINGS DATUM	DATE TECHNICAL REPORT RECEIVED	RESPONSIBLE MANAGER
08/2/19/33	Supply and delivery of one new petrol cylinder mower with detachable seat	24-Jan-2022	01-Feb-2022 Referred back	H Truter
08/2/19/24	Supply, delivery and offloading of toilet paper, paper hand wipes and cleaning chemicals	03-Feb-2022	17-Feb-2022	M Frieslaar
08/2/19/25	Supply, delivery and offloading of Water pipe repair items	28-Feb-2022	Awaiting	M Frieslaar
08/2/19/35	Vehicle Body repairs including upholstery and flooring for Two vehicles (Re-advertisement)	03-Feb-2022	Awaiting	O Gatyene
08/2/19/47	Engine repairs to Isuzu KB200, including the recovery / tow in of the vehicle from Ceres to bidder's workshop	04-Mar-2022	Awaiting	O Gatyene

3.2.1.3 Adjudication stage

3.2.1.3 Toekenningsfase:

The following competitives bid are currently in the adjudication stage:

Die volgende mededingende tenders is tans in die toekenningsfase:

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
08/2/18/79	Supply and delivery of a Conference System for Council Chambers	15-Jun-2021	14-Jul-2021	13-Sep-2021
08/2/19/05	Paving, stormwater infrastructure and fire hydrant at PAH Business Hub	05-Nov-2021	19-Jan-2022 26-Jan-2022 11-Feb-2022 18-Feb-2022	11-Feb-2022
08/2/19/06	Supply, delivery & installation of rigid mesh fencing & rigid mesh gates in PAH Business Hub	05-Nov-2021	19-Jan-2022 26-Jan-2022	-

BID NO	DESCRIPTION / BESKRYWING	CLOSING DATE / SLUITINGS DATUM	DATE OF BEC	DATE OF BAC
			24-Feb-2022	
08/2/19/17	Facilitation of training for Municipal Minimum Competency Levels (MMCL) programme for a three year period	24-Nov-2021	02-Feb-2022 11-Feb-2022 28-Feb-2022	-

No formal written price quotations are currently in the adjudication stage.

Geen formele geskrewe prys kwotasie is tans in die Toekenningsfase nie.

3.2.1.4 Bids awarded

3.2.1.4 Tenders toegeken

No bids were awarded by the Accounting Officer during the month of February 2022.

Geen tenders was toegeken deur die Rekenpligtige Beampte gedurende Februarie 2022 nie.

The following competitive bids were awarded by the Bid Adjudication Committee during the month of February 2022:

Die volgende mededingende tenders was toegeken deur die Tender Toekenningskomitee gedurende Februarie 2022:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Value (incl. VAT)
08/2/18/81	23-Feb-2022	Keineli Investments CC T/A Megaflow	Electrical and Mechanical maintenance of water and sewer pump stations, treatment works and related infrastructure in Witzenberg area	Bidder scored the highest points	Based on rates estimated at R 3 466 500.00

3.2.1.5 Paragraph 13 (1): Cancellation and re-invitation of tenders

3.2.1.5 Paragraaf 13 (1): Kansellasië en her-uitnodiging van tenders

Bid ref number	Date	Brief description of services	Reason why bid is cancelled
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08/2/19/40	22-Feb-2022	Supply, delivery and offloading calcium hypochlorite 25kg	No acceptable bids were received
------------	-------------	---	----------------------------------

3.2.1.6 Paragraph 19 (1) I and 19 (2): Written price quotations

The following written price quotations were approved during the month of February 2022:

3.2.1.6 Paragraaf 19 (1) (c) en 19 (2): Geskrewe Prys Kwotasies

Die volgende geskrewe prys kwotasies was goedgekeur gedurende Februarie 2022:

Order number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
172224	07-Feb-2022	Kaap Agri Bedryf Beperk	Supply & Delivery of Calcium Hypochlorite	Lowest responsive quotation	R 27 994.95 (Incl. VAT)	Chief Financial Officer
172283	10-Feb-2022	Airo Aircon	Repair & Servicing of 9 Air conditioners at the Main Building	Lowest responsive quotation	R 22 250.00 (Incl. VAT)	Chief Financial Officer
172387	16-Feb-2022	Chlorine Tech Services	Service Provider for training on how to handle dangerous goods	Lowest responsive quotation	R 24 350.00 (Incl. VAT)	Chief Financial Officer

3.2.1.7 Formal Written Price Quotations

The following formal written price quotations, in excess of R 30 000 were awarded by an official acting in terms of a sub-delegation for the month of February 2022:

3.2.1.7 Formele Geskrewe Prys Kwotasies

Die volgende formele geskrewe kwotasies, wat meer is as R 30 000.00 is toegeken deur 'n amptenaar wat in terme van 'n sub-afvaardiging vir die maand van Februarie 2022:

Bid ref number	Date	Name of supplier	Brief description of services	Reason why award made	Amount	Official acting i.t.o sub delegation
08/2/19/31	24-Feb-2022	Viomed (Pty) Ltd	Supply and delivery of Decontamination solution, which is effective against SARS-Cov-2 and its variants (Re-advertisement)	Only responsive bidder	R 48 300.00 (Incl. VAT)	Acting Director: Community Services

3.2.1.8 Appeals

No appeals were lodged or dealt with by the Accounting Officer during the month of February 2022.

3.2.1.8 Appelle

Geen appelle is ontvang of was hanteer deur die Rekenpligtige beampte gedurende Februarie 2022 nie.

3.2.1.9 Deviations

The following table contains the actuals against approved deviations by the Accounting Officer for the month of February 2022 which totals R 302 650.36:

3.2.1.9 Afwykings

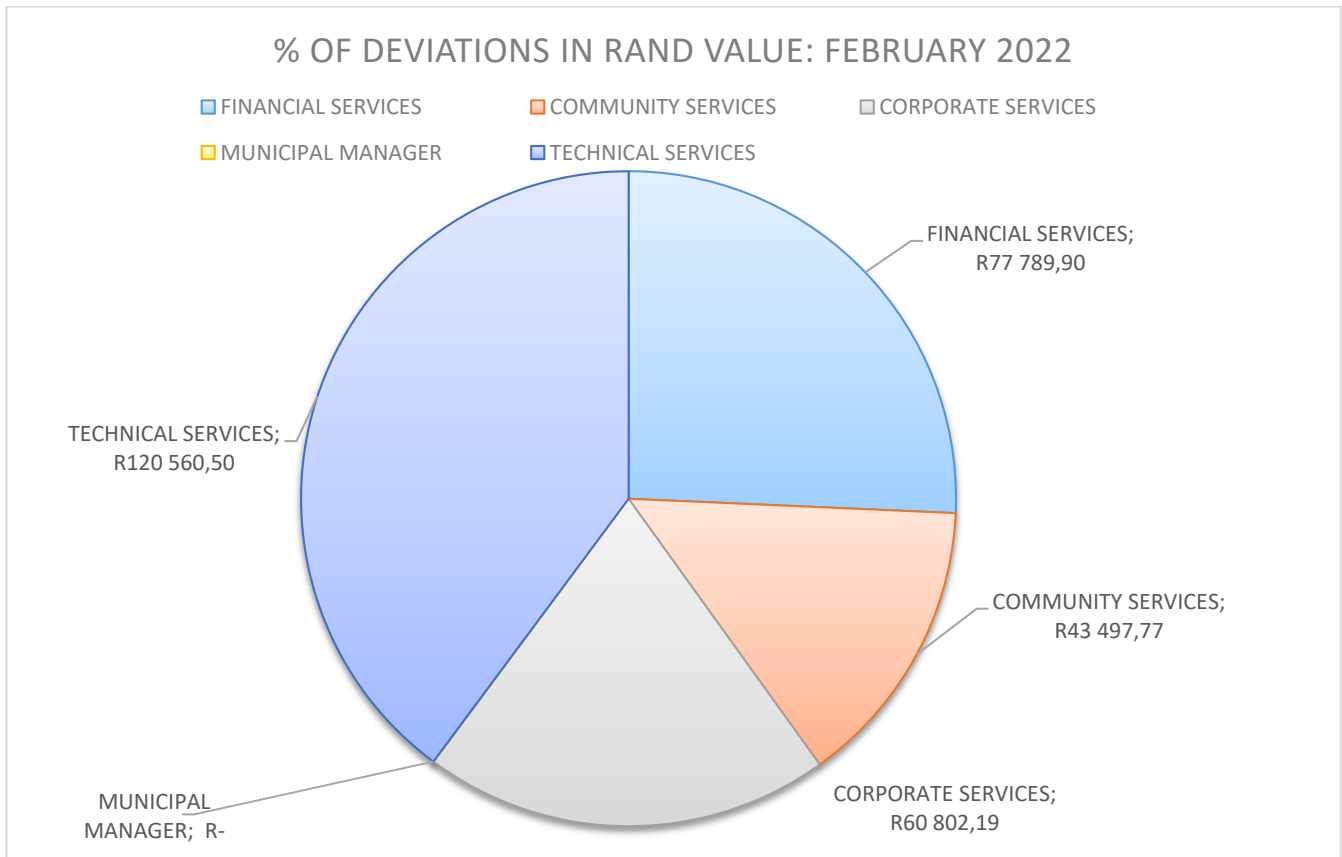
Die volgende tabel bevat die werklike uitgawes teen goedgekeurde afwykings deur die Rekenpligtige Beampte vir die maand van Februarie 2022 wat beloop op die totaal van R 302 650.36:

FINANCE MONTHLY SECTION 71 REPORT - FEBRUARY 2022 – FINANSIES ARTIKEL 71 VERSLAG

Date	Name of supplier	Description of goods and services	Reason for deviation	Order number	AMOUNT R
3-Feb-22	Witzenberg Herald	Publish Notice: Erf 2457, Olifantshoek Tulbagh	Single supplier	172170	2,808.00
1-Feb-22	Witzenberg Herald	Publish Notice: Adjustment Budget 2021/2022	Single supplier	172121	3,240.00
11-Feb-22	Baracax (PTY) Ltd T/A JP Tek Projects	Emergency works: Repair Fibre Line & Termination points	Emergency	172324	5,461.76
2-Feb-22	Engineering Council of South Africa	Membership fees: 2021	Single supplier	172144	3,800.00
2-Feb-22	CIMSO Business Solutions Africa (PTY) Ltd	Annual License Fees: Innkeeper	Impractical	172143	40,689.77
17-Feb-22	Total Computer Services (PTY) Ltd	6 Month Software License extension: Traffic Contravention system	Single supplier	172418	44,689.00
4-Feb-22	South African Post Office	Deliver of Bulk Mail - Registered Post	Single supplier	172222	7,490.00
8-Feb-22	A M E U (SA)	Annual License Fees: Utility	Single supplier	172243	8,695.00
9-Feb-22	Witzenberg Herald	Publish Notice: Inspection of Supplementary valuation roll	Single supplier	172282	12,636.00
10-Feb-22	Samras a Div. of Solvem Consulting (PTY) Ltd	Parameter updates: Assets MSCOA	Impractical	172304	17,898.50
16-Feb-22	Witzenberg Herald	Publish Notice: Draft Annual Report	Single supplier	172374	4,698.00
17-Feb-22	Witzenberg Herald	Publish Notice: Council meeting 23 Feb 2022	Single supplier	172409	2,592.00
17-Feb-22	De Kock & Cronje (PTY) Ltd	Emergency works: Repair 11Kv Breakers at Bon Chretien	Emergency	172425	108,065.50
23-Feb-22	PBSA (PTY) Ltd	Annual License and Inspection Fees: Franking machine	Single supplier	172498	8,059.43
22-Feb-22	Chartered Institute of Government Finance, Audit, Risk Officers (CIGFARO)	Registration fees: Virtual Asset verification Training (5 delegates)	Impractical	172472	31,827.40

MONTH / MAAND	DEVIATION AMOUNT AFWYKING BEDRAG	TOTAL VALUE OF ORDERS ISSUED TOTALE WAARDE VAN BESTELLINGS UITGEREIK	% DEVIATIONS OF TOTAL ORDERS ISSUED % AFWYKINGS VAN TOTALE BESTELLINGS UITGEREIK
December 2021	R 91 455.70	R24 514 427.11	0.03%
January 2022	R 108 118.85	R18 738 559.02	0.05%
February 2022	R 302 650.36	R20 443 499.57	1.48%

DEVIATIONS PER DIRECTORATE:



Logistics

The table below contains a high level summary of information regarding the stores section:

Logistieke

Die tabel hieronder bevat 'n hoë vlak opsomming van inligting rakende die magasyn (stoor):

MONTH	Dec 2021	Jan 2022	Feb 2022
Value of inventory at hand	R 8 581 939	R 7 950 686	R 7 535 509
Turnover rate of total value of inventory	0.93	1.14	1.23
Date of latest stores reconciliation	28 February 2022		
Date of last stock count	14 December 2021		
Date of next stock count	30 March 2022		



QUALITY CERTIFICATE

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the monthly in year monitoring reports for the month of February 2022 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Mr D Nasson

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:

Date:

Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/ Kindly address all correspondence to the Municipal Manager/ Yonke imbalelwano mayithumyehwe kuMlawuli kaMasipala

*Witzenberg, the Eden of Africa, aspires that all residents shall live together in harmony and prosperity.
Witzenberg, die Eden van Afrika, streef daarna dat alle inwoners in harmonie en voorspoed saamleef.
Witzenberg, iEden yase Africa igquashalazele ekubeni bonke abahlali bakhawulelezise ukuhlalisana ngolomwalo.*

WITZENBERG

MUNISIPALITEIT UMASIPALA MUNICIPALITY

- MEMORANDUM -

AAN / TO: Municipal Manager

VAN / FROM: Director: Finance

DATUM / DATE: 19 April 2022

VERW. / REF.: 05/01/1/

2021/2022 ADJUSTMENT BUDGET FOR CONSIDERATION_APRIL 2022

1. PURPOSE

The purpose of this report is to:

- Document the 2021/2022 adjustment budget for consideration to the Municipal Manager and Executive Mayor.
- Provide the background information regarding the consideration and approval of the budget.

2. LEGAL FRAMEWORK

Chapter 4 of the MFMA provides the legal framework for municipal budgets. Section 28 deals with adjustment budgets and is quoted below:

"28. Municipal adjustments budgets — (1) *A municipality may revise an approved annual budget through an adjustments budget.*

(2) *An adjustments budget—*

- (a) *must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*
- (b) *may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*
- (c) *may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;*
- (d) *may authorise the utilisation of projected savings in one vote towards spending under another vote;*
- (e) *may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;*
- (f) *may correct any errors in the annual budget; and*
- (g) *may provide for any other expenditure within a prescribed framework.*

(3) *An adjustments budget must be in a prescribed form.*

- (4) *Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2) (b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.*
- (5) *When an adjustments budget is tabled, it must be accompanied by—*
 - (a) *an explanation how the adjustments budget affects the annual budget;*
 - (b) *a motivation of any material changes to the annual budget;*
 - (c) *an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and*
 - (d) *any other supporting documentation that may be prescribed.*
- (6) *Municipal tax and tariffs may not be increased during a financial year.*
- (7) *Sections 22 (b), 23 (3) and 24 (3) apply in respect of an adjustments budget, and in such application a reference in those sections to an annual budget must be read as a reference to an adjustments budget.”*

Section 23 of the Local Government: Municipal Finance Management Act: Municipal Budget and Reporting Regulations, regulates municipal adjustment budgets and is quoted below:

“Timeframes for tabling of adjustments budgets

- 23. (1) *An adjustment budget referred to in Section 28(2)(b),(d) and (f) of the act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.*
- (2) *Only one adjustment budget referred to in sub regulation (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a municipality in a national or provincial adjustments budget, in which case sub regulation (3) applies.*
- (3) *If a national or provincial adjustments budgets allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.*
- (4) *An adjustments budgets referred to in section 28(2)(c) of the Act must be tabled in the municipal council at the first available opportunity after the unforeseeable and unavoidable expenditure contemplated in that section was incurred and within the time period set in section 29(3) of the Act.*
- (5) *An adjustment budget referred to in section 28(2)(e) of the Act may only be tabled after the end of the financial year to which the roll-overs relate, and must be approved by the municipal council **by 25 August of the financial year following the financial year to which the roll-overs relate.***
- (6) *An adjustment budget contemplated in section 28(2)(g) of the Act may only authorise unauthorised expenditure as anticipated by section 32(2)(a)(i) of the Act, and must be –*
 - a) *dealt with as part of the adjustment budget contemplated in sub regulation (1); and*
 - b) *a special adjustment budget tabled in the municipal council when the mayor tables the annual report in terms of section 127(2) of the Act, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the Act.”*

2 **Progress to date:**

The Annual Budget for 2021/2022 was approved by Council on 26 May 2021.

The Roll Over Adjustments Budget for 2021/2022 was approved by Council by the 25th of August 2021

The Annual Adjustments Budget was tabled and approved by council on 23 February 2022

3. DISCUSSION

Council's approval for the adjustments to the budget as per the attached report are requested. Please take note that recent Gazette's were issued and the municipality is following verification procedures for purposes of accuracy.

4. RECOMMENDATION

- a) That the adjustment budget of Witzenberg Municipality for the financial year 2021/2022 as set out in the budget documents be approved:
- i. Table B1 - Budget summary;
 - ii. Table B2 Adjustments Budget Financial Performance (by standard classification);
 - iii. Table B3 – Budgeted Financial performance (Revenue and Expenditure) by Vote;
 - iv. Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - v. Table B5 – Budgeted Capital Expenditure by Vote, standard classification and funding.

Yours faithfully

HJ Kritizinger
DIRECTOR: FINANCE



Medium Term Revenue and Expenditure Framework

Adjustments Budget
2021/2022 to 2023/2024

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
AFS – Annual Financial Statements.
Budget – The financial plan of the Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.
Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance.
Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.
CFO – Chief Financial Officer
DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality
KPI's – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position.
NT – National Treasury
Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.
Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.
Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.
SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
Unauthorised expenditure – Generally, expenditure without, or in excess of, an approved budget.
Virement – A transfer of budget.
Virement Policy – The policy that sets out the rules for budget transfers.
<p>Vote – One of the main segments into which a budget is divided. In Witzenberg Municipality the following votes and responsible senior manager was approved:</p> <ul style="list-style-type: none"> • Budget & Treasury Office – Director: Financial services • Civil Services - Director: Technical services • Community & Social Services – Director: Community services • Corporate Services – Director: Corporate services • Electro Technical Services - Director: Technical services • Executive & Council – Municipal Manager • Housing– Director: Community services • Planning - Director: Technical services • Public Safety– Director: Community services • Sport & Recreation– Director: Community services

PART 1 – ADJUSTMENTS BUDGET

Section 1 – Mayor’s Report

Speaker
Aldermen
Deputy Executive Mayor
Members of the Mayoral Committee
Councillors
Representatives of Provincial Government
Municipal Manager
Directors and officials
Introduction

It is my privilege to present to you the 3rd Adjustments Budget for the 2021 / 2022 financial year.

This adjustment budget seeks to adjust revenues and expenditures in terms of section 28 of the MFMA.

The reason for the tabling of this adjustment budget is fully disclosed in the executive summary of this report.

Tabling

Honourable Speaker, I recommend that the adjustments budget be approved.

COUNCILLOR HJ SMIT
EXECUTIVE MAYOR

Section 2 – Resolutions

ADJUSTMENTS MTREF 2021/2022

The resolutions tabled at Council for consideration with approval of the adjustments budget will be:

RECOMMENDATION:

- a) That the adjustment budget of Witzenberg Municipality for the financial year 2021/2022 as set out in the budget documents for be approved:
 - i. Table B1 - Budget summary;
 - ii. Table B2 - Adjustments Budget Financial Performance (by standard classification);
 - iii. Table B3 - Budgeted Financial performance (Revenue and Expenditure) by Vote;
 - iv. Table B4 - Adjustments Budget Financial Performance (revenue by source); and
 - v. Table B5 - Budgeted Capital Expenditure by Vote, standard classification and funding.

- (b) That the monthly and quarterly financial targets of the service delivery and budget implementation plan be adjusted to correspond with the approved adjustments budget figures.

Section 3 – Executive Summary

3.1 Introduction

Adjustments to both the operating and capital budget are required to make provision for adjustments in expected expenditure and certain capital projects for the financial year.

Operational budget

In summary the Operational Revenue Budget has been adjusted as follow:

Ref	Description	Amount
a	Transfers Recognized Capital (Safety Plan)	R 264 000
b	Transfers Recognized <i>Operational</i> (Municipal Service Delivery and Capacity Building)	(R 600 000)
b	Transfers Recognized <i>Capital</i> (Municipal Service Delivery and Capacity Building)	R 600 000
c	Transfers Recognized Capital (Main Roads)	
	Total Operational Revenue Adjustments	R 264 000

Reasons for Operational Revenue Adjustments can be summarised as follow:

- a) Additional allocation received from Cape Winelands District Municipality for the installation of cameras
- b) Funds received for Toilets for Informal Settlements moved from Operational to Capital Budget

In summary the Operational **Expenditure** Budget has been adjusted as follow:

Ref	Description	Funding	Amount
a	Employee Related Cost	Library Funding	(R 120 000)
	General Expenses	Library Funding	(R 35 468)
	Contracted Services	Library Funding	(R 514 532)
b	Other Expenditure	Municipal Service Delivery and Capacity Building	(R 600 000)
	Total Operational Expenditure Adjustments		(R 1 270 000)

- a) Library Funding transferred to Capital Project
- b) Funds received for Toilets for Informal Settlements moved from Operational to Capital Budget

Capital budget

In summary the Capital budget has been adjusted as follow:

Ref	Description	Funding	Amount
a	Construction of Toilets for Informal Settlements	Municipal Service Delivery and Capacity Building	R 521 739
b	Surveillance Cameras	CWDM	R 264 000
c	Upgrade Council Chambers	CRR	(R 600 000)
d	Library Furniture and Equipment	MRF	R 670 000
	Total Capital Budget Adjustment		R 855 739

Reasons for Capital Budget Adjustments can be summarised as follow:

- a) Funds received for Toilets for Informal Settlements moved from Operational to Capital Budget
- b) Installation of Surveillance Cameras
- c-d) Incorrect Project Description: Must be Purchase of furniture and equipment for John Steyn Library and must be funded for the Library Grant: Municipal Replacement Fund. See movement of Library Operational Expenditure

3.2 Provision of basic services

The provision of basic services will be improved by the approval of the adjustment budget.

3.3 Effect of the adjustments budget

3.3.1 Service delivery and budget implementation plan

Impact on the SDBIP is minimal. No non-financial performance targets have been adjusted.

3.3.2 Service delivery agreements

No material adjustments

3.3.3 Medium term revenue and expenditure framework

Except for the depreciation charges of the additional capital expenditure the impact to the outer years is minimal.

3.3.4 Long term financial sustainability

No material impact

3.4 Adjustment highlights

The adjustments budget seeks to comply with section 28 of the MFMA. Therefore, all adjustments are discussed according to the sub-sections of Section 28 of the MFMA.

3.4.1 Correction of expenditure.

Funds for the construction/acquisition of toilets for informal settlements moved from operational to capital budget

3.4.2 Appropriation of additional revenues

Additional funds received from Cape Winelands District Municipality

3.4.3 Authorisation of unforeseen and unavoidable expenditure

No material items.

3.4.4 Utilisation of project savings between votes

No material items.

3.4.5 Correction of errors in annual budget

No material items

3.4.6 Roll-over of unspent funds

None

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Adjustments to budget assumptions

Revenue

Revenue assumptions remain unchanged

Expenditure

There are no changes to the budget assumptions for operating expenditure.

Section 5 – Adjustments to budget funding

5.1 Summary of the impact of the adjustments budget

5.1.1 Funding of operating and capital expenditure

The Budget remains funded by realistic anticipated revenues and cash backed accumulated reserves

5.1.2 Financial plans

No amendments.

5.1.3 Reserves

The only reserve that is cash backed at this stage is the capital replacement reserve.

5.1.4 Financial sustainability of the municipality

The financial sustainability of the municipality remains positive as the municipality is enjoying a positive bank balance whilst the cost coverage ratio and liquidity ratios remains within acceptable norms

5.2 Expenditure funded in accordance with MFMA section 18

No additional new loans included in the budget.

5.3 Adjustments to collection levels estimated

None

5.4 Adjustments to the monetary investments

No major adjustments

5.5 Adjustments to contributions and donations in cash or in-kind

No major adjustments

5.6 Adjustments related to proceeds from the sale of assets

None

5.7 Adjustments related to proceeds from the lease of assets, where the period of the lease is three years or more;

None

5.8 Adjustments related to the planned use of previous years' cash backed accumulated surplus

None

5.9 Adjustments related to new proposed loans to be raised in the budget year

None

Section 6 – Adjustments to expenditure on allocations and grant programmes

Disclosure on expenditure on allocations and grant programmes is included in supporting table SB7. Small adjustments were made to SB7 in order to align it to the DORA allocations.

Section 7 – Adjustments to allocations or grants made by the municipality

None. The revenue foregone over the MTREF is included in Table B10.

Section 8 – Adjustments to councillors and board members allowances and employee benefits

None.

Section 9 – Adjustments to service delivery and budget implementation plan

9.1 Quarterly service delivery targets and performance indicators in the SDBIP

No adjustments were made to any non-financial indicators.

9.2 Key financial indicators

No adjustments were made to the key financial indicators.

9.3 Monthly targets for revenue, expenditure and cash flow

No major adjustments

Section 10 Municipal Manager's quality certification

Quality Certificate

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the budget and supporting documentations are consistent with the Integrated Development Plan of the municipality.

Print name Mr D NASSON

Municipal Manager of Witzenberg Municipality

Signature _____

Date _____

WC022 Witzenberg - Table B1 Adjustments Budget Summary -

Description	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	83 290	83 290	-	-	-	-	-	-	83 290	89 121	96 250
Service charges	413 772	422 772	-	-	-	-	(100)	(100)	422 672	428 362	463 935
Investment revenue	6 990	6 990	-	-	-	-	-	-	6 990	7 089	7 193
Transfers recognised - operational	145 903	148 892	-	-	-	-	(600)	(600)	148 292	128 604	130 741
Other own revenue	52 768	54 959	-	-	-	-	78	78	55 037	51 081	50 254
Total Revenue (excluding capital transfers and contributions)	702 723	716 903	-	-	-	-	(622)	(622)	716 281	704 257	748 374
Employee costs	237 025	234 305	-	-	-	-	(120)	(120)	234 185	248 881	263 817
Remuneration of councillors	12 007	11 007	-	-	-	-	-	-	11 007	12 607	13 238
Depreciation & asset impairment	39 729	39 729	-	-	-	-	-	-	39 729	39 589	39 589
Finance charges	8 696	8 690	-	-	-	-	-	-	8 690	9 116	9 558
Materials and bulk purchases	300 766	304 971	-	-	-	-	50	50	305 021	326 638	355 060
Transfers and grants	25 603	23 870	-	-	-	-	-	-	23 870	2 273	2 575
Other expenditure	151 096	145 188	-	-	-	-	(507)	(507)	144 680	149 381	156 952
Total Expenditure	774 922	767 759	-	-	-	-	(577)	(577)	767 181	788 486	840 788
Surplus/(Deficit)	(72 199)	(50 856)	-	-	-	-	(44)	(44)	(50 900)	(84 230)	(92 414)
Transfers recognised - capital	74 937	69 620	-	-	-	-	711	711	70 331	69 330	26 360
Contributions recognised - capital & contributed assets	170	170	-	-	-	-	-	-	170	179	187
Surplus/(Deficit) after capital transfers & contributions	2 908	18 934	-	-	-	-	666	666	19 600	(14 721)	(65 866)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	2 908	18 934	-	-	-	-	666	666	19 600	(14 721)	(65 866)
Capital expenditure & funds sources											
Capital expenditure	89 244	81 284	-	-	-	-	856	856	82 140	86 369	27 540
Transfers recognised - capital	74 937	69 087	-	-	-	-	1 456	1 456	70 543	74 239	26 360
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	14 157	12 007	-	-	-	-	(600)	(600)	11 407	12 080	1 130
Total sources of capital funds	89 094	81 094	-	-	-	-	856	856	81 950	86 319	27 490
Financial position											
Total current assets	59 336	301 598	-	-	-	-	(48 375)	(48 375)	253 223	226 537	228 153
Total non current assets	49 516	1 071 905	-	-	-	-	856	856	1 072 761	1 077 130	1 018 302
Total current liabilities	70 203	193 806	-	-	-	-	(48 186)	(48 186)	145 620	136 694	127 785
Total non current liabilities	35 741	213 111	-	-	-	-	-	-	213 111	214 354	215 631
Community wealth/Equity	-	965 707	-	-	-	-	975	975	966 682	947 652	947 652
Cash flows											
Net cash from (used) operating	182 253	150 479	-	-	-	-	(47 370)	(47 370)	103 110	87 751	45 272
Net cash from (used) investing	-	(81 950)	-	-	-	-	-	-	(81 950)	(86 319)	(27 490)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	182 253	183 835	-	-	-	-	(47 370)	(47 370)	136 465	137 897	155 678
Cash backing/surplus reconciliation											
Cash and investments available	60 736	184 749	-	-	-	-	(48 225)	(48 225)	136 524	121 606	133 047
Application of cash and investments	76 081	1 019 541	-	-	-	-	(47 437)	(47 437)	972 104	938 658	887 160
Balance - surplus (shortfall)	(15 346)	(834 792)	-	-	-	-	(788)	(788)	(835 580)	(817 052)	(754 113)
Asset Management											
Asset register summary (WDV)	49 516	1 071 896	-	-	-	-	856	856	1 072 751	1 077 120	1 018 291
Depreciation & asset impairment	39 729	39 729	-	-	-	-	-	-	39 729	39 589	39 589
Renewal of Existing Assets	600	600	-	-	-	-	(600)	(600)	-	5 000	-
Repairs and Maintenance	19 633	14 874	-	-	-	-	-	-	14 874	19 550	20 386
Free services											
Cost of Free Basic Services provided	(5 406)	(5 406)	-	-	-	-	-	-	(5 406)	(5 460)	(5 516)
Revenue cost of free services provided	(39 283)	(34 283)	-	-	-	-	-	-	(34 283)	(42 083)	(45 215)
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

WC022 Witzenberg - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
<i>Governance and administration</i>		110 918	113 730	-	-	-	-	(622)	(622)	113 109	112 680	117 352
Executive and council		-	600	-	-	-	-	(600)	(600)	-	-	31
Finance and administration		110 918	113 130	-	-	-	-	(22)	(22)	113 109	112 680	117 321
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		171 710	174 355	-	-	-	-	189	189	174 544	160 965	160 993
Community and social services		120 006	122 331	-	-	-	-	-	-	122 331	130 502	127 923
Sport and recreation		1 661	2 734	-	-	-	-	-	-	2 734	1 701	1 786
Public safety		26 158	26 713	-	-	-	-	189	189	26 902	27 451	29 681
Housing		23 884	22 577	-	-	-	-	-	-	22 577	1 312	1 604
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		25 287	19 692	-	-	-	-	-	-	19 692	31 586	2 745
Planning and development		2 365	2 937	-	-	-	-	-	-	2 937	2 734	2 472
Road transport		22 907	16 742	-	-	-	-	-	-	16 742	28 842	262
Environmental protection		14	14	-	-	-	-	-	-	14	10	10
<i>Trading services</i>		469 795	478 795	-	-	-	-	522	522	479 316	488 094	514 952
Energy sources		334 664	338 664	-	-	-	-	-	-	338 664	353 176	384 904
Water management		72 201	72 201	-	-	-	-	(100)	(100)	72 101	64 990	48 407
Waste water management		27 843	30 843	-	-	-	-	622	622	31 465	33 355	29 357
Waste management		35 087	37 087	-	-	-	-	-	-	37 087	36 574	52 284
<i>Other</i>		120	120	-	-	-	-	-	-	120	126	133
Total Revenue - Functional	2	777 830	786 693	-	-	-	-	89	89	786 782	793 453	796 175
Expenditure - Functional												
<i>Governance and administration</i>		145 004	146 681	-	-	-	-	(600)	(600)	146 081	149 928	157 871
Executive and council		29 621	29 613	-	-	-	-	(600)	(600)	29 013	31 154	32 872
Finance and administration		112 849	114 955	-	-	-	-	-	-	114 955	116 111	122 160
Internal audit		2 534	2 114	-	-	-	-	-	-	2 114	2 664	2 839
<i>Community and public safety</i>		133 059	138 429	-	-	-	-	(72)	(72)	138 357	112 933	119 730
Community and social services		28 680	30 326	-	-	-	-	(670)	(670)	29 656	27 658	29 371
Sport and recreation		32 356	29 903	-	-	-	-	50	50	29 953	33 081	34 830
Public safety		43 012	51 602	-	-	-	-	548	548	52 150	45 893	48 625
Housing		29 011	26 598	-	-	-	-	-	-	26 598	6 302	6 904
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		36 288	32 546	-	-	-	-	95	95	32 641	37 859	39 382
Planning and development		11 280	11 689	-	-	-	-	-	-	11 689	12 121	12 510
Road transport		22 910	19 369	-	-	-	-	95	95	19 464	23 509	24 498
Environmental protection		2 098	1 488	-	-	-	-	-	-	1 488	2 228	2 374
<i>Trading services</i>		459 620	449 156	-	-	-	-	-	-	449 156	486 813	522 849
Energy sources		327 833	323 724	-	-	-	-	-	-	323 724	356 857	386 940
Water management		36 559	37 807	-	-	-	-	-	-	37 807	38 093	40 006
Waste water management		43 400	38 877	-	-	-	-	-	-	38 877	39 064	40 942
Waste management		51 829	48 749	-	-	-	-	-	-	48 749	52 798	54 961
<i>Other</i>		951	946	-	-	-	-	-	-	946	953	956
Total Expenditure - Functional	3	774 922	767 759	-	-	-	-	(577)	(577)	767 181	788 486	840 788
Surplus/ (Deficit) for the year		2 908	18 934	-	-	-	-	666	666	19 600	4 967	(44 613)

WC022 Witzenberg - Table B2 Adjustments Budget Financial Performance (functional classification) - B -

Standard Classification Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original	Prior Adjusted	Accum. Funds	Multi-year	Unfore.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2022/23	+2 2023/24
R thousand												
Revenue - Functional												
<i>Municipal governance and administration</i>		110 918	113 730	-	-	-	-	(622)	(622)	113 109	112 680	117 352
Executive and council		-	600	-	-	-	-	(600)	(600)	-	-	31
Mayor and Council		-	-	-	-	-	-	-	-	-	-	31
Municipal Manager, Town Secretary and Chief Executive		-	600	-	-	-	-	(600)	(600)	-	-	-
Finance and administration		110 918	113 130	-	-	-	-	(22)	(22)	113 109	112 680	117 321
Administrative and Corporate Support		9	9	-	-	-	-	-	-	9	10	10
Asset Management		-	-	-	-	-	-	-	-	-	-	-
Finance		110 250	112 462	-	-	-	-	(22)	(22)	112 441	111 979	116 584
Fleet Management		-	-	-	-	-	-	-	-	-	-	-
Human Resources		580	580	-	-	-	-	-	-	580	609	639
Information Technology		-	-	-	-	-	-	-	-	-	-	-
Legal Services		-	-	-	-	-	-	-	-	-	-	-
Marketing, Customer Relations, Publicity and Media Co-		5	5	-	-	-	-	-	-	5	5	5
Property Services		-	-	-	-	-	-	-	-	-	-	-
Risk Management		-	-	-	-	-	-	-	-	-	-	-
Security Services		-	-	-	-	-	-	-	-	-	-	-
Supply Chain Management		74	74	-	-	-	-	-	-	74	78	82
Valuation Service		-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Governance Function		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		171 710	174 355	-	-	-	-	189	189	174 544	160 965	160 993
Community and social services		120 006	122 331	-	-	-	-	-	-	122 331	130 502	127 923
Aged Care		109 415	111 015	-	-	-	-	-	-	111 015	115 092	117 128
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		367	367	-	-	-	-	-	-	367	5 061	254
Child Care Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Halls and Facilities		485	485	-	-	-	-	-	-	485	449	471
Consumer Protection		-	-	-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-	-	-	-
Disaster Management		-	-	-	-	-	-	-	-	-	-	-
Education		-	-	-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-	-	-
Libraries and Archives		9 739	10 463	-	-	-	-	-	-	10 463	9 901	10 070
Literacy Programmes		-	-	-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-	-	-
Museums and Art Galleries		-	-	-	-	-	-	-	-	-	-	-
Population Development		-	-	-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		1 661	2 734	-	-	-	-	-	-	2 734	1 701	1 786
Beaches and Jetties		-	-	-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		-	-	-	-	-	-	-	-	-	-	-
Recreational Facilities		1 611	2 684	-	-	-	-	-	-	2 684	1 648	1 730
Sports Grounds and Stadiums		50	50	-	-	-	-	-	-	50	53	55
Public safety		26 158	26 713	-	-	-	-	189	189	26 902	27 451	29 681
Civil Defence		-	-	-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		6	6	-	-	-	-	-	-	6	7	864
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		26 152	26 707	-	-	-	-	189	189	26 896	27 444	28 817
Pounds		-	-	-	-	-	-	-	-	-	-	-
Housing		23 884	22 577	-	-	-	-	-	-	22 577	1 312	1 604
Housing		23 884	22 577	-	-	-	-	-	-	22 577	1 312	1 604
Informal Settlements		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-	-	-
Health Services		-	-	-	-	-	-	-	-	-	-	-
Laboratory Services		-	-	-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable		-	-	-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		25 287	19 692	-	-	-	-	-	-	19 692	31 586	2 745
Planning and development		2 365	2 937	-	-	-	-	-	-	2 937	2 734	2 472
Billboards		-	-	-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)		-	-	-	-	-	-	-	-	-	-	-
Central City Improvement District		-	-	-	-	-	-	-	-	-	-	-
Development Facilitation		-	-	-	-	-	-	-	-	-	-	-
Economic Development/Planning		279	851	-	-	-	-	-	-	851	387	-
Regional Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement,		1 426	1 426	-	-	-	-	-	-	1 426	1 497	1 572
Project Management Unit		660	660	-	-	-	-	-	-	660	850	900

Standard Classification Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	Adjusted Budget	Adjusted Budget
R thousand	1											
<i>Provincial Planning</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Support to Local Municipalities</i>		-	-	-	-	-	-	-	-	-	-	-
Road transport		22 907	16 742	-	-	-	-	-	-	16 742	28 842	262
<i>Public Transport</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Road and Traffic Regulation</i>		-	-	-	-	-	-	-	-	-	-	-
Roads		22 907	16 742	-	-	-	-	-	-	16 742	28 842	262
Taxi Ranks		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		14	14	-	-	-	-	-	-	14	10	10
<i>Biodiversity and Landscape</i>		14	14	-	-	-	-	-	-	14	10	10
<i>Coastal Protection</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Indigenous Forests</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Nature Conservation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Soil Conservation</i>		-	-	-	-	-	-	-	-	-	-	-
Trading services		469 795	478 795	-	-	-	-	522	522	479 316	488 094	514 952
Energy sources		334 664	338 664	-	-	-	-	-	-	338 664	353 176	384 904
<i>Electricity</i>		333 099	337 099	-	-	-	-	-	-	337 099	353 176	384 904
<i>Street Lighting and Signal Systems</i>		1 565	1 565	-	-	-	-	-	-	1 565	-	-
<i>Nonelectric Energy</i>		-	-	-	-	-	-	-	-	-	-	-
Water management		72 201	72 201	-	-	-	-	(100)	(100)	72 101	64 990	48 407
<i>Water Treatment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Distribution</i>		60 921	60 921	-	-	-	-	(100)	(100)	60 821	64 990	48 407
<i>Water Storage</i>		11 279	11 279	-	-	-	-	-	-	11 279	-	-
Waste water management		27 843	30 843	-	-	-	-	622	622	31 465	33 355	29 357
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sewerage</i>		26 954	29 954	-	-	-	-	622	622	30 575	30 535	29 357
<i>Storm Water Management</i>		889	889	-	-	-	-	-	-	889	2 820	-
<i>Waste Water Treatment</i>		-	-	-	-	-	-	-	-	-	-	-
Waste management		35 087	37 087	-	-	-	-	-	-	37 087	36 574	52 284
<i>Recycling</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Disposal (Landfill Sites)</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Removal</i>		35 087	37 087	-	-	-	-	-	-	37 087	36 574	52 284
<i>Street Cleaning</i>		-	-	-	-	-	-	-	-	-	-	-
Other		120	120	-	-	-	-	-	-	120	126	133
Abattoirs		-	-	-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-	-	-
Licensing and Regulation		120	120	-	-	-	-	-	-	120	126	133
Markets		-	-	-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	777 830	786 693	-	-	-	-	89	89	786 782	793 453	796 175

Standard Classification Description	Ref	Budget Year 2021/22									Budget Year	Budget Year	
		Original	Prior Adjusted	Accum. Funds	Multi-year	Unfore.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	+1 2022/23	+2 2023/24	
		Budget	5	6	capital	Unavoid.	Govt	10	11	Budget	Adjusted	Adjusted	
R thousand	1	A	A1	B	C	D	E	F	G	H			
Expenditure - Functional													
<i>Municipal governance and administration</i>		145 004	146 681	-	-	-	-	(600)	(600)	146 081	149 928	157 871	
Executive and council		29 621	29 613	-	-	-	-	(600)	(600)	29 013	31 154	32 872	
Mayor and Council		18 723	18 125	-	-	-	-	-	-	18 125	19 473	20 431	
Municipal Manager, Town Secretary and Chief Executive		10 897	11 488	-	-	-	-	(600)	(600)	10 888	11 681	12 441	
Finance and administration		112 849	114 955	-	-	-	-	-	-	114 955	116 111	122 160	
Administrative and Corporate Support		11 560	12 245	-	-	-	-	-	-	12 245	12 925	13 656	
Asset Management		5 167	1 591	-	-	-	-	-	-	1 591	5 513	5 894	
Finance		37 107	38 705	-	-	-	-	-	-	38 705	35 950	38 068	
Fleet Management		2 806	2 843	-	-	-	-	-	-	2 843	3 043	3 238	
Human Resources		36 284	39 612	-	-	-	-	-	-	39 612	37 326	38 692	
Information Technology		3 372	4 610	-	-	-	-	-	-	4 610	3 489	3 601	
Legal Services		2 279	1 532	-	-	-	-	-	-	1 532	2 437	2 614	
Marketing, Customer Relations, Publicity and Media Co-		3 900	3 894	-	-	-	-	-	-	3 894	4 170	4 445	
Property Services		1 268	1 521	-	-	-	-	-	-	1 521	1 309	1 355	
Risk Management		497	355	-	-	-	-	-	-	355	529	566	
Security Services		-	-	-	-	-	-	-	-	-	-	-	
Supply Chain Management		7 052	7 185	-	-	-	-	-	-	7 185	7 474	7 961	
Valuation Service		1 557	862	-	-	-	-	-	-	862	1 945	2 070	
Internal audit		2 534	2 114	-	-	-	-	-	-	2 114	2 664	2 839	
Governance Function		2 534	2 114	-	-	-	-	-	-	2 114	2 664	2 839	
<i>Community and public safety</i>		133 059	138 429	-	-	-	-	(72)	(72)	138 357	112 933	119 730	
Community and social services		28 680	30 326	-	-	-	-	(670)	(670)	29 656	27 658	29 371	
Aged Care		4 347	7 508	-	-	-	-	-	-	7 508	1 811	1 896	
Agricultural		-	-	-	-	-	-	-	-	-	-	-	
Animal Care and Diseases		-	-	-	-	-	-	-	-	-	-	-	
Cemeteries, Funeral Parlours and Crematoriums		3 600	3 535	-	-	-	-	-	-	3 535	3 831	4 085	
Child Care Facilities		972	132	-	-	-	-	-	-	132	1 036	1 108	
Community Halls and Facilities		6 608	6 366	-	-	-	-	-	-	6 366	6 988	7 403	
Consumer Protection		-	-	-	-	-	-	-	-	-	-	-	
Cultural Matters		-	-	-	-	-	-	-	-	-	-	-	
Disaster Management		236	208	-	-	-	-	-	-	208	69	73	
Education		831	104	-	-	-	-	-	-	104	867	948	
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-	-	-	
Industrial Promotion		-	-	-	-	-	-	-	-	-	-	-	
Language Policy		-	-	-	-	-	-	-	-	-	-	-	
Libraries and Archives		12 086	12 473	-	-	-	-	(670)	(670)	11 803	13 036	13 859	
Literacy Programmes		-	-	-	-	-	-	-	-	-	-	-	
Media Services		-	-	-	-	-	-	-	-	-	-	-	
Museums and Art Galleries		-	-	-	-	-	-	-	-	-	-	-	
Population Development		-	-	-	-	-	-	-	-	-	-	-	
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-	-	-	
Theatres		-	-	-	-	-	-	-	-	-	-	-	
Zoo's		-	-	-	-	-	-	-	-	-	-	-	
Sport and recreation		32 356	29 903	-	-	-	-	50	50	29 953	33 081	34 830	
Beaches and Jetties		-	-	-	-	-	-	-	-	-	-	-	
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-	-	-	
Community Parks (including Nurseries)		7 228	7 981	-	-	-	-	-	-	7 981	7 647	8 072	
Recreational Facilities		18 999	15 835	-	-	-	-	50	50	15 885	18 987	19 962	
Sports Grounds and Stadiums		6 129	6 086	-	-	-	-	-	-	6 086	6 447	6 797	
Public safety		43 012	51 602	-	-	-	-	548	548	52 150	45 893	48 625	
Civil Defence		-	96	-	-	-	-	-	-	96	-	-	
Cleansing		-	-	-	-	-	-	-	-	-	-	-	
Control of Public Nuisances		-	-	-	-	-	-	-	-	-	-	-	
Fencing and Fences		-	-	-	-	-	-	-	-	-	-	-	
Fire Fighting and Protection		8 118	10 251	-	-	-	-	-	-	10 251	8 503	8 919	
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-	-	-	
Police Forces, Traffic and Street Parking Control		34 894	41 255	-	-	-	-	548	548	41 803	37 391	39 706	
Pounds		-	-	-	-	-	-	-	-	-	-	-	
Housing		29 011	26 598	-	-	-	-	-	-	26 598	6 302	6 904	
Housing		27 003	26 335	-	-	-	-	-	-	26 335	4 160	4 617	
Informal Settlements		2 009	262	-	-	-	-	-	-	262	2 141	2 287	
Health		-	-	-	-	-	-	-	-	-	-	-	
Ambulance		-	-	-	-	-	-	-	-	-	-	-	
Health Services		-	-	-	-	-	-	-	-	-	-	-	
Laboratory Services		-	-	-	-	-	-	-	-	-	-	-	
Food Control		-	-	-	-	-	-	-	-	-	-	-	
Health Surveillance and Prevention of Communicable		-	-	-	-	-	-	-	-	-	-	-	
Vector Control		-	-	-	-	-	-	-	-	-	-	-	
Chemical Safety		-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		36 288	32 546	-	-	-	-	95	95	32 641	37 859	39 382	
Planning and development		11 280	11 689	-	-	-	-	-	-	11 689	12 121	12 510	
Billboards		-	-	-	-	-	-	-	-	-	-	-	
Corporate Wide Strategic Planning (IDPs, LEDs)		1 982	2 181	-	-	-	-	-	-	2 181	2 109	2 247	
Central City Improvement District		-	-	-	-	-	-	-	-	-	-	-	
Development Facilitation		-	-	-	-	-	-	-	-	-	-	-	
Economic Development/Planning		2 115	2 041	-	-	-	-	-	-	2 041	2 365	2 104	
Regional Planning and Development		-	-	-	-	-	-	-	-	-	-	-	
Town Planning, Building Regulations and Enforcement, and City Engineer		4 473	4 667	-	-	-	-	-	-	4 667	4 759	5 076	
Project Management Unit		2 710	2 799	-	-	-	-	-	-	2 799	2 888	3 083	

Standard Classification Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousand	1											
<i>Provincial Planning</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Support to Local Municipalities</i>		-	-	-	-	-	-	-	-	-	-	-
Road transport		22 910	19 369	-	-	-	-	95	95	19 464	23 509	24 498
<i>Public Transport</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Road and Traffic Regulation</i>		-	-	-	-	-	-	-	-	-	-	-
Roads		22 910	19 369	-	-	-	-	95	95	19 464	23 509	24 498
Taxi Ranks		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		2 098	1 488	-	-	-	-	-	-	1 488	2 228	2 374
<i>Biodiversity and Landscape</i>		2 098	1 488	-	-	-	-	-	-	1 488	2 228	2 374
<i>Coastal Protection</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Indigenous Forests</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Nature Conservation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Pollution Control</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Soil Conservation</i>		-	-	-	-	-	-	-	-	-	-	-
Trading services		459 620	449 156	-	-	-	-	-	-	449 156	486 813	522 849
Energy sources		327 833	323 724	-	-	-	-	-	-	323 724	356 857	386 940
<i>Electricity</i>		324 461	321 069	-	-	-	-	-	-	321 069	353 106	383 008
<i>Street Lighting and Signal Systems</i>		3 371	2 654	-	-	-	-	-	-	2 654	3 751	3 932
<i>Nonelectric Energy</i>		-	-	-	-	-	-	-	-	-	-	-
Water management		36 559	37 807	-	-	-	-	-	-	37 807	38 093	40 006
<i>Water Treatment</i>		1 838	1 278	-	-	-	-	-	-	1 278	1 961	2 096
<i>Water Distribution</i>		30 463	32 492	-	-	-	-	-	-	32 492	31 768	33 427
<i>Water Storage</i>		4 258	4 038	-	-	-	-	-	-	4 038	4 365	4 482
Waste water management		43 400	38 877	-	-	-	-	-	-	38 877	39 064	40 942
<i>Public Toilets</i>		1 984	1 776	-	-	-	-	-	-	1 776	2 114	2 254
<i>Sewerage</i>		30 347	27 656	-	-	-	-	-	-	27 656	25 945	27 170
<i>Storm Water Management</i>		8 141	7 990	-	-	-	-	-	-	7 990	7 882	8 180
<i>Waste Water Treatment</i>		2 928	1 455	-	-	-	-	-	-	1 455	3 123	3 338
Waste management		51 829	48 749	-	-	-	-	-	-	48 749	52 798	54 961
<i>Recycling</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Disposal (Landfill Sites)</i>		16 403	14 570	-	-	-	-	-	-	14 570	17 010	17 646
<i>Solid Waste Removal</i>		33 991	33 660	-	-	-	-	-	-	33 660	34 256	35 677
<i>Street Cleaning</i>		1 436	519	-	-	-	-	-	-	519	1 532	1 638
Other		951	946	-	-	-	-	-	-	946	953	956
Abattoirs		-	-	-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-	-	-
Licensing and Regulation		51	46	-	-	-	-	-	-	46	53	56
Markets		-	-	-	-	-	-	-	-	-	-	-
Tourism		900	900	-	-	-	-	-	-	900	900	900
Total Expenditure - Functional	3	774 922	767 759	-	-	-	-	(577)	(577)	767 181	788 486	840 788
Surplus/ (Deficit) for the year		2 908	18 934	-	-	-	-	666	666	19 600	4 967	(44 613)

WC022 Witzenberg - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	3	4	5	6	7	8	9	10	Adjusted Budget	Adjusted Budget
R thousands		A1	B	C	D	E	F	G	H			
Revenue by Vote	1											
Vote 1 - Financial Services		107 712	109 497	-	-	-	-	78	78	109 575	109 373	113 799
Vote 2 - Community Services		146 125	148 786	-	-	-	-	-	-	148 786	134 198	132 476
Vote 3 - Corporate Services		26 746	27 301	-	-	-	-	189	189	27 490	28 068	29 502
Vote 4 - Technical Services		496 176	499 010	-	-	-	-	422	422	499 432	520 530	519 043
Vote 5 - Municipal Manager		1 072	2 099	-	-	-	-	(600)	(600)	1 499	1 282	1 354
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	777 830	786 693	-	-	-	-	89	89	786 782	793 453	796 175
Expenditure by Vote	1											
Vote 1 - Financial Services		52 465	50 171	-	-	-	-	-	-	50 171	52 568	55 793
Vote 2 - Community Services		104 441	102 387	-	-	-	-	(620)	(620)	101 767	82 338	86 854
Vote 3 - Corporate Services		112 705	123 808	-	-	-	-	548	548	124 356	118 908	124 844
Vote 4 - Technical Services		491 848	477 720	-	-	-	-	95	95	477 815	520 309	557 994
Vote 5 - Municipal Manager		13 462	13 422	-	-	-	-	(600)	(600)	12 822	14 363	15 303
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	774 922	767 509	-	-	-	-	(577)	(577)	766 931	788 486	840 788
Surplus/ (Deficit) for the year	2	2 908	19 184	-	-	-	-	666	666	19 850	4 967	(44 613)

WC022 Witzenberg - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - B -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote 1 - Financial Services		107 712	109 497	-	-	-	-	78	78	109 575	109 373	113 799
1.1 - Director: Finance		-	-	-	-	-	-	-	-	-	-	-
1.2 - Income		83 491	83 505	-	-	-	-	-	-	83 505	89 331	96 471
1.3 - Financial Administration		23 901	25 672	-	-	-	-	78	78	25 750	19 707	16 976
1.4 - Credit Control		245	245	-	-	-	-	-	-	245	258	270
1.5 - Supply Chain & Expenditure		74	74	-	-	-	-	-	-	74	78	82
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services		146 125	148 786	-	-	-	-	-	-	148 786	134 198	132 476
2.1 - Director: Community Services		-	-	-	-	-	-	-	-	-	-	-
2.2 - Cemeteries		367	367	-	-	-	-	-	-	367	5 061	254
2.3 - Housing		23 998	22 691	-	-	-	-	-	-	22 691	1 425	1 717
2.4 - Libraries		9 944	10 668	-	-	-	-	-	-	10 668	10 116	10 296
2.5 - Resorts & Swimming Pools		1 609	2 682	-	-	-	-	-	-	2 682	1 646	1 728
2.6 - Social Services		109 415	111 015	-	-	-	-	-	-	111 015	115 092	117 128
2.7 - Fire Services & Disaster Management		6	6	-	-	-	-	-	-	6	7	864
2.8 - Environment & Licencing		135	135	-	-	-	-	-	-	135	136	143
2.9 - Community Halls and Amenities		371	371	-	-	-	-	-	-	371	329	345
2.10 - Local Economic Development		279	851	-	-	-	-	-	-	851	387	-
Vote 3 - Corporate Services		26 746	27 301	-	-	-	-	189	189	27 490	28 068	29 502
3.1 - Director: Corporate Services		-	-	-	-	-	-	-	-	-	-	-
3.2 - Human Resources		580	580	-	-	-	-	-	-	580	609	639
3.3 - Administration		9	9	-	-	-	-	-	-	9	10	10
3.4 - Information Technology		-	-	-	-	-	-	-	-	-	-	-
3.5 - Marketing & Communication		5	5	-	-	-	-	-	-	5	5	5
3.6 - Thusong Centre		-	-	-	-	-	-	-	-	-	-	-
3.7 - Traffic and Protection Services		26 152	26 707	-	-	-	-	189	189	26 896	27 444	28 817
3.8 - Tourism		-	-	-	-	-	-	-	-	-	-	-
3.9 - Council Cost		-	-	-	-	-	-	-	-	-	-	31
		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		496 176	499 010	-	-	-	-	422	422	499 432	520 530	519 043
4.1 - Director: Technical Services		-	-	-	-	-	-	-	-	-	-	-
4.2 - Electro Technical Services		336 663	340 663	-	-	-	-	-	-	340 663	355 317	387 199
4.3 - Water Storage & Distribution		72 201	72 201	-	-	-	-	(100)	(100)	72 101	64 990	48 407
4.4 - Waste Water Management		27 281	30 281	-	-	-	-	522	522	30 803	30 782	29 625
4.5 - Waste Management		35 024	37 024	-	-	-	-	-	-	37 024	36 508	52 215
4.6 - Roads		22 907	16 742	-	-	-	-	-	-	16 742	28 842	262
4.7 - Storm Water Management		889	889	-	-	-	-	-	-	889	2 820	-
4.8 - Town Planning & Building Control		1 211	1 211	-	-	-	-	-	-	1 211	1 272	1 335
4.9 - Public Toilets		-	-	-	-	-	-	-	-	-	-	-
4.10 - Mechanical Workshop		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Manager		1 072	2 099	-	-	-	-	(600)	(600)	1 499	1 282	1 354
5.1 - Municipal Manager		-	600	-	-	-	-	(600)	(600)	-	-	-
5.2 - Performance & Project Management		660	660	-	-	-	-	-	-	660	850	900

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
R thousands													
5.3 - Property & Legal Services		412	839	-	-	-	-	-	-	-	839	432	454
5.4 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-
5.5 - IDP		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
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Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-
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Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-
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Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-
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Vote Description <i>(Insert departmental structure etc)</i>	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
3.4 - Information Technology		3 371	4 609	-	-	-	-	-	-	4 609	3 488	3 600
3.5 - Marketing & Communication		3 901	3 895	-	-	-	-	-	-	3 895	4 171	4 446
3.6 - Thusong Centre		332	485	-	-	-	-	-	-	485	351	375
3.7 - Traffic and Protection Services		34 894	41 255	-	-	-	-	548	548	41 803	37 391	39 706
3.8 - Tourism		900	900	-	-	-	-	-	-	900	900	900
3.9 - Council Cost		18 723	18 125	-	-	-	-	-	-	18 125	19 473	20 431
		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		491 848	477 720	-	-	-	-	95	95	477 815	520 309	557 994
4.1 - Director: Technical Services		2 081	2 129	-	-	-	-	-	-	2 129	2 231	2 383
4.2 - Electro Technical Services		324 300	319 784	-	-	-	-	-	-	319 784	353 011	382 751
4.3 - Water Storage & Distribution		36 881	37 557	-	-	-	-	-	-	37 557	38 444	40 388
4.4 - Waste Water Management		36 443	33 035	-	-	-	-	-	-	33 035	32 518	34 265
4.5 - Waste Management		51 829	48 499	-	-	-	-	-	-	48 499	52 798	54 961
4.6 - Roads		22 910	19 369	-	-	-	-	95	95	19 464	23 509	24 498
4.7 - Storm Water Management		8 141	7 990	-	-	-	-	-	-	7 990	7 882	8 180
4.8 - Town Planning & Building Control		4 473	4 667	-	-	-	-	-	-	4 667	4 759	5 076
4.9 - Public Toilets		1 984	1 776	-	-	-	-	-	-	1 776	2 114	2 254
4.10 - Mechanical Workshop		2 806	2 914	-	-	-	-	-	-	2 914	3 043	3 238
Vote 5 - Municipal Manager		13 462	13 422	-	-	-	-	(600)	(600)	12 822	14 363	15 303
5.1 - Municipal Manager		3 265	4 400	-	-	-	-	(600)	(600)	3 800	3 531	3 735
5.2 - Performance & Project Management		2 710	2 799	-	-	-	-	-	-	2 799	2 888	3 083
5.3 - Property & Legal Services		2 475	1 573	-	-	-	-	-	-	1 573	2 643	2 833
5.4 - Internal Audit		3 031	2 469	-	-	-	-	-	-	2 469	3 193	3 405
5.5 - IDP		1 982	2 181	-	-	-	-	-	-	2 181	2 109	2 247
		-	-	-	-	-	-	-	-	-	-	-
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Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
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Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
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Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
R thousands													
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-	-
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Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-
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Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-
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Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-
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Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-
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Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
R thousands													
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	774 922	767 509	-	-	-	-	(577)	(577)	766 931	788 486	840 788	
Surplus/ (Deficit) for the year	2	2 908	19 184	-	-	-	-	666	666	19 850	4 967	(44 613)	

WC022 Witzenberg - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2022/23	+2 2023/24
Revenue By Source												
Property rates	2	83 290	83 290	-	-	-	-	-	-	83 290	89 121	96 250
Service charges - electricity revenue	2	323 478	327 478	-	-	-	-	-	-	327 478	346 576	376 970
Service charges - water revenue	2	39 677	39 677	-	-	-	-	(100)	(100)	39 577	42 328	45 139
Service charges - sanitation revenue	2	25 043	28 043	-	-	-	-	-	-	28 043	12 350	13 091
Service charges - refuse revenue	2	25 574	27 574	-	-	-	-	-	-	27 574	27 108	28 735
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 470	2 970	-	-	-	-	-	-	2 970	1 543	1 620
Interest earned - external investments		6 990	6 990	-	-	-	-	-	-	6 990	7 089	7 193
Interest earned - outstanding debtors		8 677	8 677	-	-	-	-	-	-	8 677	9 111	9 566
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		21 479	21 479	-	-	-	-	-	-	21 479	22 553	23 681
Licences and permits		2 111	2 111	-	-	-	-	-	-	2 111	2 216	2 327
Agency services		4 046	4 046	-	-	-	-	-	-	4 046	4 249	4 461
Transfers and subsidies		145 903	148 892	-	-	-	-	(600)	(600)	148 292	128 604	130 741
Other revenue	2	14 985	15 676	-	-	-	-	78	78	15 754	11 409	8 598
Gains		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		702 723	716 903	-	-	-	-	(622)	(622)	716 281	704 257	748 374
Expenditure By Type												
Employee related costs		237 025	234 305	-	-	-	-	(120)	(120)	234 185	248 881	263 817
Remuneration of councillors		12 007	11 007	-	-	-	-	-	-	11 007	12 607	13 238
Debt impairment		63 750	63 750	-	-	-	-	-	-	63 750	57 829	61 399
Depreciation & asset impairment		39 729	39 729	-	-	-	-	-	-	39 729	39 589	39 589
Finance charges		8 696	8 690	-	-	-	-	-	-	8 690	9 116	9 558
Bulk purchases - electricity		285 789	288 879	-	-	-	-	-	-	288 879	311 224	338 923
Inventory Consumed		14 977	16 091	-	-	-	-	50	50	16 141	15 415	16 137
Contracted services		48 390	36 599	-	-	-	-	33	33	36 632	51 549	53 718
Transfers and subsidies		25 603	23 870	-	-	-	-	-	-	23 870	2 273	2 575
Other expenditure		38 955	44 838	-	-	-	-	(540)	(540)	44 298	40 003	41 834
Losses		0	0	-	-	-	-	-	-	0	1	1
Total Expenditure		774 922	767 759	-	-	-	-	(577)	(577)	767 181	788 486	840 788
Surplus/(Deficit)		(72 199)	(50 856)	-	-	-	-	(44)	(44)	(50 900)	(84 230)	(92 414)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		74 937	69 620	-	-	-	-	711	711	70 331	69 330	26 360
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		170	170	-	-	-	-	-	-	170	179	187
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		2 908	18 934	-	-	-	-	666	666	19 600	(14 721)	(65 866)
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		2 908	18 934	-	-	-	-	666	666	19 600	(14 721)	(65 866)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		2 908	18 934	-	-	-	-	666	666	19 600	(14 721)	(65 866)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		2 908	18 934	-	-	-	-	666	666	19 600	(14 721)	(65 866)

WC022 Witzenberg - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	Adjusted Budget	Adjusted Budget
R thousands												
Capital expenditure - Vote												
Multi-year expenditure, to be adjusted												
Vote 1 - Financial Services	2	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services		5 456	3 023	-	-	-	-	-	-	3 023	6 843	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		47 857	53 754	-	-	-	-	522	522	54 276	38 115	11 563
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	53 313	56 777	-	-	-	-	522	522	57 298	44 958	11 563
Single-year expenditure, to be adjusted												
Vote 1 - Financial Services	2	180	1 012	-	-	-	-	-	-	1 012	80	80
Vote 2 - Community Services		696	736	-	-	-	-	670	670	1 406	4 929	7 624
Vote 3 - Corporate Services		900	1 309	-	-	-	-	(336)	(336)	973	700	100
Vote 4 - Technical Services		34 156	21 451	-	-	-	-	-	-	21 451	35 702	8 152
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	20
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		35 932	24 508	-	-	-	-	334	334	24 842	41 411	15 977
Total Capital Expenditure - Vote		89 244	81 284	-	-	-	-	856	856	82 140	86 369	27 540
Capital Expenditure - Functional												
Governance and administration												
Executive and council		2 080	4 282	-	-	-	-	(600)	(600)	3 682	1 780	1 200
Finance and administration		600	600	-	-	-	-	(600)	(600)	-	-	20
Internal audit		1 480	3 682	-	-	-	-	-	-	3 682	1 780	1 180
Community and public safety		5 456	3 263	-	-	-	-	934	934	4 197	11 773	7 624
Community and social services		-	-	-	-	-	-	670	670	670	4 859	6 768
Sport and recreation		5 456	3 023	-	-	-	-	-	-	3 023	6 913	-
Public safety		-	240	-	-	-	-	264	264	504	-	857
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		27 042	16 007	-	-	-	-	-	-	16 007	29 886	8 237
Planning and development		696	736	-	-	-	-	-	-	736	-	-
Road transport		26 347	15 272	-	-	-	-	-	-	15 272	29 886	8 237
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		54 666	57 732	-	-	-	-	522	522	58 254	42 931	10 478
Energy sources		13 163	13 204	-	-	-	-	-	-	13 204	6 715	3 478
Water management		21 135	18 281	-	-	-	-	-	-	18 281	29 076	7 000
Waste water management		3 386	3 870	-	-	-	-	522	522	4 391	7 140	-
Waste management		16 982	22 377	-	-	-	-	-	-	22 377	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	89 244	81 284	-	-	-	-	856	856	82 140	86 369	27 540
Funded by:												
National Government		49 637	49 637	-	-	-	-	-	-	49 637	40 523	25 351
Provincial Government		24 801	18 635	-	-	-	-	1 192	1 192	19 827	33 715	1 009
District Municipality		500	815	-	-	-	-	264	264	1 079	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	74 937	69 087	-	-	-	-	1 456	1 456	70 543	74 239	26 360
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		14 157	12 007	-	-	-	-	(600)	(600)	11 407	12 080	1 130
Total Capital Funding		89 094	81 094	-	-	-	-	856	856	81 950	86 319	27 490

Vote Description <i>(Insert departmental structure etc)</i> R thousands	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
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Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
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Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-

Vote Description <i>[Insert departmental structure etc]</i> R thousands	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Capital multi-year expenditure sub-total		53 313	56 777	-	-	-	-	522	522	57 298	44 958	11 563
Capital expenditure - Municipal Vote	2											
Single-year expenditure appropriation												
Vote 1 - Financial Services		180	1 012	-	-	-	-	-	-	1 012	80	80
1.1 - Director: Finance		-	-	-	-	-	-	-	-	-	-	-
1.2 - Income		-	-	-	-	-	-	-	-	-	-	-
1.3 - Financial Administration		180	1 012	-	-	-	-	-	-	1 012	80	80
1.4 - Credit Control		-	-	-	-	-	-	-	-	-	-	-
1.5 - Supply Chain & Expenditure		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services		696	736	-	-	-	-	670	670	1 406	4 929	7 624
2.1 - Director: Community Services		-	-	-	-	-	-	-	-	-	-	-
2.2 - Cemeteries		-	-	-	-	-	-	-	-	-	4 819	6 768
2.3 - Housing		-	-	-	-	-	-	-	-	-	-	-
2.4 - Libraries		-	-	-	-	-	-	670	670	670	-	-
2.5 - Resorts & Swimming Pools		-	-	-	-	-	-	-	-	-	-	-
2.6 - Social Services		-	-	-	-	-	-	-	-	-	-	-
2.7 - Fire Services & Disaster Management		-	-	-	-	-	-	-	-	-	-	857
2.8 - Environment & Licencing		-	-	-	-	-	-	-	-	-	-	-
2.9 - Community Halls and Amenities		-	-	-	-	-	-	-	-	-	110	-
2.10 - Local Economic Development		696	736	-	-	-	-	-	-	736	-	-
Vote 3 - Corporate Services		900	1 309	-	-	-	-	(336)	(336)	973	700	100
3.1 - Director: Corporate Services		-	-	-	-	-	-	-	-	-	-	-
3.2 - Human Resources		-	-	-	-	-	-	-	-	-	-	-
3.3 - Administration		-	-	-	-	-	-	-	-	-	-	-
3.4 - Information Technology		300	469	-	-	-	-	-	-	469	700	100
3.5 - Marketing & Communication		-	-	-	-	-	-	-	-	-	-	-
3.6 - Thusong Centre		-	-	-	-	-	-	-	-	-	-	-
3.7 - Traffic and Protection Services		-	240	-	-	-	-	264	264	504	-	-
3.8 - Tourism		-	-	-	-	-	-	-	-	-	-	-
3.9 - Council Cost		600	600	-	-	-	-	(600)	(600)	-	-	-
Vote 4 - Technical Services		34 156	21 451	-	-	-	-	-	-	21 451	35 702	8 152
4.1 - Director: Technical Services		-	-	-	-	-	-	-	-	-	-	-
4.2 - Electro Technical Services		1 565	1 565	-	-	-	-	-	-	1 565	-	-
4.3 - Water Storage & Distribution		3 744	889	-	-	-	-	-	-	889	9 526	7 000
4.4 - Waste Water Management		889	1 480	-	-	-	-	-	-	1 480	1 500	-
4.5 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
4.6 - Roads		25 457	13 815	-	-	-	-	-	-	13 815	23 675	152
4.7 - Storm Water Management		-	-	-	-	-	-	-	-	-	-	-
4.8 - Town Planning & Building Control		-	-	-	-	-	-	-	-	-	-	-
4.9 - Public Toilets		1 500	1 500	-	-	-	-	-	-	1 500	-	-
4.10 - Mechanical Workshop		1 000	2 201	-	-	-	-	-	-	2 201	1 000	1 000
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	20
5.1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	20
5.2 - Performance & Project Management		-	-	-	-	-	-	-	-	-	-	-
5.3 - Property & Legal Services		-	-	-	-	-	-	-	-	-	-	-
5.4 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
5.5 - IDP		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-

Vote Description <i>[Insert departmental structure etc]</i> R thousands	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		35 932	24 508	-	-	-	-	334	334	24 842	41 411	15 977
Total Capital Expenditure		89 244	81 284	-	-	-	-	856	856	82 140	86 369	27 540

WC022 Witzenberg - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2021/22								Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		60 736	184 740	-	-	-	-	(48 225)	(48 225)	136 515	121 596	133 037
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	(22 444)	73 650	-	-	-	-	(100)	(100)	73 550	50 546	39 592
Other debtors		20 146	33 463	-	-	-	-	-	-	33 463	43 471	44 529
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		899	9 744	-	-	-	-	(50)	(50)	9 694	10 924	10 996
Total current assets		59 336	301 598	-	-	-	-	(48 375)	(48 375)	253 223	226 537	228 153
Non current assets												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		-	9	-	-	-	-	-	-	9	10	10
Investment property		(742)	42 688	-	-	-	-	-	-	42 688	42 688	42 688
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	50 656	1 027 934	-	-	-	-	856	856	1 028 789	1 033 158	974 329
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		(398)	724	-	-	-	-	-	-	724	724	724
Other non-current assets		-	550	-	-	-	-	-	-	550	550	550
Total non current assets		49 516	1 071 905	-	-	-	-	856	856	1 072 761	1 077 130	1 018 302
TOTAL ASSETS		108 852	1 373 503	-	-	-	-	(47 520)	(47 520)	1 325 983	1 303 667	1 246 455

LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		(988)	598	-	-	-	-	-	-	598	599	600
Consumer deposits		-	8 732	-	-	-	-	-	-	8 732	8 732	8 732
Trade and other payables		71 191	156 675	-	-	-	-	(48 186)	(48 186)	108 489	105 075	97 316
Provisions		-	27 801	-	-	-	-	-	-	27 801	22 288	21 137
Total current liabilities		70 203	193 806	-	-	-	-	(48 186)	(48 186)	145 620	136 694	127 785
Non current liabilities												
Borrowing	1	415	1 592	-	-	-	-	-	-	1 592	1 604	1 611
Provisions	1	35 326	211 519	-	-	-	-	-	-	211 519	212 751	214 020
Total non current liabilities		35 741	213 111	-	-	-	-	-	-	213 111	214 354	215 631
TOTAL LIABILITIES		105 944	406 917	-	-	-	-	(48 186)	(48 186)	358 731	351 048	343 416
NET ASSETS	2	2 908	966 586	-	-	-	-	666	666	967 252	952 618	903 039
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		-	955 265	-	-	-	-	975	666	956 810	937 210	937 210
Reserves		-	10 442	-	-	-	-	-	-	10 442	10 442	10 442
TOTAL COMMUNITY WEALTH/EQUITY		-	965 707	-	-	-	-	975	666	967 252	947 652	947 652

WC022 Witzenberg - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		78 476	80 384	-	-	-	-	-	-	80 384	85 095	90 180
Service charges		379 328	385 845	-	-	-	-	-	-	385 845	431 308	478 441
Other revenue		16 283	15 377	-	-	-	-	-	-	15 377	13 236	13 184
Government - operating	1	124 778	140 434	-	-	-	-	233	233	140 667	128 354	130 878
Government - capital	1	112 333	98 046	-	-	-	-	1 104	1 104	99 150	70 683	33 595
Interest		15 666	6 971	-	-	-	-	-	-	6 971	7 069	7 173
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(544 150)	(576 116)	-	-	-	-	(48 707)	(48 707)	(624 822)	(647 532)	(707 707)
Finance charges		(461)	(461)	-	-	-	-	-	-	(461)	(463)	(473)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		182 253	150 479	-	-	-	-	(47 370)	(47 370)	103 110	87 751	45 272
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		-	(81 950)	-	-	-	-	-	-	(81 950)	(86 319)	(27 490)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(81 950)	-	-	-	-	-	-	(81 950)	(86 319)	(27 490)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		182 253	68 529	-	-	-	-	(47 370)	(47 370)	21 160	1 432	17 782
Cash/cash equivalents at the year begin:	2	-	115 305	-	-	-	-	-	-	115 305	136 465	137 897
Cash/cash equivalents at the year end:	2	182 253	183 835	-	-	-	-	(47 370)	(47 370)	136 465	137 897	155 678

WC022 Witzenberg - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	3	4	5	6	7	8	9	10	Adjusted Budget	Adjusted Budget
R thousands			A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	182 253	183 835	-	-	-	-	(47 370)	(47 370)	136 465	137 897	155 678
Other current investments > 90 days		(121 517)	906	-	-	-	-	(856)	(856)	50	(16 300)	(22 641)
Non current assets - Investments	1	-	9	-	-	-	-	-	-	9	10	10
Cash and investments available:		60 736	184 749	-	-	-	-	(48 225)	(48 225)	136 524	121 606	133 047
Applications of cash and investments												
Unspent conditional transfers		10 490	39 866	-	-	-	-	1 148	1 148	41 014	22 777	31 436
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	62 682	(7 805)	-	-	-	-	(49 252)	(49 252)	(57 057)	(37 945)	(46 957)
Other provisions		1	1	-	-	-	-	-	-	1	1	1
Long term investments committed		-	9	-	-	-	-	-	-	9	10	10
Reserves to be backed by cash/investments		2 908	987 470	-	-	-	-	666	666	988 136	953 815	902 670
Total Application of cash and investments:		76 081	1 019 541	-	-	-	-	(47 437)	(47 437)	972 104	938 658	887 160
Surplus(shortfall)		(15 346)	(834 792)	-	-	-	-	(788)	(788)	(835 580)	(817 052)	(754 113)

References

1. Must reconcile with the Adjustments Budget Cash Flow and Adjustments Budget Financial Position
2. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
3. Only complete if a previous adjusted budget has been approved in the same financial year. Reflect most recent adjusted budget.
4. Additional cash-backed accumulated funds/unspent funds (MFMA section 18(1)(b) and section 28(2)(e)) identified after the Original Budget approved and after annual financial statements audited (note: only where underspending could not reasonably have been foreseen)
5. Increases of funds approved under MFMA section 31
6. Adjustments approved in accordance with MFMA section 29
7. Adjustments to transfers from National or Provincial Government
8. Adjus. = 'Other' Adjustments proposed to be approved: including revenue under-collection (MFMA section 28(2)(a)); additional revenue appropriation on existing programmes (section 28(2)(b)); projected savings (section 28(2)(d)); error correction
9. G = B + C + D + E + F
10. Adjusted Budget H = (A or A1/2 etc) + G

Other working capital requirements		
Debtors	(1 982)	91 951
Creditors due	60 701	84 146
Total	(62 682)	7 805

91 869	87 580	80 175
34 812	49 636	33 218
57 057	37 945	46 957

Debtors collection assumptions:		
Balance outstanding - debtors	(2 298)	107 114
Estimate of debtors collection rate	86%	86%

107 014	94 017	84 121
86%	93%	95%

Long term investments committed												
<i>Balance (Insert description: eg sinking fund)</i>												
Bankers Acceptance Certificate	-	-	-	-	-	-	-	-	-	-	-	-
Deposit Taking Institutions	-	-	-	-	-	-	-	-	-	-	-	-
Bank Repurchase Agreements	-	-	-	-	-	-	-	-	-	-	-	-
Derivative Financial Assets	-	9	-	-	-	-	-	-	-	9	10	10
Guaranteed Endowment Policies (Sinking)	-	-	-	-	-	-	-	-	-	-	-	-
Listed/Unlisted Bonds and Stocks	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-	-	-	-
National Government Securities	-	-	-	-	-	-	-	-	-	-	-	-
Negotiable Certificate of Deposits: Banks	-	-	-	-	-	-	-	-	-	-	-	-
Unamortised Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-
Unamortised Preference Share Expense	-	-	-	-	-	-	-	-	-	-	-	-
Interest Rate Swaps	-	-	-	-	-	-	-	-	-	-	-	-
	-	9	-	-	-	-	-	-	-	9	10	10

Reserves to be backed by cash/investments												
Housing Development Fund												
Capital replacement		10 442							10 442	10 442	10 442	
Self-insurance												
Other reserves												
Compensation for Occupational Injuries and Diseases												
Employee Benefit Reserve		10 442							10 442	10 442	10 442	
Non-current Provisions Reserve	2 908	966 586						666	666	967 252	932 931	881 785
Valuation Reserve												
Investment in associate account												
Capitalisation Reserve												
Revaluation												
	2 908	987 470	-	-	-	-	-	666	666	988 136	953 815	902 670

WC022 Witzenberg - Table B9 Asset Management -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.		Budget	Budget	Budget
	A	A1	B	C	D	E	F	G	H			
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	57 231	63 648	-	-	-	-	1 456	1 456	65 103	35 570	27 388
Roads Infrastructure		889	2 170	-	-	-	-	-	-	2 170	1 390	8 085
Storm water Infrastructure		997	889	-	-	-	-	-	-	889	-	-
Electrical Infrastructure		12 663	12 663	-	-	-	-	-	-	12 663	2 715	3 478
Water Supply Infrastructure		21 135	18 281	-	-	-	-	-	-	18 281	24 756	7 000
Sanitation Infrastructure		2 389	2 389	-	-	-	-	522	522	2 911	-	-
Solid Waste Infrastructure		16 982	22 377	-	-	-	-	-	-	22 377	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		55 056	58 769	-	-	-	-	522	522	59 291	28 861	18 563
Community Facilities		696	736	-	-	-	-	-	-	736	4 819	6 768
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	30	-
Community Assets		696	736	-	-	-	-	-	-	736	4 849	6 768
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		450	694	-	-	-	-	264	264	958	750	150
Furniture and Office Equipment		30	787	-	-	-	-	670	670	1 457	30	50
Machinery and Equipment		-	221	-	-	-	-	-	-	221	80	-
Transport Assets		1 000	2 441	-	-	-	-	-	-	2 441	1 000	1 857
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	600	600	-	-	-	-	(600)	(600)	-	5 000	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	2 000	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	1 500	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	1 500	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	5 000	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		600	600	-	-	-	-	(600)	(600)	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	600	600	-	-	-	-	(600)	(600)	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	2a	31 413	17 037	-	-	-	-	-	-	17 037	45 799	152
Roads Infrastructure		25 457	13 102	-	-	-	-	-	-	13 102	26 496	152
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	2 820	-
Electrical Infrastructure		500	542	-	-	-	-	-	-	542	4 000	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	2 820	-
Sanitation Infrastructure		-	370	-	-	-	-	-	-	370	2 820	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		25 957	14 014	-	-	-	-	-	-	14 014	38 955	152
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		5 456	3 023	-	-	-	-	-	-	3 023	6 843	-
Community Assets		5 456	3 023	-	-	-	-	-	-	3 023	6 843	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjus.	Adjusted	+1 2022/23	+2 2023/24
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	13	Budget	Adjusted	Adjusted
R thousands	A	A1	B	C	D	E	F	G	H			
Operational Buildings	6	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4											
Roads Infrastructure		26 347	15 272	-	-	-	-	-	-	15 272	29 886	8 237
Storm water Infrastructure		997	889	-	-	-	-	-	-	889	2 820	-
Electrical Infrastructure		13 163	13 204	-	-	-	-	-	-	13 204	6 715	3 478
Water Supply Infrastructure		21 135	18 281	-	-	-	-	-	-	18 281	29 076	7 000
Sanitation Infrastructure		2 389	2 760	-	-	-	-	522	522	3 281	4 320	-
Solid Waste Infrastructure		16 982	22 377	-	-	-	-	-	-	22 377	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		81 013	72 783	-	-	-	-	522	522	73 305	72 816	18 716
Community Facilities		696	736	-	-	-	-	-	-	736	4 819	6 768
Sport and Recreation Facilities		5 456	3 023	-	-	-	-	-	-	3 023	6 873	-
Community Assets		6 151	3 758	-	-	-	-	-	-	3 758	11 693	6 768
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		600	600	-	-	-	-	(600)	(600)	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		600	600	-	-	-	-	(600)	(600)	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		450	694	-	-	-	-	264	264	958	750	150
Furniture and Office Equipment		30	787	-	-	-	-	670	670	1 457	30	50
Machinery and Equipment		-	221	-	-	-	-	-	-	221	80	-
Transport Assets		1 000	2 441	-	-	-	-	-	-	2 441	1 000	1 857
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	89 244	81 284	-	-	-	-	856	856	82 140	86 369	27 540
ASSET REGISTER SUMMARY - PPE (WDV)	5											
Roads Infrastructure		21 589	272 851	-	-	-	-	-	-	272 851	287 466	265 817
Storm water Infrastructure		(1 094)	95 934	-	-	-	-	-	-	95 934	97 865	95 045
Electrical Infrastructure		9 251	(29 536)	-	-	-	-	-	-	(29 536)	(37 025)	(39 262)
Water Supply Infrastructure		(1 690)	166 276	-	-	-	-	-	-	166 276	177 733	172 386
Sanitation Infrastructure		(3 169)	115 225	-	-	-	-	522	522	115 747	116 785	112 465
Solid Waste Infrastructure		15 242	84 810	-	-	-	-	-	-	84 810	62 433	62 433
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	1 609	-	-	-	-	-	-	1 609	1 609	1 609
Infrastructure		40 128	707 170	-	-	-	-	522	522	707 692	706 865	670 494
Community Assets		2 485	80 145	-	-	-	-	-	-	80 145	88 219	83 294
Heritage Assets		-	550	-	-	-	-	-	-	550	550	550
Investment properties		(742)	42 688	-	-	-	-	-	-	42 688	42 688	42 688
Other Assets		10 470	157 948	-	-	-	-	-	-	157 948	157 286	140 557
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		(398)	724	-	-	-	-	-	-	724	724	724
Computer Equipment		(1 923)	(101)	-	-	-	-	264	264	163	(45)	(645)
Furniture and Office Equipment		(0)	844	-	-	-	-	70	70	914	(513)	(493)
Machinery and Equipment		(1 505)	8 586	-	-	-	-	-	-	8 586	9 445	8 365
Transport Assets		1 000	2 890	-	-	-	-	-	-	2 890	1 449	2 305
Land		-	70 452	-	-	-	-	-	-	70 452	70 452	70 452
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	49 516	1 071 896	-	-	-	-	856	856	1 072 751	1 077 120	1 018 291
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		39 729	39 729	-	-	-	-	-	-	39 729	39 589	39 589
<u>Repairs and Maintenance by asset class</u>	3	19 633	14 874	-	-	-	-	-	-	14 874	19 550	20 386
Roads Infrastructure		7 173	3 890	-	-	-	-	-	-	3 890	7 489	7 826
Storm water Infrastructure		2 971	2 245	-	-	-	-	-	-	2 245	2 484	2 531
Electrical Infrastructure		2 012	1 260	-	-	-	-	-	-	1 260	2 100	2 195
Water Supply Infrastructure		1 299	816	-	-	-	-	-	-	816	1 356	1 417
Sanitation Infrastructure		1 639	2 577	-	-	-	-	-	-	2 577	1 711	1 788
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		15 094	10 787	-	-	-	-	-	-	10 787	15 141	15 757
Community Facilities		605	419	-	-	-	-	-	-	419	633	662

Description	Ref	Budget Year 2021/22								Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	13	Budget	Budget	
R thousands		7	8	9	10	11	12	G	H			
		A	A1	B	C	D	E	F				
Sport and Recreation Facilities		510	439	-	-	-	-	-	-	439	532	556
Community Assets		1 115	858	-	-	-	-	-	-	858	1 165	1 218
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		357	321	-	-	-	-	-	-	321	373	389
Housing		99	128	-	-	-	-	-	-	128	103	108
Other Assets		456	449	-	-	-	-	-	-	449	476	497
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		311	138	-	-	-	-	-	-	138	325	339
Furniture and Office Equipment		53	20	-	-	-	-	-	-	20	55	58
Machinery and Equipment		288	120	-	-	-	-	-	-	120	300	314
Transport Assets		2 316	2 503	-	-	-	-	-	-	2 503	2 087	2 202
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		59 362	54 603	-	-	-	-	-	-	54 603	59 138	59 975
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		35,9%	21,7%							20,7%	58,8%	0,6%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>		80,6%	44,4%							42,9%	128,3%	0,4%
<i>R&M as a % of PPE</i>		39,6%	1,4%							1,4%	1,8%	2,0%
<i>Renewal and upgrading and R&M as a % of PPE</i>		104,3%	3,0%							3,0%	6,5%	2,0%

WC022 Witzenberg - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling												
Piped water inside yard (but not in dwelling)												
Using public tap (at least min.service level)	2											
Other water supply (at least min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Sanitation/Sewerage:												
Flush toilet (connected to sewerage)												
Flush toilet (with septic tank)												
Chemical toilet												
Pit toilet (ventilated)												
Other toilet provisions (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Energy:												
Electricity (at least min. service level)												
Electricity - prepaid (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>												
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Refuse:												
Removed at least once a week (min.service)												
Minimum Service Level and Above sub-total												
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)												
Sanitation (free minimum level service)												
Electricity/other energy (50kwh per household per month)												
Refuse (removed at least once a week)												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		(5 406)	(5 406)	-	-	-	-	-	-	(5 406)	(5 460)	(5 516)
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-	-	-
Refuse (removed once a week)		-	-	-	-	-	-	-	-	-	-	-
Total cost of FBS provided (minimum social package)		(5 406)	(5 406)	-	-	-	-	-	-	(5 406)	(5 460)	(5 516)
Highest level of free service provided												
Property rates (R'000 value threshold)												
Water (kilolitres per household per month)												
Sanitation (kilolitres per household per month)												
Sanitation (Rand per household per month)												
Electricity (kw per household per month)												
Refuse (average litres per week)												
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		(10 371)	(10 371)	-	-	-	-	-	-	(10 371)	(11 097)	(11 985)
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		(13 392)	(10 392)	-	-	-	-	-	-	(10 392)	(14 196)	(15 048)
Electricity/other energy (in excess of 50 kwh per indigent household per month)		(4 860)	(4 860)	-	-	-	-	-	-	(4 860)	(5 492)	(6 206)
Refuse (in excess of one removal a week for indigent households)		(10 635)	(8 635)	-	-	-	-	-	-	(8 635)	(11 273)	(11 950)
Municipal Housing - rental rebates		(24)	(24)	-	-	-	-	-	-	(24)	(25)	(27)
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		(39 283)	(34 283)	-	-	-	-	-	-	(34 283)	(42 083)	(45 215)

WC022 Witzenberg - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
REVENUE ITEMS:												
Property rates												
Total Property Rates		93 662	93 662	-	-	-	-	-	-	93 662	100 218	108 236
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		(10 371)	(10 371)	-	-	-	-	-	-	(10 371)	(11 097)	(11 985)
Net Property Rates		83 290	83 290	-	-	-	-	-	-	83 290	89 121	96 250
Service charges - electricity revenue												
Total Service charges - electricity revenue		328 338	332 338	-	-	-	-	-	-	332 338	352 068	383 176
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		(4 860)	(4 860)	-	-	-	-	-	-	(4 860)	(5 492)	(6 206)
<i>less Cost of Free Basic Services (50 kwh per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		323 478	327 478	-	-	-	-	-	-	327 478	346 576	376 970
Service charges - water revenue												
Total Service charges - water revenue		45 083	45 083	-	-	-	-	(100)	(100)	44 983	47 788	50 656
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-	-
<i>less Cost of Free Basic Services (6 kilolitres per indigent household per month)</i>		(5 406)	(5 406)	-	-	-	-	-	-	(5 406)	(5 460)	(5 516)
Net Service charges - water revenue		39 677	39 677	-	-	-	-	(100)	(100)	39 577	42 328	45 139
Service charges - sanitation revenue												
Total Service charges - sanitation revenue		38 435	38 435	-	-	-	-	-	-	38 435	26 546	28 138
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>		(13 392)	(10 392)	-	-	-	-	-	-	(10 392)	(14 196)	(15 048)
<i>less Cost of Free Basic Services (free sanitation service to indigent households)</i>		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		25 043	28 043	-	-	-	-	-	-	28 043	12 350	13 091
Service charges - refuse revenue												
Total refuse removal revenue		35 498	35 498	-	-	-	-	-	-	35 498	37 628	39 885
Total landfill revenue		712	712	-	-	-	-	-	-	712	754	799
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>		(10 635)	(8 635)	-	-	-	-	-	-	(8 635)	(11 273)	(11 950)
<i>less Cost of Free Basic Services (removed once a week to indigent households)</i>		-	-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		25 574	27 574	-	-	-	-	-	-	27 574	27 108	28 735
Other Revenue By Source												
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Other Revenue		14 985	15 676	-	-	-	-	78	78	15 754	11 409	8 598
<i>Discontinued Operations</i>		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		23	23	-	-	-	-	-	-	23	25	26
Operational Revenue		1 258	1 258	-	-	-	-	-	-	1 258	1 157	1 246
Intercompany/Parent-subsiidiary Transactions		-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		10 769	11 460	-	-	-	-	78	78	11 538	7 145	4 091
Sales of Goods and Rendering of Services		2 935	2 935	-	-	-	-	-	-	2 935	3 082	3 236
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Total 'Other' Revenue	1	14 985	15 676	-	-	-	-	78	78	15 754	11 409	8 598
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		144 052	135 281	-	-	-	-	-	-	135 281	150 593	159 877
Pension and UIF Contributions		21 584	20 892	-	-	-	-	-	-	20 892	22 367	23 393
Medical Aid Contributions		9 359	9 359	-	-	-	-	(120)	(120)	9 239	9 986	10 675
Overtime		24	24	-	-	-	-	-	-	24	26	27
Performance Bonus		10 362	13 480	-	-	-	-	-	-	13 480	11 057	11 820
Motor Vehicle Allowance		6 551	7 157	-	-	-	-	-	-	7 157	6 990	7 473
Cellphone Allowance		562	605	-	-	-	-	-	-	605	600	641
Housing Allowances		2 128	1 312	-	-	-	-	-	-	1 312	2 267	2 423
Other benefits and allowances		13 175	14 973	-	-	-	-	-	-	14 973	14 854	16 397
Payments in lieu of leave		1 050	3 043	-	-	-	-	-	-	3 043	1 120	1 197
Long service awards		1 087	1 087	-	-	-	-	-	-	1 087	1 119	1 153
Post-retirement benefit obligations		27 091	27 091	-	-	-	-	-	-	27 091	27 904	28 741
<i>sub-total</i>	4	237 025	234 305	-	-	-	-	(120)	(120)	234 185	248 881	263 817
<i>Less: Employees costs capitalised to PPE</i>		-	-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	237 025	234 305	-	-	-	-	(120)	(120)	234 185	248 881	263 817
Contributions recognised - capital												
<i>List contributions by contract</i>		-	-	-	-	-	-	-	-	-	-	-
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment		39 331	39 331	-	-	-	-	-	-	39 331	39 191	39 191
Lease amortisation		398	398	-	-	-	-	-	-	398	398	398
Capital asset impairment		-	-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	39 729	39 729	-	-	-	-	-	-	39 729	39 589	39 589
Bulk purchases												
Electricity Bulk Purchases		285 789	288 879	-	-	-	-	-	-	288 879	311 224	338 923
Total bulk purchases	1	285 789	288 879	-	-	-	-	-	-	288 879	311 224	338 923
Transfers and grants												
Cash transfers and grants		25 603	23 870	-	-	-	-	-	-	23 870	2 273	2 575

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H	Adjusted Budget	Adjusted Budget
R thousands												
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Total transfers and grants		25 603	23 870	-	-	-	-	-	-	23 870	2 273	2 575
Contracted services												
<i>Outsourced Services</i>		26 514	19 774	-	-	-	-	448	448	20 222	29 247	30 567
<i>Consultants and Professional Services</i>		15 470	10 867	-	-	-	-	-	-	10 867	15 991	16 508
<i>Contractors</i>		6 406	5 958	-	-	-	-	(415)	(415)	5 543	6 310	6 643
Total contracted services		48 390	36 599	-	-	-	-	33	33	36 632	51 549	53 718
Other Expenditure By Type												
Collection costs		1 669	2 829	-	-	-	-	-	-	2 829	1 738	1 825
Contributions to 'other' provisions		1	1	-	-	-	-	-	-	1	1	1
Audit fees		3 792	3 386	-	-	-	-	-	-	3 386	3 967	4 165
<i>Other Expenditure</i>		33 493	38 622	-	-	-	-	(540)	(540)	38 081	34 297	35 843
Total Other Expenditure	1	38 955	44 838	-	-	-	-	(540)	(540)	44 298	40 003	41 834
Repairs and Maintenance by Expenditure Item												
Employee related costs	14	-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		-	-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-	-	-
Other Expenditure		-	-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	15	-	-	-	-	-	-	-	-	-	-	-
Inventory Consumed												
Inventory Consumed - Water		0	0	-	-	-	-	-	-	0	0	0
Inventory Consumed - Other		14 977	16 095	-	-	-	-	50	50	16 145	31 559	47 696
Total Inventory Consumed & Other Material		14 977	16 095	-	-	-	-	50	50	16 145	31 559	47 696

WC022 Witzenberg - Supporting Table SB2 Supporting detail to 'Financial Position Budget' -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23 Adjusted Budget	+2 2023/24 Adjusted Budget
		A	4	5	6	7	8	9	10	11		
R thousands			A1	B	C	D	E	F	G	H		
ASSETS												
Consumer debtors												
Consumer debtors		41 306	367 236	-	-	-	-	(100)	(100)	367 136	347 209	339 826
Less: provision for debt impairment		(63 750)	(293 585)	-	-	-	-	-	-	(293 585)	(296 664)	(300 234)
Total Consumer debtors	1	(22 444)	73 650	-	-	-	-	(100)	(100)	73 550	50 546	39 592
Debt impairment provision												
Balance at the beginning of the year		-	(238 835)	-	-	-	-	-	-	(238 835)	(238 835)	(238 835)
Contributions to the provision		(63 750)	(53 750)	-	-	-	-	-	-	(53 750)	(57 829)	(61 399)
Bad debts written off		-	(1 000)	-	-	-	-	-	-	(1 000)	-	-
Balance at end of year		(63 750)	(293 585)	-	-	-	-	-	-	(293 585)	(296 664)	(300 234)
Inventory												
Water												
Opening Balance		-	-	-	-	-	-	-	-	-	(0)	(0)
System Input Volume		-	-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	-	-	-	-	-	-	-	-
Natural Sources		-	-	-	-	-	-	-	-	-	-	-
Authorised Consumption	12	-	-	-	-	-	-	-	-	-	-	-
Billed Authorised Consumption		-	-	-	-	-	-	-	-	-	-	-
Billed Metered Consumption		-	-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-	-
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-	-
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-	-
Water Losses		(0)	(0)	-	-	-	-	-	-	(0)	(0)	(0)
Apparent losses		-	-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-	-
Real losses		(0)	(0)	-	-	-	-	-	-	(0)	(0)	(0)
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		(0)	(0)	-	-	-	-	-	-	(0)	(0)	(0)
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Water		(0)	(0)	-	-	-	-	-	-	(0)	(0)	(0)
Closing Balance Water		(0)	(0)	-	-	-	-	-	-	(0)	(0)	(0)
Agricultural												
Opening Balance		-	-	-	-	-	-	-	-	-	-	-
Acquisitions	13	-	-	-	-	-	-	-	-	-	-	-
Issues	14	-	-	-	-	-	-	-	-	-	-	-
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-	-
Consumables												
Standard Rated												
Opening Balance		-	-	-	-	-	-	-	-	-	(3 002)	(4 775)
Acquisitions	13	(1 839)	(2 952)	-	-	-	-	(50)	(50)	(3 002)	(1 773)	(1 858)
Issues	14	-	-	-	-	-	-	-	-	-	-	-
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		(1 839)	(2 952)	-	-	-	-	(50)	(50)	(3 002)	(4 775)	(6 633)
Zero Rated												
Opening Balance		-	-	-	-	-	-	-	-	-	(43)	(84)
Acquisitions	13	(53)	(43)	-	-	-	-	-	-	(43)	(40)	(42)
Issues	14	-	-	-	-	-	-	-	-	-	-	-
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		(53)	(43)	-	-	-	-	-	-	(43)	(84)	(126)
Finished Goods												
Opening Balance		-	-	-	-	-	-	-	-	-	-	-
Acquisitions	13	-	-	-	-	-	-	-	-	-	-	-
Issues	14	-	-	-	-	-	-	-	-	-	-	-
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	-	-	-	-	-
Materials and Supplies												
Opening Balance		-	-	-	-	-	-	-	-	-	(13 099)	(26 700)
Acquisitions	13	(13 085)	(13 099)	-	-	-	-	-	-	(13 099)	(13 601)	(14 236)
Issues	14	-	-	-	-	-	-	-	-	-	-	-
Adjustments	14	-	-	-	-	-	-	-	-	-	-	-
Write-offs	15	-	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		(13 085)	(13 099)	-	-	-	-	-	-	(13 099)	(26 700)	(40 936)
Work-in-progress												
Opening Balance		-	-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-	-
Housing Stock												

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original	Prior Adjusted	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	4	Funds	capital	Unavoid.	Govt		10	Budget	Budget	Budget
	A	A1	5	6	7	8	9		11	+1 2022/23	+2 2023/24	
R thousands			B	C	D	E	F	G	H			
Opening Balance		-	-	-	-	-	-	-	-	-	-	
Acquisitions		-	-	-	-	-	-	-	-	-	-	
Transfers		-	-	-	-	-	-	-	-	-	-	
Sales		-	-	-	-	-	-	-	-	-	-	
Closing Balance - Housing Stock		-	-	-	-	-	-	-	-	-	-	
Land												
Opening Balance		-	-	-	-	-	-	-	-	-	-	
Acquisitions		-	-	-	-	-	-	-	-	-	-	
Sales		-	-	-	-	-	-	-	-	-	-	
Adjustments		-	-	-	-	-	-	-	-	-	-	
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-	
Closing Balance - Land		-	-	-	-	-	-	-	-	-	-	
Closing Balance - Inventory & Consumables		(14 977)	(16 095)	-	-	-	(50)	(50)	(16 145)	(31 559)	(47 696)	
Property, plant & equipment												
PPE at cost/valuation (excl. finance leases)		89 244	1 380 465	-	-	-	856	856	1 381 320	1 385 549	1 326 720	
Leases recognised as PPE	2	-	3 111	-	-	-	-	-	3 111	3 111	3 111	
Less: Accumulated depreciation		(38 589)	(355 642)	-	-	-	-	-	(355 642)	(355 502)	(355 502)	
Total Property, plant & equipment	1	50 656	1 027 934	-	-	-	856	856	1 028 789	1 033 158	974 329	
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-	
Current portion of long-term liabilities		(988)	598	-	-	-	-	-	598	599	600	
Total Current liabilities - Borrowing		(988)	598	-	-	-	-	-	598	599	600	
Trade and other payables												
Trade Payables		60 701	84 146	-	-	-	(49 334)	(49 334)	34 812	49 636	33 218	
Other creditors		-	(834)	-	-	-	-	-	(834)	(834)	(834)	
Unspent conditional grants and receipts		10 490	39 866	-	-	-	1 148	1 148	41 014	22 777	31 436	
VAT		-	33 497	-	-	-	-	-	33 497	33 497	33 497	
Total Trade and other payables	1	71 191	156 675	-	-	-	(48 186)	(48 186)	108 489	105 075	97 316	
Non current liabilities - Borrowing												
Borrowing	3	415	1 591	-	-	-	-	-	1 591	1 604	1 611	
Finance leases (including PPP asset element)		0	0	-	-	-	-	-	0	0	0	
Total Non current liabilities - Borrowing		415	1 592	-	-	-	-	-	1 592	1 604	1 611	
Provisions - non current												
Retirement benefits		27 091	90 361	-	-	-	-	-	90 361	91 174	92 012	
List other major items		-	-	-	-	-	-	-	-	-	-	
Refuse landfill site rehabilitation		8 235	110 611	-	-	-	-	-	110 611	111 029	111 461	
Other		-	10 547	-	-	-	-	-	10 547	10 547	10 547	
Total Provisions - non current		35 326	211 519	-	-	-	-	-	211 519	212 751	214 020	
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		-	937 210	-	-	-	-	-	937 210	937 210	937 210	
GRAP adjustments		-	937 210	-	-	-	-	-	937 210	937 210	937 210	
Restated balance		-	937 210	-	-	-	-	-	937 210	937 210	937 210	
Surplus/(Deficit)		2 908	18 934	-	-	-	666	666	19 600	(14 721)	(65 866)	
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-	
Depreciation offsets		-	-	-	-	-	-	-	-	-	-	
Other adjustments		-	-	-	-	-	-	-	-	-	-	
Accumulated Surplus/(Deficit)	1	2 908	956 143	-	-	-	666	666	956 810	922 489	871 343	
Reserves												
Housing Development Fund		-	-	-	-	-	-	-	-	-	-	
Capital replacement		-	10 442	-	-	-	-	-	10 442	10 442	10 442	
Self-insurance		-	-	-	-	-	-	-	-	-	-	
Other reserves		-	-	-	-	-	-	-	-	-	-	
Revaluation		-	-	-	-	-	-	-	-	-	-	
Total Reserves	2	-	10 442	-	-	-	-	-	10 442	10 442	10 442	
TOTAL COMMUNITY WEALTH/EQUITY	2	2 908	966 586	-	-	-	666	666	967 252	932 931	881 785	
Total capital expenditure includes expenditure on nationally significant priorities:												
Provision of basic services		-	-	-	-	-	-	-	-	-	-	
2010 World Cup		-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		

References

1. Must reconcile with 'Financial Position' budget
2. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases
3. Borrowing (original budget) must reconcile to Budget Table A16
4. Only complete if a previous adjusted budget has been approved in the same financial year. Reflect most recent adjusted budget. **Column D should be a complete Adjustment Budget which indicates that if some figures were not adjusted the c**
5. Additional cash-backed accumulated funds/unspent funds (section 18(1)(b) and section 28(2)(e) MFMA) identified after Original Budget approved and after annual financial statements audited (note: only where underspending could not reasonably be
6. Increases of funds approved under section 31 MFMA
7. Adjustments approved in accordance with section 29 MFMA
8. Adjustments to funding allocations from National or Provincial Government
9. Adjusts. = 'Other' Adjustments proposed to be approved: including revenue under-collection (MFMA section 28(2)(a)); additional revenue appropriation on existing programmes (section 28(2)(b)); projected savings (section 28(2)(d)); error correction (sect
10. $G = B + C + D + E + F$
11. Adjusted Budget $H = (A \text{ or } A1) + G$

check 2 908 094,00
12. Inventory Consumed - Water - included under "Other materials & inventory" on Table B4 - Detail to be submitted on Table SB1
13. Inventory Consumed Other materials - included under "Other materials & inventory" on Table B4 - Detail to be submitted on Table SB1
14. Inventory Transfers/Adjustments (include under gains/losses on Table A4) - Note that the amount could be positive or negative - please capture according to the sign
15. Inventory Write-offs (include under losses on Table A4) - capture Cr amounts

WC022 Witzberg - Supporting Table SB3 Adjustments to the SDBIP - performance objectives -

Description	Unit of measurement	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Prior Adjusted A1	Accum. Funds B	Multi-year capital C	Unfore. Unavoid. D	Nat. or Prov. Govt E	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget
Essential Services												
Sustainable provision & maintenance of basic												
% Expenditure on Operational Budget by		99,0%	99,0%									
<i>Insert measure/s description</i>										-	-	-
% Expenditure on Capital Budget by		98,0%	98,0%								0	0
<i>Insert measure/s description</i>										-	0	0
Percentage compliance with drinking water		100,0%	100,0%									
<i>Insert measure/s description</i>										-	-	-
Number of outstanding valid applications for		0,00	0,00									
<i>Insert measure/s description</i>										-	-	-
Number of outstanding valid applications for		0,00	0,00									
<i>Insert measure/s description</i>										-	-	-
Number of outstanding valid applications for		0,00	0,00									
<i>Insert measure/s description</i>										-	-	-
Number of outstanding valid applications for		0,00	0,00									
<i>Insert measure/s description</i>										-	-	-
Decrease unaccounted water losses.		19,0%	19,0%									
<i>Insert measure/s description</i>										-	-	-
Decrease unaccounted electricity losses.		10,0%	10,0%								0	0
<i>Insert measure/s description</i>										-	0	0
Percentage compliance with drinking water		1070,0%	1070,0%									
<i>Insert measure/s description</i>										-	-	-
Provide for the needs of informal settlements												
Number of subsidised serviced sites												
<i>Insert measure/s description</i>										-	-	-
Provide basic services - number of informal		3,00	3,00									
<i>Insert measure/s description</i>										-	-	-
Provide basic services - number of informal		3,00	3,00									
<i>Insert measure/s description</i>										-	-	-
Improve basic services - number of informal		3,00	3,00									
<i>Insert measure/s description</i>										-	-	-
Number of subsidised electricity connections		94,00	94,00									
<i>Insert measure/s description</i>										-	-	-
Governance												
Support Institutional Transformation &												
Percentage budget spent on implementation		98,0%	98,0%								0	0
<i>Insert measure/s description</i>										-	0	0
Percentage of people from employment equity		75,0%	75,0%									
<i>Insert measure/s description</i>										-	0	0
Ensure financial viability.												
Financial viability expressed as Debt-		39,70	39,70								0	0
<i>Insert measure/s description</i>										-	0	0
Financial viability expressed as Cost-		2,40	2,40									
<i>Insert measure/s description</i>										-	-	-
Financial viability expressed outstanding		54,0%	54,0%									
<i>Insert measure/s description</i>										-	-	-
Opinion of the Auditor-General on annual		Unqualified	Unqualified									
<i>Insert measure/s description</i>										-	-	-
Increased revenue collection		95,0%	95,0%									
<i>Insert measure/s description</i>										-	-	-
Percentage of budget spent on repairs &		99,0%	99,0%									
<i>Insert measure/s description</i>										-	-	-
Percentage spend of capital budget.		97,4%	97,4%									
<i>Insert measure/s description</i>										-	-	-
To maintain and strengthen relations with												
Number of IDP community meetings held.		14,00	14,00									
<i>Insert measure/s description</i>										-	-	-
Number of meetings with inter-governmental		12,00	12,00									
<i>Insert measure/s description</i>										-	-	-

Description	Unit of measurement	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget A	Prior Adjusted A1	Accum. Funds B	Multi-year capital C	Unfore. Unavoid. D	Nat. or Prov. Govt E	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	+1 2022/23 Adjusted Budget	+2 2023/24 Adjusted Budget
Communal Services												
Provide & maintain facilities that make citizens												
Customer satisfaction survey (Score 1-5) -		220,0%	220,0%									
<i>Insert measure/s description</i>												
% Expenditure on Operational Budget by		99,9%	99,9%									
<i>Insert measure/s description</i>												
% Expenditure on Capital Budget by		96,1%	96,1%									
<i>Insert measure/s description</i>												
Socio-Economic Support Services												
Support the poor & vulnerable through												
Number of account holders subsidised		2521,00	2521,00									
<i>Insert measure/s description</i>												
Number of jobs created through		398,00	398,00									
<i>Insert measure/s description</i>												
Number of social development programmes		22,00	22,00									
<i>Insert measure/s description</i>												
Number of housing opportunities provided		200,00	200,00									
<i>Insert measure/s description</i>												
Number of Rental Stock transferred		65,00	65,00									
<i>Insert measure/s description</i>												
Create an enabling environment to attract												
Revisit Municipal Land Audit and draw up an		Phase 2	Phase 2									
<i>Insert measure/s description</i>												
Compile & Implementation of LED Strategy		Approved	Approved									
<i>Insert measure/s description</i>												
And so on for the rest of the Votes									-	-	-	-

WC022 Witzenberg - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks -

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Budget Year 2021/22			Budget Year +1 2022/23	Budget Year +2 2023/24
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
Borrowing Management									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1,7%	1,5%	1,5%	1,1%	1,1%	1,1%	1,2%	1,1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2,0%	2,0%	2,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital									
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	-565,6%	0,0%	15,2%	15,2%	15,4%	15,4%
Liquidity									
Current Ratio	Current assets/current liabilities	703,6%	21,3%	71,8%	84,5%	155,6%	173,9%	165,7%	178,5%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities	703,6%	21,3%	71,8%	84,5%	155,6%	0,0%	0,0%	0,0%
Liquidity Ratio	Monetary Assets/Current Liabilities	577,2%	-20,4%	67,0%	0,9	1,0	0,9	0,9	1,0
Revenue Management									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	0,0%	0,0%	105,6%	102,4%	102,4%	94,5%	96,1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0,9%	1,2%	0,4%	-0,3%	14,9%	14,9%	13,3%	11,2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%
Creditors to Cash and Investments		0,0%	0,5%	0,3%	39,1%	85,2%	79,5%	76,2%	62,5%
Other Indicators									
Electricity Distribution Losses (2)	Total Volume Losses (kW)	#####	#####	#####	#####	#####	#####	#####	#####
	Total Cost of Losses (Rand '000)	17 967	23 697	19 861	20 854	20 854	20 854	22 991	24 141
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	10,51%	10,68%	0	0	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)	125972200,0%	113631900,0%	100862100,0%	105905205,0%	105905205,0%	105905205,0%	116760488,5%	122598512,9%
	Total Cost of Losses (Rand '000)	488	458	379	398	398	398	439	461
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	17,73%	15,04%	0	0	0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	30,5%	32,1%	31,1%	33,7%	32,7%	32,7%	35,3%	35,3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31,8%	29,7%	31,5%					
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3,6%	3,4%	2,4%	2,8%	2,1%	2,1%	2,8%	2,7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	2,6%	7,4%	7,0%	6,9%	6,8%	6,8%	6,9%	6,6%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0,0%	0,0%	-1372,5%	6107,9%	6230,7%	6230,4%	6022,5%	6461,7%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	1,2%	1,7%	0,6%	-3,2%	10,3%	10,3%	7,2%	5,3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-6,7%	-2179,6%	-1667,0%	0,0	0,0	0,0	0,0	0,0

WC022 Witzberg - Supporting Table SB5 Adjustments Budget - social, economic and demographic statistics and assumptions -

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Budget Year 2021/22	Budget Year 2021/22
						Outcome	Outcome	Outcome	Original Budget	Actual
Demographics										
Population			-	-	-	116	116	116	116	116
Females aged 5 - 14			-	-	-	-	-	-	-	-
Males aged 5 - 14			-	-	-	-	-	-	-	-
Females aged 15 - 34			-	-	-	21	21	21	21	21
Males aged 15 - 34			-	-	-	24	24	24	24	24
Unemployment			-	-	-	3	3	3	3	3
Monthly household income (no. of households)										
No income	1, 12		-	-	-	1 757	1 757	1 757	1 757	1 757
R1 - R1 600			-	-	-	6 703	6 703	6 703	6 703	6 703
R1 601 - R3 200			-	-	-	7 079	7 079	7 079	7 079	7 079
R3 201 - R6 400			-	-	-	5 723	5 723	5 723	5 723	5 723
R6 401 - R12 800			-	-	-	2 863	2 863	2 863	2 863	2 863
R12 801 - R25 600			-	-	-	1 851	1 851	1 851	1 851	1 851
R25 601 - R51 200			-	-	-	1 064	1 064	1 064	1 064	1 064
R52 201 - R102 400			-	-	-	253	253	253	253	253
R102 401 - R204 800			-	-	-	77	77	77	77	77
R204 801 - R409 600			-	-	-	49	49	49	49	49
R409 601 - R819 200			-	-	-	-	-	-	-	-
> R819 200			-	-	-	-	-	-	-	-
Poverty profiles (no. of households)										
< R2 060 per household per month	13		-	-	-	8 460	8 460	8 460	8 460	8 460
	2		-	-	-	15 539	15 539	15 539	15 539	15 539
Household/demographics (000)										
Number of people in municipal area			-	-	-	116	116	116	116	116
Number of poor people in municipal area			-	-	-	90	90	90	90	90
Number of households in municipal area			-	-	-	27	27	27	27	27
Number of poor households in municipal area			-	-	-	21	21	21	21	21
Definition of poor household (R per month)			-	-	-	>R6400	>R6400	>R6400	>R6400	>R6400
Housing statistics										
Formal	3		-	-	-	23 642	23 642	23 642	23 642	23 642
Informal			-	-	-	3 778	3 778	3 778	3 778	3 778
Total number of households			-	-	-	27 420	27 420	27 420	27 420	27 420
Dwellings provided by municipality	4		-	-	-	-	-	-	-	-
Dwellings provided by province/s			-	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	-	-	-	-	-	-
Economic										
Inflation/inflation outlook (CPIX)	6					0,0%	0,0%	0,0%	0,0%	0,0%
Interest rate - borrowing						0,0%	0,0%	0,0%	0,0%	0,0%
Interest rate - investment						0,0%	0,0%	0,0%	0,0%	0,0%
Remuneration increases						0,0%	0,0%	0,0%	0,0%	0,0%
Consumption growth (electricity)						0,0%	0,0%	0,0%	0,0%	0,0%
Consumption growth (water)						0,0%	0,0%	0,0%	0,0%	0,0%
Collection rates										
Property tax/service charges	7					0,0%	0,0%	0,0%	0,0%	0,0%
Rental of facilities & equipment						0,0%	0,0%	0,0%	0,0%	0,0%
Interest - external investments						0,0%	0,0%	0,0%	0,0%	0,0%
Interest - debtors						0,0%	0,0%	0,0%	0,0%	0,0%
Revenue from agency services						0,0%	0,0%	0,0%	0,0%	0,0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.	2018/19	2019/20	2020/21	Budget Year 2021/22	2020/21 Medium Term Revenue & Expenditure Framework
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Total municipal services		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)									
	<u>Water:</u>									
	Piped water inside dwelling	-	-	-	-	-	-	-	-	-
	Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
8	Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
10	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
9	Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
	No water supply	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
	<u>Sanitation/Sewerage:</u>									
	Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
	Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
	Chemical toilet	-	-	-	-	-	-	-	-	-
	Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
	Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Bucket toilet	-	-	-	-	-	-	-	-	-
	Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
	No toilet provisions	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
	<u>Energy:</u>									
	Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
	Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
	<u>Refuse:</u>									
	Removed at least once a week	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
	Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
	Using communal refuse dump	-	-	-	-	-	-	-	-	-
	Using own refuse dump	-	-	-	-	-	-	-	-	-
	Other rubbish disposal	-	-	-	-	-	-	-	-	-
	No rubbish disposal	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
Municipal in-house services		2018/19	2019/20	2020/21	Budget Year 2021/22			2020/21 Medium Term Revenue & Expenditure Framework		
Ref.		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)									
	<u>Water:</u>									
	Piped water inside dwelling	-	-	-	-	-	-	-	-	-
	Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
8	Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
10	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
	<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-
9	Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
10	Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
	No water supply	-	-	-	-	-	-	-	-	-
	<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
	Total number of households	-	-	-	-	-	-	-	-	-
	<u>Sanitation/Sewerage:</u>									
	Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-
	Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
	Chemical toilet	-	-	-	-	-	-	-	-	-
	Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
	Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-

		Using own refuse dump	-	-	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-	-
Services provided by 'external mechanisms'	Ref.		2018/19	2019/20	2020/21	Budget Year 2021/22			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		
Names of service providers		Household service targets (000).											
		<u>Water:</u>											
		Piped water inside dwelling	-	-	-	-	-	-	-	-	-	-	-
		Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-	-	-
		Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-
		Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-	-
Names of service providers		<u>Sanitation/sewerage:</u>											
		Flush toilet (connected to sewerage)	-	-	-	-	-	-	-	-	-	-	-
		Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-	-	-
		Chemical toilet	-	-	-	-	-	-	-	-	-	-	-
		Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-	-	-
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Bucket toilet	-	-	-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-	-
Names of service providers		<u>Energy:</u>											
		Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-	-
Names of service providers		<u>Refuse:</u>											
		Removed at least once a week	-	-	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week	-	-	-	-	-	-	-	-	-	-	-
		Using communal refuse dump	-	-	-	-	-	-	-	-	-	-	-
		Using own refuse dump	-	-	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-	-	-
		No rubbish disposal	-	-	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-	-
Detail of Free Basic Services (FBS) provided	Ref.		Budget Year 2021/22							Budget Year +1 2022/23	Budget Year +2 2023/24		
			Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
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)	-	-	-	-	-	-	-	-	-	-	
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-	-	
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-	-	
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-	-	
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-	-	
		<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-	-	
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-	-	

		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Electricity for informal settlements	-	-	-	-	-	-	-	-	-	-	-
Water	Ref.	<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)	5 406 089	5 406 089	-	-	-	-	-	-	5 406	5 459 872	5 516 343
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-	-	-	-
Sanitation	Ref.	<u>Location of households for each type of FBS</u>											
List type of FBS service		Formal settlements - (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-	-	-	-
Refuse Removal	Ref.	<u>Location of households for each type of FBS</u>											
List type of FBS service		Formal settlements - (removed once a week to indigent households)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Informal settlements (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Other (Rands)	-	-	-	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-	-	-
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-	-	-

WC022 Witzenberg - Supporting Table SB6 Adjustments Budget - funding measurement -

Description	Ref	MFMA section	2018/19 Audited Outcome	2019/20 Audited Outcome	2020/21 Audited Outcome	Medium Term Revenue and Expenditure Framework				
						Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2022/23	Budget Year +2 2023/24
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b	-	-	-	182 253	183 835	136 465	137 897	155 678
Cash + investments at the yr end less applications - R'000	2	18(1)b	-	-	-	(15 346)	(834 792)	(835 580)	(817 052)	(754 113)
Cash year end/monthly employee/supplier payments	3	18(1)b	-	-	-	-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)	-	-	-	2 908	18 934	19 600	(14 721)	(65 866)
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)				0,0%	0,0%	0,0%	-3,7%	2,3%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0,0%	0,0%	0,0%	86,2%	85,8%	85,8%	93,2%	95,3%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				12,8%	12,5%	12,5%	11,1%	10,9%
Capital payments % of capital expenditure	8	18(1)c;19				0,0%	100,8%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0,0%	101,7%	0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	11	18(1)a							-12,1%	-10,5%
Long term receivables % change - incr(decr)	12	18(1)a							0,0%	0,0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				39,6%	1,4%	1,4%	1,8%	2,0%
Asset renewal % of capital budget	14	20(1)(vi)				0,7%	0,7%	0,0%	5,8%	0,0%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in doubtful debt provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high cap municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high cap municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan)

Macro CPIX target

	6%	6%	6%	6%	6%
Total service charge revenue	497 062	506 062	505 962	517 483	560 186
Total service charge revenue - previous year			-	505 962	517 483
Provincial government gazetted allocations	-	-	-	59 069	53 920
National government DoRA allocations	-	-	-	53 842	53 842
Cash receipts from ratepayers	474 087	481 606	481 606	529 639	581 805
Ratepayer & Other revenue	549 831	561 021	561 000	568 564	610 440
Change in debtors				(12 997)	(9 896)

WC022 Witzenberg - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2021/22							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23 Adjusted Budget	+2 2023/24 Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		111 493	111 493	-	-	-	-	111 493	117 360	119 446
Operational Revenue:General Revenue:Equitable Share	3	106 666	106 666	-	-	-	-	106 666	114 960	116 996
Operational:Revenue:General Revenue:Fuel Levy		-	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Agriculture Research and Technology		-	-	-	-	-	-	-	-	-
Agriculture, Conservation and Environmental		-	-	-	-	-	-	-	-	-
Arts and Culture Sustainable Resource Management		-	-	-	-	-	-	-	-	-
Community Library		-	-	-	-	-	-	-	-	-
Department of Environmental Affairs		-	-	-	-	-	-	-	-	-
Department of Tourism		-	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Masibambane		-	-	-	-	-	-	-	-	-
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2 617	2 617	-	-	-	-	2 617	-	-
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 550	1 550	-	-	-	-	1 550	1 550	1 550
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Natural Resource Management Project		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Operation Clean Audit		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
Public Service Improvement Facility		-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Restructuring - Seed Funding		-	-	-	-	-	-	-	-	-
Revenue Enhancement Grant Debtors Book		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	-	-
Terrestrial Invasive Alien Plants		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		660	660	-	-	-	-	660	850	900
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Smart Connect Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
WiFi Grant [Department of Telecommunications and Postal Services		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizon		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		13 285	28 701	-	-	233	233	28 934	10 994	11 432
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		10 937	12 537	-	-	233	233	12 770	10 264	10 432
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		2 348	16 164	-	-	-	-	16 164	730	1 000
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	4	-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance	5	-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	124 778	140 194	-	-	233	233	140 427	128 354	130 878

Description	Ref	Budget Year 2021/22							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
		A	7 A1	8 B	9 C	10 D	11 E	12 F	Adjusted Budget	Adjusted Budget
R thousands										
Capital Transfers and Grants										
National Government:										
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		57 082	57 082	-	-	-	-	57 082	46 602	29 154
Municipal Infrastructure Grant [Schedule 5B]		12 762	12 762	-	-	-	-	12 762	3 122	4 000
Municipal Water Infrastructure Grant [Schedule 5B]		24 320	24 320	-	-	-	-	24 320	24 241	25 154
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
Municipal Human Settlement		-	-	-	-	-	-	-	-	-
Community Library		-	-	-	-	-	-	-	-	-
Integrated City Development Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)		20 000	20 000	-	-	-	-	20 000	19 239	-
Water Services Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
WiFi Connectivity		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
Aquaponic Project		-	-	-	-	-	-	-	-	-
Restition Settlement		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Restructuring Seed Funding		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		48 970	33 017	-	-	600	600	33 617	18 410	1 160
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	985
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		48 970	33 017	-	-	600	600	33 617	18 410	175
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road Infrastructure		-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
District Municipality:		500	500	-	-	504	504	1 004	-	-
All Grants		500	500	-	-	504	504	1 004	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-Profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	106 552	90 599	-	-	1 104	1 104	91 703	65 012	30 314
TOTAL RECEIPTS OF TRANSFERS & GRANTS		231 330	230 793	-	-	1 337	1 337	232 130	193 366	161 192

WC022 Witzenberg - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Budget Year 2021/22							Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F	2022/23	2023/24
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:	1	61 657	60 693	-	-	643	643	61 336	62 011	65 851
Operational Revenue: General Revenue: Equitable Share		56 917	56 325	-	-	643	643	56 967	59 698	63 489
Operational Revenue: General Revenue: Fuel Levy	3	-	-	-	-	-	-	-	-	-
2014 African Nations Championship Host City Operating Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Agriculture Research and Technology		-	-	-	-	-	-	-	-	-
Agriculture, Conservation and Environmental		-	-	-	-	-	-	-	-	-
Arts and Culture Sustainable Resource Management		-	-	-	-	-	-	-	-	-
Community Library		-	-	-	-	-	-	-	-	-
Department of Environmental Affairs		-	-	-	-	-	-	-	-	-
Department of Tourism		-	-	-	-	-	-	-	-	-
Department of Water Affairs and Sanitation Masibambane		-	-	-	-	-	-	-	-	-
Emergency Medical Service		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand-side [Schedule 5B]		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2 617	2 617	-	-	-	-	2 617	-	-
HIV and Aids		-	-	-	-	-	-	-	-	-
Housing Accreditation		-	-	-	-	-	-	-	-	-
Housing Top structure		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		1 463	1 463	-	-	-	-	1 463	1 463	1 463
Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Human Settlement Capacity Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Natural Resource Management Project		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Operation Clean Audit		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
Public Service Improvement Facility		-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Restructuring - Seed Funding		-	-	-	-	-	-	-	-	-
Revenue Enhancement Grant Debtors Book		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Sport and Recreation		-	-	-	-	-	-	-	-	-
Terrestrial Invasive Alien Plants		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		660	299	-	-	-	-	299	850	900
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Smart Connect Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
WiFi Grant [Department of Telecommunications and Postal Services]		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Traditional Leaders - Imbizo		-	-	-	-	-	-	-	-	-
Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		34 306	34 728	-	-	(1 270)	(1 270)	33 458	10 994	11 432
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		10 975	13 238	-	-	(1 270)	(1 270)	11 968	10 264	10 432
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		23 331	21 490	-	-	-	-	21 490	730	1 000
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road Infrastructure - Maintenance	4	-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure - Maintenance	5	-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
All Grants		-	-	-	-	-	-	-	-	-
Other grant providers:		829	1 799	-	-	-	-	1 799	987	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		829	1 799	-	-	-	-	1 799	987	-
Households		-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	96 792	97 220	-	-	(627)	(627)	96 593	73 992	77 283

Description	Ref	Budget Year 2021/22						Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
		A	2 A1	3 B	4 C	5 D	6 E	7 F	2022/23	2023/24
R thousands										
Capital Transfers and Grants										
National Government:		49 637	49 637	-	-	-	-	49 637	40 523	25 351
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		11 097	11 097	-	-	-	-	11 097	2 715	3 478
Municipal Infrastructure Grant [Schedule 5B]		21 148	21 148	-	-	-	-	21 148	21 079	21 873
Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Rural Household Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
Municipal Human Settlement		-	-	-	-	-	-	-	-	-
Community Library		-	-	-	-	-	-	-	-	-
Integrated City Development Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Network Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 5B)		17 391	17 391	-	-	-	-	17 391	16 730	-
Water Services Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
WiFi Connectivity		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
Aquaonic Project		-	-	-	-	-	-	-	-	-
Restitton Settlement		-	-	-	-	-	-	-	-	-
Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Restructuring Seed Funding		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		24 801	18 635	-	-	1 192	1 192	19 827	33 715	1 009
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	670	670	670	-	857
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		24 801	18 635	-	-	522	522	19 157	33 715	152
Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-	-
Road Infrastructure		-	-	-	-	-	-	-	-	-
Sports and Recreation		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
District Municipality:		500	815	-	-	264	264	1 079	-	-
All Grants		500	815	-	-	264	264	1 079	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-Profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality / Entity		-	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	6	74 937	69 087	-	-	1 456	1 456	70 543	74 239	26 360
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		171 729	166 307	-	-	828	828	167 135	148 231	103 643

WC022 Witzenberg - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds -

Description	Ref	Budget Year 2021/22							Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands										
Operating transfers and grants:										
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	(9 370)	(9 370)
Current year receipts		(2 210)	(2 210)	-	-	-	-	(2 210)	(2 400)	(2 450)
Conditions met - transferred to revenue		2 210	2 210	-	-	-	-	2 210	11 770	11 820
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	(6 797)	(6 797)
Current year receipts		(15 902)	(31 318)	-	-	(233)	(233)	(31 551)	(10 994)	(11 432)
Conditions met - transferred to revenue		15 902	31 318	-	-	233	233	31 551	17 791	18 229
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	(2 287)	(2 287)
Current year receipts		-	(240)	-	-	-	-	(240)	-	-
Conditions met - transferred to revenue		-	240	-	-	-	-	240	2 287	2 287
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	(3 767)	(3 767)
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	3 767	3 767
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		18 112	33 768	-	-	233	233	34 001	35 615	36 103
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:										
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	(679)	(679)
Current year receipts		(57 082)	(57 082)	-	-	-	-	(57 082)	(46 602)	(29 154)
Conditions met - transferred to revenue		57 082	57 082	-	-	-	-	57 082	47 281	29 833
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	(2 889)	(2 889)
Current year receipts		(48 970)	(33 017)	-	-	(600)	(600)	(33 617)	(18 410)	(1 160)
Conditions met - transferred to revenue		48 970	33 017	-	-	600	600	33 617	21 299	4 049
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		(500)	(500)	-	-	(504)	(504)	(1 004)	-	-
Conditions still to be met - transferred to liabilities		(500)	(500)	-	-	(504)	(504)	(1 004)	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		105 552	89 599	-	-	96	96	89 695	68 579	33 881
Total capital transfers and grants - CTBM		(500)	(500)	-	-	(504)	(504)	(1 004)	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		123 664	123 367	-	-	329	329	123 696	104 194	69 984
TOTAL TRANSFERS AND GRANTS - CTBM		(500)	(500)	-	-	(504)	(504)	(1 004)	-	-

WC022 Witzenberg - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Prior Adjusted 6 A1	Accum. Funds 7 B	Multi-year capital 8 C	Unfore. Unavoid. 9 D	Nat. or Prov. Govt 10 E	Other Adjusts. 11 F	Total Adjusts. 12 G	Adjusted Budget 13 H	Adjusted Budget	Adjusted Budget
R thousands												
Cash transfers to other municipalities												
Operational	1	-	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to Entities/Other External Mechanisms												
Operational	2	-	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organs of State												
Operational	3	-	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organisations												
Operational	4	1 235	1 918	-	-	-	-	-	-	1 918	1 346	1 368
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		1 235	1 918	-	-	-	-	-	-	1 918	1 346	1 368
Cash Transfers to Groups of Individuals												
Operational	4	24 368	21 952	-	-	-	-	-	-	21 952	927	1 207
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		24 368	21 952	-	-	-	-	-	-	21 952	927	1 207
TOTAL CASH TRANSFERS AND GRANTS	5	25 603	23 870	-	-	-	-	-	-	23 870	2 273	2 575
Non-cash transfers to other municipalities												
Operational	1	-	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to Entities/Other External Mechanisms												
Operational	2	-	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other Organs of State												
Operational	3	-	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other Organisations												
Operational	4	-	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to Groups of Individuals												
Operational	4	-	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS	5	-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS		25 603	23 870	-	-	-	-	-	-	23 870	2 273	2 575

WC022 Witzenberg - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	Budget Year 2021/22									
		Original Budget A	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	% change
R thousands											
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		7 980	7 980	-		-		-	-	7 980	0,0%
Pension and UIF Contributions		1 787	1 706	-		-		-	-	1 706	-4,6%
Medical Aid Contributions		335	335	-		-		-	-	335	0,0%
Motor Vehicle Allowance		817	0	-		-		-	-	0	-100,0%
Cellphone Allowance		985	942	-		-		-	-	942	0,0%
Housing Allowances		43	43	-		-		-	-	43	0,0%
Other benefits and allowances		59	0	-		-		-	-	0	0,0%
Sub Total - Councillors		12 007	11 007	-		-		-	-	11 007	
% increase			-8,3%								-8,3%
Senior Managers of the Municipality											
Basic Salaries and Wages		4 497	3 788	-		-		-	-	3 788	-15,8%
Pension and UIF Contributions		925	925	-		-		-	-	925	0,0%
Medical Aid Contributions		159	159	-		-		-	-	159	0,0%
Overtime		-	-	-		-		-	-	-	0,0%
Performance Bonus		1 052	1 052	-		-		-	-	1 052	0,0%
Motor Vehicle Allowance		1 242	1 242	-		-		-	-	1 242	0,0%
Cellphone Allowance		84	94	-		-		-	-	94	11,9%
Housing Allowances		182	182	-		-		-	-	182	0,0%
Other benefits and allowances		136	136	-		-		-	-	136	0,0%
Payments in lieu of leave		-	-	-		-		-	-	-	0,0%
Long service awards		-	-	-		-		-	-	-	0,0%
Post-retirement benefit obligations	5	-	-	-		-		-	-	-	0,0%
Sub Total - Senior Managers of Municipality		8 276	7 577	-		-		-	-	7 577	
% increase			-8,5%								-8,5%
Other Municipal Staff											
Basic Salaries and Wages		136 537	131 447	-		-		-	-	131 447	-3,7%
Pension and UIF Contributions		20 659	19 967	-		-		-	-	19 967	-3,4%
Medical Aid Contributions		9 200	9 200	-		-		(120)	(120)	9 080	-1,3%
Overtime		10 906	11 131	-		-		-	-	11 131	2,1%
Performance Bonus		9 311	12 428	-		-		-	-	12 428	33,5%
Motor Vehicle Allowance		5 309	5 915	-		-		-	-	5 915	11,4%
Cellphone Allowance		478	511	-		-		-	-	511	7,0%
Housing Allowances		1 947	1 131	-		-		0	0	1 131	-41,9%
Other benefits and allowances		5 175	3 777	-		-		-	-	3 777	-27,0%
Payments in lieu of leave		1 050	3 043	-		-		-	-	3 043	190,0%
Long service awards		-	-	-		-		-	-	-	0,0%
Post-retirement benefit obligations	5	28 178	28 178	-		-		-	-	28 178	0,0%
Sub Total - Other Municipal Staff		228 749	226 728	-		-		(120)	(120)	226 608	
% increase			-0,9%								-0,9%
Total Parent Municipality		249 032	245 312	-		-		(120)	(120)	245 192	-1,5%
Board Members of Entities											
Basic Salaries and Wages		-	-	-		-		-	-	-	0,0%
Pension and UIF Contributions		-	-	-		-		-	-	-	0,0%
Medical Aid Contributions		-	-	-		-		-	-	-	0,0%
Overtime		-	-	-		-		-	-	-	0,0%
Performance Bonus		-	-	-		-		-	-	-	0,0%
Motor Vehicle Allowance		-	-	-		-		-	-	-	0,0%
Cellphone Allowance		-	-	-		-		-	-	-	0,0%
Housing Allowances		-	-	-		-		-	-	-	0,0%
Other benefits and allowances		-	-	-		-		-	-	-	0,0%
Board Fees		-	-	-		-		-	-	-	0,0%
Payments in lieu of leave		-	-	-		-		-	-	-	0,0%
Long service awards		-	-	-		-		-	-	-	0,0%
Post-retirement benefit obligations	5	-	-	-		-		-	-	-	0,0%
Sub Total - Board Members of Entities		-	-	-		-		-	-	-	
% increase			0,0%								0,0%
Senior Managers of Entities											
Basic Salaries and Wages		-	-	-		-		-	-	-	0,0%
Pension and UIF Contributions		-	-	-		-		-	-	-	0,0%
Medical Aid Contributions		-	-	-		-		-	-	-	0,0%
Overtime		-	-	-		-		-	-	-	0,0%
Performance Bonus		-	-	-		-		-	-	-	0,0%
Motor Vehicle Allowance		-	-	-		-		-	-	-	0,0%
Cellphone Allowance		-	-	-		-		-	-	-	0,0%
Housing Allowances		-	-	-		-		-	-	-	0,0%
Other benefits and allowances		-	-	-		-		-	-	-	0,0%
Payments in lieu of leave		-	-	-		-		-	-	-	0,0%
Long service awards		-	-	-		-		-	-	-	0,0%
Post-retirement benefit obligations	5	-	-	-		-		-	-	-	0,0%
Sub Total - Senior Managers of Entities		-	-	-		-		-	-	-	

Summary of remuneration	Ref	Budget Year 2021/22										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
% increase			0,0%								0,0%	
Other Staff of Entities												
Basic Salaries and Wages		-	-	-		-		-	-	-	0,0%	
Pension and UIF Contributions		-	-	-		-		-	-	-	0,0%	
Medical Aid Contributions		-	-	-		-		-	-	-	0,0%	
Overtime		-	-	-		-		-	-	-	0,0%	
Performance Bonus		-	-	-		-		-	-	-	0,0%	
Motor Vehicle Allowance		-	-	-		-		-	-	-	0,0%	
Cellphone Allowance		-	-	-		-		-	-	-	0,0%	
Housing Allowances		-	-	-		-		-	-	-	0,0%	
Other benefits and allowances		-	-	-		-		-	-	-	0,0%	
Payments in lieu of leave		-	-	-		-		-	-	-	0,0%	
Long service awards		-	-	-		-		-	-	-	0,0%	
Post-retirement benefit obligations	5	-	-	-		-		-	-	-	0,0%	
Sub Total - Other Staff of Entities		-	-	-		-		-	-	-		
% increase			0,0%								0,0%	
Total Municipal Entities		-	-	-		-		-	-	-	0,0%	
TOTAL SALARY, ALLOWANCES & BENEFITS		249 032	245 312	-		-		(120)	(120)	245 192		
% increase			-1,5%								-1,5%	
TOTAL MANAGERS AND STAFF		237 025	234 305	-		-		(120)	(120)	234 185	-1,2%	

WC022 Witzenberg - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) -

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue by Vote																
Vote 1 - Financial Services		43 337	6 217	6 067	5 948	2 376	7 178	6 494	5 966	6 812	6 549	6 394	6 238	109 575	109 373	113 799
Vote 2 - Community Services		47 170	3 248	3 248	3 248	19 719	19 719	3 248	3 248	36 190	3 248	3 248	3 249	148 786	134 198	132 476
Vote 3 - Corporate Services		2 228	2 228	2 288	2 228	2 228	2 288	2 228	2 228	2 288	2 228	2 228	2 803	27 490	28 068	29 502
Vote 4 - Technical Services		59 750	36 258	35 534	36 125	44 474	44 286	37 114	36 659	52 812	36 166	36 978	43 277	499 432	520 530	519 043
Vote 5 - Municipal Manager		334	70	70	70	169	169	70	70	268	70	70	70	1 499	1 282	1 354
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		152 820	48 021	47 206	47 619	68 965	73 640	49 154	48 171	98 369	48 261	48 918	55 636	786 782	793 453	796 175
Expenditure by Vote																
Vote 1 - Financial Services		4 153	4 188	4 178	4 184	4 175	4 194	4 169	4 170	4 184	4 163	4 174	4 239	50 171	52 568	55 793
Vote 2 - Community Services		8 307	8 520	8 471	8 498	8 444	8 572	8 403	8 412	8 511	8 367	8 436	8 825	101 767	82 338	86 854
Vote 3 - Corporate Services		10 234	10 316	10 467	10 306	10 286	10 504	10 271	10 275	10 482	10 258	10 284	10 672	124 356	118 908	124 844
Vote 4 - Technical Services		39 299	39 864	39 771	39 791	39 658	40 007	39 554	39 582	39 867	39 475	39 644	41 303	477 815	520 309	557 994
Vote 5 - Municipal Manager		1 046	1 074	1 066	1 071	1 064	1 080	1 059	1 060	1 071	1 054	1 063	1 114	12 822	14 363	15 303
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		63 040	63 962	63 954	63 850	63 629	64 355	63 456	63 498	64 116	63 317	63 602	66 152	766 931	788 486	840 788
Surplus/ (Deficit)		89 780	(15 941)	(16 748)	(16 231)	5 336	9 285	(14 302)	(15 327)	34 253	(15 056)	(14 684)	(10 516)	19 850	4 967	(44 613)

WC022 Witzenberg - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) -

Description - Standard classification	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue - Functional																
<i>Governance and administration</i>		43 629	6 508	6 358	6 239	2 667	7 470	6 785	6 258	7 103	6 840	6 686	6 567	113 109	112 680	117 352
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	31
Finance and administration		43 629	6 508	6 358	6 239	2 667	7 470	6 785	6 258	7 103	6 840	6 686	6 567	113 109	112 680	117 321
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		49 253	5 332	5 392	5 332	21 802	21 862	5 332	5 332	38 333	5 332	5 332	5 913	174 544	160 965	160 993
Community and social services		44 886	1 065	1 065	1 065	17 498	17 498	1 065	1 065	33 931	1 065	1 065	1 065	122 331	130 502	127 923
Sport and recreation		228	228	228	228	228	228	228	228	228	228	228	228	2 734	1 701	1 786
Public safety		2 179	2 179	2 239	2 179	2 179	2 239	2 179	2 179	2 239	2 179	2 179	2 753	26 902	27 451	29 681
Housing		1 961	1 860	1 860	1 860	1 898	1 898	1 860	1 860	1 936	1 860	1 860	1 866	22 577	1 312	1 604
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2 063	1 530	1 530	1 530	1 730	1 730	1 530	1 530	1 930	1 530	1 530	1 530	19 692	31 586	2 745
Planning and development		454	190	190	190	289	289	190	190	388	190	190	190	2 937	2 734	2 472
Road transport		1 609	1 339	1 339	1 339	1 440	1 440	1 339	1 339	1 541	1 339	1 339	1 339	16 742	28 842	262
Environmental protection		1	1	1	1	1	1	1	1	1	1	1	1	14	10	10
<i>Trading services</i>		57 806	34 583	33 859	34 450	42 698	42 510	35 439	34 984	50 935	34 491	35 303	42 258	479 316	488 094	514 952
Energy sources		31 654	26 589	26 589	26 589	28 489	28 489	26 589	26 589	30 388	26 589	26 589	33 519	338 664	353 176	384 904
Water management		15 254	3 395	2 815	3 423	7 745	8 007	4 246	3 744	12 725	3 316	4 195	3 235	72 101	64 990	48 407
Waste water management		5 341	2 342	2 068	2 074	2 887	2 355	2 234	2 113	2 950	2 199	2 131	2 770	31 465	33 355	29 357
Waste management		5 557	2 257	2 387	2 363	3 577	3 659	2 371	2 538	4 872	2 386	2 387	2 733	37 087	36 574	52 284
<i>Other</i>		10	10	10	10	10	10	10	10	10	10	10	10	120	126	133
Total Revenue - Functional		152 762	47 963	47 148	47 561	68 907	73 582	49 096	48 113	98 311	48 202	48 860	56 278	786 782	793 453	796 175
Expenditure - Functional																
<i>Governance and administration</i>		12 086	12 183	12 167	12 173	12 148	12 213	12 130	12 133	12 186	12 113	12 145	12 404	146 081	149 928	157 871
Executive and council		2 412	2 413	2 425	2 413	2 413	2 426	2 412	2 412	2 425	2 412	2 412	2 437	29 013	31 154	32 872
Finance and administration		9 516	9 589	9 568	9 581	9 563	9 603	9 549	9 552	9 582	9 536	9 560	9 756	114 955	116 111	122 160
Internal audit		159	181	174	178	173	185	169	169	179	165	172	210	2 114	2 664	2 839
<i>Community and public safety</i>		11 276	11 522	11 625	11 497	11 435	11 743	11 387	11 396	11 672	11 344	11 425	12 035	138 357	112 933	119 730
Community and social services		2 456	2 475	2 470	2 473	2 468	2 479	2 465	2 465	2 473	2 461	2 467	2 504	29 656	27 658	29 371
Sport and recreation		2 431	2 508	2 498	2 500	2 480	2 534	2 465	2 468	2 513	2 452	2 477	2 626	29 953	33 081	34 830
Public safety		4 219	4 311	4 446	4 301	4 278	4 490	4 261	4 264	4 464	4 245	4 275	4 597	52 150	45 893	48 625
Housing		2 170	2 229	2 212	2 223	2 208	2 240	2 196	2 199	2 223	2 186	2 206	2 308	26 598	6 302	6 904
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2 609	2 749	2 708	2 734	2 699	2 775	2 672	2 677	2 735	2 647	2 694	2 941	32 641	37 859	39 382
Planning and development		957	979	972	976	971	983	967	967	976	963	970	1 009	11 689	12 121	12 510
Road transport		1 533	1 645	1 613	1 633	1 605	1 666	1 584	1 588	1 634	1 564	1 601	1 797	19 464	23 509	24 498
Environmental protection		119	125	123	125	123	127	122	122	125	120	123	135	1 488	2 228	2 374
<i>Trading services</i>		37 011	37 451	37 395	37 388	37 288	37 566	37 209	37 233	37 465	37 155	37 280	38 715	449 156	486 813	522 849
Energy sources		26 876	27 008	26 978	26 977	26 955	27 003	26 935	26 948	26 990	26 935	26 959	27 158	323 724	356 857	386 940
Water management		2 963	3 199	3 131	3 175	3 116	3 244	3 070	3 079	3 176	3 028	3 107	3 519	37 807	38 093	40 006
Waste water management		3 114	3 180	3 224	3 173	3 156	3 256	3 144	3 146	3 237	3 132	3 154	3 960	38 877	39 064	40 942
Waste management		4 057	4 063	4 061	4 063	4 061	4 064	4 060	4 060	4 063	4 059	4 061	4 077	48 749	52 798	54 961
<i>Other</i>		79	79	79	79	79	79	79	79	79	79	79	79	946	953	956
Total Expenditure - Functional		63 061	63 983	63 975	63 871	63 650	64 376	63 476	63 519	64 137	63 338	63 623	66 173	767 181	788 486	840 788
Surplus/ (Deficit) 1.		89 701	(16 020)	(16 827)	(16 310)	5 257	9 206	(14 381)	(15 406)	34 174	(15 135)	(14 763)	(9 895)	19 600	4 967	(44 613)

WC022 Witzenberg - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure -

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue By Source																
Property rates		40 708	4 152	4 002	3 883	99	4 902	4 429	3 902	4 323	4 484	4 330	4 076	83 290	89 121	96 250
Service charges - electricity revenue		26 707	26 707	26 707	26 707	26 707	26 707	26 707	26 707	26 707	26 707	26 707	33 697	327 478	346 576	376 970
Service charges - water revenue		3 184	3 148	2 568	3 176	3 065	3 327	3 999	3 497	3 610	3 069	3 948	2 988	39 577	42 328	45 139
Service charges - sanitation revenue		4 536	2 249	1 975	1 981	2 527	1 995	2 140	2 020	2 323	2 106	2 038	2 155	28 043	12 350	13 091
Service charges - refuse		2 233	2 131	2 260	2 237	2 251	2 334	2 244	2 411	2 348	2 260	2 260	2 607	27 574	27 108	28 735
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		247	247	247	247	247	247	247	247	247	247	247	248	2 970	1 543	1 620
Interest earned - external investments		582	582	582	582	582	582	582	582	582	582	582	583	6 990	7 089	7 193
Interest earned - outstanding debtors		723	723	723	723	723	723	723	723	723	723	723	723	8 677	9 111	9 566
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 789	1 789	1 789	1 789	1 789	1 789	1 789	1 789	1 789	1 789	1 789	1 798	21 479	22 553	23 681
Licences and permits		176	176	176	176	176	176	176	176	176	176	176	177	2 111	2 216	2 327
Agency services		337	337	337	337	337	337	337	337	337	337	337	339	4 046	4 249	4 461
Transfers and subsidies		47 722	3 026	3 086	3 026	19 787	19 847	3 026	3 026	36 608	3 026	3 026	3 086	148 292	128 604	130 741
Other revenue		1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 306	1 388	15 754	11 409	8 598
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue		130 251	46 573	45 759	46 171	59 597	64 272	47 706	46 724	81 080	46 813	47 471	53 863	716 281	704 257	748 374
Expenditure By Type																
Employee related costs		19 513	19 513	19 513	19 513	19 513	19 513	19 513	19 513	19 513	19 513	19 513	19 541	234 185	248 881	263 817
Remuneration of councillors		917	917	917	917	917	917	917	917	917	917	917	921	11 007	12 607	13 238
Debt impairment		5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	5 313	63 750	57 829	61 399
Depreciation & asset impairment		3 309	3 309	3 309	3 309	3 309	3 309	3 309	3 309	3 309	3 309	3 309	3 325	39 729	39 589	39 589
Finance charges		724	724	724	724	724	724	724	724	724	724	724	727	8 690	9 116	9 558
Bulk purchases - electricity		24 043	24 087	24 081	24 065	24 065	24 065	24 062	24 071	24 076	24 078	24 072	24 115	288 879	311 224	338 923
Inventory consumed		1 337	1 337	1 349	1 337	1 337	1 349	1 337	1 337	1 349	1 337	1 337	1 401	16 141	15 415	16 137
Contracted services		2 277	3 156	3 141	3 066	2 844	3 559	2 674	2 708	3 307	2 520	2 810	4 571	36 632	51 549	53 718
Grants and subsidies		1 989	1 989	1 989	1 989	1 989	1 989	1 989	1 989	1 989	1 989	1 989	1 989	23 870	2 273	2 575
Other expenditure		3 639	3 639	3 639	3 639	3 639	3 639	3 639	3 639	3 639	3 639	3 639	4 270	44 298	40 003	41 834
Losses		-	-	-	-	-	-	-	-	-	-	-	0	0	1	1
Total Expenditure		63 061	63 983	63 975	63 871	63 650	64 376	63 476	63 519	64 137	63 338	63 623	66 173	767 181	788 486	840 788
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		22 497	1 375	1 375	1 375	9 296	9 296	1 375	1 375	17 216	1 375	1 375	2 401	70 331	69 330	26 360
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		14	14	14	14	14	14	14	14	14	14	14	14	170	179	187
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		89 701	(16 020)	(16 827)	(16 310)	5 257	9 206	(14 381)	(15 406)	34 174	(15 135)	(14 763)	(9 895)	19 600	(14 721)	(65 866)

WC022 Witzenberg - Supporting Table SB15 Adjustments Budget - monthly cash flow -

Monthly cash flows	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Cash Receipts By Source	1															
Property rates		6 699	6 699	6 699	6 699	6 699	6 699	6 699	6 699	6 699	6 699	6 699	80 384	85 095	90 180	
Service charges - electricity revenue		26 500	26 500	26 500	26 500	26 500	26 500	26 500	26 500	26 500	26 500	26 500	318 000	359 252	405 864	
Service charges - water revenue		2 653	2 653	2 653	2 653	2 653	2 653	2 653	2 653	2 653	2 653	2 653	31 841	33 920	32 095	
Service charges - sanitation revenue		1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	1 384	16 614	17 597	18 725	
Service charges - refuse		1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	1 616	19 390	20 539	21 757	
Service charges - other		57	57	57	57	57	57	57	57	57	57	57	686	714	774	
Rental of facilities and equipment		6	6	6	6	6	6	6	6	6	6	6	74	78	82	
Interest earned - external investments		581	581	581	581	581	581	581	581	581	581	581	6 971	7 069	7 173	
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		111	111	111	111	111	111	111	111	111	111	112	1 333	1 400	1 470	
Licences and permits		184	184	184	184	184	184	184	184	184	184	185	2 209	2 320	2 436	
Agency services		329	329	329	329	329	329	329	329	329	329	330	3 948	4 145	4 353	
Transfer receipts - operational		45 078	2 411	3 678	2 411	18 411	19 678	2 411	2 411	35 678	2 411	2 411	140 667	128 534	130 878	
Other revenue		594	594	594	594	594	594	594	594	594	594	595	7 126	4 579	4 070	
Cash Receipts by Source		85 792	43 126	44 392	43 126	59 125	60 392	43 126	43 126	76 392	43 126	43 126	629 243	665 062	719 856	
Other Cash Flows by Source																
Transfers receipts - capital		5 440	5 440	13 631	5 440	5 440	13 631	5 440	5 440	13 631	5 440	5 440	14 737	99 150	70 683	
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source		91 232	48 566	58 023	48 566	64 566	74 023	48 566	48 566	90 023	48 566	48 566	59 133	728 393	735 745	
Cash Payments by Type																
Employee related costs		18 586	18 586	18 586	18 586	18 586	18 586	18 586	18 586	18 586	18 586	18 586	(427 481)	(223 034)	(238 665)	
Remuneration of councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance charges		38	38	38	38	38	38	38	38	38	38	38	(884)	(461)	(473)	
Bulk purchases - Electricity		24 149	24 149	24 149	24 149	24 149	24 149	24 149	24 149	24 149	24 149	24 149	(555 428)	(289 789)	(302 139)	
Acquisitions - water & other inventory		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure		9 333	9 333	9 333	9 333	9 333	9 333	9 333	9 333	9 333	9 333	9 333	(214 667)	(112 000)	(106 728)	
Cash Payments by Type		52 107	52 107	52 107	52 107	52 107	52 107	52 107	52 107	52 107	52 107	52 107	(1 198 460)	(625 283)	(647 995)	
Other Cash Flows/Payments by Type																
Capital assets		(6 825)	(6 825)	(6 825)	(6 825)	(6 825)	(6 825)	(6 825)	(6 825)	(6 825)	(6 825)	(6 825)	(81 900)	-	-	
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Payments by Type		45 282	45 282	45 282	45 282	45 282	45 282	45 282	45 282	45 282	45 282	45 282	(1 205 285)	(707 183)	(647 995)	
NET INCREASE/(DECREASE) IN CASH HELD		45 950	3 284	12 741	3 284	19 284	28 741	3 284	3 284	44 741	3 284	3 284	1 264 418	1 435 576	1 383 740	
Cash/cash equivalents at the month/year beginning:		115 305	161 255	164 539	177 280	180 564	199 847	228 588	231 872	235 155	279 896	283 180	286 464	1 150 881	1 550 881	
Cash/cash equivalents at the month/year end:		161 255	164 539	177 280	180 564	199 847	228 588	231 872	235 155	279 896	283 180	286 464	1 550 881	1 550 881	2 934 622	

WC022 Witzenberg - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) -

Description - Municipal Vote	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
<u>Multi-year expenditure appropriation</u>	1															
Vote 1 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services		252	252	252	252	252	252	252	252	252	252	252	252	3 023	6 843	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		2 675	3 530	3 530	6 379	6 379	4 385	2 675	3 530	3 530	6 379	6 379	4 906	54 276	38 115	11 563
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Multi-year expenditure sub-total	3	2 927	3 782	3 782	6 631	6 631	4 636	2 927	3 782	3 782	6 631	6 631	5 158	57 298	44 958	11 563
<u>Single-year expenditure appropriation</u>																
Vote 1 - Financial Services		76	76	101	76	76	101	76	76	101	76	76	101	1 012	80	80
Vote 2 - Community Services		73	94	94	164	164	115	73	94	94	164	164	115	1 406	4 929	7 624
Vote 3 - Corporate Services		59	59	59	59	59	59	59	59	59	59	59	323	973	700	100
Vote 4 - Technical Services		1 532	1 532	2 298	1 532	1 532	2 298	1 532	1 532	2 298	1 532	1 532	2 298	21 451	35 702	8 152
Vote 5 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	20
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	3	1 740	1 761	2 552	1 831	1 831	2 573	1 740	1 761	2 552	1 831	1 831	2 837	24 842	41 411	15 977
Total Capital Expenditure	2	4 667	5 543	6 334	8 461	8 461	7 210	4 667	5 543	6 334	8 461	8 461	7 996	82 140	86 369	27 540

WC022 Witzenberg - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) -

Description	Ref	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
		Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Capital Expenditure - Functional																
<i>Governance and administration</i>		299	299	324	299	299	324	299	299	324	299	299	324	3 682	1 780	1 200
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	20
Finance and administration		299	299	324	299	299	324	299	299	324	299	299	324	3 682	1 780	1 180
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		328	328	328	328	328	328	328	328	328	328	328	592	4 197	11 773	7 624
Community and social services		56	56	56	56	56	56	56	56	56	56	56	56	670	4 859	6 768
Sport and recreation		252	252	252	252	252	252	252	252	252	252	252	252	3 023	6 913	-
Public safety		20	20	20	20	20	20	20	20	20	20	20	284	504	-	857
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 290	1 311	1 311	1 380	1 380	1 332	1 290	1 311	1 311	1 380	1 380	1 332	16 007	29 886	8 237
Planning and development		17	38	38	108	108	59	17	38	38	108	108	59	736	-	-
Road transport		1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	1 273	15 272	29 886	8 237
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 751	3 606	4 372	6 455	6 455	5 227	2 751	3 606	4 372	6 455	6 455	5 749	58 254	42 931	10 478
Energy sources		267	600	991	1 710	1 710	1 324	267	600	991	1 710	1 710	1 324	13 204	6 715	3 478
Water management		422	944	944	2 683	2 683	1 465	422	944	944	2 683	2 683	1 465	18 281	29 076	7 000
Waste water management		197	197	572	197	197	572	197	197	572	197	197	1 094	4 391	7 140	-
Waste management		1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	22 377	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional		4 667	5 543	6 334	8 461	8 461	7 210	4 667	5 543	6 334	8 461	8 461	7 996	82 140	86 369	27 540

WC022 Witzberg - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class -

Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
Capital expenditure on new assets by Asset Class/Sub-class												
Infrastructure		55 056	58 769	-	-	-	-	522	522	59 291	28 861	18 563
Roads Infrastructure		889	2 170	-	-	-	-	-	-	2 170	1 390	8 085
Roads		889	1 457	-	-	-	-	-	-	1 457	1 390	8 085
Road Structures		-	713	-	-	-	-	-	-	713	-	-
Road Furniture		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		997	889	-	-	-	-	-	-	889	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		997	889	-	-	-	-	-	-	889	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		12 663	12 663	-	-	-	-	-	-	12 663	2 715	3 478
Power Plants		-	-	-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-	-	-
MV Networks		11 097	11 097	-	-	-	-	-	-	11 097	2 715	3 478
LV Networks		1 565	1 565	-	-	-	-	-	-	1 565	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		21 135	18 281	-	-	-	-	-	-	18 281	24 756	7 000
Dams and Weirs		17 391	17 391	-	-	-	-	-	-	17 391	16 730	-
Boreholes		-	-	-	-	-	-	-	-	-	-	-
Reservoirs		2 855	-	-	-	-	-	-	-	-	-	7 000
Pump Stations		-	-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-	8 026	-
Distribution		889	889	-	-	-	-	-	-	889	-	-
Distribution Points		-	-	-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		2 389	2 389	-	-	-	-	522	522	2 911	-	-
Pump Station		-	-	-	-	-	-	-	-	-	-	-
Reticulation		889	889	-	-	-	-	-	-	889	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-	-	-
Toilet Facilities		1 500	1 500	-	-	-	-	522	522	2 022	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		16 982	22 377	-	-	-	-	-	-	22 377	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-	-	-
Waste Separation Facilities		16 982	22 377	-	-	-	-	-	-	22 377	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Community Assets		696	736	-	-	-	-	-	-	736	4 849	6 768
Community Facilities		696	736	-	-	-	-	-	-	736	4 819	6 768
Halls		-	-	-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-	4 819	6 768
Police		-	-	-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2021/22										Budget Year +1	Budget Year +2	
		Original Budget A	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjus. 12 F	Total Adjus. 13 G	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget		
R thousands														
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Markets</i>		696	736	-	-	-	-	-	-	-	736	-	-	-
<i>Stalls</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	30	-	-
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		-	-	-	-	-	-	-	-	-	-	30	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Monuments</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Works of Art</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Local Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		450	694	-	-	-	-	264	264	958	750	150	-	-
<i>Computer Equipment</i>		450	694	-	-	-	-	264	264	958	750	150	-	-
Furniture and Office Equipment		30	787	-	-	-	-	670	670	1 457	30	50	-	-
<i>Furniture and Office Equipment</i>		30	787	-	-	-	-	670	670	1 457	30	50	-	-
Machinery and Equipment		-	221	-	-	-	-	-	-	221	80	-	-	-
<i>Machinery and Equipment</i>		-	221	-	-	-	-	-	-	221	80	-	-	-
Transport Assets		1 000	2 441	-	-	-	-	-	-	2 441	1 000	1 857	-	-
<i>Transport Assets</i>		1 000	2 441	-	-	-	-	-	-	2 441	1 000	1 857	-	-
Land		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets to be adjusted	1	57 231	63 648	-	-	-	-	1 456	1 456	65 103	35 570	27 388	-	-

WC022 Witzenberg - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class -

Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
Capital expenditure on renewal of existing assets by Asset Class/Sub-class												
Infrastructure		-	-	-	-	-	-	-	-	-	5 000	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	2 000	-
Roads		-	-	-	-	-	-	-	-	-	2 000	-
Road Structures		-	-	-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	1 500	-
Dams and Weirs		-	-	-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-	1 500	-
Distribution Points		-	-	-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	1 500	-
Pump Station		-	-	-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-	1 500	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-	-	-
Care Layers		-	-	-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2	
		Original Budget A	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjus. 12 F	Total Adjus. 13 G	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget	
R thousands													
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Stalls</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Works of Art</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>		-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
Other assets		600	600	-	-	-	-	(600)	(600)	-	-	-	-
Operational Buildings		600	600	-	-	-	-	(600)	(600)	-	-	-	-
<i>Municipal Offices</i>		600	600	-	-	-	-	(600)	(600)	-	-	-	-
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Local Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>		-	-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets to be adjusted	1	600	600	-	-	-	-	(600)	(600)	-	5 000	-	-

WC022 Witzberg - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -

Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			
R thousands													
Repairs and maintenance expenditure by Asset Class/Sub-class													
Infrastructure		15 094	10 787	-	-	-	-	-	-	-	10 787	15 141	15 757
Roads Infrastructure		7 173	3 890	-	-	-	-	-	-	-	3 890	7 489	7 826
Roads		6 263	3 264	-	-	-	-	-	-	-	3 264	6 538	6 832
Road Structures		-	-	-	-	-	-	-	-	-	-	-	-
Road Furniture		911	626	-	-	-	-	-	-	-	626	951	993
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		2 971	2 245	-	-	-	-	-	-	-	2 245	2 484	2 531
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		2 971	2 245	-	-	-	-	-	-	-	2 245	2 484	2 531
Attenuation		-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		2 012	1 260	-	-	-	-	-	-	-	1 260	2 100	2 195
Power Plants		-	-	-	-	-	-	-	-	-	-	-	-
HV Substations		28	1	-	-	-	-	-	-	-	1	29	30
HV Switching Station		-	-	-	-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-	-	-	-
MV Substations		825	519	-	-	-	-	-	-	-	519	862	900
MV Switching Stations		0	0	-	-	-	-	-	-	-	0	0	0
MV Networks		999	360	-	-	-	-	-	-	-	360	1 043	1 090
LV Networks		160	379	-	-	-	-	-	-	-	379	167	174
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		1 299	816	-	-	-	-	-	-	-	816	1 356	1 417
Dams and Weirs		204	-	-	-	-	-	-	-	-	-	213	223
Boreholes		154	70	-	-	-	-	-	-	-	70	161	168
Reservoirs		-	-	-	-	-	-	-	-	-	-	-	-
Pump Stations		51	-	-	-	-	-	-	-	-	-	54	56
Water Treatment Works		103	269	-	-	-	-	-	-	-	269	107	112
Bulk Mains		419	196	-	-	-	-	-	-	-	196	437	457
Distribution		317	231	-	-	-	-	-	-	-	231	331	346
Distribution Points		51	49	-	-	-	-	-	-	-	49	54	56
PRV Stations		-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		1 639	2 577	-	-	-	-	-	-	-	2 577	1 711	1 788
Pump Station		-	-	-	-	-	-	-	-	-	-	-	-
Retiulation		556	1 227	-	-	-	-	-	-	-	1 227	581	607
Waste Water Treatment Works		988	1 320	-	-	-	-	-	-	-	1 320	1 032	1 078
Outfall Sewers		-	-	-	-	-	-	-	-	-	-	-	-
Toilet Facilities		95	30	-	-	-	-	-	-	-	30	99	104
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-	-	-	-
Care Layers		-	-	-	-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Community Assets		1 115	858	-	-	-	-	-	-	-	858	1 165	1 218
Community Facilities		605	419	-	-	-	-	-	-	-	419	633	662
Halls		156	126	-	-	-	-	-	-	-	126	163	170
Centres		-	-	-	-	-	-	-	-	-	-	-	-
Crèches		38	38	-	-	-	-	-	-	-	38	40	41
Clinics/Care Centres		-	-	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-	-	-	-
Libraries		(3)	-	-	-	-	-	-	-	-	-	(3)	(3)
Cemeteries/Crematoria		159	116	-	-	-	-	-	-	-	116	166	173
Police		-	-	-	-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2021/22										Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			
R thousands													
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		186	75	-	-	-	-	-	-	-	75	195	205
<i>Markets</i>		70	66	-	-	-	-	-	-	-	66	73	76
<i>Stalls</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		510	439	-	-	-	-	-	-	-	439	532	556
<i>Indoor Facilities</i>		254	176	-	-	-	-	-	-	-	176	265	277
<i>Outdoor Facilities</i>		256	263	-	-	-	-	-	-	-	263	267	279
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Monuments</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Works of Art</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>		-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
Other assets		456	449	-	-	-	-	-	-	-	449	476	497
<i>Operational Buildings</i>		357	321	-	-	-	-	-	-	-	321	373	389
<i>Municipal Offices</i>		357	321	-	-	-	-	-	-	-	321	373	389
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Housing		99	128	-	-	-	-	-	-	-	128	103	108
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		99	128	-	-	-	-	-	-	-	128	103	108
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		311	138	-	-	-	-	-	-	-	138	325	339
<i>Computer Equipment</i>		311	138	-	-	-	-	-	-	-	138	325	339
Furniture and Office Equipment		53	20	-	-	-	-	-	-	-	20	55	58
<i>Furniture and Office Equipment</i>		53	20	-	-	-	-	-	-	-	20	55	58
Machinery and Equipment		288	120	-	-	-	-	-	-	-	120	300	314
<i>Machinery and Equipment</i>		288	120	-	-	-	-	-	-	-	120	300	314
Transport Assets		2 316	2 503	-	-	-	-	-	-	-	2 503	2 087	2 202
<i>Transport Assets</i>		2 316	2 503	-	-	-	-	-	-	-	2 503	2 087	2 202
Land		-	-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure to be adjusted	1	19 633	14 874	-	-	-	-	-	-	-	14 874	19 550	20 386

WC022 Witzberg - Supporting Table SB18d Adjustments Budget - depreciation by asset class -

Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			
R thousands													
Depreciation by Asset Class/Sub-class													
Infrastructure		23 494	23 494	-	-	-	-	-	-	-	23 494	23 494	23 494
Roads Infrastructure		4 758	4 758	-	-	-	-	-	-	-	4 758	4 758	4 758
Roads		558	558	-	-	-	-	-	-	-	558	558	558
Road Structures		2 100	2 100	-	-	-	-	-	-	-	2 100	2 100	2 100
Road Furniture		2 100	2 100	-	-	-	-	-	-	-	2 100	2 100	2 100
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		2 091	2 091	-	-	-	-	-	-	-	2 091	2 091	2 091
Drainage Collection		507	507	-	-	-	-	-	-	-	507	507	507
Storm water Conveyance		1 077	1 077	-	-	-	-	-	-	-	1 077	1 077	1 077
Attenuation		507	507	-	-	-	-	-	-	-	507	507	507
Electrical Infrastructure		3 912	3 912	-	-	-	-	-	-	-	3 912	3 912	3 912
Power Plants		-	-	-	-	-	-	-	-	-	-	-	-
HV Substations		474	474	-	-	-	-	-	-	-	474	474	474
HV Switching Station		474	474	-	-	-	-	-	-	-	474	474	474
HV Transmission Conductors		474	474	-	-	-	-	-	-	-	474	474	474
MV Substations		474	474	-	-	-	-	-	-	-	474	474	474
MV Switching Stations		474	474	-	-	-	-	-	-	-	474	474	474
MV Networks		591	591	-	-	-	-	-	-	-	591	591	591
LV Networks		474	474	-	-	-	-	-	-	-	474	474	474
Capital Spares		474	474	-	-	-	-	-	-	-	474	474	474
Water Supply Infrastructure		5 434	5 434	-	-	-	-	-	-	-	5 434	5 434	5 434
Dams and Weirs		407	407	-	-	-	-	-	-	-	407	407	407
Boreholes		407	407	-	-	-	-	-	-	-	407	407	407
Reservoirs		407	407	-	-	-	-	-	-	-	407	407	407
Pump Stations		407	407	-	-	-	-	-	-	-	407	407	407
Water Treatment Works		407	407	-	-	-	-	-	-	-	407	407	407
Bulk Mains		100	100	-	-	-	-	-	-	-	100	100	100
Distribution		1 100	1 100	-	-	-	-	-	-	-	1 100	1 100	1 100
Distribution Points		1 100	1 100	-	-	-	-	-	-	-	1 100	1 100	1 100
PRV Stations		1 100	1 100	-	-	-	-	-	-	-	1 100	1 100	1 100
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		5 559	5 559	-	-	-	-	-	-	-	5 559	5 559	5 559
Pump Station		100	100	-	-	-	-	-	-	-	100	100	100
Reticulation		1 200	1 200	-	-	-	-	-	-	-	1 200	1 200	1 200
Waste Water Treatment Works		1 200	1 200	-	-	-	-	-	-	-	1 200	1 200	1 200
Outfall Sewers		1 200	1 200	-	-	-	-	-	-	-	1 200	1 200	1 200
Toilet Facilities		1 859	1 859	-	-	-	-	-	-	-	1 859	1 859	1 859
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1 740	1 740	-	-	-	-	-	-	-	1 740	1 740	1 740
Landfill Sites		100	100	-	-	-	-	-	-	-	100	100	100
Waste Transfer Stations		328	328	-	-	-	-	-	-	-	328	328	328
Waste Processing Facilities		328	328	-	-	-	-	-	-	-	328	328	328
Waste Drop-off Points		328	328	-	-	-	-	-	-	-	328	328	328
Waste Separation Facilities		328	328	-	-	-	-	-	-	-	328	328	328
Electricity Generation Facilities		328	328	-	-	-	-	-	-	-	328	328	328
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-	-
Community Assets		3 667	3 667	-	-	-	-	-	-	-	3 667	3 527	3 527
Community Facilities		2 079	2 079	-	-	-	-	-	-	-	2 079	2 079	2 079
Halls		1 422	1 422	-	-	-	-	-	-	-	1 422	1 422	1 422
Centres		-	-	-	-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-	-	-	-
Libraries		385	385	-	-	-	-	-	-	-	385	385	385
Cemeteries/Crematoria		13	13	-	-	-	-	-	-	-	13	13	13
Police		-	-	-	-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-	-	-	-
Public Open Space		260	260	-	-	-	-	-	-	-	260	260	260

Description	Ref	Budget Year 2021/22										Budget Year +1	Budget Year +2
		Original Budget A	Prior Adjusted 7 A1	Accum. Funds 8 B	Multi-year capital 9 C	Unfore. Unavoid. 10 D	Nat. or Prov. Govt 11 E	Other Adjusts. 12 F	Total Adjusts. 13 G	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget	
R thousands													
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Stalls</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		1 588	1 588	-	-	-	-	-	-	-	1 588	1 448	1 448
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		1 588	1 588	-	-	-	-	-	-	-	1 588	1 448	1 448
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Monuments</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Works of Art</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>		-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		742	742	-	-	-	-	-	-	-	742	742	742
<i>Revenue Generating</i>		371	371	-	-	-	-	-	-	-	371	371	371
<i>Improved Property</i>		185	185	-	-	-	-	-	-	-	185	185	185
<i>Unimproved Property</i>		185	185	-	-	-	-	-	-	-	185	185	185
<i>Non-revenue Generating</i>		371	371	-	-	-	-	-	-	-	371	371	371
<i>Improved Property</i>		185	185	-	-	-	-	-	-	-	185	185	185
<i>Unimproved Property</i>		185	185	-	-	-	-	-	-	-	185	185	185
Other assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		398	398	-	-	-	-	-	-	-	398	398	398
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		398	398	-	-	-	-	-	-	-	398	398	398
<i>Water Rights</i>		17	17	-	-	-	-	-	-	-	17	17	17
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		381	381	-	-	-	-	-	-	-	381	381	381
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		2 373	2 373	-	-	-	-	-	-	-	2 373	2 373	2 373
<i>Computer Equipment</i>		2 373	2 373	-	-	-	-	-	-	-	2 373	2 373	2 373
Furniture and Office Equipment		630	630	-	-	-	-	-	-	-	630	630	630
<i>Furniture and Office Equipment</i>		630	630	-	-	-	-	-	-	-	630	630	630
Machinery and Equipment		1 505	1 505	-	-	-	-	-	-	-	1 505	1 505	1 505
<i>Machinery and Equipment</i>		1 505	1 505	-	-	-	-	-	-	-	1 505	1 505	1 505
Transport Assets		6 921	6 921	-	-	-	-	-	-	-	6 921	6 921	6 921
<i>Transport Assets</i>		6 921	6 921	-	-	-	-	-	-	-	6 921	6 921	6 921
Land		-	-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total Depreciation to be adjusted	1	39 729	39 729	-	-	-	-	-	-	-	39 729	39 589	39 589

WC022 Witzenberg - Adjustments Budget - capital expenditure on upgrading of existing assets by asset class -

Description	Ref	Budget Year 2021/22									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class												
Infrastructure		25 957	14 014	-	-	-	-	-	-	14 014	38 955	152
Roads Infrastructure		25 457	13 102	-	-	-	-	-	-	13 102	26 495	152
Roads		-	-	-	-	-	-	-	-	-	2 820	-
Road Structures		25 457	13 102	-	-	-	-	-	-	13 102	23 675	152
Road Furniture		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	2 820	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	2 820	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		500	542	-	-	-	-	-	-	542	4 000	-
Power Plants		-	-	-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-	-	-
MV Substations		500	542	-	-	-	-	-	-	542	1 000	-
MV Switching Stations		-	-	-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-	2 000	-
LV Networks		-	-	-	-	-	-	-	-	-	1 000	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	2 820	-
Dams and Weirs		-	-	-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-	2 820	-
Distribution Points		-	-	-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	370	-	-	-	-	-	-	370	2 820	-
Pump Station		-	-	-	-	-	-	-	-	-	-	-
Retiulation		-	-	-	-	-	-	-	-	-	2 820	-
Waste Water Treatment Works		-	370	-	-	-	-	-	-	370	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-	-	-
Care Layers		-	-	-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-	-	-
Community Assets		5 456	3 023	-	-	-	-	-	-	3 023	6 843	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2021/22										Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			
R thousands													
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Stalls</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		5 456	3 023	-	-	-	-	-	-	-	3 023	6 843	-
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		5 456	3 023	-	-	-	-	-	-	-	3 023	6 843	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Monuments</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Works of Art</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>		-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>		-	-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets to be adjusted	1	31 413	17 037	-	-	-	-	-	-	-	17 037	45 799	152

WC022 Witzenberg - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget -

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal Code 3	Individually Approved Yes/No 6	Asset Class 4	Asset Sub-Class 4	GPS co-ordinates 5	Medium Term Revenue and Expenditure Framework					
								Budget Year 2021/22		Budget Year +1 2022/23		Budget Year +2 2023/24	
								Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
Parent municipality: Technical Services Corporate Services Corporate Services Community Services	Construction of Toilets for Informal Settlements Surveillance Cameras Upgrade Council Chambers Library Furniture and Equipment							-	522				
								-	264				
								600	-				
								-	670				
Entities: <i>List all capital programs/projects grouped by Municipal Entity</i>													
Entity Name Project name													

WC022 Witzenberg - Supporting Table SB20 Not required -

Description	Ref	Budget Year 2021/22									Budget Year +1 2022/23	Budget Year +2 2023/24
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 8 E	Other Adjusts. 9 F	Total Adjusts. 10 G	Adjusted Budget 11 H	Adjusted Budget	Adjusted Budget
R thousands												
Revenue By Municipal Entity												
Entity 1 total revenue									-	-		
Entity 2 total revenue									-	-		
Entity 3 (etc) total revenue									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
Total Operating Revenue	1	-	-	-	-	-	-	-	-	-	-	-
Expenditure By Municipal Entity												
Entity 1 total operating expenditure									-	-		
Entity 2 total operating expenditure									-	-		
Entity 3 etc. total operating expenditure									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
Total Operating Expenditure	2	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure By Municipal Entity												
Entity 1 total capital expenditure									-	-		
Entity 2 total capital expenditure									-	-		
Entity 3 etc. total capital expenditure									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
									-	-		
Total Capital Expenditure	2	-	-	-	-	-	-	-	-	-	-	-



**INTEGRATED DEVELOPMENT PLAN -
ADOPTED WITH AMENDMENTS ITO
SECTION 25 (3)- 2022-2027**

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GLOSSARY

BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CDWs	Community Development Workers
CBD	Central Business District
CDI	City Development Index
CWDM	Cape Winelands District Municipality
CAPEX	Capital Expenditure
DM	District Municipality
DWAF	Department of Water Affairs and Forestry
DBSA	Development Bank of Southern Africa
DTI	Department of Trade and Industry
DPLG	Department of Provincial and Local Government
DEAT	Department of Environmental Affairs and Tourism
DLA	Department of Land Affairs
DSDF	District Spatial Development Framework
EE	Employment Equity
EL	External Loans
GDPR	Gross Domestic Product Regional
GDP	Gross Domestic Product
GCIS	Government Communications and Information Systems
HDI	Human Development Index
HR	Human Resources
IDP	Integrated Development Plan
IWMP	Integrated Waste Management Plan
IS	Information Systems
ICASA	Independent Communications Authority of South Africa
IT	Information Technology
JDA	Joint District Approach
KPAs	Key Performance Areas
KPIs	Key Performance Indicators
LED	Local Economic Development
MSA	Municipal Systems Act
MSIG	Municipal Systems Improvement Grant
MIG	Municipal Infrastructure Grant
MAYCO	Mayoral Committee
MTREF	Medium Term Revenue Expenditure Framework
MPCC	Multi-purpose Community Centre
NSDP	National Spatial Development Framework
NGO's	Non-governmental Organisation
OPEX	Operational Expenditure
PPP	Public Private Partnerships
PGDS	Provincial Growth and Development Strategy
PMS	Performance Management System
PTIP	Public Transport Improvement Plan
RDP	Reconstruction and Development Programme

RED Door	Real Economic Development Door
RSEP	Regional Socio-Economic Programme
SDF	Spatial Development Framework
SEDA	Small Enterprise Development Agency
SDBIP	Service Delivery Budget Implementation Plan
SCM	Supply Chain Management
SMME	Small, Micro and Medium Enterprise
SALGA	South African Local Government Association
STR	Small Town Regeneration
UISP	Upgrade of Informal Settlements Programme
IUDF	Integrated Urban Development Framework
VIP	Vision Inspired Priorities
WCED	Western Cape Education Department

1 EXECUTIVE SUMMARY

A. EXECUTIVE MAYOR FOREWORD



[Redacted text block]

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I thank you.

HJ Smit – Executive Mayor

Witzenberg Municipality

Integrated Development Plan - Adopted with Amendments to Section 25 (3)

B. MUNICIPAL MANAGER FOREWORD



T [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

David Nasson – Municipal Manager

2 INTRODUCTION

A. ABOUT THE IDP

I. EXECUTIVE SUMMARY

As Witzenberg Municipality we are proud to present this second Amendment of our 4th Generation IDP as developed and drafted in consultation with the people of Witzenberg, provincial government and sector departments, local business forums and civil society stakeholders.

The new five-year IDP sets out the vision and mission of the municipality and clearly defines the strategies and plans to deliver our objectives of infrastructure-led growth, sustainable human settlements, financial sustainability, LED, social development, strategic partnerships and international relationships.

The development of a credible IDP allows the municipality to engage in continuous planning, monitoring and evaluation of all the sector plans that form part of this IDP. The review of the 4th Generation IDP is therefore set out in the following way:

A thorough analysis of the spatial, economic and environmental issues in conjunction with the community, partners in government and other stakeholders has highlighted two major issues that will influence our strategies and planning over the next five years. The increased growth of especially our more vulnerable population will be addressed through the implementation of social housing programmes such as Vredebes and the upgrade of the informal settlement in N'Duli. These projects require major bulk

infrastructure upgrading that will take up the largest portion of our grant funding for the next five years. The analysis of our **Agri-economic environment** has also indicated a positive growth over the next five years and is it essential that the municipality provides sufficient bulk and network infrastructure to support investment and job creation opportunities. It is in this regard that we will work together with the Department of Rural Development and Land Reform as well as the Department of Agriculture to ensure the successful implementation of the Agri-Park.

Witzenberg has identified four key performance areas (KPA) based on the objectives of local government as set out in Section 156 of the Constitution.

The **KPA: Essential Services** includes the objectives of sustainable provision and maintenance of basic services and provision for the needs of informal settlements. These objectives include programmes and projects that will especially focus on the provision of **bulk infrastructure for housing projects**. The provision of **bulk electricity by Eskom** has been identified as a major risk as existing Eskom bulk infrastructure currently cannot provide for the growth requirements of Witzenberg. Other programmes and projects include the development and implementation of a **waste management strategy** with the focus on decreasing waste through the implementation of a material recovery facility and drop-off points to replace the garden waste skips. This will be done with the support and cooperation of Witzenberg's twinning municipality, Essen, in

Belgium. The ongoing drought in the Western Cape has also had an impact on Witzenberg and it is especially in **Tulbagh** where insufficient **water storage** capacity has resulted in the implementation of water restrictions. Funding has been allocated by the Department of Water Affairs for the construction of a storage dam over the next three years.

The key performance area of **Governance** includes the objectives of institutional development and transformation, financial viability and the strengthening of partnerships.

Financial Viability is essential towards a sustainable and developmental local government. We will especially focus on **debt management** to address non-payment, but will also continue to support our vulnerable communities through our **indigent and pro-poor policies**.

Our third key performance area of **Communal Services** includes the objective of providing and maintaining facilities and the environment. The Witzenberg mountains are the source of four of the Western Cape's major rivers and

programmes. The focus will be on the **conservation of our natural environment**, the eradication of aliens in our rivers and ongoing awareness programmes that will be implemented in conjunction with various role-players.

The **Socio-Economic Support Services** KPA focuses on the objectives to support the poor and to create an enabling environment to support the local economy. The construction of houses in Vredebes will **improve the living conditions of those in informal settlements, overcrowded houses and structures in backyards**. The Vredebes development will also make provision for "GAP" housing under the FLISP Programme of the Department of Human Settlements.

The continued support and implementation of the Agri-Park will create **opportunities for investment, job creation and land reform** as an enabling environment for local economic growth.

We also understand that this is merely a strategic document and that the major challenge will be implementing and realising our plans. The Council and administration commit to achieving the objectives as set out in this IDP and urge the people of Witzenberg to walk this exciting road with us towards improved livelihoods.

II. DEFINITION

Integrated Development Planning is the process through which the municipality prepares a strategic developmental plan, which is the principal strategic instrument guiding all planning, management, investment, development and implementation decisions, taking into account input from all stakeholders.

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structure. It also integrates and aligns planning in different spheres of government and therefore enforces and upholds the spirit of cooperative governance in the public sector.

The Constitution of the Republic of South Africa (1996) commits government to take reasonable measures, within its available resources, to ensure that all South Africans have access to adequate housing, healthcare, education, food, water and social security. Developmental local government can only be realised through integrated development planning and the compilation of a credible Integrated Development Plan (IDP).

III. LEGISLATION

Legal Framework for Integrated Development Planning

According to the Constitution of the Republic of South Africa, the local sphere of government is charged with the responsibility of implementing developmental local government as well as cooperative governance. The mandate to relate its management, budgeting and planning functions to its objectives gives a clear indication of the intended purposes of municipal integrated development planning, namely:

- Ensure sustainable provision of services
- Promote social and economic development
- Promote a safe and healthy environment

- Give priority to the basic needs of communities
- Encourage involvement of communities

The first piece of legislation drafted to reflect the responsibility of the local sphere of government to implement integrated development planning by means of the compilation of an IDP document, was the Local Government Transition Act (1993) as amended by the Local Government Transition Second Amendment Act (1996). In this legislation the IDP was presented as the main planning instrument that guides all planning and decision-making process of the municipality.

The Local Government Transition Act was an interim piece of legislation applicable to the local sphere of government until the demarcation of municipalities was finalised, and the need then arose to enact legislation regulating integrated development planning on a more permanent basis.

In 2000 the Local Government: Municipal Systems Act 32 of 2000 (MSA) came into effect. Section 25(1) of the Act stipulates that each municipal council must, after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- Links, integrates and coordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan;
- Forms the policy framework and general basis on which the annual budget must be based; and
- Is compatible with national and provincial development plans, and planning requirements binding on the municipality in terms of legislation.

The MSA is therefore the principal piece of legislation governing integrated development planning at municipal level. Municipalities are bound by it and must ensure its implementation. Other legislation and policy documents that

contain reference to integrated development planning are:

- The Constitution of the Republic of South Africa Act 108 of 1996;
- Reconstruction and Development Programme (RDP);
- Growth, Employment and Redistribution Strategy (GEAR);
- Tourism Act 72 of 1993;
- Development Facilitation Act 67 of 1995;
- National Water Act 36 of 1997;
- Housing Act 107 of 1997;
- White Paper on Local Government of 1998;
- Local Government: Municipal Structures Act 117 of 1998;
- National Environmental Management Act 107 of 1998;
- National Land and Transportation Transition Act 22 of 2000;
- Disaster Management Act 52 of 2002;
- White Paper on National Civil Aviation Policy (2005); and
- The Local Government: Municipal Finance Management Act 56 of 2003.

A further piece of legislation which has a tremendous impact on the IDP is the Municipal Finance Management Act (MFMA). Due to the coming into effect of this Act, the revision of the IDPs must be aligned with the stipulations and timeframes as set out in this Act.

Section 35 of the MSA states explicitly that an integrated development plan adopted by municipal council is the principal strategic planning instrument which:

- Guides and informs all planning and development, and all decision making with regard to planning, management and development in the municipality;
- Binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's IDP and national or provincial legislation, in which case such legislation prevails; and
- Binds all other persons to the extent that those parts of the IDP that impose duties or

affect the rights of those persons have been passed as a by-law.

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.

IV. PROCESS

Developing the Integrated Development Plan

In compliance with the Municipal's Systems Act as amended, the IDP Review/ Amended and Budget Process Plan were adopted by full Council on 22 November 2021.

This IDP and Budget Process Plan inter alia seek to address the:

- Identification of areas requiring additional attention in terms of legislative requirements, proper planning processes and sound financial management;
- Inclusion of the most current Census and own statistical data;
- Consideration and review of any other relevant and new information;
- Addressing comments received from the various role-players;
- Shortcomings and weaknesses identified through self-assessment;
- Preparation and review of sector plans and its alignment with the IDP;
- Preparation and review of the Performance Management System (PMS);
- Update of the 5-year Financial Plan; and
- Preparation and finalisation of the annual Budget in terms of the relevant legislation.

The situational analysis process started in January 2022

All further actions in accordance with legislative and regulatory requirements, such as the final approval of the IDP, and the Medium Term Revenue and Expenditure Framework for the

ensuing three year financial cycles, SDBIPs, the submission of all the relevant documentation to the appropriate authorities and the making public of these final documents will be executed.

Public Participation Process

Section 29 of the Municipal Systems Act, No 32 of 2000 states that –

29. (1) The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft plan, must –

(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for—

- (i) the local community to be consulted on its development needs and priorities;
- (ii) the local community to participate in the drafting of the integrated development plan.

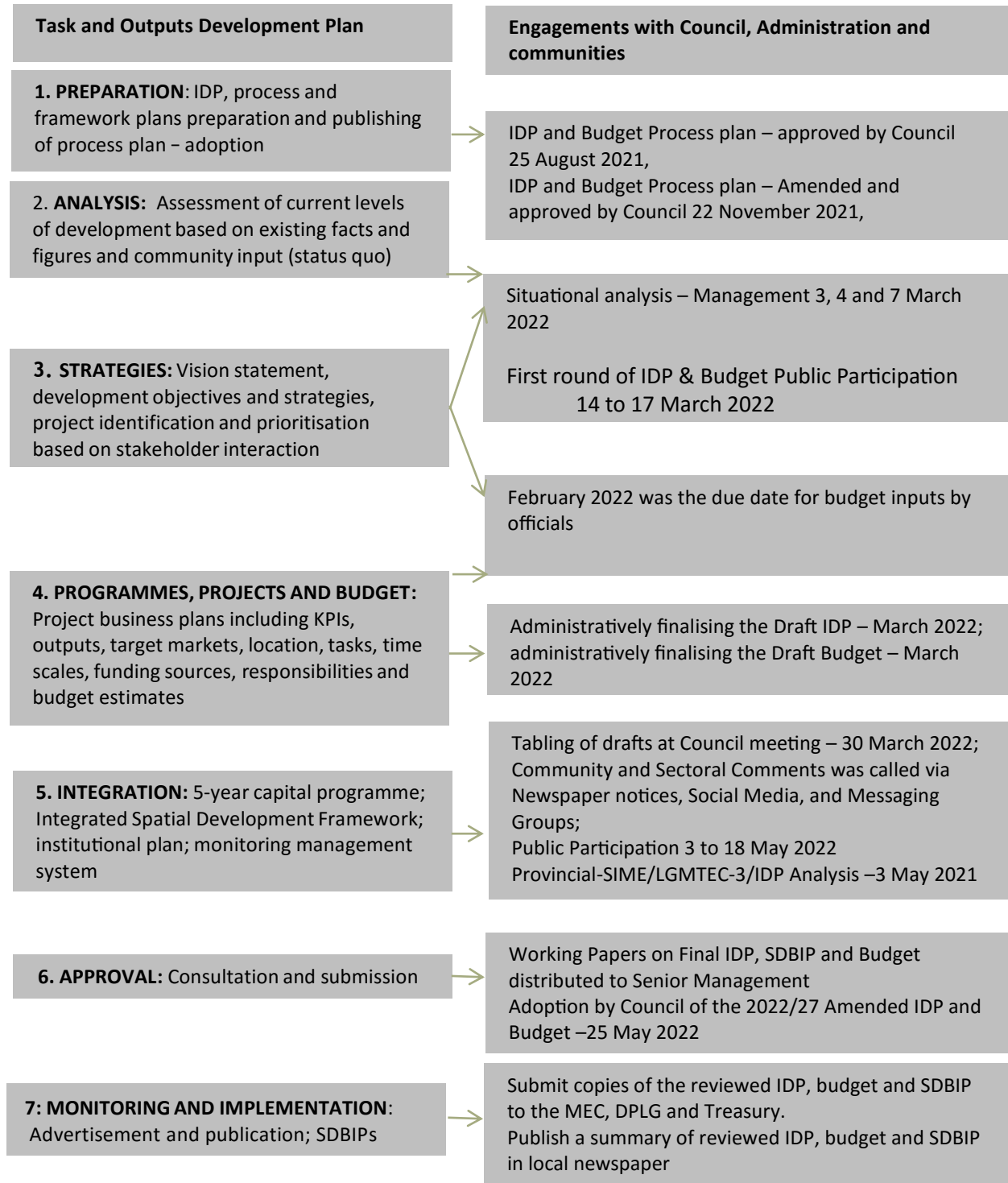
It provides an opportunity for all stakeholders with different needs and priorities to learn from each other and to negotiate and compromise around their viewpoints, leading to unification and consensus building.

The municipality adopted the 2022 – 2023 Reviewed/Amended IDP and Budget Process Plan on 22 November 2021. Amongst others, it includes appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, and other role-players in the IDP drafting process.

The diagram on the following page outlines the steps in developing the Amended Integrated Development Plan 2022 – 2023.

Public participation allows the municipality and the community to focus on itself, and develop a future-orientated vision and mission, proactively positioning itself and adapting and learning from an ever-changing environment.

Steps and events 2021/2022



B. VISION, MISSION, OBJECTIVES

I. VISION AND MISSION

Our Vision

A municipality that cares for its community, creating growth and opportunities.

Our Mission

The Witzenberg Municipality is committed to improve the quality of life of its community by:

- Providing and maintaining affordable services
- Promoting social and economic development
- The effective and efficient use of available resources
- Effective stakeholder and community participation

Value System

- Driven by the aspirations of our community, we will respect and uphold the Constitution of the Republic of South Africa.
- We commit ourselves to the Code of Conduct for Councillors and officials in terms of the Municipal Systems Act.
- We commit ourselves to the principles of sound financial management.

We subscribe to the principles of Batho Pele

- Consultation – Citizens should be consulted about service levels and quality when possible.
- Service standards – Citizens must be made aware of what to expect in terms of the level and quality of services.
- Access – Citizens should have equal access to the services to which they are entitled.
- Courtesy – Citizens should be treated with courtesy and consideration.
- Information – Citizens must receive full and accurate information about their services.
- Openness and transparency – Citizens should be informed about government departments' operational budgets and management structures.
- Redress – Citizens are entitled to an apology, explanation and remedial action if they are promised a standard of service that is not delivered.
- Value for money – Public services should be provided economically and efficiently.

II. STRATEGIC MAP

<i>WITZENBERG MUNICIPALITY: STRATEGIC MAP 2018/19</i>					
Vision	Mission	Municipal KPA		Pre-determined Objectives	
A municipality that cares for its community, creating growth and opportunities.	<p>The Witzenberg Municipality is committed to improve the quality of life of its community by:</p> <ul style="list-style-type: none"> - Providing & maintaining affordable services - Promoting Social & Economic Development - The effective & efficient use of resources - Effective stakeholder & community participation. 	1	Essential Services	1,1	Sustainable provision & maintenance of basic infrastructure
				1,2	Provide for the needs of informal settlements through improved services
		2	Governance	2,1	Support Institutional Transformation & Development
				2,2	Ensure financial viability.
				2,3	To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation of participative structures.
		3	Communal Services	3,1	Provide & maintain facilities that make citizens feel at home.
		4	Socio-Economic Support Services	4,1	Support the poor & vulnerable through programmes & policy
				4,2	Create an enabling environment to attract investment & support local economy.

III. SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Pro-poor policies (e.g. indigent; procurement) ▪ Close cooperation at management level ▪ Good dialogue with business and agricultural sectors ▪ Good water quality ▪ Effective international relations ▪ IGR structures and forums ▪ Budget control ▪ Natural environment ▪ Location for certain opportunities ▪ Good governance and good IGR ▪ Meeting constitutional obligations ▪ Visionary leadership ▪ Low vacancy rate in organisational structure ▪ Community engagements 	<ul style="list-style-type: none"> ▪ Financial limitations ▪ Town management ▪ Inadequate storm water systems in some areas ▪ Old asbestos water and sanitation networks ▪ Resealing and maintenance of roads ▪ Garden refuse – Tulbagh, Wolseley and N’Duli ▪ Law enforcement ▪ Ageing infrastructure ▪ Centralisation/town management ▪ High water losses ▪ Lack of integration policies, silo operations ▪ Office space ▪ Slow turnaround time ▪ Vulnerable IT (integration)
Opportunities	Threats
<ul style="list-style-type: none"> ▪ Tourism potential ▪ Active ward committees and related activities ▪ Further international relations ▪ IGR and cooperation on transversal programmes ▪ Wolwekloof Learning Academy ▪ EPWP for poverty reduction ▪ Close working relationship with big business to enhance economic development ▪ Performance management system to monitor organisational performance not fully in place ▪ Pine forest ▪ Recycling and composting ▪ Renewable energy ▪ Reduce water losses/unaccounted to acceptable standards ▪ Available natural resources to stimulate economic growth ▪ Development of GIS ▪ Good communication and branding ▪ Marketing (internal and external) ▪ Expand international relationships ▪ Upgrade infrastructure ▪ LED pilot projects ▪ Land audit ▪ Natural environment ▪ Revenue enhancement ▪ Koekedouw Dam ▪ Rural wards – funding possibilities ▪ Improvement of client services ▪ Real law enforcement 	<ul style="list-style-type: none"> ▪ Seasonal agriculture-based labour shrinks revenue base ▪ Political volatility (fragile coalitions) ▪ High level unemployment/economically inactive people ▪ Increasing TB and HIV/Aids prevalence ▪ Vandalism, theft of municipal assets and property ▪ Legacy of decrepit infrastructure and insufficient infrastructure replacement programme ▪ Uncontrolled habitation in informal settlements ▪ Insufficient revenue base/lack of economic growth ▪ Equitable funding formula ▪ Insufficient land for graveyards ▪ Substance abuse can become a threat ▪ Farm eviction ▪ Tulbagh roads ▪ Service delivery in informal settlements ▪ Social ills – HIV and TB, crime, substance abuse ▪ Unemployment ▪ Migration / influx control ▪ Land availability ▪ Financial sustainability ▪ Cost of services ▪ Sustainability of low-cost housing ▪ Grant dependency ▪ Animal management ▪ NERSA legislation – non-compliance / compliance ▪ ESKOM / load shedding – incapacity to increase for demand from municipality

IV. GOVERNMENT ALIGNMENT

Municipalities are encouraged and supported by both national and provincial government to develop realistic and credible IDPs that not only comply with relevant legislation but also–

1. are owned by local leadership, municipal management and the community as the single strategic plan to direct resources within the municipality;
2. are driven by the management team and systems within the municipality with implementation regularly monitored during the year through the performance management system;

National Policy Directives

There is a clear hierarchical structure of national policy directives starting with the Medium Term Strategic Framework for 2019-2044 (MTSF). The plan focuses on the seven priorities and related interventions of the sixth

Medium-term Strategic Framework for 2019-2024 (MTSF)

The National Development Plan (NDP) 2030 issued in 2012 set out a long-term vision for the country and provides the programme through which South Africa can advance radical economic transformation through development planning. The Medium Term Strategic Framework (MTSF) 2014-2019 outlined the plan and outcome-based monitoring framework for implementing the NDP during the country's fifth democratic administration. This MTSF 2019-2024 outlines the priorities to be implemented in the

3. contain a long-term development strategy that can guide investment across the municipal area;
4. provide an investment plan for national, provincial and local government and non-governmental stakeholders to enhance and enable joint planning and resource alignment to improve service delivery to all stakeholders; and
5. include local area or ward plans to localise the strategy and implementation of the IDP.

sixth administration of government, and the integrated monitoring framework focuses on monitoring outcomes, indicators and targets towards the achievement of the priorities.

sixth administration. It also outlines the priorities and interventions across South Africa's national development pillars.

The South African government sees development planning as a means to achieve national development goals. All three spheres of government conduct development planning: The MTSF reflects the NDP Five Year Implementation Plan and Integrated Monitoring Framework at a national level, the Provincial Growth and Development Strategies / Plans (PGDS/P) of all nine provinces, and will in 2020 incorporate the Integrated Development Plans (IDPs) at Metropolitan and District Municipality level to ensure effective service delivery.

▪ NATIONAL DEVELOPMENT PLAN – VISION FOR 2030

The plan, adopted by Cabinet on 11 November 2011, helps us to chart a new path for our country.

It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth, the availability of jobs and change the life chances of our youth that remain underdeveloped by our apartheid history. Everything in the plan is aimed at reducing poverty and inequality.

1. Create Jobs
2. Expand Infrastructure
3. Transform Urban and Rural Spaces
4. Education and Training
5. Provide Quality Healthcare
6. Build a Capable State
7. Fight Corruption Transformation and Unity

In summary the plan has the following objectives that must be achieved by 2030:



- **PROVINCIAL STRATEGIC PLAN (PSP) – 2019 - 2024**
- **AN OUTLINE OF THE VISION-INSPIRED PRIORITIES**

1. SAFE AND COHESIVE COMMUNITIES

THE WESTERN CAPE IS A PLACE WHERE RESIDENTS AND VISITORS FEEL SAFE.

When people feel unsafe, it affects every area of their lives. For example, it prevents people from enjoying public spaces and travelling safely to work and discourages our businesses from growing and creating jobs. This is why safety is a theme in our other priorities, and every provincial department will contribute to a safer Province.

This priority focuses on improving law enforcement and addressing the root causes of violent crime, such as child abuse and unemployment.

2. GROWTH AND JOBS

AN ENABLING ENVIRONMENT FOR THE PRIVATE SECTOR AND MARKETS TO DRIVE GROWTH AND CREATE JOBS.

We want to make the Western Cape a place where businesses want to invest and from where businesses export their products. This means we must have excellent infrastructure, skilled workers, and companies that can compete with the best in the world. With this in place, more and more people in the Province will have jobs.

3. EMPOWERING PEOPLE

RESIDENTS OF THE WESTERN CAPE HAVE OPPORTUNITIES TO SHAPE THEIR LIVES AND THE LIVES OF OTHERS, TO ENSURE A MEANINGFUL AND DIGNIFIED LIFE.

We see a Western Cape where families are strong, our youth have the skills, knowledge, and personal character to succeed in the 21st Century world of technology and computers, and all of our people have access to excellent health services.

4. MOBILITY AND SPATIAL TRANSFORMATION

RESIDENTS LIVE IN WELL-CONNECTED, VIBRANT, AND SUSTAINABLE COMMUNITIES AND MOVE AROUND EFFICIENTLY ON SAFE, AFFORDABLE, LOW CARBON PUBLIC TRANSPORT.

We want to see a Western Cape where our people use safe, affordable, and green public transport and live in neighbourhoods that include different racial and income groups and are close to economic and social opportunities.

5. INNOVATION AND CULTURE

GOVERNMENT SERVICES ARE DELIVERED TO THE PEOPLE OF THE WESTERN CAPE IN AN ACCESSIBLE, INNOVATIVE, AND CITIZEN-CENTRIC WAY.

As your provincial government, we are constantly looking for ways to improve our services to you. We will assess our services regularly and try new things, and change what we are doing if we are not meeting your needs.

The Witzenberg Municipality, through its Integrated Development Plan, strives to align its priorities to those of provincial and national government, The following matrix provides the strategic alignment between the three spheres of government.

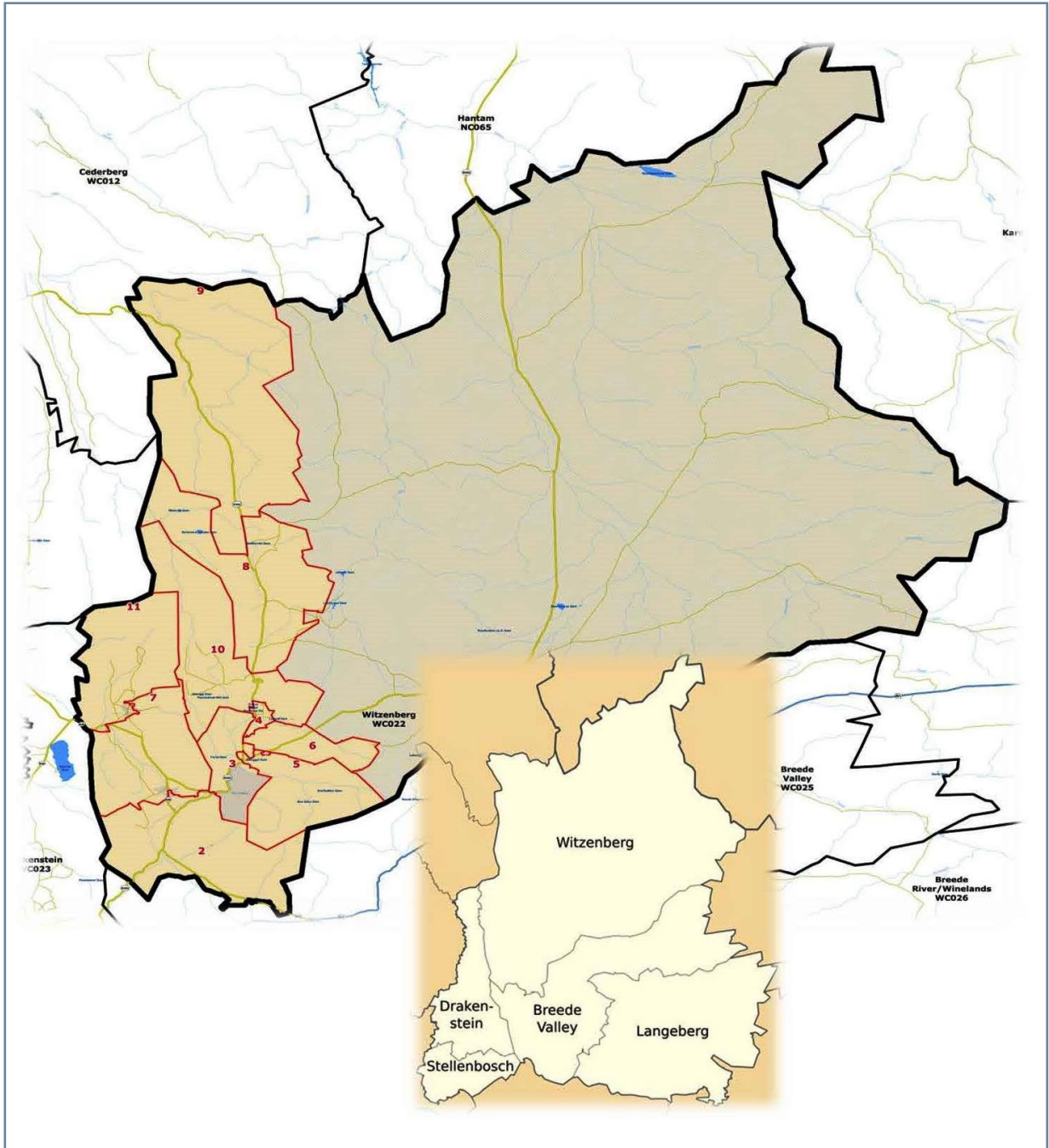
National Priorities (2019 – 2024)	Western Cape Vision-inspired Priorities (2019 – 2024)	Cape Winelands District Strategic Objectives	Witzenberg Strategic Objectives
5: Social cohesion & safe communities 2: Education, skills & health	<u>1: Safe and Cohesive communities</u>	<u>SO 1:</u> To create an environment and forge partnerships that ensure the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment	2.1 Support Institutional Transformation and Development. 3.1 Provide and maintain facilities that make citizens feel at home.
5: Social cohesion & safe communities	<u>1: Safe and Cohesive communities</u> <u>3: Empowering People</u> <u>5: Innovation and Culture</u>	<u>SO 1:</u> To create an environment and forge partnerships that ensure the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.	4.1 Support the poor and vulnerable through programmes and policy
1: Economic transformation and job creation. 4: Spatial integration, human settlements & local government	<u>4: Mobility and Spatial Transformation</u> <u>2: Growth and Jobs</u>	<u>SO : 2</u> Managing a sustainable bulk services strategy and transport system which foster social and economic opportunities.	1.2 Create an enabling environment to attract investment and support local economy.
6: Capable, ethical and developmental state	<u>5: Innovation and Culture</u>	<u>SO 3:</u> To provide effective and efficient financial and strategic support services to the Cape Winelands District Municipality.	2.1 Support institutional transformation and development.
4: Spatial integration, human settlements & local government	<u>4: Mobility and Spatial Transformation</u>	<u>SO : 2</u> Managing a sustainable bulk services strategy and transport system that foster social and economic opportunities.	4.2 Create an enabling environment to attract investment and support local economy.
5: Social cohesion & safe communities 2: Education, skills & health	<u>1: Safe and Cohesive communities</u> <u>3: Empowering People</u>	<u>SO 1:</u> To create an environment and forge partnerships that ensure the health, safety, social and economic development of all communities including the	4.1 Support the poor and vulnerable through programmes and policy

National Priorities (2019 – 2024)	Western Cape Vision-inspired Priorities (2019 – 2024)	Cape Winelands District Strategic Objectives	Witzenberg Strategic Objectives
		<i>empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.</i>	
5: Social cohesion & safe communities 2: Education, skills & health	<u>1: Safe and Cohesive communities</u>	<i>SO 1: To create an environment and forge partnerships that ensure the health, safety, social and economic development of all communities including the empowerment of the poor in the Cape Winelands District through economic, environmental and social infrastructure investment.</i>	1.1 Sustainable provision and maintenance of basic infrastructure 1.2 Provide for the needs of informal settlements through improved services.
6: Capable, ethical and developmental state	<u>5: Innovation and Culture</u>	<i>SO 3: To provide effective and efficient financial and strategic support services to the Cape Winelands District Municipality.</i>	2.2 Ensure financial viability 2.3 Maintain and strengthen relations with international and inter-governmental partners as well as the local community through the creation of participative structures.

3 SITUATIONAL ANALYSIS

A. SNAPSHOT

I. MAP



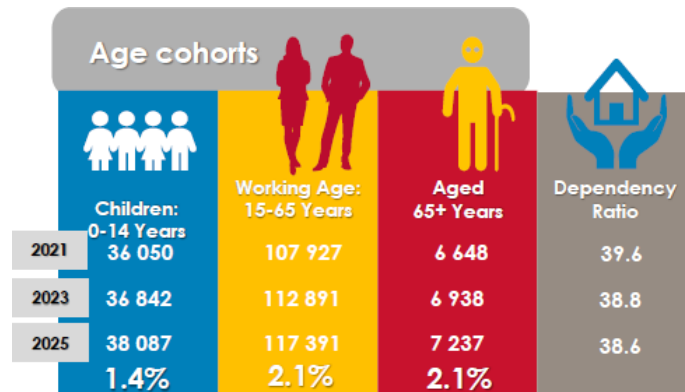
The Witzenberg Local Municipality (LM), founded in 2000, is classified as a Category B-municipality and is responsible for basic service provision to the demarcated municipal area that includes the towns of Ceres, Tulbagh, Prince Alfred’s Hamlet, Wolseley and Op-die-Berg. The rural areas within the municipal boundary are Ceres Valley, Koue Bokkeveld, Achter-Witzenberg and the northern portion of the Breede River Valley area.

The climate in Witzenberg is known for its hot and dry summer days. Winds are seasonal and generally north-westerly or south-easterly. The average annual rainfall in Ceres is about 1 088 mm and the average temperature range is 2,4°C to 29,9°C.

Located in the picturesque and fertile Breede Valley, Witzenberg is best known for its fruit and wine products. The region is also well-known for producing other agriculture-linked products such as olives and grain, as well as for producing beef and pork products. Horse and cattle stud farms are also found within the municipal area.

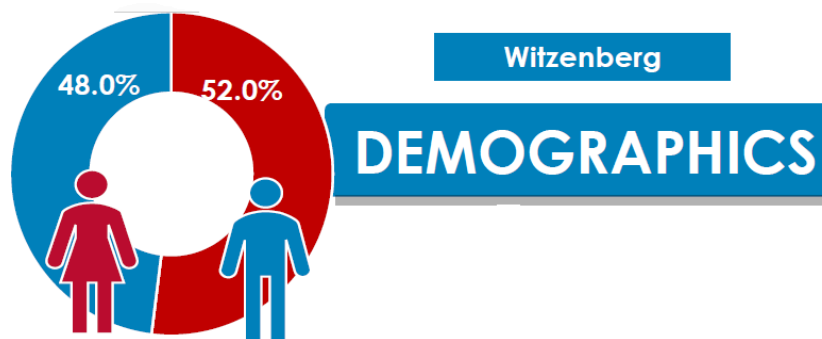
The principal socio-economic realities in our region are:

- Seasonal labour and social grant dependency
- Unemployment rate: 5 339 people
- People in poverty: 24 231
- Skills shortage (illiteracy rate = 36%)
- Youthful population: 56,8% of population is under 30 years of age
- Population concentration: 46,9% rural; 53,1% urban.



Source: Sep-LG 2021

Witzenberg population by gender:



Source: Sep-LG 2021


Witzenberg: At a glance

Witzenberg: At a Glance

Demographics Population Estimates, 2021; Actual households, 2020

 <p>Population</p> <p>150 624</p>	 <p>Households</p> <p>32 769</p>
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Education 2020

	Matric Pass Rate	65.0%
	Learner Retention Rate	65.4%
	Learner-Teacher Ratio	27.8


Poverty 2020

	Gini Coefficient	0.61
	Human Development Index	0.71

Health 2020/21

	Primary Health Care Facilities <small>excl mobile/satellite</small>	Immunisation Rate	Maternal Mortality Ratio <small>(per 100 000 live births)</small>	Teenage Pregnancies - Delivery rate to women U/18
	8	77.2%	204.4	15.9%

Safety and Security Actual number of reported cases in 2020/21

	Residential Burglaries	DUI	Drug-related Crimes	Murder	Sexual Offences
	723	73	878	66	96

Access to Basic Service Delivery Percentage of households with access to basic services, 2020

	Water	Refuse Removal	Electricity	Sanitation	Housing
	98.4%	69.8%	93.2%	91.7%	85.0%

Road Safety 2020/21

Fatal Crashes	21
Road User Fatalities	25

Labour 2020

Unemployment Rate <small>(narrow definition)</small>	6.9%
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Socio-economic Risks

- Risk 1 Low learner retention
- Risk 2 Low per capita GDP and growing inequality
- Risk 3 Low skills base (labour)

Largest 3 Sectors Contribution to GDP, 2019

Wholesale & retail trade, catering and accommodation 18.3%	Finance, insurance, real estate and business services 16.3%	Manufacturing 14.9%
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Source: Socio-Economic Profile- Provincial Treasury

II. DEMOGRAPHICS

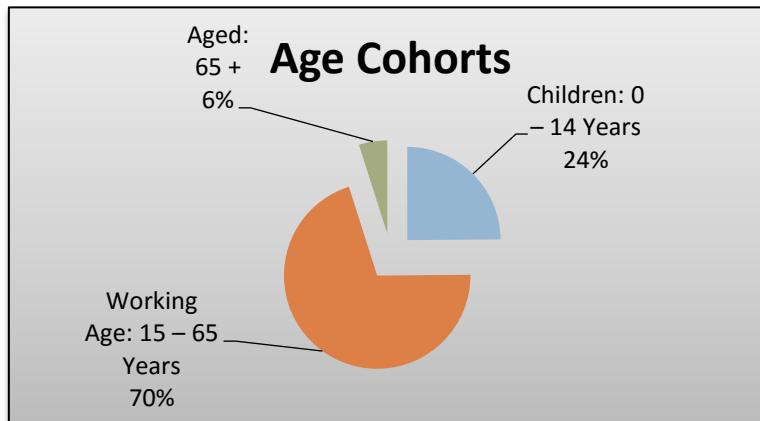
As per Census 2011, the Western Cape population comprises 11,25 per cent of the total population of the country with 5,8 million persons, having increased from 4,5 million in 2001. Thus the Western Cape population grew at a rate of 2,6 percent per annum between 2001 and 2011. This is faster than the national population growth rate of 1,5 per cent and is largely due to immigration to the Western Cape, where individuals believe they can obtain jobs and better standards of living.

In 2013 Witzenberg accounted for the second smallest population size in the Cape Winelands District consisting of 120 094 persons. It is however the fastest-growing municipality in the

district, growing at an average annual rate of 3,1 per cent from 2001 to 2013. This is much faster than the district growth rate of 1 per cent per annum, indicating that net in-migration may be occurring within this municipal area.

With a population of 142 466 in 2019, Witzenberg is the second lowest populated municipal area in the CWD. This total is expected to grow to 153 987 by 2023, equating to an average annual growth rate of 2.0 per cent. The estimated population growth rate of Witzenberg is slightly below that of the CWD at 1.6 per cent. The Western Cape average annual growth rate is 1.8 per cent across the same period.

Witzenberg: Population age Cohort, 2017



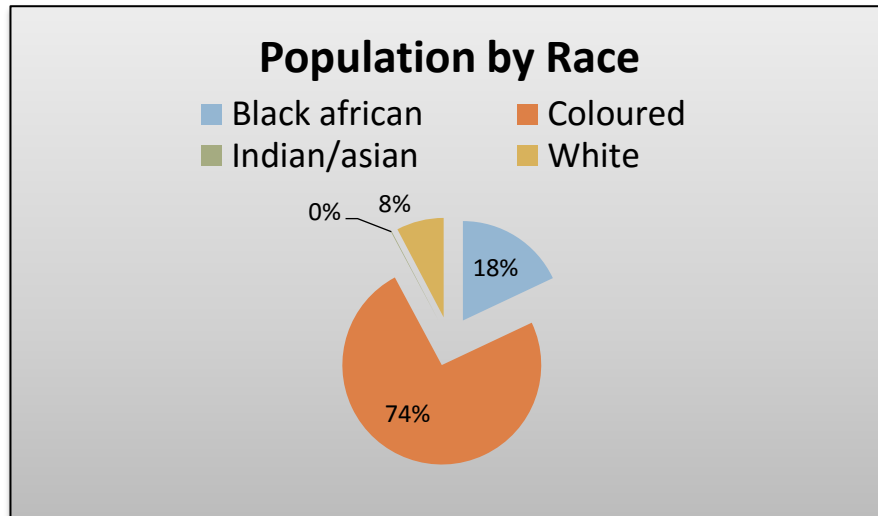
Witzenberg: Age Cohorts, 2019 – 2025				
Year	Children 0 – 14 Years	Working Age 16 – 65 Years	Aged 65+	Dependency Ratio
2020	35 675	105 751	6 512	39.9
2023	36 881	114 707	7 129	38.4
2026	38 178	118 966	7 835	38.7
Growth	+1.1%	+2.0%	+3.1%	-

Source: Socio-Economic Profile- Provincial Treasury

Between 2020 and 2026, the largest population growth was recorded in the 65+ aged cohort which grew at an annual average

rate of 3.1 per cent. The dependency ratio decreases towards 2023 and increases slightly towards 2026.

Population Group



Source: Statistics South Africa

Basic education

Population dynamics, which include knowledge of the current population profile and projected learner growth, provide a basis for sound education planning. Knowing the learner enrolment numbers of a municipality enables the Western Cape Education Department (WCED) to determine the level of demands placed on schools for the current year as well as anticipated demands for future years. Having a sense of the exit points allows the WCED to plan more effectively with respect to Further Education and Training (FET). The learner-teacher ratio is very important, because it is closely related to the

amount of money spent per child. It also has an impact on the education outcomes.

The average annual growth in learner enrolment for the Western Cape across the period 2016 to 2018 is expected to be 2.3 per cent. The highest growth in learners is expected to occur in the Stellenbosch municipal area (1.9 per cent) whilst the lowest growth is estimated to be in the Witzenberg (0.9 per cent).

Learner enrolment			Dropout rate		Learner-teacher ratio	
Year	2018	2020	2018	Crude dropout Average rate using dropout Yr 2016 - Gr 10 and rate Yr 2018 - Gr 12	Average learner-teacher ratio (2019)	ASS 2017: ALL state + SGB + substitutes teacher excluding practitioner ratio
Total	18377	18503	18377	37.50%	28.0	33.8

Source: Socio-Economic Profile - Provincial Treasury

Learner enrolment in Witzenberg increased from 18 377 enrollments in 2018 to 18 503 in 2020, an increase of 0.7 per cent. The learner-teacher ratio decreased slightly from 28.3 in 2018 to 28.0 in 2019. This is a positive improvement. The learner retention rate declined from 62.5 per cent in 2018 to 59.8 per cent in

2019. This could be attributed to a number of factors including demographics and socio-economic context.

Educational facilities

Source: Socio-Economic Profile - Provincial Treasury

In 2020, the Witzenberg municipal area had a total of 53 public ordinary schools. The number of schools has remained unchanged over the last few years.

The number of no-fee schools also remained constant at 44 over the last few years, which translates into a total of 83.0 per cent of schools being registered with the Western Cape Department of Education as no-fee schools.

The number of schools with libraries decreased from 16 in 2018 and 2019, to 13 in 2020. With only 1 of the 53 schools in the Witzenberg area with such facilities, there is considerable scope for the extension of libraries to other schools in the area.

Education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the labour market, policy decisions and choices in the sphere of education play a critical role in determining the

extent to which future economic and poverty reduction plans may be realised.

Witzenberg municipal area's matric outcomes dropped sharply from 74.3 per cent in 2019 to 65.0 per cent in 2020. It was the lowest rate when compared to other municipalities in the District. This particular statistic is vital as it impacts learner access to higher education institutions in order to broaden access employment opportunities.

Health

All citizens' rights to access to healthcare services are directly affected by the number and spread of facilities within their geographical reach. South Africa's healthcare system is geared in such a way that people have to move from primary level, with a referral system, to secondary and tertiary levels.

Area	PHC Clinics		Community Health Centres	Community Day Centres	Hospitals		Treatment Sites	
	Fixed	Non-fixed			District	Regional	ART Clinics	TB Clinics
Witzenberg	8	6	0	1	1	0	8	19
Cape Winelands District	39	33	0	6	4	2	45	94

Source: Socio-Economic Profile - Provincial Treasury

According to the 2019 Inequality Trend Report by Statistics South Africa, in 2017, 75.1 per cent of households in South Africa usually use public healthcare facilities when a household member gets ill, compared to 24.9 per cent who use private healthcare facilities. This is associated with the low proportion of households with access to medical aid, which in 2017 was

approximately 17 per cent for South Africa and 25 per cent for the Western Cape.

In 2019/20, the Witzenberg municipal area had 8 primary healthcare facilities, all fixed clinics; to supplement these, there were also 6 mobile/satellite clinics. In addition to these primary healthcare facilities, there is also a district hospital.

Emergency Medical Services



Emergency medical services

Health Indicator	Witzenberg	Cape Winelands
EMS operational Ambulances	6	38

Source: Socio-Economic Profile - Provincial Treasury

The provision of more operational ambulances can provide greater coverage of emergency medical services. The Witzenberg area has a total of 6 ambulances servicing the region in 2020/21; the District had a total of 38 for the same period.

It is worth noting that this number only refers to Provincial ambulances and excludes all private service providers.

HIV/Aids

Area	ART clients that remain with treatment month end		Number of new ART patients	
	2019/20	2020/21	2019/20	2020/21
Witzenberg	6 995	6 810	730	594
Cape Winelands	32 366	32 949	3 434	2 825

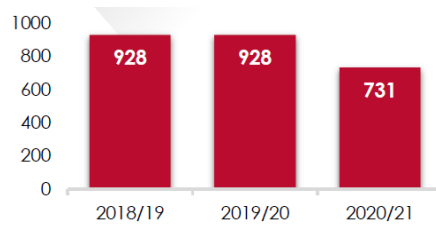
Source: Socio-Economic Profile - Provincial Treasury

Witzenberg’s total registered patients receiving antiretroviral treatment decreased by 185 patients, from 6 995 in 2019/20 to 6 810 in 2020/21. The number of new antiretroviral patients also decreased significantly from 730 in 2019/20 to 594 in 2020/21. This could be as a result of the imposed COVID-19 lockdown and actions taken to avoid any potential health risk. It could also be an indication that the prevalence of HIV is decreasing or an indication that less people

are being tested and receiving access to HIV treatment.

In 2020/21, a total of 32 949 registered patients received antiretroviral treatment in the Cape Winelands District. The Witzenberg municipal area, with 6 810 registered patients, represents 20.7 per cent of patients receiving ART in the Cape Winelands District.

Tuberculosis (TB)



Source: Socio-Economic Profile - Provincial Treasury

Witzenberg experienced a decline in tuberculosis (TB) cases in 2020. 731 TB patients

were registered in 2020 compared to 928 in 2019.

Safety and Security

Murder

MURDER		2018/19	2019/20	2020/21
Actual Number	Witzenberg	51	66	66
	Cape Winelands District	356	398	365
Per 100 000	Witzenberg	35	45	44
	Cape Winelands District	38	42	38

Source: Socio-Economic Profile - Provincial Treasury

Within the Witzenberg area, the number of murders increased from 51 in 2018/19 to 66 in 2019/20, remaining at 66 in 2020/21. Witzenberg’s murder rate (per 100 000 people) increased from 35 in 2018/19 to 45 in 2019/20 and slightly down to 44 in 2020/21, while the murder rate (per 100 000 people) for the Cape

Winelands District followed a similar pattern, with comparative figures of 38, 42 and 38 over the 3-year period respectively.

Sexual offences

SEXUAL OFFENCES		2018/19	2019/20	2020/21
Actual Number	Witzenberg	123	122	96
	Cape Winelands District	885	969	752
Per 100 000	Witzenberg	85	82	64
	Cape Winelands District	96	103	79

Source: Socio-Economic Profile - Provincial Treasury

In 2020/21, there were 96 sexual offences in the Witzenberg municipal area. When comparing this to the District, Witzenberg's incidence of sexual offences per 100 000 population was

below that of the Cape Winelands District, at 64 compared to the District's 79.

Drug-related offences

DRUG-RELATED OFFENCES		2018/19	2019/20	2020/21
Actual Number	Witzenberg	2 089	1 138	878
	Cape Winelands District	11 181	7 864	5 337
Per 100 000	Witzenberg	1 447	770	583
	Cape Winelands District	1 208	834	559

Source: Socio-Economic Profile – Provincial Treasury

Drug-related crime within the Witzenberg area decreased significantly from 2 089 cases in 2018/19 to 878 cases in 2020/21. The Cape Winelands District's drug-related offences also decreased sharply from 11 181 in 2018/19 to 5 337 in 2020/21. When comparing the

Witzenberg area and the District's rate per 100 000 people, with 583 drug related offences per 100 000 people in 2020/21, Witzenberg's rate is above that of the District's 559.

Driving under the influence

DRIVING UNDER THE INFLUENCE		2018/19	2019/20	2020/21
Actual Number	Witzenberg	102	167	73
	Cape Winelands District	953	944	427
Per 100 000	Witzenberg	71	113	49
	Cape Winelands District	103	100	45
Fatal Crashes	Witzenberg	26	13	21
Road User Fatalities	Witzenberg	33	15	25

Source: Socio-Economic Profile - Provincial Treasury

The number of cases of driving under the influence of alcohol or drugs in the Witzenberg municipal area increased from 102 in 2018/19 to 167 in 2019/20, decreasing significantly to 73 in 2020/21. This translates into a rate of 49 per 100

000 people in 2020/21, which is slightly above the District's 45 per 100 000 people.

Residential Burglaries

RESIDENTIAL BURGLARIES		2018/19	2019/20	2020/21
Actual Number	Witzenberg	832	790	723
	Cape Winelands District	5 776	5 518	4 537
Per 100 000	Witzenberg	576	535	480
	Cape Winelands District	624	586	475

The number of residential burglaries in the Witzenberg area decreased from 790 in 2019/20 to 723 in 2020/21. Witzenberg's rate of

480 per 100 000 population was slightly above that of the District's 475 for 2020/21.

B. BASIC SERVICES ANALYSIS

Witzenberg Municipality provides basic services to all communities residing within the urban edge of towns located in the municipal area. Apart from sanitation services through the emptying of septic tanks in rural areas, no other basic services are provided on privately owned land outside residential built areas. All households in residential areas have access to services such as water provision, sanitation,

electricity and waste removal. Informal settlements are serviced through communal water and toilet facilities.

The following statistics on the access to services for the whole of Witzenberg, including areas outside the urban edge, has been provided by Provincial Treasury:

Housing

Access to Formal Housing

Socio-Economic Profile 2020	Witzenberg	Cape Winelands District
Total number of households	32 769	234 696
Formal main dwelling	27 866	189 559
	85.0%	80.8%
Water (piped inside dwelling/within 200 m)	98.4%	97.0%

Electricity (primary source of lighting)	93.2%	92.3%
Sanitation (flush/chemical toilet)	91.7%	91.0%
Refuse removal (at least weekly)	69.8%	79.4%

Source: Socio-Economic Profile - Provincial Treasury

With a total of 32 769 households in the Witzenberg municipal area, 85.0 per cent had access to formal housing, the second highest (after Langeberg) when compared with other municipalities in the Cape Winelands District area; the District average was 80.8 per cent. The Witzenberg area also conversely had the second lower lowest proportion of informal households in the District, a total of 12.7 per cent compared with the District average of 17.4 per cent.

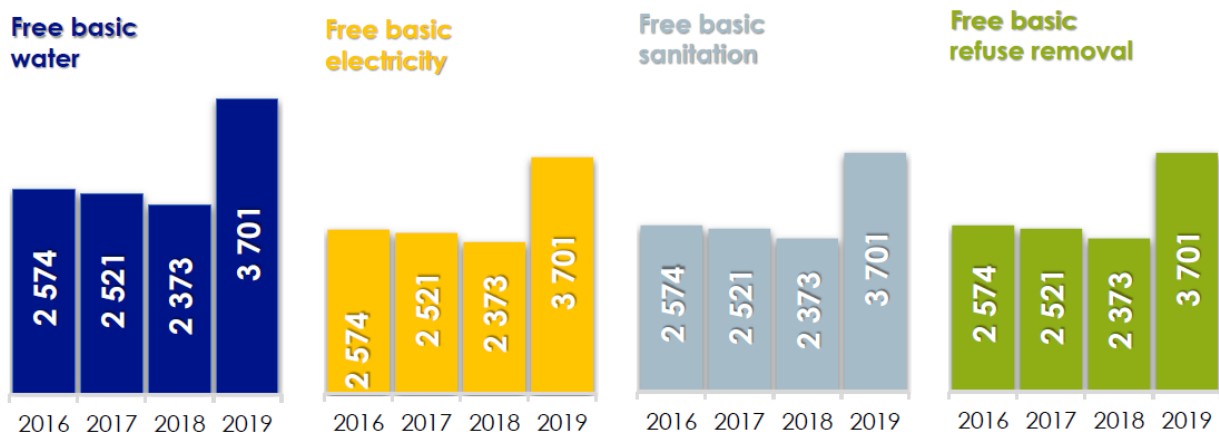
area were at better levels than access to formal dwellings, with access to piped water inside/within 200m of the dwelling at 98.4 per cent, access to electricity (for lighting) at 93.2 per cent, access to a flush or chemical toilet at 91.7 per cent and the removal of refuse at least weekly by local authority at 69.8 per cent of households. These access levels were above the District averages for water, electricity and sanitation services.


With the exception of refuse removal services, service access levels in the Witzenberg municipal

Free Basic Services

Municipalities also provide a package of free basic services to households who are financially vulnerable and struggle to pay for services. The number of households receiving free basic services in the Witzenberg municipal area has shown an overall decreasing trend between 2016 and 2018, however spiking upward in 2019. The

stressed economic conditions continue to exert pressure on household income levels, which in turn is likely to see the number of indigent households and the demand for free basic services increase.





Access to basic services for residential communities

The following tables indicate access to basic services with regard to each residential community in Witzenberg. The figures show the number of formal households (accounts) connected to a service delivery network as well as the number of households in informal settlements with access to communal service points. The shortfall in housing units is derived from the Housing Waiting List information as contained in the audited 2017/18 Annual Report.

Basic service provision per ward/town (within urban edge).

Wards	Town	Nr. of Accounts				*Informal Households	Housing Waiting List
		Water	Sanitation	Electricity	Refuse		
1,12	Nduli	1 430	1 350	2 033	1 338	1 114	1 490
3,5	Ceres	2 423	2 769	3 430	3 114		2 415
4,6	Bella Vista	2 632	2 586	2 550	2 574		
4,10	Hamlet	1 389	1 354	ESKOM	1 349	242	1 182
9	Op-Die-Berg	544	477	ESKOM	521		804
7,11	Tulbagh	1 932	1 845	2 264	1 933	1 610	994
2,7	Wolseley	2 575	2 612	2 750	2 636	1 790	1 298
TOTALS		12 925	12 993	13 027	13 465	4 756	8 181

*Informal Households – nr of households in informal areas (excluding backyarders)

Top four service delivery priorities per ward/town.

Wards	Town	Priority Name & Detail	Progress During 2020/21
1,12	Nduli	Housing Project safety	Regular patrols at new housing developments
		Sports grounds needs to be restored/upgraded	On-going vandalism & theft prohibits restoration
		Electrical theft needs to be clamped down	Illegal connections remain high priority to be addressed through newly developed Illegal electricity connection & theft strategy
		Provide street/security lights in unsafe areas	Periodic maintenance.
3,5	Ceres	Weekends the Town Main Roads have too much traffic	Spatial Development Plan completed. In progress with precinct plan for R46 towards Nduli.
		Housing need	635 Serviced sites completed & top structures being developed at Vredebes
		Rotational skip removal	New Waste Management Policy
		Playgrounds	Borehole for park irrigation
4,6	Bella Vista	Gang activity becoming a problem	Increasing law enforcement & coordination with SAPS
		Vandalizing of Municipal property	Increasing law enforcement & coordination with SAPS
		Business hub/mini CBD for Bella Vista	In process to develop container park at Bella Vista / Skoonvlei industry.
		Clamp down on illegal dumping of refuse.	New Waste Management Policy
4,10	Hamlet	Animal control in all areas	Increased law-enforcement
		Business hub/mini CBD for Kliprug area	Spatial Development Plan completed
		Xhosa medium school for PA Hamlet area	Conveyed to Provincial Government
		Housing need	Development at Vredebes
9		Public transport	Negotiations needs to take place with Transport associations
		More municipal services to be rendered at Op Die Berg offices	National(State) and Provincial Services on a permanent basis

	Op-Die-Berg	Illegal shops and shebeens need to be closed	Continued law enforcement & inspections
		Speed calming still a problem	Increased law enforcement
7,11	Tulbagh	More ablution facilities needed in Chris Hani area, and ASLA Camp	Upgrade of Informal Settlements project underway for Chris Hani
		Informal households utilising storm water as a means to dump their grey water & waste water, which contaminates river. Storm water network in Tulbagh needs to be maintained regularly	Formal housing to be included in housing pipeline to alleviate problem.
		Sewerage network in Chris Hani area needs to be maintained regularly	Periodic maintenance
		Speed calming needed along main street walkway routs	Increased law-enforcement
2,7	Wolseley	Taxi rank placements to be investigated	Spatial Development Plan completed
		Public bathroom facilities in the CBD	Included in capital budget for 2021/22
		Back yard dwellers still a problem, housing need	Housing project planned for future, dependant on grant funding allocations.
		Illegal shops and shebeens need to be closed	Continued law enforcement and inspections
		Tulbagh needs to be maintained regularly	
		Sewerage network in Chris Hani area needs to be maintained regularly	Periodic maintenance
		Speed calming needed along main street walkway routs	Increased law-enforcement
2,7	Wolseley	Taxi rank placements to be investigated	Spatial Development Plan in progress
		Public bathroom facilities in the CBD	Spatial Development Plan in progress
		Back yard dwellers still a problem, housing need	Housing project planned for 2020/21
		Illegal shebeens need to be closed	Continued law enforcement and

Access to basic services for rural (farm) communities

Witzenberg Municipality does not provide basic services to rural communities, including farm dwellers. Basic services are provided by the land owner with Eskom providing bulk electricity provision. The general standard of

basic service levels in rural areas are, however, above the norm as the table below indicates. Information in the table is derived from the Farmworker Survey Report: Witzenberg, completed in March 2015 by the Western Cape Department of Agriculture.

Service	Witzenberg Municipality	Provincial Average	National Average
Electricity	98%	93%	85%
Water – access to piped water on premises	98% (95% provided free of charge)	N/A	73%
Sanitation – flush toilets	97% (receive free service)	85%	57%
Refuse removal	95% (receive free removal)	N/A	N/A

The following section assesses the state of farm worker dwellings and the associated infrastructure and services available to these

households. Only a few tables are shown here while all results are discussed. A complete set of tables may be found in the Appendices.

Type of Dwelling	On Farm	%	Off Farm		Total	
Mud house	13	0,66%	1	0,26%	14	0,60%
RDP house	24	1,22%	53	13,66%	77	3,28%
Brick house	1731	88,18%	167	43,04%	1898	80,73%
Informal dwelling	45	2,29%	127	32,73%	172	7,32%
Backroom	4	0,20%	7	1,80%	11	0,47%
Caravan/tent	5	0,25%	1	0,26%	6	0,26%
Other	141	7,18%	32	8,25%	173	7,36%
Total	1963	100%	388	100%	2351	100%

From all the respondents (living on and off farms) across the region, 80,73% live in brick structures. Large differences are observed in the proportion of brick structures between those houses that are on the farms and those that are not. Among those living in brick structures across the region; 89% of the households that live in brick structures are on farms. 97,63% of all the households in the region have electricity on the farms have electricity compared to the national figures of 85% and the provincial figures of 93%.

In terms of access to piped water at dwellings, 92% of households have piped water on the farms compared with 98% of the households on farms having access to piped water on their premises, while 66,75% of households off farms have access to piped water. These figures are still higher than the national (73%) figures. 95,90% of the households on the farm have flush toilets on the premises, which is significantly higher than the national figure (57%) for households. Comparing households

on and off farms; 95,90% of households on the farms have flush toilets while 90,51% of the households off the farms have flush toilets. Overall, households on the farms are more likely to have access to electricity, piped water and flush toilets than households off the farms.

For households on the farms, water is largely provided free to the farmworker (95,21%) across the region. Houses off the farms either pay the municipality or obtain free water from the farmer or the municipality. More than 84% of households on the farms pay the farmer for electricity, while 65% households off the farms pay the municipality for electricity. Across the region, 95,14% of the households receive free refuse from the farmer, while 48,95% of those who live off the farms receive free refuse removal from the municipality. Sanitation is paid for by the farmer for those living on the farms over 96% of the time is, while 52,96% of those living off the farms receive free sanitation from the municipality.

C. SOCIO-ECONOMIC ANALYSIS (PROFILE)

I. STATUS OF LED STRATEGY

The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector

partners work collectively to create better conditions for economic growth and employment generation.

The most prominent places in the WLM area are Tulbagh, Wolseley and Ceres, with Prince Alfred's Hamlet and Op-die-Berg two northern outposts. Activities around these settlements are essentially agriculture based, with the towns being "agricultural service centres", with some agri-processing related to wine, fruit, vegetables and other niche products. The region is also well-known for its fruit and wine products, as well as producing other agriculturally linked products such as olive and grain producing areas, beef and pork products. Horse and cattle stud farms are also found within the municipality.

The municipality has made tremendous progress in mobilising and harnessing the energies and expertise of the business sector in developing effective economic development strategies and programmes. This is articulated in its new economic vision as adopted in 2011, namely;

"To strategically partner with the private sector, other spheres of government and its agencies, development institutions and donor agencies and in concert develop sizable commercial projects which encompasses the imperatives of employment creation and broad-based black economic empowerment and contributing to the general expansion of the economic base of Witzenberg."

This has led to the creation of a relationship between Witzenberg Municipality and Ceres Business Initiative (CBI) who represents the major commercial farmers and businesses in Ceres and surrounding areas.

The business forum, in partnership with the municipality, is in the process of developing business plans to expand the economic base of Witzenberg, with particular emphasis being placed on empowering previously disadvantaged groups. This holds huge potential for the entire region and will also be implemented with the advisory and financial support of national departments and agencies,

including National Department of Land and Rural Development (NDLRD), Development Bank of South Africa (DBSA), Department of Water Affairs (DWA) etc. The NDLRD has already allocated R22 million towards projects in the Witzenberg Municipality. To structure this relationship between the municipalities, a Memorandum of Understanding was signed on 6 May 2014.

The other major economic driver in the area is the Tourism Sector and the municipality has undertaken a number of initiatives which should come to fruition over the next five years, including:

1. The Tourism Industry has recorded a very strong growth and has become an important element of the local economy. Key tourism activities include: wine tasting, 4x4 routes, hiking, game reserves, camping, horse riding, fishing, annual community festivals, snow in Ceres during the winter months, agricultural tourism attractions, fruit tours, San cave, museums and historic buildings.
2. Witzenberg Tourism caters for Cape Town and other Western Cape day and weekend tourists, as well as up-country seasonal tourists.
3. The strengthening and partnering with national, provincial and district municipality tourist initiatives.
4. The finalisation and completion of the National Road Corridor through Witzenberg.
5. The finalisation and completion of the Ceres Golf Estate Project.
6. The strengthening of international twinning and partnership agreements (Belgium).

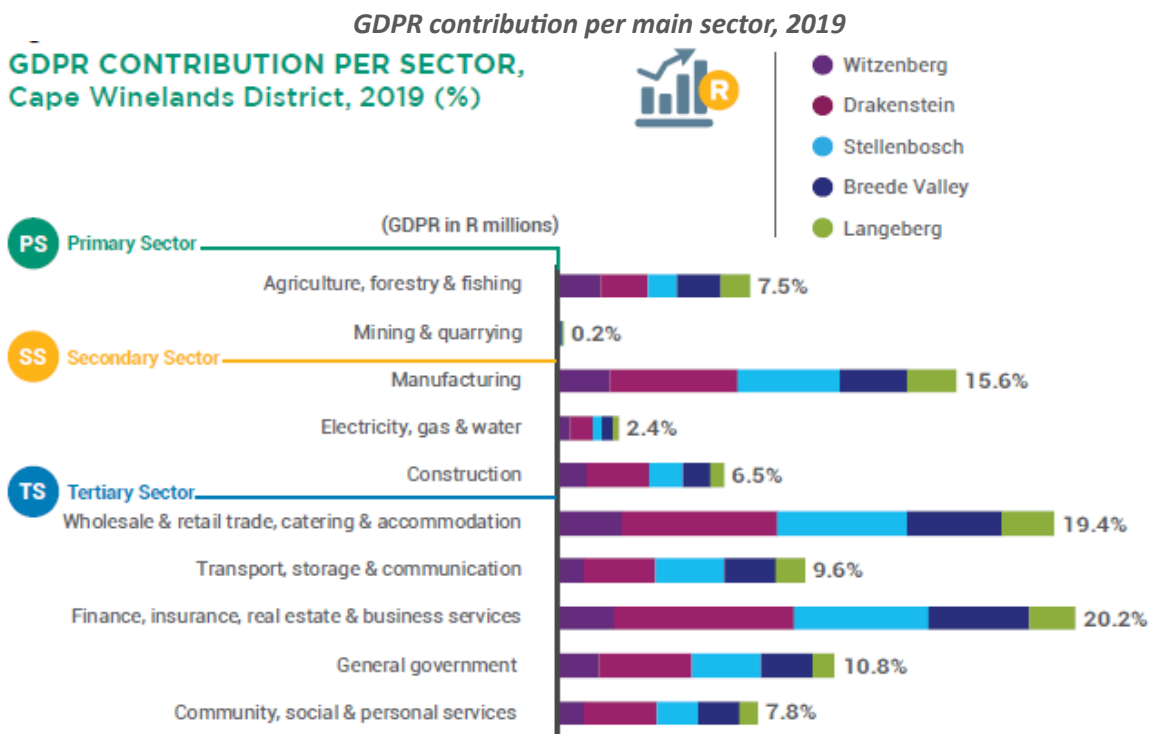
7. The expansion and promotion of the Epic Mountain Bike Tour.

8. The expansion and promotion of the 4x4 trails, hiking trails, wine and fruit tourist routes.

II. Municipal comparative and competitive advantages

The Witzenberg municipal area is known for its fruit and wine production and includes the towns of Ceres, Tulbagh, Prince Alfred’s Hamlet, Wolseley and Op-die-Berg. These towns provide the goods and services for the local agricultural industry. Some agro-processing also occurs (Witzenberg Municipality, 2017).

The Witzenberg municipality has a relatively small economy, contributing R8.2 billion to the economy of the CWD (13.5 per cent) and provides employment for 60 633 people (16.1 per cent of the total CWD employment).

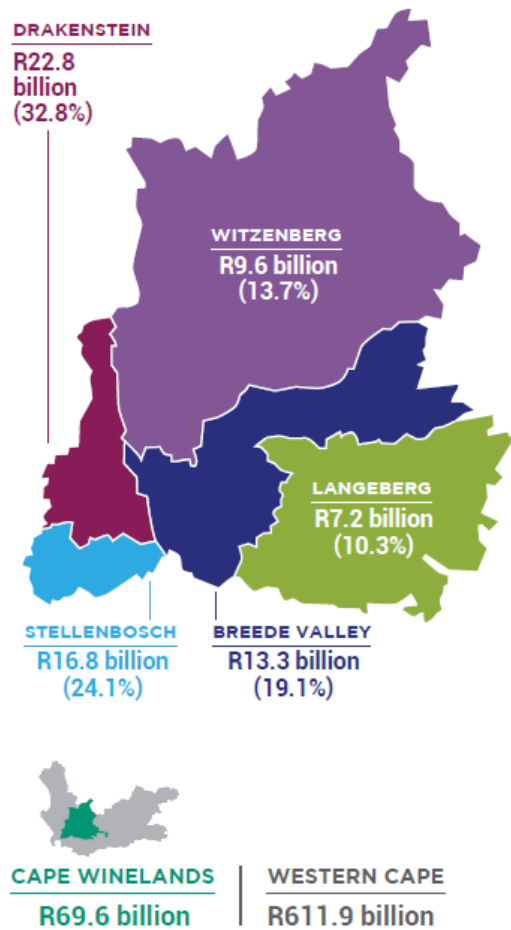


Source: Provincial Treasury – Quantec Research, 2021

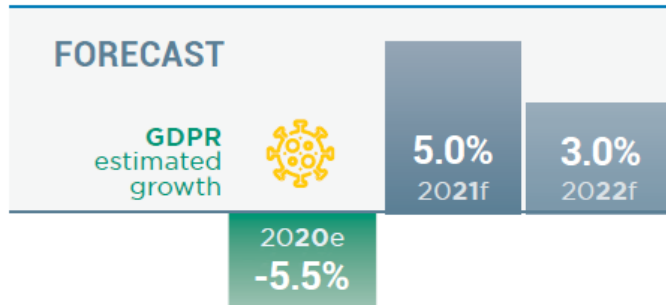
The leading contributor to economic activity in the CWD in 2019 was the finance sector in the Drakenstein (7.0 per cent) and Stellenbosch (5.2 per cent) municipal areas, followed by the trade sector, also in the Drakenstein (6.1 per cent) and Stellenbosch (5.1 per cent) municipal areas. Manufacturing sector activities were also more prominent in the

Drakenstein (5.0 per cent) and Stellenbosch (4.0 per cent) municipal areas. Most of the sectoral economic activity in the District was concentrated in the Drakenstein and Stellenbosch municipal areas. However, notable contributions to the agriculture sector were also made by the Witzenberg (1.7 per cent) and Breede Valley (1.7 per cent) municipal areas.

GDPR contribution and average growth rates per municipal areas.



MUNICIPALITY	R billion value 2019	Trend 2015 – 2019 (%)
● Witzenberg	R9.6 billion (13.7%)	2.2%
● Drakenstein	R22.8 billion (32.8%)	0.9%
● Stellenbosch	R16.8 billion (24.1%)	0.9%
● Breede Valley	R13.3 billion (19.1%)	1.0%
● Langeberg	R7.2 billion (10.3%)	1.2%
Cape Winelands District	R69.6 billion (100.0%)	1.1%
Western Cape	R611.9 billion	1.0%



Source: Quantec Research, 2021; Urban-Econ based on Quantec, SARB, Stats SA and BFAP, 2021 (e denotes estimate, f denotes forecast)

Source: Municipal Economic Review Outlook – PT Source: Quantec Research, 2021 (e denotes estimate)

III. MAIN ECONOMIC CONTRIBUTORS

In 2019, the CWD economy was valued at R69.6 billion and contributed 11.4 per cent to the Provincial economy during the year. Between 2015 and 2019, the CWD experienced an average annual growth rate of 1.1 per cent, marginally higher than the 1.0 per cent growth rate of the Provincial economy over the same period.

The Drakenstein municipal area was the leading contributor to GDP in 2019 at 32.8 per cent. The Stellenbosch and Breede Valley municipal areas were the second- and third-

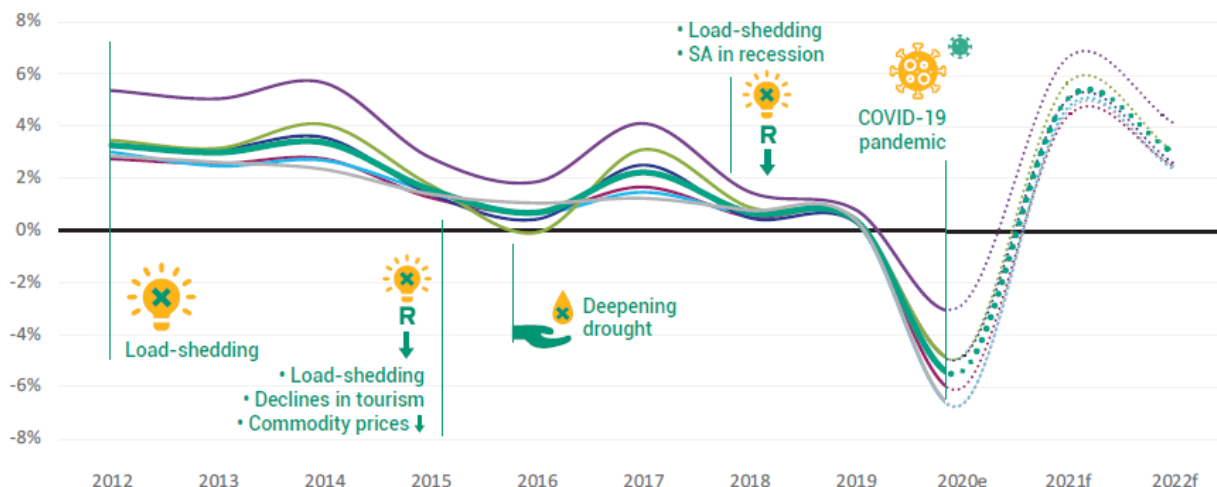
largest contributors to the Provincial economy, with contributions of 24.1 per cent and 19.1 per cent respectively. They were followed by the Witzenberg municipal area with a contribution of 13.7 per cent in 2019. The Langeberg municipal area contributed the smallest share to GDP (10.3 per cent).

Between 2015 and 2019, the Witzenberg municipal area experienced the highest average annual growth rate out of the five municipal areas that comprise the District. With an average annual growth rate of 2.2 per

cent over the five-year period, the Witzenberg municipal area outpaced average growth in the District over the period. The Langeberg municipal area experienced a marginally higher growth rate than that of the District economy between 2015 and 2019, growing at an average rate of 1.2 per cent per

year. The remaining three municipal areas, including the leading two contributors to GDP, all experienced average growth rates below that of the District.

GDPR growth per municipal area, 2009 - 2019



	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021f	2022f
Western Cape	2.87%	2.63%	2.36%	1.41%	1.07%	1.25%	0.79%	0.41%	-6.7%	4.6%	2.5%
Cape Winelands District	3.28%	3.00%	3.38%	1.58%	0.70%	2.24%	0.70%	0.39%	-5.5%	5.0%	3.0%
Witzenberg	5.34%	5.03%	5.63%	2.78%	1.86%	4.09%	1.47%	0.79%	-2.9%	6.7%	4.2%
Drakenstein	2.75%	2.56%	2.75%	1.26%	0.68%	1.66%	0.52%	0.32%	-6.1%	4.4%	2.5%
Stellenbosch	2.99%	2.46%	2.66%	1.47%	0.65%	1.45%	0.62%	0.34%	-6.7%	4.7%	2.4%
Breede Valley	3.22%	3.11%	3.57%	1.39%	0.43%	2.51%	0.48%	0.31%	-4.9%	5.0%	2.6%
Langeberg	3.45%	3.14%	4.05%	1.72%	-0.10%	3.09%	0.88%	0.39%	-4.9%	5.7%	3.1%

Source: Municipal Economic Review Outlook – PT- Quantec Research 2021

GDPR growth in the CWD is forecast to increase to 5.0 per cent in 2021 before easing to 3.0 per cent in 2022. The economy of the CWD is anticipated to recover faster than the Provincial economy. On a municipal level, the economies of the Witzenberg (6.7 per cent), Breede Valley (5.0 per cent) and Langeberg (5.7 per cent) municipal areas are anticipated to fully recover in 2021 from the contractions experienced in 2020. Partial recoveries are anticipated in the Drakenstein (4.4 per cent) and Stellenbosch (4.7

per cent) municipal areas. The improved growth rates observed in 2021 are as a result of the poor performance of the District economy in 2020 brought about by the COVID-19 pandemic. This should not be considered as an improved economic outlook for the District, as growth in 2021 originates from a constrained economic base.

Cape Winelands District GDP contribution per sector, 2019 - 2022 (%)

SECTOR	R million value 2019	Trend 2015 – 2019	Real GDP growth		
			2020e	2021f	2022f
PS Primary Sector	R5 350.2 (7.7%)	-3.6%	10.9%	5.0%	-1.2%
Agriculture, forestry & fishing	R5 211.6 (7.5%)	-3.6%	11.5%	4.9%	-1.2%
Mining & quarrying	R138.7 (0.2%)	-0.5%	-18.5%	9.0%	-1.4%
SS Secondary Sector	R16 983.0 (24.4%)	-0.1%	-12.6%	0.6%	6.7%
Manufacturing	R10 829.4 (15.6%)	-0.6%	-10.9%	0.4%	6.1%
Electricity, gas & water	R1 643.3 (2.4%)	0.0%	-6.1%	0.6%	4.8%
Construction	R4 510.3 (6.5%)	1.5%	-19.8%	1.2%	9.4%
TS Tertiary Sector	R47 242.9 (67.9%)	2.3%	-5.4%	6.3%	2.3%
Wholesale & retail trade, catering & accommodation	R13 501.5 (19.4%)	2.1%	-9.5%	10.3%	4.4%
Transport, storage & communication	R6 709.9 (9.6%)	1.8%	-14.3%	10.6%	-2.6%
Finance, insurance, real estate & business services	R14 075.0 (20.2%)	3.6%	-2.7%	6.1%	4.9%
General government	R7 521.2 (10.8%)	0.2%	0.4%	-2.8%	-0.6%
Community, social & personal services	R5 435.3 (7.8%)	1.9%	-1.9%	6.2%	-2.1%
Total Cape Winelands District	R69 576.2 (100.0%)	1.1%	-5.5%	5.0%	3.0%

Source: Municipal Economic Review Outlook – PT- Quantec Research 2021

IV. EMPLOYMENT AND INCOME LEVELS

An overview of employment in the CWD in 2019 is provided in Table 1.2. Furthermore, average annual changes in employment and estimates for 2020 are also provided. In 2019, a total of 395 234 workers were employed in the District and contributed 15.3 per cent to Provincial employment during the year.

The Drakenstein and Breede Valley municipal areas contributed the most to employment in the CWD in 2019 at 28.5 per cent and 21.7 per cent respectively. This was followed by the Stellenbosch (19.8 per cent) and Witzenberg (16.4 per cent) municipal areas. The Langeberg municipal area contributed the smallest share to employment in the District at 13.5 per cent. Given the proximity to the Cape Metro area,

there is significant labour movement between the Stellenbosch and Drakenstein municipal areas and the metro. This affects the flow of money in these economies, as income is spent in the area of residence.

Between 2015 and 2019, the CWD experienced an average annual increase of 8 653 jobs. The Drakenstein municipal area contributed the largest share to the average annual increase in jobs in the District, with an average annual increase of 2 227 jobs over the five-year period. This is reflective of the importance of the Drakenstein municipal area to economic activity and employment in the District. The Witzenberg municipal area experienced an average annual

increase in jobs of similar magnitude, with 2 087 jobs contributed between 2015 and 2019.

Cape Winelands District employment growth, 2019

MUNICIPALITY	Number of jobs 2019	Average annual change 2015 – 2019	Net change 2020e
● Witzenberg	64 930 (16.4%)	2 087	-2 812
● Drakenstein	112 599 (28.5%)	2 227	-6 452
● Stellenbosch	78 449 (19.8%)	1 346	-4 659
● Breede Valley	85 767 (21.7%)	1 917	-4 706
● Langeberg	53 489 (13.5%)	1 075	-2 921
Cape Winelands District	395 234 (100.0%)	8 653	-21 550
Western Cape	2 581 736	40 794	-159 299

Source: Socio-Economic Profile – PT – Quantec Research 2021

Household income

The average household income of the CWD in 2018 was R17 770.0, which is marginally higher than that of the Province. Between 2014 and 2018 the CWD average monthly household income contracted by 0.1 per cent, which was lower than the 0.5 per cent contraction experienced in the Western Cape within the same period. The Drakenstein and Stellenbosch municipal areas experienced a contraction in the average monthly household income


between 2014 and 2018, despite having a higher average household income than the Western Cape, the CWD and other municipal areas in 2018. The Witzenberg municipal area had the highest growth in average household monthly income between 2014 and 2018 (1.0 per cent).

MUNICIPALITY	Average household income 2018 (current prices)	Trend 2014 – 2018
● Witzenberg	R17 316	1.0%
● Drakenstein	R19 938	-0.3%
● Stellenbosch	R19 738	-0.1%
● Breede Valley	R15 487	-0.4%
● Langeberg	R14 147	0.5%
Cape Winelands District	R17 770	-0.1%
Western Cape	R17 760	-0.5%

Source: Socio-Economic Profile – PT – Quantec Research 2020

Employment per sector

Witzenberg GDPR and employment performance per sector, 2020



SECTOR	GDPR		Employment	
	Trend 2015 – 2019	Real GDPR growth 2020e	Average annual change 2015 – 2019	Net change 2020e
Primary Sector	-3.1%	12.2%	413	-786
PS Agriculture, forestry & fishing	-3.1%	12.3%	413	-785
Mining & quarrying	3.2%	-15.5%	0	-1
Secondary Sector	2.4%	-11.4%	214	-672
SS Manufacturing	2.2%	-8.9%	67	-199
Electricity, gas & water	1.5%	-4.9%	8	-3
Construction	3.0%	-19.1%	139	-470
Tertiary Sector	3.8%	-3.4%	1 459	-1 354
TS Wholesale & retail trade, catering & accommodation	2.9%	-9.0%	606	-648
Transport, storage & communication	2.2%	-11.9%	60	-54
Finance, insurance, real estate & business services	5.7%	-0.5%	314	-215
General government	2.6%	2.6%	157	186
Community, social & personal services	3.7%	-0.5%	323	-623
Total Witzenberg	2.2%	-2.9%	2 087	-2 812

Source: Municipal Economic Review Outlook – PT Quantec Research, 2021 (e denotes estimate)

The Witzenberg municipal area achieved an average growth rate of 2.2 per cent between 2015 and 2019. The tertiary sector had the highest average growth rate (3.8 per cent) during this period, followed by the secondary sector (2.4 per cent). The primary sector had a contraction of 3.1 per cent owing to the contraction in the agriculture sector. The contraction can be attributed to the drought experienced in the region, as well as low commodity prices. The finance sector and community services sector drove GDPR growth in the municipal area between 2015 and 2019, with average annual

growth rates greater than the local average. Although the mining sector achieved a noteworthy growth rate of 3.2 per cent in 2019, this sector's contribution to the overall GDPR is very small and is unlikely to contribute substantially to the region's economy.

The estimates for the Witzenberg municipal area in 2020 show that the economy contracted by 2.9 per cent. The large contraction of 9.0 per cent for the municipal area's largest economic sector, trade, impacted the total economy significantly. The contraction in this sector can be related to the

decline in the tourism industry owing to the travel restrictions and lockdowns imposed by COVID-19.

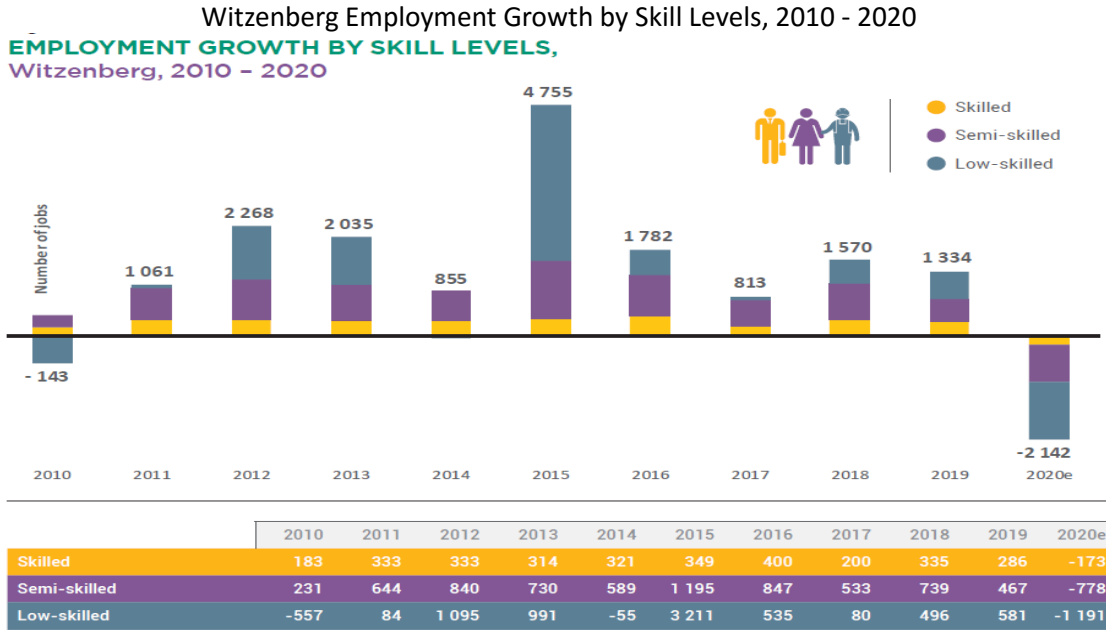
With limited movements and less use of transport facilities for both personal and business purposes, the transport sector was also negatively impacted by the lockdown restrictions, and contracted by 11.9 per cent. The agriculture sector is estimated to have had a significant increase of 12.3 per cent in 2020. The agriculture sector's strong performance helped the total municipal area's economy not to contract as significantly as anticipated in 2020. The main commodities in the municipal area are wheat, apples and pears. The growth in this sector is related to the price increase in wheat owing to the high exchange rate in 2020. Apples and pears are two of the top five most popular fruits in the country, and consumption is expected to increase by 25.0 per cent in the next decade. This will have a positive impact on purchasing power for local consumption, resulting in positive growth.¹⁰

In terms of employment, the Witzenberg municipal area created an average of 2 087 jobs per annum between 2015 and 2019. Employment creation was mainly driven by employment opportunities in the tertiary sector, which experienced an average annual increase of 1 459

jobs during this period. Between 2015 and 2019, the primary and secondary sectors experienced an annual average increase of 413 and 214 jobs respectively. The largest growth experienced for individual sectors was in the trade sector (606 jobs), followed by the agriculture sector with 413 jobs.

The municipal area is estimated to have lost 2 812 jobs in 2020 owing to the significant impact of COVID-19 on the local economy. Most of the jobs lost were in the tertiary sector (1 354 jobs), with the trade sector shedding 648 jobs. The agriculture sector is estimated to have contracted by 785 jobs, the largest portion of the total number of jobs lost within the municipal area. The potential explanation for the decline in jobs despite the positive economic growth is that agriculture employment could be related to endogenous labour. Some agricultural operations have been affected by the COVID-19 regulations, for example the wine industry was not able to operate under level five regulations. The other possible explanation is that the increase of the minimum wage from R18.68 to R21.69 per hour might have driven job losses in the sector.

Skills Analysis



Source: Municipal Economic Review Outlook Quantec Research, 2021 (e denotes estimate)

Owing to the global financial crisis aftershock, a net loss of 143 jobs was recorded in the Witzenberg municipal area in 2010, with low-skilled workers in particular experiencing a significant number of job losses (557). It should be noted that despite the economic downturn, there was no job-shedding for skilled and semi-skilled workers during this period. This illustrates the resilient nature of skilled and semi-skilled jobs.

Between 2012 and 2013, most employment opportunities created in the region were for low-skilled workers. In 2014, however, low-skilled workers experienced further job-shedding, with 55 jobs lost. Employment opportunities in the

region experienced a significant increase in 2015, with 4 755 job opportunities created, mainly for low-skilled and semi-skilled workers.¹⁷ The total number of formal jobs lost owing to the COVID-19 pandemic in 2020 was an estimated 2 142 jobs. A total of 173 jobs were lost in the skilled workforce and 1 191 in the low-skilled workforce. Given that employment often lags economic growth, it is anticipated that despite the GDP growth forecast for 2021 and 2022, employment will not recover in the short term, which will have a significant impact on poverty in the local municipal area.

V. SMALL, MICRO AND MEDIUM ENTERPRISES

Most current economic research data indicate that SMMEs play major role in creation of jobs at a local level. The Witzenberg SMME sector has been organised into an active business forum that meets regularly to develop new projects and shares business challenges. The municipality has organised a number of training sessions with this sector around mentoring and coaching, business skills, business plan writing, budgeting and

financial planning etc. These programmes were organised through the Red Door, IDT, Seda, Provincial Economic Unit, DTI etc. These programmes will be expanded and specific attention will be given to the promotion of this sector through the municipal procurement supply chain.

Local contractors were capacitated with contractor development training, as well as Western Cape Department Supply Chain workshops, where they could also access information on SARS and the Construction Industry Development Board (CIDB). Mentoring projects for contractors are planned for the new financial year.

Arts and crafts entrepreneurs were capacitated with tourism awareness training and creativity workshops. Entrepreneurs were also connected with organisations in Cape Town such as the Cape Craft Development Institute (CCDI), where they were assisted with business services and product enhancement. Access to markets were provided to entrepreneurs by means of an arts and crafts expo and craft market.

VI. TOURISM

Witzenberg Municipality manages local tourism in the form of a service level agreement (SLA) with three local tourism organisations, which conduct marketing of the municipal area and local established businesses in order to draw investment and trade to the area.

Local businesses join as members of the local tourism authorities to participate in the marketing initiative. Membership holds businesses accountable to ethical norms and standards for the industry, and to a code of conduct. Tourism aims to market Witzenberg Municipality as an affordable holiday destination with activities for the entire family. Tourism liaises with district, provincial and national stakeholders to develop the Witzenberg brand through the attraction of tourists, awareness campaigns, roadshows, expos, events and festivals.

Tourism further aims to train and skill local entrepreneurs to meet tourism-related demands, and provide the requisite services and products necessary to promote local trade and economic development.

A Tulbagh arts and crafts programme was also launched for youth in Tulbagh where training in products such as recycling, painting and mosaic were conducted by a local entrepreneur, thereby also empowering local artists to impart their skill. The youth were also connected with festivals where they could sell their products to tourists.

Tourism projects planned for the new financial year include increased efforts for entrepreneurs to access markets and business capacity building.

Their functions include:

- Marketing the area, events and activities.
- Creating opportunities for transformation, niching, diversification and support of new stakeholders.
- Ensuring that tourism development remains on trend.
- Promotion and development of Accessible Tourism.
- To enlist new members and plan for the growth of both operations and market.

As per our SLA with Witzenberg Tourism, which is an external entity to Witzenberg Municipality, we have the following strategic priorities:

- Promotion of our towns as travel destinations and as film and photoshoot locations (with attractive scenes in farm and desert areas, mountains, snow, and skylines).
- Promotion and protection of the local towns, events and the municipal brand.
- Promotion of conservation and Green Tourism.

- Provision of statistical research and data outputs.
- Promotion of Agri-Tourism.
- The growth and expansion of tourism.

Witzenberg Tourism runs educational packages with schools, front of house staff, and local stores to promote clientele service. The entity also sources courses such as first aid training, communication, administration and hospitality to help local businesses improve their output and skill levels.

Part of the municipality's agreement with Witzenberg Tourism is to expand the broad demographic of tourism to encompass culture, heritage, diversity and transformation. We aim to develop two new travel routes within Witzenberg to promote social cohesion as well as introduce formal trade to township and rural areas.

Witzenberg Tourism has produced tear-off maps which are distributed to points of sale with high traffic, providing location and contact details of local tourist attractions. They have also

produced a joint brochure called the Witzenberg Meander, covering activities throughout the municipality. Tourism bureaus for Wolseley, Ceres and Tulbagh also created their own brochures with niche marketing of their sectors in conjunction with social media promotion through Facebook and websites.

Witzenberg Tourism has been successful in marketing the destination to visitors within South Africa as an affordable and picturesque location for weddings, snow tourism, heritage tourism, agri-tourism, wine tourism, adventure tourism, cultural tourism, sports tourism and rural tourism.

Witzenberg Tourism also conducts quarterly educational visits of the areas to tourism authorities outside of our borders as well as to journalists, media groups and bloggers, in order to review and publicise the activities and services offered in the area. A significant area of focus in the IDP for tourism is access to qualitative and quantitative research, specific to our area.

D. SPATIAL ANALYSIS

EXECUTIVE SUMMARY AND MAIN FOCUS OF THE WITZENBERG MSDF

The 2019 Witzenberg Municipal Spatial Development Framework (MSDF) – once approved by Council – will replace the current MSDF prepared in 2012. The 2019 MSDF has been prepared within the legislative and regulatory framework set by the national Spatial Planning and Land Use Management Act (ACT 16 of 2013), provincial Land Use Planning Act (2014), and Witzenberg Municipality Land Use Planning By- Law, 2015. It is also directed by a range of policy and guideline documents prepared by different spheres of government, including the Western Cape Government Provincial Spatial Development Framework (2014) and the Witzenberg Municipality Integrated Development Plan (IDP) 2017-2022 (and annual reviews).

Based on analysis of existing patterns of spatial development within the municipal areas, and expected need for different activities to be accommodated over the planning period, the MSDF sets outline spatial policy, plans, proposals, guidelines, and implementation measures for Witzenberg Municipality as a whole and individual settlements within the Municipality.

In its direction, the MSDF has five specific foci:

1. The first is to maintain and protect the integrity, authenticity and accessibility of Witzenberg's natural environment and associated resources. Humanity depends on nature for physical and spiritual sustenance, livelihoods, and survival. Ecosystems provide numerous benefits or ecosystem services that underpin economic development and support human well-being. They include provisioning services such as food, freshwater, and fuel as well as an array of regulating services such as water purification, pollination, and climate regulation. Healthy ecosystems are a prerequisite to sustaining economic development and mitigating and adapting to climate change. The plan provides for activities enabling access to nature in a manner which does not detract from the

functionality and integrity of nature and farming areas and landscapes.

2. The second is to maintain and expand the Municipality's key regional and intra-regional infrastructure. Appropriate infrastructure – whether in the form of transport routes or municipal services – is critical to support economic development, agriculture, and livelihoods.

3. The third is to maintain and grow the agricultural assets within the Municipality. Agriculture remains the mainstay of the regional economy and require on-going support. In a spatial sense, this specifically requires protecting high-value agricultural land from urban development. The opportunity also exists to diversify farm income in a manner which does not detract from the functionality and integrity of farming areas and landscapes, and to expand access to farming to smaller entrepreneurs and emerging farmers.

4. The fourth is to maintain and expand access to Witzenberg's unique sense of people and place. Important is the recognition and maintenance of unique landscapes, and diverse expressions over time of peoples' interaction with the landscape. Also critical is the SPLUMA principle of "spatial justice"; implying that past spatial and other development imbalances must be redressed through improved access to and use of land, as well as the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, and areas characterised by widespread poverty and deprivation.

5. The fifth is to maintain and expand opportunity associated with Witzenberg's key settlements. Settlements need to be managed and provide for expansion in a manner which enables efficiency in infrastructure provision, integration and compaction to enable better thresholds and more sustainable movement, and protection of surrounding assets of nature

and agriculture.

It is anticipated that a major review of the MSDF will occur every five years, in parallel with the municipal IDP. Improvements, amendments, and refinements to the MSDF can occur annually.

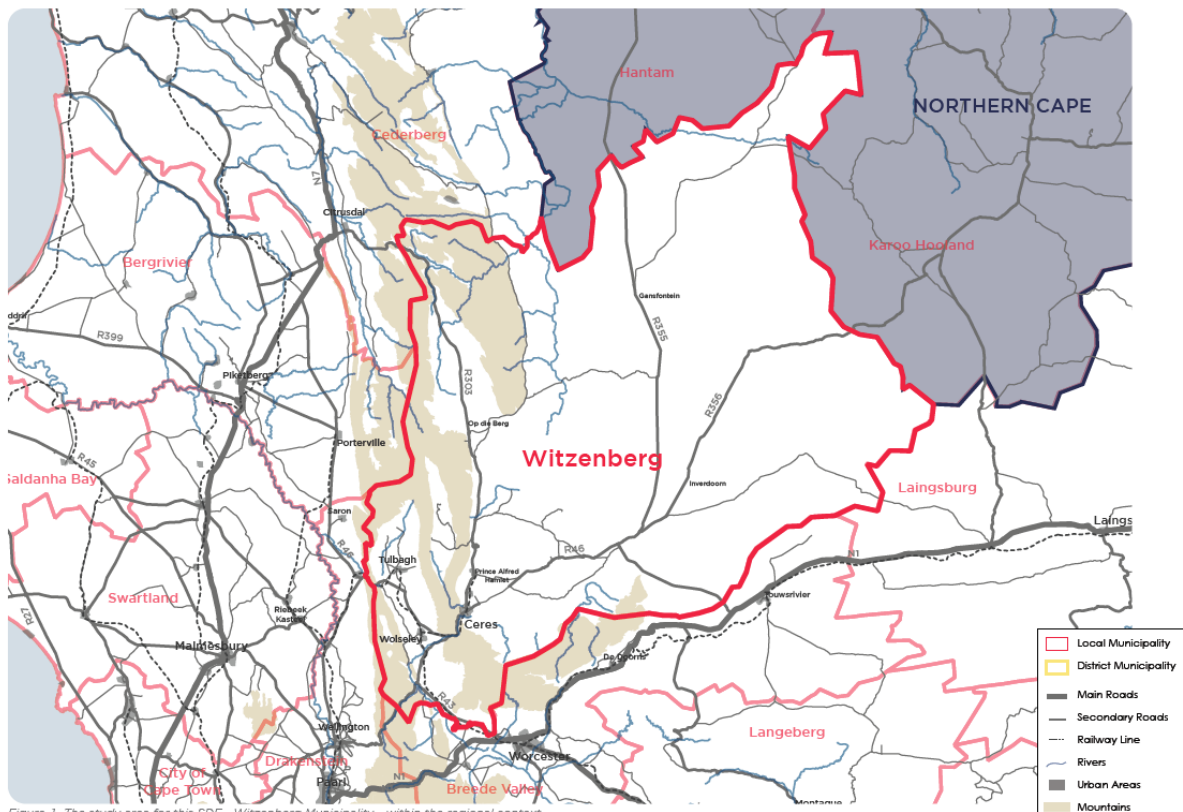


Figure 1. The study area for this SDF - Witzenberg Municipality - within the regional context

REGIONAL CONTEXT

Witzenberg Municipality is situated within the Cape Winelands District (CWD), the largest non-metro district within the broader Western Cape Province economy, contributing 11,7 % towards provincial GDP and 14.2 % to provincial employment (as per the 2015 statistics recorded in the IDP 2017-2022). CWD is also the biggest producer of stone fruit in the Province, and accounts for approximately 74% of all stone fruit production. The most economic functional areas for the production of stone fruits in this region are the Ceres-Tulbagh area (40%) and

the Montagu-Robertson area (39%). Most processors and storage facilities are located in these areas. Finished products are sent from these areas to Stellenbosch, Paarl and Wellington from where it is distributed to retailers. Most of the produce is directly exported (for example, the Du Toit Group exports to 50 countries).

Witzenberg's importance as a functional region within the broader agricultural space economy and its role as a primary regional service center has been recognized through

the identification of a possible Agri-park in Ceres. The area is also situated within one of the PSDF's identified Rural Development Corridors.

Ceres is strategically situated between the N1 and N7 national routes, forming part of the proposed regional road freight network as identified in the Greater Cape Metro and Greater Saldanha Regional Implementation frameworks.

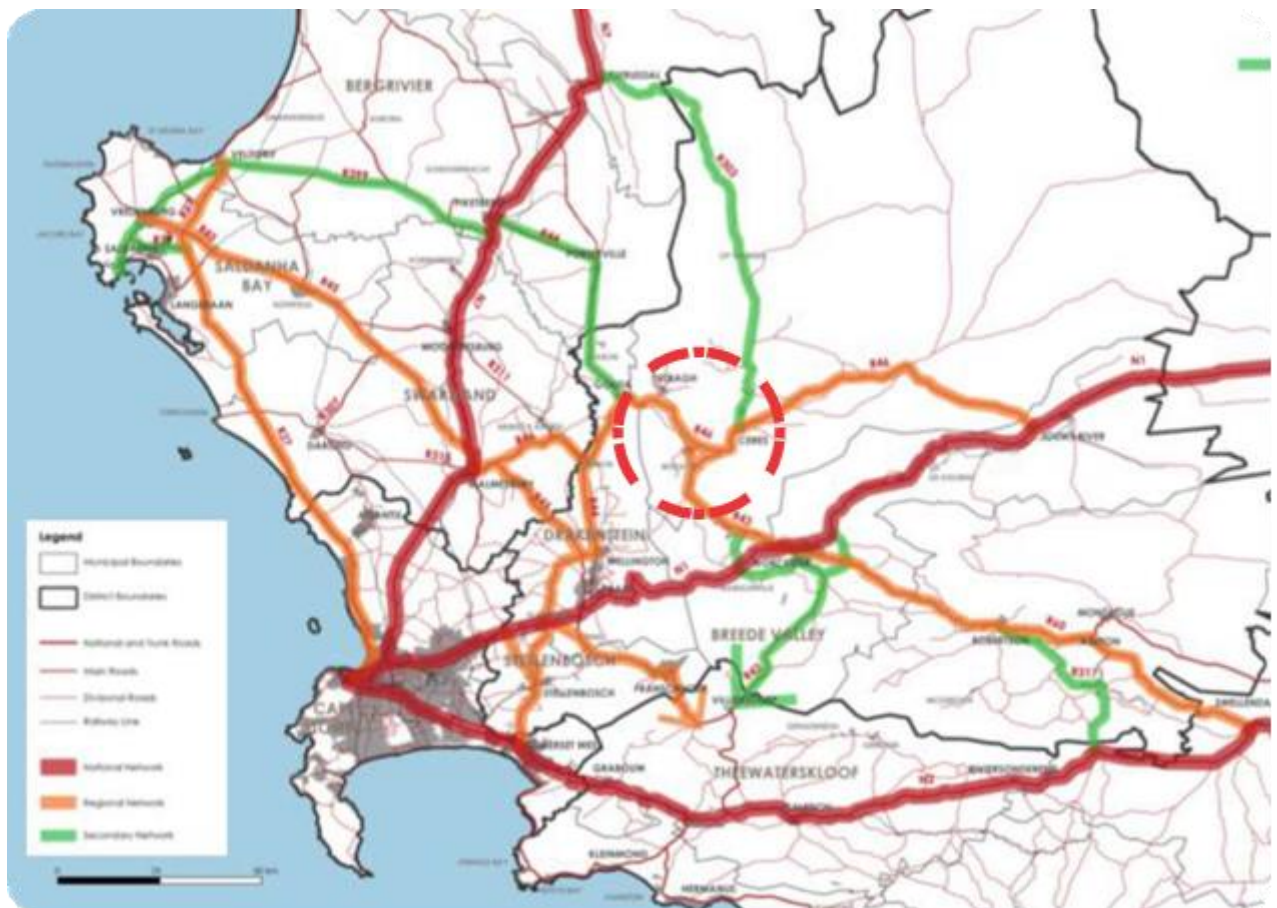
These networks aim to improve linkages from Piketberg via Gouda/ Tulbagh through to

Ceres and then linking into the N1 either via Worcester or Touwsriver, placing Ceres at the centre of the regional network.

In addition to Witzenberg's regional agricultural economic role, the area also hosts a high concentration of heritage resources, mountains, mountain passes and unique landscapes, as illustrated in Figure 21. Its position within the region as the primary gateway to the Warm and Koue Bokkeveld and Tanka Karoo also contributes to its strategic position and role in terms of tourism.



The position of Ceres and Tulbagh in relation to the GCM area and the PSDF Rural Development Corridors (GCM RSIF, 2017)



The position of Ceres in relation to the proposed regional road freight network of the Province (GS RSIF, 2018)

PLANS AND SETTLEMENT PROPOSALS

The sections below outline plans and written proposals for:

- Witzenberg Municipality as a whole.
- Individual settlements within Witzenberg Municipality.
- Guidelines for managing specific activities landscape-wide and within settlements.

It is important to remember that the plans constitute one type of planning instrument. Not all of the MSDF objectives or intent can be readily illustrated two dimensionally on a plan. Therefore, the plans are accompanied by descriptions of plan elements and associated proposals. The plans should be read with the written information contained in the descriptions accompanying the plans as well as the policies and guidelines contained in the MSDF. Each settlement plan is introduced by

a concept plan, an illustration of the core ideas related to spatial management and development of the settlement.

As indicated elsewhere in this document, spatial plans and proposals can seldomly be fully implemented without supportive actions in other functional areas or sectors. For example, it is doubtful whether the desired form of compact, diverse, inclusive, and walkable settlements will be achieved without parallel supportive initiatives to manage the unimpeded use of private vehicles. For this reason, the plan descriptions also include – where important – related non-spatial proposals.

Broadly – and aligned to the SPLUMA MSDF guidelines – the settlement plans entail three types of actions or initiatives:

- Protective actions – things to be protected and maintained to achieve the vision and spatial concept.

- Change actions – things that need to change, transformed, or enhanced to achieve the vision and spatial concept.
- New development actions – new development or initiatives to be undertaken to achieve the vision and spatial concept.

Under these broad types of actions, strategic focus areas and settlement elements are dealt with; for example, protective actions will broadly relate to protecting elements of nature, agriculture, scenic landscapes, historically and culturally significant precincts and places, and so on.

WITZENBERG MUNICIPALITY AS A WHOLE

The overall plan for Witzenberg Municipality essentially comprises of:

- Landscape-wide Spatial Planning Categories (SPCs) and associated land use guidelines.
- A settlement hierarchy and associated settlement development and management guidelines.
- Places of cultural and scenic significance.
- Municipal-wide infrastructure.

LANDSCAPE-WIDE SPATIAL PLANNING CATEGORIES

At the broadest level of municipal planning, desired land use patterns are reflected in the delineation of landscape-wide or municipal-wide Spatial Planning Categories (SPCs), namely Core, Buffer, Agriculture and Settlement categories. The definition of SPCs is based on the Western Cape Biodiversity Spatial Plan, 2017 (WCBSP) which delineates

the Western Cape's biodiversity network.

In general terms, the definition of SPCs is directed by the understanding that:

- The Western Cape's biological diversity underpins livelihoods, the Province's economy and the provision of ecosystem services. The spatial continuity and connectivity of the biodiversity network strengthens its resilience. Different categories of biodiversity areas indicated in the WCBSP Map and SPCs have specific management objectives, according

to their biodiversity priority. In broad terms, the biodiversity priority areas need to be maintained in a healthy and functioning condition, whilst those that are less important for biodiversity can be used for a variety of other land uses.

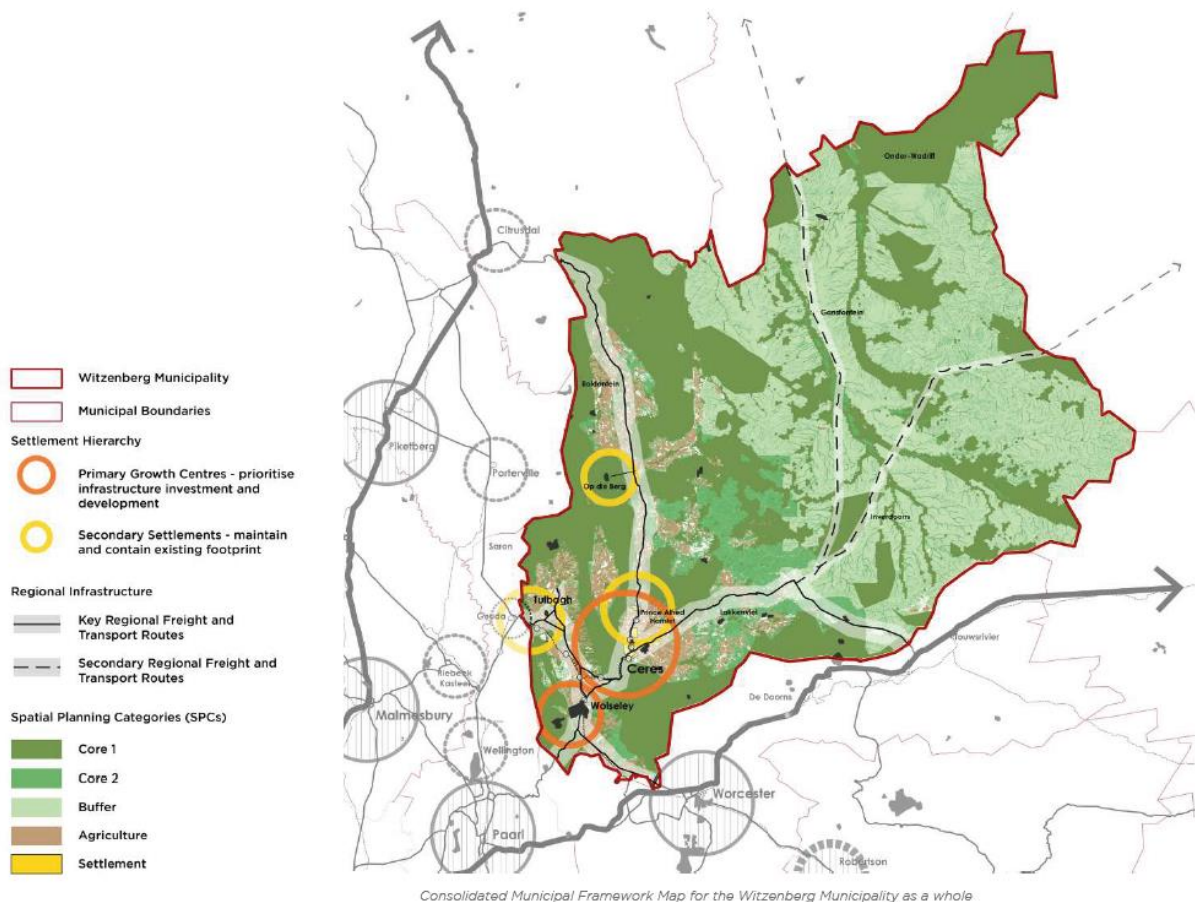
- Cultivable soils and mineral resources are non-renewable assets, important foundations of the Western Cape economy. As agricultural output is the basis of the Western Cape's rural economy and an important input to the urban economy, safeguarding the Province's agricultural resources, and productively using them without compromising biodiversity, heritage and scenic resources, remains a key challenge. There is limited suitable land available for extension of the Province's agricultural footprint, and water availability limits the use of cultivatable soils.

- Settlements – of different sizes – support critical livelihood opportunity and economic exchange. A key concern is to maintain and grow the efficient functioning of settlements while preventing encroachment into priority biodiversity, agricultural, scenic areas.

The landscape- wide SPCs for Witzenberg Municipality. The tables also list the names of key places which forms part of each SPC, what activities are broadly supported in each category, the activities not supported, and the overall desired form of development in each category.

The activities supported and overall desired form of development in each SPC is based on the guidelines contained in the Western Cape Land Use Planning Guidelines Rural, March 2019. For a fuller explanation of each SPC, the full Rural Guidelines document should be consulted¹.

The guidelines were prepared to establish norms and standards based on evidence and is aligned with international, national, and provincial policy related to the sustainable use of natural resources and agricultural land.



Consolidated Municipal Framework Map for the Witzenberg Municipality as a whole

SPC	DESCRIPTION	KEY PLACES IN WITZENBERG	ACTIVITIES SUPPORTED	ACTIVITIES NOT SUPPORTED	OVERALL DESIRED FORM OF DEVELOPMENT
Core 1	Areas that must be maintained in, or restored to, a natural state in order to sustain biodiversity patterns and processes and the functionality of eco-system services.	<ul style="list-style-type: none"> Formal protected areas and Mountain Catchment Areas: Tankwa Karoo NP, Matroosberg MCA, Cederberg MCA, Kouebokkeveld MCA, Winterhoek MCA, Hawequas MCA. Private nature reserves. Areas designated by the WCBS as CBA1. 	<ul style="list-style-type: none"> Essentially Core areas are "no-go" areas from a development perspective. Human impact must be restricted to ensure that there is no further loss of natural habitat. Conservation management activities should be encouraged. Subject to stringent controls biodiversity-compatible land uses that may be accommodated include non-consumptive low impact eco-tourism activities (e.g. hiking trails, bird and game watching, and visitor overnight accommodation); and harvesting of natural resources (e.g. wildflowers for medicinal, culinary or commercial use). Controlled livestock grazing and game farming must be informed by the habitat type, grazing potential and other site sensitivities. No further loss of natural habitat should occur and lower than standard stocking rates should be applied. Land consolidation 	<ul style="list-style-type: none"> Mining or prospecting. Extensive or intensive grazing. Conversion of natural habitat for cultivation or forestry. Large-scale eco-tourism. Subdivision. Expansion of settlements. 	Small low-density footprints, and temporary structures are preferred with units carefully dispersed or clustered to achieve least impact. The use of alternative porous materials and innovative eco-friendly design concepts are encouraged.
Core 2	Areas in a degraded condition that must be rehabilitated in order to sustain biodiversity patterns and processes and the functionality of eco-system services. Includes areas that support the ecological functioning of critical biodiversity areas.	<ul style="list-style-type: none"> Areas designated by the WCBS as CBA2 or ESA1. Lower slopes and foothills in Land van Waveren and Warm Bokkeveld. Degraded reaches of the Groot and Doring Rivers in the Ceres and Tankwa Karoo. Watercourses and their buffers in the Ceres and Tankwa Karoo. 	<ul style="list-style-type: none"> As for Core 1 whilst allowing for a limited increase in scale of development in less sensitive areas (provided ecological processes are not disrupted). Where existing agricultural activities (e.g. extensive livestock or game farming) occur in Core 1 or Core 2 Areas, it needs to be subject to inter alia lower impact practices, lower than standard stocking rates, resting cycles wetland and riverbank protection, and avoiding areas containing red data species. 	<ul style="list-style-type: none"> Extension of intensive or extensive agriculture. Mining or prospecting. Large-scale cultivation. Urban or industrial development. 	As for Core 1. Detailed site-level mapping of habitat conditions should inform the placement of essential buildings or structures in Core Areas. Disturbed footprints should preferably be utilised.
Buffer 1	Large intact portions and remnants of natural or near natural vegetation not designated as Core Areas but in proximity to them.	<ul style="list-style-type: none"> Areas designated by the WCBS as Other Natural Area, in proximity to or adjacent to Core Areas. Livestock farming areas in the Ceres and Tankwa Karoo. 	<ul style="list-style-type: none"> Conservation activities as per Core 1 and 2 Areas, including sustainable consumptive or non-consumptive uses. Extensive agriculture such as game or livestock farming, subject to lower impact practices, sustainable stocking rates, rotational grazing cycles, protection of watercourses, and avoidance of areas containing species of conservation concern. Development (e.g. structures) in support of both tourism and biodiversity conservation in Core Areas. Extensive agriculture comprising extensive game and livestock farming, subject to inter alia lower impact practices, lower than standard stocking rates, resting cycles wetland and riverbank protection, and avoiding areas containing red data species. 	<ul style="list-style-type: none"> Case-specific determination based on impact on biodiversity. 	<p>Development should reinforce existing farm precincts and reflect similar vernacular in terms of scale, form and design.</p> <p>In the absence of existing farmsteads, development should reflect compact and unobtrusive characteristics, conforming to local vernacular in terms of scale, form and design.</p> <p>The design of all proposed development should embrace the spatial form, movement patterns, building design and conservation and ecology of the local area.</p>

Landscape-wide Spatial Planning Categories (continued)

SPC	DESCRIPTION	KEY PLACES IN WITZENBERG	ACTIVITIES SUPPORTED	ACTIVITIES NOT SUPPORTED	OVERALL DESIRED FORM OF DEVELOPMENT
Buffer 2	Natural or near natural areas located in an agricultural matrix as the dominant land use.	<ul style="list-style-type: none"> Areas designated by the WCBSP as ESA2 or Other Natural Area, located in an extensive or intensive agricultural matrix as the dominant land use. River corridors on cultivated land in the Warm and Koue Bokkeveld and Land van Waveren. 	<ul style="list-style-type: none"> Activities and uses directly relating to the primary agricultural enterprise. Additional land uses to facilitate diversification and "value adding", including restaurant and venue facility, farmstall and farm store, home occupation; local product processing, and tourist and recreational facilities. Buffer 2 Areas within the "fringe" of settlements can accommodate space extensive uses not suited to location within the urban edge (e.g. regional sports and recreation facilities, tourist facilities); or associated with nuisance and buffer requirements (e.g. waste water treatment plants, cemeteries, solid waste disposal sites, airports, feedlots, quarries and mines, truck stops). 	<ul style="list-style-type: none"> Case-specific determination based on impact on agriculture and biodiversity. 	<p>Building development should reflect the style, scale, and form of the farmstead precinct or farm outpost, their buildings and setting.</p> <p>In the absence of existing farmsteads or farm outposts, development should be compact and unobtrusive, conforming to local vernacular in terms of scale, form and design.</p>
Agriculture	Existing and potential intensive agricultural land where significant or complete loss of natural habitat and ecological functioning has taken place due to ploughing, hardening of surfaces, mining, cultivation, and so on.	<ul style="list-style-type: none"> Existing intensive agriculture including irrigated and dry land crop cultivation, primarily in the western parts of the municipal area. 	<ul style="list-style-type: none"> Activities and uses directly related to the primary agricultural enterprise. Additional dwelling units to support rural tourism and diversify farm income, to a maximum of 1 additional non-alienable du per 10 ha and 5 per farm. Additional land uses to facilitate diversification and "value adding", including restaurant and venue facility, farmstall and farm store, home occupation; local product processing, and tourist and recreational facilities. 	<ul style="list-style-type: none"> Large scale resorts. Tourist and recreation facilities. 	<p>Facilities for ancillary on-farm activities should be in scale with and reinforce the farmstead precinct, enhance the historic built fabric and respect conservation-worthy places (these could be natural areas or areas which are degraded but still provide ecological connectivity and/or ecosystem services).</p> <p>Fragmentation of farm cadastral units should be prevented, and consent processes and spot zoning employed for managing land uses ancillary to or associated with agriculture.</p>
Settlement	Existing towns, villages and hamlets..	<ul style="list-style-type: none"> Ceres. Wolseley. Tulbagh. Prince Alfred Hamlet. Op-die-berg. 	<ul style="list-style-type: none"> "Normal" activities associated with urban development. 	<ul style="list-style-type: none"> New settlement formation that negatively impacts on municipal financial sustainability. 	<p>Development should:</p> <ul style="list-style-type: none"> Retain the compact form of smaller settlements. Prevent settlement encroachment into agricultural areas, scenic landscapes and biodiversity- and ecological system service priority areas. Maintain and enhance public spaces. Reinforce the close relationship of settlements to the regional route structure. Integrate new development into the settlement structure. Respect socio-historical and cultural places.

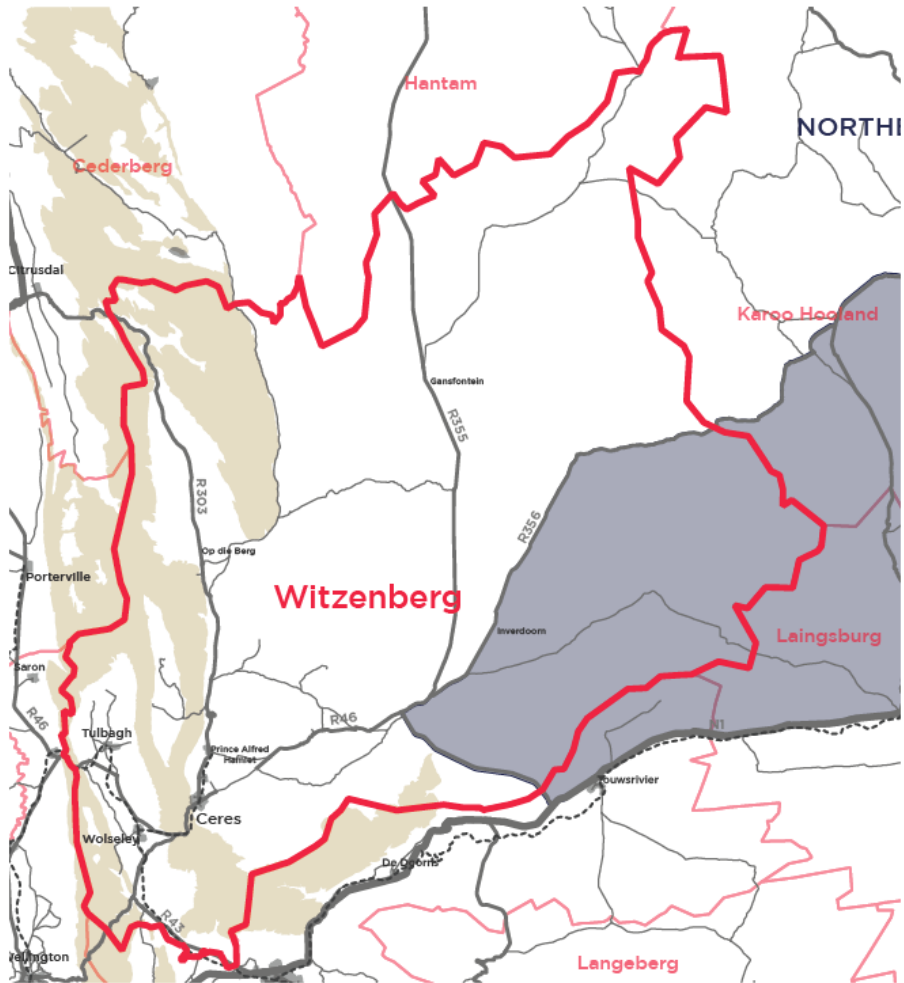
RENEWABLE ENERGY DEVELOPMENTCORRIDORS

The Strategic Environmental Assessment for Wind and Solar Photo-voltaic Energy in South Africa identified 8 Renewable Energy Development Zones (REDZs) in 2015 that are of strategic importance for large scale wind and solar photo- voltaic energy development including the roll-out of its supporting transmission and distribution infrastructure. New wind or PV projects located within one of the eight REDZ areas will now be subject to a Basic Assessment and not a full EIA process, as well as a shortened timeframe of 57 days for the processing of an Application for Environmental Authorisation.

The Council for Scientific and Industrial Research (CSIR) identified eight geographic REDZ's following a Strategic Environmental Assessment:

NAME	SIZE	PROVINCE
Overberg	5 263 km ²	Western Cape
Komsberg	8 846 km ²	Western Cape
Cookhouse	7 366 km ²	Eastern Cape
Stormberg	12 041 km ²	Eastern Cape
Kimberley	9 568 km ²	Free State & Northern Cape
Vryburg	9 204 km ²	North West
Upington	12 833 km ²	Northern Cape
Springbok	15 214 km ²	Northern Cape
Total	80 335 km²	

The Witzenberg Municipality forms part of the Komsberg REDZ. Any projects or renewable energy developments in the municipal area should preferably be located inside of this boundary, however, proposals for renewable energy developments outside of this boundary will be considered on a case by case basis based on its own merits.



The location of the Komsberg REDZ area within the Witzenberg Municipality

E. FINANCIAL VIABILITY

Capability of the municipality to execute capital projects

The capital budget for the next financial year amounts to R92 million of which R 22 million is from own revenue. The rest of the capital budget is financed from Grants.

Only funded capital projects are included in the capital budget. The only major project not executed in the past was the bulk raw water provision in Tulbagh due to the outstanding approval of the Water Use Licence submitted approximately 4 years ago. A construction tender was awarded but work cannot proceed without the approval.

Indigent support (including free basic services)

The equitable share allocation is utilized to fund the provision of free basic services to indigent households and informal areas.

The development of plots and building of RDP houses is a challenge to the financial viability and sustainability of Witzenberg Municipality as most of the beneficiaries will qualify for indigent support and will not contribute financially to the municipality, but will be entitled to municipal services.

In addition to the legislative R15 000 exempted valuation on a property, the first R105 000 of the municipal valuation of all residential properties are exempt from property rates.

Indigent households receive 50 kWh of electricity and 6 kilolitres of water per month while their basic charges for water refuse and sewerage are fully subsidised.

Indigents earning between R 3 000 to R 5 000 may qualify for 50% of benefits as indicated above

Indigent households with conventional electricity and/or water meters will be converted to prepaid meters to avoid over consumption, subject to affordability to the municipality.

Revenue enhancement and protection strategie

The revenue must be increased to ensure that Witzenberg Municipality can meet all the financial obligations and to improve service delivery. A policy providing for rebates on municipal services is available to new businesses/industries or extension of existing businesses/industries where new jobs are created.

New businesses and/or industries will not only increase the revenue base of the municipality, but will also assist in reducing unemployment – one of the largest challenges for Witzenberg Municipality.

Consumers with conventional water meters who do not pay their municipal accounts will be converted to prepaid meters to avoid increased outstanding debt in respect of water, subject to affordability to the municipality.

Municipal consumer debt position

The impairment provision for debtors have been emphasised by the office of the Auditor-General of South Africa.

The increase in the provision is due to:

- Limited credit control procedures available in areas where Eskom is the service provider for electricity.
- Limited application of the credit control procedures to indigent households.
- Community resistance to the cutting of electricity in certain areas. Assistance from the South African Police Service is needed.

Grants and subsidies

Grants and subsidies are used for their intended purposes as per the Division of Revenue Act and/or Provincial Gazettes. The equitable share allocation is utilised to fund the provision of free basic services to indigent households and informal areas. Grants and subsidies are utilised to finance 64% of the capital budget. Most of the capital expenditure financed from grants and subsidies are in

respect of the provision of infrastructure, Material Recovery Facility, upgrading of Van Breda bridge in Ceres and the construction of the Tulbagh Dam.

Municipal Infrastructure Assets and Maintenance (Q&M)

The expenditure on repairs and maintenance needs to be increased. The limited revenue base of the municipality limits the amount of funding that can be earmarked for repairs and maintenance.

It is accepted that it is important to maintain municipal assets; therefore the funds available for repairs and maintenance are increases on an annual basis.

The implementation of MSCOA (Municipal Standard Chart of Accounts) regulations will improve the reporting on spending on repairs and maintenance.

Current and planned borrowings

Current borrowings are on the decline as no new loans were sourced in the recent past. The loan from the Development Bank of South Africa for the Koekedouw dam was redeemed during the 2016/17 financial year. It is envisaged that a new loan be obtained in the new financial year for the capital expenditure relating to waste management infrastructure

Municipality's credit rating

No official credit rating has been performed, but the financial indicators show positive movement during the last four financial years.

The cost coverage ratio improved from 1.5 months to 1,7 months, indicating that the municipality's cash and cash equivalents can cover the operating expenditure for 1,7 months.

The current ratio improved from 1.6:1 to 1.7:1 from 2020 to 2021, indicating that for every R1 owed in current liabilities, the municipality has R 1.7 in current assets available. The ratio improved slightly and it is above the acceptable

norm of 1:1. An Improved ratio will result in an increased ability of the municipality to settle its debt when it becomes due. A positive liquidity position can also result in better interest rates being obtained if new loans are sourced, and can also provide confidence to companies that consider investing in the Witzenberg area.

Employee-related costs (including Councillor allowances)

The employee-related costs, including Councillor allowances, account for 32% of the operating expenditure over the medium term.

More vacant positions need to be filled to meet the demand of service delivery due to the growth of households that needs services. Any decrease in the mentioned ratio will impact negatively on service delivery.

The salary increase of permanent employees is negotiated nationally, limiting the municipality's influence over the annual salary increase. Councillors are remunerated in terms of national legislation as per annual Government Gazette publications.

Supply chain management (SCM)

Supply chain processes are followed in terms of the Municipal Supply Chain Regulations. Bids are awarded in term of the points scored according to the Preferential Procurement Policy Framework Act.

The Preferential Procurement Regulations were found to be invalid by the Supreme Court of Appeal and this judgement was subsequently upheld by the Constitutional Court in February 2022. Council awaits guidance from the National Treasury and the earliest indication is that Council needs to adopt its own Preferential Procurement Policy based upon the limits or points. It is of utmost importance that direction be provided at the earliest opportune time as this may have a significant impact on service delivery. This had an impact on the roll out of project and also on operational execution of tasks.

F. DISASTER MANAGEMENT

The Chief: Fire Services and Disaster Management was appointed on 1 February 2013. Disaster Management Advisory Committee meetings at a district level are attended regularly and a Disaster Management Plan has been drafted. Public awareness and preparedness sessions for disaster related activities were conducted with a special focus on risk communities in informal settlements regarding the hazards of fires and floods, climate change, etc. The draft Disaster Management Plan was workshopped with relevant stakeholders.

A fully established and functioning Municipal Disaster Management Centre (DMC) is a key element of this plan. Therefore the Witzenberg Municipality consults with and operates in close collaboration with the Cape Winelands District Disaster Management Centre. The completion of the Cape Winelands District-based Disaster Management Operating Centre in Worcester will serve the district's base needs.

In any event requiring DMOC activation, the primary role-players, such as disaster management representatives from both CWDM and the Witzenberg Municipality, the coordinator from SAPS, an EMS representative and any other sectorial representative are activated to these centres and coordinate all activities from this DMOC. Due to the regular occurrences of major events (e.g. floods) this DMOC is well established and functions effectively.

Various disaster risks for the Witzenberg Municipality have been identified and assessed during risk assessments executed during 2005 (technological) and 2008 (community based). The risk assessment was done by Africon Engineering and CPUT respectively on instruction of the CWDM for all municipalities falling within the auspices of the district. The technical risk and vulnerability assessment by Africon led to the following profile:

Risk prioritisation table for Witzenberg Local Municipality

Hazard	Exposure	Severity	Probability	Actions needed
<i>Drought</i>	<i>Occasional</i>	<i>Moderate</i>	<i>Normal</i>	<i>Preparedness Planning</i>
<i>Earthquake</i>	<i>Occasional</i>	<i>Moderate</i>	<i>Normal</i>	<i>Preparedness Planning</i>
<i>Fire</i>	<i>Occasional</i>	<i>Insignificant</i>	<i>Unlikely</i>	<i>Risk Reduction interventions and Preparedness</i>
<i>Flood</i>	<i>Seldom</i>	<i>Insignificant</i>	<i>Unlikely</i>	<i>Preparedness Planning</i>
<i>Severe Storm</i>	<i>Seldom</i>	<i>Moderate</i>	<i>Unlikely</i>	<i>Preparedness Planning</i>
<i>Tuberculosis</i>	<i>Continuous</i>	<i>Moderate</i>	<i>Normal</i>	<i>Risk Reduction interventions and Preparedness</i>
<i>HIV/AIDS</i>	<i>Continuous</i>	<i>Moderate</i>	<i>Normal</i>	<i>Risk Reduction interventions and Preparedness</i>
<i>Hazmat accidents by road</i>	<i>Seldom</i>	<i>Insignificant</i>	<i>Unlikely</i>	<i>Preparedness Planning</i>
<i>Air Pollution</i>	<i>Occasional</i>	<i>Insignificant</i>	<i>Unlikely</i>	<i>Preparedness Planning</i>

Risk Assessment

The following table can be used as a template to reflect risk assessment outcomes in the IDP:

Risk	Dept 1	Dept 2	Dept 3	Dept 4
Risk A: Fires	Fire Services Witzenberg and CWDM	Housing	Provincial Social Services	
Risk B: Floods	Disaster Management	Engineering Services	Traffic Services	SAPS and EMS
Risk C: Transportation of dangerous goods (rail and road)	Provincial Roads	Western Cape Province	Dept Health CWDM: Health	

These main risks are taken from the risk assessment tables of both Africon and the community-based assessments, as they are

the main commonalities derived from the specific risk assessments.

Fire Services Department

In terms of the Municipal Structures Act, B-Municipalities such as Witzenberg are responsible for all structural fires within their municipal area. The Cape Winelands District Municipality is currently assisting Witzenberg through an unofficial inter-governmental agreement to assist with this function. It is the objective of the municipality to incrementally over a five-year period establish a fire brigade service in terms of the firefighting functions and in accordance with SANS 10090: 2003. This will effectively mean the establishment of a 24-hour facility for the eastern area (Ceres, N'Duli, Prince Alfred's Hamlet and Op-die-Berg) that will drastically

improve reaction time. The municipality has started with the extension of this function to the western area (Wolseley and Tulbagh) and the eastern area (N'Duli). Full-time staff and Working on Fire firefighting personnel and equipment were relocated to Tulbagh and N'Duli for these purposes. A Manager Fire Services and Disaster Management and a Station Officer for Fire Safety and Fire Operations were appointed. The recent consultations with stakeholders at Op-die-Berg highlighted that there is a need to appoint firefighters and allocate equipment and vehicles to this area.

Risk reduction

Fire risks

Risk reduction in respect of fire risks is not really possible, although the enforcement of building plan codes takes place and all building plans are scrutinised for fire safety requirements. Mountain and veld fires, fires in informal structures and dwellings form the general basis of fires in accordance with fire statistics. The Planning for Fire Services is included in a Fire Protection Plan that is submitted annually for consideration and approval by the Witzenberg Municipal Council. It must be noted that municipalities need to do

planning and evaluate budgetary priorities from the wards in accordance with national and provincial strategic objectives.

The Department of Cooperative Governance and Traditional Affairs (CoGTA) assesses the progress made by municipalities against five key performance areas (KPA's) and cross-cutting interventions adopted in the Five-year Local Government Strategic Agenda.

These elements will become the basis of priority determination when evaluating

priorities during the IDP process, project identification and compilation of a budget. This in effect implies that municipal performance will be measured in terms of these standards.

As disaster management is not a function allocated to one discipline, but to all disciplines in a local authority, it implies that the total budget must be evaluated for inclusion of

Floods

The Witzenberg municipal area is prone to floods. Over the past decade, flooding occurred at least once a year. Due to the effects of global warming and climate change with resultant cut-off lows, it has become increasingly difficult to forecast or predict critical time periods and/or affected areas.

Response and recovery

Due to the fact that flooding and other events occur frequently in this area, there is a good understanding of the different roles allocated to the different sectors during any event of disaster potential or consequences. This is

Disaster Mitigation Projects. For instance, the provision of housing will be a disaster mitigation project as it implicates the reduction of informal structures. The provision and extension of electrical power in accordance with needs is a disaster mitigation project as it decreases the effects of dwellings without power (e.g. dangers with open fires) with all its consequences.

As stated in the Spatial Development Plan, the Planning and Development Section takes cognisance of the effects and do their planning accordingly in the face of undetermined or ambiguous flood lines in some areas.

managed and coordinated by the immediate activation of a DMOC (Disaster Management Operational Centre, situated in Munnik Street in Ceres), in conjunction and cooperation with the Cape Winelands District Municipality.

G. AGRICULTURE IN THE WITZENBERG AREA

Focus: Protect food security while supporting sustainable diversification of the agricultural sector and encouraging more efficient methods and models.

Key Development Implications:

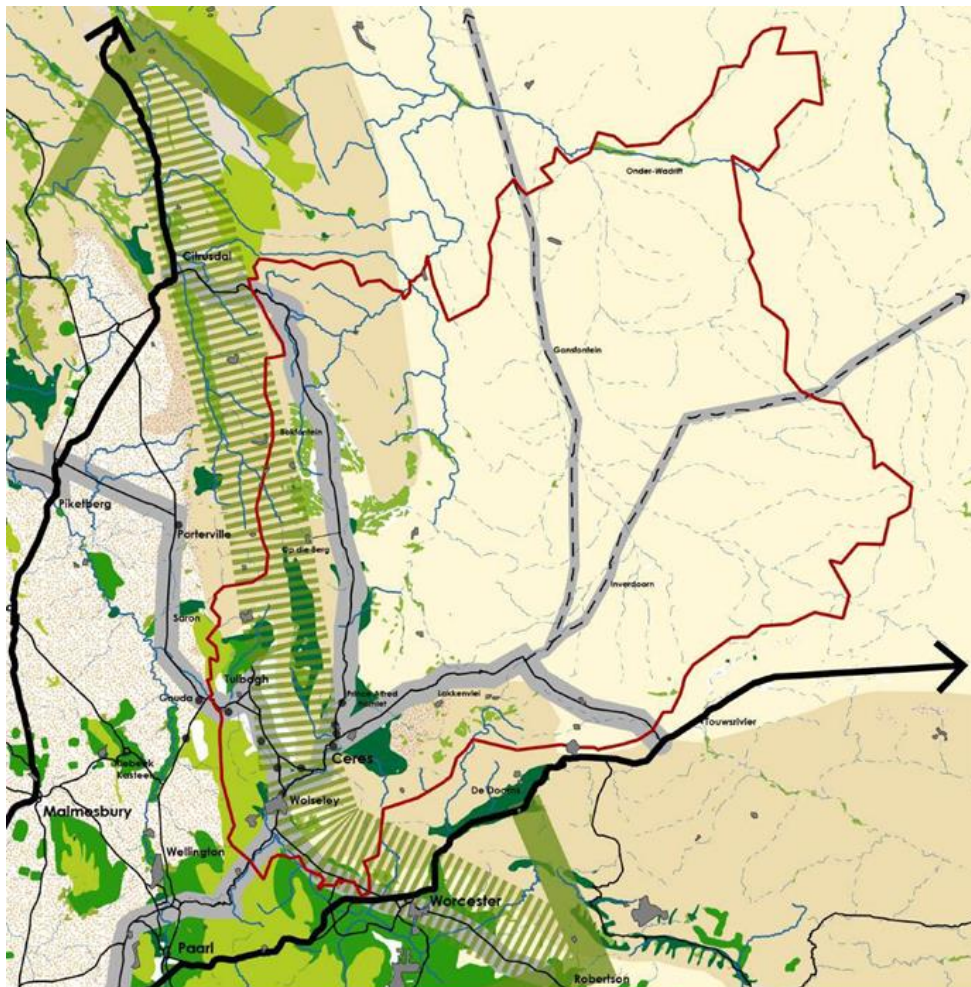
- Support private sector led institutional arrangements to enable joint planning and development of agriculture related activities.
- Avoid the subdivision of agricultural land or changes in land-use to minimise the loss of agricultural activities while also

avoiding the creation of uneconomical agricultural units.

- Enable the diversification of farmer income through enabling complimentary uses on farms in a manner which does not detract from the functionality and integrity of farming areas and landscapes.
- Develop incentives for smarter/green agricultural practices and technologies.
- Make municipal commonages and land on the edges of settlements close to

communities available for small/ emerging farmers and/or community gardens.

- Support alternative farming models such as the possibility of transforming unused and uncontaminated industrial land into community gardens.
- Support private initiatives to provide in the housing needs of agri-workers and the provision and management of associated social services.



Agricultural Concept for Witzenberg - showing key farming areas, production types and supporting infrastructure concentrated along the agricultural band along the western edge of the municipal area

Deciduous fruit is the dominant product

1. Primary
 - i. Deciduous: Apples, Pears, Nectarines, Peaches, Plums, Apricots

- ii. Onions
- iii. Potatoes
- iv. Cattle and sheep
- v. Butternuts
- vi. Wheat
- vii. Forestry
- viii. Horses

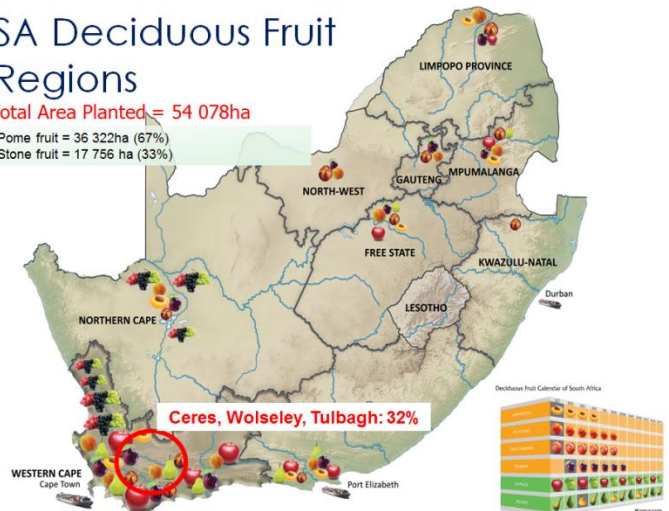
2. Secondary

- i. Cold storage
- ii. Packing houses
- iii. Concentrates and Puree
- iv. Single Strength Products
- v. Dried fruit products
- vi. Logistics
- vii. Agri Chemical
- viii. Agri Mechanical
- ix. Technical, admin and financial services
- x. Plant material (nurseries)

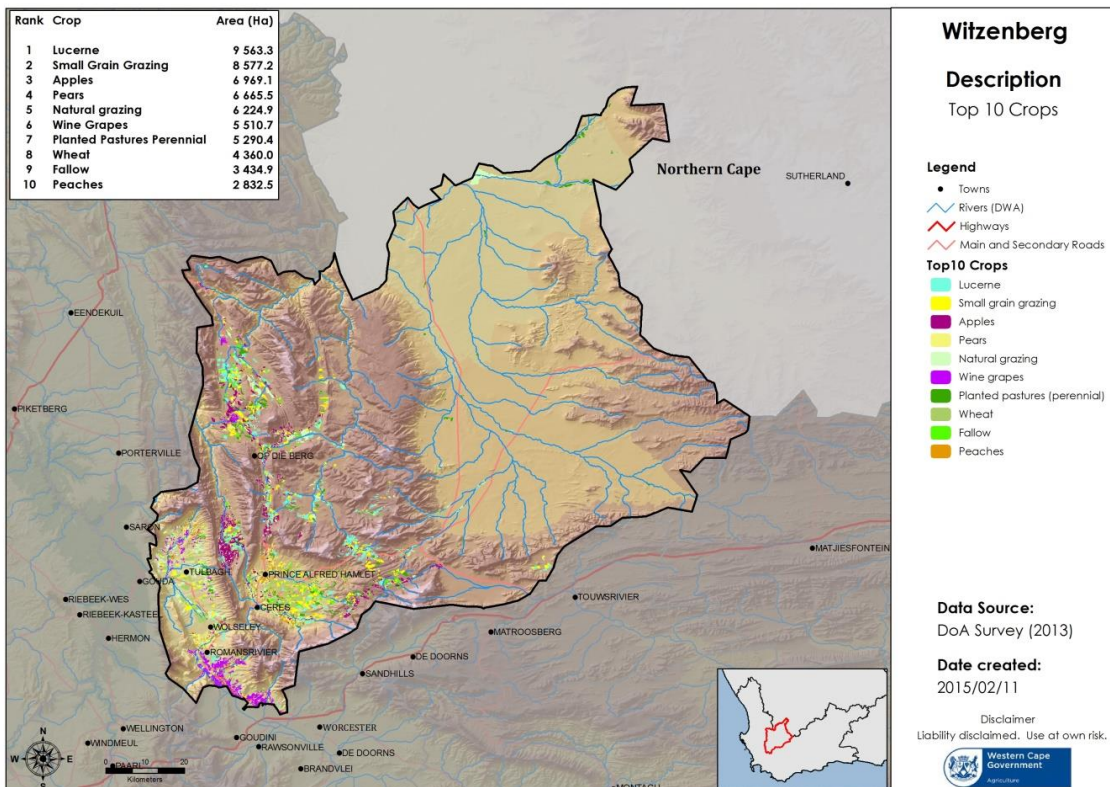
SA Deciduous Fruit Regions

Total Area Planted = 54 078ha

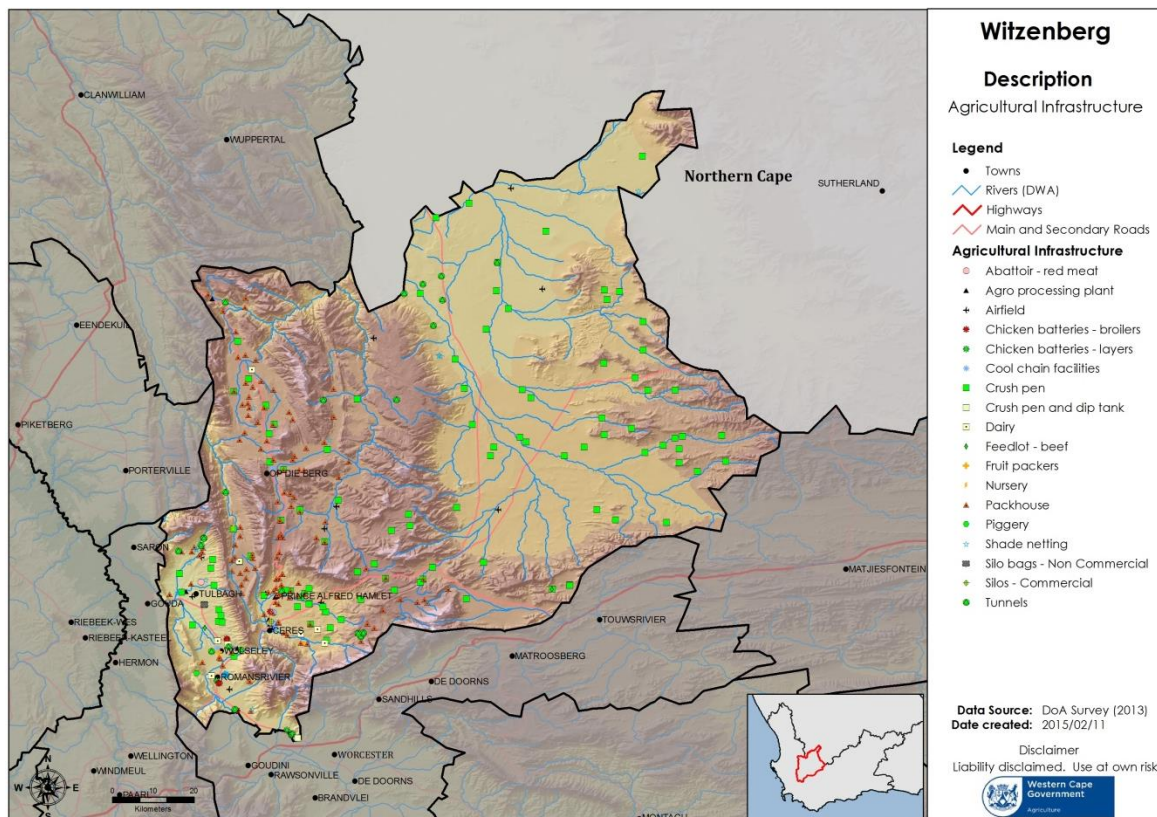
- Pome fruit = 36 322ha (67%)
- Stone fruit = 17 756 ha (33%)



Top 10 crops by area



Agricultural Infrastructure



Economic Contribution

This sector comprised R1,2 billion (or 19,7 per cent) of the municipality's GDP in 2015. It displayed steady growth of 2,5 per cent for the period 2005 – 2015, but growth has nevertheless become stagnant in the post-recessionary period (the sector experienced a growth rate of 0,3 per cent over the period 2010 – 2015). Agriculture employed 34,9 per cent of the municipality's workforce.

Employment growth over the period 2005 – 2015 has contracted by 2,0 per cent per annum on average. Employment picked up significantly after the recession and grew at a rate of 3,5 per cent per annum on average since 2010. On net employment, the sector has been the only one with net job loss since 2005, recording 5 829 jobs lost since then. Despite the good growth rates in all sectors from 2010 – 2015, a recovery of all the jobs will take a long time. The labour force in the primary sector is characterised by a relatively large proportion of unskilled labour. The majority (64,6 per cent or 14 136 workers) of the workforce in agriculture operates within the low-skill sector, which has experienced a

contraction of 2,7 per cent and a net job loss of 4 653 jobs since 2005. However, the sector grew by 3,4 per cent per annum over the post-recession period (2010 – 2015).

The semi-skilled sector employs 3 005 workers (13,7 per cent) and the sector has grown at a rate of 4,0 per cent per annum since 2010 but experienced a contraction of 2,1 per cent per annum over the long term (2005 – 2015). The skilled sector employs the smallest proportion of the industry workforce (2,9 per cent or 643 workers). This segment has shown robust growth post-recession (4,4 per cent per annum), but a 1,7 per cent per annum contraction over the long term (2005 – 2015). The informal sector makes up 18,7 per cent of the industry workforce and was the only sector to experience long-term growth (albeit marginal) as employment grew by 1,5 per cent per annum over the period 2005 – 2015. Informal employment in the agriculture industry furthermore experienced solid growth of 3,6 per cent per annum since 2010.

Agriculture in the Witzenberg Area anticipates a growth per year for next five years – Primary: 5% - 8% ±, Secondary and Processing: 10% ±

<p>Factors influencing anticipated 5% - 8% growth per year for next five years</p> <ol style="list-style-type: none"> 1. Water <ol style="list-style-type: none"> i. Permits 2. World Economy – exports <ol style="list-style-type: none"> i. Exchange rates ii. Economic growth, specially Africa iii. New markets iv. Market access v. Access to affordable finance 3. Climate change – expect more records! 4. Switching to higher income product lines <ol style="list-style-type: none"> i. Vineyards to pears and plums ii. Apples to cherries and berries 5. Mechanisation 6. Stable and effective government 7. Consolidation of Agri businesses 8. Research and Development <ol style="list-style-type: none"> i. New cultivars ii. Internet of things 	<p>Exciting new Agri opportunities may stimulate extra growth</p> <ol style="list-style-type: none"> 1. Agriculture in Western Cape is high priority – and well positioned <ol style="list-style-type: none"> i. Right products ii. Good location iii. Investor confidence iv. Expect government support 2. New technology <ol style="list-style-type: none"> i. Faster breeding of better products ii. New growing techniques iii. Use of IT and Apps iv. Internet of things 3. Covered production <ol style="list-style-type: none"> i. Security for investor and supply chain ii. Sunburn and hail 4. PALS initiative – a community in harmony <ol style="list-style-type: none"> i. Strategic high importance ii. Support from the state iii. Transformation through growth iv. Turnaround of under-performing schemes v. Working together with the municipality: “a comprehensive rural development desk” – a shared vision
<p>Main factors that put anticipated growth at risk</p> <ol style="list-style-type: none"> 1. Electricity: Stability of network and access for new projects 2. Infrastructure <ol style="list-style-type: none"> i. Roads for sensitive high value products – plan for increase flow! ii. Maintenance of existing irrigation schemes iii. New irrigation schemes 3. Labour/civil unrest <ol style="list-style-type: none"> i. Services – Specially waste management and risk to health and contamination ii. Housing for agriculture workers - NB iii. Code of best practice 4. Training and development of labour <ol style="list-style-type: none"> i. Productivity levels ii. Minimum wage iii. Working smarter with new equipment and new products 5. Too much red tape and slow processes dealing with authorities 6. Threat to Land as security 7. Investor confidence 	

Special acknowledgment to Mr Pieter Du Toit - Managing Director: Dutoit Group

H. SPECIAL PROGRAMMES

WITZENBERG MUNICIPALITY DISASTER MANAGEMENT PLAN FOR COVID-19

The Witzenberg Municipality Disaster Management Plan for Covid-19 aims to identify strategies to protect the Witzenberg Municipality workforce and general community, and minimise the impact of Covid-19 pandemic.

During a pandemic, the Witzenberg Municipality's priorities are to:

- maintain the essential services that Council provides to the community;
- communicate with the community about Council core business;
- support other government agencies to manage the impact of a pandemic.

The Witzenberg Municipality's response to a pandemic will be guided by advice from the National Department of Health and other emergency service providers. As it is not possible to accurately predict the behaviour of a pandemic in advance, this plan identifies strategies and resources that may be utilised to cover all likely scenarios.

The plan identifies the responsibilities of those in the organisation with a key role in managing the Witzenberg Municipality response to a pandemic, as well as those with responsibilities for providing essential services and support services. Producing the plan is only one part of the overall preparedness for Covid-19 pandemic – it must be communicated to stakeholders, tested, and revised as required. A strategy is already underway to communicate the plan to all major stakeholders, including consultation, individual briefings and exercises.

Objectives

The Witzenberg Municipality Disaster Management Plan for Covid-19 aims to:

- Identify measures and mitigation strategies to protect the Witzenberg Municipality workforce and community, and minimise the impact of Covid-19 pandemic.
- Prepare and have arrangements in place to reduce the impact of pandemic.
- Contain and prevent transmission, implement infection control measures, and provide support services to council employees.
- Maintain essential municipal services through the provision of business continuity in the face of staff absenteeism and rising demand on local government services.
- Assist in providing mass vaccination services to the community, if a Covid-19 pandemic vaccine becomes available.
- Develop media and communication messages, in line with whole of government messages, to inform the community and staff of any changes to normal services.
- Coordinate the Municipalities actions with those other agencies and organisations to manage community consequences of a pandemic.

The Municipality's Role and Responsibilities

In addition the Witzenberg Municipality responsibilities under the Disaster Management Act, the Witzenberg Municipality responsibilities under the Disaster Management Plan for the Covid-19 Pandemic Plan are:

- Distribute warnings and other relevant advice to the community, ensuring consistency with messaging from the Western Cape Department of Health and the Western Cape Disaster Management Centre.
- Develop and implement strategies to minimise the effects of pandemic on vulnerable populations
- Provide regular information/situation reports to the Cape Winelands District

Municipality and the Western Cape Disaster Management Centre.

- Provide liaison officers to the Western Cape Disaster Management Centre (WCDMC) when requested.
- Maintain essential services to the community, as detailed in Witzenberg Municipality business continuity plans.

Activation of the Disaster Management Plan for Covid-19

- The activation of the Witzenberg Municipality Disaster Management Plan for Covid-19 will coincide with the activation of the WCDMC Covid-19 Pandemic Plan. The Head of the Disaster Management Centre will activate the Provincial Plan on advice from the Department of Health.
- The Head of Centre (WCDMC) may also consider activation of the Covid-19 Pandemic Plan when advice is received that the person responsible at the Western Cape Department of Health that is issuing Pandemic Health Alerts.
- The District Disaster Management Head of Centre of Cape Winelands is responsible for activating regional plans and coordinating regional emergency operations, including the opening of the District Disaster Management Centre.
- During the activation of the Witzenberg Disaster Management Plan for Covid-19, the dissemination of information in relation to the pandemic including warnings, health advice and other messages to stakeholders and the community, will be

coordinated through the Western Cape Disaster Management Centre and the Provincial Public Information Officer to maximise the distribution and consistency of messages.

- The activation of Witzenberg Municipality Disaster Management Plan for Covid-19 is the responsibility of the Witzenberg Municipality's Manager Fire, Rescue and Disaster Management, supported by the Municipal Crisis and Emergency Management Team and the Response & Recovery Team.
- The Witzenberg Municipality will control the health response to the pandemic in accordance with the arrangements in the Western Cape Department of Health's response plan.

Institutional Arrangements

The management of the spread of COVID-19 requires systematic coordination, communication and cooperation. The municipality established a local committee and will participate in the existing District Operational Committee to facilitate a coordinated response and flow of information. The municipality will:

- Work with all organs of state, local community-based health organizations and other civil society organisations.
- Collaborate with and participate in the Provincial Joint Operational Committees for flow of information in this regard.

JOINT DISTRICT APPROACH

In September 2019, National Government has launched the District Development Model after approval by Cabinet on the 21st of August 2019.

The new district-based model for development will synchronise planning by all spheres of government and involve citizens and civil society in the development of South Africa's 44 municipal districts and eight (8)

Metros. This coordination will require – with effect from the 2020/21 Budget cycle – which national budgets and programmes are spatially referenced across the 44 districts and 8 Metros. Similarly, provincial government budgets and programmes will be spatially referenced to districts and metros in the respective provinces, while municipalities will express the needs and aspirations of communities in integrated development

plans for the 44 districts and 8 Metros. This shift in planning is expected to narrow the distance between citizens and engender active participation by citizens in development, and enable long-term planning as well as responses to immediate “burning” issues.

In response, the Western Cape government has developed the Joint District Approach.

Joint District Approach, supported by governance instruments, is advanced for developmental local government and sustainable service delivery premised on a common denominator of good governance. It is a geographical and team based, citizen focused approach to provide a series of government services (underpinned by characteristics of developmental local government and good governance).

Provincial/District Interface Teams has been developed consisting of the following:

- Team leaders per District – Dept. of Local Government
- Municipal Representatives – District & local government
- Provincial Representatives
- Draft Terms of Reference has been completed

The JDA promotes collaboration using District Coordinating Forums as the governance instruments for co-planning, co-budgeting and co-implementation to strengthen service delivery to communities,

Each district team should work towards:

- The identification of strategic and planning priorities as well as service delivery challenges within each district.

- Use of DCFs as planning and reporting platforms.

The Joint District Approach Implementation Plan for Cape Winelands includes the following critical projects:

- Community Safety Plan
- Waste Management (priority project)
- Regional Waste Management Facility: Conduct a Section 78 investigation and implement the recommendations
- Review of Integrated Waste Management Plan
- Develop Acceptable Diversion Strategies
- Waste Management Conference
- Managed urbanisation approach for CWDM
- Improving Resilience
- Climate Change
- Water Security
- Energy Security
- Financial Sustainability
- Develop and implement a District Plan to address unemployment and related challenges
- Working Group established to draft a Concept Paper on Data Governance
- Inter-Governmental Relations structures mapped and recommendations proposed for rationalisation
- Communication Plan developed and implemented
- N1 De Doorns: Private Sector involvement in JDA

VII. RSEP/VPUU

Regional Socio-Economic Programme (RSEP) / Violence Prevention through Urban Upgrading (VPUU)



The Regional Socio-Economic Programme and Violence Prevention through Urban Upgrading Programme (**RSEP/VPUU Programme**) is an intergovernmental programme run in the Western Cape. The programme will comprise a variety of projects, driven by different role-players, including municipalities, provincial departments, the VPUU Not for Profit Company (VPUU NPC) and communities.

A core component of the programme is to promote learning and to mainstream lessons learnt, best practice and opportunities for replication in municipalities and towns.

The RSEP/VPUU Programme is about a capable state partnering with active citizens, communities and other stakeholders to plan and implement projects that improve quality of life. The majority of projects funded through the programme will be local and precinct-based, and these will mainly be urban upgrading projects that involve the development of physical infrastructure.

Infrastructure projects are supported by social projects that focus on providing activities, programmes or facilities for specific groups or address social challenges within communities, such as early childhood development, education, safety, economic development or social cohesion. All of the projects will be identified at municipal level through a collaborative process involving many stakeholders.

The scope of the actual work being undertaken under the RSEP/VPUU Programme operates at different scales and is grouped under eight streams. Under each of the streams, there are one or two overarching goals that indicate the broad intentions of the work undertaken within that stream as well as a few objectives, which indicate some of the steps that may be taken to achieve the goal(s).

An amount of R4 million was approved for implementation of RSEP projects over the next two years. The projects will focus on mobility with surfaced pedestrian routes that would provide safe and dignified access to pedestrians and cyclists from the areas of Bella Vista and N'Duli to Ceres. Through the implementation of various projects in these areas, Witzenberg will be a co-funder, as included in the 3-year capital budget.

VIII. TWINNING AGREEMENT WITH ESSEN MUNICIPALITY IN BELGIUM

Implementation of Waste Management Strategy with support from Essen Gemeente, Belgium

Witzenberg has a well-established, long-term twinning agreement with the Essen municipality in Belgium.

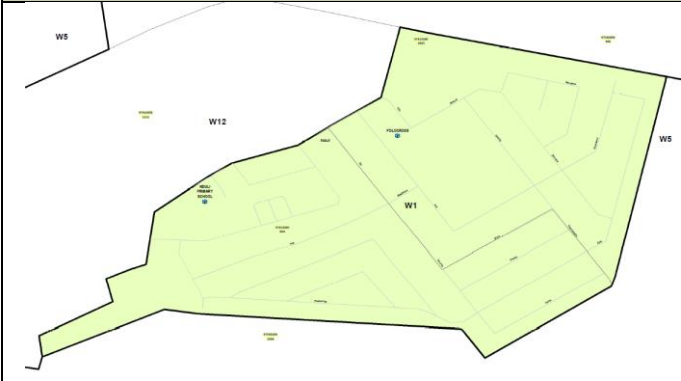
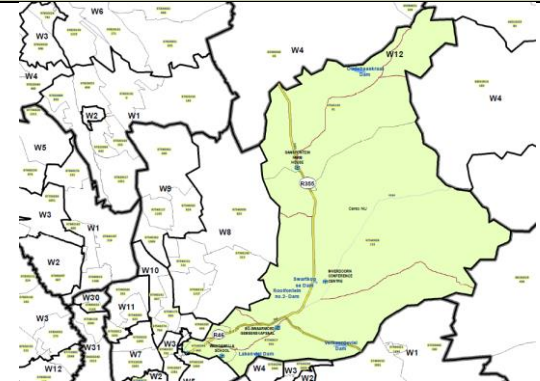
Several projects relating to youth development and the environment were implemented successfully in the past. Current projects include a Flemish programme on youth development and upgrading of open spaces. A federal programme focusing on waste management will be implemented in 2017/18.

The federal programme will support the implementation of a new Waste Management Strategy for Witzenberg, with the focus on the construction of a material recovery facility and drop-off points in each of the towns that will replace the garden refuse skips.

The value of contribution from the Belgium Federal Government amounts to 250 000Euro that will be implemented over a five-year period.

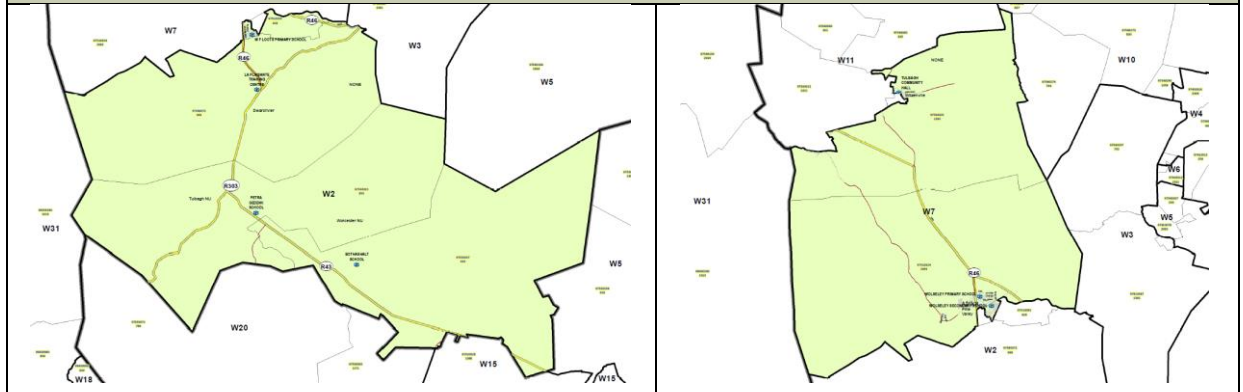
Special recognition is given to the Essen Gemeente (Council), officials and the VVSG (Vereniging van Vlaamse Stede en Genote) for their assistance and management of the programme

I. IDP PUBLIC NEEDS ANALYSIS

Wards 1 and 12	
	
<ul style="list-style-type: none"> Library services should be restored Provide street/security lights in unsafe areas More secure fencing at public facilities Upgrading of older streetlights Better dialogue in future with the youth Water resources for small farmers Policies must be communicated with the community Safe “walk way” / bridge between N’Duli and Vredebes Ongoing programmes on speed control 	<ul style="list-style-type: none"> Skips programme needs to be sustained Sewer network needs to be improved Sports grounds needs to be restored/ upgraded Electrical theft needs to be clamped down Mini CBD to be developed in N’Duli Implementation of recycling projects/ programmes NYDA and EPWP needs to be linked Transfer of title deeds

<p>Combat erosion on sidewalks and streets (rehabilitation)</p> <p>Community facilities need to be upgraded</p> <p>Rehabilitation of graveyard and fencing</p> <p>More prepaid electricity selling points</p> <p>Mobile Clinic Services – Tankwa Karroo Area</p> <p>Maintenance of roads</p> <p>Satellite connectivity in rural areas, emergency and law enforcement connectivity</p> <p>Television connectivity for rural areas</p> <p>Resource farm watch</p> <p>Information signage along gravel roads in Tankwa Karroo Area</p> <p>Television and network connectivity in the Tankwa Karroo Area</p> <p>Livestock Theft Unit to have more Programms in the Tankwa Karroo Area</p>	<p>JOJO Tank subsidies from small farmers</p> <p>Rehabilitation of playgrounds and parks</p> <p>Development programmes for women and persons with disabilities</p> <p>Police station for N’Duli</p> <p>Hostel facilities for primary school children in Tankwa Karroo Area</p> <p>ABET facilities in the Rural Areas</p> <p>Substance abuse in rural farming areas</p> <p>Rest areas on rural roads, maintenance, district to stop cutting down trees</p> <p>District Municipality to rehabilitate rest areas along farming main routes</p> <p>Solar/renewable energy for farm houses</p> <p>Firefighting volunteers</p> <p>Water Security Programms for communities living in the Tankwa Karroo Area</p>
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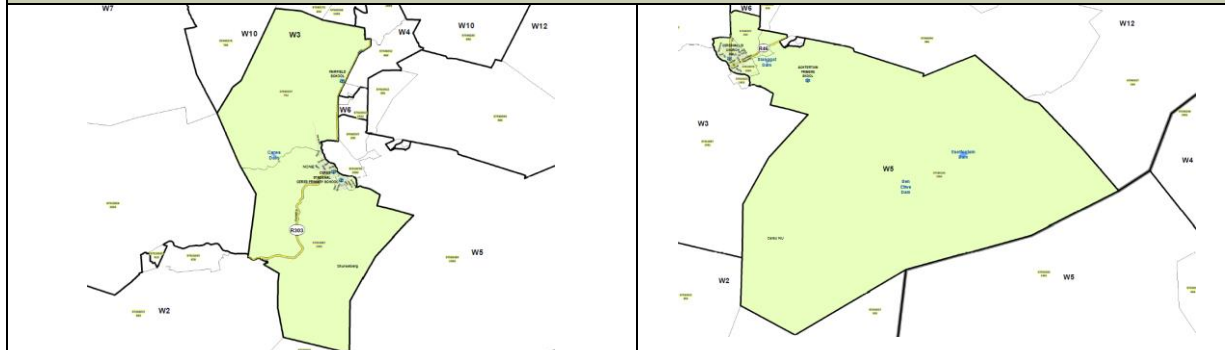
Wards 2 and 7



<p>Pine Valley library and swimming pool</p> <p>Bathroom facilities in the graveyard areas</p> <p>Secure fencing at the graveyard</p> <p>Relook Indigent Policy</p> <p>Substance abuse escalating under scholars</p> <p>Illegal shebeens and off-sales</p> <p>Dilapidated houses used for criminal offences</p> <p>Job creation programmes</p> <p>Back yard dwellers still a problem, housing need</p> <p>Foreigners’ activities (illegal) still a problem</p> <p>Bathroom facilities at informal settlements</p> <p>Wolseley requires a fire station</p> <p>Neighbourhood watches in all areas RDP houses are being sold to foreigners</p> <p>Drop-off and pick-up points at die Bossie, as you enter Wolseley</p>	<p>The Municipality are requested to establish more platforms apart from the Ward Committees to better communicate with communities e.g. street committees, block committees</p> <p>The water canal in Wolseley still a safety concern</p> <p>A concern on the education levels of Breederiver farming area, a need for training programs for people in these rural areas</p> <p>More Tourism programs to be rolled out</p> <p>Upgrading of the Wolseley entrance landscape/signage</p> <p>Building a playpark in Kluitjieskraal and Pine Valley</p>
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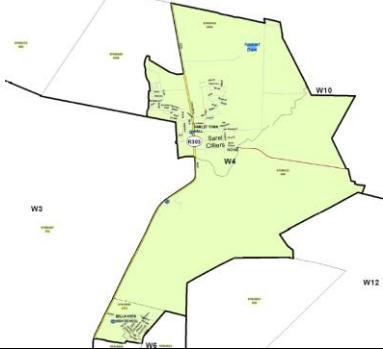

<p>Communal and church plots at Kluitjieskraal</p> <p>Mobile library service for the Breederiver area</p> <p>Homeless shelter</p> <p>The piece of land between Kluitjies Kraal and Pine Valley to be developed, or be made available for development e.g. food gardens, small scale farming</p> <p>ECD centers to be formalised</p> <p>Skills development programs in the Agri sector</p>	<p>Upgrading and maintenance of Montana Sports grounds</p> <p>Recreational facilities needed at swimming pool</p> <p>Taxi rank placements to be investigated</p> <p>Public bathroom facilities in the CBD</p>
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Wards 3 and 5



<p>Playgrounds for the northeastern part of the Rooikamp area</p> <p>Animal control a big problem, dogs and stray animals / problem has escalated</p> <p>Clarity on the Eiland housing scheme</p> <p>Better/more speed calming efforts</p> <p>Street signage to be upgraded</p> <p>Playground/field in Fabriek Str to be fenced</p> <p>Mainmast light/ high-beam floodlights to be installed at parks and walk way areas</p> <p>Rotational skip system to be developed</p> <p>Completion of Lyell Str sports grounds, to accommodate more sport codes – Sector departments need to assist</p> <p>Gap housing developments</p> <p>Free broadband and WiFi hotspots</p> <p>Establishment of CPFs in all areas and more regular SAPS patrols/ high crime still a problem</p> <p>Library in Lyell Street to be upgraded/ modernised</p> <p>Recreational facilities similar to neighbouring municipalities</p> <p>Sidewalks to be tarred or paved</p> <p>Walkway bridge over railway line dilapidated and unsafe</p>	<p>Owen Street unsafe due to poor street lighting</p> <p>Owen Street walkway to be developed, as this has become a main taxi route, unsafe for pedestrians</p> <p>Inspection/policing of shops, occupants use as accommodation</p> <p>Walkway to be developed from the nature reserve, past the pine forest</p> <p>Homeless people problem getting out of hand</p> <p>Stormwater network a problem</p> <p>Walkway and lights from Egoli to Albert Crescent behind houses</p> <p>Railway line to be cleaned frequently, better quality fence</p> <p>Weekends the Town Main Roads have too much traffic</p> <p>Gambling taking place on street corners, SAPS need to act</p> <p>Bathroom facilities needed in cemeteries</p> <p>Better lighting needed along walkway to the Hospital</p> <p>Bus shelters for scholars on the outside rural roads</p>
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<p>Streetlights to be upgraded, streetlights that are lower than the trees, outdated Community “Clean Green” programmes for the Rooikamp area</p>	
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Wards 4 and 6	
	
<p>Community hall for Phases 3, 4 and 5 Backyard dwellers still a problem – housing need Sports facilities for Phases 3, 4 and 5 High dropout rate of scholars a problem Business hub/mini CBD for Kliprug area Better controlled refuse removal in Phases areas Effective placement of skips Availability of church sites Not all dwellings connected to main sewer line Ongoing speed control programmes Animal control in all areas Xhosa medium school for PA Hamlet area More electrical selling points, even at Thusong Business hub/mini CBD for Bella Vista More prepaid electricity selling points Bus and taxi shelters for scholars</p>	<p>Service suspensions to be clearly communicated to consumers Clamp down on illegal dumping of refuse Upgrade of Bella Vista Community Hall Danger of heavy duty transport in Panorama St Sewer network a problem at graveyard Development of youth centre at one of municipal facilities Land availability for small farmers Off-ramp lanes at Bella Vista entrances Gap housing developments Major need for pavilions at sports grounds Need a walkway around Jakaranda, Vrede Street and Mooi Uitsig School Bella Vista clinic too small Thusong Centre open on Saturdays from 09:00 to 12:00 Walk way needed from Mooi Uitsig School to Vrede Street Gang activity becoming a problem Vandalization of Municipal property</p>

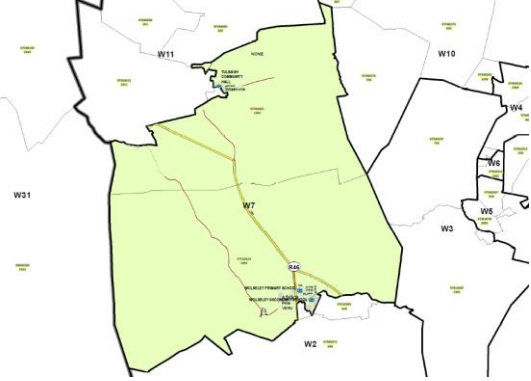
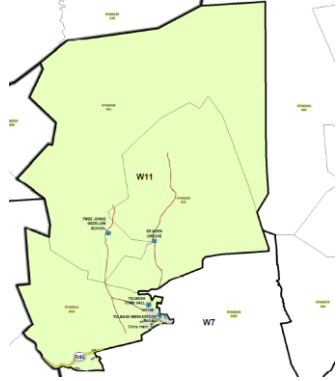
Wards 8, 9 and 10



Clinic for the Agter Witzenberg area
 Ambulance services still a problem
 SAPS service must be intensified
 Bus and taxi shelters along main routes
 Fire station for Op-die-Berg and also to service surrounding areas
 Crime also escalating – CPF
 Sports grounds need secure fencing
 The location public ablutions facilities in the CBD area
 Speed calming still a problem
 Illegal house shops need to be regulated
 Illegal shebeens need to be closed
 Playgrounds and parks are unsafe
 Business development support programmes
 There are still streets that need tarring; Grond, Bokveld Street, etc.
 Upgrading of the R303 Gydo Pass
 Servicing of unserved erven

E-Centers needed
 Tourism/ ecotourism to be promoted in the area
 Bridge in Phase 5 to be repaired
 Christmas and holiday lights to be budgeted for Op-die-Berg
 River rehabilitation programme to be sustained
 No pavement curbs along main CBD routes
 Tarring of CBD open spaces and sidewalks
 Swimming pool needed for Op-die-Berg
 Subsidised water storage tanks for all houses
 Better quality street/security lights
 Investigation needed regarding trees in CBD area
 Spotlights floodlights needed at walkway over the foot bridge
 More municipal services to be rendered at Op Die Berg offices
 Illegal hokkies to be marked/numbered

Wards 7 and 11

	
<p>Replacement and maintenance of roads Substance abuse a problem in Tulbagh area Small-scale farmers need land for their animals Animal control must be intensified Sector departments need to assist with the establishment of sports facilities in farming areas Water shortage a problem during summer months Small business development opportunities Gap housing developments Traffic Services for Tulbagh Illegal house shops need to be regulated Upgrading of street lights Parks and playgrounds to be upgraded Better ablution facilities for schools on farms Libraries to be open on Saturday mornings Control the influx and illegal structures Informal housing getting out of control Development of vacant land/property</p>	<p>Illegal shebeens need to be closed Storm water network in Tulbagh needs to be maintained regularly The use of local contractors for municipal work Sewerage network in Chris Hani area needs to be maintained regularly River rehabilitation programmes to be sustained Development of Sports Facilities Tourism campaigns to be developed to attract more tourists Speed calming needed along main street walkway routs Roll out of programs for people with disabilities More ablution facilities needed in Chris Hani area, and ASLA Camp Scholar road safety to be looked at, school road/street crossings; traffic signage to be put up,</p>

4 KEY PERFORMANCE AREAS

Witzenberg Municipality has identified four key performance areas that group related functions and activities into focused units. Strategic objectives have been developed for each of the KPAs that are further broken down

into programmes, projects and activities. Key performance indicators will indicate performance and progress on our strategic objectives over the five-year IDP term. Note that the KPAs do not relate to directorates as currently being used in the municipality.

KPA Essential Services include the following functions:

- Water Services
- Sanitation Services
- Roads and Storm water
- Transport Management
- Electrical Services
- Street lighting
- Solid waste management and collection



KPA Governance includes the following functions:

- Human Resources
- Administration
- Information Technology
- Marketing and Communication
- Internal Audit and Risk Management
- Performance Management
- Traffic and law enforcement
- Building Control
- Town Planning
- Financial administration
- Income
- Supply Chain Management
- Integrated Development Planning
- Legal and property management
- Council



KPA Communal includes the following functions:

- Environmental Management
- Open Spaces
- Air and noise pollution
- Trading regulations
- Amusement facilities
- Cemeteries



- Fencing
- Amenities
- Sport facilities
- Parks and Recreation

KPA **Socio-Economic Support** includes the following functions:

- Social Development
- Local Economic Development
- Indigent support
- Housing
- Job creation

New School in Tulbagh



Key performance area 1:

ESSENTIAL SERVICES

OBJECTIVE 1.1:

SUSTAINABLE PROVISION AND MAINTENANCE OF BASIC SERVICES

OBJECTIVE 1.2:

PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS THROUGH IMPROVED SERVICES



Key Performance Area 1

A. ESSENTIAL SERVICES

I. OBJECTIVE 1.1: SUSTAINABLE PROVISION AND MAINTENANCE OF BASIC SERVICES INFRASTRUCTURE

An important emphasis for the municipality is to ensure that basic services infrastructure is provided and upgraded to support areas of growth. The further maintenance of existing infrastructure will ensure the sustainable

provision of services. This will happen by means of the following programmes:

■ PROGRAMME 1.1 (A): UPGRADING OF BULK RESOURCES AND INFRASTRUCTURE

Water Sources, storage and purification

The main resources for **Ceres** are the Koekedouw dam with a capacity of 17 million m³ of which the municipality is entitled to 10 million m³. Current usage is 3,9 million m³ p/a. At the current population growth rate of 2,67%, the current supply will be sufficient for the next 20 years, excluding supplementation from our boreholes. Emergency boreholes can supply 20% of our ADD. Water quality from Koekedouw is good and is only chlorinated before distribution.

Two reservoirs (3 and 5 MI) serve as storage reservoirs to the distribution network of 114 km with four supply zones (Bella Vista, N'Duli, Ceres main supply zone and Ceres central PRV zone). The network includes a 2 X 2 MI service reservoirs, a booster pump station to the pressure tower at Bella Vista (500kl) as well as a 750 kl and a 4,5 MI service reservoir at N'Duli. All the bulk infrastructure for the planned housing projects have been completed and are in operation.

Moordenaarskloof and Tierkloof are the main resources for the supply of water to **Tulbagh** at present. Construction has been completed to provide an additional 1,2 x 10⁶ m³/a from the Klein Berg River. Additional boreholes were drilled adjacent to Nuwekloof pass but the yields are insufficient for supply to the town of Tulbagh.

Moordenaarskloof is evenly shared with two other users (SAPCO and Kruysvallei). The existing storage dam arise insufficient and requires the implementation of water restrictions on an annual basis. Funding for the construction of the Waverenskroon dam has been approved from DWS, and the project is currently at the implementation stage (construction).

The purification plant consists of five slow gravity sand filters as well as a chlorination system. Two reservoirs (800 kl and 1 MI) serve as clear water storage reservoirs to the distribution network of 29 km with two pressure zones. The network includes a booster pump station to the pressure tower (500 kl). A new reservoir will have to be constructed when private residential housing projects are implemented.

Wolseley receives its water supply from the Tierkloof weir. Purification consists of pressure filters and chlorination. The Ceres Road Reservoir (680 kl) and newly constructed 6 MI Wolseley reservoir serve as storage reservoirs to the distribution network of 44 km with two pressure zones. The network includes a 4.5 MI services reservoir (Stamper Street Reservoir), which has been resealed to prevent losses, and a booster pump station. An additional pump station

enables the transfer of irrigation water during periods of low flow from the Artois canal to this reservoir. The absence of a storage dam for Wolseley places the town at risk during periods of severe drought. The bulk supply line from the Tierkloof weir is at risk of collapsing due to age and is in need of replacement.

Prince Alfred’s Hamlet’s water sources consist of the Wabooms River weir, a fountain, three boreholes as well as a link through the agricultural pipe network of the Koekedouw Dam. Due to the quality of the raw water, only chlorination is required. Four 500 kl reservoirs

serve as storage reservoirs to the distribution network of 32 km with only one pressure zone.

Op-die-Berg has three water sources, a fountain and two boreholes. Due to the quality of the water, only chlorination is required. Three reservoirs as follows: 50kl, 60kl and 500kl serve as storage reservoirs to the distribution network of 6 km with only one pressure zone. A new reservoir is required with the recent construction of 250 RDP houses. The absence of a storage dam places the town at risk during periods of severe drought.

<i>Infrastructure Investment: Bulk Water (Note: Refer to final approved/adjusted budget for correct figures)</i>			
<u>Project Name</u>	<u>Area</u>	<u>Budget</u>	<u>Year</u>
<i>Storage Dam</i>	<i>Tulbagh</i>	<i>R 16 729 565</i>	<i>2022/2023</i>
<i>New reservoir at Op-die-Berg</i>	<i>Op-die-Berg</i>	<i>R 2 854 582</i>	<i>2022/2023</i>
<i>Tierhokskloof pipe line upgrade</i>	<i>Wolseley</i>	<i>R 869 565</i>	<i>2022/2023</i>
		<i>R 13 826 000</i>	<i>2023/2024</i>

Waste water treatment works and pump stations

Sewage and industrial effluent are collected from consumers via a sewer system and treated at the **Ceres** wastewater treatment plant. The plant services the areas of Ceres, N’Duli, Bella Vista and Prince Alfred’s Hamlet. The sewer system includes nine booster pump stations. A portion of the treated effluent is used for irrigation. The **Tulbagh** wastewater treatment plant was upgraded in 2015 and the system includes three

booster pump stations. The **Wolseley** Wastewater treatment plant was upgraded in 2014 and the system includes six booster pump stations. The **Op-die-Berg** wastewater treatment plant serves approximately 75% of the consumers and the rest are serviced with septic tanks. Septic tanks are emptied by the municipality on request.

PLANT	SIZE (ML/DAY)	TECHNOLOGY	OPERATIONAL FLOW (% of design capacity)
CERES WWTW	8.5	Activated Sludge	64
ODB WWTW	0.308	Activated Sludge	78
WOLSELEY WWTW	3.6	Activated Sludge	25
TULBAGH WWTW	2.46	Activated Sludge	43

The effectiveness of the plants is measured through the quality of waste water discharge with all plants achieving targets in 2017/18. The Op-die-Berg plant requires an upgrade of

sandfilters as the quality of discharge decreases, especially during winter months due to insufficient evaporation.

Electricity bulk supply and substations

Witzenberg Municipality is the main provider of electrical services to the domestic and agricultural economy within its area of jurisdiction, whilst Ceres itself is synonymous with 'world-class fruit'.

Without a sufficient and sustainable electricity supply, this economy finds itself in dire straits. The hard-hitting facts are that Witzenberg Municipality is for all intents and purposes running at its NMD (Notified Maximum Demand) of 46,2 MVA (total). In fact, NMD was exceeded in 2019/2020 as well as the current 21/22. The current Eskom backbone network does not permit an increase of this NMD until such time as their backbone network has been upgraded. The implications thereof are eight years and R250 million, meaning that 2030 is the earliest our NMD can be upgraded. Eskom however originally moved this date from 2022 to 2030 and more recently back to 2025. Time will however show when the upgrade really happens.

A conservative estimate of 2,5% growth per annum is that Witzenberg Municipality's load will be in excess of 50 MVA by then.

The realistic estimate however includes agriculture's own estimate for their industry alone to be 2,5% in addition to the natural growth of Witzenberg mentioned above. This then is a projected growth, realistically, of 5% per annum over the next ten years. By this estimate Witzenberg Municipality's load will be 90+ MVA by 2030. The reality however is that Eskom's inability to supply capacity has had a huge negative effect on the economy of Witzenberg. The intermittent load-shedding also adding to our woes.

The following initiatives were implemented to assist over the short term:

- The Witzenberg Municipality installed power factor correction equipment at the Ceres main electrical substation, which effectively provides us with an additional 1 Mva of electricity.
- Although Eskom cannot currently increase Witzenberg's NMD, an application for an additional 5 MVA was however submitted in September 2019. This is deemed a short/medium term solution.
- Council has approved more than 5 MWp of solar panels for its consumers, although this is now limited in terms of a Council decision.

Over the short term (1-2 years), the above interventions will assist Witzenberg to provide in its customers' growing demand. Should Eskom not be in a position to complete the upgrade of their bulk electricity by 2030, the Witzenberg Municipality and its agricultural economy will be brought to its knees because of Eskom's inability to provide an increased Notified Maximum Demand.

On the municipal side Witzenberg has three main areas of supply with four Eskom intake points as follows:

- The **Ceres** electrical network receives its bulk electricity from Eskom via two 11kV bulk metering points at Eskom's Ceres Power Station (northwest of the urban area) and Bon Chretien (northeast of the urban area) substation, current NMD is 36,5 MVA.
- The **Tulbagh** electrical network receives its bulk electricity from Eskom via one 11kV

bulk metering point at Eskom’s Tulbagh substation, current NMD is 4,5 MVA.

- The **Wolseley** electrical network receives its bulk from Eskom via a single 11kV bulk metering point at Eskom’s Wolseley substation, current NMD is 5,2 MVA.

It remains the duty of any municipality to pursue all avenues of revenue enhancement in order to ensure the provision of the full bouquet of services to all its residents in a sustainable manner. Electricity provision to the un-electrified rural areas of Witzenberg municipal area is a huge untapped resource that the

municipality is unable to exploit due to the current Eskom NMD constraints. In terms of the municipality’s NERSA approved distribution licence, the municipal supply area is:

“The municipal area of WITZENBERG. Customers being supplied by Eskom or any other Licensed Distributor at the date of commencement of this licence are excluded from this licence”

This implies that all un-electrified areas are considered ‘green field’ supply areas for the municipality and that Eskom is not allowed to supply electricity to these areas without the express permission of the municipality.

Load forecast

Below is a table depicting the current and immediate future growth.

	Ceres	Tulbagh	Wolseley
NMD	36.5 MVA NMD (41.5) Highest Registered 38.3 (Mar 20)	4.5 MVA NMD Highest Registered 4.03 (Mar 18)	5.2 MVA NMD Highest Registered 4.9 MVA (June 21)
Developments proceeding	<ul style="list-style-type: none"> • Vredebes development (2850 RDP housing units) 5.2 MVA • Bella Fruta 1 MVA • Golfing estate dev (slow growth) 0.5 MVA • Morceaux veg processing 0,5 MVA • Erf 9602 Ceres Mall 1 MVA [8.3 MVA] 	<ul style="list-style-type: none"> • Informal settlement growth 1 MVA [1 MVA] • Dioby (315 housing units) 1 MVA • Waverenskroon (1350 housing units / Commercial 16 970m² / Institutional 20 775 m² / Recreation 24 400m²) 1.5 MVA [2.5 MVA] 	<ul style="list-style-type: none"> • Pine Valley 2H (120 houses) 0,5 MVA • Grassroots– 1,5 MVA (Currently in application phase) [2 MVA] • VV4 1 MVA (Phased) • Goedaevonden (269 units security/frail care 1 MVA) [2 MVA]
Developments on 'hold'	<ul style="list-style-type: none"> • Kleinbegin (220 RDP housing units) 0.5 MVA • Mazoe (270 RDP housing units) 0.8 MVA • Belmont Development 0,5 MVA [1.8 MVA] 		
	Total 10.1 MVA	Total 3.5 MVA	Total 4 MVA



Proposed interventions

Eskom supplies the Ceres area with a 132 kV line that has, due to consistent growth in demand, reached its capacity in 2014. A moratorium on all Management of landfill sites

new demand is currently in place. Upgrading the existing supply will consist of four phases with an associated cost of R250 million.

The provision and operation of landfill sites in the Witzenberg Municipality have reached critical proportions due to drastically increased operating costs and permit conditions of existing sites, available landfill space and increasingly strict legislation to adhere to.

The **Ceres** landfill site has been closed since 1999 as a permit was not issued due to the nature of soil conditions that could lead to underground water pollution. Rehabilitation is however still outstanding at a cost of R 4,6m.

The **Prince Alfred’s Hamlet** site is licensed for builders’ rubble and garden refuse only, with the same geo-hydrological issues as the Ceres site. All builders’ rubble and garden refuse from Ceres are dumped here. Vandalism and theft play a major role in the operation of the site as fences are stolen and infrastructure vandalised. Illegal entry also has the result that fires periodically break out at the site. Rehabilitation is however still outstanding at a cost of R54,3m.

The **Op-die-Berg** site needs to be closed in the near future due to high operating costs.

Rehabilitation is however still outstanding at a cost of R6,1m.

The **Wolseley** site is licensed for general waste, garden refuse and builders’ rubble and have sufficient space up to 2026. The municipality was forced to close the site, after the adjacent informal community burnt down the offices and damaged equipment, and it is not foreseen that the site will be opened again in the near future. Rehabilitation is however still outstanding at a cost of R28,2m.

The **Tulbagh** site has sufficient airspace for 3 months and a variation to the licence was applied for, but a court order was granted against the application. The court order indicated that the municipality has to resubmit its waste variation license with certain updates to the MEC to reconsider the amendment of our waste variation license.. If this Waste Variation License is not approved we will have to transport our solid waste to either Worcester or Drakenstein at high transport costs. The Tulbagh site needs to be upgraded to the value of R3,1m to comply with DEADP findings. Rehabilitation is however still outstanding at a cost of R19,3m.

The table below indicates the waste volumes generated per town:

<i>Town</i>	<i>Ton/annum</i>
<i>Tulbagh</i>	<i>4 284</i>
<i>Wolseley</i>	<i>4 887</i>
<i>Op-die-Berg</i>	<i>3 083</i>
<i>Prince Alfred’s Hamlet</i>	<i>2 781</i>
<i>Ceres</i>	<i>9 664</i>
<i>TOTAL</i>	<i>24 699</i>

Witzenberg Municipality is in the process of developing a **long-term strategy for waste**

management as a whole. The strategy will be required to address the following issues:

Component	Activity	Description
Waste avoidance	Public awareness	The municipality developed and implemented a public awareness programme to promote waste avoidance and waste minimisation at source.
Waste collection	Optimise collection System	The municipality to optimise its waste collection resources.

Waste diversion	Recycling	The municipality should cooperate with the private recyclers in the municipal area instead of competing with them. Source-separated recyclables could be collected by the private recyclers after a competitive bidding process (tender). A wet MRF will be constructed at Ceres over the next 2 financial years. A waste drop off site is being constructed at Wolseley.
	Composting of green waste	The municipality should extend its current garden waste separation system to ban all garden waste from the domestic waste stream, thereby also capturing the fine garden waste (grass cuttings) for the composting process. A chipping and composting facility should be developed at the existing Prince Alfred's Hamlet garden waste site.
	Crushing of builder's rubble	Builder's rubble should be stored until a size stockpile is created to justify the mobilisation of a crusher. Such a storage area can spatially be provided at the centrally located proposed transfer facility or until then, at the Tulbagh landfill area.
	Food waste	The quantity of food waste in Witzenberg is too low to economically justify anaerobic digestion, but the food waste fraction could be composted with the garden waste. This would require source separation of food waste, but it is recommended that this activity be postponed until the composting of green waste has been successfully implemented. A zero waste to landfill pilot is currently being done at Tulbagh.
	Waste-to-energy	Witzenberg's waste volumes are too low to economically justify waste-to-energy technologies.
Waste disposal	Disposal at licensed landfill	Witzenberg Municipality has the option to either utilise the proposed new regional landfill near Worcester or to further develop the existing Tulbagh landfill. It is recommended that the regional initiative be supported because the transport cost would be the incentive to maximise the diversion of waste from landfill. A centrally located transfer facility should be established near Wolseley where the collected waste, after diversion technologies have been applied, would be transferred to long-haul vehicles.

Investigate usage of **regional landfill sites**. The development of a regional landfill site at Worcester is currently in process with the purpose to accommodate the municipalities of Witzenberg, Breede Valley (Worcester) and

Langeberg (Robertson, Ashton, Montagu). The operation of a regional site should see a decrease in operating costs, but transport costs should determine if such a shift would be viable.

Witzenberg Municipality has a long-term twinning agreement with Essen Municipality in Belgium. As part of their Federal Government Programme, an application was approved for intellectual assistance and funding for the abovementioned strategy and related

<i>Infrastructure Investment: Solid Waste (Note: Refer to final approved/adjusted budget for correct figures)</i>			
<i>Project Name</i>	<i>Area</i>	<i>Budget</i>	<i>Year</i>
<i>Drop-offs and Transfer stations</i>	<i>Witzenberg</i>	<i>R 6 000 000</i>	<i>2022/2023</i>
		<i>R 2 000 000</i>	<i>2023/2024</i>
		<i>R 4 000 000</i>	<i>2024/2025</i>
<i>Fencing Landfill Site</i>	<i>Prince Alfred's Hamlet</i>	<i>R 4 000 000</i>	<i>2022/2023</i>

infrastructure such as the material recovery facility. The project will further assist with the establishment of drop-off points (transfer stations) in all towns that would replace the existing skip system. Additional funding for the MRF and one drop-off was approved MIG and own funding.

▪ **PROGRAMME 1.1 (B): UPGRADE AND MAINTENANCE OF NETWORK INFRASTRUCTURE**

Water and sanitation networks

The Witzenberg urban area is serviced through 224 km of water networks and 199 km of sewer networks with pipes varying in diameter. All urban areas have access to a water connection point with the exception of the informal areas of Tulbagh, Wolseley and N'Duli, which are supplied with communal water points. All urban areas have access to a sewerage connection point with the exception of approximately 25% of the Op-die-Berg and Prince Alfred's Hamlet consumers that are not connected to a network but use septic tanks that are emptied on request. The informal areas are provided with communal toilets. Septic tanks are serviced by two sewerage

trucks over an area of 10,753 km² that entails mainly rural areas.

Normal maintenance and repair has increased drastically over the past couple of years due to the ageing of networks. A pipe replacement programme and upgrade of pump stations programme are being implemented and budgeted for on an annual basis. The increasing number of pipe breakages also has an influence on water losses, although water losses have decreased significantly over the past couple of years due to several interventions that were implemented.

<i>Infrastructure Investment: Water & Sanitation (Note: Refer to final approved/adjusted budget for correct figures)</i>			
<i>Project Name</i>	<i>Area</i>	<i>Budget</i>	<i>Year</i>
<i>Water Network Replacement</i>	<i>Witzenberg</i>	<i>R 1 500 000</i>	<i>2022/2023</i>
		<i>R 2 000 000</i>	<i>2024/2025</i>
<i>Sewer Network Replacement</i>	<i>Witzenberg</i>	<i>R 1 500 000</i>	<i>2022/2023</i>
		<i>R 2 000 000</i>	<i>2024/2025</i>
<i>Security Upgrades</i>	<i>Witzenberg</i>	<i>R 1 000 000</i>	<i>2022/2023</i>
		<i>R 300 000</i>	<i>2024/2025</i>

Electrical networks

Ongoing maintenance of the network is essential to safeguard network reliability and sustainability and to ensure safe working conditions for employees and consumer safety. The cable network of **Ceres** is considered sufficient to handle a reasonable capacity increase over the foreseeable short to medium term.

In the case of both **Wolseley** and **Tulbagh**, the cable capacity is 2,38 MVA, which is insufficient to handle the Maximum Notified Demand and the 35 mm cables should be replaced with 70 mm cables. Ageing infrastructure considered very outdated and even dangerous to operate are, e.g., oil circuit breakers which are estimated to be up to 50 years old and spares are not available. Old

outdoor switchgear is susceptible to water ingress.

The **electrical masterplan** was reviewed in 2019 as it was last done in 2011. Witzenberg has developed a **Small-scale Embedded Generation (SSEG)** plan that will support the management of renewable energy production in the municipal jurisdiction. The municipality will continue with upgrading and installing street and public lighting to ensure a safe environment.

However, continued cable theft and vandalism pose a threat to the sustainable and safe provisioning of electricity and street lighting.

Illegal connections, especially in areas such as N'Duli and Pine Valley (Wolseley), pose a major

threat in terms of electrical losses, loss of income and public safety if not properly addressed.

Although electricity losses are well managed at 10,5% annually it remains just above the 10% norm set by the Department of Energy, losses in areas such as N'Duli remain out of control, at times exceeding 85% mainly due to illegal connections with the result that only 15% of electricity supplied to the area is metered.

Especially in die winter, the N'Duli associated network trips due to overload. This constant tripping obviously has a frustratingly detrimental effect on the consumers with legal connections.

<i>Infrastructure Investment: Electricity (Note: Refer to final approved/adjusted budget for correct figures)</i>			
<i>Project Name</i>	<i>Area</i>	<i>Budget</i>	<i>Year</i>
<i>MV Substation Equipment</i>	<i>Witzenberg</i>	<i>R 1 000 000</i>	<i>2022/2023</i>
		<i>R 1 500 000</i>	<i>2024/2025</i>
<i>Upgrade of LV network cables</i>	<i>Witzenberg</i>	<i>R 1 000 000</i>	<i>2022/2023</i>
		<i>R 1 000 000</i>	<i>2024/2025</i>
<i>MV Network Equipment</i>	<i>Witzenberg</i>	<i>R 1 000 000</i>	<i>2022/2023</i>
		<i>R 1 000 000</i>	<i>2024/2025</i>
<i>Upgrade of MV Cables</i>	<i>Witzenberg</i>	<i>R 1 000 000</i>	<i>2022/2023</i>
		<i>R 600 000</i>	<i>2024/2025</i>
<i>Nduli Infill Electricity</i>	<i>Nduli</i>	<i>R 4 000 000</i>	<i>2023/2024</i>
		<i>R 4 180 000</i>	<i>2024/2025</i>

Solid waste collection

All formal urban residential erven receive a **weekly door-to-door waste collection** service with a wheelie-bin system being implemented in 2016/17 for business. The implementation of the wheelie-bin system was necessary to ensure business pays for the amount of waste generated, as it was problematic with the provision of black bags in the past. The system further encourages recycling as business will save on waste removal costs when waste is collected by private recycling companies. It also addresses the problem of black

bags and waste in boxes being left on pavements for collection that created pollution and unsightly streets. A new Compactor was procured in 2018/19 budget.

The **minimisation of waste** by private households is encouraged through public awareness and educational programmes. The strategic placement of large recycle bins at especially shopping centres and schools will be further expanded to support waste minimisation and recycling. The cost-effectiveness of recycling is still

problematic as Witzenberg has low populations with limited volumes of waste generated. To increase the cost-effectiveness of the business, private companies have engaged with commercial farmers and the agri-industry to collect waste to increase volumes.

Approximately 70 skips are distributed throughout towns for the **collection of garden refuse**. An additional skip truck was procured in 2016 to alleviate backlogs, but illegal dumping, dumping of household waste in skips and overflowing skips still remain an immense challenge. The municipality appointed additional law enforcement officers in 2016/17 to assist with curbing of illegal dumping.

Witzenberg will further implement a **waste management strategy** as mentioned under Programme 1.1 Sustainable provision and maintenance of basic services infrastructure – Managing of landfill sites that will include the placement of **drop-off points** (transfer stations) to replace the skips. The first drop-off point in Wolseley is being constructed this financial year, drop off points will be strategically placed in all

towns with permanent personnel. A thorough **public awareness campaign** with ward committees and door-to-door visits by “~~Youth Working on Waste~~” Waste Ambassadors (~~Programme by Department of Environmental Affairs~~) will ensure public buy-in. The project is partly funded with the assistance of **Essen Municipality in Belgium** with whom Witzenberg has a long-term twinning agreement.

The volumes of garden waste generated by the public are however insufficient to cost-effectively implement a composting facility and it is foreseen that Witzenberg will enter a **partnership with local private composting companies**. The strategy will also seek to implement more cost-effective operational methods as it is expected that the establishment of new RDP housing projects will put more pressure on the existing workforce and vehicles. Over the past 15 years, **residential households increased by approximately 30%** and it is expected that the trend will continue over the next 10 years mainly due to the implementation of RDP housing projects. The existing workforce and vehicles will therefore have to be increased to ensure a sustainable service.

■ PROGRAMME 1.1 (C): TRANSPORT MANAGEMENT AND ROAD MAINTENANCE

Integrated Transport planning

This transport field is responsible for transport planning, road planning, traffic engineering and implementation of the Integrated Transport Plan (ITP) with the streets and stormwater infrastructure that include the upgrade, rehabilitation and maintenance of road infrastructure, stormwater drainage and the adequacy of traffic signage and road markings and public transport infrastructure.

Roads Master Planning

A new Roads Master Plan was approved by Council in February 2021.

The Witzenberg area has been experiencing urban development growth in the recent years.

The Witzenberg Local Integrated Transport Plan 2010-2015 was adopted in 14 December 2010, with the Witzenberg Local Integrated Transport Plan (LITP) 2022-2027 being reviewed prepared as part of the Cape Winelands District Integrated Transport Plan (DITP) 2022- 2027.

It is essential that all development planning be guided by a predetermined Roads Master Plan.

The Vision for Witzenberg LM Roads Master Plan was formulated to be “To provide a safe, reliable, effective and efficient road and

transport system to serve the public of Witzenberg Municipality”.

The municipal road network is in good condition, 59% of road network being in a very good to good condition, 30% being in fair condition with 11% being poor and very poor. Out of the 204.8km of road, 91% is black top roads, 2% is block paved and 7% is gravel roads. The proposed maintenance cost over 2-3years is R42.4 mil.

Five bridges and 3 major culverts were assessed as part of the RRAMS project. The maintenance cost of these structures without professional fees were estimated to be R1.59 mil.

Traffic counts were done on 108 intersections. The AM & PM peak hours were extracted, and operational analysis were done for the current scenario and geometry. Only six intersections operated with an approach lower than LOS D.

Potentially dangerous intersections on Vos Street (R303) and Voortrekker Street (R46) were identified by others and further investigated.

Minibus taxis is the main source of public transport within Witzenberg LM, in the absence of a public bus service. There is a need to consolidate the various taxi ranks in Ceres.

A host of new pedestrian walkways were identified as well as the required maintenance on existing facilities. In the town of Ceres, kerbs at pedestrian crossings must be dropped to improve universal access.

Precinct planning were previously done in Ceres and Tulbagh. A variety of projects were proposed to connect nodes with general beautifying of the area, improve vehicular, pedestrian and cycle movements. The proposed cost for Ceres was R56 mil and R7.2 mil for Tulbagh.

New spatial plans from the 2020 SDF were used to assess new roads to be developed. Various new bridge connections were also identified in Ceres and Tulbagh.

The six intersections which previously exceeded LOS D, were further analysed at a 3.7% traffic growth over the next 5 years. Some proposal is made in terms of the upgrading of these intersections. An additional two intersections in Nduli which did not exceed the LOS D were also analysed with a growth of 3.7% over the next 5 years, as these intersections are expected to see a rapid growth in traffic volumes upon completion of the Vredebes development.

The site for the new taxi rank has been identified and should be pursued within the short to medium term. Negotiations with the property owner must precede any formal planning.

Pedestrian and cycle facilities should be a requirement up to Class 4 roads which are generally bus or taxi routes. Class 5 roads may however be fitted with walkways or cycling lanes, if it serves public land-uses like schools, hospitals or community buildings.

Freight routes and by-pass routes were identified by previous studies. The initial survey, planning and environmental approvals should be sought in the short to medium term. Mention is made of a Petroport truck stop facility outside Ceres. This would give the trucks a place to overnight and eliminate the current illegal parking within the Witzenberg LM towns.

Master Planning is key to provide long term steering of projects, with the SDF and IDP planning for a shorter term. Municipal Grants like MIG is key to the sustainability of municipal projects. Developer contributions should be used

to augment the bulk infrastructure where required.

The strategy for prioritising projects would be;

- All maintenance and repair actions should happen over the short and medium term;
- All small to medium size capital projects should happen over the short and medium term;

Stormwater Master Planning

The Witzenberg area has been experiencing urban development growth in the recent years. It is essential that all development planning be guided by a predetermined Stormwater Plan.

The Vision for Witzenberg LM Stormwater Plan was formulated to be “To provide a database for the Witzenberg Municipality where all stormwater data can be viewed, queried, stored, added, maintained and expanded.

The Stormwater Master Plans must identify upgrades to the existing stormwater system and propose new infrastructure in order to meet current and future infrastructure needs to accommodate growth. It must include a funding model and a programme for the implementation of all the projects identified and prioritized. It must evaluate the long-term viability of existing infrastructure to cope with expansion and augmentation.”

The Witzenberg LED Strategy (2004) stated that flooding of stormwater pipes is common in winter as these pipes are not inspected for blockages in the summer as required. The Draft Reviewed IDP 2019-2020 indicated that some areas within the Witzenberg Municipality have inadequate stormwater systems.

The existing stormwater infrastructure within Witzenberg is made up of 68.6 km of reticulation and 35.6 km of open channel.

The condition of the stormwater infrastructure was assessed based on blockage and structural integrity. 92% were found to be less than 25% blocked, 3% were found to be partially blocked,

- All project likely to fall outside of this scope should happen over the long term;
- The initial work for the long-term projects (survey, planning and environmental), should be done over the short to medium term;

and 5% were full of material (litter or debris). 46% of the structures were in a good condition, 39% were found to be in fair condition, and 15% were found to be in poor (damaged or broken) condition.

For the study area 28% of the Witzenberg PCSWMM model (existing minor system) require new stormwater infrastructure (upgrades, replacements and additional stormwater systems).

Pipe replacement and new minor systems for resolving the problem areas are proposed in this report, together with preliminary cost estimates. Costs have been calculated for each conduit that requires upgrading or new infrastructure to increase the capacity of the existing stormwater network.

The total cost estimate for the installation and upgrading of the local minor stormwater network to either the 1:2 year and 1:5 year return period standard amounts to R180.8 million, excluding long-term upgrade proposals, and R190.2 million including long-term upgrade proposals.

The hydrological analyses have indicated that the future developments requires the inclusion of detention facilities in the modelling in order to reduce the estimated post-development flood peaks to the predevelopment flood peaks.

Where practically possible, developments should be required to accommodate the difference between the pre and post-development run-offs up to the 1:50 year flood,

on the development. This will reduce major and minor stormwater run-off and improve water quality.

The detention ponds modelled and proposed to be implemented to reduce the future peak floods within Witzenberg Municipal area. The high level cost estimate to construct these detention ponds amounts to R159.9 million.

The bulk stormwater infrastructure required to connect the future developments to existing watercourses or the existing stormwater network amounts to R19.7 million. The proposed bulk stormwater
The main concern is that developments within Ceres and Wolseley are within the 1:50 Koekedow Flood lines.

<i>Infrastructure Investment: Roads & Storm water (Note: Refer to final approved/adjusted budget for correct figures)</i>			
<u>Project Name</u>	<u>Area</u>	<u>Budget</u>	<u>Year</u>
<i>Upgrade Van Breda bridge</i>	<i>Ceres</i>	<i>R 12 000 000</i>	<i>2022/2023</i>
<i>Network Streets</i>	<i>Witzenberg</i>	<i>R 2 000 000</i>	<i>2022/2023</i>
		<i>R 2 500 000</i>	<i>2024/2025</i>
<i>Road Maintenance Upgrading</i>	<i>Witzenberg</i>	<i>R 13 035 982</i>	<i>2024/2025</i>

II. OBJECTIVE 1.2: PROVIDE FOR THE NEEDS OF INFORMAL SETTLEMENTS THROUGH IMPROVED SERVICES

The Constitution of South Africa sets out in Section 152.1 the responsibilities of local government with the emphasis on the provision of services to communities in a sustainable manner. The provision of services to formal billed households is covered under the previous strategic objective.

The provision of services to informal settlements create another type of challenge as informal communities are usually made up of the more vulnerable groupings with limited access to services, which usually consist of communal infrastructure.

It is for this reason that Witzenberg has identified informal settlements as one of its

strategic objectives to ensure that the provision of services and upgrade of informal areas receive priority attention. This objective addresses the provision of services to existing informal settlements and the upgrade of informal areas through the Department of Human Settlements programme for the development of serviced sites.

The implementation of housing programmes such as RDP and FLISP is discussed under the Strategic Objective – “Support the poor and vulnerable through programmes and policy” as it relates to the construction of top structures.

PROGRAMME 1.2 (A): IMPLEMENTATION OF HUMAN SETTLEMENT PLAN (SERVICED SITES)

Serviced sites are funded by the Department of Human Settlements under the Upgrading of Informal Settlements Programme at approximately R60 000 per site. Services included are a water connection, toilet with washbasin and surfaced roads.

Electrical networks are funded by the Department of Energy. Serviced sites projects were recently completed at Prince Alfred’s Hamlet (242 sites) and Pine Valley, Wolseley (158 sites). Although 605 serviced sites were completed in 2016/17 in Vredebes with a further 635 sites planned for 2018/19, these sites are earmarked for the construction of top structures. It is expected that serviced sites will be developed in the N’Duli informal settlement for beneficiaries who would not qualify for a housing subsidy at the Vredebes development.

At this stage the number of non-qualifiers is unknown as surveys are presently in process amongst the approximately 1096 families living in the N’Duli informal settlement. The N’Duli housing project were planned to be implemented in 2021/22 to ensure alignment with the Vredebes construction of houses but due to the delay in construction on Vredebes the N’duli project could not start yet. It is expected that some of the approved qualified beneficiaries in the N’Duli informal settlement will be accommodated at Vredebes. The informal areas in N’Duli are planned to be upgraded for top structures for those that

<i>Infrastructure Investment (Note: Refer to final approved/adjusted budget for correct figures)</i>			
<u>Project Name</u>	<u>Area</u>	<u>Budget</u>	<u>Year</u>
<i>Vredebes Access Collector</i>	<i>Ceres, Vredebes</i>	<i>R 10 909 000</i>	<i>2022/2023</i>
		<i>R 2 284 454</i>	<i>2023/2024</i>

qualify as well as serviced sites for the non-qualifiers.

The provision of serviced sites for non-qualifiers does create a problem as a number of the non-qualifiers are foreign citizens with the result that these can’t be upgraded with top structures in the future. It is further experienced in areas such as Prince Alfred’s Hamlet and Pine Valley where serviced sites were occupied in the past, that the sites are occupied by more than one family, in some cases as many as six families, which also hampers the upgrade to top structures as the additional families will have to be accommodated in a new project. A service provider was appointed by the DoHS so assist the municipality with the enumeration of the informal settlements in Tulbagh and N’duli over the period 1 April 2019 to 31 March 2021.

▪ **PROGRAMME 1.2 (B): PROVISION AND MAINTENANCE OF COMMUNAL SERVICES**

The informal areas of N’Duli, Pine Valley and Tulbagh are serviced with communal toilets and water points.

The table below gives an indication of the number households and services ratio:

<i>Informal household with communal services</i>			
<u>Informal area</u>	<u>Households</u>	<u>Water points</u>	<u>Toilets</u>
<i>N’Duli, Ceres</i>	<i>1114</i>	<i>25</i>	<i>14</i>
<i>Tulbagh</i>	<i>1725</i>	<i>102</i>	<i>145(including chemical toilets)</i>
<i>Pine Valley, Wolseley</i>	<i>17909</i>	<i>9</i>	<i>43 in total Only 15 in working condition</i>

Note: The number of service points as at end of June 2020. Tulbagh service points include serviced sites occupied by more than one household.

The aforementioned informal areas have limited access to an electrical network. The main reason being that the Department of Energy does not fund electrical networks in informal areas. The upgrade of informal areas to serviced sites is however funded. The maintenance of the communal facilities is managed by the housing section. Due to limited capacity and on-going vandalism, facilities are not always in a working order with blockages resulting in sewer overflows that lead to unhygienic conditions. It remains one

of the biggest challenges for the Housing Department to provide education on the hygiene and usage of the public facilities. These conditions are further examples of the urgent need to upgrade the informal settlements. Refuse bags are distributed for weekly door-to-door collections. The system is not always effective with illegal dumping and littering ongoing. Skips are also placed at some areas with regular cleaning operations by the cleansing department.

▪ **PROGRAMME 1.2 (C): MANAGEMENT AND CONTROL OF INFORMAL SETTLEMENTS AND ILLEGAL OCCUPATION**

The programme focuses on the management and control of informal settlements in relation to in-migration and unlawful occupation especially in the informal settlements of N'Duli, Tulbagh and Pine Valley (Wolseley). The growth of informal settlements is monitored through a bi-annual count by officials from the Housing Department. The demolishing of illegal structures through a legal process is however costly and time consuming. Capacity of law
Key Performance Area 2

enforcers is limited and they have to work after hours and over weekends. Eight additional EPWP workers were utilised from 16 December 2018 to assist the housing officials and law enforcement to demolish illegal structures.

Two additional EPWP workers were appointed as from 1 April 2018 to assist with the cleaning of ASLA Camp p and these contract are still ongoing.

GOVERNANCE

OBJECTIVE 2.1:

SUPPORT INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

OBJECTIVE 2.2:

ENSURE FINANCIAL VIABILITY

OBJECTIVE 2.3:

MAINTAIN AND STRENGTHEN RELATIONS WITH INTERNATIONAL – AND INTER-GOVERNMENTAL PARTNERS AS WELL AS THE LOCAL COMMUNITY



Key Performance Area 2

B. GOVERNANCE

I. OBJECTIVE 2.1 SUPPORT INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

■ PROGRAMME 2.1 (A) HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

The Witzenberg Municipality employs 561 officials (30 June 2016) (permanent and temporary employees) excluding councillors, who individually and collectively contribute to the achievement of the municipality's objectives.

The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function. There were 49 vacant positions at the end 2015/16, resulting in a vacancy rate of 5,7%. Measurements are to

be put in place to ensure that vacant positions are filled as soon as possible for service delivery to continue.

Witzenberg has put in place a set of human resource (HR) management and development processes, including performance management, personal development plans and workplace skills planning, all of which guide staff training and development. These also deliver effective talent management by creating a 'fit for purpose' organisation that is service delivery-oriented.

Performance management

The TASK process needs to be completed as a matter of urgency with proper job descriptions for all positions on the approved organogram. Witzenberg will further start with the roll-out of operating procedures in certain departments with evaluation measures to ensure effective

personnel performance management. The latter will ensure more effective disciplinary action, and policies and measures will be put in place to ensure that disciplinary actions are timeously finalised.

Equity

The Employment Equity Act (1998), Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a

designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

EE targets/Actual by racial classification

Development

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable

way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

▪ PROGRAMME 2.1 (B): LAW ENFORCEMENT AND TRAFFIC

Witzenberg aims to expand partnerships with communities, the private sector and other departments and spheres of government to improve safety and security. The aims of the Traffic Department Law Enforcement Department are as follows:

- Reduce road accident fatalities within the region and increase service delivery to all the towns within Witzenberg.
- Develop road safety initiatives and programmes aimed at educational institutions from primary to tertiary level.
- Ensure increased legal compliance to through enforcement of municipal by-laws and traffic regulations.
- Implement the Violence Prevention through Urban Upgrading (VPUU) programme
- Develop strategies to reduce road fatalities within Witzenberg

VPUU is a systemic approach to neighbourhood upgrades. It is a multilateral collaboration between Witzenberg, the Provincial Government and residents of a specific geographic area. VPUU aims to prevent violence in these areas and, consequently, to improve the quality of life of the residents. The goals include a general increase in the safety of the beneficiary population, upgrades to neighbourhood facilities, and economic and community development.

We are acutely aware that the Traffic Department is understaffed, which impacts negatively on the department's ability to effectively deal with traffic violations within the municipal jurisdictional area. It is therefore critical that the law enforcement personnel (traffic component) be progressively expanded over the next five years. The traffic infrastructure also needs to be upgraded to comply with the provincial and national regulations and requirements. It is also envisaged to purchase new traffic vehicles over the IDP term in order to render the department competitive in combating traffic-related

offences. Responding to traffic-related offences as well as general law enforcement matters is not only a municipal traffic function, but also includes positive action from other law enforcement agencies. Intergovernmental relations will thus be strengthened to combat crime effectively within the Witzenberg area and to promote a proactive stance to public safety. It is further envisaged that a specialised traffic officers' component (fast response unit) be established that will lead the municipality's zero tolerance approach to speeding, reckless, negligent and drunk driving. Strategies will include specialised operations to apprehend offenders and start a name-and-shame campaign.

During October 2020 Witzenberg Municipality, together with the Department of Community Safety recruited seven peace officers to assist with the enforcement COVID 19 regulations, these learners are to be utilised on twelve month learner ship program assist the municipality render more effective and efficient by-law enforcement within Witzenberg. Coupled with the intended expansion of the fleet of traffic vehicles, the visibility and effectiveness of traffic services in all the responsible areas of Witzenberg, especially the outer towns, will improve due to this initiative.

The gradual implementation of the amended organogram will streamline the different work components and not only improve the level of service in all spheres of the department, but also present career opportunities.

During the course of the second and third quarter of the 2020 resources within the uniform component was strained mainly due to the COVID 19 Disaster Management Act and the enforcement of said regulations. Currently most of the services are decentralised to Ceres and needs to be expanded to the other towns within Witzenberg.

The intended expansion of the law enforcement component and the increased number of prosecutions, coupled with the possible impounding of items, pose a storage dilemma because at present there is no storage facility for impounded items. The long-term goal is to make available suitably secure storage facilities for such impoundments, which will in turn curb the present continuum of violations. For the period June 2020 until January 2021, 5 020 traffic cases, 40 arrest 58 vehicles were suspended by traffic officers. In addition for

same period Law Enforcement Officers issued 789 violations with 23 arrest.

The Witzenberg Traffic Department is gradually expanding its services and operations, within all the towns however a decentralised approach will enhance service delivery to the various communities. However, this can only be done with expert planning, coupled with experienced management and the availability of adequate resources and financial provision.

■ PROGRAMME 2.1 (C): SPATIAL AND TOWN PLANNING

The **Spatial Planning and Land Use Management Act** (Act 16 of 2013)(SPLUMA) brought about a new planning system which was implemented on 1 July 2015. The SPLUMA replaced the old 1985 Ordinance that was found to be unconstitutional. The most far-reaching changes are the following:

- Municipalities needed to regulate their own planning function within the legislative framework (SPLUMA) set by National Government. To this end the Witzenberg Land Use Planning By-Law was approved by Council and gazetted on 21 August 2015.
- Municipalities had to establish a Municipal Planning Tribunal (MPT) in order to determine land use and development applications. Witzenberg Council appointed the MPT members on 26 November 2015, consisting of 5 members; 3 internal and 2 external.
- Municipalities must adopt a single land use scheme within five years of implementation of the SPLUMA.
- The executive authority of the municipality is the appeal authority.
- Developments that will have an effect on provincial planning and agriculture will also need approval from the Provincial Department of Environmental Affairs and Development Planning.

Spatial Development Framework

Legislation requires that the Municipality adopt an SDF concurrently with the adoption of the IDP, which SDF must give spatial expression to the goals and objectives of the IDP.

Consultants were appointed early in 2019 to review the SDF. Council approved the process plan on 31 July 2019.

Public engagements were held between 18 and 25 November 2019 at venues located in each of the towns. The draft SDF was also advertised in the press for public comment until 31 January 2020, and the Provincial Gazette with the closing date 30 March 2020.

Pursuant to section 13 of the Western Cape Land Use Planning Act, 2014 the draft SDF was presented to the Minister for comment on 4 February 2020. Comment was received from the Minister's Head of Department: Environmental Affairs and Development Planning on 5 February 2020.

On 27 May 2020 the final SDF was adopted by Council.

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Single Land Use Scheme

Under the previous planning system, the municipality had three zoning schemes. The Spatial Planning and Land Use Management Act, 2013 stipulates in Section 24(1) that a municipality must adopt a single land use scheme for its entire municipal area within a year of the commencement of said Act. Consequently, on 30 September 2019, Council adopted the Zoning Scheme By-law.

Ceres, Bella Vista and Nduli, where future growth should be accommodated in a structured and integrated manner.

This process to compile a precinct plan for the area of Ceres, Bella Vista and Nduli was initiated as an extension to the MSDF 2019/20 process.

Precinct Planning

The 2020 Municipal Spatial Development Framework (MSDF) sets out spatial policy, plans, proposals, guidelines, and implementation measures for Witzenberg Municipality as a whole and individual settlements within the Municipality. The individual town plans in turn each identify priority areas where more detailed planning, such as precinct plans, are required. Priority Focus Area 1 for Ceres was identified as the area between

During the month of August and September 2020 the draft document was finalized through the development of a concept and first draft proposals. These proposals were submitted to municipal officials for inputs.

Workshops with Council took place on 23 February 2021. It is envisaged that the plan will be adopted mid-2021.

PROGRAMME 2.1 (D): ADMINISTRATION

The Administration Section aims to ensure good governance, administrative transparency and openness. To promote clean and sound administration and to ensure access and

information in respect of Council resolutions, minutes, policies and by-laws. Witzenberg has started to implement a paperless policy to reduce use of paper with Council agendas and minutes.

PROGRAMME 2.1 (E): FLEET MANAGEMENT

Witzenberg will develop a vehicle replacement policy that will entail the effective maintenance of vehicular resources and a well-planned replacement programme for ageing vehicle fleets spanning five, 10 and 15 years. Witzenberg is

currently in the process of investigating the financial implications of long-term leasing. A vehicle tracking system will be implemented during 2017/18 to ensure effective monitoring and cost-effective usage of the municipal fleet.

PROGRAMME 2.1 (F): TRANSPARENT GOVERNMENT (OVERSIGHT)

According to Section 62(c) of the MFMA, the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control and

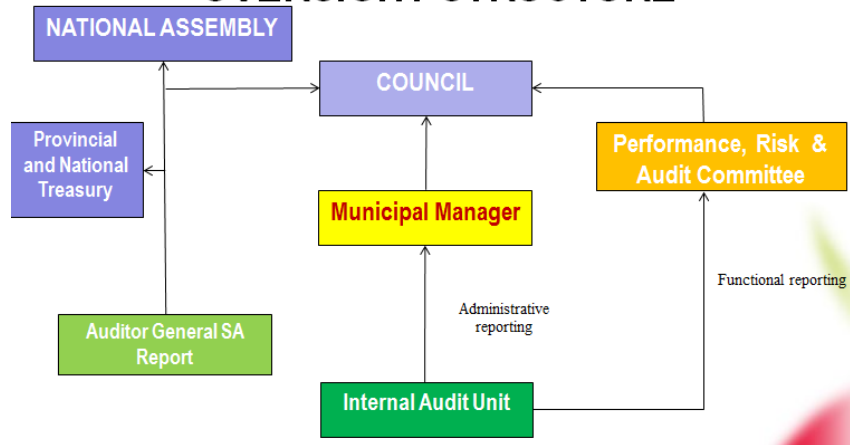
internal audit operating in accordance with any prescribed norms and standards

Section 165 further states that a municipality must have an internal audit unit that advises the accounting officer and reports to the audit committee on the implementation of the internal audit plan and matters relating to -

- internal audit and internal controls; accounting procedures and practices;

- risk and risk management and performance management;
- loss control; and compliance with this Act, the annual Division of Revenue Act and any other applicable legislation.

OVERSIGHT STRUCTURE



The Witzenberg Internal Audit unit must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation’s governance, operations and information systems regarding the:

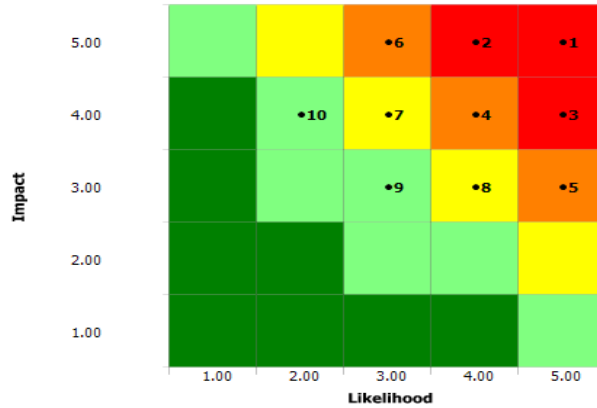
- reliability and integrity of financial and operational information
- effectiveness and efficiency of operations and programmes
- safeguarding of assets; and
- compliance with laws, regulations, policies, procedures and contracts.

Internal Audit assists the organisation in maintaining effective controls (of which management is the custodian) by evaluating the effectiveness and efficiency and by promoting

continuous improvement. A “fraud hotline” (0800 701 701) has been implemented and is communicated on a regular basis through newsletters.

Council takes an interest in **Risk Management** to the extent necessary to obtain assurance that properly established and functioning systems of risk management are in place to protect Witzenberg Municipality against significant risks. Council has to report to the community on the municipality’s system of internal control. This provides comfort that the municipality is protected against significant risks to ensure the achievement of objectives as detailed in the Service Delivery and Budget Improvement Plan (SDBIP).

Inherent risk heat map for Witzenberg Municipality indicating the top major risks applicable.



Title	II	IL	IR	Pt
Major unplanned not disaster related interruptions to service deliver	5.0	5.0	25.0	1
Inadequate supply for electricity to meet existing and future demands	5.0	4.0	20.0	2
Un-recoverability of outstanding receivables	5.0	4.0	20.0	2
Uneconomical utilization of assets (Klipriver Park)	4.0	5.0	20.0	3
Poor growth in revenue base	4.0	5.0	20.0	3
Non-compliance to rehabilitate closed landfill site	4.0	5.0	20.0	3
Deteriorating electrical infrastructure	4.0	5.0	20.0	3
Deteriorating water and sanitation pipe infrastructure	4.0	5.0	20.0	3
Solid waste management ineffective	4.0	5.0	20.0	3
Inability to implement provincial approved budgeted housing projects	4.0	5.0	20.0	3
Increase in unaccounted water and electricity losses	4.0	5.0	20.0	3
Inability to create a safe environment for communities	4.0	5.0	20.0	3
Escalation in vulnerable households	4.0	5.0	20.0	3
Deteriorating road infrastructure	4.0	5.0	20.0	3
Community is dissatisfied with slow progress towards services delivery	4.0	5.0	20.0	3
Growth in informal settlements	4.0	5.0	20.0	3

II – Inherent Impact; IL – Inherent Likelihood; IR – Inherent Rating; RR – Residual Rating; Pt – Map Indicator.

PROGRAMME 2.1 (G): DISASTER MANAGEMENT AND FIREFIGHTING

2.1.1 Fire and Rescue Services

The CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (ACT 108 OF 1996) establishes fire-fighting services as a Local Government matter. The FIRE BRIGADE SERVICES ACT (99 OF 1987) provides for the Witzenberg Municipality as a local authority to establish and maintain a fire brigade service for the following different purpose:

- Preventing the outbreak or spread of a fire;
- Fighting or extinguishing a fire;
- The protection of life or property against a fire or other threatening danger;
- The rescue of life or property from a fire or other danger;
- Subject to the provisions of the Health Act, 1977 (Act No. 63 of 1977), the

rendering of an ambulance service as an integral part of the fire brigade service; or

- The performance of any other function connected with any of the matters referred to in paragraphs (a) to (e).

The Witzenberg Municipality therefore has the duty to perform the following firefighting functions:

- Coordination and regulation of local authority fire services, designated fire authorities and volunteer fire associations;
- Development of specialised fire services capacity to deal with specialised fire risks prevalent in the area such as veld fires, chemical incidents, informal settlement fires, etc.;

- Facilitation and coordination of the training and development of practitioners;
- Development and facilitation of the implementation of standardised municipal By-laws;
- Coordinate planning for the provision of fire safety and prevention;
- Development, support and implementation of community-based fire safety and Prevention programs;
- Preventing the outbreak and or spread of a fire;
- The provision of information, publicity, training, education and encouragement in respect of the steps to be taken to prevent fires and death or injury by fire;
- Conduct regular and random fire safety inspections;
- Provide advice on the means of escape from buildings and other property in case of fire;
- Fighting and extinguishing a fire; by making arrangements amongst others for having sufficient staff, equipment and vehicles at its disposal to deal with the fire risks in its area of jurisdiction;
- Provide for call taking and dispatching facilities to deal with incoming calls to report emergencies and summoning personnel and resources amongst others;
- Control and stabilisation of dangerous goods incidents;
- Protection of life and or property against fire or other related danger;
- Rescue of life and or property from fire or another form of entrapment;
- Rendering of an emergency medical care.
- Participation in special events planning;
- Provision of fire resilience training to fire practitioners and civil society at large;
- Conducting fire risk assessments;

- Provision of training and to fire services practitioners;

The SOUTH AFRICAN NATIONAL STANDARD for COMMUNITY PROTECTION AGAINST FIRE, SANS 10090:2018, is a measurement tool that indicates whether a fire service is meeting the minimum mandatory community fire protection standard, which in turn is indicative of whether a fire authority is indeed contributing to the objects of local government. The Witzenberg Municipality Fire and Rescue Service is currently classified as a category 5(b) which mean that we meet the performance criteria for staff availability and appliance availability by only 35% to 45%.

2.1.2 Disaster Management Services

DISASTER MANAGEMENT ACT (57 OF 2005), Sections 52 and 53 require each municipality and municipal entity to prepare a Disaster Management Plan (DMP). The Witzenberg municipality has a legislated duty to:

- Establish a functional Disaster Management Centre.
- Appoint of a Head of Centre and suitably qualified persons.
- Responsible for the implementation and maintenance of an all-hazard, full-spectrum comprehensive disaster management programme, ensuring:
 - Prevention
 - Mitigation
 - Preparedness
 - Response.
 - Rehabilitation and reconstruction
- Monitor progress with post-disaster recovery & rehabilitation.
- Serve as repository of and conduit for, disaster information.
- Be the advisory and consultative body on disaster issues.
- Make recommendations regarding DM funding.

- Make recommendations on legislation affecting DM.
 - Promote the recruitment, training and participation of volunteers in DM.
 - Promote disaster management capacity building, training and education throughout the republic, including in schools.
 - Promote research into all aspects of disaster management.
- Liaise and coordinate its activities with other relevant DM Centres.

II. OBJECTIVE 2.2: ENSURE FINANCIAL VIABILITY

The objective is to ensure that Witzenberg Municipality is financially viable over the short term and sustainable over the long term, while tariff increases are kept as low as possible to ensure that tariffs are affordable to the community at large and competitive to ensure that new businesses and/or industries are attracted.

The development of plots and building of RDP houses are challenges to the financial viability and sustainability of Witzenberg Municipality as most of the beneficiaries will qualify for indigent support and will not contribute financially to the municipality, but will be entitled to municipal services. The current workforce also needs to be extended to ensure service delivery to the new houses.

The maximum electricity demand of the Witzenberg Municipality reached the maximum supply by Eskom. Increased demand can only be supplied by Eskom in 2030. The lack of available electricity supply has a negative effect on economic growth, which also has an effect on the creation of work opportunities and the financial viability and sustainability of the municipality.

The collection rate of the municipality has decreased from 94% to 88%. This was primarily due to credit control measures not being implemented as a form of Covid-19 relief to the community. It is expected that the collection rate will increase again as we have started to implement credit control measures and have thus estimated that the budgeted collection rate for the new financial year will reach 91%.

▪ PROGRAMME 2.2 (A): INCOME AND DEBT MANAGEMENT

The revenue must be increased to ensure that Witzenberg Municipality can meet all its financial obligations and to improve service delivery. A policy providing for rebates on municipal services is available to new businesses/industries or extension of existing businesses/industries where new jobs are created.

New businesses and/or industries will not only increase the revenue base of the municipality but will also assist in reducing unemployment – one of the largest challenges for Witzenberg Municipality.

Witzenberg Municipality's revenue stream is modelled on a combination of past trends, forecasted economic and fiscal conditions. The

revenue sources are monitored and determined to ensure sustainable medium-term to long-term cash flows.

Consumers are billed once a month for services rendered. In addition to the current practice of printing and mailing, technology will be utilised to implement an e-billing solution (**Citizen Mobile Portal**), using e-mail technology to make invoices more accessible and to encourage online transacting for citizens with internet access. Witzenberg will implement a Geospatial

Information System to display billing information on maps to determine whether all users receive accounts and to easily view outstanding discrepancies.

The biggest problems exist in the towns of N'Duli, Prince Alfred's Hamlet and Op-die-Berg. The main reason being that effective debt collection through the cutting of electricity can't be implemented as Op-die-Berg and Prince Alfred's Hamlet are serviced by Eskom and in N'Duli illegal electricity connections can't be addressed due to safety issues of personnel.

▪ **PROGRAMME 2.2 (B): EXPENDITURE MANAGEMENT**

The financial goal was to pay off the external long-term loans and to finance new infra-structure. The bulk of the loans were redeemed and the future interest and redemption burden has been reduced significantly. The salary budget was kept below

30% of total expenditure. Controls are in place to mitigate the possibility of unauthorised, irregular and fruitless and wasteful expenditure being incurred.

▪ **PROGRAMME 2.2 (C): SUPPLY CHAIN**

Witzenberg Municipality is a large procurer of goods and services and as such it has enormous buying power to support economic growth through procurement. The supply chain unit will be revising their policies and procedures to ensure that goods and services are first secured locally.

Unfortunately current legislation does not provide for any preference for local suppliers. The municipality will ensure that local SMMEs and local businesses are adequately empowered to provide these goods and services.

▪ **PROGRAMME 2.2 (D): MSCOA**

The Municipal Standard Chart of Accounts (MSCOA) regulation will be implemented from 1 July 2017. To achieve this, the 2017/2018 budget must be tabled in the MSCOA format. The tendency of National Treasury to move the goalpost makes it even more difficult to achieve compliance with the regulation.

III. OBJECTIVE 2.3: MAINTAIN AND STRENGTHEN RELATIONS WITH INTERNATIONAL AND INTER-GOVERNMENTAL PARTNERS AND THE LOCAL COMMUNITY

PROGRAMME 2.3 (A): COMMUNICATION AND MARKETING

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the community to improve the lives of all.

Good customer care is of fundamental importance to government organisations due to their constant interaction with members of the public. All local government entities strive to uphold the following constitutional ideals towards the development of acceptable policy and legislative framework regarding service delivery in public service:

- Promoting and maintaining high standards of professional ethics.
- Providing service impartially, fairly, equitably and without bias.
- Utilising resources efficiently and effectively.
- Responding to people's needs; citizens are encouraged to participate in policy making.

A successful communication strategy therefore links local demographics to the municipality's programme for the year, and influences budgetary expenditure according to the needs of the public. The aims of Witzenberg Municipality's Marketing and Communication Department are:

- To integrate communication.
- To offer service that communicates commitment, loyalty and interest.
- To generate content that engages the public with openness and positivity.
- To become proactive with communication instead of reactive.

- Rendering accountable, transparent, and development-oriented public administration.

The Witzenberg Municipality Communication Strategy is a vital document which illustrates the views of local residents regarding communication as well as their perceptions of the municipality. Many of the views expressed display dissatisfaction with aspects related to elements beyond the scope of local government, such as access to housing, employment opportunities, education and healthcare.

However, local government acts as the conduit to expedite issues of this nature to the correct government entities, while supporting and investing in various programmes aimed at skills development, youth development, social development and short-term temporary employment. Levels of literacy and education, understanding of language, public apathy, knowledge of government processes and access to communication tools can also affect how the public formulates perceptions of local government and can potentially hamper how local government communicates and assimilates information, especially within rural environs.

- To make ease of access to communication and relaying information easier for the public.
- To effectively engage with international stakeholders and clients.
- To perform oversight and development of tourism expenditure and activities to promote the various towns within the municipality.
- To manage operations for contact centre query management and emergency services relay.

Communication is managed in the following ways:

▪ PROGRAMME 2.3 (B): INTEGRATED COMMUNICATION TECHNOLOGY

Witzenberg is in the process of developing an IT Governance Policy and will implement the following projects over the next five years:

Wide Area Network:

The establishment of a high speed backbone linking Ceres, Tulbagh, Wolseley and Op-die-Berg using AirFiber Micro towers. This will increase our network speed from 0,5 Mbps to 700Mbps which will greatly improve our footprint in these towns. Phase 1 is already completed. Phase 2 will be the upgrading of all client sites. Phase 3 configuration and qOs.

Disaster Recovery Site:

We have established a DR site at Traffic Services where we replicate from our live site. At the moment we are using virtualisation to replicate

and synchronise our mission critical servers including our exchange, file, document servers. We are planning to increase these to include all servers. On completion of the WAN backbone, the movement of the site to Wolseley and the upgrading of the equipment to centralised storage. This project is critical as it would ensure business contingency during a disaster.

Citizen Mobile Portal:

We need to be able to provide all services to customers on a digital platform accessible via Mobile device or a PC/Laptop. This will include internet portals or mobile apps where users can access their accounts, perform payments, apply for services, fault reporting, procure prepaid services, refuse removal programmes, etc.

▪ PROGRAMME 2.3 (C): BUILDING STRATEGIC PARTNERSHIPS

Witzenberg is committed to working closely with the provincial and national spheres of government to put the needs of our community first. To achieve this, we engage with Provincial and National Government on various formal and informal platforms.

Witzenberg will formally engage Province and other municipalities through the Premier's Coordinating Forum at a political level, as well as by means of the IDP indabas and MTECH committees at an administrative level. Witzenberg is an active partner in the Consolidated Rural Development Programme (CRDP) with regular engagements with the Department of Rural development in this regard.

The **Thusong Centre** is a decentralised government access hub available to the public, allowing easier access to government services such as Social Development, Home Affairs, etc.,

Witzenberg will continue with a long-term twinning agreement with Belgium Municipality, Essen.

Several projects relating to youth development and the environment were implemented successfully in the past. Current projects include a Flemish Programme on Youth development and upgrading of open spaces. A Federal Programme focusing on Waste Management will be implemented in 2017/18.

eliminating the need for clients to travel great distances to their closest office.

Being a public hub, this building experiences high volumes of public visitors, placing much pressure on the building. The government stakeholders

making use of the building are tenants to the municipality and the rental generated is used to manage the overheads of the centre. As a result, a frequent expenditure for this building is maintenance. There are also capital requirements at this site, as we need to reinforce the security of the building as well as look into the expansion of the centre to accommodate more offices for rental, and provide space in the

form of a sports hall for training and conferencing, recreation, cultural or sports activities for the youth and the aged.

The staff at the site is appointed on a temporary basis and we require an administrator to be appointed on a permanent basis in order to address the needs of this facility.

Key Performance Area 3

COMMUNAL SERVICES

OBJECTIVE 3.1:

PROVIDE AND MAINTAIN FACILITIES AND AN ENVIRONMENT THAT MAKE CITIZENS FEEL AT HOME.



C. COMMUNAL SERVICES

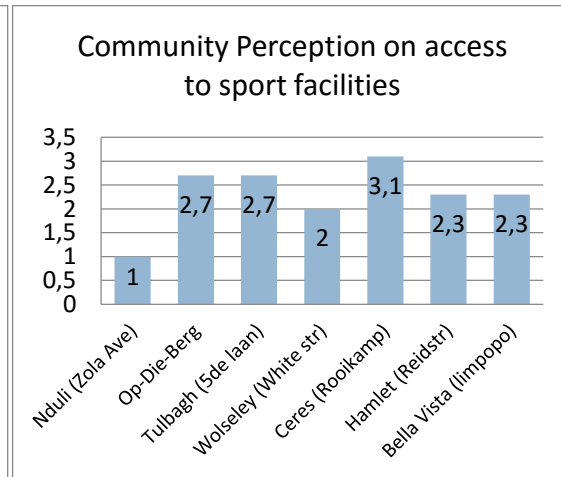
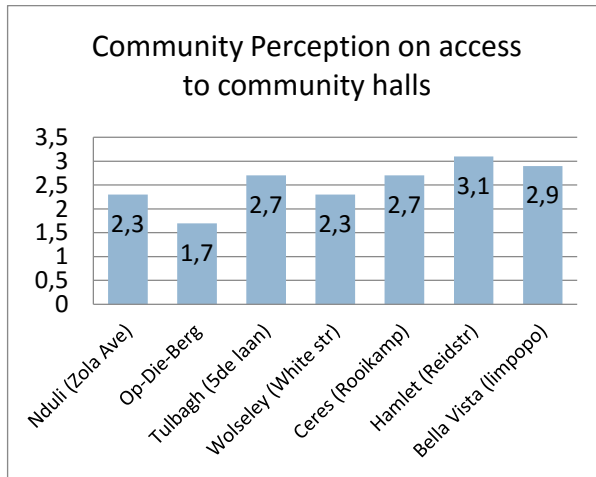
I. OBJECTIVE 3.1: PROVIDE AND MAINTAIN FACILITIES AND AN ENVIRONMENT THAT MAKE CITIZENS FEEL AT HOME

PROGRAMME 3.1 (A): UPGRADING AND MAINTENANCE OF FACILITIES

Backlogs in repairs and maintenance (reactive maintenance) will be addressed, and proactive maintenance programmes for ageing infrastructure (community facilities, cemeteries, park equipment, small plant and machinery) will be investigated and implemented to meet minimum maintenance standards. The municipality aims to maintain all 55 community parks to the set standards. A five-year budgeted maintenance for communal facilities will be developed with standard operating procedures to ensure a cost-effective management of facilities.

Witzenberg will continue partnerships with local sport forums and will continue with the establishment of new sport forums in all towns. The planning and development of sport facilities will be done accordingly the Sport Master Plan.

Witzenberg has implemented a community satisfaction survey for public facilities and amenities and achieved an overall score of a “fair” perception on facilities from the community. The survey is an important tool to determine perceptions across communities and where focus and attention are required.



Perception scores: 1-poor, 2-fair, 3-good, 4-very good, 5-excellent

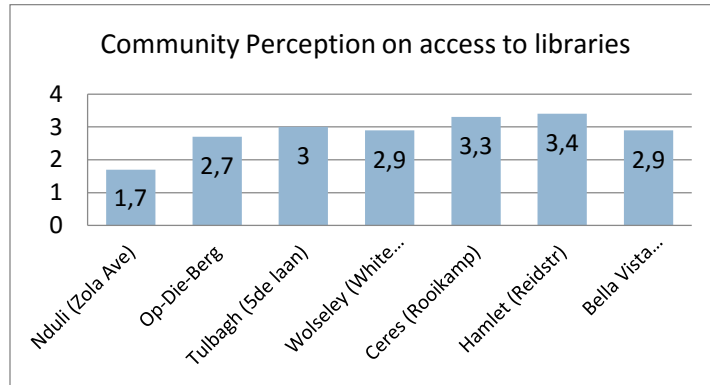
To address the escalating city burial demand resulting from population growth and over capacity of existing **cemeteries**, an approximate total of 4 ha of land is required for new cemeteries. It is especially the areas of Ceres, Bella Vista, N’Duli and Op-die-Berg that are in urgent need. To address the escalating burial demand, Witzenberg will identify suitable land and establish new burial sites for the areas as

mentioned. Due to scarce suitable land, the possibility exists that a regional burial site might be developed for the greater Ceres area. The cemeteries of Wolseley and Tulbagh can be extended but proper fencing is required to cope with increasing vandalism and theft. Witzenberg will also implement an electronic booking system for burials.

Libraries are generally in a good state in terms of equipment with the exception of the John Steyn Library where urgent upgrading is required.

The libraries' core functions are primarily the:

- dissemination of information
- collection building of local, indigenous and international material
- provision of reference services
- creating awareness campaigns through exhibitions
- preserving and maintaining assets



Perception scores: 1-poor, 2- fair, 3-good, 4-very good, 5-excellent

▪ **PROGRAMME 3.1 (B): ENVIRONMENTAL MANAGEMENT**

Nature reserves, Critical Biodiversity areas (CBAs) and Ecological Support Areas (ESAs) under the jurisdiction of the Witzenberg municipality must be maintained/restored and degraded areas must be rehabilitated to sustain biodiversity patterns and processes and the functionality of ecosystem services. The lack of capacity to manage the mentioned areas give effect to illegal dumping, illegal land occupation, uncontrolled fires, loss of endemic and indigenous vegetation due to overgrazing of livestock, illegal or overharvesting of indigenous vegetation, illegal sand mining, erosion, pollution and fire hazards due to high density of invasive alien vegetation poses a major threat to the Witzenberg natural environment. The development of nature reserve management plans followed with the appointment of a nature reserve management team for protected areas is essential to ensure the conservation and sustainability of our natural environment.

Stewardship agreements between the municipality and other governmental institutions (Cape Nature) or private entities will also assist to ensure the conservation of CBA's. Law enforcement needs to expand to include monitoring of protected areas and commonage areas. Invasive alien vegetation is controlled and managed in terms of the control plans for the Ceres Mountain Fynbos nature reserve (CMFNR) and the Wolseley, Prince Alfred Hamlet and Op-Die-Berg commonage. Draft Invasive alien species control plans for the Prince Alfred Hamlet and Op-Die-Berg commonages have been developed and to ensure effective implementation of these plans, external funding is essential. Biological control methods will also be implemented for invasive aquatic and terrestrial plants. The main goal of the alien vegetation projects is to conserve water at mountain catchment areas, water source areas and riverbanks and also to conserve and promote

biodiversity in the Witzenberg. Ceres Business Initiative (CBI) funds follow-up alien clearing and areas of low infestation projects in the CMFNR. The Environmental section is continuously liaising with national and international funders to support alien vegetation clearing projects in the Witzenberg area. Rivers in our urban areas are degrading due to illegal dumping, illegal water extractions, illegal land occupation, erosion, agricultural and industrial activities. Monitoring and awareness programs in conjunction with governmental institutions must be implemented with farmers, local community, factories and private owners to ensure the conservation and sustainability of our river ecosystems. Specialist studies have to be done to identify erosion control methods at rivers and rehabilitation at the Dwars River will continuously be implemented. Environmental education will be supported through the “Green Fingers” project in conjunction with Cape Nature with the focus on “learning respect for the nature”. Other awareness campaigns include Arbor Week and Water Week.

Air quality

Principal functions of municipalities as per National Framework for AQM

Air Quality is a function of all spheres of government, ranging from local, district, provincial and national government. The setting of municipal standards for emissions from point, non-point or mobile sources in respect of identified substances or mixtures of substances in ambient air, which through ambient concentrations, bioaccumulation, deposition or in any other way present a threat to health, wellbeing or the environment in the municipality. Municipalities have to monitor ambient air quality and point, non-point and mobile source emissions. The second generation Air Quality Management Plan review was approved by Council on 30 September 2020. The review takes


place every five years. It is important to expand the plan parallel with economic growth and spatial development. It is therefore imperative that the plan be included in the IDP. Air Quality have budgetary implications as air emission monitoring appliances in this field is expensive and needs to be budgeted for. Work on the Air Quality By-law for the Municipality has been completed and needs to be approved by Council. The municipality is also in need of audio measuring equipment for the control of noise in its jurisdiction in terms of the Western Cape Noise Control Regulations PN200/2013. Monitoring of compliance in respect of offensive odors caused by any activity is essential for the compilation of an atmospheric impact report. A new approach will be taken towards the development of an emissions inventory for unlisted fuel burning appliances in the Witzenberg Municipality.

Wellbeing of communities

The application and regulation of the requirements of Section 24 of the Constitution must be complied with to ensure an environment that is not harmful to any person’s health or wellbeing. Offensive odours, noise and dust by means of the use of monitoring equipment should be prioritized. The municipality currently does not own any monitoring equipment, thus there is a need for obtaining measuring equipment to combat offences in this regard sufficiently and thereby secure the wellbeing and safety of all inhabitants.

Roaming animals

Roaming animals are still problematic in some residential areas and of great concern for the municipality. Despite of efforts to control the problems, there are still many challenges. The Municipality currently employs 21 animal monitors in Ceres, Nduli, Tulbagh, PA Hamlet and Wolseley which brought some relief to a certain extent in combatting the problems. These problems varies from lack of land for grazing, keeping of too many animals by emerging farmers, ability to feed their animals and the lack



of supervising their animals. Further problems of roaming animals occurs after working hours when these animals goes into the residential areas, entering private properties, destroying peoples gardens and also creates unsafe situations for residents and vehicles. The absence

of an impoundment facility in the Municipal jurisdiction, hampers the successful control of these animals.

Key Performance Area 4:

SOCIO-ECONOMIC SUPPORT SERVICES

OBJECTIVE 4.1:

SUPPORT THE POOR AND VULNERABLE THROUGH PROGRAMMES AND POLICY

OBJECTIVE 4.2:

CREATE AN ENABLING ENVIRONMENT TO SUPPORT LOCAL ECONOMY



Witzenberg Day for the Aged

D. SOCIO-ECONOMIC SUPPORT SERVICES

I. OBJECTIVE 4.1: SUPPORT THE POOR AND VULNERABLE THROUGH PROGRAMMES AND POLICY

▪ PROGRAMME 4.1 (A): SOCIAL DEVELOPMENT PROGRAMMES

Witzenberg is committed to the development of its **youth**, and recognises the important part they play in society. Young people living in Witzenberg face a number of challenges on a daily basis: Not only are youth unemployment levels high, but substance abuse, particularly drug abuse, is on the increase. In order to facilitate youth development and support, Witzenberg will improve its capacity to deliver on its various programmes. The programme interventions supporting youth development are multifaceted, taking into account the many challenges facing the youth.

An Implementation protocol has been signed with Western Cape Department of Social Development for the implementation of projects and initiatives in the Witzenberg Municipal area. The Protocol aims to address gaps in social development in the Witzenberg Municipal area. The Implementation Protocol agreement declare the Municipality and the Department of Social Development's shared commitment to the following in the context of social and community development:

- Building strategic partnerships towards developing communities in the Witzenberg Municipal precinct
- Promotion of the ideals of integrated governance
- Integrated, sustainable and community centred policies and programmes
- Co-ordination of shared work areas, responsibilities, skills and capacity, resources and concerns
- The Witzenberg Municipality & Department of Social Development will support, within its available resources, the following initiatives, with a special focus on Gender Based

Violence (GBV) in building sustainable communities:

- Gender Based Violence
- Substance Abuse
- Disability Programmes
- Early Childhood Development
- Homelessness
- Community Development
- Youth Development

A Joint District Approach (JDA) Social Cluster has been established that will aim to facilitate discussion around social development service delivery aspects in the various Municipal towns of Witzenberg. It will also aim to address developmental gaps in areas in order that a collaborative approach can be implemented, therefore strengthening initiatives across Government service delivery Departments and ensuring the majority of needs of the most vulnerable can be met. The JDA Social cluster meets quarterly and will be focussed on action and not duplication. The members of the Social cluster will encompass all relevant social development service delivery orientated government departments and related stakeholders.

The following major youth programmes will be implemented, in association with Government, private sector and public organisations:

- Skills development, including personal assessment, development plans and career pathing, entrepreneurial skills, income opportunity skills, technical training and computer skills development.
- Youth programmes with the focus on building physically, emotionally and spiritually healthy citizens who can contribute meaningfully to the

community in a socio-economic context by means of nation-building programmes

- Establishing partnerships with private, public and government sector to strengthen youth initiatives for bigger, collaborative impact
- Identifying youth recreational infrastructure needs and funding opportunities for implementation
- Capacity building in the fields of organisational development, leadership skills training, moral regeneration and train-the-trainer initiatives.
- Greater awareness of youth at risk, teenage pregnancy, HIV/Aids, substance abuse, the risks of gang involvement, etc.
- Getting youth involved in public participation processes
- Creating platforms for youth to engage around topical issues that affect them, so that they can take ownership and advocate for change, where necessary.
- Putting practical monitoring and evaluation mechanisms in place to ensure that programmes and interventions are relevant and that those doing youth work are held accountable.
- Innovative IT development solutions to facilitate access.
- Creating linkages between corporate entities and assessed youth with a view to possible permanent employment.
- Essen Witzenberg Youth Placement Programme – identified youth will be trained and placed at host companies to gain experience in Plumbing
- Creating platforms and opportunities for the youth to grow in various art forms such as dancing, drama and craft skills
- Linking the youth with skills training opportunities such as artisan related training

Substance abuse is a priority area, given the high incidence of drug and alcohol abuse in Witzenberg. The substance abuse programme focuses on prevention, intervention, suppression and coordination services with other spheres of government.

HIV is a reality in Witzenberg and thus the HIV programme focuses on awareness, early intervention and prevention, in association with Department of Health and other stakeholders

Poverty alleviation requires a targeted effort to care for the marginalised and vulnerable in Witzenberg. Given the current economic environment of ever-higher unemployment and the increasing number of residents living below the poverty line, indigent programmes and other economic enabling measures require urgent attention. The main thrust of the programme is to facilitate the resources and conditions required to satisfy poor communities' physical, social and psychological needs. The current focus of the programme is to support food production and security through the establishment and maintenance of food gardens. Food gardens help improve household food security and people's nutritional status, and also offer an opportunity for a group of people to come together and produce food collectively.

People living with disabilities programme recognises the various challenges experienced by people with disabilities. Witzenberg focuses on awareness-raising initiatives concerning disability in order to break down the barriers and promote and foster social integration and opportunities for persons with disabilities. The programme interventions are aimed at empowering and promoting a fully inclusive society for persons with disabilities. Support to caregivers and parents of disabled children is another goal of this programme. Life skills, hand skills and social skills are some of the main areas of intervention for youth who are differently disabled.

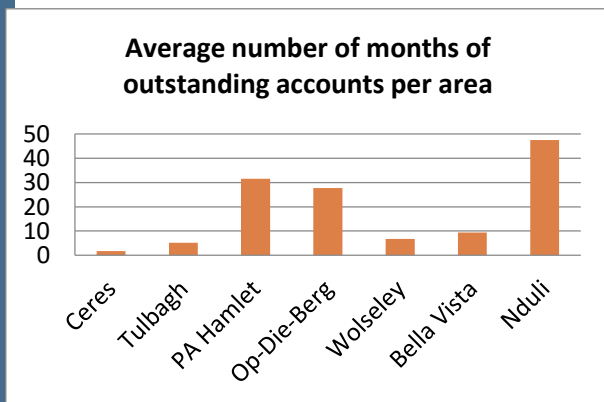
The **Gender programme** create an enabling environment that celebrates women rising above adversity, Witzenberg seeks to raise awareness of domestic and gender-based violence as well as the support services on offer to both women and men. The following programmes are provided in collaboration with numerous partner organisations:

- Women’s Day events celebrating women rising above adversity
- Training to create greater awareness of domestic and gender-based violence
- Fatherhood training programmes, which entail the training and education of young men and fathers to improve gender relations and to facilitate prevention and early intervention in respect of domestic and gender-based violence
- Awareness programme on domestic and gender-based violence during the 16 Days of Activism campaign

The **Protection of vulnerable children programme** is focused on coordinating services of all NGOs/FBOs and government departments in the field of working with children and their families.

▪ **PROGRAMME 4.1 (B): INDIGENT SUPPORT**

Witzenberg supports the poor through its Indigent Policy and subsidises municipal services to approved households with an income of R3 000 or less per month or R5 000 or less. The total subsidy value per month is approximately R1, 8m. The outstanding debt of indigents of around R20m remains a challenge as no credit control procedures are currently implemented against

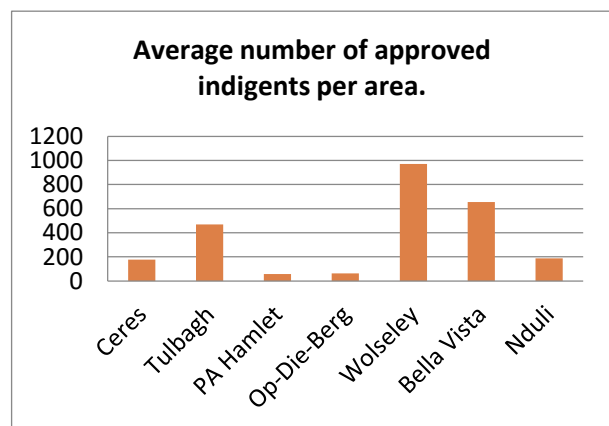


indigents.

- Awareness and prevention of child abuse and child neglect.
- Fire, water and road safety awareness campaigns in collaboration with the relevant stakeholders.
- Support and assistance to other departments/stakeholders working with children.

The **Early childhood development (ECD)** programme supports quality ECD services with a variety of development components, such as ECD training, expansion and awareness, as well as the construction of ECD facilities. This also includes supporting and strengthening the role and function of the Witzenberg ECD Forum.

The table below gives an indication of the number



of indigents per area. The low numbers for areas such as Prince Alfred’s Hamlet, Op-die-Berg and N’Duli are particularly clear. The main reason being the ineffectiveness of debt control measures as discussed under programme 2.2(a). The table above indicates the outstanding debt per area to show how it compares with the number of indigents per area.

▪ **PROGRAMME 4.1 (C): HOUSING PROGRAMME**

One of the Witzenberg’s biggest challenges relates to growing informality – the expansion of informal settlements and the rising number of households living in makeshift shelters in backyards. Witzenberg needs to ensure integrated sustainable human settlements and access to housing for those in need in an incremental manner.

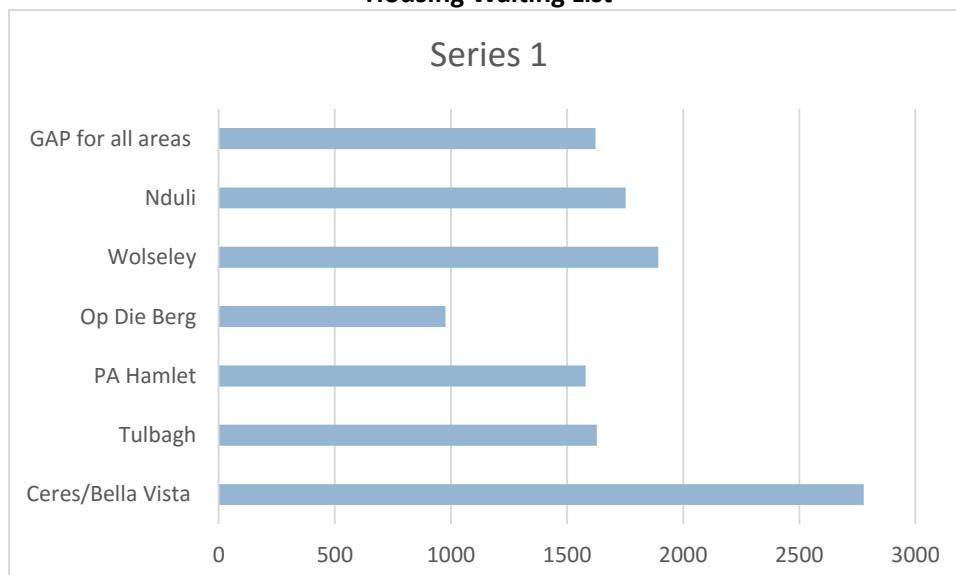


Interventions will require significant additional capital investment, together with a fundamental reconsideration of how to deliver more opportunities to access housing in an incremental,

more rapid and more integrated, sustainable manner. Key elements for successful urban restructuring include higher-density housing developments in well-located areas, major improvements in public transport to link fragmented places, and higher employment levels in townships and informal settlements.

The table below gives an indication of the number of people on the municipals housing waiting list. Although the statistics includes farm residents and people from informal settlements, it is expected that the need might be much higher. The total of people on the waiting list amounts to approximately 8 277 with the agricultural sector indicating that the need of farm dwellers to obtain houses could also amount to approximately 9 000. There are approximately 17 000 residential consumers that receives services from the municipality and if the need indicated are to be accommodated all towns in the Witzenberg will have to be doubled. Currently the existing resources and infrastructure are not available to accommodate such a growth and it is not expected that it would be able in the near to medium future.

Housing Waiting List



	Ceres/Bella Vista	Tulbagh	PA Hamlet	Op Die Berg	Wolseley	Nduli	GAP for all areas
Series 1	2777	1629	1580	977	1893	1752	1623

Witzenberg will implement the following projects over the next couple of years:

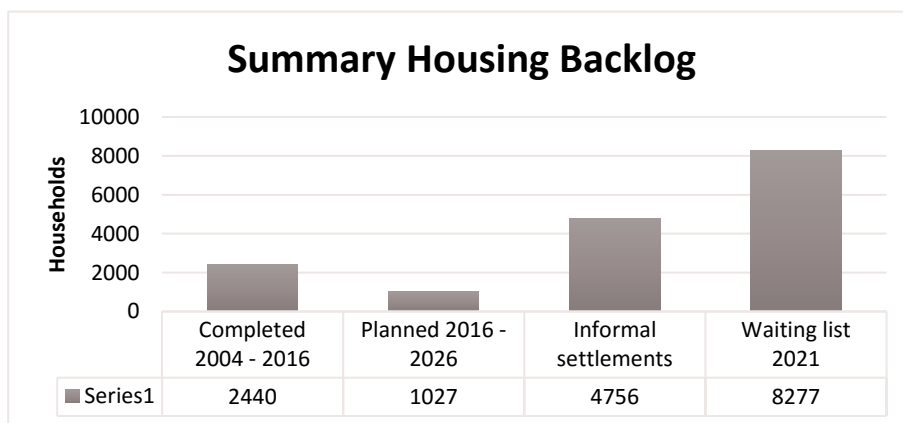
Project	2018/19			2019/20			2020/21		
	Sites	Houses	Funds	Sites	Houses	Funds	Sites	Houses	Funds
Vredebes (2911)		30	R3.9 m		200 (IRDP) 50 (FLIPS)	R26 m R3 m R12 m	200	200 (IRDP) 50 (FLIPS)	R26 m R3 m R12m
N'Duli (planning money only)	0	0							R558

Dependant on the allocation of funding from Provincial Government.

Gap (affordable) housing

The term 'gap housing' refers to houses that are provided to households earning between R3 501 and R22 000 per month, who are not provided for by the private sector or the state. The number of people seeking homes in the R150 000 to R350 000 price range has been growing steadily in the past years. The municipality recognises the critical importance of supplying houses within this price range for the proper functioning of the

overall residential housing market. In this spirit, Witzenberg has undertaken the sale of serviced plots at reduced prices to enable buyers to build their own homes on a piecemeal basis via access to short-term loans or with employer assistance. The table below gives an indication of progress made in terms of the provision of housing over the past couple of years and the planning for the future.



Resources and bulk infrastructure remains a major challenge in achieving planned targets. Witzenberg is in process of implementing the Bella Vista (307 units) and Vredebes (2 800 units)

housing projects. Both these projects require significant bulk infrastructure upgrades. The Bella Vista project were completed in 2017 with the Vredebes project being developed over the next

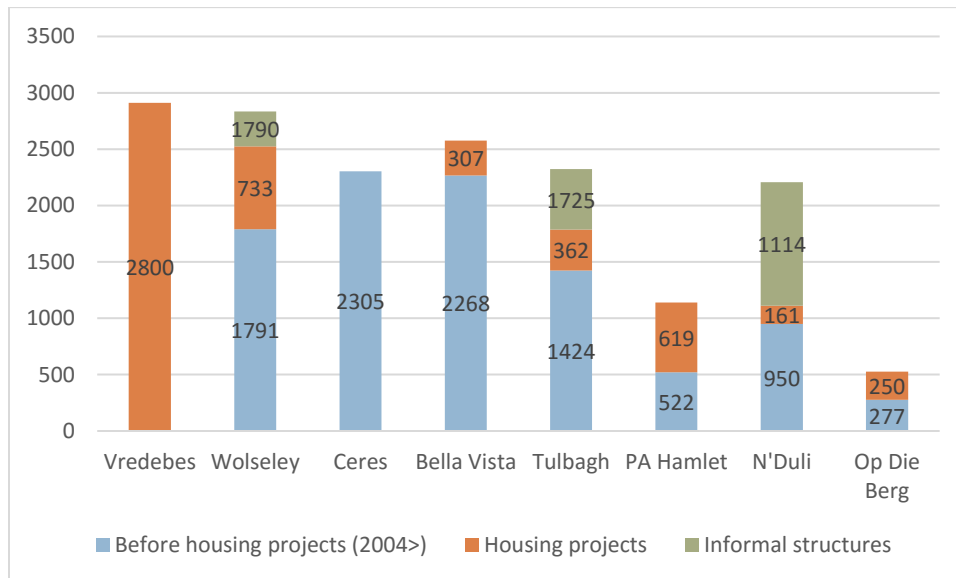
couple of years depending on the availability of funding to complete bulk infrastructure.

All bulk water and sanitation infrastructure required should be completed by 2018 with the construction of houses can start. The upgrading of the adjacent R44, bus routes, bulk stormwater, and link road however require in the access of R150m. It should also be noted that the project's electricity requirements are approximately 5MVA of which Eskom cannot supply due to insufficient bulk capacity as discussed under Programme 1.1(a).

Witzenberg is committed to creating sustainable, integrated human settlements rather than merely

providing low-cost housing. The Vredebes project when completed will have a significant influence on the municipal financial viability, service delivery, transport network and Ceres CBD. The Provincial Government will assist Witzenberg through the Regional Social and Economic Programme (RSEP) to develop an implementation plan for Vredebes to ensure an integrated and sustainable community. The main focus would be to ensure the buy-in of all sectors such as education, social and economic development, security, etc. and to align the construction of houses with the availability of social and technical infrastructure.

The table below gives an indication of the size of Vredebes. It also provides the number of beneficiaries per town over the past couple of years.



Rental stock disposal programme

During the 1980s, government initiated the discount benefit scheme to encourage tenants and sales debtors to acquire ownership of their saleable housing units. An asset management improvement programme will soon be finalised, which will enable Witzenberg to better manage and maintain its assets especially in terms of rental stock. To meet this need, Witzenberg will assess

the possible sale or transfer of rental stock to clearly identified beneficiaries according to prescripts of the National Housing Codes. This will allow for a sense of ownership for community members and support economic independence for beneficiaries. Approximately 240 of these rental units are earmarked for transfer to tenants over the next three years.

▪ PROGRAMME 4.1 (D): JOB CREATION

The Expanded Public Works Programme (EPWP) is a national government programme that aims to provide social protection through the creation of jobs. The programme's mandate is "to contribute to development by providing work opportunities to poor and unemployed people in the labour-intensive delivery of public and community assets and services". EPWP programmes in Witzenberg will complement existing municipal service delivery and will also aim to provide unemployed persons with experience in environmental cleaning initiatives, infrastructure and maintenance projects, as well as social sector programmes. An existing operating procedure are regularly updated that would include the maintenance of an unemployed database for job

seekers to be utilised with EPWP recruitment. The Department of Public Works Conditional Grant will be utilised to complement service delivery in the municipality, such as assistance to youth, maintenance of parks, rivers and open spaces, neighbourhoods, the various CBD (Central Business District), as well as road & storm water maintenance. There is also a focus on maintenance projects where unemployed persons can grow in their skills and obtain experience. At the same time municipal infrastructure are being maintained on a regular basis. Workers on the programme can also benefit from training initiatives (where funding is available). The Municipality will aim to prioritize persons with disabilities, youth and women.

II. OBJECTIVE 4.2: CREATE AN ENABLING ENVIRONMENT TO SUPPORT LOCAL ECONOMY

▪ PROGRAMME 4.2 (A): LOCAL ECONOMIC DEVELOPMENT

Witzenberg Municipality is committed to support local economic development not only through various programmes but also through the construction and upgrading of infrastructure. Witzenberg developed an Investment Incentive and retention policy framework in 2014. The Witzenberg Local Economic Development Strategy is currently in its final stages of review. The implementation of the existing strategy is measured on a bi-annual basis.

Witzenberg Municipality has supported SMME developments through the following projects.

- SEDA Small Enterprise Development training
- Registration of businesses on municipal, provincial and national supply chain databases
- Meetings with business forums platforms
- Supply chain workshops
- CWDM seed funding support
- Linkage with Departmental funding opportunities

- Providing information on National Department and Provincial Department funding opportunities to SMMEs, as well as assisting with funding applications
- Linking SMME's with Departmental funding opportunities
- Development of a Small Business Hub in Prince Alfred's Hamlet & Skoonvlei Industrial Area
- Development of a Policy for management of business property for local economic purposes with its aim of capacitating previous disadvantaged communities

SMME support & other interventions that are currently being implemented or planned for 2022/2023 are as follows:

- Investigate the development of dignified and accessible trading facilities for established entrepreneurs and informal traders

- Review of informal trader (street traders and spaza shops) by-law
- Tourism improvement: Develop and profile (branding) Ceres as a family destination
- Ceres tourism business plan
- Upgrade existing municipal tourism facilities
- Review of LED strategy
- Link SMMEs to be absorbed in value chains of local economy
- Establish and strengthen existing communication platform with informal traders in each area
- Awareness on social marketing and technological marketing benefits for SMME's
- Facilitating mentorship opportunities with SMME's
- Focused input regarding Municipal procurement opportunities for SMME's
- Informal trader support programmes
- Supporting informal recyclers
- Supporting and strengthening of SMME Business forums
- CBI (Ceres Business Initiative) entrepreneurial programme

Witzenberg agriculture has indicated that an anticipated growth of the primary agri-sector of between 5% - 8% is expected over the next five years. It was further indicated that secondary

Tourism

Witzenberg Municipality has a service level agreement (SLA) with three local tourism associations that conduct marketing of the municipal area and local established businesses in order to draw investment and trade to the area. Local businesses join as members of the local tourism authorities to participate in the marketing initiative. Membership holds businesses accountable to ethical norms and standards for the industry, and to a code of conduct.

Their functions include:

processing will grow by more than 10%. Such growth expectations will have a significant influence on Witzenberg in terms of the following:

- Need for serviced industrial land for agro-processing plants
- Increased need for bulk services such as water, sanitation and electricity
- Increased road usage especially by heavy vehicles
- Increased job availability
- In-migration of workers leading to expansion of informal areas
- Increased income for municipality on rates and taxes
- Increased dependant on indigent subsidy during off-season

A major threat that would undermine the expected economic and specifically agriculture sector related growth is the unavailability of electricity due to bulk provision incapacity of Eskom as discussed under Programme 1.1(a), as well as the ongoing water scarcity. Witzenberg Municipality and the Department of Economic Development and Tourism (DEDAT) is currently in discussion with ESKOM in regards to fast tracking electrical provision capacity, that will unlock further economic development in Witzenberg, which will lead to increased economic output, job creation and skills transfer.

Tourism aims to market Witzenberg Municipality as an affordable holiday destination with activities for the entire family. Tourism liaises with district, provincial and national stakeholders to develop the Witzenberg brand through attraction of tourists, awareness campaigns, roadshows, expos, events and festivals. Tourism further aims to train and skill local entrepreneurs to meet tourism-related demands, and provide the requisite services and products necessary to promote local trade and economic development.

- Marketing the area, events and activities.

- Creating opportunities for transformation, niching, diversification and support of new stakeholders.
- Ensuring that tourism development remains on trend.
- Promotion and development of Accessible Tourism.
- To enlist new members and plan for the growth of both operations and market.

As per our SLA with Witzenberg Tourism, which is an external entity to Witzenberg Municipality, we have the following strategic priorities:

- Promotion of our towns as travel destinations and as film and photoshoot locations (with attractive scenes in farm and desert areas, mountains, snow, and skylines.)
- Promotion and protection of the local towns, events and the municipal brand.
- Promotion of conservation and Green Tourism. Provision of statistical research and data outputs.
- Promotion of Agri-Tourism.
- The growth and expansion of tourism.

Witzenberg Tourism runs educational packages with schools, front of house staff, and local stores to promote clientele service. The entity also sources courses such as first aid training, communication, administration and hospitality to help local businesses improve their output and skill levels.

Part of the municipality's agreement with Witzenberg Tourism is to expand the broad demographic of tourism to encompass culture, heritage, diversity and transformation. We aim to develop two new travel routes within Witzenberg to promote social cohesion as well as introduce formal trade to township and rural areas.

Witzenberg Tourism has produced tear-off maps which are distributed to points of sale with high traffic, providing location and contact details of local tourist attractions. They have also produced

a joint brochure called the Witzenberg Meander, covering activities throughout the municipality.

Tourism bureaus for Wolseley, Ceres and Tulbagh also created their own brochures with niche marketing of their sectors in conjunction with social media promotion through Facebook and websites. Witzenberg Tourism has been successful in marketing the destination to visitors within South Africa as an affordable and picturesque location for weddings, snow tourism, heritage tourism, agri-tourism, wine tourism, adventure tourism, cultural tourism, sports tourism and rural tourism.

Witzenberg Tourism also conducts quarterly educational visits of the areas to tourism authorities outside of our borders as well as to journalists, media groups and bloggers, in order to review and publicise the activities and services offered in the area. A significant area of focus in the IDP for tourism is access to qualitative and quantitative research, specific to our area.

Ceres Business Initiative

The Ceres Business Initiative was originally founded as the Ceres Chamber of Commerce in 1936. The institution represents various business and enterprise areas in the Witzenberg area. The Witzenberg Municipality has a good relation with the CBI and plays an important supporting role in achieving the following goals of CBI:

- Building bridges between the municipality & the business community.
- Ensure that the town is clean & safe
- Accomplish economic growth, create opportunities for entrepreneurs
- To consult with the municipality regarding service delivery.

CBI has initiated several opportunities for small and upcoming entrepreneurs with support from its members and other role-players.

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- **PROGRAMME 4.2 (B): UTILISING MUNICIPAL AND PUBLIC PROPERTY TO SUPPORT ECONOMIC GROWTH AND SUSTAINABLE DEVELOPMENT**

Witzenberg completed a land audit in 2009 indicating all municipal and public properties. These properties are categorised with the focus on underutilised properties. The land audit is updated regularly and an implementation plan was developed with annual implementation targets. The purpose is mainly to sell or make available underutilised municipal property to leverage growth, support economic development and job creation with the focus on sustainable development especially in poor communities.

Economic benefits include:

- small-business development through support initiatives stimulating local economic activity and possible job creation
- the creation of potential opportunity streams through mixed-use activities
- encouraging and enhancing entrepreneurship across various key sectors.

Witzenberg will, in conjunction with the Department of Rural Development and Land Reform and the Department of Agriculture, investigate the utilisation of **commonage land as part of the Agri-Park development**. The main purpose would be to grow the local economy, job

creation and empowerment of the previously disadvantaged.

The investigation should give an indication of the preferred commodity as determined by soil conditions and available markets, but also water availability and support by existing commercial farmers.

Large tracks of commonage has been identified as Critical Biodiversity Areas. These areas are however not managed and protected as it is being overgrazed and illegal dumping occurs in some areas.

It is therefore necessary to investigate if the land



INTERNAL MONITORING AND REPORTING

Measuring of performance on Strategic Objectives is measured through the Service Delivery and Budget Implementation Plan as included in Chapter 7. The results are published in the Annual Report.

Departmental indicators are included in the Departmental SDBIP with monthly internal reporting to managers

5 MANAGEMENT AND GOVERNANCE

A. COUNCIL STRUCTURE

WITZENBERG MUNICIPAL COUNCIL 2021/2 - 2026



Mayoral Committee



Executive Mayor
Alderman Hendrik Smit
WARD 5 (DA)



Executive Deputy Mayor
Cllr Felicity Ntzen
PR (GOOD)



Speaker
Cllr Johnnerey Mouton
PR (ANC)



Mayor: LED & Tourism
Alderman Ronald Visagie
WARD 4 (DA)



Mayor: Corporate & Financial Services
Cllr John Fredericks
PR (VF+)



Mayor: Technical Services
Alderman Bamito Klaseen
PR (DA)



Mayor: Housing
Cllr Elizabeth Stiego
WARD 11 (DA)

Ward Councillors



Cllr Andile Gili
WARD 1 (ANC)



Cllr Patric Daniels
WARD 2 (DA)



Cllr Dirk Swart
WARD 3 (DA)



Alderman Karriem Adams
WARD 6 (DA)



Cllr Jacob Zalle
WARD 7 (ANC)



Cllr Gwen Franse
WARD 8 (DA)



Cllr Mxolisi Naba
WARD 9 (ANC)



Cllr Sophia de Bruin
WARD 10 (DA)



Cllr Khanyiso Yisa
WARD 12 (ANC)

PR Councillors



Cllr Jan Cloete
PR (PA)



Cllr Lea Hardnek
PR (WP)



Cllr Petrus Heroldien
PR (ICOSA)



Cllr Isak Swartz
PR (EFF)



Cllr Gert Laban
PR (WA)



Cllr Nozame Phisoane
PR (ANC)



Cllr Noluthando Nqochisa
PR (ANC)

B. AUDIT COMMITTEE

Members of the Performance, Risk and Audit Committee	
<p>Mr J George (Chairperson) 2 Dickens Close, Somerset Park, Van der Stel, SOMERSET-WEST 7130 Telephone: Facsimile: Cell: (062) 655-0455 E-mail: jonathang@quantumadvisory.co.za</p>	<p>Mr Jean Basson (Deputy Chairperson) PO Box 220 11 De Keur Street KOUÉ BOKKEVELD 6836 / SANLAM Building, Voortrekker Street, Ceres Telephone: (023) 317-0946 (H) Facsimile: (086) 541-9273 Cell: (083) 412-8783 E-mail: jeanba@just.property</p>
<p>Mr Ameen Amod 5th Floor, 56 Shortmarket Street, CAPE TOWN 8001 Telephone: (021) 488-9500 (076) 426-4251 (PA) Facsimile: (086) 508-9221 Cell: (083) 212-9221 E-mail: ameen@mtselect.co.za E-mail 2: ameenamod@mweb.co.za</p>	<p>Mr Tsepo Lesihla 24 Coatbridge Crescent Parklands MILNERTON RURAL 7441 Telephone: (021) 407-6431 (W) (021) 556-1010 (H) Facsimile: Cell: (079) 849-2732 E-mail: tsepo@maqheka.com</p>
<p>Mr. SA Redelinghuys 24 Bree Street, PRINCE ALFRED'S HAMLET Telephone and facsimile: (023) 313-3554 Cell: (083) 270 4801 E-mail: fanusr@gmail.com</p>	

C. ESTABLISHMENT OF WARD COMMITTEES

Through the establishment process, it is intended that members of the community will understand the purpose and potential benefits of the Ward Committee System. Community members would also be in a better position to make informed decisions with regard to nominating and electing appropriate members of Ward Committees and be able to hold Ward Committees accountable once they are established.

For the months of February and March 2022 Witzenberg Municipality had an intensive mobilisation campaign on the process for the establishment of Ward Committees. On 30 March 2022 the nomination process closed.

The verifications on nominations were done, some candidates were only disqualified after

verifications were done. Candidates were disqualified if they were not registered voters, if they were nominated in the wrong voting district, if they were not nominated by a registered voter, if they were nominated by a voter that was not registered in the same voting district as the candidate, and if nominations were received after the deadline of 30 March 2022.

The election process was facilitated by contract workers who also did duty as contract workers for the Independent Electoral Committee (IEC) during the 2021 Local Government Elections. The elections in the different wards took place on 4, 5, 6 and 7 April 2022. **The newly elected Ward Committee inauguration took place on**

██████████.

D. MACRO MANAGEMENT



Monwabisi Mpeluza

Director: Corporate Services

Email: monwabisi@witzenberg.gov.za



David Nasson

Municipal Manager

Email: david@witzenberg.gov.za



Joseph Barnard

Director: Technical Services

Email: joseph@witzenberg.gov.za



Cobus Kritzinger

Director: Finance

Email: cobus@witzenberg.gov.za

Directors Community Services vacant

6 STRATEGIC FINANCIAL OUTLOOK

A. EXECUTIVE SUMMARY

The National Treasury projects real economic growth of 4.4 per cent in 2022, following an expected growth estimate of 4.8 per cent in 2021. Real GDP growth is expected to moderate to 2.1 per cent in 2022. Over the next 3 years, GDP growth is expected to average 1.8 percent

South Africa experienced its largest recorded decline in economic output in the second quarter of 2020 due to the strict COVID-19 lockdown. Real GDP fell by 17.1 per cent relative to the previous quarter (or 51 per cent on a seasonally adjusted and annualised basis), with all major sectors except agriculture declining. The second-quarter results were weaker than expected in the June 2020 special adjustments budget, which projected a contraction of 7.2 per cent in 2020.

Although growth rates are likely to improve quickly as restrictions are removed, based on current projections, output is only expected to return to pre-pandemic levels in 2024.

The main risks to the economic outlook are weaker-than-expected growth, continued deterioration in the public finances and a failure to implement structural reforms. Electricity remains a binding constraint on economic recovery, with power interruptions expected to continue into 2023.

These factors may jeopardize South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to

adjust to global volatility and the stable investment platform.

The Russia-Ukraine War continues to have a negative impact to key global markets. Fruit Exports in the Witzenberg Region has also been negatively affected and this may pose a real risk to job security in the Witzenberg Region

The municipality's notional maximum demand (NMD) ceiling has also been reached and this is hampering its ability to attract investments to the municipal area. Continues talks are underway with Eskom to increase Witzenberg Municipality's NMD.

Population statistics suggest that the municipality has experience a steep increase in population during the past 10 years. The expansion of Informal settlements within the municipal area supports this argument and this places pressure on the municipality to provide basic services within these areas.

One of the key repercussions of the lockdown restrictions placed is that cost of living has increased. Hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures. Municipalities along with other sectors will play a key role in reviving and reforming the economy of a post Covid-19 South Africa

B. FINANCIAL STRATEGIC APPROACH

The 2022/23 MTREF process commenced with a technical analysis of previous years' performance outcomes, an assessment of the economic outlook, and consultation with various role-players. The process encompassed the following:

- Framework for and strategic direction of the budget provided by the MAYCO
- Long-term Financial Plan presentations to Council.
- Eskom's application for electricity tariff increases to the National Energy Regulator of South Africa (NERSA).

C. FINANCIAL MODELLING AND KEY PLANNING DRIVERS

The outcome of the LTFP modelling incorporated the assumptions outlined in the paragraphs below on which the 2022/23 MTREF was compiled. The principles applied to the MTREF in determining and maintaining an affordability envelope included:

- Higher-than-inflation repairs and maintenance provision to attain nationally benchmarked levels, thereby ensuring and enhancing the preservation of Witzenberg Municipality assets;
- Higher increases to selected cost elements subjected to higher-than-average inflationary pressure, such as employee related costs;
- The assumption of a 95% capital expenditure implementation rate;
- Credible collection rates based on collection achievements to date, and also incorporating anticipated improvements in selected revenue items;
- National and provincial allocations as per the 2021 Division of Revenue Act (DORA); and
- Province's 2022/23 MTREF allocations circular to municipalities.

D. ECONOMIC OUTLOOK/EXTERNAL FACTORS

The sluggish growth experienced in the South African economy is aggravated by the drought conditions, constraints in electricity supply decline in business confidence, Covid-19 pandemic, increase in living cost, increase in transportation cost and an increase in delivering basic services. The markets is also heavily constraint with imports and exports being hampered by the Russia-Ukraine War.

The total impact on the economy of the Witzenberg area is not currently known, but we are of the opinion that there will be a definite impact as the area contribute heavily towards exports. This may result in increase in unemployment, social decline, criminal activity may increase during the coming months which will put the municipality under pressure in terms of collections

E. NATIONAL AND PROVINCIAL INFLUENCES

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that Witzenberg Municipality understands and complies with

the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share constitutes unconditional funding, and is designed to fund

the provision of free basic services to disadvantaged communities.

F. EXPENDITURE ANALYSIS – A THREE-YEAR PREVIEW

I. GENERAL INFLATION OUTLOOK AND ITS IMPACT ON MUNICIPAL ACTIVITIES

The MFMA Budget Circular for 2022/2023 indicates the following inflation forecasts:

2022/2023	4,8%
2023/2024	4,4%
2024/2025	4,5%

II. INTEREST RATES FOR BORROWING AND INVESTMENT OF FUNDS

Changes in interest rates will not affect the budget over the medium term as the interest rates on most of the existing loans

are fixed. The interest and redemption expenses will decrease as loans are being redeemed.

III. COLLECTION RATE FOR REVENUE SERVICES

The collection rate for revenue service will be under more pressure due to the weak economic outlook. Prepaid water meters

will be installed to reduce the provision for impairment of water debtors.

IV. SALARY, WAGES AND RELATED STAFF EXPENSES

The increase in employee-related costs is expected to be more than the inflation forecast as per collective agreement. The 2,5% notch increase will increase the employee-related costs even further. The job

descriptions of all employees are in the process of being re-evaluated – the outcome of the evaluations is still unknown but it is expected that the salaries of some employees will increase.

V. REPAIRS AND MAINTENANCE

Higher-than-inflation repairs and maintenance provision is made in the budget to attain nationally benchmarked levels,

thereby ensuring and enhancing the preservation of Witzenberg Municipality assets.

VI. DEPRECIATION

Depreciation charges will increase on an annual basis due to new assets being added

to the asset register through the capital budget.

G. REVENUE ANALYSIS – A THREE-YEAR PREVIEW

I. GROWTH OR DECLINE IN MUNICIPAL TAX BASE

The revenue base is growing but the rate is not sufficient to support improved service delivery. The majority of the economic development in Witzenberg occurs in the rural areas where the municipality is not the

service provider. The Skoonvlei area is being developed as an industrial area with assistance from Rural Development to attract industries to the town areas and to create job opportunities.

II. MAJOR TARIFFS AND CHARGES: ECONOMIC AND TRADING SERVICES

Witzenberg Municipality strives to keep tariff increases below inflation. The three-year indicative tariffs are determined for

major services to illustrate the financial effect of medium-term operational and investment plans.

III. PROPERTY RATES

Property rates revenue is used to finance municipal functions other than economic and trade services. Property rates revenue is subsidised by the surpluses from economic and trade services. Property rates tariffs are therefore increased with more than the inflation forecasts. A new valuation roll will be implemented from 1 July 2023. The average

valuations will be higher than those of the previous roll, but tariffs will be adjusted downward to limit the effect of the increased valuations. The limitations on property rates tariffs of Agricultural Property, Public Service Infrastructure and Public Benefit Organisation Property has a negative effect on the possible rates revenue.

H. IMPACT OF NATIONAL, PROVINCIAL AND LOCAL POLICIES ON OPERATING REVENUE

I. 2022 DORA

Allocations and grants to Witzenberg Municipality are included in the DoRA.

The equitable share allocation is utilised to fund the provision of free basic services to indigent households.

The Municipal Infrastructure Grant is mainly allocated to the provision of bulk service infrastructure to new low cost housing projects.

The Regional Bulk Infrastructure Grant is earmarked for Bulk Water Storage for the Tulbagh area.

II. MAJOR PARAMETERS

The following table summarises the major parameters applied to the operating budget:

Description	Budget year 2022/2023	Budget year + 1 2023/2024	Budget year + 2 2024/2025
CPI	4.8%	4.4%	4.5%
Collection rate	91%	91%	91%
Tariff Increases:			
Rates	7.25%	7.25%	7.25%
Electricity - Residential	8.61%	8.61%	8.61%
Electricity - Business	8.61%	8.61%	8.61%
Water consumption - Residential	7.25%	7.25%	7.25%
Water consumption - Business	7.25%	7.25%	7.25%
Sewerage	7.25%	7.25%	7.25%
Refuse removal	7.25%	7.25%	7.25%
Equitable share allocation	R122	R 133 mil	R 145
Total grant allocations	R 212 mil	R 209 mil	R 192 mil

I. CAPITAL INVESTMENT FRAMEWORK

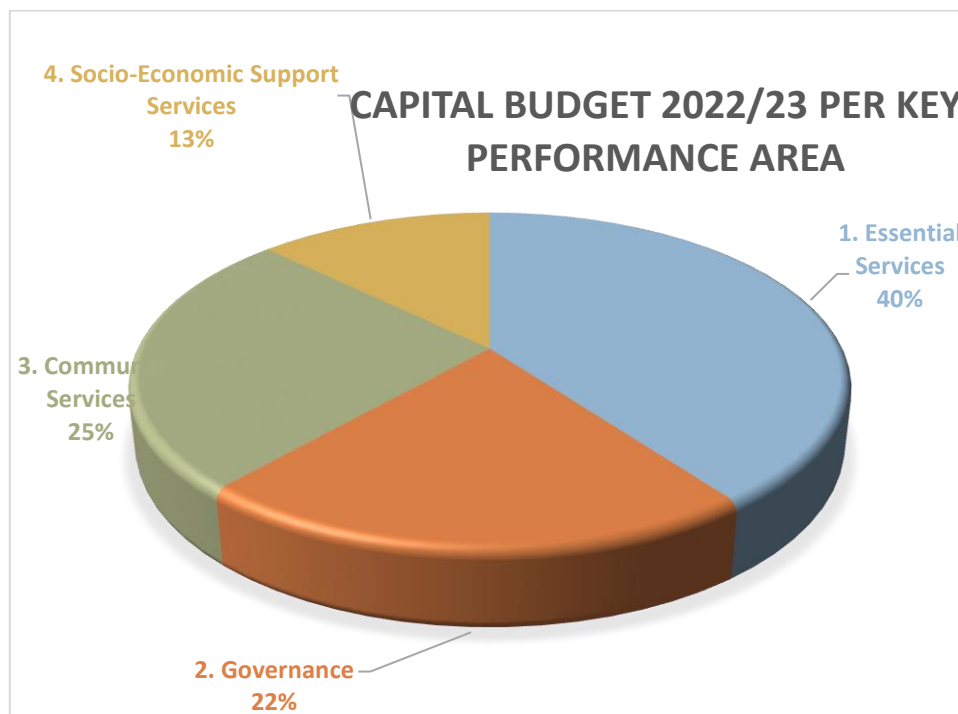
The past couple of financial years, capital investment were dominated by bulk infrastructure projects linked to especially the Vredebes subsidized housing project. The majority of the required bulk infrastructure has been completed and construction of houses and servicing of sites has commenced. No top structures will be constructed in the next two years due to the incapacity of Eskom bulk supply electricity network to Witzenberg as well as a policy change from the National Department of Housing where the focus will be more on serviced sites. It was indicated that upgrading of the electricity supply lines would only commenced by 2030. With regards to housing, 520 sites at Vredebes was completed with the purpose to accommodate the informal settlement at Nduli which should be upgraded the year after. Major projects mainly include the construction of a storage dam in Tulbagh that will be phased over 2 years, and

other network upgrading for water/sanitation and electricity services.

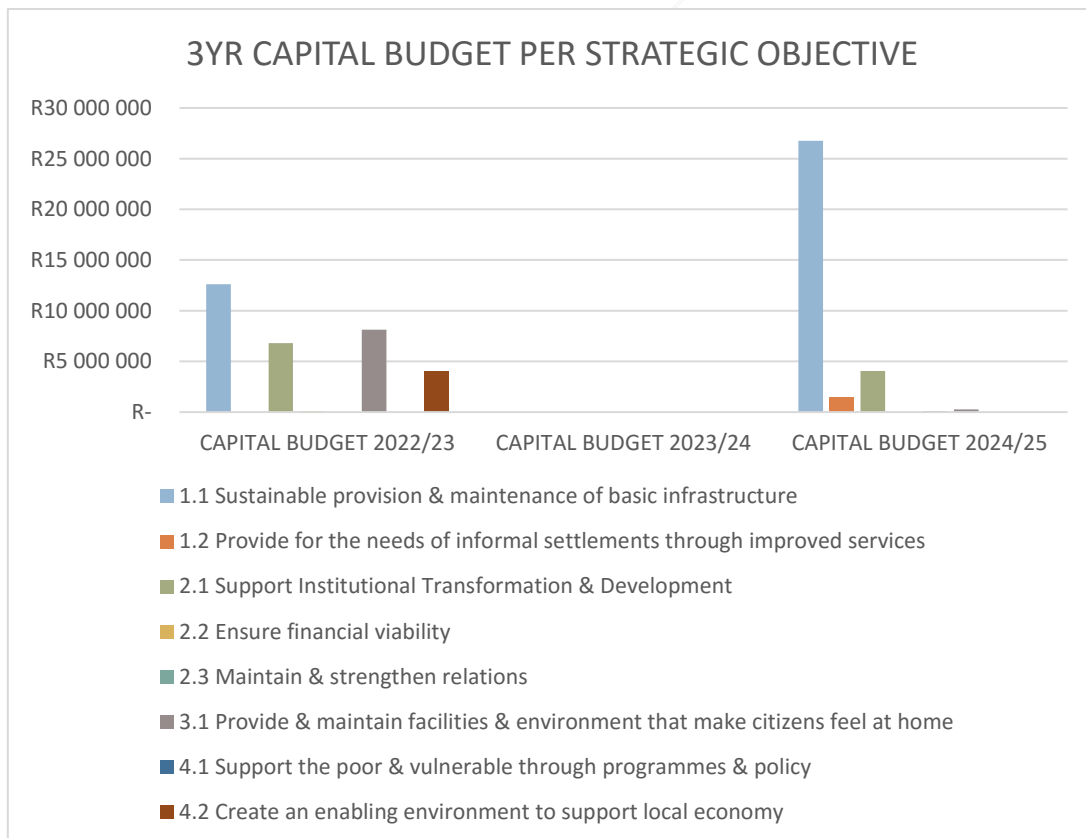
The construction of a new Material Recovery Facility where solid waste will be recycled will be completed by July 2022 followed by the construction of drop-off points and transfer stations in various towns. The upgrading of the Van Breda Bridge in Ceres has commenced and expected to be completed by 2023/24.

In terms of the Witzenberg Strategic Map, the bulk of the funding is allocated to the key performance area of Essential Services with the strategic objectives related to the provision of services receiving the majority of capital funding as indicated in the graphs below.

NOTE: PLEASE REFER TO APPROVED BUDGET AND ADJUSTED BUDGET FOR UPDATED FIGURES IN TABLES BELOW.



KEY PERFORMANCE AREA	STRATEGIC OBJECTIVE	CAPITAL BUDGET 2022/23	CAPITAL BUDGET 2023/24	CAPITAL BUDGET 2024/25
1. Essential Services	1.1 Sustainable provision & maintenance of basic infrastructure	R 56 106 755	R 31 895 547	R 41 977 392
	1.2 Provide for the needs of informal settlements through improved services	R 10 909 809	R 6 284 454	R 4 180 000
2. Governance	2.1 Support Institutional Transformation & Development	R 2 635 104	R 1 856 522	R 1 170 000
	2.2 Ensure financial viability	R 180 000	R 180 000	
	2.3 Maintain & strengthen relations	R -		R 20 000
3. Communal Services	3.1 Provide & maintain facilities & environment that make citizens feel at home	R 10 269 088	R 4 996 521	R 7 860 000
4. Socio-Economic Support Services	4.1 Support the poor & vulnerable through programmes & policy	R -	R 500 000	
	4.2 Create an enabling environment to support local economy	R 12 017 400	R 152 174	R 450 000
Total		R 92 118 156	R 45 865 217	R 55 657 392

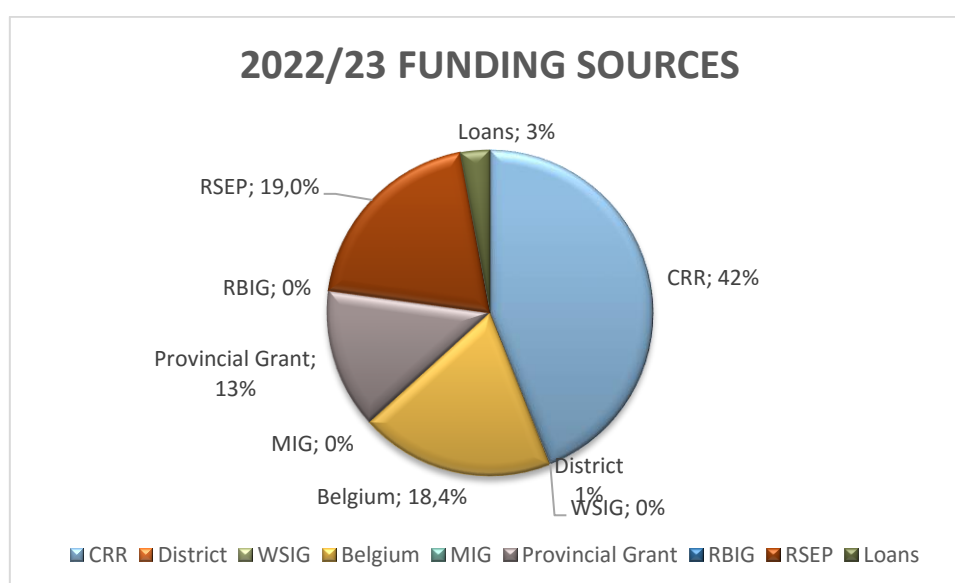


Funding Sources

The Capital Budget is funded by the following sources:

Funding Source Name		Institution	Purpose
Capital Replacement Reserve	CRR	Municipality	Mainly upgrading and equipment
Integrated Housing and Human Settlements Development Grant	IHSDG	Dept. of Human Settlements	Capital funding for internal social housing developments' infrastructure networks as well as related bulk infrastructure. <i>Funding for top structures (houses) is included in the operational budget.</i>
Municipal Infrastructure Grant	MIG	Dept. of Cooperative Governance	Infrastructure that supports the poor, mainly bulk infrastructure related to social housing projects.
Regional Bulk Infrastructure Grant	RBIG	Dept. of Water Affairs	Bulk water and sanitation related projects.
Integrated National Electrification Programme	INEP	Dept. of Energy	Electrical networks for social housing projects.
Regional Socio-Economic Programme	RSEP	Provincial Government	Socio-economic upgrading – non-motorised transport – walkways.
Twinning agreement with Essen, Belgium	Belgium	Belgium Federal Government	Support in implementation of Waste Management Strategy
CWDM	District	Cape Winelands District Municipality	Identified projects. Non-motorised Transport such as walkways & pavements
Provincial Government	Prov Grant	Western Cape Provincial Government	Various Grant related to upgrading of main roads (bridges), fire fighting vehicles, libraries
Water Services Improvement Grant	WSIG	Department of Water and Sanitation	Upgrade to Waste Water Treatment Works

The graph below gives an indication of the contribution value of the different funding sources to the capital budget:



Detailed five-year Capital Budget

The following tables show the individual budgeted projects as allocated per ward (note that outer years are indicative and only for planning purposes).

KEY PERFORMANCE AREA: 1. ESSENTIAL SERVICES

Strategic Objective: 1.1 Sustainable provision and maintenance of basic infrastructure

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Electricity Adminis	MV Substation Equipment	CRR	All	1 000 000		1 500 000	1 500 000	1 500 000
Electricity Adminis	Upgrade of LV Network Cables	CRR	All	1 000 000		1 000 000	1 000 000	1 000 000
Electricity Adminis	MV Network Equipment	CRR	All	1 000 000		1 000 000	1 000 000	1 000 000
Electricity Adminis	Upgrade of MV Cables	CRR	All	1 000 000		600 000	600 000	1 500 000
Electricity Adminis	Tools & Equipment	CRR	All			150 000	150 000	200 000
Electricity Adminis	Electrical Network Refurbishment	CRR	All			1 500 000	1 500 000	
Electricity Streetlig	Upgrade of Streetlights	CRR	All			350 000	350 000	400 000
Roads	Network streets	CRR	All	2 000 000		2 500 000	3 000 000	
Roads	Rehabilitation - Streets Tulbagh	CRR	11			3 500 000	2 500 000	
Roads	Tools & Equipment	CRR	All			50 000	50 000	
Roads	NMT Sidewalks Ceres	CRR	3,5			500 000	500 000	
Roads	Road Maintenance & Upgrading	MIG				13 035 982		
Sewerage	Aerator replacement programme	CRR	All			500 000		700 000
Sewerage	Refurbishment WWTW	CRR	All			750 000		1 000 000
Sewerage	Sewer Pumps-replacement	CRR	All			250 000	500 000	500 000
Sewerage	Sewer Network Replacement	CRR	All	1 500 000		2 000 000	1 500 000	2 000 000
Sewerage	Security upgrades	CRR	All			300 000		116 000
Sewerage	Plant & Equipment	CRR	All					344 000
Sewerage	Upgrade WWTW Wolseley	WSIG	7	13 653 043	12 433 913			
Sewerage	Upgrade WWTW Wolseley (Own Contribu	CRR	7	1 000 000				
Solid Waste Dispd	Transfer stations & related infrastructure (	CRR	3					5 817 400
Solid Waste Dispd	Fencing Landfill site	Loan	4,10	4 000 000				
Solid Waste Rem	Drop-offs Transfer stations Tulb/PAH/BV	Loan	All	6 000 000		4 000 000		
Solid Waste Rem	Drop-offs Transfer stations	CRR			2 000 000			
Storm Water	Network - Storm Water Upgrading	CRR	All			450 000	500 000	
Water Distribution	Infrastructure Management System	CRR	All			200 000		
Water Distribution	Plant & Equipment	CRR	All			50 000		
Water Distribution	Security upgrades	CRR	All			450 000		
Water Distribution	Network- Water Pipes & Valve Replaceme	CRR	All	1 500 000		2 000 000	2 500 000	
Water Distribution	Tulbagh Dam	RBIG	7, 11	16 729 565				
Water Distribution	Grey Water System	CRR	All			1 500 000	1 500 000	
Water Distribution	Op-Die-Berg Reservoir	MIG	8	2 854 582				
Water Distribution	Tulbagh Reservoir	MIG	7,11		3 635 303	3 641 410		
Water Distribution	Tierhokskloof bulk pipeline	MIG	2,7	869 565	10 869 809			
Water Distribution	Tierhokskloof bulk pipeline (own contribut	CRR	2,7		2 956 522			
Water Distribution	Tulbagh Dam (own contribution)	CRR	7,11	2 000 000				

Strategic Objective: 1.2 Provide for the needs of Informal Settlements through improved services.

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Electricity Adminis	Nduli infill Electrical Network	INEP	1, 12		4 000 000	4 180 000		
Roads	Nduli Infill Internal Roads	IHSDG	1,12					
Roads	Vredebes Access Collector	MIG	5	10 909 809	2 284 454			
Sewerage	Nduli Infill Internal Sewerage	IHSDG	1,12					
Storm Water	Nduli Infill Internal Storm water	IHSDG	1,12					
Water Distribution	Nduli Infill Internal Water	IHSDG	1,12					

KEY PERFORMANCE AREA: 2. GOVERNANCE

Strategic Objective: 2.1 Support Institutional Transformation and Development

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Dir Comm	Office Equipment	CRR	All			30 000		
Dir Corp	Office Equipment	CRR	All			50 000		
Dir Tech	Office Equipment (Director)	CRR	All			30 000		
Fire Fighting & Pr	Capex Fire Fighting Equipment	CRR	All			350 000		400 000
Fire Fighting & Pr	Firefighting Response Vehicle	Prov Grant	All		856 522			
Fleet Management	Vehicle Replacement Program	CRR	All	1 000 000	1 000 000			2 201 140
Fleet Management	Vehicle Replacement Program	Belgium	All	192 808				
Fleet Management	Workshop Building Upgrade	CRR	3	60 000				
Fleet Management	Tools & Equipment	CRR	All	340 000				
Information Techn	IT Equipment	CRR	All	600 000		650 000	700 000	215 000
Information Techn	IT Equipment	CRR	All					254 000
Information Techn	Furniture & Office Equipment	Belgium		260 296				
Municipal Manag	Office Equipment	CRR	All			30 000	30 000	
Roads	Traffic Calming	CRR	All			200 000	250 000	
Traffic	Vehicle Replacement Programme	CRR	All					240 000

Strategic Objective: 2.2 Financial Stability

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Dir Fin	Office Equipment	CRR	All			30 000		
Finance	Furniture & equipment	Equitable Share	All	100 000	100 000			40 000
Finance	Furniture & equipment	CRR	All	30 000	30 000			711 157
Finance	Computer hardware	CRR	All	50 000	50 000			50 000
Finance	IT Equipment	Grant	All					75 000

Strategic Objective: 2.3 Maintain and Strengthen Relations

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Communication	Access Control - Furniture and Equipmen	CRR	All				75 000	
Communication	Signage & Billboards	CRR	All				80 000	
Communication	Camera equipment	CRR	All			20 000		

KEY PERFORMANCE AREA: 3. COMMUNAL SERVICES

Strategic Objective: 3.1 Provide and Maintain Facilities and Environment that make citizens feel at home

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Cemeteries	Expanding of Cemetery	CRR	All			300 000	500 000	
Cemeteries	New regional cemetery	MIG	All		4 996 521	5 000 000		
Community Halls	Fencing Nduli Comm Hall	CRR	1, 12				500 000	
Community Halls	Townhalls Equipment	CRR	All	40 000			100 000	
Community Parks	Chainsaws	CRR	All			90 000		100 000
Community Parks	Brushcutters	CRR	All			120 000		120 000
Community Parks	Irrigation equipment for parks	CRR	All				500 000	
Community Parks	Truck 1.3 ton	CRR	All			350 000		
Community Parks	Landscaping of parks	CRR	All			300 000	300 000	
Community Parks	Parks equipment	CRR	All	40 000			50 000	
Libraries	Library Nduli	CRR	1,12	1 000 000				
Libraries	Swimming Pool Nduli	CRR	1,12	1 000 000				
Libraries	IT Equipment	MRF		182 000				
Public Toilets	Wolseley Public Toilets	District	2,7	500 000				
Sport Grounds &	Abution facilities at Hamlet (Breestr) spor	RSEP	4,10	434 783				695 652
Sport Grounds &	Containers 3x3m	CRR	All			100 000		
Sport Grounds &	Ceres upgrade Of Leyell Str Sport Facilitie	MIG	3	6 354 740				
Sport Grounds &	Vredebes sportsgrounds	MIG				1 000 000	15 000 000	
Sport Grounds &	Kliprug sportfield change rooms	CRR	4				1 500 000	
Sport Grounds &	Sportsground development	CRR	All			400 000	400 000	600 000
Sport Grounds &	Resurface netball courts	CRR	All			200 000	300 000	
Sport Grounds &	Upgrade Sportsgrounds	Prov Grant		869 565				
Sport Grounds &	Sportfield equipment	CRR	All	30 000				

KEY PERFORMANCE AREA: 4. SOCIO-ECONOMIC SUPPORT SERVICES

Strategic Objective: 4.2 Create an enabling environment to support local economy

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025	Budget 2025_2026	Budget 2026_2027
Housing	Fencing of Trichardtstr Flats	CRR	3		500 000			
Resorts	Chalet Furniture	CRR	3			450 000		
Roads	Upgrade Van Breda Bridge	Prov Grant	3,5	6 200 000	152 174			
Roads	Upgrade Van Breda bridge (own contribut	CRR	3,5	5 817 400				

Provincial Investment

Below is a table setting out the allocations by national / municipality for the MTEF period 2022/23 – 2024/25 for Witzenberg Municipality.

Department	No of Projects	Value of Projects and Programmes (R'000)						MTEF Total
		Infrastructure Transfers - Capital	Maintenance and Repairs	New or Replaced Infrastructure	Non-Infrastructure	Rehabilitation, Renovations & Refurbishment	Upgrading and Additions	
DEA&DP (Cape Nature)	1	R0	R0	R0	R0	R0	R3 500	R3 500
Education	2	R0	R0	R57 000	R0	R0	R0	R57 000
Health	8	R0	R0	R13 225	R4 385	R22 082	R3 501	R43 193
Human Settlements	5	R26 585	R0	R0	R0	R0	R0	R26 585
Transport and Public Works	5	R0	R201886	R0	R0	R422 000	R0	R623 886
Grand Total	21	R26 585	R201 886	R70 225	R4 385	R444 082	R7 001	R754 164

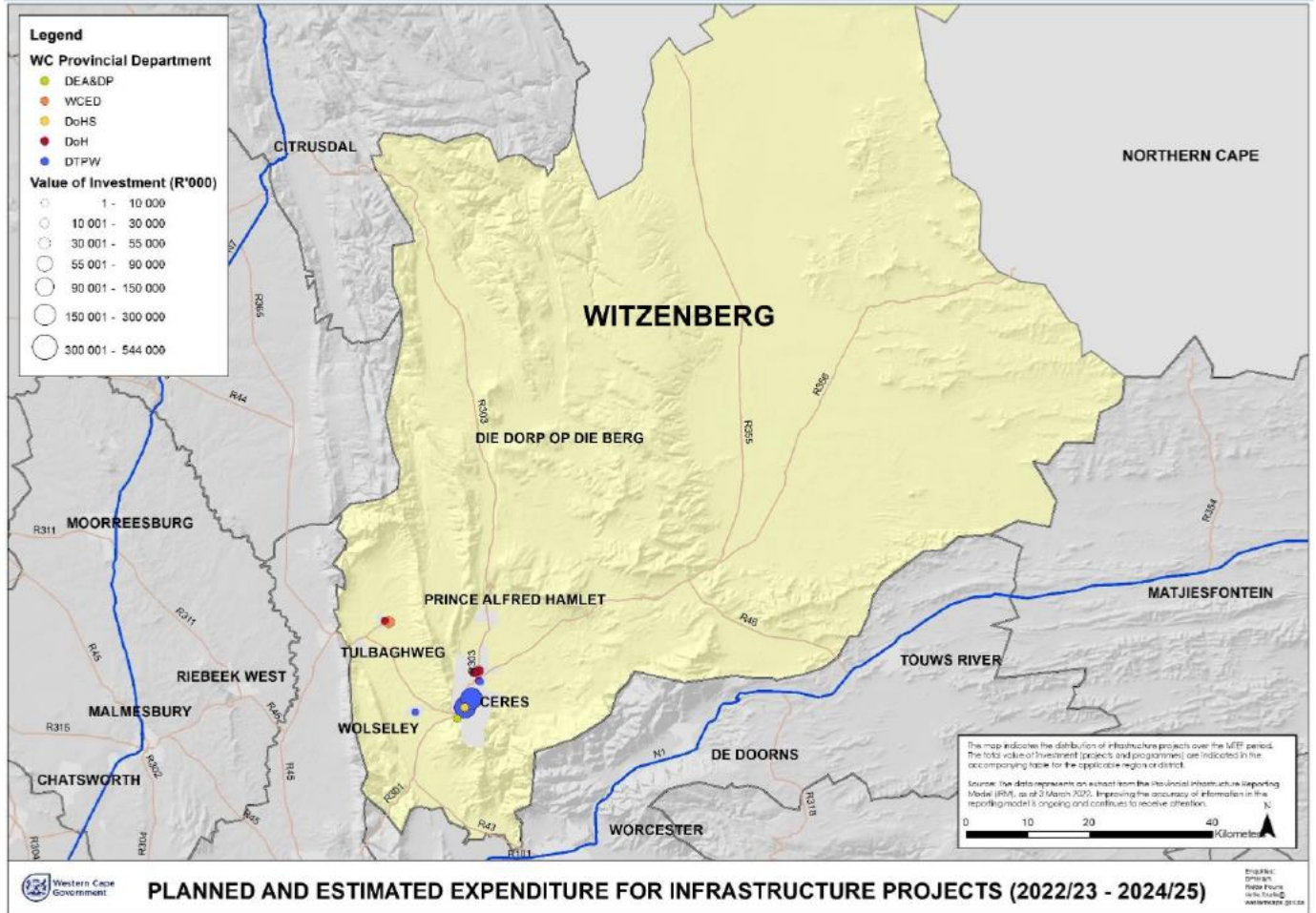
Summary: Infrastructure Projects in Witzenberg Municipality

Source: Western Cape Government: Provincial Treasury

List of Provincial Infrastructure Investment Projects in the Witzenberg Municipality for the MTEF period 2022/23 – 2024/25

Department	Nature of Investment	Project ID	Project Name	MTEF Total (Rand)
Health	Rehabilitation, Renovations & Refurbishment	203652	Ceres - Ceres FPL - Rehabilitation to accommodate dissecting area	R197 000
Health	Non-Infrastructure	184446	Ceres - Ceres Hospital - HT - New Acute Psychiatric Ward	R363 000
Health	Non-Infrastructure	184491	Tulbagh - Tulbagh Clinic - HT - Structural repair	R372 000
Human Settlements	Infrastructure Transfers - Capital	200282	Tulbagh Erven 1366 and 1435-1443 (225 sites) IRDP	R900 000
Human Settlements	Infrastructure Transfers - Capital	200515	3463 - ISSP Ceres Nduli Infills ESS (188 sites) UISP	R1 000 000
Health	Non-Infrastructure	184445	Ceres - Ceres CDC - HT - Enabling work for Hospital OPD	R1 650 000
Health	Non-Infrastructure	196126	Ceres - Ceres Hospital - HT - Hospital and Nurses Home Repairs and Renovation	R2 000 000
Human Settlements	Infrastructure Transfers - Capital	200283	Wolseley Montana Farm Workers Housing (700 sites) IRDP	R2 805 000
DEA&DP (Cape Nature)	Upgrading and Additions	205894	Wolwekloof Day Visitor Upgrade	R3 500 000
Health	Upgrading and Additions	51070	Ceres - Ceres Hospital - New Acute Psychiatric Ward	R3 501 000
Education	New or Replaced Infrastructure	195287	Ndluli PS	R7 000 000
Transport and Public Works	Maintenance and Repairs	203765	Job Creation-Clearing of Erven	R9 856 000
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	196668	C1116 Reseal Wolseley - Ceres - Touwsrivier Wolseley Ceres	R10 000 000
Human Settlements	Infrastructure Transfers - Capital	200281	Ceres Vredebes Phase H (529 services) IRDP	R10 600 000
Human Settlements	Infrastructure Transfers - Capital	200516	3463-xx01 - ISSP Ceres Nduli Infills ESS (188 services) UISP	R11 280 000
Health	New or Replaced Infrastructure	206014	Ceres - Ceres Clinic - Acquisition of building	R13 225 000
Health	Rehabilitation, Renovations & Refurbishment	51169	Ceres - Ceres Hospital - Hospital and nurses home repairs and renovations	R21 885 000
Education	New or Replaced Infrastructure	4171	Waveren SS	R50 000 000
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	206158	C1216 Reseal/rehab Ceres-Opdie Berg-Citrusdal	R154 000 000
Transport and Public Works	Maintenance and Repairs	51727	Routine Maintenance CW DM	R192 030 000
Transport and Public Works	Rehabilitation, Renovations & Refurbishment	194697	C1116 PRMG Reseal Wolseley - Ceres - Touwsrivier	R258 000 000
Grande Total				R754 164 000

Map showing the spatial distribution of Provincial infrastructure investment projects in the Witzenberg Municipality for the MTEF period 2022/23 -2024/25



7 PERFORMANCE MONITORING AND EVALUATION

The Municipal Systems Act requires that the IDP be reviewed every five years in line with municipal elections, with an annual review of the budget and progress. A Performance Management Policy Framework has been approved by Council.

The IDP is considered as the five-year strategic plan for the municipality and therefore provides an outline of Witzenberg Municipality's vision, mission, objectives and operational and service delivery indicators that are realistic and attainable.

The Municipal Finance Management Act 56 of 2003 (MFMA) and National Treasury MFMA Circular No. 13 requires that municipalities prepare a service delivery budget implementation plan (SDBIP) indicating how the budget and the strategic objectives of Council as included in the IDP will be implemented. The SDBIP is prepared in terms of Section 53(1)(c)(ii) of the Municipal Finance Management (MFMA), National Treasury MFMA Circular No. 13 and the Budgeting and Reporting Regulations.

The SDBIP serves as a "contract" between the administration, council and community; expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration in the applicable financial year. It provides the link between the mayor, the council (executive) and the administration, and facilitates the process for holding management accountable for its performance. It is therefore a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community to monitor the municipality's performance on a quarterly basis. The SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the implementation of the budget, the execution of projects, the

performance of senior management and the achievement of the strategic objectives set by council.

The SDBIP sets in-year information, such as quarterly service delivery and monthly budget targets, and links each service delivery output to the budget of the municipality, thus providing credible management information and a detailed plan for how the municipality will provide such services with the inputs and financial resources that will be utilised.

The SDBIP will determine the performance agreements of the municipal manager and senior managers, including the outputs and deadlines for which they will be held responsible. Expenditure information (for capital projects and services) per municipal ward is provided so that each output can be broken down per ward, where it is possible to support ward councilors to provide feedback to their communities on progress with service delivery.

Reporting on achievements are done through a mid-year report and combined in the Annual Performance report included in the Annual Report.

Circular 88 indicators attached as annexure.

The tables below indicate the following (**Note: refer to approved SDBIP for final indicators & targets**):

- Strategic Map – Strategic Objectives and linkage to Key Performance Areas.
- Five-year Scorecard – Key Performance Indicators with targets linked to the Strategic Objectives
- Definitions of Key Performance Indicators

A. STRATEGIC MAP

<u>WITZENBERG MUNICIPALITY: STRATEGIC MAP 2022/23</u>					
Vision	Mission	Municipal KPA		Pre-determined Objectives	
A municipality that cares for its community, creating growth and opportunities.	<p>The Witzenberg Municipality is committed to improve the quality of life of its community by:</p> <ul style="list-style-type: none"> - Providing & maintaing affordable services - Promoting Social & Economic Development - The effective & efficient use of resources - Effective stakeholder & community participation. 	1	Essential Services	1,1	Sustainable provision & maintenance of basic infrastructure
				1,2	Provide for the needs of informal settlements through improved services
		2	Governance	2,1	Support Institutional Transformation & Development
				2,2	Ensure financial viability.
				2,3	To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation of participative structures.
		3	Communal Services	3,1	Provide & maintain facilities that make citizens feel at home.
		4	Socio-Economic Support Services	4,1	Support the poor & vulnerable through programmes & policy
				4,2	Create an enabling environment to attract investment & support local economy.



B. 5 YEAR SCORECARD

KEY PERFORMANCE AREA: *ESSENTIAL SERVICES*

Strategic Objective: *1.1 Sustainable provision & maintenance of basic infrastructure*

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
TecDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Technical Department	Technical	102%	98%	25%	50%	75%	98%	98%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes of technical department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
TecDir3	% Expenditure on Capital Budget by Technical Directorate	Technical	86%	95%	10%	40%	60%	95%	95%	96%	96%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the technical directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.
TecWat21	Percentage compliance with drinking water quality standards.	Technical	100%	98%	98%	98%	98%	98%	98%	98%	98%	98%	Measure of potable water sample pass rate according to the SANS 241 standard. Average of sample results. Only microbiological results of Escherichia Coli are considered in the measurement. Result should be less than 1 count per 100ml.
TecWat36	Percentage of valid water connection applications connected by reporting period end	Technical	100%	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of residential valid water connection applications (where down payment has been received) connected, where the applicant has access to the municipal water network. Proxy measure for National Key Performance Indicator.
TecSan22	Percentage of valid sanitation connection applications connected by reporting period end	Technical	100%	95%	95%	95%	95%	95%	96%	97%	97%	97%	This indicator reflects the percentage of residential valid sewer connection applications (where down payment has been received) connected, where the applicant has access to the municipal sewer network. Proxy measure for National Key Performance Indicator.
TecEl60	Percentage of valid electricity connection applications connected by reporting period end. (excl subsidised housing)	Technical	100%	95%	95%	95%	95%	95%	95%	96%	96%	96%	This indicator reflects the percentage of residential valid electricity connection applications (where down payment has been received) connected, where the applicant has access to the municipal electrical network. Proxy measure for National Key Performance Indicator.
TecRef46	Access to the weekly removal of residential solid waste in all seven Witzenberg towns according to a publicised programme.	Technical	7	7	7	7	7	7	7	7	7	7	The removal of solid household waste in all formal accessible residential areas on a weekly basis in all 7 formalised towns according to a publicised programme. National Key Performance Indicator. Proxy measure for National Key Performance Indicator.

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
TecWat20	Percentage unaccounted water losses	Technical	12%	18%	18%	18%	18%	18%	17%	17%	16%	16%	Unaccounted-for water (UFW) is the difference between the quantity of water supplied to the municipality's network and the metered quantity of water used by the customers. UFW has two components: (a) physical losses due to leakage from pipes, and (b) administrative losses due to illegal connections and under registration of water meters. The reduction of UFW is a crucial step to improve the financial health and to save scarce water resources.
TecEl37	Percentage unaccounted electricity losses.	Technical	10,8%	10%	10%	10%	10%	10%	10%	10%	10%	10%	Unaccounted-for electricity (UFE) is the difference between the quantity of electricity supplied to the municipality's network and the metered quantity of electricity used by the customers. UFE has two components: (a) Technical losses due to ageing/inadequate networks, and (b) administrative or non-technical losses due to illegal connections and under registration of electricity meters. The reduction of UFE is a crucial step to improve the financial health.
TecRo7	Kilometres of roads upgraded & rehabilitated	Technical	6	2	0	0	1	2	4	4	4	4	This indicator measures the kilometres of new roads constructed, roads upgraded & rehabilitated and resurfaced.

Strategic Objective: 1.2 Provide for the needs of informal settlements through improved

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
TecDir2	Number of subsidised serviced sites developed.	Technical	No target	No target					130		50	50	A housing opportunity is incremental access to and/or delivery of one of the following Housing products: Incremental Housing which provides a serviced site with or without tenure. A serviced site is being defined as a demarcated site with access to water & sanitation services located adjacent to a road.
TecWat22	Percentage of households in demarcated informal areas with access to a water point (tap)	Technical	New	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a water point (tap). Access are being defined as households within 200m of a water point (tap). Certain taps may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecSan13	Percentage of households in demarcated informal areas with access to a communal toilet facility.	Technical	New	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a communal toilet facility. Access are being defined as households within 200m of a communal toilet facility. Certain toilets may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecRef31	Percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste.	Technical	New	95%	95%	95%	95%	95%	97%	97%	97%	97%	This indicator reflects the percentage of households in demarcated informal areas with access to a periodic solid waste removal or a skip for household waste. Access are being defined as households within 200m of a periodic waste pick-up route or skip for household waste. Certain skips may however have been vandalised or removed after provision. Excluding areas that was illegally occupied and not part of the municipalities planning initiatives. Proxy for National KPI.
TecEl36	Percentage of houses in a subsidised housing project connected to the electrical network.	Technical	100%	95%	95%	95%	95%	95%	95%	95%	95%	95%	This indicator reflects the percentage of houses in a subsidised housing project connected to the electrical network. Proxy for National KPI.

KEY PERFORMANCE AREA: GOVERNANCE

Strategic Objective: 2.1 Support Institutional Transformation & Development

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
CorpHR13	Percentage budget spent on implementation of Workplace Skills Plan.	Corporate	91%	96%	25%	50%	75%	96%	96%	96%	96%	96%	A Workplace Skills Plan is a document that outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate the budget for appropriate training interventions which will address the needs arising out of Local Governments' Skills Sector Plan, the municipality's strategic requirements as contained in the IDP and the individual departmental staffing strategies and individual employees' PDP's. The WSP shall also take into account the Employment Equity Plan, ensuring incorporation of relevant developmental equity interventions into the plan. Kpi measures percentage expenditure of vote allocated towards training needs as arise from WSP. Proxy for National KPI.
CorpHR12	Report on percentage of people from employment equity target groups employed in the three highest levels of management in the municipality.	Corporate	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly reports on the percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the municipality's approved employment equity plan. Quarterly report submitted to Municipal Manager. National Key Performance Indicator.

Strategic Objective: 2.3 To maintain and strengthen relations with international- & inter-governmental partners as well as the local community through the creation

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
MMIDP9	Number of IDP community engagements held.	Municipal Manager	Changed	14		7		14	14	14	14	14	Bi-annual community engagements as per IDP Process Plan held in each of the 7 towns.
ComSoc49	Number of meetings with inter-governmental partners.	Community	12	12	3	6	9	12	12	12	12	12	Number of Inter-Governmental meetings attended.

Strategic Objective: 2.2 Financial Viability

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
FinFAdm10	Financial viability expressed as Debt-Coverage ratio	Finance	322	350	350	350	350	350	350	350	350	350	This indicator measures debt coverage as (total operating revenue – operating grants received) / debt service payments due within the year. This means the municipality is able to cover its debt service payments from operating revenue
FinFAdm9	Financial viability expressed as Cost-Coverage ratio	Finance	2,7	2,8	2,8	2,8	2,8	2,8	2,8	2,8	2,8	2,8	This indicator measures: (available cash + investments) / monthly fixed operating expenditure. This indicates that with the available cash the municipality is able to pay its fixed operating expenditure for certain amount of months. Proxy for National KPI.
FinFAdm11	Financial viability expressed outstanding service debtors	Finance	70%	60%	60%	60%	60%	60%	60%	60%	60%	60%	These indicator measure service debtors to revenue (total outstanding service debtors / revenue received for services). This means that a % of revenue in the SFP is still outstanding as at year end. Proxy for National KPI.
FinDir3	Achieve an unqualified opinion of the Auditor-General on annual financial statements of the previous year.	Finance	Unqualified	Unqualified			1		Unqualified	Unqualified	Unqualified	Unqualified	This indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor General in determining his opinion. An unqualified audit opinion refers to the position where the auditor having completed his audit has no reservation as to the fairness of presentation of financial statements and their conformity with General Recognised Accounting Practices.
FinInc15	Percentage revenue collection	Finance	90%	93%	93%	93%	93%	93%	94%	94%	95%	95%	This indicator reflects the percentage of revenue collected from service accounts delivered.
MM1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the whole of the municipality.	Municipal Manager	101%	98%	25%	50%	75%	98%	99%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes for the whole of the municipality. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
MM2	Percentage spend of capital budget for the whole of the municipality.	Municipal Manager	86%	95%	10%	40%	60%	95%	95%	96%	97%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are

KEY PERFORMANCE AREA: COMMUNAL SERVICES

Strategic Objective: 3.1 Provide & maintain facilities that make citizens feel at home.

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComAm34	Report on annual customer satisfaction survey on community facilities.	Community	1	1 Report		1			1 Report	1 Report	1 Report	1 Report	Analysis report of a community survey on community perception and satisfaction in respect of the access to and maintenance of certain community facilities.
ComDir1	Percentage expenditure on the preventative- & corrective planned maintenance budget of the Community Department.	Community	81%	98%	25%	50%	75%	98%	99%	99%	99%	99%	Percentage reflecting year to date spend /preventative- & corrective planned maintenance budget votes for the Community Department. Maintenance as defined according to mSCOA and excludes emergency corrective maintenance.
ComDir2	% Expenditure on Capital Budget by Community Directorate	Community	85%	95%	10%	40%	60%	95%	95%	96%	96%	97%	Percentage reflecting year to date spend / Total capital budget less any contingent liabilities relating to the capital budget of the community directorate. The total capital budget is the council approved adjusted budget at the time of the measurement. Contingent liabilities are only identified at the year end.

KEY PERFORMANCE AREA: SOCIO-ECONOMIC SUPPORT

Strategic Objective: 4.1 Support the poor & vulnerable through programmes & policy

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComSoc41	Number of account holders subsidised through the municipality's Indigent Policy	Community	2867	4500	4500	4500	4500	4500	4400	4300	4300	4300	Refers to the number of account holders subsidised through the municipality's Indigent Policy as at the end of reporting period.
ComLed8	The number of jobs created through municipality's local economic development initiatives including capital projects.	Community	401	400	100	200	300	400	405	410	410	410	This indicator measures the number of work opportunities created through the expanded Public Works Programme (EPWP) and contracts for temporary workers and temporary workers employed through contractors on projects. Proxy for National KPI.
ComSoc 42	Number of engagements with target groups with the implementation of social development programmes.	Community	27	20	5	10	15	20	20	20	20	20	The indicator refers to the number of engagements with target groups for the implementation social developmental programmes and /or initiatives .
ComHS14	Number of housing opportunities provided per year.	Community	No target	50	0	0	0	50	80	80	80	80	A housing opportunity is incremental access to and or delivery of one of the following Housing products: Practically completed Subsidy Housing which provides a minimum 40m ² house.
ComHS15	Number of Rental Stock transferred	Community	14	30	5	10	20	30	40	50	50	50	Number of rental stock transferred to approved beneficiaries, using established criteria. Rental stock is being defined as subsidised houses constructed before 1994 (scheme houses) and leased by the municipality to identified and approved beneficiaries.

Strategic Objective: 4.2 Create an enabling environment to attract investment & support local economy.

Ref	Key Performance Indicator	Reporting Directorate	Baseline 2020/21	Target 2022/23	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Definitions
ComLed19	Bi-annual report on investment incentives implemented.	Community	4	2 Reports		1		1	2 Reports	2 Reports	2 Reports	2 Reports	Bi-annual report on investment incentives implemented.
ComLed20	Quarterly report on the Small Business Entrepreneurs Development Programme.	Community	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Quarterly report on the Small Business Entrepreneurs Development Programme.
ComLed4	Quarterly report on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.	Community	4	4 Reports	1	1	1	1	4 Reports	4 Reports	4 Reports	4 Reports	Progress reports on the implementation of strategies and planned actions as identified in the Witzenberg LED Strategy.

8 LIST OF STATUTORY, STRATEGIC AND OPERATIONAL PLANS

Operational Strategies and Sector Plans (See Annexures)

SECTOR PLAN	STATUS	ADOPTED DATE
INTEGRATED DEVELOPMENT PLAN 2017-2022	Adopted	May 2017
SPATIAL DEVELOPMENT FRAMEWORK	Adopted	May 2020
LOCAL ECONOMIC DEVELOPMENT PLAN	Adopted	In Process
FINANCIAL PLAN	Adopted	
DISASTER MANAGEMENT PLAN	Adopted	2021
WATER SERVICES DEVELOPMENT PLAN	Adopted	2022
AIR QUALITY MANAGEMENT	Adopted	
INTEGRATED TRANSPORT AND ROADS PLAN	Adopted	In Process
ELECTRICITY / ENERGY MASTER PLAN	Adopted	2018
HOUSING PIPELINE	Adopted	In Process
HUMAN SETTLEMENT PLAN	Adopted	In Process
INTEGRATED WASTE MANAGEMENT PLAN	Adopted	In Process
COMMUNICATIONS STRATEGY	Adopted	2022
IDP PROCESS PLAN	Adopted	Dec 2021
PUBLIC PARTICIPATION PROCESS PLAN	1 st Draft	Dec 2020
ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM	Adopted	

9 ADDENDUMS AND ANNEXURES

ADDENDUMS AND ANNEXURES	STATUS	ADOPTED DATE
MFMA CIRCULAR 88: WITZENBERG MUNICIPALITY NATIONAL INDICATORS & QUESTIONS		

10 BIBLIOGRAPHY

- Witzenberg Municipality – Institutional Analysis
 1. Du Toit – Mr Pieter Du toit
 2. Department of Health – Ceres Hospital
 3. South African Police Services – Ceres Cluster
 4. Department of Education – Mr Sarel Brown
 5. Directorate Technical Services
 - i. Water and Sanitation
 - ii. Streets and Storm water
 - iii. Town Planning
 - iv. Solid waste
 6. Directorate Community Services
 - i. Human Settlements
 - ii. Environmental Services and Amenities
 - iii. Fire and Disaster Management
 7. Directorate Corporate Services
 - i. Information and Communications Technology
 - ii. Marketing and Communications
 - iii. Traffic Services
 - iv. Human Resources
 8. Directorate Finance
- Department of Local Government
- Provincial Treasury
- Department of Agriculture
- Department of Environmental Affairs and Development Planning
- Cape Winelands District Municipality
- Cooperative Governance and Traditional Affairs(CoGTA)
- South African Local Government Association (SALGA)
- Municipal Systems Act (No. 32 of 2000)
- Municipal Finance Management Act (No.56 of 2003)
- Municipal Structures Amendment Act (No.33 of 2000)





DRAFT BUDGET FOR

2022 / 2023 – 2024 / 2025

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1 Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant

Glossary (Continued)

MPRA – Municipal Property Rates Act (No 6 of 2004) as amended.

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality

2 Mayors Report

Speaker

Aldermen

Deputy Executive Mayor

Members of the Mayoral Committee

Councillors

Representatives of Provincial Government

Municipal Manager

Directors and officials

It is my privilege to present to you the budget for the 2022 / 2023 financial year as well as the 2023 / 2024 to 2024 / 2025 medium term revenue and expenditure framework.

It remains a challenge to collect sufficient funds for improved service delivery while tariffs must still be affordable to the community. Debt collection will have to improve to make more funds available for capital expenditure for much needed maintenance and replacement of aging municipal infrastructure. The level of outstanding debt was also highlighted in the Audit Report. Strict credit control and stewardship from council will have to improve to enhance our ability to collect what is due to the municipality.

The collection rate of the municipality has decreased from 94% to 88%. We believe that the collection rate will rise again as we have started to implement credit control measures and have thus estimated that the budgeted collection rate for the new financial year will reach 92%. The inability to implement credit control measures in the Eskom supply areas of Op-Die-Berg & Prince Alfred's Hamlet is of great concern. Strategic engagements with Eskom will be required to unlock the potential revenue collection. National revenue sources such as the Equitable Share is decreasing and this will urge the municipality to explore other potential sources of income.

It is well known and documented, that the South African economy is experiencing very slow economic growth pre and post the covid-19 pandemic.

It will be of utmost importance that we collectively strive to ensure that at all times we receive value for money on every rand spent from the municipal coffers. We must ensure radical constitutional economic growth to expand billable services. It must also be noted that Capital expenditure funded from our own resources and expenditure on repairs and maintenance is very limited due to a limited to no increase in cash and cash equivalents over the past 3 year.

The municipality cash and cash equivalents is only sufficient to cover expenditure for about 3 months. A balance must be found between improving the available cash and cash equivalents and spending money on service delivery.

Community Relief Initiatives

The following financial relief to the community was introduced in previous budgets. These reliefs have contributed tremendously to the economic upliftment of the citizens of our valley. We continuously strive to increase these package of financial relief but are constraint by the limited financial resources to implement the necessary relief to all citizens. We have so far implemented the below:

- The Indigent policy's qualifying criteria has been amended to only include the income of the property owner or account holder and his or her spouse.
- Households earning between R3 000 and R5 000 rand may qualify for a rebate equal to 50% of the normal indigent subsidy
- A pensioner's rebate in terms of Property Rates.
- A general exemption of on the first R120 000 of residential property as previous.

The capital budget

The capital budget for the next financial year amounts to R92,1 million of which R 22,1 million is from own revenue. The rest of the capital budget is financed from Grants of R58,7 million and a proposed external loan of R10 million.

As can be seen from the aforementioned, the municipality is too reliant on Grants to fund its capital expenditure. That said we are thankful for the Grants allocated to Witzenberg Municipality.

The bulk of the proposed capital expenditure is in respect of service delivery and infrastructure.

The operating budget

The operating revenue budget for next year amounts to R 802 million of which R 596 million is from own revenue. The rest of the operating budget is financed from Grants.

Tariff implications of the annual budget

Electricity:

The increase in electricity tariffs will be 8.61% for all customers. (Guidance from NERSA on tariff adjustments is still outstanding)

Water:

The water consumption tariff increase will be $\pm 7.25\%$ for all consumers.

Rates:

The increase of Property Rates Revenue will be 7.25%. It is recommended that the ratio for bona fide farms be amended from 0.15:1 to 0.16:1. This phase-in approach for bona fide farms will be followed until the municipality reaches the maximum allowable ratio of 0.25:1 as prescribed by the Municipal Property Rates Policy. It is recommended that the phase-in approach be rapidly excelled in future years in order to keep in touch with the rapidly increasing expenditure items.

Sanitation:

The increase of Sanitation Tariffs will be 7.25%.

Refuse removal:

The average tariff increase for Refuse Removal Tariffs will be 7.25%.

Tabling:

Honourable Speaker, I recommend that the annual budget, budget related policies, tariffs and the reviewed Integrated Development Plan be approved.

COUNCILLOR HJ SMIT

EXECUTIVE MAYOR

3 Resolutions

- (a) *That the annual budget of Witzenberg Municipality for the financial year 2022/2023; and indicative for the two projected years 2023/2024 and 2024/2025, as set out in the schedules contained in Section 4, be approved:*
 - (i) *Table A2: Budgeted Financial Performance (expenditure by standard classification).*
 - (ii) *Table A3: Budgeted Financial Performance (expenditure by municipal vote).*
 - (iii) *Table A4: Budgeted Financial Performance (revenue by source).*
 - (iv) *Table A5: Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding.*
- (b) *Property rates reflected in Annexure 8.1.8(c) and any other municipal tax reflected in Annexure 8.1.8(c) are imposed for the budget year 2022/2023.*
- (c) *Tariffs and charges reflected in Annexure 8.1.8(c) are approved for the budget year 2022/2023.*
- (d) *The measurable performance objectives for revenue from each source reflected in Table A4 - Budgeted Financial Performance (revenue and expenditure) are approved for the budget year 2022/2023.*
- (e) *The measurable performance objectives for each vote reflected in SA8 are approved for the budget year 2022/2023.*
- (f) *That the new amended budget related policies be approved with implementation as from 1 July 2022:*

- (i) Tariff Policy*
- (ii) Property Rates Policy*
- (iii) Credit Control and Debt Collection Policy.*
- (iv) Cash Management and Investment Policy*
- (v) Consumer Payment Incentive Policy.*
- (vi) Municipal Supply Chain Management Policy.*
- (vii) Petty Cash Policy*
- (viii) Indigent Policy*
- (ix) Budget Policy*
- (x) Budget Virement Policy*
- (xi) Asset Management Policy*
- (xii) Funding and Reserves Policy*
- (xiii) Cellular telephone and data card policy*
- (xiv) Borrowing Policy*
- (xv) Long Term Financial Plan Policy*
- (xvi) Transport, Travel and Subsistence Allowance*
- (xvii) Post-Employment Medical Aid Contributions*
- (xviii) Infrastructure Investment Policy*
- (xviiv) Cost Containment Policy*

(g) That the reviewed Integrated Development Plan be approved

(h) That Council takes cognisance of the budget circulars issued by National Treasury and Provincial Treasury. (Only for noting)

(h) That Council takes cognisance of the SIME/LG MTEC Integrated Planning and Budgeting Assessment and the responses by the municipality.

(i) That Council takes cognisance of the Top Layer SDBIP

4 Executive Summary

Economic outlook

“The world economy is expected to grow by 4.4 per cent in 2022 which is slightly lower than the 4.9 per cent that was anticipated when tabling the Medium-term Budget Policy Statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global supply chains, global geopolitical risk (particularly the Russian invasion of Ukraine) and reduced fiscal and monetary policy support have limited the pace of the world’s economic recovery

The South African economy has not been shielded from these global developments; hence real GDP growth is estimated at 4.9 per cent in 2021, bouncing back from a 6.4 per cent contraction in 2020 and is projected to be followed by growth averaging 1.9 per cent over the next two years. The Western Cape GDP is expected to follow the national trajectory, expanding by 4.3 per cent in 2021, by 2.0 per cent in 2022 and by 1.9 per cent in 2023. This outlook partly reflects a slowing recovery. A more rapid implementation of economic reforms, complemented by fiscal consolidation, will ease investor concerns and support faster recovery and higher levels of economic growth over the long term. Significant risks to the economic outlook include new COVID-19 variants leading to new waves of infections, continued interruptions in power supply, rising inflation resultant from supply chain disruptions and increasing energy prices, fiscal risks as well as global economic uncertainty.” - MUNICIPAL BUDGET CIRCULAR FOR THE 2022/23 MTREF AND ASSOCIATED 2022 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS

Past performance

Witzenberg Municipality has now attained nine consecutive clean audit reports. Whilst the reports are very positive achievements one has to be honest and say that it tells the reader little about whether we have improved service delivery or even delivered on our constitutional mandate. What they do say is that the Council is reasonably honest in its operations to tax and spending on behalf of the local population.

Budget Summary

The Municipality's 2022/2023 budget amounts to R 888,8 million, represented by a Capital Budget of R 92,1 million and an Operating Budget of R799 million.

The total 2022/2023 budget (operating and capital) will be financed from own income R 595 million, Government Grants R 206 million. Debt Impairment is estimated at R46 million

Revenue / tariff increases

- The increase of Property Rates Revenue will be \pm 7.25%.
- The increase of Water Consumption Tariffs will be \pm 7.25%
- The increase of Sanitation Tariffs will be 7.25%.
- The average tariff increase for Refuse Removal Tariffs will be 7.25%.
- The tariff increase for Electricity Tariffs will be 8.61%

Expenditure category increases

The budgeted increase in expenditure categories are as follows:

Expenditure by Type	2021 / 2022	2022 / 2023	Increase
	R'000	R'000	R'000
Employee related costs	198 406	213 105	7%
Job Creation	7 610	5 008	-34%
Post Employment Provisions	28 178	29 023	3%
Remuneration of councillors	11 007	12 108	10%
Depreciation & asset impairment	39 729	39 589	0%
Bulk purchases	289 789	314 411	8%

Expenditure by Type	2021 / 2022	2022 / 2023	Increase
Debt Impairment	53 750	46 031	-14%
Repairs & Maintenance	14 970	23 369	56%
Operational Projects	4 559	2 564	-44%
General Expenses	49 783	53 623	8%
Vehicle Expenditure	10 003	12 750	27%
Housing Top Structures	21 490	11 600	-46%
Bad Debt Written Off	10 000		-100%
Other Contracted Services	29 079	36 304	25%
	768 352	799 484	4%

The increase in salary expenditure is based on an expected increase of 4.9% CPI as well as the notch increase of 2.5% for qualifying employees. This is in line with the new wage agreement. The municipality has also limited the budget for Overtime & Standby expenditure and expenditure on these items will be closely monitored.

It is estimated that the increase in bulk purchases will be 8.61%. The municipality is awaiting final guidance for NERSA and will adjust the final budget accordingly.

The financing of capital expenditure from own funds (CRR) totals R 22,1 million. This amount is earmarked to address specific infrastructural capital investment aligned to IDP focus areas. This level is considered to be affordable over the MTREF 3-year period.

Capital investment funding from Capital Grants represents a significant portion (65%) of the Municipality's Capital Budget in 2022/2023 and consist mainly of the Provincial Housing Grant, Public Transport Infrastructure Grant, the Municipal Infrastructure Grant (MIG), Water Service Infrastructure Grant and the Regional Bulk Infrastructure Grant (RBIG)

The 2022/2023 Budget was compiled in terms of the Municipal Budget and Reporting Regulations and a phased-in process will be followed to include all information regarding the tables and supporting documentation.

Financial position and MTREF strategy

The financial position of Witzenberg Municipality is set out in Table A6: Budgeted Financial Position.

Integrated Development Plan & Priorities

The Strategic priorities as per the IDP I is available in Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue), Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure) and Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure).

Effect of the annual budget

The annual budget for 2022 / 2023 to 2024 / 2025 is disclosed in detail in 'Section 4: Annual budget tables' and in 'Annexure 2: Supporting budget tables'. Each of the summarised sections below is discussed in more detail later in this document.

Financial performance

The revenue by source for medium term revenue and expenditure framework can be summarized as follows:

Revenue by source	2021 / 2022	2022 / 2023	Increase
	R'000	R'000	R'000
Property Rates	93 662	108 503	16%
Service Charges: Electricity	332 329	341 168	3%
Service Charges: Water	45 083	53 649	19%
Service Charges: Waste Water	34 797	37 094	7%
Service Charges: Waste Management	39 841	43 839	10%
Indigent Rebate	-39 665	-39 191	-1%
Other Revenue	62 134	50 843	-18%
Transfers and Subsidies	218 512	206 574	-5%

The increases above do not reflect the corresponding increases in tariffs due to the following reasons:

1. The adjustment in the ratio of bona fide farmers
2. Adjustments to the number of indigents
3. Correction to the base used to calculate water revenue
4. Increase in the use of rental of facilities due to the reduction in covid-19 restrictions

The National, Provincial and District Context

The Municipality's budget must be seen within the context of the policies and financial priorities of National and Provincial Government as well as the district municipality. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in Witzenberg Municipality. The Municipality alone cannot meet these challenges and we require support from the other spheres of Government through the direct and indirect allocation of resources as well as the achievement of their own policies.

The following table shows the allocations to Witzenberg Municipality as set out in the National Division of Revenue Bill.

NATIONAL ALLOCATIONS	2022 / 2023	2023 / 2024	2024 / 2025
	R'000	R'000	R'000
UNCONDITIONAL GRANTS			
EQUITABLE SHARE	121 668	132 945	145 345
CONDITIONAL GRANTS INFRASTRUCTURE			
MIG	25 091	26 054	27 079
INEP		4 000	4 180
RBIG	19 239		
WSIG	15 701	14 299	
CONDITIONAL GRANTS SPECIFIC PURPOSE ALLOCATIONS			
LG FMG	1 550	1 550	1 550
EPWP	2 237		
NATIONAL GRANTS TOTAL	185 486	178 848	178 154

The following table shows the allocations to Witzenberg Municipality from the Provincial Government of the Western Cape:

PROVINCIAL ALLOCATIONS	2022 / 2023	2023 / 2024	2024 / 2025
	R'000	R'000	R'000
DEPARTMENT OF HUMAN SETTLEMENTS			
IHSDG		1 065	2 640
Municipal Accreditation and Capacity Building Grant	256	245	249
Informal Settlements Upgrading Partnership Grant: Provinces (beneficiaries)	11600	11280	
DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING			
Regional socio-economic project/violence prevention through urban upgrading	500		
DEPARTMENT OF TRANSPORT AND PUBLIC WORKS			
Maintenance of proclaimed roads	1 120	7 120	120
DEPARTMENT OF CULTURAL AFFAIRS AND SPORT			
Library Services	3 311	2 729	2 852
Library services: Municipal Replacement Funding	7 206	7 307	7 635
Development of Sport & Recreation Facilities	1 029		
DEPARTMENT OF LOCAL GOVERNMENT			
Thusong Centre			150
Community Development Worker Operational Support Grant	131	131	131
Fire Service Capacity Building Grant		985	
Municipal Interventions Grant			
DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM			
Western Cape Municipal Energy Resilience Grant	1762		
GRAND TOTAL	26 915	30 862	13 777

The following table shows the allocations to Witzenberg Municipality from the Cape Winelands District Municipality

DISTRICT ALLOCATIONS	2022 / 2023	2023 / 2024	2024 / 2025
	R'000	R'000	R'000
Financial Assistance	500	-	-

Budget-related policies

Please refer to paragraph 9 for details of proposed amendments to the budget related policies.

5 Annual budget Tables

(These tables will be distributed at the council meeting)

- A1 Budget Summary
- A2 Budgeted Financial Performance – by standard classification
- A3 Budgeted Financial Performance – by municipal vote
- A4 Budgeted Financial Performance
- A5 Budgeted capital Expenditure by vote and Funding
- A6 Budgeted Financial Position
- A7 Budgeted Cash Flows
- A8 Cash backed reserves/accumulated surplus reconciliation
- A9 Asset Management
- A10 Basic service delivery measurement

Annual budget Supporting Tables

SA1: Supporting Detail to Budgeted Financial Performance

SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

SA3: Supporting detail to Budgeted Financial Position

SA4: Reconciliation of IDP, Strategic Objectives and Budget (Revenue)

SA5: Reconciliation of IDP, Strategic Objectives and Budget (Operating Expenditure)

SA6: Reconciliation of IDP, Strategic Objectives and Budget (Capital Expenditure)

SA7: Measurable Performance Objectives

SA8: Performance Indicators and Benchmarks

SA9: Social, Economic and Demographic Statistics and Assumptions

SA10: Funding Measurement

SA11: Property Rates Summary

SA12a: Property rates by category (current year)

SA12b: Property rates by category (budget year)

SA13: Service Tariffs by category

SA 14: Household Bills

SA15: Investment Particulars by Type
SA16: Investment Particulars by Type
SA17: Borrowing
SA18: Transfers and Grant Receipts
SA19: Expenditure on Transfers and Grant Programme
SA20: Reconciliation of Transfers, Grant Receipts and Unspent Funds
SA21: Transfers and Grants made by the Municipality
SA22: Summary Councillor and Staff Benefits
SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senior managers)
SA24: Summary of Personnel Numbers
SA25: Budgeted Monthly Revenue and Expenditure
SA26: Budgeted Monthly Revenue and Expenditure (Municipal Vote)
SA27: Budgeted Monthly Revenue and Expenditure (Standard Classification)
SA28: Budgeted Monthly Capital Expenditure (Municipal Vote)
SA29: Budgeted Monthly Capital Expenditure (Standard Classification)
SA30: Budgeted Monthly Cash Flow
SA31: Entities not required
SA32: List of External Mechanisms
SA33: Contracts having Future Budgetary Implications
SA34a: Capital Expenditure on New Assets by Asset Class
SA34b: Capital Expenditure on the Renewal of Existing Assets by Asset Class
SA34c: Repairs and Maintenance Expenditure by Asset Class
SA34d: Depreciation by Assets Class
SA35: Future Financial Implications of the Capital Budget
SA36: Detail Capital Budget
SA37: Projects Delayed from Previous Financial Years
Budget Circular 107 & 108 – only attached for noting

6 Overview of the Budget Process

6.1 Political oversight of the budget process

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget.

Section 21(1) of the MFMA states that the Mayor of a municipality must coordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

This time schedule provides for political input from formal organizations such as portfolio Committees.

6.2. Schedule of Key Deadlines relating to budget and IDP process [MFMA s 21(1) (b)]

The IDP and Budget time schedule of the 2022 / 2023 budget cycle was adopted by Council during August 2021, 10 months before the start of the budget year in compliance with legislative directives.

The IDP and Budget Process Plan ensure that the role-players within the process are well prepared. All activities outlined within this document have been prepared in close inter-relation with the Framework that governs both the District and all local municipalities.

Public budget and IDP meetings will be held throughout Witzenberg and all members of the public are urged to attend.

6.3. Process used to integrate the review of the IDP and preparation of the Budget

Updating the IDP and Budget is an evolving and re-iterative process over a 10-month period. The initial parallel process commenced with the consultative process of the IDP in 2022 and the update of the MTREF to determine the affordability and sustainability framework at the same time.

6.4. Process for consultation with each group of stakeholders and outcomes

Following tabling of the draft budget in March 2022, local input has been solicited via notices published in the media. The budget documentation will be available on the municipal website: witzenberg.gov.za

Comments on the IDP/Budget will be made by the public via verbal presentations, facsimiles, emails, open days and in the form of correspondence to the municipality and will be considered for incorporation as part of the budget process.

6.5. Stakeholders involved in consultations

The tabled budget has been provided to National Treasury and Provincial Treasury in March/April 2022 for their consideration in line with S23 of the MFMA. The SIME/LGMTEC assessment is attached

6.6. Process and media used to provide information on the Budget to the community

The Municipality's consultation process on its draft IDP and budget has been published in the relevant media during April/May 2022, where input from various stakeholders have been requested

Community representatives and organizations had to review the priorities given previously and to ascertain whether it has been captured as priorities during the 2022 / 2023 IDP/Budget process.

6.7. Methods employed to make the Budget document available (including websites)

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs, Fees and Charges for 2022 / 2023), advertisements have been placed in the media. The information relating to resolutions and budget documentation will be displayed at the notice boards in the municipal offices as well as libraries.

In compliance with S22 of the MFMA, the Budget documentation will be published on the municipality's website.

7 IDP Overview and Amendments

- **VISION**

A Municipality that cares for its community, creating growth and opportunities

- **MISSION**

The Witzenberg Municipality is committed to improve the quality of life of its community by:

- Providing and maintaining affordable services.

- Promoting Social and Economic Development
 - The effective and efficient use of available resources
 - Effective Stakeholder and Community participation
- **VALUE SYSTEM**
 - Driven by the aspirations of our Community, we will respect and uphold the Constitution of the Republic of South Africa.
 - We commit ourselves to the Code of Conduct for Councillors and officials in the Municipal Systems Act.
 - We commit ourselves to the principles of sound financial management.
 - **Alignment with Provincial and National Government**

Witzenberg Municipality's development plan needs to align with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are six critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF).

All these feed into and influence the Integrated Development Plan.

- **Witzenberg Municipality Budget Priorities (Key Performance areas)**

The Municipality's 2022 / 2023 to 2024 / 2025 integrated development plan focuses on four strategic focus areas. The concrete objectives for each strategic focus area have been outlined and elaborated on. These objectives will be used to further develop key performance indicators against which performance implementation monitoring and reporting will be done. The corporate scorecard outlines these indicators and targets.

The four focus areas are:

- Essential Services
- Governance
- Communal Services
- Socio-Economic Support Services

8 Measurable performance objectives and indicators

(a) KEY FINANCIAL INDICATORS AND RATIOS

Information regarding key financial indicators and ratios are provided on Supporting Table SA8.

(b) MEASURABLE PERFORMANCE OBJECTIVES

Information regarding revenue is provided as follows:

Revenue for each vote - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Revenue for each source - Table A4 Budgeted Financial Performance (revenue and expenditure)

Provision of free basic services:

- (i) Cost to the Witzenberg Municipality in rand value for each of the free basic services provided to indigent households:

	2022-2023	2023-2024	2024-2025
DESCRIPTION	R'000	R'000	R'000
Property rates	3 873	4 154	4 455
Water	3 839	3 897	3 960
Sanitation	10 054	10 783	11 565
Electricity	3 788	4 219	4 698
Refuse	8 598	9 222	9 890
Total	30 153	32 275	34 568

It is expected that indigents will increase significantly due to the Covid-19 pandemic.

More detail is provided in Table A10 Basic service delivery measurement,

(ii) Level of service to be provided

The first R 120 000 of the municipal valuation of property in Town areas are exempt from property rates.

Indigent households will receive 50 kWh of electricity and 6 kilolitre of water per month while their basic charges for water refuse and sewerage will be subsidized.

(iii) Number of households to receive free basic services

There is budgeted for 3 000 households that will receive 50 kWh electricity per month as well as 6 kilolitre water per month. Provision has also been made for households earning between R3000 and R5000 which may qualify for 50% of the indigent subsidy

A further 1700 households in informal areas receive all services excluding electricity free of charge.

9 Overview of Budget Related Policies and Amendments

The following budget related policies are tabled with the budget documentation for comments and inputs:

Budget Policy

Tariff Policy

Property Rates Policy

Credit Control and Debt Collection Policy

Cash Management and Investment Policy

Consumer Payment Incentive Policy

Petty Cash Policy

Indigent Policy

Budget Virement Policy

Asset Management Policy

Funding and Reserves Policy

Borrowing Policy

Cellular the phone and data card policy

Municipal Supply Chain Management Policy

Long Term Financial Plan Policy

Transport- travel- and subsistence allowance Policy

Post-Employment Medical Aid Contribution Policy

Infrastructure Investment Policy

Policies will be available at libraries in the municipal area and the website of the municipality.

The budget related policies were reviewed by management. The amendments recommended are explained below:

BUDGET POLICY

The aim of the policy is to set out the principles which the municipality will follow in preparing each medium term revenue and expenditure framework (budget) and the responsibilities of the mayor and officials.

It is recommended that the Budget Policy be amended and include the following provisions

New Projects may not be added during the financial year unless it falls within the ambit of unforeseen and unavoidable expenditure and/or an additional allocation received

Funds for SDBIP projects or items may not be removed from the budget through an adjustments budget process unless:

- the necessity thereof is as a consequence of funds that is no longer available or
- a significant reduction in the collection rate substantiates and justifies the removal.

TARIFF POLICY

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy.

It is also recommended that the Renewable Energy tariffs (SSEG) and or an alternative tariff, the Service charge/month/100kW of installed panels, be brought into the tariff policy. The application of one or both of these tariffs will be the discretion of the Director Technical Services in consultation with the Director Financial Services

It is also recommended that a waste recycling tariff be brought in. This tariff will be the amount the municipality will pay to sellers for each bag of 15L recycled material. It is recommended that instead of making payment to sellers, a discount be given to sellers on their municipal accounts.

A significant adjustment has been made to the water tariff 5.1.2.3 (Block C - Aimed at larger industrial clients). This adjustment was made to ensure fairness across the board and to ensure that all users pay for what they use.

A number of sundry tariffs have been removed or added to ensure relevancy. The list of these amendments are too exhaustive and amendments have been noted in the Tariff List.

PROPERTY RATES POLICY

A Rates Policy in accordance with Section 3 of the Municipal Property Rates Act (No 6 of 2004) as amended (MPRA) was approved by Council and updated on 15 June 2010.

The policy guides the annual setting of property rates.

The Municipality has reviewed the rate ratio as it is applied in terms of Bona Fide Agricultural properties. The current ratio has been adjusted to 0,16:1

The property rates tariff for agricultural/business and agricultural/industrial has been adjusted to be equivalent to in town tariffs – the R 120 000 exemption will also apply to this tariffs.

The Property Rates policy has been amended for property rates to be based on actual use and not zoning.

CREDIT CONTROL AND DEBT COLLECTION POLICY

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

Recommended to add the following to paragraph 24.10

- (iv) The cost of the replacement meters will be borne by the municipality for approved indigent customers.
- (v) The cost of the replacement meters will be borne by the municipality if the consumer defaulted by at least three occasions within a financial year. (The cost borne by the municipality will be limited to the meter and installation cost of the meter.)

CASH MANAGEMENT AND INVESTMENT POLICY

The underlying cash is managed and invested in accordance with the Municipality's approved Cash Management and Investment Policy, which is aligned with National Treasury's municipal investment regulations dated 01 April 2005.

CONSUMER PAYMENT INCENTIVE POLICY

The purpose of the policy is to encourage residents of Witzenberg to pay for services and also to promote the culture of payment amongst its citizens.

Amendments recommended:

Verified debt as at 30 June 2020 to be "parked" and written-off in instalments as the conditions are met. Verified debt accrued after 1st July 2020 to be dealt with via an acknowledgement of debt and arrangement for payment by the participant.

PETTY CASH POLICY

The policy provides for the cash purchases up to a transaction value of R 2 000.00

The policy was amended to be in line with the principles of the SCM regulations.

INDIGENT POLICY

The aim of the policy is to ensure a sound and sustainable manner to provide affordable basic services to the poor by means of assisting them financially within the legal framework of the powers and functions of the municipality in order to improve the livelihood, in an effort to create a prosperous municipality free of poverty.

It recommended that section 6.1.12 be removed.

“No Indigent application will be approved in the case of any person that lives/stay on the property who is employed by any State Department, Local Government or District Municipality, excluding EPWP type employment.”

Following inputs received during the public participation process, It is recommended that section 9.3.2 be added:

“9.3.2. Where the applicant(s) are 65 years and older and their application has been approved the following must be done on an annual basis in a form of affidavit:

9.3.2.1. Provide proof of living;

9.3.2.2. Confirmation that the households' income is still below the monthly thresholds as per the municipal indigent policy”

BUDGET VIREMENT POLICY

National Treasury has advised municipalities to implement a Virement policy to ensure that funds can be shifted for of operational requirements to ensure that service delivery is not hampered.

It is proposed that the Budget Virement Policy be amended in terms of the following:

New item – 5.17.

Virements / Transfers from Repairs & Maintenance Projects are only permitted with the approval of the CFO and Municipal Manager

New item – 5.18

Virements / Transfers from Specific Operational Typical Work streams Projects are only permitted with the approval of the CFO and Municipal Manager

New item – 5.19

No virements be permitted from projects allocated to specific regions/areas without approval of the MM

New item – 5.20

No virements be permitted from projects used to measure performance in terms of the SDBIP without approval of the Mayor

New Item – 5.21

No virements be permitted for Funds allocated as grants to individuals (e.g. bursaries)

Appendix A Classification be repealed and replaced with the updated Municipal Votes as disclosed in the Budget Schedules

Appendix B Classification be repealed and replaced with the MSCOA line items

ASSET MANAGEMENT POLICY

The aim of the policy is to ensure that the assets of the municipality are properly managed and accounted for.

No amendments are recommended.

FUNDING AND RESERVE POLICY

In terms of section 8 of the Municipal Budget and Reporting Regulations each municipality must have a funding and reserves policy.

The policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

No amendments are recommended.

BORROWING POLICY

The policy aims to set out the objectives, statutory requirements as well as guidelines for the borrowing of funds.

No amendments are recommended.

CELLULAR TELEPHONE AND DATA CARD POLICY

The policy aims to curb the expenditure on cellular telephones by setting maximum expenditure levels and providing processes to approve and/or recover expenditure above the levels.

It is recommended that the policy be amended in line with the new salary scales in terms of the TASK evaluations and to bring the allowances in line with expenditure expectations.

MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Municipality's Supply Chain Management Policy was approved by Council.

Consider the incorporation of parts of the SIPDM or the new draft FIPDM. Change the amount from R5million to R10 million for request of financial statements. Change the period of appeal from 21 days to 14 days.

LONG TERM FINANCIAL PLAN POLICY

The long term financial plan policy integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan.

No amendments are recommended.

TRANSPORT- TRAVEL- AND SUBSISTENCE ALLOWANCE POLICY

This policy applies to all Councillors and employees of Witzenberg Municipality who are travelling on official business.

Recommendation

That section 2.4. Essential User Transport Allowance be removed as the SALGA policy is used to compensate the essential users.

That the following section be replaced:

~~3.3.4.2.1. The Municipal Manager and other senior managers shall not receive any reimbursement for actual kilometres travelled within the Municipality's area of jurisdiction, insofar as such travelling expenses have already been factored into their total reimbursement package.~~

3.3.4.2.1. The Municipal Manager and other senior managers (section 56 appointments) shall receive reimbursement for actual kilometres travelled within the Municipality's area of jurisdiction, in terms of section 39 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, in accordance with the tariffs of the Department of Transport.

POST-EMPLOYMENT MEDICAL AID CONTRIBUTION POLICY

The purpose of this policy is to determine guidelines for the management of contributions to medical aids, post-employment and to determine whether an employee is entitled to the post-employment medical aid benefit.

No amendments recommended

INFRASTRUCTURE INVESTMENT POLICY

This policy sets out the process and methodology for capital investment of any nature, regardless of the funding source.

10 Overview of Budget Related By-Laws and Amendments

No amendments to any By-Laws are recommended.

11 Overview of Budget Assumptions

Expenditure

Salaries and Allowances

Provision has been made for a 4.9 % increase in salaries plus an additional notch increase (2.5%) for qualifying employees

Provision has been made for a 6% increase in councillor allowances, the councillor allowances is subject to approval of the National Minister.

General expenditure

It is assumed that costs for services will increase in line with the CPIX. The current oil price is a concern and it is expected that the fuel price hikes will have a substantial effect on expenditure. It is also assumed that the capital projects for 2021 / 2022 will be completed during the financial year as there were budgeted for the depreciation of such projects as per general recognized accounting practice (GRAP). Depreciation on new capital expenditure is calculated at a varying rate ranging between 3 and 100 years depending on the nature of the asset.

Repairs and Maintenance

It is assumed that municipal infrastructure and assets will be maintained as per previous years and that no major breakages will take place during the financial year.

Capital costs

It is assumed that interest rates will be stable during the financial year, but the provision for capital has not been decreased.

Bulk Purchases

It is assumed that electricity tariffs of Eskom will increase by 8.61% as from 1 July 2022, as approved by NERSA.

The NERSA Tariff Guidelines for municipalities was late received and it is envisaged that the bulk cost increase will be adjusted to 8.61% for the final budget for consideration.

Income

Households

It is assumed that the total households in the municipal area (the tax base) will stay stable during the financial year. The new RDP houses to be built will be for the benefit of families residing in informal areas. The total number of households is thus not expected to increase. Care must be taken that the informal structures are removed as soon as the beneficiaries moved to the new houses.

Collection rate for municipal services

It is assumed that the collection rate (percentage of service charges recovered) for the financial year will be the same as the current payment rate.

In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends. The Municipality's collection rate is set at an average of 92%. Adequate provision is made for non-recovery.

Grants

It is assumed that the National and Provincial grants as per Division of Revenue Act (DORA) which has been included in the budget will be received during the 2022 / 2023 financial year.

Indigents

It is assumed that the number of indigents will increase to an estimated 5000 during the financial year due to Covid-19 pandemic. This significant increase is also due the additional rebate the municipality is offering to households earning between R3 000 and R5 000

Efficiencies and cost containment measures

The municipality is committed through its applications and strengthening of its existing internal controls, policies and through the use of technology to ensure that the resources at its disposal will be used to the best of its ability. Cost containment measures has been implemented and operational expenses such travelling cost, catering services and consultant services are managed within the parameters of the Cost containment measures.

12 Overview of Budget Funding

Summary

The operating budget for 2022 / 2023 will be financed as follows:

	2021 / 2022	2022 / 2023	Increase
	R'000	R'000	R'000
Charged for electricity, water, refuse and sewerage	412 385	436 559	6%
Property Rates	93 662	108 503	16%
Provincial and National Operating Grants	148 041	150 675	2%
Sundry charges / Other	62 134	50 843	-18%
Total Operating Revenue excl. Capital Transfers	716 222	746 580	4%

The capital budget for 2022/ 2023 to 2024 / 2025 will be financed as follows:

	2022/2023	2023 / 2024	2024 / 2025
--	------------------	--------------------	--------------------

	R'000	R'000	R'000
Own Funds (Capital Replacement Reserves)	22 107	6 636	28 800
Grants	60 036	39 229	29 857
Borrowing	10 000	-	-
Total Capital Budget	92 143	45 865	55 657

Reserves

All the reserves of the municipality are not cash funded. The process to accumulate sufficient funds is a long term process as tariff increases must be kept to a minimum, and service delivery must be continued.

Sustainability of municipality

The way that the budget is funded will ensure that the municipality will be sustainable on the short term. The full effect of huge increases in electricity tariffs may on the long run impact negatively on the sustainability of the municipality. This is a huge concern for the municipality and the municipality has no control over the increases approved by NERSA.

Impact on rates and tariffs

The way that the budget is funded will ensure that, except for electricity, refuse removal and water tariffs, service tariff increases will be $\pm 7.25\%$. Property rates tariffs will increase with $\pm 7.25\%$. The municipality has no control over the increases of electricity tariffs and the proposed 8.61% increase in electricity tariffs is subjected to NERSA approval.

Property valuations, rates, tariffs and other charges

The rates tariffs as well as tariffs for electricity, water, refuse, sewage together with the sundry tariffs are listed in Section B – Tariffs. The tariff increases are also indicated.

Collection Rate

Income levels for service charges and rates for the budget year were based on the following revised collection rates:

Rates	98.0%
Electricity	99.0%
Water	70.0%
Sanitation	72.0%
Refuse	67.0%

Planned savings and efficiencies

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

- Overtime
- Standby
- Operational Cost
- Contracted Services
- Materials & Supplies

Contributions and donations received

There was not budgeted for any contributions and donations to be received.

Planned proceeds of sale of assets

The municipality envisage no sale of fixed property during the 2022 / 2023 financial year.

Planned use of previous year's cash backed accumulated surplus

Where cash backed accumulated surplus is available, the municipality will utilise it to fund the budget.

Particulars of existing and any new borrowing proposed to be raised

Borrowing of R10 million is proposed for funding of capital expenditure relating to solid waste management infrastructure.

13 Expenditure on allocations and grant programmes

Particulars of budgeted allocations and grants

Please refer to Supporting Table SA19: Expenditure on transfers and grant programme.

14 Allocations or grants made by the Municipality

Please refer to Supporting Table SA21 Transfers and grants made by the municipality.

15 Councillor allowances and employee benefits

Costs to Municipality:

Councillors allowances (excluding cell phone and mobile data) – Budgeted amounts

Position	2022 / 2023 R
Speaker (1)	871 842
Executive Mayor (1)	1 088 126
Deputy Executive Mayor (1)	871 842
Executive Committee (4)	3 261 740
Chairperson MPAC (1)	461 861
Other Councillors (15)	5 552 864
TOTAL	12 108 274

Senior Managers (Including performance bonus provision) (budgeted amount)

Position	2022 / 2023 R
Municipal Manager	1 964 740
Director: Corporate Services	1 606 079
Director: Community Services	1 606 079
Director: Technical Services	1 606 079
Chief Financial Officer	1 606 079
TOTAL Senior Management	8 389 056
All other staff	238 747 568

Number of Councillors: 23

Number of Senior Managers employed: 4

(Vacancy: Director Community Services)

Details of employee numbers can be obtained on Supporting Table SA24: Summary of personnel numbers.

16 Monthly targets for revenue, expenditure and cash flow

The monthly targets for revenue and expenditure are provided in Supporting Table SA25 Budgeted monthly revenue and expenditure.

The monthly targets for cash flows are provided in Supporting Table SA30 Budgeted monthly cash flow.

17 Capital spending detail

Information/detail regarding capital projects by vote is provided in Supporting Table SA36: Detailed capital budget.

18 Inputs / comments received

Inputs comments were received from the following intuitions / individuals,

ZenZii Academy

Tulbagh Community Forum

Agri Witzenberg

The documents are attached as Annexure 8.1.1 (f) for council consideration.

19 List of significant amendments from tabled to final budget

Operational Revenue Amendments

Item	Tabled 2022-23	Tabled 2023-24	Tabled 2024-25	Amendment 2022-23	Amendment 2023-24	Amendment 2024-25	Final 2022-23	Final 2023-24	Final 2024-25
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Property Rates	109 884	117 850	126 394	- 1 380	- 1 480	- 1 588	108 503	116 370	124 807
Indigent Rebate	- 39 632	- 42 339	- 45 202	440	366	280	- 39 191	- 41 973	- 44 922
Operational Revenue	1 157	1 246	1 307	2 177	-	-	3 334	1 246	1 307
Service Charges-Electricity	353 206	395 808	443 392	- 12 038	- 23 102	- 36 642	341 168	372 707	406 750
Surcharges and Taxes	7 964	5 914	4 077	- 124	- 130	- 130	7 840	5 783	3 947
Transfers and Subsidies	55 102	47 609	30 092	796	- 24	- 870	55 899	47 585	29 222
Transfers and Subsidies Operational	149 721	156 187	157 762	954	1 000	1 000	150 675	157 187	158 762
				- 9 175	- 23 370	- 37 949			

Operational Expenditure Amendments

Item	Tabled 2022-23	Tabled 2023-24	Tabled 2024-25	Amendment 2022-23	Amendment 2023-24	Amendment 2024-25	Final 2022-23	Final 2023-24	Final 2024-25
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Bulk Purchases	321 346	359 299	402 338	- 6 936	- 16 526	- 29 077	314 411	342 772	373 261
Debt Impairment	46 171	52 494	55 876	- 139	- 507	- 785	46 031	51 987	55 091
Other Contracted Services	22 136	18 363	19 281	220	-	-	22 356	18 363	19 281
Repairs and Maintenance	22 179	22 645	23 757	1 190	820	820	23 369	23 465	24 577
General Expenses	44 865	46 907	49 157	105	110	115	44 970	47 017	49 272
Employee Related Cost	212 468	227 229	243 705	638	846	-	213 105	228 074	243 705
Depreciation Charges	39 589	39 589	39 589	-	- 120	- 270	39 589	39 469	39 319
				- 4 922	- 15 378	- 29 197			
Total Effect on Surplus				- 4 253	- 7 993	- 8 753			

Capital Expenditure Amendments

Project	Funding Source	Tabled 2022-23	Tabled 2023-24	Tabled 2024-25	Amendment 2022-23	Amendment 2023-24	Amendment 2024-25	Final 2022-23	Final 2023-24	Final 2024-25
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Library IT Equipment	LIB	-	-	-	182	-	-	182	-	-
Upgrade of Waste Water Treatment Works	WSIG	-	-	-	13 653	12 434	-	13 653	12 434	-
Upgrade of Waste Water Treatment Works	CRR	-	-	-	990	-	-	990	-	-
Security Upgrades	CRR	1 000	-	-	990	-	-	10	-	-
Tools & Equipment (Workshop)	CRR	400	-	-	60	-	-	340	-	-
Workshop Building Upgrade	CRR	-	-	-	60	-	-	60	-	-
Library Nduli	CRR	10	-	-	900	-	-	1 000	-	-
Swimming Pool Nduli	CRR	10	-	-	900	-	-	1 000	-	-
Ablution facilities at Hamlet (Breestr) sport facilities	RSEP	-	-	-	435	-	-	435,00	-	-
Office Equipment	MIG	40	-	-	40	-	-	-	-	-
New regional cemetery	MIG	-	4 957	5 000	-	40	-	-	4 997	5 000
Tierhokskloof bulk pipeline	MIG	11 668	-	-	10 798	10 870	-	870	10 870	-
Tierhokskloof bulk pipeline (own contribution)	CRR	2 957	-	-	2 957	2 957	-	-	2 957	-
Vredebes Access Collector	MIG	-	13 194	-	10 910	10 910	-	10 910	2 284	-
Vehicle Replacement	BELGIUM	-	-	-	193	-	-	193	-	-
Furniture & Office Equipment	BELGIUM	-	-	-	260	-	-	260	-	-
Upgrade of Sport Facilities	SPORT	-	-	-	895	-	-	895	-	-
Road Maintenance & Upgrading	MIG	-	-	12 000	-	-	1 036	-	-	13 036
					14 533	15 391	1 036			

20 Legislation compliance status

Witzenberg Municipality complies in general with legislation applicable to municipalities.

21 Municipal Manager's quality certification

Quality Certificate

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the budget and supporting documentations are consistent with the Integrated Development Plan of the municipality.

Print name Mr D NASSON

Municipal Manager of WITZENBERG MUNICIPALITY.

Signature: _____

Date: _____

CAPITAL BUDGET

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Dir Corp	Office Equipment	CRR	All			50,000
Dir Comm	Office Equipment	CRR	All			30,000
Dir Fin	Office Equipment	CRR	All			30,000
Dir Tech	Office Equipment (Director)	CRR	All			30,000
Electricity Administration	Nduli infill Electrical Network	INEP	1, 12		4,000,000	4,180,000
Electricity Administration	MV Substation Equipment	CRR	All	1,000,000		1,500,000
Electricity Administration	Upgrade of LV Network Cables	CRR	All	1,000,000		1,000,000
Electricity Administration	MV Network Equipment	CRR	All	1,000,000		1,000,000
Electricity Administration	Upgrade of MV Cables	CRR	All	1,000,000		600,000
Electricity Administration	Tools & Equipment	CRR	All			150,000
Electricity Streetlights	Upgrade of Streetlights	CRR	All			350,000
Information Technology	IT Equipment	CRR	All	600,000		650,000
Municipal Manager	Office Equipment	CRR	All			30,000
Community Parks	Chainsaws	CRR	All			90,000
Community Parks	Brushcutters	CRR	All			120,000
Roads	Network streets	CRR	All	2,000,000		2,500,000
Roads	Upgrade Van Breda Bridge	Prov Grant	3.5	6,200,000	152,174	
Roads	Traffic Calming	CRR	All			200,000
Sewerage	Aerator replacement programme	CRR	All			500,000
Sewerage	Refurbishment WWTW	CRR	All			750,000
Sewerage	Sewer Pumps-replacement	CRR	All			250,000
Sewerage	Sewer Network Replacement	CRR	All	1,500,000		2,000,000
Sewerage	Security upgrades Pumpstations	CRR	All	10,000		300,000
Storm Water	Network - Storm Water Upgrading	CRR	All			450,000
Water Distribution	Infrastructure Management System	CRR	All			200,000
Water Distribution	Plant & Equipment	CRR	All			50,000
Water Distribution	Security upgrades	CRR	All			450,000
Water Distribution	Network- Water Pipes & Valve Replacem	CRR	All	1,500,000		2,000,000
Water Distribution	Tulbagh Dam	RBIG	7, 11	16,729,565		
Sport Grounds & Stadiums	Containers 3x3m	CRR	All			100,000
Community Parks	Truck 1.3 ton	CRR	All			350,000
Cemeteries	Expanding of Cemetery	CRR	All			300,000
Fire Fighting & Protection	Capex Fire Fighting Equipment	CRR	All			350,000
Fire Fighting & Protection	Firefighting Response Vehicle	Prov Grant	All		856,522	
Sport Grounds & Stadiums	Ceres upgrade Of Leyell Str Sport Facilit	MIG	3	6,354,740		
Sport Grounds & Stadiums	Vredebes sportsgrounds	MIG				1,000,000
Sport Grounds & Stadiums	Ablution facilities at Hamlet (Breestr) spo	RSEP	4	434,783		
Electricity Administration	Electrical Network Refurbishment	CRR	All			1,500,000
Fleet Management	Vehicle Replacement Program	CRR	All	1,000,000	1,000,000	
Fleet Management	Workshop Building Upgrade	CRR	3	60,000		
Water Distribution	Grey Water System	CRR	All			1,500,000
Roads	Rehabilitation - Streets Tulbagh	CRR	11			3,500,000
Cemeteries	New regional cemetery	MIG	All		4,996,521	5,000,000
Sport Grounds & Stadiums	Sportsground development	CRR	All			400,000
Sport Grounds & Stadiums	Resurface netball courts	CRR	All			200,000
Community Parks	Landscaping of parks	CRR	All			300,000
Resorts	Chalet Furniture	CRR	3			450,000
Communication	Camera equipment	CRR	All			20,000
Roads	Upgrade Van Breda bridge (own contribu	CRR	3.5	5,817,400		
Roads	Tools & Equipment	CRR	All			50,000
Roads	NMT Sidewalks Ceres	CRR	3.5			500,000
Solid Waste Removal	Drop-offs Transfer stations	CRR	All		2,000,000	4,000,000
Water Distribution	Op-Die-Berg Reservoir	MIG	8	2,854,582		
Water Distribution	Tulbagh Reservoir	MIG	7.11		3,635,303	3,641,410

Department	Description	Funding Source	Ward	Budget 2022_2023	Budget 2023_2024	Budget 2024_2025
Water Distribution	Tierhokskloof bulk pipeline	MIG	2.7	869,565	10,869,809	
Water Distribution	Tierhokskloof bulk pipeline (own contribu	CRR	2.7		2,956,522	
Roads	Vredebes Access Collector	MIG	5	10,909,809	2,284,454	
Roads	Road Maintenance & Upgrading	MIG	All			13,035,982
Sewerage	Upgrade Waste Water Treatment Works	WSIG	7	13,653,043	12,433,913	
Finance	Furniture & equipment	CRR	All	100,000	100,000	
Finance	Furniture & equipment	CRR	All	30,000	30,000	
Finance	Computer hardware	CRR	All	50,000	50,000	
Community Halls & Facilities	Townhalls Equipment	CRR	All	40,000		
Sport Grounds & Stadiums	Sportfield equipment	CRR	All	30,000		
Community Parks	Parks equipment	CRR	All	40,000		
Public Toilets	Wolseley Public Toilets	District	2.7	500,000		
Solid Waste	Drop-offs Transfer stations_Tulbagh/Han	LOAN		6,000,000		
	Tools & Equipment	CRR	All	340,000		
Library	Library Nduli	CRR	All	1,000,000		
Library	Library Swimming Pool	CRR	All	1,000,000		
Library	IT Equipment	MRF	3	182,000		
Housing	Fencing of Trichard str Flats	CRR	3		500,000	
Water Distribution	Tulbagh Dam	CRR		2,000,000		
Solid Waste	Fecing Landfill site	LOAN		4,000,000		

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
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1. Property rates and other municipal taxes

R 0.00983	R 0.00983	1.1.	Property rates								
R 0.00983	R 0.00983	1.1.1.	Residential Property	0.0%	R 0.01054	7.25%	R 0.01130	7.25%	R 0.01212	7.25%	R 0.01054
R 0.01775	R 0.01775	1.1.2.	Informal Settlements	0.0%	R 0.01054	7.25%	R 0.01130	7.25%	R 0.01212	7.25%	R 0.01054
R 0.01727	R 0.01727	1.1.3.	Business/Commercial Property	0.0%	R 0.01903	7.25%	R 0.02041	7.25%	R 0.02189	7.25%	R 0.01903
		1.1.4.	Industrial Property	0.0%	R 0.01903	10.21%	R 0.02041	7.25%	R 0.02189	7.25%	R 0.01903
		1.1.5.	Agricultural Properties:								
R 0.00135	R 0.00135	1.1.5.1	Bona fida Agricultural	0.0%	R 0.00169	24.69%	R 0.00181	7.25%	R 0.00194	7.25%	R 0.00169
R 0.01400	R 0.01400	1.1.5.2	Agricultural/Business	0.0%	R 0.01903	35.95%	R 0.02041	7.25%	R 0.02189	7.25%	R 0.01903
R 0.01400	R 0.01400	1.1.5.3	Agricultural/Industrial	0.0%	R 0.01903	35.95%	R 0.02041	7.25%	R 0.02189	7.25%	R 0.01903
R 0.01607	R 0.01607	1.1.6.	Public service purposes	0.0%	R 0.01723	7.25%	R 0.01848	7.25%	R 0.01982	7.25%	R 0.01723
R 0.01477	R 0.01477	1.1.7.	Vacant Land - Urban	0.0%	R 0.01584	7.25%	R 0.01699	7.25%	R 0.01822	7.25%	R 0.01584
R 0.00245	R 0.00245	1.1.8.	Public Service Infrastructure	0.0%	R 0.00263	7.25%	R 0.00282	7.25%	R 0.00303	7.25%	R 0.00263
R 0.00245	R 0.00245	1.1.9.	Public Benefit Organisations	0.0%	R 0.00263	7.25%	R 0.00282	7.25%	R 0.00303	7.25%	R 0.00263
R 0.01228	R 0.01228	1.1.10.	Building clauses	0.0%	R 0.01317	7.25%	R 0.01412	7.25%	R 0.01515	7.25%	R 0.01317

Pensioners may qualify for a rebate of 50% on residential property in terms of councils policy.

Exemption

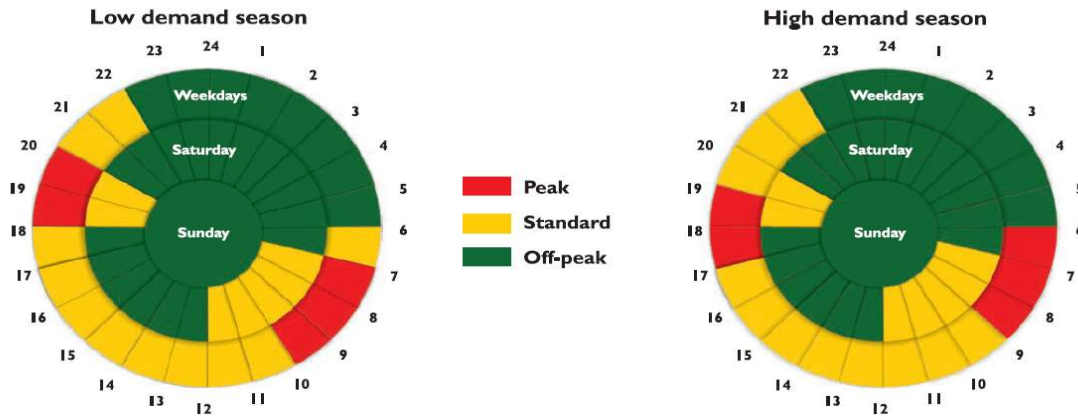
The first R 120 000.00 of property values are exempt from rates for tariffs 1.1.1; 1.1.2; 1.1.3 and 1.1.4 + 1.1.5.2 + 1.1.5.3

1.2. Conceded use and departures

R 2,000.00	R 2,000.00	1.2.1.	Residential properties		R 2,145.00	7.25%	R 2,300.51	7.25%	R 2,467.30	7.25%	R 2,145.00
R 2,000.00	R 2,000.00	1.2.2.	Bona fida Agricultural		R 2,145.00	7.25%	R 2,300.51	7.25%	R 2,467.30	7.25%	R 2,145.00

2. Electricity Service Tariffs

High-demand (June – August) and low-demand (September – May) seasons



R 263.57	R 229.19	2.1	Service Availability:								
			Unimproved sites charge per mor	15.0%	R 286.26	8.61%	R 310.909	8.61%	R 337.678	8.61%	R 248.92

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
2.2 Residential customers										
2.2.1 Single part tariff										
2.2.1.1 Prepaid										
R 1.863	R 1.620	0-50 kWh	15.0%	R 2.0234	8.61%	R 2.198	8.61%	R 2.387	8.61%	R 1.7595
R 1.863	R 1.620	51-350 kWh	15.0%	R 2.0234	8.61%	R 2.198	8.61%	R 2.387	8.61%	R 1.7595
R 1.863	R 1.620	351-600 kWh	15.0%	R 2.0234	8.61%	R 2.198	8.61%	R 2.387	8.61%	R 1.7595
R 3.209	R 2.790	601-800 kWh	15.0%	R 3.4848	8.61%	R 3.785	8.61%	R 4.111	8.61%	R 3.0302
R 3.209	R 2.790	Above 800 kWh	15.0%	R 3.4848	8.61%	R 3.785	8.61%	R 4.111	8.61%	R 3.0302
2.2.1.3 Single phase										
R 2.116	R 1.840	0-50 kWh	15.0%	R 2.2982	8.61%	R 2.496	8.61%	R 2.711	8.61%	R 1.9984
R 2.116	R 1.840	51-350 kWh	15.0%	R 2.2982	8.61%	R 2.496	8.61%	R 2.711	8.61%	R 1.9984
R 2.116	R 1.840	351-600 kWh	15.0%	R 2.2982	8.61%	R 2.496	8.61%	R 2.711	8.61%	R 1.9984
R 2.864	R 2.490	601-800 kWh	15.0%	R 3.6938	29.00%	R 4.012	8.61%	R 4.357	8.61%	R 3.2120
R 2.864	R 2.490	Above 800 kWh	15.0%	R 3.6938	29.00%	R 4.012	8.61%	R 4.357	8.61%	R 3.2120
2.2.2 Two part tariff										
2.2.2.2 Three phase (Limited to 60 Amps per phase)										
R 858.73	R 746.72	Basic charge per month or part of Energy in c/kWh	15.0%	R 932.66	8.61%	R 1,012.97	8.61%	R 1,100.18	8.61%	R 811.01
R 1.231	R 1.070	0-50 kWh	15.0%	R 1.3364	8.61%	R 1.45	8.61%	R 1.58	8.61%	R 1.1621
R 1.231	R 1.070	51-350 kWh	15.0%	R 1.3364	8.61%	R 1.45	8.61%	R 1.58	8.61%	R 1.1621
R 1.231	R 1.070	351-600 kWh	15.0%	R 1.3364	8.61%	R 1.45	8.61%	R 1.58	8.61%	R 1.1621
R 1.771	R 1.540	Above 600 kWh	15.0%	R 1.9235	8.61%	R 2.09	8.61%	R 2.27	8.61%	R 1.6726
2.3 Commercial customers										
2.3.1 Prepaid customers										
R 0.00	R 0.00	Basic charge per month or part of	15.0%	R 0.00		R 0.000		R 0.000		R 0.00
The basic charge on prepaid commercial customers is not applicable to schools or church properties										
2.3.1.2 Energy in c/kWh										
R 2.979	R 2.590	0-600 kWh	15.0%	R 3.2349	8.61%	R 3.5135	8.61%	R 3.816	8.61%	R 2.8130
R 3.232	R 2.810	Above 600 kWh	15.0%	R 3.5097	8.61%	R 3.812	8.61%	R 4.140	8.61%	R 3.0519
2.3.2 Single phase										
No new connections allowed larger than 80 AMPS on Single phase on this tariff										
2.3.2.1 Basic charge per month or part of it:										
R 521.33	R 453.33	20A - Connection	15.0%	R 566.22	8.61%	R 614.97	8.61%	R 667.92	8.61%	R 492.36
R 2.484	R 2.160	Energy in c/kWh	15.0%	R 2.6979	8.61%					R 2.3460
R 953.45	R 829.09	40A - Connection	15.0%	R 1,035.55	8.61%	R 1,124.71	8.61%	R 1,221.55	8.61%	R 900.47
R 2.484	R 2.160	Energy in c/kWh	15.0%	R 2.6979	8.61%					R 2.3460
R 1,020.33	R 887.24	60A - Connection	15.0%	R 1,108.18	8.61%	R 1,203.59	8.61%	R 1,307.22	8.61%	R 963.63
R 2.461	R 2.140	Energy in c/kWh	15.0%	R 2.6729	8.61%					R 2.3243
R 1,021.87	R 888.58	80A - Connection	15.0%	R 1,109.85	8.61%	R 1,205.41	8.61%	R 1,309.20	8.61%	R 965.09
R 2.461	R 2.140	Energy in c/kWh	15.0%	R 2.6729	8.61%					R 2.3243
R 1,310.23	R 1,139.33	100A - Connection	15.0%	R 1,423.04	8.61%	R 1,545.56	8.61%	R 1,678.63	8.61%	R 1,237.43
R 2.461	R 2.140	Energy in c/kWh	15.0%	R 2.6729	8.61%					R 2.3243
R 1,251.37	R 1,088.15	150A - Connection	15.0%	R 1,359.12	8.61%	R 1,476.14	8.61%	R 1,603.24	8.61%	R 1,181.84
R 2.461	R 2.140	Energy in c/kWh	15.0%	R 2.6729	8.61%					R 2.3243
R 1,489.37	R 1,295.10	200A - Connection	15.0%	R 1,617.60	8.61%	R 1,756.87	8.61%	R 1,908.14	8.61%	R 1,406.61
R 2.461	R 2.140	Energy in c/kWh	15.0%	R 2.6729	8.61%					R 2.3243
R 1,693.74	R 1,472.82	250A - Connection	15.0%	R 1,839.57	8.61%	R 1,997.96	8.61%	R 2,169.98	8.61%	R 1,599.63
R 2.461	R 2.140	Energy in c/kWh	15.0%	R 2.6729	8.61%	R 2.903	8.61%	R 3.1530	8.61%	R 2.3243
All users with greater than 80Amp Connections must be converted to 3 phase connections										
2.3.3 Three phase										
No new connections allowed larger than 150 AMPS on Three phase on this tariff										
2.3.3.1 Basic charge per month or part of it:										
R 1,674.23	R 1,455.85	20A - Connection	15.0%	R 1,818.38	8.61%	R 1,974.941	8.61%	R 2,144.98	8.61%	R 1,581.20
R 2.208	R 1.920	Energy in c/kWh	15.0%	R 2.3981	8.61%	R 2.605	8.61%	R 2.8288	8.61%	R 2.0853
R 1,792.28	R 1,558.50	40A - Connection	15.0%	R 1,946.59	8.61%	R 2,114.191	8.61%	R 2,296.22	8.61%	R 1,692.69
R 2.148	R 1.868	Energy in c/kWh	15.0%	R 2.3329	8.61%	R 2.534	8.61%	R 2.7519	8.61%	R 2.0286
R 1,748.98	R 1,520.85	60A - Connection	15.0%	R 1,899.56	8.61%	R 2,063.117	8.61%	R 2,240.75	8.61%	R 1,651.80
R 2.185	R 1.900	Energy in c/kWh	15.0%	R 2.3731	8.61%	R 2.577	8.61%	R 2,7994	8.61%	R 2.0636
R 1,885.14	R 1,639.25	80A - Connection	15.0%	R 2,047.45	8.61%	R 2,223.733	8.61%	R 2,415.20	8.61%	R 1,780.39
R 2.185	R 1.900	Energy in c/kWh	15.0%	R 2.3731	8.61%	R 2.577	8.61%	R 2,7994	8.61%	R 2.0636
R 2,527.23	R 2,197.59	100A - Connection	15.0%	R 2,744.82	8.61%	R 2,981.152	8.61%	R 3,237.83	8.61%	R 2,386.80
R 2.208	R 1.920	Energy in c/kWh	15.0%	R 2.3981	8.61%	R 2.605	8.61%	R 2.8288	8.61%	R 2.0853
R 3,187.49	R 2,771.73	150A - Connection	15.0%	R 3,461.93	8.61%	R 3,760.005	8.61%	R 4,083.74	8.61%	R 3,010.38
R 2.208	R 1.920	Energy in c/kWh	15.0%	R 2.3981	8.61%	R 2.605	8.61%	R 2.8288	8.61%	R 2.0853
R 3,398.71	R 2,955.40	200A - Connection	15.0%	R 3,691.34	8.61%	R 4,009.163	8.61%	R 4,354.35	8.61%	R 3,209.86
R 2.162	R 1.880	Energy in c/kWh	15.0%	R 2.3481	8.61%	R 2.550	8.61%	R 2.7699	8.61%	R 2.0419
R 3,479.90	R 3,026.00	250A - Connection	15.0%	R 3,779.52	8.61%	R 4,104.936	8.61%	R 4,458.37	8.61%	R 3,286.54
R 2.162	R 1.880	Energy in c/kWh	15.0%	R 2.3481	8.61%	R 2.550	8.61%	R 2.7699	8.61%	R 2.0419

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		2.4 Agricultural customers								
		2.4.1 < 25 KVA								
R 1,004.18	R 873.20	Basic charge per month or part of	15.0%	R 1,090.64	8.61%	R 1,184.541	8.61%	R 1,286.53	8.61%	R 948.38
R 2.657	R 2.310	Energy in c/kWh	15.0%	R 2.8865	8.66%	R 3.135	8.61%	R 3.405	8.61%	R 2.5100
		2.4.2 25 KVA <= 50 KVA								
R 1,467.79	R 1,276.34	Basic charge per month or part of	15.0%	R 1,594.16	8.61%	R 1,731.422	8.61%	R 1,880.50	8.61%	R 1,386.23
R 2.657	R 2.310	Energy in c/kWh	15.0%	R 2.8865	8.66%	R 3.135	8.61%	R 3.405	8.61%	R 2.5100
		2.4.3 50 KVA <= 100 KVA								
R 1,931.60	R 1,679.65	Basic charge per month or part of	15.0%	R 2,097.91	8.61%	R 2,278.541	8.61%	R 2,474.72	8.61%	R 1,824.27
R 2.583	R 2.246	Energy in c/kWh	15.0%	R 2.8060	8.64%	R 3.048	8.61%	R 3.310	8.61%	R 2.4400
		2.5 BULK CONSUMERS (LARGE POWER USERS)								
		All Large Power Users (LPU) must maintain a power factor of 0.85 lagging or better								
		The following public holidays will always be treated as a Sunday for Large Power Users. New Year's Day, Good Friday, Family Day, Christmas Day and Day of Goodwill. All other public holidays will be treated as the day of the week on which it falls.								
		2.5.1 Agricultural customers								
		2.5.1.1 Time of use customers								
		2.5.1.1.1 < 1 MVA High tension								
R 11,460.67	R 9,965.80	Basic charge per month or part of	15.0%	R 12,447.44	8.61%	R 13,519.163	8.61%	R 14,683.163	8.61%	R 10,823.86
R 197.432	R 171.680	Demand charge R/KVA	15.0%	R 214.43	8.61%	R 232.891	8.61%	R 252.943	8.61%	R 186.46
		Energy charge c/kWh								
		High season								
		Peak time	15.0%	R 5.7730	8.66%	R 6.270	8.61%	R 6.810	8.61%	R 5.0200
R 5.313	R 4.620	Standard	15.0%	R 1.8630	8.72%	R 2.023	8.61%	R 2.198	8.61%	R 1.6200
R 1.714	R 1.490	Off- peak time	15.0%	R 1.1040	9.09%	R 1.199	8.61%	R 1.302	8.61%	R 0.9600
R 1.012	R 0.880	Low season								
		Peak time	15.0%	R 2.0125	8.70%	R 2.186	8.61%	R 2.374	8.61%	R 1.7500
R 1.852	R 1.610	Standard	15.0%	R 1.4490	8.62%	R 1.574	8.61%	R 1.709	8.61%	R 1.2600
R 1.334	R 1.160	Off- peak time	15.0%	R 0.9775	8.97%	R 1.062	8.61%	R 1.153	8.61%	R 0.8500
R 0.897	R 0.780	Low tension								
		2.5.1.1.2 Low tension								
R 7,345.96	R 6,387.79	Basic charge per month or part of	15.0%	R 7,978.45	8.61%	R 8,665.391	8.61%	R 9,411.481	8.61%	R 6,937.78
R 183.40	R 159.48	Demand charge R/KVA	15.0%	R 199.19	8.61%	R 216.342	8.61%	R 234.969	8.61%	R 173.21
		Energy charge c/kWh								
		High season								
		Peak time	15.0%	R 6.3650	8.61%	R 6.913	8.61%	R 7.508	8.61%	R 5.5348
R 5.860	R 5.096	Standard	15.0%	R 2.0523	8.61%	R 2.229	8.61%	R 2.421	8.61%	R 1.7846
R 1.890	R 1.643	Off- peak time	15.0%	R 1.2164	8.61%	R 1.321	8.61%	R 1.435	8.61%	R 1.0578
R 1.120	R 0.974	Low season								
		Peak time	15.0%	R 2.2230	8.61%	R 2.414	8.61%	R 2.622	8.61%	R 1.9331
R 2.047	R 1.780	Standard	15.0%	R 1.5775	8.61%	R 1.713	8.61%	R 1.861	8.61%	R 1.3717
R 1.452	R 1.263	Off- peak time	15.0%	R 1.0635	8.61%	R 1.155	8.61%	R 1.255	8.61%	R 0.9248
R 0.979	R 0.851	Normal								
		2.5.1.2 Normal								
		2.5.1.2.1 < 1 MVA High tension								
R 10,969.06	R 9,538.31	Basic charge per month or part of	15.0%	R 11,913.49	8.61%	R 12,939.246	8.61%	R 14,053.315	8.61%	R 10,359.56
R 250.64	R 217.95	Demand charge R/KVA	15.0%	R 272.23	8.61%	R 295.667	8.61%	R 321.124	8.61%	R 236.72
R 1.415	R 1.230	Energy charge c/kWh	15.0%	R 1.5363	8.61%	R 1.669	8.61%	R 1.812	8.61%	R 1.3359
		2.5.1.2.2 < 1 MVA Low tension								
R 6,285.90	R 5,466.00	Basic charge per month or part of	15.0%	R 6,827.11	8.61%	R 7,414.927	8.61%	R 8,053.353	8.61%	R 5,936.62
R 322.30	R 280.26	Demand charge R/KVA	15.0%	R 350.05	8.61%	R 380.188	8.61%	R 412.922	8.61%	R 304.39
R 1.265	R 1.100	Energy charge c/kWh	15.0%	R 1.3740	8.61%	R 1.492	8.61%	R 1.621	8.61%	R 1.1948

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		2.5.2	Urban customers								
		2.5.2.1	Time of use customers								
		2.5.2.1.1	> 1 MVA High tension								
R 23,991.99	R 20,862.60		Basic charge per month or part of	15.0%	R 26,057.70	8.61%	R 28,301.269	8.61%	R 30,738.008	8.61%	R 22,658.87
R 138.66	R 120.57		Demand charge R/KVA	15.0%	R 150.59	8.61%	R 163.559	8.61%	R 177.641	8.61%	R 130.95
			Energy charge c/kWh								
			High season								
R 6.210	R 5.400		Peak time	15.0%	R 6.7390	8.52%	R 7.319	8.61%	R 7.949	8.61%	R 5.8600
R 2.013	R 1.750		Standard	15.0%	R 2.1850	8.57%	R 2.373	8.61%	R 2.577	8.61%	R 1.9000
R 1.173	R 1.020		Off- peak time	15.0%	R 1.2765	8.82%	R 1.386	8.61%	R 1.506	8.61%	R 1.1100
			Low season								
R 2.139	R 1.860		Peak time	15.0%	R 2.3230	8.60%	R 2.523	8.61%	R 2.740	8.61%	R 2.0200
R 1.541	R 1.340		Standard	15.0%	R 1.6790	8.96%	R 1.824	8.61%	R 1.981	8.61%	R 1.4600
R 1.012	R 0.880		Off- peak time	15.0%	R 1.1040	9.09%	R 1.199	8.61%	R 1.302	8.61%	R 0.9600
		2.5.2.1.2	< 1 MVA High tension								
R 14,362.87	R 12,489.45		Basic charge per month or part of	15.0%	R 15,599.51	8.61%	R 16,942.626	8.61%	R 18,401.386	8.61%	R 13,564.79
R 154.25	R 134.13		Demand charge R/KVA	15.0%	R 167.53	8.61%	R 181.957	8.61%	R 197.623	8.61%	R 145.68
			Energy charge c/kWh								
			High season								
R 6.613	R 5.750		Peak time	15.0%	R 7.1875	8.70%	R 7.806	8.61%	R 8.478	8.61%	R 6.2500
R 2.139	R 1.860		Standard	15.0%	R 2.3230	8.60%	R 2.523	8.61%	R 2.740	8.61%	R 2.0200
R 1.242	R 1.080		Off- peak time	15.0%	R 1.3455	8.33%	R 1.461	8.61%	R 1.587	8.61%	R 1.1700
			Low season								
R 2.289	R 1.990		Peak time	15.0%	R 2.4840	8.54%	R 2.698	8.61%	R 2.930	8.61%	R 2.1600
R 1.633	R 1.420		Standard	15.0%	R 1.7710	8.45%	R 1.923	8.61%	R 2.089	8.61%	R 1.5400
R 1.116	R 0.970		Off- peak time	15.0%	R 1.2075	8.25%	R 1.311	8.61%	R 1.424	8.61%	R 1.0500
		2.5.2.1.3	< 1 MVA Low tension								
R 13,046.59	R 11,344.86		Basic charge per month or part of	15.0%	R 14,169.90	8.61%	R 15,389.926	8.61%	R 16,714.998	8.61%	R 12,321.65
R 172.50	R 150.00		Demand charge R/KVA	15.0%	R 187.36	8.61%	R 203.490	8.61%	R 221.010	8.61%	R 162.92
			Energy charge c/kWh								
			High season								
R 6.480	R 5.635		Peak time	15.0%	R 7.0380	8.61%	R 7.6440	8.61%	R 8.302	8.61%	R 6.1200
R 2.036	R 1.770		Standard	15.0%	R 2.2080	8.47%	R 2.3981	8.61%	R 2.605	8.61%	R 1.9200
R 1.265	R 1.100		Off- peak time	15.0%	R 1.3685	8.18%	R 1.486	8.61%	R 1.614	8.61%	R 1.1900
			Low season								
R 2.289	R 1.990		Peak time	15.0%	R 2.4840	8.54%	R 2.6979	8.61%	R 2.930	8.61%	R 2.1600
R 1.610	R 1.400		Standard	15.0%	R 1.7480	8.57%	R 1.899	8.61%	R 2.062	8.61%	R 1.5200
R 1.035	R 0.900		Off- peak time	15.0%	R 1.1270	8.89%	R 1.224	8.61%	R 1.329	8.61%	R 0.9800
		2.5.2.2	Normal								
		2.5.2.2.1	> 1 MVA High tension								
R 1,828.27	R 1,589.80		Basic charge per month or part of	15.0%	R 1,985.68	8.61%	R 2,156.649	8.61%	R 2,342.337	8.61%	R 1,726.68
R 172.50	R 150.00		Demand charge R/KVA	15.0%	R 187.36	8.61%	R 203.4895	8.61%	R 221.010	8.61%	R 162.92
R 1.725	R 1.500		Energy charge c/kWh	15.0%	R 1.8745	8.67%	R 2.0359	8.61%	R 2.211	8.61%	R 1.6300
		2.5.2.2.2	< 1 MVA High tension								
R 16,303.14	R 14,176.64		Basic charge per month or part of	15.0%	R 17,706.84	8.61%	R 19,231.396	8.61%	R 20,887.219	8.61%	R 15,397.25
R 190.56	R 165.70		Demand charge R/KVA	15.0%	R 206.97	8.61%	R 224.785	8.61%	R 244.139	8.61%	R 179.97
R 1.702	R 1.480		Energy charge c/kWh	15.0%	R 1.8515	8.78%	R 2.011	8.61%	R 2.184	8.61%	R 1.6100
		2.5.2.2.3	< 1 MVA Low tension								
R 12,901.74	R 11,218.90		Basic charge per month or part of	15.0%	R 14,012.58	8.61%	R 15,219.060	8.61%	R 16,529.422	8.61%	R 12,184.85
R 175.34	R 152.47		Demand charge R/KVA	15.0%	R 190.44	8.61%	R 206.837	8.61%	R 224.6455	8.61%	R 165.60
R 1.792	R 1.558		Energy charge c/kWh	15.0%	R 1.9435	8.44%	R 2.111	8.61%	R 2.2926	8.61%	R 1.6900
		2.6	Sport customers								
R 2.910	R 2.530		Energy charge c/kWh	15.0%	R 3.1625	8.70%	R 3.435	8.61%	R 3.731	8.61%	R 2.7500
		2.7	Streetlights								
R 2.430	R 2.430		Energy charge c/kWh	0.0%	R 2.6400	8.64%	R 2.867	8.61%	R 3.114	8.61%	R 2.6400
R 500.00	R 434.78	2.8	Unnecessary call outs for work or	15.0%	R 543.05	8.61%	R 589.810	8.61%	R 640.592	8.61%	R 472.220

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		3. Refuse Service Tariffs (All Areas in respect of residential sites)								
R 90.83	R 78.98	3.1. Service Availability charge per month or part of it: Unimproved sites	15.0%	R 97.42	7.26%	R 104.50	7.27%	R 112.08	7.25%	R 84.71
		3.2. Monthly Tariff per number of collections. 2 refuse bags (unit) per collection per week per household								
		3.2.1 1 Collection per week (2 refuse bags or less)								
		3.2.2 2 Collection per week (2 refuse bags or less)								
		3.2.3 3 Collection per week (2 refuse bags or less)								
		3.2.4 Additional units per collection								
		3.2.5 Informal settlements without an account (Flat rate)								
		3.2.6 Departmental tariffs:								
		3.2.6.1 Dennebos								
		3.2.6.2 All other								
		Residential Properties: (2 refuse bags or less)								
R 203.84	R 177.25	Valuation ≤ 100 000	15.0%	R 218.62	7.25%	R 234.47	7.25%	R 251.47	7.25%	R 190.10
R 219.52	R 190.89	Valuation > 100 000 ≤ 150 000	15.0%	R 235.43	7.25%	R 252.50	7.25%	R 270.80	7.25%	R 204.73
R 235.20	R 204.52	Valuation > 150 000 ≤ 200 000	15.0%	R 252.25	7.25%	R 270.54	7.25%	R 290.15	7.25%	R 219.35
R 250.88	R 218.16	Valuation > 200 000 ≤ 500 000	15.0%	R 269.07	7.25%	R 288.58	7.25%	R 309.50	7.25%	R 233.97
R 272.83	R 237.24	Valuation > 500 000 ≤ 800 000	15.0%	R 292.61	7.25%	R 313.82	7.25%	R 336.58	7.25%	R 254.44
R 282.24	R 245.43	Valuation > 800 000 ≤ 1 000 000	15.0%	R 302.70	7.25%	R 324.65	7.25%	R 348.18	7.25%	R 263.22
R 313.60	R 272.70	Valuation > 1 000 000	15.0%	R 336.34	7.25%	R 360.72	7.25%	R 386.88	7.25%	R 292.47
R 203.84	R 177.25	All other residential consumers	15.0%	R 218.62	7.25%	R 234.47	7.25%	R 251.47	7.25%	R 190.10
R 203.84	R 177.25	Additional units per collection	15.0%	R 218.62	7.25%	R 234.47	7.25%	R 251.47	7.25%	R 190.10
		Pine Forest Flat Rate								
		Residential Properties : (240L Wheelie Bin)								
R 230.0000	R 200.0000	1 Collection per week per 240 Wheelie Bin per household	15.0%	R 246.68	7.25%	R 264.56	7.25%	R 283.74	7.25%	R 214.50
		All other properties Monthly Tariff								
		770L Wheelie Bin								
R 940.80	R 818.09	1 Collection per week per	15.0%	R 1,009.01	7.25%	R 1,082.16	7.25%	R 1,160.62	7.25%	R 877.40
R 1,881.60	R 1,636.17	2 Collections per week per 700L Wheelie Bin	15.0%	R 2,018.01	7.25%	R 2,164.32	7.25%	R 2,321.23	7.25%	R 1,754.79
R 2,822.39	R 2,454.26	3 Collections per week per 700L Wheelie Bin	15.0%	R 3,027.02	7.25%	R 3,246.48	7.25%	R 3,481.85	7.25%	R 2,632.19
R 940.80	R 818.09	1 Collection per week per additional Wheelie Bin	15.0%	R 1,009.01	7.25%	R 1,082.16	7.25%	R 1,160.62	7.25%	R 877.40
R 1,881.60	R 1,636.17	2 Collections per week per additional Wheelie Bin	15.0%	R 2,018.01	7.25%	R 2,164.32	7.25%	R 2,321.23	7.25%	R 1,754.79
R 2,822.39	R 2,454.26	3 Collections per week per additional Wheelie Bin	15.0%	R 3,027.02	7.25%	R 3,246.48	7.25%	R 3,481.85	7.25%	R 2,632.19
		If a counter system is available, the above tariffs will be implemented as follows:								
R 940.80	R 818.09	Service availability - per month. Include 4 removals/month.	15.0%	R 1,009.01	7.25%	R 1,082.16	7.25%	R 1,160.62	7.25%	R 877.40
R 233.82	R 203.33	Additional removals per removal.	15.0%	R 250.78	7.25%	R 268.96	7.25%	R 288.46	7.25%	R 218.07
		240L Wheelie Bin								
R 392.00	R 340.87	1 Collection per week per 240L Wheelie Bin	15.0%	R 420.42	7.25%	R 450.90	7.25%	R 483.59	7.25%	R 365.58
R 784.00	R 681.74	2 Collections per week per 240L Wheelie Bin	15.0%	R 840.84	7.25%	R 901.80	7.25%	R 967.18	7.25%	R 731.16
R 1,176.00	R 1,022.61	3 Collections per week per 240L Wheelie Bin	15.0%	R 1,261.26	7.25%	R 1,352.70	7.25%	R 1,450.77	7.25%	R 1,096.75
R 392.00	R 340.87	1 Collection per week per additional Wheelie Bin	15.0%	R 420.42	7.25%	R 450.90	7.25%	R 483.59	7.25%	R 365.58
R 784.00	R 681.74	2 Collections per week per additional Wheelie Bin	15.0%	R 840.84	7.25%	R 901.80	7.25%	R 967.18	7.25%	R 731.16
R 1,176.00	R 1,022.61	3 Collections per week per additional Wheelie Bin	15.0%	R 1,261.26	7.25%	R 1,352.70	7.25%	R 1,450.77	7.25%	R 1,096.75
		If a counter system is available, the above tariffs will be implemented as follows:								
R 392.00	R 340.87	Service availability - per month. Include 4 removals/month.	15.0%	R 420.42	7.25%	R 450.90	7.25%	R 483.59	7.25%	R 365.58
R 99.03	R 86.11	Additional removals per removal.	15.0%	R 106.21	7.25%	R 113.91	7.25%	R 122.17	7.25%	R 92.36
		Cost of Wheelie Bins								
R 5,916.97	R 5,145.19	700L Wheelie Bin	15.0%	R 6,345.95	7.25%	R 6,806.03	7.25%	R 7,299.47	7.25%	R 5,518.22
R 665.66	R 578.83	240L Wheelie Bin	15.0%	R 713.92	7.25%	R 765.68	7.25%	R 821.19	7.25%	R 620.80
-R 2.0010	-R 1.7400	3.3 Recyclable material per filled 15l recvcable bac/ 15l of recvcable	15.0%	-R 3.00	49.93%	-R 3.22	7.25%	-R 3.45	7.25%	-R 1.87

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
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4. Sewerage Service Tariffs

4.1. Septic Tank systems

(All Areas, excluding rural area in respect of availability charge)

Service Availability charge per month or part of it:

R 42.93	R 37.33	4.1.1.1	Per site with improvements	15.0%	R 46.04	7.25%	R 49.38	7.25%	R 52.96	7.25%	R 40.04
4.1.2. Suction charge:											
R 256.69	R 223.21	4.1.2.1.	Urban areas charge per occasion	15.0%	R 275.30	7.25%	R 295.26	7.25%	R 316.66	7.25%	R 239.39
4.1.2.2. Rural areas:											
R 1,035.19	R 900.16	4.1.2.2.1	Charge per occasion	15.0%	R 1,110.24	7.25%	R 1,190.73	7.25%	R 1,277.06	7.25%	R 965.43
R 48.31	R 42.01	4.1.2.2.2	Charge per kilometre	15.0%	R 51.82	7.25%	R 51.82	0.00%	R 51.82	0.00%	R 45.06

4.2. Waterborne Sewerage systems

(All Areas connected to the main sewerage system)

(Where more than one service point exist on the same site and more than one or one water connection exists the tariff equal to the largest water connection will be applicable on every point of service)

Service Availability charge per month or part of it:

R 90.81	R 78.97	4.2.1.1	Unimproved sites	15.0%	R 97.39	7.25%	R 104.46	7.25%	R 112.03	7.25%	R 84.69
R 256.69	R 223.21	4.2.1.2	Water connection size: 0 - 25 m	15.0%	R 275.30	7.25%	R 295.26	7.25%	R 316.66	7.25%	R 239.39
R 998.89	R 868.60	4.2.1.3	Water connection size: 26 - 50 m	15.0%	R 1,071.31	7.25%	R 1,148.98	7.25%	R 1,232.28	7.25%	R 931.57
R 2,557.66	R 2,224.06	4.2.1.4	Water connection size: 51 - 80 m	15.0%	R 2,743.09	7.25%	R 2,941.97	7.25%	R 3,155.26	7.25%	R 2,385.30
R 3,995.95	R 3,474.74	4.2.1.5	Water connection size: 81 - 100 m	15.0%	R 4,285.66	7.25%	R 4,596.37	7.25%	R 4,929.61	7.25%	R 3,726.66
R 8,988.15	R 7,815.78	4.2.1.6	Water connection size: 101 - 150 m	15.0%	R 9,639.79	7.25%	R 10,338.67	7.25%	R 11,088.23	7.25%	R 8,382.42
4.2.2. Exceptions: Charge per month or part of it											
R 42,527.13	R 36,980.11	4.2.2.1	Obiqua Prison - Tulbagh	15.0%	R 45,610.35	7.25%	R 48,917.10	7.25%	R 52,463.59	7.25%	R 39,661.17
R 256.69	R 223.21	4.2.2.2	Schools - Op-die-Berg	15.0%	R 275.30	7.25%	R 295.26	7.25%	R 316.66	7.25%	R 239.39
R 256.69	R 223.21	4.2.2.3	Other sites - Op-die-Berg	15.0%	R 275.30	7.25%	R 295.26	7.25%	R 316.66	7.25%	R 239.39
R 91.68	R 91.68	4.2.2.4	Departmental tariff	0.0%	R 98.33	7.25%	R 105.46	7.25%	R 113.10	7.25%	R 98.33
4.2.2.5. Special Contracts, for example Del monte as per each agreement. Rand per Kg COD											
R 7.09	R 6.17	4.2.2.5.1	Ceres Group Companies	15.0%	R 7.61	7.25%	R 8.16	7.25%	R 8.75	7.25%	R 6.62
R 11.40	R 9.92	4.2.2.5.2	Du Toit Vrugte	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 11.40	R 9.92	4.2.2.5.3	L O Rall	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 11.40	R 9.92	4.2.2.5.4	Bokkeveld Korrektiewe Dienste	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 11.40	R 9.92	4.2.2.5.5	Snoocoled Marketing (Edms). Bpk.	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 11.40	R 9.92	4.2.2.5.6	Ceres Fruit Growers	15.0%	R 12.23	7.25%	R 13.12	7.25%	R 14.07	7.25%	R 10.64
R 168.46	R 168.46	4.2.2.6	Informal settlements without an account (Flat rate)	0.0%	R 180.67	7.25%	R 193.77	7.25%	R 207.82	7.25%	R 180.67
R 530.00	R 460.87	4.3	Unnecessary call outs for work on customer side	15.0%	R 568.43	7.25%	R 609.64	7.25%	R 653.83	7.25%	R 494.28

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
5. Water service Tariffs										
5.1. Conventional Meters (All Areas)										
5.1.1. Service Availability charge per month or part of it:										
R 152.81	R 132.88	5.1.1.1 Unimproved sites	15.0%	R 163.89	7.25%	R 175.77	7.25%	R 188.51	7.25%	R 142.51
R 83.00	R 72.17	5.1.1.2 Water connection size: 0 - 25 mm	15.0%	R 83.00	0.00%	R 83.00	0.00%	R 83.00	0.00%	R 72.17
R 1,152.81	R 1,002.45	5.1.1.3 Water connection size: 26 - 50 mm	15.0%	R 1,236.39	7.25%	R 1,326.03	7.25%	R 1,422.16	7.25%	R 1,075.12
R 2,912.37	R 2,532.50	5.1.1.4 Water connection size: 51 - 80 mm	15.0%	R 3,123.52	7.25%	R 3,349.97	7.25%	R 3,592.84	7.25%	R 2,716.10
R 4,611.25	R 4,009.79	5.1.1.5 Water connection size: 81 - 100 mm	15.0%	R 4,945.57	7.25%	R 5,304.12	7.25%	R 5,688.67	7.25%	R 4,300.49
R 10,314.65	R 8,969.26	5.1.1.6 Water connection size: 101 - 150 mm	15.0%	R 11,062.46	7.25%	R 11,864.49	7.25%	R 12,724.67	7.25%	R 9,619.53
R 224,495.28	R 195,213.29	5.1.1.7 Consumption of more than 20,000 l	15.0%	R 240,771.19	7.25%	R 258,227.10	7.25%	R 276,948.56	7.25%	R 209,366.25
R 339.78	R 295.46	5.1.1.8 Un-metered connections	15.0%	R 364.41	7.25%	R 390.83	7.25%	R 419.17	7.25%	R 316.88
5.1.2 Consumption per kiloliter										
5.1.2.1 Block A (Aimed at residential and smaller commercial clients)										
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.25%	R 3.20
R 9.94	R 8.64	7-30 kl	15.0%	R 10.66	7.25%	R 11.43	7.25%	R 12.26	7.25%	R 9.27
R 9.94	R 8.64	31-60 kl	15.0%	R 10.66	7.25%	R 11.43	7.25%	R 12.26	7.25%	R 9.27
R 9.94	R 8.64	61-300 kl	15.0%	R 10.66	7.25%	R 11.43	7.25%	R 12.26	7.25%	R 9.27
R 34.65	R 30.13	Above 300 kl	15.0%	R 37.16	7.25%	R 39.86	7.25%	R 42.75	7.25%	R 32.32
5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)										
R 11.50	R 10.00	0-300 kl	15.0%	R 12.33	7.25%	R 13.23	7.25%	R 14.19	7.25%	R 10.72
R 11.50	R 10.00	301-1000 kl	15.0%	R 12.33	7.25%	R 13.23	7.25%	R 14.19	7.25%	R 10.72
R 11.50	R 10.00	1001-8000 kl	15.0%	R 12.33	7.25%	R 13.23	7.25%	R 14.19	7.25%	R 10.72
R 11.50	R 10.00	Above 8000 kl	15.0%	R 13.57	17.98%	R 14.55	7.25%	R 15.60	7.25%	R 11.80
5.1.2.3 Block C (Aimed at larger industrial clients)										
R 3.57	R 3.10	Consumption above 20,000 kl pe	15.0%	R 5.00	40.25%	R 6.50	30.00%	R 8.00	23.08%	R 4.35
5.1.2.4 Block D (Internal)										
R 3.02	R 2.62	Departmental consumption	15.0%	R 4.50	49.19%	R 4.83	7.25%	R 5.18	7.25%	R 3.91
5.1.2 Consumption per kiloliter: Restrictions Level 1										
5.1.2.1 Block A (Aimed at residential and smaller commercial clients)										
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 11.05	R 9.60	7-30 kl	15.0%	R 11.85	7.25%	R 12.70	7.25%	R 13.63	7.3%	R 10.30
R 11.05	R 9.60	31-60 kl	15.0%	R 11.85	7.25%	R 12.70	7.25%	R 13.63	7.3%	R 10.30
R 11.05	R 9.60	61-300 kl	15.0%	R 11.85	7.25%	R 12.70	7.25%	R 13.63	7.3%	R 10.30
R 40.00	R 34.78	Above 300 kl	15.0%	R 42.90	7.25%	R 46.01	7.25%	R 49.35	7.3%	R 37.30
5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)										
R 13.80	R 12.00	0-300 kl	15.0%	R 14.80	7.25%	R 15.88	7.25%	R 17.03	7.3%	R 12.87
R 13.80	R 12.00	301-1000 kl	15.0%	R 14.80	7.25%	R 15.88	7.25%	R 17.03	7.3%	R 12.87
R 13.80	R 12.00	1001-8000 kl	15.0%	R 14.80	7.25%	R 15.88	7.25%	R 17.03	7.3%	R 12.87
R 13.80	R 12.00	Above 8000 kl	15.0%	R 14.80	7.25%	R 15.88	7.25%	R 17.03	7.3%	R 12.87
5.1.2.3 Block C (Aimed at larger industrial clients)										
R 4.28	R 3.72	Consumption above 20,000 kl pe	15.0%	R 6.00	40.20%	R 7.80	30.00%	R 9.60	23.1%	R 5.22
5.1.2 Consumption per kiloliter: Restrictions Level 2										
5.1.2.1 Block A (Aimed at residential and smaller commercial clients)										
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 13.92	R 12.11	7-30 kl	15.0%	R 14.93	7.25%	R 16.02	7.25%	R 17.18	7.3%	R 12.99
R 13.92	R 12.11	31-60 kl	15.0%	R 14.93	7.25%	R 16.02	7.25%	R 17.18	7.3%	R 12.99
R 13.92	R 12.11	61-300 kl	15.0%	R 14.93	7.25%	R 16.02	7.25%	R 17.18	7.3%	R 12.99
R 45.00	R 39.13	Above 300 kl	15.0%	R 48.26	7.25%	R 51.76	7.25%	R 55.51	7.3%	R 41.97
5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)										
R 16.11	R 14.01	0-300 kl	15.0%	R 17.28	7.25%	R 18.53	7.25%	R 19.87	7.3%	R 15.02
R 16.11	R 14.01	301-1000 kl	15.0%	R 17.28	7.25%	R 18.53	7.25%	R 19.87	7.3%	R 15.02
R 16.11	R 14.01	1001-8000 kl	15.0%	R 17.28	7.25%	R 18.53	7.25%	R 19.87	7.3%	R 15.02
R 16.11	R 14.01	Above 8000 kl	15.0%	R 17.28	7.25%	R 18.53	7.25%	R 19.87	7.3%	R 15.02
5.1.2.3 Block C (Aimed at larger industrial clients)										
R 4.99	R 4.34	Consumption above 20,000 kl pe	15.0%	R 7.00	40.25%	R 9.11	30.00%	R 11.21	23.1%	R 6.09

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		5.1.2 Consumption per kiloliter: Restrictions Level 3								
		5.1.2.1 Block A (Aimed at residential and smaller commercial clients)								
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 15.92	R 13.84	7-30 kl	15.0%	R 17.07	7.25%	R 18.31	7.25%	R 19.64	7.3%	R 14.84
R 15.92	R 13.84	31-60 kl	15.0%	R 17.07	7.25%	R 18.31	7.25%	R 19.64	7.3%	R 14.84
R 15.92	R 13.84	61-300 kl	15.0%	R 17.07	7.25%	R 18.31	7.25%	R 19.64	7.3%	R 14.84
R 50.00	R 43.48	Above 300 kl	15.0%	R 53.63	7.25%	R 57.51	7.25%	R 61.68	7.3%	R 46.63
		5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)								
R 18.41	R 16.01	0-300 kl	15.0%	R 19.75	7.25%	R 21.18	7.25%	R 22.72	7.3%	R 17.17
R 18.41	R 16.01	301-1000 kl	15.0%	R 19.75	7.25%	R 21.18	7.25%	R 22.72	7.3%	R 17.17
R 18.41	R 16.01	1001-8000 kl	15.0%	R 19.75	7.25%	R 21.18	7.25%	R 22.72	7.3%	R 17.17
R 18.41	R 16.01	Above 8000 kl	15.0%	R 19.75	7.25%	R 21.18	7.25%	R 22.72	7.3%	R 17.17
		5.1.2.3 Block C (Aimed at larger industrial clients)								
R 5.71	R 4.96	Consumption above 20,000 kl pe	15.0%	R 8.41	47.23%	R 10.93	30.00%	R 13.45	23.1%	R 7.31
		5.1.2 Consumption per kiloliter: Restrictions Level 4								
		5.1.2.1 Block A (Aimed at residential and smaller commercial clients)								
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 17.91	R 15.57	7-30 kl	15.0%	R 19.21	7.25%	R 20.60	7.25%	R 22.09	7.3%	R 16.70
R 17.91	R 15.57	31-60 kl	15.0%	R 19.21	7.25%	R 20.60	7.25%	R 22.09	7.3%	R 16.70
R 17.91	R 15.57	61-300 kl	15.0%	R 19.21	7.25%	R 20.60	7.25%	R 22.09	7.3%	R 16.70
R 55.00	R 47.83	Above 300 kl	15.0%	R 58.99	7.25%	R 63.26	7.25%	R 67.85	7.3%	R 51.29
		5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)								
R 20.72	R 18.02	0-300 kl	15.0%	R 22.22	7.25%	R 23.83	7.25%	R 25.56	7.3%	R 19.32
R 20.72	R 18.02	301-1000 kl	15.0%	R 22.22	7.25%	R 23.83	7.25%	R 25.56	7.3%	R 19.32
R 20.72	R 18.02	1001-8000 kl	15.0%	R 22.22	7.25%	R 23.83	7.25%	R 25.56	7.3%	R 19.32
R 20.72	R 18.02	Above 8000 kl	15.0%	R 22.22	7.25%	R 23.83	7.25%	R 25.56	7.3%	R 19.32
		5.1.2.3 Block C (Aimed at larger industrial clients)								
R 6.42	R 5.59	Consumption above 20,000 kl pe	15.0%	R 10.09	57.03%	R 13.11	30.00%	R 16.14	23.1%	R 8.77
		5.1.2 Consumption per kiloliter: Restrictions Level 5								
		5.1.2.1 Block A (Aimed at residential and smaller commercial clients)								
R 3.44	R 2.99	0-6 kl	15.0%	R 3.69	7.25%	R 3.95	7.25%	R 4.24	7.3%	R 3.20
R 19.89	R 17.30	7-30 kl	15.0%	R 21.33	7.25%	R 22.88	7.25%	R 24.54	7.3%	R 18.55
R 19.89	R 17.30	31-60 kl	15.0%	R 21.33	7.25%	R 22.88	7.25%	R 24.54	7.3%	R 18.55
R 19.89	R 17.30	61-300 kl	15.0%	R 21.33	7.25%	R 22.88	7.25%	R 24.54	7.3%	R 18.55
R 60.00	R 52.17	Above 300 kl	15.0%	R 64.35	7.25%	R 69.02	7.25%	R 74.02	7.3%	R 55.96
		5.1.2.2 Block B (Aimed at larger commercial and smaller industrial clients)								
R 23.01	R 20.01	0-300 kl	15.0%	R 24.68	7.25%	R 26.47	7.25%	R 28.39	7.3%	R 21.46
R 23.01	R 20.01	301-1000 kl	15.0%	R 24.68	7.25%	R 26.47	7.25%	R 28.39	7.3%	R 21.46
R 23.01	R 20.01	1001-8000 kl	15.0%	R 24.68	7.25%	R 26.47	7.25%	R 28.39	7.3%	R 21.46
R 23.01	R 20.01	Above 8000 kl	15.0%	R 24.68	7.25%	R 26.47	7.25%	R 28.39	7.3%	R 21.46
		5.1.2.3 Block C (Aimed at larger industrial clients)								
R 7.13	R 6.20	Consumption above 20,000 kl pe	15.0%	R 12.10	69.66%	R 15.74	30.00%	R 19.37	23.1%	R 10.53
		5.2. Prepaid Meters (All Areas)								
		5.2.1. Water connection on site (Consumption per kiloliter)								
R 6.15	R 5.34	0-6 kl	15.0%	R 6.59	7.25%	R 7.07	7.25%	R 7.58	7.25%	R 5.73
R 11.81	R 10.27	Bo 6 kl	15.0%	R 12.66	7.25%	R 13.58	7.25%	R 14.57	7.25%	R 11.01
		Consumption per kiloliter: Restrictions Level 1								
R 7.22	R 6.27	0-6 kl	15.0%	R 7.74	7.25%	R 8.30	7.25%	R 8.90	7.25%	R 6.73
R 13.87	R 12.06	Bo 6 kl	15.0%	R 14.87	7.25%	R 15.95	7.25%	R 17.11	7.25%	R 12.93
		Consumption per kiloliter: Restrictions Level 2								
R 8.29	R 7.21	0-6 kl	15.0%	R 8.89	7.25%	R 9.53	7.25%	R 10.22	7.25%	R 7.73
R 15.93	R 13.85	Bo 6 kl	15.0%	R 17.08	7.25%	R 18.32	7.25%	R 19.65	7.25%	R 14.85
		Consumption per kiloliter: Restrictions Level 3								
R 9.36	R 8.14	0-6 kl	15.0%	R 10.03	7.25%	R 10.76	7.25%	R 11.54	7.25%	R 8.73
R 17.99	R 15.64	Bo 6 kl	15.0%	R 19.29	7.25%	R 20.69	7.25%	R 22.19	7.25%	R 16.78
		Consumption per kiloliter: Restrictions Level 4								
R 10.43	R 9.07	0-6 kl	15.0%	R 11.18	7.25%	R 11.99	7.25%	R 12.86	7.25%	R 9.72
R 20.05	R 17.43	Bo 6 kl	15.0%	R 21.50	7.25%	R 23.06	7.25%	R 24.73	7.25%	R 18.70
		Consumption per kiloliter: Restrictions Level 5								
R 12.29	R 10.69	0-6 kl	15.0%	R 13.18	7.25%	R 14.14	7.25%	R 15.16	7.25%	R 11.46
R 23.62	R 20.54	Bo 6 kl	15.0%	R 25.33	7.25%	R 27.17	7.25%	R 29.13	7.25%	R 22.03

Pensioners may qualify for 6 Kl of water free of charge per month in terms of councils policy.

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
R 1,030.12	R 895.76	5.3.	"Leiwater beurte" (In Urban are Informal settlements without an account (Flat rate)	15.0%	R 1,133.13	10.00%	R 1,215.28	7.25%	R 1,303.39	7.25%	R 985.33
R 106.63	R 92.72	5.4.		15.0%	R 117.29	10.00%	R 125.79	7.25%	R 134.91	7.25%	R 101.99
Free		5.5.	Mobile Water provision		Free		Free		Free		
R 297.68	R 258.85	5.5.1	Humanitarian purposes								
		5.5.2	All non Residential per trip	15.0%	R 327.44	10.00%	R 351.18	7.25%	R 376.64	7.25%	R 284.73
R 595.35	R 517.70	5.6	Unnecessary call outs for work or	15.0%	R 654.89	10.00%	R 702.36	7.25%	R 753.29	7.25%	R 569.47
		5.7	Greywater								
R 0.3019	R 0.2625	5.7.1	Per Cubic Meter (m3)	15.0%	R 0.33	10.00%	R 0.36	7.25%	R 0.38	7.25%	R 0.29
		5.8	Raw Water for Agricultural use								
R 0.6900	R 0.6000	5.8.1	Per kiloliter water	15.0%	R 0.76	10.00%	R 0.81	7.25%	R 0.87	7.25%	R 0.66
		6.	Other tariffs and charges								
		6.1.	CORPORATE SERVICES								
R 669.00	R 581.74	6.1.1	Erection of banners (per application)	15.0%	R 735.00	9.87%	R 808.00	9.93%	R 888.00	9.90%	R 639.13
R 514.00	R 446.96	6.1.2	Erection of placards (deposit)	15.0%	R 565.00	9.92%	R 621.00	9.91%	R 683.00	9.98%	R 491.30
R 1,045.00	R 908.70	6.1.3	Cancellation of purchase agreement (Admin fee)	15.0%	R 1,149.00	9.95%	R 1,263.00	9.92%	R 1,389.00	9.98%	R 999.13
		6.1.4	Agenda and minutes of Council meetings								
R 171.00	R 148.70		001-400 q	15.0%	R 188.00	9.94%	R 206.00	9.57%	R 226.00	9.71%	R 163.48
R 190.00	R 165.22		401-500 q	15.0%	R 209.00	10.00%	R 229.00	9.57%	R 251.00	9.61%	R 181.74
R 224.00	R 194.78		501-600 q	15.0%	R 246.00	9.82%	R 270.00	9.76%	R 297.00	10.00%	R 213.91
R 242.00	R 210.43		601-700 q	15.0%	R 266.00	9.92%	R 292.00	9.77%	R 321.00	9.93%	R 231.30
R 299.00	R 260.00		701+ q	15.0%	R 328.00	9.70%	R 360.00	9.76%	R 396.00	10.00%	R 285.22
		6.1.6	Translation service (Per hour or part of it)	15.0%	R 511.00	9.89%	R 562.00	9.98%	R 618.00	9.96%	R 444.35
		6.1.7	Access to information								
R 123.00	R 106.96	6.1.7.1	Fee payable when information is requested	15.0%	R 135.00	9.76%	R 148.00	9.63%	R 162.00	9.46%	R 117.39
		6.1.7.2	Reproduction fees:								
			Photocopies (A4 or part of it) per page	15.0%	R 1.50	0.00%	R 1.60	6.67%	R 1.70	6.25%	R 1.30
R 1.50	R 1.30		Print outs per copy	15.0%	R 1.00	0.00%	R 1.10	10.00%	R 1.20	9.09%	R 0.87
R 1.00	R 0.87		Information on a memory stick	15.0%	R 27.00	8.00%	R 29.00	7.41%	R 31.00	6.90%	R 23.48
R 25.00	R 21.74		Information on a CD	15.0%	R 152.00	9.35%	R 167.00	9.87%	R 183.00	9.58%	R 132.17
R 139.00	R 120.87		Transcription of visual image (A4 page) per page	15.0%	R 84.00	9.09%	R 92.00	9.52%	R 101.00	9.78%	R 73.04
R 77.00	R 66.96		Copy of a visual image (A4 page) per page	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 205.00	R 178.26		Transcription of an audio record (A4 page) per page	15.0%	R 46.00	9.52%	R 50.00	8.70%	R 55.00	10.00%	R 40.00
R 42.00	R 36.52		Copy of audio record	15.0%	R 61.00	8.93%	R 67.00	9.84%	R 73.00	8.96%	R 53.04
R 56.00	R 48.70	6.1.7.3	Investigation fee								
			To search for record and to prepare it for release -- per hour, first hour excluded	15.0%	R 56.00	9.80%	R 61.00	8.93%	R 67.00	9.84%	R 48.70
R 51.00	R 44.35	6.1.7.4	Postage								
			If record should be posted to applicant	15.0%	Actual cost plus 20% plus VAT						
Actual cost plus 20% plus VAT		6.1.8	Application for extension of trading hours to sell Liauor	15.0%	R 4,810.00	9.99%	R 5,291.00	10.00%	R 5,820.00	10.00%	R 4,182.61
R 4,373.00	R 3,802.61										
		6.2.	COMMUNITY SERVICES								
		6.2.1	Libraries								
		6.2.1.1	Hall rental (per session or part thereof)								
			NOTE: a session is from								
R 156.00	R 135.65		08:00 - 13:00	15.0%	R 171.00	9.62%	R 188.00	9.94%	R 206.00	9.57%	R 148.70
R 171.00	R 148.70		13:00 - 18:00	15.0%	R 188.00	9.94%	R 206.00	9.57%	R 226.00	9.71%	R 163.48
R 190.00	R 165.22		18:00 - 00:00	15.0%	R 209.00	10.00%	R 229.00	9.57%	R 251.00	9.61%	R 181.74
			NB: The amenities are available without charge to youth-, service-, charity-community-, sport-, educational-, and governmental institutions, as well as for meetings of local political parties								
		6.2.1.2	Kitchen rental (per session or part thereof)	15.0%	R 463.00	9.98%	R 509.00	9.94%	R 559.00	9.82%	R 402.61
R 421.00	R 366.09		Deposit for kitchen rental	Exempt	R 202.00	9.78%	R 222.00	9.90%	R 244.00	9.91%	
R 184.00											

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.2 Traffic Services								
		6.2.2.1 Assistance: Escorting and Traffic assistance or Any Other Special Event								
		(Section 111 (3) (C) of the Road Traffic Act 1989, Act 29 of 1989, in conjunction with Section 22 of the Standard Regulation Re: Roads, Provincial Notice 562 of October 1987.								
		6.2.2.1.1 Profit Organisations: (per gathering/march)								
R 675.00	R 586.96	(a) First hour per officer (normal working hours)	15.0%	R 742.00	9.93%	R 816.00	9.97%	R 897.00	9.93%	R 645.22
R 242.00	R 210.43	(b) Subsequent hourly tariff within normal working hours	15.0%	R 266.00	9.92%	R 292.00	9.77%	R 321.00	9.93%	R 231.30
R 850.00	R 739.13	(c) First hour per officer (after hours & weekends)	15.0%	R 935.00	10.00%	R 1,028.00	9.95%	R 1,130.00	9.92%	R 813.04
R 334.00	R 290.43	(d) Subsequent hourly tariff after hours & weekends	15.0%	R 367.00	9.88%	R 403.00	9.81%	R 443.00	9.93%	R 319.13
R 1,748.00	R 1,520.00	(e) Per officer (Sundays per 4 hour bracket)	15.0%	R 1,922.00	9.95%	R 2,114.00	9.99%	R 2,325.00	9.98%	R 1,671.30
R 205.00	R 178.26	(f) Per vehicle (less than 15 km)	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 10.40	R 9.04	(g) Per kilometre tariff thereafter	15.0%	R 11.20	7.69%	R 13.00	16.07%	R 14.50	11.54%	R 9.74
R 205.00	R 178.26	(h) Hiring of road signs and equipment	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 864.00	R 751.30	(i) Mega phone per day	15.0%	R 950.00	9.95%	R 1,045.00	10.00%	R 1,149.00	9.95%	R 826.09
		6.2.2.1.2 Non-Profit Organisations: (per gathering/march)								
R 242.00	R 210.43	(a) First hour per officer (normal working hours)	15.0%	R 266.00	9.92%	R 292.00	9.77%	R 321.00	9.93%	R 231.30
R 123.00	R 106.96	(b) Subsequent hourly tariff within normal working hours	15.0%	R 135.00	9.76%	R 148.00	9.63%	R 162.00	9.46%	R 117.39
R 318.00	R 276.52	(c) First hour per officer (after hours & weekends)	15.0%	R 349.00	9.75%	R 383.00	9.74%	R 421.00	9.92%	R 303.48
R 190.00	R 165.22	(d) Subsequent hourly tariff after hours & weekends	15.0%	R 209.00	10.00%	R 229.00	9.57%	R 251.00	9.61%	R 181.74
R 872.00	R 758.26	(e) Per officer (Sundays per 4 hour bracket)	15.0%	R 959.00	9.98%	R 1,054.00	9.91%	R 1,159.00	9.96%	R 833.91
R 123.00	R 106.96	(f) Per vehicle (less than 15 km)	15.0%	R 135.00	9.76%	R 148.00	9.63%	R 162.00	9.46%	R 117.39
R 10.40	R 9.04	(g) Per kilometre tariff thereafter	15.0%	R 11.20	7.69%	R 13.00	16.07%	R 14.50	11.54%	R 9.74
R 92.00	R 80.00	(h) Hiring of road signs and equipment	15.0%	R 101.00	9.78%	R 111.00	9.90%	R 122.00	9.91%	R 87.83
R 428.00	R 372.17	(i) Mega phone per day	15.0%	R 470.00	9.81%	R 517.00	10.00%	R 568.00	9.86%	R 408.70
		6.2.2.2 Dog Tax Tariffs								
R 257.00	R 223.48	6.2.2.2.1 Male dog: per year or part thereof	15.0%	R 282.00	9.73%	R 310.00	9.93%	R 341.00	10.00%	R 245.22
R 517.00	R 449.57	6.2.2.2.2 Bitch: per year or part thereof	15.0%	R 568.00	9.86%	R 624.00	9.86%	R 686.00	9.94%	R 493.91
R 127.00	R 110.43	6.2.2.2.3 Sterilised/castrated (proof)	15.0%	R 139.00	9.45%	R 152.00	9.35%	R 167.00	9.87%	R 120.87
R 204.00	R 177.39	6.2.2.3 Executing of warrants of arrest	15.0%	R 224.00	9.80%	R 246.00	9.82%	R 270.00	9.76%	R 194.78
		6.2.3 Fire Brigade Service								
		(In terms of Provincial Notice 396 of 11 June 1982)								
		No accounts will be render to informal areas								
R 3,060.00	R 2,660.87	6.2.3.1 Call-outs (per call) (excluding residential)	15.0%	R 3,366.00	10.00%	R 3,702.00	9.98%	R 4,072.00	9.99%	R 2,926.96
		This includes all fire fighting vehicles, all manpower water supply and (Per hour or part thereof)								
		6.2.3.2 Additional services (such as pumping, cleaning roads, decontamination) and consumables								
R 510.00	R 443.48	a) Call-out per hour c	15.0%	R 561.00	10.00%	R 617.00	9.98%	R 678.00	9.89%	R 487.83
R 45.00	R 39.13	b) Absorbent per kilo	15.0%	R 49.00	8.89%	R 53.00	8.16%	R 58.00	9.43%	R 42.61
R 48.00	R 41.74	c) Foam per litre	15.0%	R 52.00	8.33%	R 57.00	9.62%	R 62.00	8.77%	R 45.22
R 450.00	R 391.30	d) Handheld extingui	15.0%	R 494.00	9.78%	R 543.00	9.92%	R 597.00	9.94%	R 429.57
R 104.00	R 90.43	e) Decontamination co	15.0%	R 114.00	9.62%	R 125.00	9.65%	R 137.00	9.60%	R 99.13
		6.2.3.3 Special Standby Services at Events								
R 2,040.00	R 1,773.91	a) First hour	15.0%	R 2,244.00	10.00%	R 2,468.00	9.98%	R 2,714.00	9.97%	R 1,951.30
R 513.00	R 446.09	b) Per hour or part the	15.0%	R 564.00	9.94%	R 620.00	9.93%	R 682.00	10.00%	R 490.43
R 2,501.00	R 2,174.78	6.2.3.4 Controlled Burns	15.0%	R 2,751.00	10.00%	R 3,026.00	10.00%	R 3,328.00	9.98%	R 2,392.17
R 650.00	R 565.22	6.2.3.5 Clearing of overgrown properties (re	15.0%	R 715.00	10.00%	R 786.00	9.93%	R 864.00	9.92%	R 621.74
		6.2.3.6 Flammable Liquid Certificates:								
R 120.00	R 104.35	(a) Domestic installati	15.0%	R 132.00	10.00%	R 145.00	9.85%	R 159.00	9.66%	R 114.78
R 460.00	R 400.00	(b) Commercial install	15.0%	R 506.00	10.00%	R 556.00	9.88%	R 611.00	9.89%	R 440.00
R 520.00	R 452.17	(c) Industrial Installati	15.0%	R 571.00	9.81%	R 628.00	9.98%	R 690.00	9.87%	R 496.52
R 460.00	R 400.00	(d) LPG Suppliers	15.0%	R 506.00	10.00%	R 556.00	9.88%	R 611.00	9.89%	R 440.00
R 460.00	R 400.00	(e) Spray paint rooms	15.0%	R 506.00	10.00%	R 556.00	9.88%	R 611.00	9.89%	R 440.00
		6.2.3.7 Fire Safety Certification								
R 355.00	R 308.70	a) New Building plan	15.0%	R 390.00	9.86%	R 429.00	10.00%	R 471.00	9.79%	R 339.13
R 120.00	R 104.35	b) Educational and o	15.0%	R 132.00	10.00%	R 145.00	9.85%	R 159.00	9.66%	R 114.78
R 355.00	R 308.70	c) New business licei	15.0%	R 390.00	9.86%	R 429.00	10.00%	R 471.00	9.79%	R 339.13
R 460.00	R 400.00	d) Commercial/Industri	15.0%	R 506.00	10.00%	R 556.00	9.88%	R 611.00	9.89%	R 440.00

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.3.8	Dangerous Goods Transport Permit (Annual)								
R 305.00	R 265.22		a) Light Delivery vehi	15.0%	R 335.00	9.83%	R 368.00	9.85%	R 404.00	9.78%	R 291.30
R 385.00	R 334.78		b) Light Delivery vehicl	15.0%	R 423.00	9.87%	R 465.00	9.93%	R 511.00	9.89%	R 367.83
R 755.00	R 656.52		c) Rigid tankers and fl	15.0%	R 830.00	9.93%	R 913.00	10.00%	R 1,004.00	9.97%	R 721.74
R 1,130.00	R 982.61		d) Rigid tankers and fl	15.0%	R 1,243.00	10.00%	R 1,367.00	9.98%	R 1,503.00	9.95%	R 1,080.87
			e) Articulated vehicles up to 20 000 litres								
R 305.00	R 265.22		1) Horse	15.0%	R 335.00	9.83%	R 368.00	9.85%	R 404.00	9.78%	R 291.30
R 755.00	R 656.52		2) Per unit or t	15.0%	R 830.00	9.93%	R 913.00	10.00%	R 1,004.00	9.97%	R 721.74
			f) Articulated vehicles above 20 000 litres								
R 305.00	R 265.22		1) Horse	15.0%	R 335.00	9.83%	R 368.00	9.85%	R 404.00	9.78%	R 291.30
R 1,130.00	R 982.61		2) Per unit or t	15.0%	R 1,243.00	10.00%	R 1,367.00	9.98%	R 1,503.00	9.95%	R 1,080.87
R 170.00	R 147.83		g) Transfer of certificat	15.0%	R 187.00	10.00%	R 205.00	9.63%	R 225.00	9.76%	R 162.61
		6.2.3.9	Event application								
R 170.00	R 147.83		a) Below 500 attende	15.0%	R 187.00	10.00%	R 205.00	9.63%	R 225.00	9.76%	R 162.61
R 340.00	R 295.65		b) Between 500 and	15.0%	R 373.00	9.71%	R 410.00	9.92%	R 451.00	10.00%	R 324.35
R 685.00	R 595.65		c) More than 1000 atte	15.0%	R 753.00	9.93%	R 828.00	9.96%	R 910.00	9.90%	R 654.78
		6.2.3.10	Training per person								
R 360.00	R 313.04		Industrial and Commercial Basic Fire	15.0%	R 395.00	9.72%	R 434.00	9.87%	R 477.00	9.91%	R 343.48
R 600.00	R 521.74		Industrial and Commercial Advanced	15.0%	R 660.00	10.00%	R 726.00	10.00%	R 798.00	9.92%	R 573.91
R 120.00	R 104.35		Portable Fire Extinguisher course – 4	15.0%	R 132.00	10.00%	R 145.00	9.85%	R 159.00	9.66%	R 114.78
		6.2.4	Filling of swimming pools (per pool)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	6.2.5	Permits (per permit)								
REMOVED	REMOVED		(a) Gas	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		(b) Liquid Fuel	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
			(c) Inspection of Vehicles for Hazardous contents transport (HAZCHEM):	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		(d) Spray-paint rooms	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED		Refuse tariffs moved to Civil Services								
		6.2.6	Licensing and Regulating: Hiring and Sundry								
R 865.00	R 752.17	6.2.7.1	Vendor stalls (uncovered)	15.0%	R 951.00	9.94%	R 1,046.00	9.99%	R 1,150.00	9.94%	R 826.96
R 1,400.00	R 1,217.39	6.2.7.2	Vendor stalls – under cover (per annum)	15.0%	R 1,540.00	10.00%	R 1,694.00	10.00%	R 1,863.00	9.98%	R 1,339.13
		6.2.7.3	Clean-up of premises (cost recoverable from owner)								
		6.2.8	Holiday Resorts								
			Deposit for hiring C & D types Chalets at Pine Forest (Dennebos)	Exempt	R 720.00	9.92%	R 792.00	10.00%	R 871.00	9.97%	
R 655.00			Deposit for hiring of other Pine Forest (Dennebos)	Exempt	R 559.00	9.82%	R 614.00	9.84%	R 675.00	9.93%	
R 509.00		6.2.8.1	Administrative levy for cancellation of booking (% of rental amount, no maximum)	15.0%	25.00%	0.00%	25.00%	0.00%	25.00%	0.00%	R 0.22
25.00%	21.74%	6.2.8.1.1	Camping (per stand per night)								
R 413.00	R 359.13		High season	15.0%	R 442.00	7.02%	R 474.00	7.24%	R 508.00	7.17%	R 384.35
R 268.00	R 233.04		High season	15.0%	R 287.00	7.09%	R 307.00	6.97%	R 329.00	7.17%	R 249.57
R 163.00	R 141.74		Out of season	15.0%	R 174.00	6.75%	R 186.00	6.90%	R 199.00	6.99%	R 151.30
R 509.00			Deposit	Exempt	R 545.00	7.07%	R 584.00	7.16%	R 626.00	7.19%	
		6.2.8.1.3	Annual Booking Fee								
R 20,793.00	R 18,080.87		A-type - caravan premises	15.0%	R 22,872.00	10.00%	R 25,159.00	10.00%	R 27,674.00	10.00%	R 19,888.70
R 16,348.00	R 14,215.65		B-type - caravan premises	15.0%	R 17,982.00	10.00%	R 19,780.00	10.00%	R 21,758.00	10.00%	R 15,636.52
R 15,210.00	R 13,226.09		C-type - caravan premises	15.0%	R 16,731.00	10.00%	R 18,404.00	10.00%	R 20,244.00	10.00%	R 14,548.70
R 20,793.00	R 18,080.87		Loq Cabins	15.0%	R 22,872.00	10.00%	R 25,159.00	10.00%	R 27,674.00	10.00%	R 19,888.70
R 15,966.00	R 13,883.48		A-type - Lost City	15.0%	R 17,562.00	10.00%	R 19,318.00	10.00%	R 21,249.00	10.00%	R 15,271.30
R 13,390.00	R 11,643.48		B-type - Lost City	15.0%	R 14,729.00	10.00%	R 16,201.00	9.99%	R 17,821.00	10.00%	R 12,807.83
			Deposit	Exempt							

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		6.2.8.1.4 Chalets (per unit per night)								
		6.2.8.1.4.1 A - Type								
R 504.00	R 438.26	High season (24 December to 9 January & Easter weekend)	15.0%	R 539.00	6.94%	R 576.00	6.86%	R 616.00	6.94%	R 468.70
R 449.00	R 390.43	High season	15.0%	R 480.00	6.90%	R 513.00	6.88%	R 548.00	6.82%	R 417.39
R 366.00	R 318.26	Out of season	15.0%	R 391.00	6.83%	R 418.00	6.91%	R 447.00	6.94%	R 340.00
		6.2.8.1.4.2 B - Type								
R 821.00	R 713.91	High season (24 December to 9 January & Easter weekend)	15.0%	R 878.00	6.94%	R 939.00	6.95%	R 1,004.00	6.92%	R 763.48
R 668.00	R 580.87	High season	15.0%	R 714.00	6.89%	R 763.00	6.86%	R 816.00	6.95%	R 620.87
R 516.00	R 448.70	Out of season	15.0%	R 552.00	6.98%	R 590.00	6.88%	R 631.00	6.95%	R 480.00
		6.2.8.1.4.3 C - Type								
R 1,177.00	R 1,023.48	High season (24 December to 9 January & Easter weekend)	15.0%	R 1,259.00	6.97%	R 1,347.00	6.99%	R 1,441.00	6.98%	R 1,094.78
R 1,124.00	R 977.39	High season	15.0%	R 1,202.00	6.94%	R 1,286.00	6.99%	R 1,376.00	7.00%	R 1,045.22
R 619.00	R 538.26	Out of season	15.0%	R 662.00	6.95%	R 708.00	6.95%	R 757.00	6.92%	R 575.65
		6.2.8.1.4.4 D - Type								
R 1,065.00	R 926.09	High season (24 December to 9 January & Easter weekend)	15.0%	R 1,139.00	6.95%	R 1,218.00	6.94%	R 1,303.00	6.98%	R 990.43
R 893.00	R 776.52	High season	15.0%	R 955.00	6.94%	R 1,021.00	6.91%	R 1,092.00	6.95%	R 830.43
R 564.00	R 490.43	Out of season	15.0%	R 603.00	6.91%	R 645.00	6.97%	R 690.00	6.98%	R 524.35
		6.2.8.1.4.5 E - Type								
R 773.00	R 672.17	High season (24 December to 9 January & Easter weekend)	15.0%	R 827.00	6.99%	R 884.00	6.89%	R 945.00	6.90%	R 719.13
R 716.00	R 622.61	High season	15.0%	R 766.00	6.98%	R 819.00	6.92%	R 876.00	6.96%	R 666.09
R 459.00	R 399.13	Out of season	15.0%	R 491.00	6.97%	R 525.00	6.92%	R 561.00	6.86%	R 426.96
		6.2.8.1.4.6 F - Type								
R 504.00	R 438.26	High season (24 December to 9 January & Easter weekend)	15.0%	R 539.00	6.94%	R 576.00	6.86%	R 616.00	6.94%	R 468.70
R 449.00	R 390.43	High season	15.0%	R 480.00	6.90%	R 513.00	6.88%	R 548.00	6.82%	R 417.39
R 366.00	R 318.26	Out of season	15.0%	R 391.00	6.83%	R 418.00	6.91%	R 447.00	6.94%	R 340.00
		6.2.8.1.4.7 G - Type								
R 1,183.00	R 1,028.70	High season (24 December to 9 January & Easter weekend)	15.0%	R 1,265.00	6.93%	R 1,353.00	6.96%	R 1,447.00	6.95%	R 1,100.00
R 942.00	R 819.13	High season	15.0%	R 1,007.00	6.90%	R 1,077.00	6.95%	R 1,152.00	6.96%	R 875.65
R 584.00	R 507.83	Out of season	15.0%	R 624.00	6.85%	R 667.00	6.89%	R 713.00	6.90%	R 542.61
		6.2.8.1.4.8 Long-term monthly rentals are based on the weekend tariff multiplied by four (4) plus 20 percent.								
		6.2.8.1.5 Day Visitors - Entrance								
R 81.00	R 70.43	Per person per day	15.0%	R 86.00	6.17%	R 92.00	6.98%	R 98.00	6.52%	R 74.78
R 76.00	R 66.09	Per vehicle per day	15.0%	R 81.00	6.58%	R 86.00	6.17%	R 92.00	6.98%	R 70.43
		6.2.8.1.6 Sundry Tariffs								
R 800.00		Conference Hall (deposit)	Exempt	R 800.00	0.00%	R 880.00	10.00%	R 968.00	10.00%	
		Conference Hall hire: per session								
R 594.00	R 516.52	08:00 – 13:00	15.0%	R 635.00	6.90%	R 679.00	6.93%	R 726.00	6.92%	R 552.17
R 594.00	R 516.52	13:00 – 18:00	15.0%	R 635.00	6.90%	R 679.00	6.93%	R 726.00	6.92%	R 552.17
R 794.00	R 690.43	18:00 – 24:00	15.0%	R 849.00	6.93%	R 908.00	6.95%	R 971.00	6.94%	R 738.26
R 1,521.00	R 1,322.61	Conference Hall hire: per day	15.0%	R 1,627.00	6.97%	R 1,740.00	6.95%	R 1,861.00	6.95%	R 1,414.78
		<i>Renting of Recreational Halls to sports clubs (local):</i>								
R 350.00		Deposit	Exempt	R 350.00	0.00%	R 385.00	10.00%	R 423.00	9.87%	
R 1,892.00	R 1,645.22	Annual tariff	15.0%	R 2,270.40	20.00%	R 2,429.00	6.99%	R 2,599.00	7.00%	R 1,974.26
R 88.00	R 76.52	Bedding hiring: per set per week (chalets)	15.0%	R 94.00	6.82%	R 100.00	6.38%	R 107.00	7.00%	R 81.74
		Entrance (Local Residents)								
R 194.00	R 168.70	Clip cards - Local residence in Witzenberg area entrance (5 Visits)	15.0%	R 207.00	6.70%	R 221.00	6.76%	R 236.00	6.79%	R 180.00
		Local residence in Witzenberg annual tickets (per ticket)								
R 449.00	R 390.43	Adults	15.0%	R 480.00	6.90%	R 513.00	6.88%	R 548.00	6.82%	R 417.39
R 329.00	R 286.09	Children	15.0%	R 352.00	6.99%	R 376.00	6.82%	R 402.00	6.91%	R 306.09
R 308.00	R 267.83	Vehicles	15.0%	R 329.00	6.82%	R 352.00	6.99%	R 376.00	6.82%	R 286.09
R 69.00	R 60.00	Clip cards - Recreational facilities 5 clips per ticket	15.0%	R 73.00	5.80%	R 78.00	6.85%	R 83.00	6.41%	R 63.48
		Laundromat facilities								
R 55.00	R 47.83	Per 8kg, excluding washing powder	15.0%	R 58.00	5.45%	R 62.00	6.90%	R 66.00	6.45%	R 50.43
		6.2.8.2 Klipriver Park (Closed)								
		6.2.8.2.1 Chalets (per unit per night)								
		A - Type								
R 436.00	R 379.13	High season (15 December to 16 January & Easter weekend)	15.0%	R 466.00	6.88%	R 498.00	6.87%	R 532.00	6.83%	R 405.22
R 366.00	R 318.26	High season	15.0%	R 391.00	6.83%	R 418.00	6.91%	R 447.00	6.94%	R 340.00
R 257.00	R 223.48	Out of season	15.0%	R 274.00	6.61%	R 293.00	6.93%	R 313.00	6.83%	R 238.26
		B - Type								
R 484.00	R 420.87	High season (15 December to 16 January & Easter weekend)	15.0%	R 517.00	6.82%	R 553.00	6.96%	R 591.00	6.87%	R 449.57
R 385.00	R 334.78	High season	15.0%	R 411.00	6.75%	R 439.00	6.81%	R 469.00	6.83%	R 357.39
R 263.00	R 228.70	Out of season	15.0%	R 281.00	6.84%	R 300.00	6.76%	R 321.00	7.00%	R 244.35

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6.2.8.2.2 Camping (per stand per night)										
R 214.00	R 186.09	High season	15.0%	R 228.00	6.54%	R 243.00	6.58%	R 260.00	7.00%	R 198.26
R 151.00	R 131.30	High season	15.0%	R 161.00	6.62%	R 172.00	6.83%	R 184.00	6.98%	R 140.00
R 87.00	R 75.65	Out of season	15.0%	R 93.00	6.90%	R 99.00	6.45%	R 105.00	6.06%	R 80.87
6.2.8.2.3 Day Visitors										
R 75.00	R 65.22	Per person per day	15.0%	R 80.00	6.67%	R 85.00	6.25%	R 90.00	5.88%	R 69.57
R 75.00	R 65.22	Per vehicle per day	15.0%	R 80.00	6.67%	R 85.00	6.25%	R 90.00	5.88%	R 69.57
6.2.8.3 Discounts - Both Resorts										
The following discounts will be allowed on booking by:										
Pensioners - less 50% during off-season and midweek periods out of peak season										
Registered Caravan Clubs and Club members - less 10% in periods out of peak season										
Midweek in- and off season - less 25%										
Students accompanied by parents - less 12% on day visitor fee										
6.2.9 Swimming Pools										
All swimming pools in										
Witzenbera										
R 11.00	R 9.57	Entrance: Adults	15.0%	R 11.00	0.00%	R 11.00	0.00%	R 11.00	0.00%	R 9.57
R 2.50	R 2.17	Children (school-going)	15.0%	R 2.50	0.0%	R 2.50	0.00%	R 2.50	0.00%	R 2.17
R 150.00	R 130.43	Season tickets	15.0%	R 150.00	0.00%	R 150.00	0.00%	R 150.00	0.00%	R 130.43
R 600.00	R 521.74	Annual fee per School (Only for School activities)	15.0%	R 600.00	0.0%	R 600.00	0.00%	R 600.00	0.00%	R 521.74
R 1,100.00	R 956.52	Annual fee per service providers for Swimming training/lessons (Allow all trainees entry free)	15.0%	R 1,100.00	0.00%	R 1,100.00	0.00%	R 1,100.00	0.00%	R 956.52
6.2.10 Sports grounds										
6.2.10.1 All sports grounds in Witzenbera										
R 81.00	R 70.43	School practices (per practice) max 2/week @3hours / occasion	15.0%	R 89.00	9.88%	R 97.00	8.99%	R 106.00	9.28%	R 77.39
REMOVED	REMOVED	If the school book the practices at the beginning of year and pay in full for all practices. (per practice) No refunds	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
R 174.00	R 151.30	School matches (per match)	15.0%	R 191.00	9.77%	R 210.00	9.95%	R 231.00	10.00%	R 166.09
R 174.00	R 151.30	Sports clubs (per practice) max 2/week @3hours / occasion	15.0%	R 191.00	9.77%	R 210.00	9.95%	R 231.00	10.00%	R 166.09
REMOVED	REMOVED	If the sport club book the practices at the beginning of year and pay in full for all practices. (per practice) No refunds	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
REMOVED	REMOVED	Sports clubs (per match)	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
R 500.00	R 434.78	Sports clubs (per match) with no entrance fees	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 434.78
R 1,000.00	R 869.57	Sports clubs (per match) with entrance/ gate fees	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 869.57
R 1,500.00	R 1,304.35	Other events	15.0%	R 1,650.00	10.00%	R 1,815.00	10.00%	R 1,996.00	9.97%	R 1,304.35
R 1,500.00	R 1,304.35	Tournaments / day	15.0%	R 1,650.00	10.00%	R 1,815.00	10.00%	R 1,996.00	9.97%	R 1,304.35
R 1,500.00	R 1,304.35	Festivals and Carnivals (per day)	15.0%	R 1,650.00	10.00%	R 1,815.00	10.00%	R 1,996.00	9.97%	R 1,304.35
R 2,500.00	R 2,500.00	6.2.10.2 Deposit per event	Exempt	R 2,750.00	10.00%	R 3,025.00	10.00%	R 3,327.00	9.98%	R 2,750.00
No standing deposits will be accepted. Each booking stand alone										
6.2.11 Community Halls and Town Halls										
No discos or dances in any facility										
ALL community Halls:										
Sessions: morning: 8h00-13h00										
afternoon: 13h00-18h00										
evening: 18h00-12h00										
PENALTY : LATE OUT : 50% of deposit										
6.2.11.1 Non-local and Outside Organisations										
6.2.11.1.1 Tulbaqh Community Hall										

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		6.2.11.1.2 Tulbagh Town Hall Local								
		6.2.11.1.3 Organisations/Individuals Town Hall - Ceres								
		Hall, stage and main toilets								
R 400.00	R 347.83	Morning	15.0%	R 420.00	5.00%	R 441.00	5.00%	R 463.00	4.99%	R 365.22
R 400.00	R 347.83	Afternoon	15.0%	R 420.00	5.00%	R 441.00	5.00%	R 463.00	4.99%	R 365.22
R 494.00	R 429.57	Evening	15.0%	R 518.00	4.86%	R 543.00	4.83%	R 570.00	4.97%	R 450.43
		Kitchen								
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 249.57
		Banqueting Hall: (only when								
R 245.00	R 213.04	Morning	15.0%	R 257.00	4.90%	R 269.00	4.67%	R 282.00	4.83%	R 223.48
R 245.00	R 213.04	Afternoon	15.0%	R 257.00	4.90%	R 269.00	4.67%	R 282.00	4.83%	R 223.48
R 279.00	R 242.61	Evening	15.0%	R 292.00	4.66%	R 306.00	4.79%	R 321.00	4.90%	R 253.91
		Tariff 3: Guarantee deposit								
R 2,000.00	R 1,739.13	Per function	Exempt	R 2,099.00	4.95%	R 2,203.00	4.95%	R 2,313.00	4.99%	R 2,099.00
		Tariff 4: equipment per occasion								
R 35.00	R 30.43	Hiring of table cloths (each, per day)	15.0%	R 36.00	2.86%	R 37.00	2.78%	R 38.00	2.70%	R 31.30
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
R 22.00	R 19.13	Hiring of cutlery (per dozen, per day)	15.0%	R 23.00	4.55%	R 24.00	4.35%	R 25.00	4.17%	R 20.00
		Tariff 5: reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 7: Pianos per function (currently not available)								
R 232.00	R 201.74	Piano organ	15.0%	R 243.00	4.74%	R 255.00	4.94%	R 267.00	4.71%	R 211.30
R 260.00	R 226.09	Grand piano	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
		Tariff 8: Rehearsals (per rehearsal)								
		In respect of hall and stage only								
R 163.00	R 141.74	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 171.00	4.91%	R 179.00	4.68%	R 187.00	4.47%	R 148.70
R 182.00	R 158.26	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 191.00	4.95%	R 200.00	4.71%	R 210.00	5.00%	R 166.09
		Tariff 9: Changes to Bookings - per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 134.00	R 116.52	Levy	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 279.00	R 242.61	Sound system for Town Hall (per occasion)	15.0%	R 292.00	4.66%	R 306.00	4.79%	R 321.00	4.90%	R 253.91

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.4 Bella Vista Community Hall								
		All traditional church services (through the night) X2 the 24hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
		Change rooms (excluding main toilets)								
R 74.00	R 64.35	Morning	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 74.00	R 64.35	Afternoon	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 150.00	R 130.43	Evening	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 2: Public dances per session								
R 992.00	R 862.61	Hall, stage and toilets	15.0%	R 1,041.00	4.94%	R 1,093.00	5.00%	R 1,147.00	4.94%	R 905.22
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,099.00	4.95%	R 2,203.00	4.95%	R 2,313.00	4.99%	R 1,825.22
		Tariff 4: equipment per occasion								
R 35.00	R 30.43	Hiring of table cloths (each, per day)	15.0%	R 36.00	2.86%	R 37.00	2.78%	R 38.00	2.70%	R 31.30
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.30	5.20%	R 27.60	4.94%	R 20.87
R 17.40	R 15.13	Hiring of cutlery (per dozen, per day)	15.0%	R 18.30	5.17%	R 19.20	4.92%	R 20.20	5.21%	R 15.91
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 8: Rehearsals (per rehearsal)								
		In respect of hall and stage only								
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings -- per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 119.00	R 103.48	Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.5	Dreyer Hall (currently on lease contract)								
			Tariff 1: Basic charges per session								
R 249.00	R 216.52		Hall, stage and main toilets	15.0%	R 273.00	9.64%	R 300.00	9.89%	R 330.00	10.00%	R 237.39
R 249.00	R 216.52		Morning	15.0%	R 273.00	9.64%	R 300.00	9.89%	R 330.00	10.00%	R 237.39
R 342.00	R 297.39		Afternoon	15.0%	R 376.00	9.94%	R 413.00	9.84%	R 454.00	9.93%	R 326.96
			Evening	15.0%							
			Kitchen								
R 84.00	R 73.04		Morning	15.0%	R 92.00	9.52%	R 101.00	9.78%	R 111.00	9.90%	R 80.00
R 84.00	R 73.04		Afternoon	15.0%	R 92.00	9.52%	R 101.00	9.78%	R 111.00	9.90%	R 80.00
R 100.00	R 86.96		Evening	15.0%	R 110.00	10.00%	R 121.00	10.00%	R 133.00	9.92%	R 95.65
			Change rooms (excluding main toilets)								
R 72.00	R 62.61		Morning	15.0%	R 79.00	9.72%	R 86.00	8.86%	R 94.00	9.30%	R 68.70
R 72.00	R 62.61		Afternoon	15.0%	R 79.00	9.72%	R 86.00	8.86%	R 94.00	9.30%	R 68.70
R 158.00	R 137.39		Evening	15.0%	R 173.00	9.49%	R 190.00	9.83%	R 209.00	10.00%	R 150.43
			Tariff 2: Public dances per session								
R 954.00	R 829.57		Hall, stage and toilets	15.0%	R 1,049.00	9.96%	R 1,153.00	9.91%	R 1,268.00	9.97%	R 912.17
			Tariff 3: Guarantee deposit per function	Exempt	R 399.00	9.92%	R 438.00	9.77%	R 481.00	9.82%	R 399.00
R 363.00	R 363.00		Tariff 4: Equipment								
			Tariff 5: Reduced rates								
			50% discount to organisations that qualify								
			Tariff 6: Levy in respect of exceeding the vacating time								
			In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R10 per hour will be levied until such time that the premises have been fully vacated								
			Tariff 7: Pianos								
			Tariff 8: Rehearsals (per rehearsal)								
			In respect of hall and stage only								
R 72.00	R 62.61		Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 79.00	9.72%	R 86.00	8.86%	R 94.00	9.30%	R 68.70
R 115.00	R 100.00		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 126.00	9.57%	R 138.00	9.52%	R 151.00	9.42%	R 109.57
			Tariff 9: Changes to Bookings -- per booking								
			If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 115.00	R 100.00		Levy	15.0%	R 126.00	9.57%	R 138.00	9.52%	R 151.00	9.42%	R 109.57
		6.2.11.1.6	Bella Vista Youth Centre and Polo cross Hall N'duli								
			Tariff 1: Basic charges per session								
R 260.00	R 226.09		Hall, stage and main toilets	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09		Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 357.00	R 310.43		Afternoon	15.0%	R 374.00	4.76%	R 392.00	4.81%	R 411.00	4.85%	R 325.22
			Evening	15.0%							
			Tariff 2: Public dances per session								
R 992.00	R 862.61		Hall, stage and toilets	15.0%	R 1,041.00	4.94%	R 1,093.00	5.00%	R 1,147.00	4.94%	R 905.22
			Tariff 3: Guarantee deposit per function	Exempt	R 396.00	4.76%	R 415.00	4.80%	R 435.00	4.82%	R 396.00
R 378.00	R 378.00		Tariff 4: Reduced rates								
			50% discount to organisations that qualify								
			Tariff 5: Levy in respect of exceeding the vacating time								
			In the event of the lessee failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R10 per hour will be levied until such time that the premises have been fully								
			Tariff 6: Rehearsals (per rehearsal)								
			In respect of hall and stage only								
R 74.00	R 64.35		Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 119.00	R 103.48		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
			Tariff 7: Changes to bookings --- per booking								
			If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 134.00	R 116.52		Levy	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.7 N'duli New Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 134.00	R 116.52	Morning	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Afternoon	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 198.00	R 172.17	Evening	15.0%	R 207.00	4.55%	R 217.00	4.83%	R 227.00	4.61%	R 180.00
		Change rooms (excluding main toilets)								
R 56.00	R 48.70	Morning	15.0%	R 58.00	3.57%	R 60.00	3.45%	R 63.00	5.00%	R 50.43
R 56.00	R 48.70	Afternoon	15.0%	R 58.00	3.57%	R 60.00	3.45%	R 63.00	5.00%	R 50.43
R 88.00	R 76.52	Evening	15.0%	R 92.00	4.55%	R 96.00	4.35%	R 100.00	4.17%	R 80.00
		Tariff 2: Public dances per session								
REMOVED	REMOVED	Hall, stage and toilets	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
		Tariff 3: Guarantee deposit per function								
REMOVED	REMOVED	Deposit per function- excluding kitchen	Exempt	REMOVED		REMOVED		REMOVED		REMOVED
R 500.00	R 500.00	Deposit per function- including kitchen	Exempt	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 525.00
R 2,000.00	R 2,000.00	Deposit per function- including kitchen	Exempt	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 2,100.00
		Tariff 4: Equipment								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 20.87
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 7: Rehearsals (per rehearsal)								
		In respect of hall and stage only								
R 119.00	R 103.48	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 8: Changes to bookings --- per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a levy will be charged								
R 119.00	R 103.48	Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.8 Prince Alfred's Hamlet Town Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 134.00	R 116.52	Morning	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Afternoon	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 198.00	R 172.17	Evening	15.0%	R 207.00	4.55%	R 217.00	4.83%	R 227.00	4.61%	R 180.00
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings - per booking								
R 119.00	R 103.48	If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a Lev	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.9 Prince Alfred's Hamlet Community Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 134.00	R 116.52	Morning	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Afternoon	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 198.00	R 172.17	Evening	15.0%	R 207.00	4.55%	R 217.00	4.83%	R 227.00	4.61%	R 180.00
		Tariff 3: Guarantee deposit								
		Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 500.00	R 434.78	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
R 2,000.00	R 1,739.13									
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official								
		Tariff 8: Rehearsals (per rehearsal)								
		Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 105.00	R 91.30	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
R 150.00	R 130.43									
		Tariff 9: Changes to Bookings - per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a								
R 119.00	R 103.48	Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.1.10 Tulbagh Community Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 134.00	R 116.52	Morning	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Afternoon	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 198.00	R 172.17	Evening	15.0%	R 207.00	4.55%	R 217.00	4.83%	R 227.00	4.61%	R 180.00
		Tariff 3: Guarantee deposit								
		Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 500.00	R 434.78	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
R 2,000.00	R 1,739.13									
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official								
		Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings - per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
R 119.00	R 103.48									

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.2 Local Organisations								
		6.2.11.2.1 Tulbagh Town Hall								
R 2,500.00	R 2,500.00	All traditional church services (through the night) X2 the 24 hour tariff Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 400.00	R 347.83	Morning	15.0%	R 420.00	5.00%	R 441.00	5.00%	R 463.00	4.99%	R 365.22
R 400.00	R 347.83	Afternoon	15.0%	R 420.00	5.00%	R 441.00	5.00%	R 463.00	4.99%	R 365.22
R 494.00	R 429.57	Evening	15.0%	R 518.00	4.86%	R 543.00	4.83%	R 570.00	4.97%	R 450.43
		Kitchen								
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
		Banqueting Hall: (only when not used in conjunction with kitchen) per session								
R 245.00	R 213.04	Morning	15.0%	R 257.00	4.90%	R 269.00	4.67%	R 282.00	4.83%	R 223.48
R 245.00	R 213.04	Afternoon	15.0%	R 257.00	4.90%	R 269.00	4.67%	R 282.00	4.83%	R 223.48
R 279.00	R 242.61	Evening	15.0%	R 292.00	4.66%	R 306.00	4.79%	R 321.00	4.90%	R 253.91
		Tariff 3: Guarantee deposit								
R 2,000.00	R 1,739.13	Per function	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 8: Rehearsals (per rehearsal)								
		In respect of hall and stage only								
R 163.00	R 141.74	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 171.00	4.91%	R 179.00	4.68%	R 187.00	4.47%	R 148.70
R 182.00	R 158.26	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 191.00	4.95%	R 200.00	4.71%	R 210.00	5.00%	R 166.09
		Tariff 9: Changes to Bookings - per booking								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a								
R 134.00	R 116.52	Levy	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 150.00	R 130.43	Preparation of hall per hour	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.2.3 Montana Community Hall								
R 2,500.00	R 2,500.00	All traditional church services (through the night) X2 the 24 hour tariff								
		Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
		Change rooms (excluding main toilets)								
R 74.00	R 64.35	Morning	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 74.00	R 64.35	Afternoon	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 150.00	R 130.43	Evening	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official authorisation thereto has been granted, an amount of R50 per hour will be levied until such time that the premises have been fully vacated								
		Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings								
		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83
R 119.00	R 103.48	Montana Library Hall : Per occasion (No Church Services)	15.0%	R 140.00	4.48%	R 147.00	5.00%	R 154.00	4.76%	R 121.74
R 134.00	R 116.52	Stamper Street Hall : (per occasion)	15.0%	R 171.00	4.91%	R 179.00	4.68%	R 187.00	4.47%	R 148.70
R 163.00	R 141.74									

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
	R 0.00	6.2.11.2.4	Pine Valley Community Hall All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00		Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
			Tariff 1: Basic charges per session								
			Hall, stage and main toilets								
R 287.00	R 249.57		Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57		Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65		Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
			Kitchen								
R 260.00	R 226.09		Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09		Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57		Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
			Change rooms (excluding main toilets)								
R 74.00	R 64.35		Morning	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 74.00	R 64.35		Afternoon	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 150.00	R 130.43		Evening	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
			Tariff 3: Guarantee deposit								
R 500.00	R 434.78		Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13		Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
			Tariff 4: equipment per occasion								
R 24.00	R 20.87		Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
			Tariff 5: Reduced rates								
			50% discount to organisations that qualify								
			Tariff 6: Levy in respect of exceeding the vacating time								
			In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official								
			Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30		Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43		Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
			Tariff 9: Changes to Bookings - near booking								
R 119.00	R 103.48		If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

NB: Once in a quarter the hall may be utilised, without charge, by political parties that are represented in Council, for their political meetings with the community. The political party concerned must however present its intent to the Municipal Manager, and consent is subject to the availability of the facility. Priority will be given to the order in which applications are received.

NB: The Municipal Manager may use his discretion to offer a hall free of any charge to Youth-, Service-, Charity-, Community-, Sport-, Educational- and State Institutions, and Senior Citizens.

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.11.2.5 Op-Die-Berg Community Hall								
		All traditional church services (through the night) X2 the 24 hour tariff								
R 2,500.00	R 2,500.00	Deposit for above	Exempt	R 2,625.00	5.00%	R 2,756.00	4.99%	R 2,893.00	4.97%	R 2,625.00
		Tariff 1: Basic charges per session								
		Hall, stage and main toilets								
R 287.00	R 249.57	Morning	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 287.00	R 249.57	Afternoon	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
R 432.00	R 375.65	Evening	15.0%	R 453.00	4.86%	R 475.00	4.86%	R 498.00	4.84%	R 393.91
		Kitchen								
R 260.00	R 226.09	Morning	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 260.00	R 226.09	Afternoon	15.0%	R 273.00	5.00%	R 286.00	4.76%	R 300.00	4.90%	R 237.39
R 287.00	R 249.57	Evening	15.0%	R 301.00	4.88%	R 316.00	4.98%	R 331.00	4.75%	R 261.74
		Change rooms (excluding main toilets)								
R 74.00	R 64.35	Morning	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 74.00	R 64.35	Afternoon	15.0%	R 77.00	4.05%	R 80.00	3.90%	R 84.00	5.00%	R 66.96
R 150.00	R 130.43	Evening	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 3: Guarantee deposit								
R 500.00	R 434.78	Per function --- excluding kitchen	15.0%	R 525.00	5.00%	R 551.00	4.95%	R 578.00	4.90%	R 456.52
R 2,000.00	R 1,739.13	Per function --- including kitchen	15.0%	R 2,100.00	5.00%	R 2,205.00	5.00%	R 2,315.00	4.99%	R 1,826.09
		Tariff 4: equipment per occasion								
R 24.00	R 20.87	Hiring of tables (each, per day)	15.0%	R 25.00	4.17%	R 26.00	4.00%	R 27.00	3.85%	R 21.74
		Tariff 5: Reduced rates								
		50% discount to organisations that qualify								
		Tariff 6: Levy in respect of exceeding the vacating time								
		In the event of the hirer failing to vacate the hired premises within the applicable period, or by 13:00 of the following work day provided official								
		Tariff 8: Rehearsals (per rehearsal)								
R 105.00	R 91.30	Morning: 10:00 - 12:00 (per rehearsal)	15.0%	R 110.00	4.76%	R 115.00	4.55%	R 120.00	4.35%	R 95.65
R 150.00	R 130.43	Evening: 18:00 - 20:00 (per rehearsal)	15.0%	R 157.00	4.67%	R 164.00	4.46%	R 172.00	4.88%	R 136.52
		Tariff 9: Changes to Bookings - per booking								
R 119.00	R 103.48	If notice of a change to a booking is given less than 30 days prior --- excepting when the change is occasioned by a request from Council --- a Levy	15.0%	R 124.00	4.20%	R 130.00	4.84%	R 136.00	4.62%	R 107.83

NB: Once in a quarter the hall may be utilised, without charge, by political parties that are represented in Council, for their political meetings with the community. The political party concerned must however present its intent to the Municipal Manager, and consent is subject to the availability of the facility. Priority will be given to the order in which applications are received.

NB: The Municipal Manager may use his discretion to offer a hall free of any charge to Youth-, Service-, Charity-, Community-, Sport-, Educational- and State Institutions, and Senior Citizens.

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.2.12 Cemeteries								
		Tariffs								
		6.2.12.1 Non-local residents								
		All persons that were resident outside the Witzenberg Municipal jurisdiction.								
R 4,290.00	R 3,730.43	6 ft excavation: plot included	15.0%	R 4,719.00	10.00%	R 5,190.00	9.98%	R 5,709.00	10.00%	R 4,103.48
R 5,095.00	R 4,430.43	8 ft excavation: plot included	15.0%	R 5,604.00	9.99%	R 6,164.00	9.99%	R 6,780.00	9.99%	R 4,873.04
R 1,283.00	R 1,115.65	Re-burials: opening and closing	15.0%	R 1,411.00	9.98%	R 1,552.00	9.99%	R 1,707.00	9.99%	R 1,226.96
R 431.00	R 374.78	Memorial plaque	15.0%	R 474.00	9.98%	R 521.00	9.92%	R 573.00	9.98%	R 412.17
		6.2.12.2 Local residents								
		All persons that were resident inside the Witzenberg Municipal								
		6.2.12.2.1 Indigent cases								
		Town residents								
		Definition:								
		At the time of death the deceased had to be part of a household that was approved as an indigent case, also noted as such in the Financial								
		Rural residents								
		Definition:								
		At the time of death the deceased had to be part of a household of which the combined income did not exceed twice the State's Old-age Pension allowance, and that the deceased had resided in the house at that time.								
		Plots for indigent cases are free of charge, being funded								
		6.2.12.2.2 Local Residents and all other cases								
R 477.00	R 414.78	Plot	15.0%	R 524.00	9.85%	R 576.00	9.92%	R 633.00	9.90%	R 455.65
R 1,530.00	R 1,330.43	6 ft excavation	15.0%	R 1,683.00	10.00%	R 1,851.00	9.98%	R 2,036.00	9.99%	R 1,463.48
R 1,641.00	R 1,426.96	8 ft excavation	15.0%	R 1,805.00	9.99%	R 1,985.00	9.97%	R 2,183.00	9.97%	R 1,569.57
R 736.00	R 640.00	Re-burials: opening and closing of graves	15.0%	R 809.00	9.92%	R 889.00	9.89%	R 977.00	9.90%	R 703.48
R 413.00	R 359.13	Memorial plaque	15.0%	R 454.00	9.93%	R 499.00	9.91%	R 548.00	9.82%	R 394.78

RATES AND TARIFFS 2022/2023 - 2024/2025

Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat	Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.3. FINANCIAL SERVICES								
		6.3.1 Administrative fees								
R 156.00	R 135.65	6.3.1.1 Furnishing of evaluation- and / or clearance certificates in accordance with Section 96 of Ordinance 20 of 1974: per certificate	15.0%	R 171.00	9.62%	R 188.00	9.94%	R 206.00	9.57%	R 148.70
		6.3.1.2 Valuations & deed search								
		6.3.1.2.1 Re-evaluation of properties (per application)								
R 280.00	R 243.48	- Residential properties	15.0%	R 308.00	10.00%	R 338.00	9.74%	R 371.00	9.76%	R 267.83
R 1,369.00	R 1,190.43	- Business properties	15.0%	R 1,505.00	9.93%	R 1,655.00	9.97%	R 1,820.00	9.97%	R 1,308.70
R 1,702.00	R 1,480.00	- Agricultural properties	15.0%	R 1,872.00	9.99%	R 2,059.00	9.99%	R 2,264.00	9.96%	R 1,627.83
R 1,530.00	R 1,330.43	- State owned properties	15.0%	R 1,683.00	10.00%	R 1,851.00	9.98%	R 2,036.00	9.99%	R 1,463.48
R 138.00	R 120.00	- Urban vacant land	15.0%	R 151.00	9.42%	R 166.00	9.93%	R 182.00	9.64%	R 131.30
R 280.00	R 243.48	- Other not specified above	15.0%	R 308.00	10.00%	R 338.00	9.74%	R 371.00	9.76%	R 267.83
R 60.00	R 52.17	6.3.1.2.2 Deeds office search per erf	15.0%	R 66.00	10.00%	R 72.00	9.09%	R 79.00	9.72%	R 57.39
R 1,098.00	R 954.78	6.3.1.2.3 Request for valuation detail per erf	15.0%	R 1,207.00	9.93%	R 1,327.00	9.94%	R 1,459.00	9.95%	R 1,049.57
R 59.00	R 51.30	6.3.1.3 Tracing of any information older than six months. (per hour or part thereof)	15.0%	R 64.00	8.47%	R 70.00	9.38%	R 77.00	10.00%	R 55.65
R 59.00	R 51.30	6.3.1.4 Issuing of accounts' duplicates (per account)	15.0%	R 64.00	8.47%	R 70.00	9.38%	R 77.00	10.00%	R 55.65
R 611.00	R 531.30	6.3.1.5 Furnishing of name- and address list (per list) (per town)	15.0%	R 672.00	9.98%	R 739.00	9.97%	R 812.00	9.88%	R 584.35
R 123.00	R 106.96	6.3.1.6 Surcharge on Refer to Drawer cheques (per cheque)	15.0%	R 135.00	9.76%	R 148.00	9.63%	R 162.00	9.46%	R 117.39
R 40.00	R 34.78	6.3.1.7 Excess	15.0%	R 44.00	10.00%	R 48.00	9.09%	R 52.00	8.33%	R 38.26
		6.3.1.8 Recovery costs								
		6.3.1.8.1 Tariffs for processes and the serving of documentation by the Serving of a registered reminder (per reminder)	15.0%	R 49.00	8.89%	R 53.00	8.16%	R 58.00	9.43%	R 42.61
R 45.00	R 39.13	6.3.1.8.1.1 Stamp costs (per summonses)	15.0%	R 73.00	8.96%	R 80.00	9.59%	R 88.00	10.00%	R 63.48
R 67.00	R 58.26	6.3.1.8.1.2 Serving of summonses and/or writs (per serving)	15.0%	R 209.00	10.00%	R 229.00	9.57%	R 251.00	9.61%	R 181.74
R 190.00	R 165.22	6.3.1.8.1.3 Inside the Witzenberg jurisdiction	15.0%	R 511.00	9.89%	R 562.00	9.98%	R 618.00	9.96%	R 444.35
R 465.00	R 404.35	6.3.1.8.1.3 Outside the Witzenberg jurisdiction	15.0%	R 511.00	9.89%	R 562.00	9.98%	R 618.00	9.96%	R 444.35
		6.3.1.8.2 Levying of any legal costs								
		6.3.2 Water								
		Re-connection of suspended supply on request by consumer per connection								
R 139.00	R 120.87	6.3.2.1 (a) Urban areas	15.0%	R 152.00	9.35%	R 167.00	9.87%	R 183.00	9.58%	R 132.17
R 171.00	R 148.70	(b) Rural areas	15.0%	R 188.00	9.94%	R 206.00	9.57%	R 226.00	9.71%	R 163.48
		6.3.2.2 Re-connection after non-payment per suspension list -								
R 54.00	R 46.96	(a) Urban areas	15.0%	R 59.00	9.26%	R 64.00	8.47%	R 70.00	9.38%	R 51.30
R 80.00	R 69.57	(b) Rural areas	15.0%	R 88.00	10.00%	R 96.00	9.09%	R 105.00	9.38%	R 76.52
		6.3.2.3 Special meter reading per reading per meter								
R 205.00	R 178.26	(a) Urban areas	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
R 318.00	R 276.52	(b) Rural areas	15.0%	R 349.00	9.75%	R 383.00	9.74%	R 421.00	9.92%	R 303.48
		6.3.2.5 Tampering with meter connection								
		(a) In the event where a consumer's water supply has been cut and sealed with a cap and key, and such seal had been removed without the consent of the Municipality, the following charges for tampering will be levied against the consumer								
R 1,369.00	R 1,190.43	(b) Where a consumer had made an illegal water connection in front of the meter, the supply will be disconnected immediately, and one of the following charges will be levied against the consumer	15.0%	R 1,505.00	9.93%	R 1,655.00	9.97%	R 1,820.00	9.97%	R 1,308.70
		(i) A criminal charge to be laid by the SAPS								
R 2,741.00	R 2,383.48	(ii) An admission of guilt (see tariff attached) plus the cost of the damage and possible	15.0%	R 3,015.00	10.00%	R 3,316.00	9.98%	R 3,647.00	9.98%	R 2,621.74
		(c) Where a consumer is guilty of a second offence in terms of an illegal water connection, the connection will be summarily								

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R 1,000.00	R 869.57	Gaining Access to water services without approval from	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 956.52
R 1,000.00	R 869.57	Gain Acces to water services without agreement with the	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 956.52
R 1,000.00	R 869.57	Refuse to give access required by the municipality in terms of	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 956.52
R 500.00	R 434.78	Fail to comply with a notice served upon him/her in terms of	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 1,000.00	R 869.57	Disconnect a measuring device and its associated apparatus	15.0%	R 1,100.00	10.00%	R 1,210.00	10.00%	R 1,331.00	10.00%	R 956.52
R 500.00	R 434.78	Break a seal which the municipality has placed on a	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 500.00	R 434.78	Interfere with a measuring device and its associated	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 2,000.00	R 1,739.13	Owner fail to provide and maintain approved measures to prevent the entry of substance	15.0%	R 2,200.00	10.00%	R 2,420.00	10.00%	R 2,662.00	10.00%	R 1,913.04
R 500.00	R 434.78	Disregard any water restrictions imposed by the municipality	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 500.00	R 434.78	Permit wasteful discharge of water from the terminal fittings	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
R 500.00	R 434.78	Permit an overflow of water to	15.0%	R 550.00	10.00%	R 605.00	10.00%	R 665.00	9.92%	R 478.26
		6.3.3 Electricity								
R 51.00	R 44.35	6.3.3.1 Re-connections of cut supplies								
R 51.00	R 44.35	(a) Urban areas	15.0%	R 56.00	9.80%	R 61.00	8.93%	R 67.00	9.84%	R 48.70
		(b) Rural areas	15.0%	R 56.00	9.80%	R 61.00	8.93%	R 67.00	9.84%	R 48.70
		6.3.3.2 Re-connections of cut supplies on request of consumers of								
R 136.00	R 118.26	(a) Urban areas	15.0%	R 149.00	9.56%	R 163.00	9.40%	R 179.00	9.82%	R 129.57
R 171.00	R 148.70	(b) Rural areas	15.0%	R 188.00	9.94%	R 206.00	9.57%	R 226.00	9.71%	R 163.48
R 243.00	R 211.30	(c) All areas after hours	15.0%	R 267.00	9.88%	R 293.00	9.74%	R 322.00	9.90%	R 232.17
R 205.00	R 178.26	6.3.3.3 Special meter reading as per								
R 318.00	R 276.52	(a) Urban areas	15.0%	R 225.00	9.76%	R 247.00	9.78%	R 271.00	9.72%	R 195.65
		(b) Rural areas	15.0%	R 349.00	9.75%	R 383.00	9.74%	R 421.00	9.92%	R 303.48
R 18.00	R 15.65	6.3.3.4 Duplicate Identification Card: Pre-Paid electricity, per card.	15.0%	R 20.00	11.11%	R 15.00	-25.00%	R 16.00	6.67%	R 17.39
R 300.00	R 260.87	6.3.3.5 Switching Fee (Any call out for private purposes)	15.0%	R 330.00	10.00%	R 363.00	10.00%	R 399.00	9.92%	R 286.96
R 2,401.00	R 2,401.00	6.3.4 Deposits - new buildings								
		Businesses	Exempt	R 2,641.00	10.00%	R 2,905.00	10.00%	R 3,195.00	9.98%	R 2,641.00
		Industries (Estimated on consumption)	Exempt							
		Residential clients								
R 349.00	R 349.00	With pre-paid electricity and water meter	Exempt	R 383.00	9.74%	R 421.00	9.92%	R 463.00	9.98%	R 383.00
R 564.00	R 564.00	With only a pre-paid electricity meter	Exempt	R 620.00	9.93%	R 682.00	10.00%	R 750.00	9.97%	R 620.00
R 1,341.00	R 1,341.00	All other residential clients	Exempt	R 1,475.00	9.99%	R 1,622.00	9.97%	R 1,784.00	9.99%	R 1,475.00
		<i>Deposit can be adjusted to align it to the Credit Contril Policy</i>								

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		6.4.	TECHNICAL SERVICES								
		6.4.1.	CIVIL SERVICES								
		6.4.1.1	Building Plan								
R 26.00	R 22.61	6.4.1.1.1	Calculate on the gross covered area, to the nearest square (Subject to the stipulation at 4.1.1.2 hereunder) Industrial/commercial tariff per building plan per m ² (Subject to the stipulation at 4.1.1.2 hereunder)	15.0%	R 28.00	7.69%	R 30.00	7.14%	R 32.00	6.67%	R 24.35
R 302.00	R 262.61		With a minimum building plan tariff	15.0%	R 317.00	4.97%	R 332.00	4.73%	R 348.00	4.82%	R 275.65
R 2,085.00			Building deposit	Exempt	R 2,189.00	4.99%	R 2,298.00	4.98%	R 2,412.00	4.96%	R 2,189.00
			In the event of illegal building operations without an approved plan, a charge of <u>three</u> times the above building plan fees plus the following tariff per day that the plan is outstanding, will apply.	15.0%	R 172.00	4.88%	R 180.00	4.65%	R 189.00	5.00%	R 149.57
R 164.00	R 142.61										
		6.4.1.1.2	Swimming pools - per application, irrespective of the size of the pool. Fixed tariff per swimming pool	15.0%	R 533.00	4.92%	R 559.00	4.88%	R 586.00	4.83%	R 463.48
R 508.00	R 441.74										
		6.4.1.1.3	Advertising signs application								
R 2,442.00	R 2,123.48		Permitted third party advertising	15.0%	R 2,564.00	5.00%	R 2,692.00	4.99%	R 2,826.00	4.98%	R 2,229.57
R 4,071.00	R 3,540.00		Permitted third party advertising	15.0%	R 4,274.00	4.99%	R 4,487.00	4.98%	R 4,711.00	4.99%	R 3,716.52
			Advertising sign, direction indicator or name sign on building (<1.0m ²) per sign	15.0%	R 337.00	4.98%	R 353.00	4.75%	R 370.00	4.82%	R 293.04
R 321.00	R 279.13		Advertising sign, direction indicator or name sign on building (<5.0m ²) per sign	15.0%	R 1,191.00	4.93%	R 1,250.00	4.95%	R 1,312.00	4.96%	R 1,035.65
R 1,135.00	R 986.96		Advertising sign, direction indicator or name sign on building (>5.0m ²) per sign	15.0%	R 2,564.00	5.00%	R 2,692.00	4.99%	R 2,826.00	4.98%	R 2,229.57
R 2,442.00	R 2,123.48		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (<1.0m ²) per board	15.0%	R 505.00	4.99%	R 530.00	4.95%	R 556.00	4.91%	R 439.13
R 481.00	R 418.26		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (<5.0m ²) per board	15.0%	R 1,791.00	4.98%	R 1,880.00	4.97%	R 1,974.00	5.00%	R 1,557.39
R 1,706.00	R 1,483.48		Advertising sign, direction indicator or name sign, Free-standing or on Refuse bin (>5.0m ²) per board	15.0%	R 3,417.00	4.98%	R 3,587.00	4.98%	R 3,766.00	4.99%	R 2,971.30
R 3,255.00	R 2,830.43		Removal of illegal signs or advertisements	15.0%	R 1,000.00	new	R 1,100.00	10.00%	R 1,210.00	10.00%	R 869.57
R 1,000.00	R 869.57										
R 740.00	R 643.48	6.4.1.1.4	Internal Changes (All Buildings)	15.0%	R 777.00	5.00%	R 815.00	4.89%	R 855.00	4.91%	R 675.65
R 2,095.00	R 1,821.74	6.4.1.1.5	Major Hazard Installations	15.0%	R 2,199.00	4.96%	R 2,308.00	4.96%	R 2,423.00	4.98%	R 1,912.17
R 1,683.00	R 1,463.48	6.4.1.1.6	LPG Installations	15.0%	R 1,767.00	4.99%	R 1,855.00	4.98%	R 1,947.00	4.96%	R 1,536.52
R 2,905.00	R 2,526.09	6.4.1.1.7	Cellphone Mast	15.0%	R 3,050.00	4.99%	R 3,202.00	4.98%	R 3,362.00	5.00%	R 2,652.17
		6.4.1.1.8	Extension of approved building plan (for consideration of extending plan validity. Extension must be applied to prior to lapse date of plan)	15.0%	R 1,038.00	4.95%	R 1,089.00	4.91%	R 1,143.00	4.96%	R 902.61
R 989.00	R 860.00										
R 1,237.00	R 1,075.65	6.4.1.1.9	Demolition certificate	15.0%	R 1,298.00	4.93%	R 1,362.00	4.93%	R 1,430.00	4.99%	R 1,128.70
		6.4.1.1.10	Temporary commencement of building work in terms of Article 7(6) NBR (Not refundable)	15.0%	R 2,601.00	4.96%	R 2,731.00	5.00%	R 2,867.00	4.98%	R 2,261.74
R 2,478.00	R 2,154.78										
R 477.00	R 414.78	6.4.1.1.11	Minimum building fee	15.0%	R 500.00	4.82%	R 525.00	5.00%	R 551.00	4.95%	R 434.78
		6.4.1.1.12	Penalty Fee for moving into house without occupation	15.0%	R 10,499.00	4.99%	R 11,023.00	4.99%	R 11,574.00	5.00%	R 8,695.65
R 10,000.00	R 8,695.65										

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		6.4.1.2 Sewerage	15.0%							
R 7,036.00	R 6,118.26	Sewerage connection, per connection	15.0%	R 7,387.00	4.99%	R 7,756.00	5.00%	R 8,143.00	4.99%	R 6,423.48
R 7,051.00	R 6,131.30	150 mm - connection to the maximum of 10 m in length	15.0%	R 7,403.00	4.99%	R 7,773.00	5.00%	R 8,161.00	4.99%	R 6,437.39
R 363.00	R 315.65	> 10 m lengths (per meter)	15.0%	R 381.00	4.96%	R 400.00	4.99%	R 420.00	5.00%	R 331.30
		Sewerage blockages: per blockage	15.0%							
R 662.00	R 575.65	Week days	15.0%	R 695.00	4.98%	R 729.00	4.89%	R 765.00	4.94%	R 604.35
R 1,169.00	R 1,016.52	Weekends and Public Holidays - per call-out	15.0%	R 1,227.00	4.96%	R 1,288.00	4.97%	R 1,352.00	4.97%	R 1,066.96
		Sewerage Connection (Per Connections) > 10 m lengths (per meter) - Actual Cost	15.0%							
R 2,500.00	R 2,173.91	Illegally installing a connecting sewer without the necessary authority or approval	15.0%	R 2,624.00	4.96%	R 2,755.00	4.99%	R 2,892.00	4.97%	R 2,173.91
		Failure to provide for a grease trap of an approved type, size and capacity on a premises that discharge sewage to on-site sanitation systems and that	15.0%	R 1,575.00	5.00%	R 1,653.00	4.95%	R 1,735.00	4.96%	R 1,304.35
R 1,500.00	R 1,304.35	Causing or permitting an accumulation of oil, fat, inorganic solid matter, or any other substance in any trap, tank or chamber that may cause the blockage or ineffective operation of a grease trap	15.0%	R 1,049.00	4.90%	R 1,101.00	4.96%	R 1,156.00	5.00%	R 869.57
R 1,000.00	R 869.57	Discharging or causing the discharge of or permit industrial effluent to be discharged into the municipal sanitation system, without the approval of the	15.0%	R 5,249.00	4.98%	R 5,511.00	4.99%	R 5,786.00	4.99%	R 4,347.83
R 5,000.00	R 4,347.83	Delivering sewage by road haulage to sewage treatment plant and discharging the sewage concerned into a municipal sewage treatment	15.0%	R 1,575.00	5.00%	R 1,653.00	4.95%	R 1,735.00	4.96%	R 1,304.35
R 1,500.00	R 1,304.35	Discharging or causing the discharge of sewage or industrial effluent transported by road haulage at an unauthorised	15.0%	R 2,624.00	4.96%	R 2,755.00	4.99%	R 2,892.00	4.97%	R 2,173.91
R 2,500.00	R 2,173.91	discharge point other than the Unlawfully and unauthorized discharging or causing or permitting sewage or industrial effluent directly or indirectly into a storm water drain, a river or a natural watercourse or artificial	15.0%	R 2,624.00	4.96%	R 2,755.00	4.99%	R 2,892.00	4.97%	R 2,173.91
R 2,500.00	R 2,173.91									
		6.4.1.3 Water								
		6.4.1.3.1 Water connection (per connection)								
R 3,468.00	R 3,015.65	Size: To 25 mm	15.0%	R 3,641.00	4.99%	R 3,823.00	5.00%	R 4,014.00	5.00%	R 3,166.09
R 4,428.00	R 3,850.43	32 mm	15.0%	R 4,649.00	4.99%	R 4,881.00	4.99%	R 5,125.00	5.00%	R 4,042.61
R 5,049.00	R 4,390.43	40 mm	15.0%	R 5,301.00	4.99%	R 5,566.00	5.00%	R 5,844.00	4.99%	R 4,609.57
R 10,342.00	R 8,993.04	50 mm	15.0%	R 10,859.00	5.00%	R 11,401.00	4.99%	R 11,971.00	5.00%	R 9,442.61
R 11,599.00	R 10,086.09	80 mm	15.0%	R 12,178.00	4.99%	R 12,786.00	4.99%	R 13,425.00	5.00%	R 10,589.57
R 13,359.00	R 11,616.52	100 mm	15.0%	R 14,026.00	4.99%	R 14,727.00	5.00%	R 15,463.00	5.00%	R 12,196.52
R 25,750.00	R 22,391.30	150 mm	15.0%	R 27,037.00	5.00%	R 28,388.00	5.00%	R 29,807.00	5.00%	R 23,510.43
		6.4.1.3.2 Smart Meter Connection (per connection)								
R 5,926.00	R 5,153.04	15 mm	15.0%	R 6,222.00	4.99%	R 6,533.00	5.00%	R 6,859.00	4.99%	R 5,410.43
R 6,036.00	R 5,248.70	20 mm	15.0%	R 6,337.00	4.99%	R 6,653.00	4.99%	R 6,985.00	4.99%	R 5,510.43
R 28,976.00	R 25,196.52	50 mm	15.0%	R 30,424.00	5.00%	R 31,945.00	5.00%	R 33,542.00	5.00%	R 26,455.65

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		6.4.1.4	Civil								
R 2,340.00	R 2,034.78		Motor driveways								
			Single driveways (3,5m max) each	15.0%	R 2,457.00	5.00%	R 2,579.00	4.97%	R 2,707.00	4.96%	R 2,136.52
R 4,231.00	R 3,679.13		Double driveways (7,0m max) each	15.0%	R 4,442.00	4.99%	R 4,664.00	5.00%	R 4,897.00	5.00%	R 3,862.61
R 778.00	R 676.52		Placement of bridging/kerbing (each)	15.0%	R 816.00	4.88%	R 856.00	4.90%	R 898.00	4.91%	R 709.57
			Private tarring								
			Any other private work (per quotation): Actual cost + 20 %	15.0%							
			Private work forms to be completed in all cases								
		6.4.1.5	Plans: copies								
R 110.00	R 95.65		Copies of plans per square meter size of plan	15.0%	R 115.00	4.55%	R 120.00	4.35%	R 126.00	5.00%	R 100.00
R 273.00	R 237.39		Copies: Sepia, per copy	15.0%	R 286.00	4.76%	R 300.00	4.90%	R 315.00	5.00%	R 248.70
R 321.00	R 279.13		Copies: Durester, per copy	15.0%	R 337.00	4.98%	R 353.00	4.75%	R 370.00	4.82%	R 293.04
R 13.00	R 11.30		A3 or A4, per copy	15.0%	R 14.00	7.69%	R 15.00	7.14%	R 16.00	6.67%	R 12.17
		6.4.1.6	Town Planning costs								
			(In terms of Ordinance on Land Use Planning)								
R 1,757.00	R 1,527.83	6.4.1.6.1	Concessionary use, per application	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.2	Re-zoning, per property	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 363.00	R 315.65	6.4.1.6.3	Departure Art 15(1)(a)(i) Erven <500m ² per application	15.0%	R 381.00	4.96%	R 400.00	4.99%	R 420.00	5.00%	R 331.30
R 730.00	R 634.78		Erven 500m ² - 750m ² per application	15.0%	R 766.00	4.93%	R 804.00	4.96%	R 844.00	4.98%	R 666.09
R 1,757.00	R 1,527.83		Erven > 750m ² per application	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83		Section 15(1)(a)(ii)(temporary) per application	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.4	Sub-divisions: per application								
			Up to 20 erven	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 77.00	R 66.96		More than 20 erven (Tariff 4.6.4.1 plus tariff per erven)	15.0%	R 80.00	3.90%	R 84.00	5.00%	R 88.00	4.76%	R 69.57
		6.4.1.6.5	Contribution to external services - New Developments (bulk services per site)	15.0%							
R 7,500.00	R 6,521.74	6.4.1.6.6.4	Buyout of parking	15.0%	R 7,500.00		R 7,875.00	5.00%	R 8,268.00	4.99%	R 6,521.74
		6.4.1.6.7	Town Planning costs: (In terms of the Land Use Planning By-law)								
R 1,757.00	R 1,527.83	6.4.1.6.7.1	Public place closure	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.2	Restrictive condition	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.3	Deemed zoning	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.4	Amendment/cancellation of subdivision	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.5	Consolidation	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.6	Amendment of Condition	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.7	Extension of validity period	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.8	Lease area	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
R 1,757.00	R 1,527.83	6.4.1.6.7.9	Transfer certificate	15.0%	R 1,844.00	4.95%	R 1,936.00	4.99%	R 2,032.00	4.96%	R 1,603.48
REMOVED	REMOVED	6.4.1.6.7.10	SDF amendment	15.0%	REMOVED		REMOVED		REMOVED		REMOVED
			Strategic/High impact developments (incl. renewable energy & rezonings exceeding 10ha)	15.0%	R 7,289.00	5.00%	R 7,653.00	4.99%	R 8,035.00	4.99%	R 6,338.26

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
		6.4.1.7	Industrial effluent Industries that dispose via the normal network								
			Industries that dispose directly into the sewage treatment works	15.0%	As per contractual agreements						
			Industries that exceed with disposal	15.0%	Penalty rate calculated as per contractual agreement						
		6.4.1.8	Refuse removal								
R 158.00	R 137.39		Receipt and processing of private dumping at dumping site, per cubic meter	15.0%	R 173.00	9.49%	R 190.00	9.83%	R 209.00	10.00%	R 150.43
R 320.00	R 278.26		Abattoir waste at dumping site, per cubic meter	15.0%	R 352.00	10.00%	R 387.00	9.94%	R 425.00	9.82%	R 306.09
R 23.00	R 20.00		Refuse bags (Black), per package of 25 baags	15.0%	R 25.00	8.70%	R 27.00	8.00%	R 29.00	7.41%	R 21.74
R 29.45	R 25.61		Refuse bags (Green), per package of 25 baags	15.0%	R 32.00	8.66%	R 35.00	9.38%	R 38.00	8.57%	R 27.83
R 9.50	R 8.26		Provision of refuse bins for special events - per bin per occasion	15.0%	R 10.50	10.53%	R 11.60	10.48%	R 12.80	10.34%	R 9.13
R 706.00	R 613.91		Advertisements on street refuse bins. Per advertisement per bin n/a	15.0%	R 776.00	9.92%	R 853.00	9.92%	R 938.00	9.96%	R 674.78
R 514.00	R 446.96		Refuse removal: special events (Festivals & Carnivals)	15.0%	R 565.00	9.92%	R 621.00	9.91%	R 683.00	9.98%	R 491.30
R 979.00	R 851.30		Hire of 6m skip for Garden refuse per dav	15.0%	R 1,076.00	9.91%	R 1,183.00	9.94%	R 1,301.00	9.97%	R 935.65
R 78.00	R 67.83		Additional day (Skip)	15.0%	R 85.00	8.97%	R 93.00	9.41%	R 102.00	9.68%	R 73.91
R 1,225.00	R 1,065.22		Special Garden Refuse removal per load. Approved manageable garden Refuse will be removed if it can be loaded onto truck after payment of an account is issued by Cleansing Department (Quotation)	15.0%	R 1,347.00	9.96%	R 1,481.00	9.95%	R 1,629.00	9.99%	R 1,171.30
		6.4.1.9	Development Charges								
		6.4.1.9.1	Ceres (Zone 1)								
R 5,256.00	R 4,570.43	6.4.1.9.1.1	Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.1.2	Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.1.3	Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.1.4	Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.1.5	Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.1.6	Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43
		6.4.1.9.2	ODB (Zone 2)								
R 5,256.00	R 4,570.43	6.4.1.9.2.1	Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.2.2	Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.2.3	Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.2.4	Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.2.5	Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.2.6	Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43
		6.4.1.9.3	PAH (Zone 3)								
R 5,256.00	R 4,570.43	6.4.1.9.3.1	Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.3.2	Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.3.3	Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.3.4	Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.3.5	Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.3.6	Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43

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Tariffs 2021/2022 Including Vat	Tariffs 2021/2022 Excluding Vat		Description	VAT Status	Tariffs 2022/2023 Including Vat	Variance	Indicative Tariffs 2023/2024 Including Vat	Variance	Indicative Tariffs 2024/2025 Including Vat	Variance	Tariffs 2022/2023 Excluding Vat
R 5,256.00	R 4,570.43	6.4.1.9.4	Wolselev (Zone 4)								
		6.4.1.9.4.1	Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.4.2	Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.4.3	Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.4.4	Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.4.5	Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.4.6	Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43
		6.4.1.9.5	Tulbaqh (Zone 5)								
R 5,256.00	R 4,570.43	6.4.1.9.5.1	Water: Unit of measurement R/kl/dav	15.0%	R 5,781.00	9.99%	R 6,359.00	10.00%	R 6,994.00	9.99%	R 5,026.96
R 3,508.00	R 3,050.43	6.4.1.9.5.2	Sewer: Unit of measurement R/kl/dav	15.0%	R 3,858.00	9.98%	R 4,243.00	9.98%	R 4,667.00	9.99%	R 3,354.78
R 735.00	R 639.13	6.4.1.9.5.3	Roads: Unit of measurement R/trips/dav	15.0%	R 808.00	9.93%	R 888.00	9.90%	R 976.00	9.91%	R 702.61
R 102,051.00	R 88,740.00	6.4.1.9.5.4	Storm water: Unit of measurement R/trips/dav	15.0%	R 112,256.00	10.00%	R 123,481.00	10.00%	R 135,829.00	10.00%	R 97,613.91
R 1,468.00	R 1,276.52	6.4.1.9.5.5	Solid Waste: Unit of measurement R/ka/dav	15.0%	R 1,614.00	9.95%	R 1,775.00	9.98%	R 1,952.00	9.97%	R 1,403.48
R 1,496.00	R 1,300.87	6.4.1.9.5.6	Electricity: Unit of measurement R/kVA	15.0%	R 1,645.00	9.96%	R 1,809.00	9.97%	R 1,989.00	9.95%	R 1,430.43
		6.4.1.10	Wayleaves for the installation of services in the road reserve								
		6.4.1.10.1	Administration and Supervision (Per Application)								
R 540.00	R 469.57	6.4.1.10.1.1	Administration fee for a miscellaneous wayleave to use the road reserve for a period of one month or less other than to install an underground service	15.0%	R 594.00	10.00%	R 653.00	9.93%	R 718.00	9.95%	R 516.52
R 1,836.00	R 1,596.52	6.4.1.10.1.2	Administration fee for awayleave or permit to use the road reserve to install an underground service	15.0%	R 2,019.00	9.97%	R 2,220.00	9.96%	R 2,442.00	10.00%	R 1,755.65
R 4,860.00	R 4,226.09	6.4.1.10.1.3	Supervision fee for a wayleave to install an underground service	15.0%	R 5,346.00	10.00%	R 5,880.00	9.99%	R 6,468.00	10.00%	R 4,648.70
200% of above admin & supervision fees	200% of above admin & supervision fees	6.4.1.10.1.4	Unauthorised commencement of use of the road reserve	15.0%	200% of above admin & supervision fees	New	200% of above admin & supervision fees		200% of above admin & supervision fees		200% of above admin & supervision fees
		6.4.1.10.2	Refundable deposit								
R 1,840.00	R 1,600.00	6.4.1.10.2.1	Trenches in roadways measured per m ²	15.0%	R 2,024.00	10.00%	R 2,226.00	9.98%	R 2,448.00	9.97%	R 1,760.00
R 821.00	R 713.91	6.4.1.10.2.2	Trenches in surfaced sidewalks measured m ²	15.0%	R 903.00	9.99%	R 993.00	9.97%	R 1,092.00	9.97%	R 785.22
R 162.00	R 140.87	6.4.1.10.2.3	Trenches in natural or grass sidewalks measured per m ²	15.0%	R 178.00	9.88%	R 195.00	9.55%	R 214.00	9.74%	R 154.78
R 7,560.00	R 6,573.91	6.4.1.10.2.4	Use of the road reserve for storage or in conjunction with construction or maintenance per application	15.0%	R 8,316.00	10.00%	R 9,147.00	9.99%	R 10,061.00	9.99%	R 7,231.30
		6.4.1.10.3	Roadway Open Trench Fee								
R 6,048.00	R 5,259.13	6.4.1.10.3.1	Tariff for authorised trenching across a municipal roadway (per m measured from 0.5m behind the kerb or road edge)	15.0%	R 6,652.00	9.99%	R 7,317.00	10.00%	R 8,048.00	9.99%	R 5,784.35
R 1,296.00	R 1,126.96	6.4.1.10.3.2	Micro trenching (per m measured from 0.5m behind the kerb or road edge)	15.0%	R 1,425.00	9.95%	R 1,567.00	9.96%	R 1,723.00	9.96%	R 1,239.13
% of the above	0% of the above	6.4.1.10.3.3	Tariff for unauthorised trenching across a municipal roadway (per m measured from 0.5m behind the kerb or road edge)	15.0%	200% of the above	New	200% of the above		200% of the above		200% of the above
R 220.00	R 191.30	6.4.1.10.3.4	Fee for lying Electronic Communication network in the public road reserve. Charged per kilometer per annum	15.0%	R 241.00	9.55%	R 265.00	9.96%	R 291.00	9.81%	R 191.30

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6.4.2. ELECTRICAL SERVICES										
6.4.2.1 Re-connection after tampering with meters										
In terms of Section 14 of the										
Per re-connection										
R 1,853.00	R 1,611.30	First offence	15.0%	R 2,038.00	9.98%	R 2,241.00	9.96%	R 2,465.00	10.00%	R 1,772.17
R 3,710.00	R 3,226.09	Second offence	15.0%	R 4,081.00	10.00%	R 4,489.00	10.00%	R 4,937.00	9.98%	R 3,548.70
6.4.2.2 Repair to supply										
In terms of Section 22 of the Supply Regulations										
Per repair to supply										
R 381.00	R 331.30	Urban areas	15.0%	R 419.00	9.97%	R 460.00	9.79%	R 506.00	10.00%	R 364.35
R 431.00	R 374.78	Rural areas	15.0%	R 474.00	9.98%	R 521.00	9.92%	R 573.00	9.98%	R 412.17
In terms of Section 28 of the Supply Regulations										
Per re-connection (Section 28(1))										
R 181.00	R 157.39	Urban areas	15.0%	R 199.00	9.94%	R 218.00	9.55%	R 239.00	9.63%	R 173.04
R 228.00	R 198.26	Rural areas	15.0%	R 250.00	9.65%	R 275.00	10.00%	R 302.00	9.82%	R 217.39
6.4.2.3 Verification and Testing of electricity meter										
In terms of Section 51 (3)										
Per testing of meter										
Urban areas										
R 676.00	R 587.83	(i) Test Single Phase electro-mechanical, per meter	15.0%	R 743.00	9.91%	R 817.00	9.96%	R 898.00	9.91%	R 646.09
R 885.00	R 769.57	(ii) Test Three Phase electro-mechanical, per meter	15.0%	R 973.00	9.94%	R 1,070.00	9.97%	R 1,177.00	10.00%	R 846.09
R 656.00	R 570.43	(iii) Test Single phase pre-paid meter, per meter	15.0%	R 721.00	9.91%	R 793.00	9.99%	R 872.00	9.96%	R 626.96
R 865.00	R 752.17	(iv) Test Three phase pre-paid meter, per meter	15.0%	R 951.00	9.94%	R 1,046.00	9.99%	R 1,150.00	9.94%	R 826.96
R 1,011.00	R 879.13	(v) Test KVA / kWh meter, per meter	15.0%	R 1,112.00	9.99%	R 1,223.00	9.98%	R 1,345.00	9.98%	R 966.96
R 400.00	R 347.83	(vi) Meter verifying	15.0%	R 400.00	0.00%	R 439.00	9.75%	R 482.00	9.79%	R 347.83
Rural areas										
R 736.00	R 640.00	(i) Test Single phase electro-mechanical, per meter	15.0%	R 809.00	9.92%	R 889.00	9.89%	R 977.00	9.90%	R 703.48
R 946.00	R 822.61	(ii) Test Three phase electro-mechanical, per meter	15.0%	R 1,040.00	9.94%	R 1,144.00	10.00%	R 1,258.00	9.97%	R 904.35
R 722.00	R 627.83	(iii) Test Single Phase pre-paid meter, per meter	15.0%	R 794.00	9.97%	R 873.00	9.95%	R 960.00	9.97%	R 690.43
R 931.00	R 809.57	(iv) Test Three phase pre-paid meter per meter	15.0%	R 1,024.00	9.99%	R 1,126.00	9.96%	R 1,238.00	9.95%	R 890.43
R 1,075.00	R 934.78	(v) Test KVA / kWh meter per meter	15.0%	R 1,182.00	9.95%	R 1,300.00	9.98%	R 1,430.00	10.00%	R 1,027.83
R 550.00	R 478.26	(vi) Meter verifying	15.0%	R 604.00	9.82%	R 664.00	9.93%	R 730.00	9.94%	R 478.26
6.4.2.4 Single phase connection										
R 15,073.00	R 13,106.96	Single phase connection with underground cable and electro-mechanical meter, per	15.0%	R 16,580.00	10.00%	R 18,238.00	10.00%	R 20,061.00	10.00%	R 14,417.39
R 15,073.00	R 13,106.96	Single phase connection with underground cable and pre-paid meter, per connection	15.0%	R 16,580.00	10.00%	R 18,238.00	10.00%	R 20,061.00	10.00%	R 14,417.39
R 10,485.00	R 9,117.39	Single phase connection with overhead cable and electro-mechanical meter, per	15.0%	R 11,533.00	10.00%	R 12,686.00	10.00%	R 13,954.00	10.00%	R 10,028.70
R 10,485.00	R 9,117.39	Single phase connection with overhead cable and pre-paid meter, per connection	15.0%	R 11,533.00	10.00%	R 12,686.00	10.00%	R 13,954.00	10.00%	R 10,028.70
R 11,794.00	R 10,255.65	Informal Single phase overhead connection with pre-paid meter and ready board	15.0%	R 12,973.00	10.00%	R 14,270.00	10.00%	R 15,697.00	10.00%	R 11,280.87
R 997.00	R 866.96	Change from electro-mechanical meter to automat meter, per chance	15.0%	R 1,096.00	9.93%	R 1,205.00	9.95%	R 1,325.00	9.96%	R 953.04
6.4.2.5 Temporary connection										
Temporary connections are supplied at the tariffs mentioned in 4.2.4 for a single phase connection, and at actual cost for a three phase connection. The cost or tariff payment is deemed as a deposit. On termination of the account, the deposit is refunded after the cost of consumption, any damage to the equipment, and a 20 % administrative charge have been recovered. The connection is supplied in accordance with the Municipality's Electricity by-laws, as amended.										
R 9,443.00	R 8,211.30	Government-subsidised housing - (20 % admin. Charges not included)	15.0%	R 10,387.00	10.00%	R 11,425.00	9.99%	R 12,567.00	10.00%	R 9,032.17

Province: (WC022) - Schedule of Service Delivery Standards				
Description	2021/2022			2022/2023
	Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
Solid Waste Removal				
Premise based removal (Residential Frequency)	Weekly	Weekly	Weekly	Weekly
Premise based removal (Business Frequency)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)	Weekly/ Twice per week/Thrice per week (depending the need)
Bulk Removal (Frequency)	Per request	Per request	Per request	Per request
Removal Bags provided(Yes/No)	Yes	Yes	Yes	Yes
Garden refuse removal Included (Yes/No)	Yes	Yes	Yes	Yes
Street Cleaning Frequency in CBD	Daily	Daily	Daily	Daily
Street Cleaning Frequency in areas excluding CBD	Monthly	Monthly	Monthly	Monthly
How soon are public areas cleaned after events (24hours/48hours/longer)	24 hours	24 hours	24 hours	24 hours
Clearing of illegal dumping (24hours/48hours/longer)	48 hours (once reported)	48 hours (once reported)	48 hours (once reported)	48 hours (once reported)
Recycling or environmentally friendly practices(Yes/No)	Yes	Yes	Yes	Yes
Licenced landfill site(Yes/No)	Yes	Yes	Yes	Yes
Water Service				
Water Quality rating (Blue/Green/Brown/N0 drop)	Blue & Green Drop	Blue & Green Drop	Blue & Green Drop	Blue & Green Drop
Is free water available to all? (All/only to the indigent consumers)	Indigent customers	Indigent customers	Indigent customers	Indigent customers
Frequency of meter reading? (per month, per year)	Monthly	Monthly	Monthly	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	3 months	3 months	3 months	3 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	6 months	6 months	6 months	6 months
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)				
One service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Up to 5 service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Up to 20 service connection affected (number of hours)	24 hours	24 hours	24 hours	24 hours
Feeder pipe larger than 800mm (number of hours)	24 hours	24 hours	24 hours	24 hours
What is the average minimum water flow in your municipality?	2 bar	2 bar	2 bar	2 bar
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No	No	No	No
How long does it take to replace faulty water meters? (days)	20 days	20 days	20 days	20 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No	No	No	No

Standard	Description	2021/2022			2022/2023
		Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
Electricity Service					
	What is your electricity availability percentage on average per month?	100	100	100	100
	Do your municipality have a ripple control in place that is operational? (Yes/No)	No	No	No	No
	How much do you estimate is the cost saving in utilizing the ripple control system?	N/A	N/A	N/A	N/A
	What is the frequency of meters being read? (per month, per year)	Monthly	Monthly	Monthly	Monthly
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	3 months	3 months	3 months	3 months
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)	6 months	6 months	6 months	6 months
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	24 hours	24 hours	24 hours	24 hours
	Are accounts normally calculated on actual readings? (Yes/no)	Yes	Yes	Yes	Yes
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No	No	No	No
	How long does it take to replace faulty meters? (days)	20 days	20 days	20 days	20 days
	Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes	Yes	Yes	Yes
	How effective is the action plan in curbing line losses? (Good/Bad)	Bad	Bad	Bad	Bad
	How soon does the municipality provide a quotation to a customer upon a written request? (days)	24 hours	24 hours	24 hours	24 hours
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	7 days	7 days	7 days	7 days
	How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	7 days	7 days	7 days	7 days
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	7 days	7 days	7 days	7 days
Sewerage Service					
	Are your purification system effective enough to put water back in to the system after purification?	Yes into river only	Yes into river only	Yes into river only	Yes into river only
	To what extend do you subsidize your indigent consumers?	Full monthly charge	Full monthly charge	Full monthly charge	Full monthly charge
How long does it take to restore sewerage breakages on average					
	Severe overflow? (hours)	24 hours	24 hours	24 hours	24 hours
	Sewer blocked pipes: Large pipes? (Hours)	24 hours	24 hours	24 hours	24 hours
	Sewer blocked pipes: Small pipes? (Hours)	24 hours	24 hours	24 hours	24 hours
	Spillage clean-up? (hours)	24 hours	24 hours	24 hours	24 hours
	Replacement of manhole covers? (Hours)	24 hours	24 hours	24 hours	24 hours

Standard	Description	2021/2022			2022/2023
		Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
Road Infrastructure Services					
	Time taken to repair a single pothole on a major road? (Hours)	24 hours	24 hours	24 hours	24 hours
	Time taken to repair a single pothole on a minor road? (Hours)	5 days	5 days	5 days	5 days
	Time taken to repair a road following an open trench service crossing? (Hours)	14 days	14 days	14 days	14 days
	Time taken to repair walkways? (Hours)	14 days	14 days	14 days	14 days
Property valuations					
	How long does it take on average from completion to the first account being issued? (one month/three months or longer)	3 months	3 months	3 months	3 months
	Do you have any special rating properties? (Yes/No)	No	No	No	No
Financial Management					
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease	Decrease	Decrease	Decrease
	Are the financial statement outsourced? (Yes/No)	No	No	No	No
	Are there Council adopted business processes structuring the flow and management of documentation feeding to Trial Balance?	No	No	No	No
	How long does it take for an Tax/Invoice to be paid from the date it has been received?	30 days	30 days	30 days	30 days
	Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Yes, but for one year only.	Yes, but for one year only.	Yes, but for one year only.	Yes, but for one year only.
Administration					
	Reaction time on enquiries and requests?	2 days maximum	2 days maximum	2 days maximum	2 days maximum
	Time to respond to a verbal customer enquiry or request? (working days)	2 days maximum	2 days maximum	2 days maximum	2 days maximum
	Time to respond to a written customer enquiry or request? (working days)	3 days	3 days	3 days	3 days
	Time to resolve a customer enquiry or request? (working days)	2 days	2 days	2 days	2 days
	What percentage of calls are not answered? (5%,10% or more)	0.0%	0.0%	0.0%	0.0%
	How long does it take to respond to voice mails? (hours)	Immediately	Immediately	Immediately	Immediately
	Does the municipality have control over locked enquiries? (Yes/No)	Yes	Yes	Yes	Yes
	Is there a reduction in the number of complaints or not? (Yes/No)	Yes	Yes	Yes	Yes
	How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	5 Days	6 Days	7 Days	7 Days
	How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	When required	When required	When required	When required

Standard	Description	2021/2022			2022/2023
		Original Budget	Adjusted Budget	Full Year Forecast	Service Level Standards
Community safety and licensing services					
	How long does it take to register a vehicle? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to renew a vehicle license? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to issue a duplicate registration certificate vehicle? (minutes)	Transaction 15 minutes	Transaction 15 minutes	Transaction 15 minutes	Transaction 15 minutes
	How long does it take to de-register a vehicle? (minutes)	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes	Transaction 3 minutes
	How long does it take to renew a drivers license? (minutes)	Transaction 20 minutes	Transaction 20 minutes	Transaction 20 minutes	Transaction 20 minutes
	What is the average reaction time of the fire service to an incident? (minutes)	10 - 30 minutes	10 - 30 minutes	10 - 30 minutes	10 - 30 minutes
	What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	Department of Health	Department of Health	Department of Health	Department of Health
	What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	Department of Health	Department of Health	Department of Health	Department of Health
Economic development					
	How many economic development projects does the municipality drive?	36	36	36	36
	How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	4	4	4	4
	What percentage of the projects have created sustainable job security?	0	0	0	0
	Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes	Yes	Yes	Yes
Other Service delivery and communication					
	Is a information package handed to the new customer? (Yes/No)	N/A	N/A	N/A	N/A
	Does the municipality have training or information sessions to inform the community? (Yes/No)	IDP & Budget meetings	IDP & Budget meetings	IDP & Budget meetings	IDP & Budget meetings
	Are customers treated in a professional and humanly manner? (Yes/No)	Yes	Yes	Yes	Yes



Municipal Budget Circular for the 2022/23 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. Pressures on the government wage bill ceiling, including the implementation of the non-pensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests. Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

Medium-term priorities include: reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates, but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.9%	4.0%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2021.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, transfers to municipalities will grow below inflation. Over the next three years, local government resources increase by 4.1 per cent.

Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.

The annual Division of Revenue Bill will be published in February 2022 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2021 Division of Revenue Act to compile their 2022/23 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2021 Division of Revenue Act for 2021/22. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx>

Division of Revenue Amendment Bill, 2021: changes to local government allocations

Budget Facility for Infrastructure Funding – R81 million is added to the direct regional bulk infrastructure grant for George Local Municipality for the implementation of the potable water security and remedial works project. Due to delays in the implementation of projects approved through Budget Facility for Infrastructure (BFI), the projects sponsors have requested funding to be reduced to align with the planned project rollout.

R1.3 billion is reduced from the public transport network grant for City of Cape Town to align to its revised implementation plan of myCiti phase 2A.

Neighbourhood Development Partnership Grant – R841 million is added to the direct neighbourhood development partnership grant for local government to create 32 663 jobs through precinct management, community safety, place-making, greening, integrated waste management and digitalisation, with special focus on poor and marginalised areas and economic nodes.

Roll-over of indirect regional bulk infrastructure grant – R582 million is rolled over in the indirect regional bulk infrastructure grant to fund the operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality. This change is shown in Schedule 6, Part B of this Bill.

Reprioritisation in the neighbourhood development partnership grant – In the neighbourhood development partnership grant, R90 million is shifted from the direct component to the indirect component of the grant, to fund project preparation, planning and implementation for municipalities facing implementation challenges. The affected municipalities are City of Johannesburg, Mogale City, Kwa-Dukuza, West Rand, Sol Plaatje, Ray Nkonyeni and City of Cape Town. These changes are shown in Schedule 5, Part B and Schedule 6, Part B of this Bill.

Changes to gazetted frameworks and allocations

Neighbourhood development partnership grant – The grant framework for the neighbourhood development partnership grant is amended to remove reference to Built

Environment Performance Plans and include the conditions attached to the approval of funds from the Presidential Youth Employment Initiative. The conditions require cities to expand the existing Expanded Public Works Programme projects and enter into new partnerships with the private sector and civil society.

Regional bulk infrastructure grant – The grant framework for the regional bulk infrastructure grant is amended to include the conditions attached to the approval of funding from the BFI for the implementation of the potable water security and remedial works project in George Local Municipality. The conditions require that the municipality submit a business plan, a cost-benefit analysis report and enter into a co-financing agreement with the Department of Water and Sanitation and the Department of Cooperative Governance.

Integrated urban development grant – The grant framework for the integrated urban development grant is amended to include a provision for purchasing special vehicles for waste management. This correction is needed to ensure alignment with conditions in the municipal infrastructure grant as municipalities can move between the two grants.

Municipal infrastructure grant – The grant framework for the municipal infrastructure grant is amended to correct for the omission of the baseline allocation of R14.8 billion in 2019/20 in the past performance section of the framework. The amount was erroneously not captured. This correction is needed to show the audited past financial performance of the grant.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by CoGTA to all municipalities on 20 October 2021) provided through the joint National Treasury/ Department of Cooperative Governance/ South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 on the transitional measures in relation to the IDP consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5. Municipal Standard Chart of Accounts (mSCOA)

5.1 Release of Version 6.6 of the Chart

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.6 is released with this circular.

Version 6.6 of the chart will be effective from 2022/23 and must be used to compile the 2022/23 MTREF and is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.6 where applicable. The PSD is also available on the above link.

mSCOA chart changes are issued annually in December. For the National Treasury to consider a new chart change, the issue must be logged with all relevant background and details on the Frequently Asked Questions (FAQ) database. The FAQ database can also be accessed on the above link.

The matter will then be further investigated by the FAQ committee of the National Treasury. If it is found that a chart change is required in the next chart version, then the matter will be elevated to the mSCOA Technical Committee and if in agreement, it will be recommended for approval to the mSCOA Steering Committee. Requests for chart changes in the next version of the chart must be logged for consideration by 31 August of each year.

5.2 Credibility of mSCOA data strings

The credibility of the mSCOA data strings remains a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*m*SCOA enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using Ms Excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the *m*SCOA circulars issued by the National Treasury to classify their transactions correctly.

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2022/23 municipal financial year.

5.3 Regulation of Minimum Business Processes and System Specifications

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

All municipalities and municipal entities had to comply with the *m*SCOA Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). A number of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.

The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of *m*SCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following focus areas, as applicable to the municipality:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution;
- **Governance and institutional arrangements** – is there a functional *m*SCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on *m*SCOA related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council. Furthermore, did the

municipality appoint a suitably qualified System Administrator and the required IT securities are in place;

- **System functionality** – is the functionality of the system complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; is the municipality utilising the core financial system solution and its modules optimally; and are 3rd party sub-systems seamlessly integrating with the *mSCOA* enabling financial system; and
- **Proficiency of municipal officials to use the financial system** – are the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; are relevant officials in the organisation familiar with the *mSCOA* chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that *mSCOA* is institutionalised as an organisational reform and not only a financial reform.

It should be emphasised that the onus to ensure compliance with the *mSCOA* Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain *mSCOA* compliant.

The progress against the action plan must be monitored by the municipality's *mSCOA* Project Steering Committee and should also be reported at the 2021/22 Mid-year Budget and Performance engagements and the Budget and Benchmark engagements with the National and the respective provincial treasury. Copies of the action plan and progress reports should also be shared with the National and the respective provincial treasury.

5.4 Extension of RT25-2016 Service Level Agreements (SLA) for Financial Systems

The National Treasury has received numerous queries about the extension of the SLA for the transversal contract for the procurement of municipal systems of financials management and internal control (RT25-2016).

The RT25-2016 contract has expired in May 2019. Therefore, the RT25-2016 cannot be utilised to procure financial systems and Service Level Agreements (SLAs) entered into through the transversal contract cannot be extended when they expire. Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required business processes and system specifications.

Furthermore, the Municipal SCM Regulations does not prohibit the use of long-term contracts as long as the needs analysis and market analysis are done to justify the continuous need for the service. Municipalities may utilise Section 33 of the MFMA, taking into account the municipality's specific circumstances, provided that the decision is legally sound and there is evidence to support the municipality's decision.

Where a municipality has entered into a SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of Section 116(3) of the MFMA.

Notwithstanding the above, since the ICT environment changes very quickly the municipal needs must be re-evaluated to ensure that the IT systems in place are still 1) compatible with the needs and systems of the municipality, 2) aligned to modern technology and new legislative requirements and 3) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or

systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

5.5 *m*SCOA Monthly Trial Balance

Municipalities are required to submit the following documents to GoMuni Upload portal on a monthly basis in PDF format:

1. C Schedule
2. Primary Bank Statement
3. Bank Reconciliation
4. Quality certificate
5. Monthly budget statement (Section 71 Report)
6. Trial balance

To date, the trial balances were submitted in various formats with varying levels of detail – some of them unreadable, making it difficult to identify the submission of the trial balances. From 1 July 2022, the trial balance must include the following minimum information:

- *m*SCOA item description
- Balance brought forward (i.e. opening balance)
- Movement Debit
- Movement Credit
- Balanced closing balance at the end of the document

The name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trial balance submitted to the GoMuni Upload portal.

5.6 Budgeting for the COVID-19 pandemic

In terms of *m*SCOA Circular No. 9 municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting.

It is evident from the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting that not all municipalities are budgeting and reporting on COVID-19 related allocations and expenditure as per the guidance provided. Therefore, the National Treasury is not able to draw complete COVID-19 reports from the *m*SCOA data strings inclusive of the data for all municipalities as yet and the weekly manual reporting is still required.

Once the National Treasury is able to draw COVID-19 reports from the *m*SCOA data strings for the majority of municipalities and the Covid-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will be stopped.

5.7 Costing Segment

The purpose of the costing segment in *m*SCOA is to provide for the recording of the full cost for the four core municipal functions, namely: electricity, water, waste water and waste management as a minimum requirement. These four services are the most significant revenue generating functions within municipalities and essential for setting cost reflective tariffs.

The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in

formulating tariffs and cost control. Municipalities must refer to the PSD for the detailed application of the costing segment.

5.8 Classification of the Skills Development Levy

Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Skills Development levy must be classified as operational costs as indicated in the *mSCOA* Project Summary Document (PSD).

5.9 Revised Municipal Property Rates Act Categories

Reference is made to paragraph 4.3 of MFMA Circular No. 107. Municipalities are reminded that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 (“the Amendment Act”).

Municipalities were required to implement the new property categorisation framework by not later than 1 July 2021. The *mSCOA* chart Version 6.6 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers’ ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality’s reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore,

municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise annually as a routine practice during the budget process. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their annual reconciliation of the valuation roll to the billing system to the National Treasury by no later than **04 February 2022**.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

It is also imperative that every municipality is utilising the *mSCOA* cost segment correctly.

6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a

transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. The matter is still in court with a decision anticipated to be made shortly. If Eskom succeeds, the court will compel NERSA to process the rejected application for tariffs for the year starting 1 April 2022 in terms of the existing MYPD methodology. NERSA will then be expected to immediately publish Eskom's application for public comment.

6.8 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

8. TRANSFERS TO MUNICIPALITIES

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2022/23 municipal financial year are as follows:

- The 2022/23 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
 - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
 - b. Should the adopted budget still be unfunded, then a funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);
 - c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
 - d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2022.

- Credible *m*SCOA data strings and source documents for the 2022/23 MTREF and 2021/22 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as council approved UIFW Reduction Strategy, proof of establishment of the Disciplinary Committee Board (or evidence of progress towards their establishment) and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2022;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2019/20 and 2020/21 financial years as well as municipalities with outstanding 2020/21 audit opinions that also received an adverse or disclaimer opinion in 2019/20, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.6 of the *m*SCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities must prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.6. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Abigail Maila		012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Cethekile Moshane		012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Abigail Maila		012-395 6737	Abigail.Maila@Treasury.gov.za
Johannesburg and Tshwane	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
Kevin Bell		012-315 5725	Kevin.Bell@treasury.gov.za
eThekweni	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Lesego Leqasa			Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Phumelele Gulukunqu		012-315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Makgabo Mabotja		012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315-5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	Iqdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and

adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *m*SCOA data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 Go Muni Upload Portal

The National Treasury is in the process of finalising the development work on the GoMuni Upload portal. Municipalities, provincial treasuries, system vendors and sector departments should ensure that the names and contact details of the data uploaders or users of the data, as reflected on the LG Database, for their respective institutions are correct and updated as and when changes occur.

10.3 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

<https://lguploadportal.treasury.gov.za> (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- mSCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the manual COVID-19 reports.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. **Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.**

10.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
06 December 2021



Municipal Budget Circular for the 2022/23 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 112 that was issued on 06 December 2021. It aims to provide further guidance to municipalities with the preparation of their 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2022 Budget Review and the 2022 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year.

Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: Budget Review 2022.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, direct transfers to municipalities will grow above inflation, at an annual average rate of 7.9 per cent. Direct conditional grants grow at an annual average rate of 5.3 per cent over the MTEF, while the Local Government Equitable Share (LGES) grows faster, at an annual average rate of 10.3 per cent over the same period.

The higher than inflation growth of allocations to local government is due to additional allocations over the medium term as follows:

- The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period. R28.9 billion is added to the LGES over the MTEF to increase coverage of the provision of free basic services; and
- An amount of R1.7 billion over the MTEF is added to the Neighbourhood Development Partnership Grant to fund the continuation of the upscaling of city-led public employment programmes, as part of the Presidential Youth Employment Intervention; and an amount of R347 million over the first two years of the MTEF period is allocated to fund the introduction of the Municipal Disaster Recovery Grant. More detail is provided below.

The Division of Revenue Bill was published on 23 February 2022, following the tabling of the Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published herein.

In terms of the outer year allocations (2023/24 and 2024/25), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act. The DoRB is available at:

<http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx>

2.2 Division of Revenue Bill, 2022: changes to local government allocations

Budget Facility for Infrastructure (BFI) Funding – There are reductions of R754 million in 2022/23 and R105 million in 2023/24; and an increase of R621 million in 2024/25 in the *Public Transport Network Grant* to align to the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network.

Neighbourhood Development Partnership Grant – R1.7 billion is added to the direct component of the *Neighbourhood Development Partnership Grant* for the eight metropolitan municipalities to fund the continuation of the upscaling of city-led public employment programmes that contribute to informal settlement upgrading, public space and asset maintenance, development and management, greening and cleaning, food security, innovative service delivery, local knowledge and information sharing and management, community safety, environmental services and management and community tourism. This is part of the Presidential Youth Employment Intervention and is a continuation of government's response to job losses due to COVID-19, introduced as part of the stimulus package to respond to the impact of the COVID-19 pandemic during 2020.

Regional Bulk Infrastructure Grant – R1 billion is added to the *Regional Bulk Infrastructure Grant*, funded from the BFI, to fund the continuation of the implementation of the Potable Water Security and Remedial Works project in George Local Municipality.

Integrated National Electrification Programme (Eskom) Grant – R50 million is reprioritised from the *Integrated National Electrification Programme (Eskom) Grant* to finance the operational requirements of the Independent Power Producer Office in 2022/23.

Energy Efficiency and Demand Side Management Grant – R8 million in 2022/23 and 2023/24, respectively is reprioritised from the *Energy Efficiency and Demand-Side Management Grant* to finance the operational requirements within the vote of the Department of Mineral Resources and Energy.

R10 million is shifted from the sport component of the **Municipal Infrastructure Grant (MIG)** to the **Integrated Urban Development Grant (IUDG)** in 2022/23, to fund a sport project in Polokwane Local Municipality.

The **Municipal Disaster Recovery Grant** is introduced to fund infrastructure recovery in municipalities in KwaZulu-Natal. This grant is allocated R347 million between 2022/23 and 2024/25.

2.3 Changes to gazetted frameworks and allocations

Infrastructure Skills Development Grant (ISDG) – The grant framework for the infrastructure skills development grant is amended to include a condition that municipalities must have a capacitated Project Management Units with qualified people to act as supervisors in terms of the relevant statutory council requirements.

Municipal Infrastructure Grant (MIG) – Over the 2022 MTEF, the Department of Cooperative Governance (DCoG) will introduce an indirect component to the MIG. This is to improve efficiency in grant expenditure to develop more and better-quality infrastructure. The conversion will be done in-year. The criteria as determined by DCoG includes indicators related to expenditure and reliability of infrastructure.

Municipal Systems Improvement Grant – Over the MTEF, a portion of the grant will be utilised to continue to support institutionalisation of the district development model.

Municipal Disaster Relief Grant – The name of the *Municipal Disaster Relief Grant* is changed to the *Municipal Disaster Response Grant*. The objective of the grant remains the same and the change aligns to existing National Disaster Management Centre (NDMC) processes in responding to disasters that have occurred.

Local Government Financial Management (FMG) Grant – Over the 2022 MTEF, the grant framework for the FMG will make provision for the preparation of asset registers.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to all municipalities on 20 October 2021) provided through the joint South African Local Government Association (SALGA)/ Department of Cooperative Governance (DCoG) and National Treasury (NT) Joint Circular No.1 on the transitional measures in relation to the integrated development plan (IDP) consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act,

2000. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC for Finance (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5. Municipal Standard Chart of Accounts (mSCOA)

5.1 Release of Version 6.6.1 of the Chart

Version 6.6.1 of the chart will be released through a patch to accommodate the following changes/conditions published in the 2022 Division of Revenue (DoR) Bill:

- The capital leg of the Local Government Financial Management (FMG) grant that was retired in chart version 6.2 of the chart. As per the conditions published in the 2022 DoR Bill, the grant may be used, inter alia, for the acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service

delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the *m*SCOA;

- Allocation-in-kind for the MIG grant to make provision for the indirect grant portion of the grant; and
- The name change from Municipal Disaster relief grant to Municipal Disaster Response Grant. Municipalities should take note of this change when they report on COVID-19 in terms of *m*SCOA Circular No. 9.

Version 6.6.1 of the chart will be effective from 01 July 2022 and must be used to compile the 2022/23 MTREF. The patch is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

5.2 Funding Depreciation

From the analysis of the *m*SCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates.

When deprecation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ring-fenced, municipalities will not be in a financial position to fund future infrastructure assets.

5.3 Application of Costing

The mapping for Table A2 on Financial Performance of the regulated Schedule A was updated to include the costing segment. The costing segment in *m*SCOA provides for the recording of the full cost for the four core municipal functions, namely: electricity, water, wastewater and waste management. It also allows for the charge out of costs between functions and projects. Costing: recoveries was previously recorded as 'revenue: default' in the item segment. However, as the charge out of cost does not present revenue, municipalities must use 'expenditure: default' in the item segment to record the debit and credit of all costing transactions where the charges increase cost and the recoveries decrease the cost per function or project.

Municipalities are also reminded that one of the validation rules that are applied when *m*SCOA data strings are submitted is that costing transactions for charges and recoveries must balance to zero.

5.4 Change in calculation of consumer deposits

The addition of consumer deposits as a funding source in version 6.6 of the *m*SCOA chart impacts on the population of Tables SA30 and A7 in the Schedule A. The calculation will be changed in the 6.6 chart version to the following:

CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in consumer deposits	Consumer deposits FD001001001014 linked to IA001 Deposits
(Decrease) in consumer deposits	Consumer deposit IL001002 :Withdrawals

All payments received in respect of consumer deposits will be picked up utilising the consumer deposit fund source linked to the bank: deposits posting level. The payment of consumer

deposits will be picked up from item liability: consumer deposits: withdrawals posting levels, which represent the outflow of cash.

5.5 NERSA reporting

Municipalities are reminded to complete the D-Forms that the National Energy Regulator of South Africa (NERSA) requires. The National Treasury is currently looking into ways of how the *mSCOA* data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

5.6 Restructuring of the Long-Term Component of Trade Payables

In an effort to assist municipalities to get to a funded budget position, the National Treasury have requested municipalities to negotiate with their major trade creditors like Eskom, Water Boards and the Department of Water Affairs to restructure their outstanding trade creditors. Where the debt owed by a municipality was restructured, in terms of a debt repayment agreement, and the repayment period exceeds a period of 12 months, the debt will remain under *current liabilities trade payables* as per the version 6.6 of the *mSCOA* chart.

The restructuring of debt in the Statement of Financial Position to include the non-current portion through the reclassification of the debt to a *non-current liability of trade payables* under non-current liabilities has a major impact on the working capital requirement disclosure in the funding compliance assessment on Table A8 of the Schedule A and on the entire funding methodology of the National Treasury. The restructuring of debt also affects a number of liquidity measurement ratios such as the Current Ratio, Liquidity Ratio and Creditors to Cash Ratio.

Detailed analysis and careful consideration of the appropriate accounting treatment to ensure that future adjustments to the chart will not compromise the funding methodology of the National Treasury is required. Therefore, any changes required to the *mSCOA* Chart to accommodate the restructuring of the long-term component of trade payables will only be considered for inclusion in version 6.7 of the chart.

The restructuring of the non-current portion should not only impact on the Statement of Financial Position as it requires that municipalities include additional cost in the operation budget for the repayment of the non-current liability, including any finance charges that may be payable as per the repayment agreement. The restructuring of the trade payables without the inclusion of the interest and redemption payments of the non-current liability on the cash flow statement will significantly misstate the funding position of the municipality.

The Budget Funding Assessment Tool used by the National and provincial treasuries to assess the funding position of municipal budgets has been enhanced to include a *Restructuring of Trade Payables Module* to assess the full impact of the restructuring on both the Statement of Financial Position and the impact of interest charges and repayment of the non-current liability on the cash flow position of the municipality. Municipalities that have restructured their trade payables should:

- Indicate this to the respective National and provincial treasuries when submitting their tabled and adopted 2022/23 MTREF budget; and
- Submit the approved agreement with the supplier to the respective National and provincial treasuries with their budget documentation.

The necessary restructuring will then be taken into account in the funding assessment by the respective National and provincial treasuries prior to determining the funding position of the municipality.

5.7 mSCOA eLearning

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA.

The course is structured as follows:

Module 1 – The fundamentals of mSCOA (for financial and non-financial officials)

- An overview of the Local Government Budget and Financial Management Reform Agenda and mSCOA Legislative Framework;
- mSCOA implementation oversight (including the role of internal audit, risk management and councilors); and
- Understanding the mSCOA segments.

Module 2 – System and reporting requirements (for financial and non-financial officials)

- An overview of the reporting requirements in a mSCOA environment;
- Key business processes that underpins mSCOA;
- Minimum system specifications required to comply with the mSCOA Regulations;
- Submission of documents and data strings to the National Treasury (i.e. registration process and upload process); and
- Period Control and how to transact and report in period 13, 14 and 15.

Module 3 – Budgeting and transacting on the mSCOA chart (for financial officials)

An understanding of accounting principles and GRAP is required to complete this module.

Municipalities are reminded to budget for the course in their 2022/23 MTREF. For further information, contact the NSG on their website link: <https://www.thensg.gov.za>.

6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the valuation roll to the billing system to the National Treasury on a quarterly basis.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

It is also imperative that every municipality is utilising the *m*SCOA cost segment correctly.

6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Critical Notice Affecting STS Meters

Municipalities are alerted that there is a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.7 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.8 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

6.9 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient

and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

6.10 Water management

Reference is made to the 2011, Chapter 8 of the Local Government Budget and Expenditure Review (LGBER) which emphasizes the importance of water management.

It has been observed recently in various platforms where municipalities engage with treasuries and the sector departments that there is no uniformity in reporting water and electricity losses. These are material items and need to be disclosed in planning, budgeting, reporting and in the annual report and Annual Financial Statements in uniform ways in order to track performance. In order to ensure consistency of reporting, the following information must be provided:

Accounting for water sold, non-revenue water and water losses:

- System input volume (kl)
- Water Billings (sum of accounts issued) – volume in kl and rand value
- Free basic water allowance (not included in billings) - volume in kl and rand value
- Physical water losses (estimated): volume in kl and rand value
- Water revenue collected (Rand value)

Accounting for electricity sold and electricity losses:

- Electricity purchased and generated (Electricity input) (kWh)
- Electricity Billings (sum of accounts issued) (KWh and Rand value)
- Free basic electricity allowance (not included in billings) (KWh and Rand value)
- Technical losses (estimated) (KWh and Rand value)
- Electricity revenue collected (Rand value)

In addition, the norms articulated in MFMA Circular No. 71 should also be taken into consideration.

6.11 Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW)

Cabinet adopted the Medium-Term Strategic Framework (MTSF) for 2019-2024 wherein it amongst others, committed that government will reduce irregular expenditure by 75 per cent and fruitless and wasteful expenditure by 100 per cent by 2024. It is important to note that these targets are applicable to each sphere of government. To this end, the Minister of Finance approved the UIFW Reduction Strategy for municipalities which was issued through MFMA Circular No. 111 in November 2021. The latter strategy advocated for municipalities to develop UIFW reduction plans that is approved by the municipal council, with the aim being for municipalities to utilize their 2018/19 UIFW figures as contained in their audited annual financial statements for that financial year as a baseline to develop the reduction plans. Whilst progress has been slow in terms of municipalities developing and submitting these plans to the National Treasury, some municipalities has made strides in this regard.

National Treasury would like again to encourage municipalities to develop the UIFW reduction plans and have it approved by the municipal councils through a council resolution for submission to the National Treasury to the MFMA helpdesk at mfma@treasury.gov.za for the attention of Mr. Wayne McComans on wayne.mccomans@treasury.gov.za. Municipalities are also advised to report progress against these UIFW reduction plans as part of their monthly

section 71 reporting to enable the necessary monitoring and oversight by the National Treasury on the implementation of these plans.

Going forward the Treasuries will place increased attention and focus on the processing of UIFW by municipalities as required by section 32(2) of the MFMA read with MFMA Circular No. 68. The National Treasury regards this consistent non-compliance for failure to adequately process and investigate UIFW as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of

Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

7.3 Equitable Share allocation

As highlighted in Minister Enoch Godongwana's 2022 Budget Speech, municipalities must be mindful that the Equitable Share is meant to fund basic municipal services to the indigent. Municipalities must ensure that monies are used for the purpose they were allocated for.

8. Transfers to Municipalities

The circular reiterates the requirements of the rollover and unspent conditional grants process in line with conditions outlined in the annual Division of Revenue Act. Municipalities are required to request for a rollover approval against any unspent conditional grants that were allocated through the annual Division of Revenue Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2021/22 unspent conditional grants and roll-over process and should be referenced against previous annual budget circulars.

8.1 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA) read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2021/22 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and transferring national officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2021 DoRA, municipalities must include the following information with their submission to National Treasury:

- A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2021 DoRA;
- A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
- The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
 - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March 2022; or
 - b) Proof of project tender and tender submissions published and finalised before 31 March 2022 with the appointment of contractor or service provider for delivery of the service before 30 June 2022 in cases where additional funding was allocated during the course of the final year of the project. Further, municipalities must note the letters issued by National Treasury dated 25 February and 03 March 2022 respectively regarding the Preferential Procurement Regulation, 2017;
 - c) Incorporation of the Appropriation Statement; and

- d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).
- A progress report (also in percentages) on the status of each project's implementation that includes an attached legible implementation plan);
 - The value of the committed project funding, and the conditional allocation from the funding source;
 - Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
 - Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
 - An indication of the time-period within which the funds are to be spent if the roll-over is approved; and
 - Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy, this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2022, the application will not be considered.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

- Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2021 DoRA, including the municipal manager and Chief Financial Officer signing-off on the information sent to National Treasury;
- Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2022;
- Accurate disclosure of grant performance in the 2021/22 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
- Despite the fact that local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2021/22 pre-audited Annual Financial Statements in order to verify grant expenditure; and
- Cash available in the bank (net position including short-term investments) as at 30 June 2022 is equivalent to the amount that is unspent as at the end of the financial year. If the amount that is requested for roll-over is not entirely cash backed, such a roll-over will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:

- The entire 2021/22 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2021/22 allocation;
- Rollover request of the same grant for the third consecutive time;

- Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
- A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2022.

8.2 Unspent conditional grant funds for 2021/22

The 2021/22 unspent conditional process will be managed in accordance with section 21 of DoRA, in order to ensure that the unspent conditional grants against the 2021/22 financial year return to the National Revenue Fund (NRF). In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their 30 June 2022 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2022. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and
- Step 3: If the receiving officer wants to motivate in terms of section 21(2) of the 2021 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2022.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 21 October 2022;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2022. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 18 November 2021; and
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund (NRF) by 18 November 2021, and for which a municipality has not requested a repayment arrangement, these funds will be offset against the municipality's 07 December 2022 equitable share allocation.

Annexure to MFMA Circular No. 86 addresses all the issues pertaining to Appropriation Statement and reporting on approved roll-overs.

8.3 Importance of section 16 of the Division of Revenue Act

The circular again reiterates the importance of compliance to section 16 of DoRA in relation to the allocation or transfer of funds by municipalities to other organs of state in order to implement projects on behalf of the municipalities.

Section 16 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- The allocation
 - i) Is approved in the budget for the receiving provincial department or municipality; or
 - ii) If not already approved;
 - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
 - bb) the National Treasury approves the allocation; or
- The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 16 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 16 (3) before any DoRA allocated funds that are allocated or transferred to any organ of state and the municipality should first seek approval from National Treasury. The allocation includes transfers made to any organ of state in order to perform a function using conditional grants allocated through the DoRA.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

- If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilized for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and the Integrated Urban Development Grant (IUDG) and three per cent for the Urban Settlements Development Grant (USDG) municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefitting from this initiative the PMU should be capacitated enough to implement capital project;
- Municipalities that are benefitting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained accelerated municipal capacity and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital projects; and
- If the request does not comply to the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to other organs of the state:

- In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
- Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
- Provide the Service Level Agreement (SLA) between the municipality and the organ of state in consultation with the relevant transferring officer;
- Provide the agreed payment schedule reflecting the disbursement of the funds;
- Must provide the reasons why such a decision has been taken by the municipality;
- If amongst the reasons for the request is related to capacity challenges the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
- Upon approval the municipality must submit the approved budget that includes the allocation.

Note that once the allocation or transfer has been approved the payment for goods or services must be procured in accordance with or in compliance to the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the transferring national officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 16, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6.1 of the Schedule A1 (the Excel Specimen) which is aligned to Version 6.6.1 of the *mSCOA* classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities **must** prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6.1 is not allowed** in terms of the *mSCOA* Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *mSCOA* chart version 6.6.1. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za

Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Johannesburg and Tshwane	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Ekurhuleni	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
eThekweni	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Phumelele Gulukunqu	012-315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315-5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	lgdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be***

immediately adopted by the Municipal Council, and the changes to the budget must be effected in the main adjustments budget to ensure compliance with Section 18 of the MFMA.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *mSCOA* data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 GoMuni Upload Portal

The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 dated 06 December 2021, via the GoMuni Upload Portal. The upload portal can be accessed on <https://lguploadportal.treasury.gov.za> from 01 April 2022.

All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under new registrations.

10.3 Additional validation rules applicable to data string submissions

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules will be introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional validation rules will be implemented on the stage 1 validation. In other words, a data string that fails the validation will be rejected. The additional rules are as follows:

1. A balanced data string must be submitted. This means that the data strings that is submitted must always be in balance. All the transactions should be included for Revenue, Expenditure, Gains and Losses, Assets, Liabilities and Net Assets;
2. All secondary cost data strings may only be linked to Item: Expenditure: Default. All costing transactions must be linked to Item: Expenditure default as it refers to the reallocation of cost from one function to another or one operational project to another operational project. Where cost is capitalised the costing segment is not used;
3. Inventory for water must be linked to the Function: Water Management. Bulk purchases of Water must only be recorded against the Water management function; and
4. Opening balances must be linked to Project default and Fund: non funding. All opening balances that are not linked to Project default and Non funding will not be valid.

The new validation rules will come into effect from 01 July 2022.

10.4 Publication of municipal documents

Going forward, the following municipal documents will be published on the GoMuni/ Go Public portal:

- Integrated Development Plans;
- Budget Documentation;
- Service Delivery and Budget Implementation Plans;
- Annual Financial Statements;
- Annual Reports; and
- Audit Reports.

Municipal documents submitted to the National Treasury prior to 2022 will be available on the MFMA webpage and can be accessed via the MFMP Share Point Documents option on GoMuni/ Go Public.

GoMuni/ Go Public can be accessed on the following link: <https://lg.treasury.gov.za>

10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
04 March 2022



Municipal Budget Circular on disaster funding framework

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TO: ACCOUNTING OFFICERS OF MUNICIPALITIES AND MUNICIPAL ENTITIES

1 Purpose:

The purpose of this budget circular is to summarise the sources of funding available for municipalities to respond in terms of the disaster funding provisions in the Division of Revenue Act, 2021 (Act No. 9 of 2021 – “the 2021 DoRA”), Division of Revenue Bill, 2022 (“the 2022 DoRB”), Disaster Management Act, 2002 (Act No. 57 of 2002 - “the DMA”) and Municipal Finance Management Act, 2003 (Act No. 56 of 2003 - “the MFMA”).

2 Background:

Following the severe weather events and the consequent damage caused in various provinces, a national disaster was declared in terms section 27(1) of the Disaster Management Act, 2002. The response, as announced by the President in his address to the nation on 18 April 2022, will be undertaken in a phased approach; the first being immediate humanitarian relief, second phase relates to stabilisation and recovery which includes rehousing people who have lost homes and restoring provision of services; and the third phase will focus on reconstruction and rehabilitation.

3 Available funding sources:

There are four main sources of funding available:

- Reprioritisation within the existing municipal budget;
- Disaster relief/response conditional grants;
- Reallocations within other conditional grants; and
- Utilisation of the contingency reserve for 2022/23.

The first two sources of funding are available to support spending in the remaining months of the current financial year ending June 2022. However, all four sources of funding will be considered as part of the ongoing response to the severe weather events.

3.1 Reprioritisations within the existing municipal budget

Section 56(2)(a) of the DMA provides that when a disaster occurs, the national, provincial and local organs of state may contribute financially to the response efforts, post-disaster recovery and rehabilitation. Municipalities are therefore expected to also contribute from their own resources and budgets. The affected municipalities have probably already begun to reprioritise resources in response to the disaster. Such measures are consistent with the requirements of the DMA. In doing so, municipalities are advised to adhere to the requirements outlined in section 29 of the MFMA. These requirements provide that municipalities may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

Municipalities are advised to consider the option to use section 29 of the MFMA to fund the response to the disaster in both the 2021/22 and 2022/23 financial years, noting that assessments on the damage and resources required to address them, may take time to be confirmed.

3.2 Disaster response grants

Funds for immediate relief can be applied for from the *Municipal Disaster Response Grant* (formerly known as the *Municipal Disaster Relief Grant*) (“MDRG”). This grant is provided for

in Schedule 7 to the Division of Revenue Act, which provides for the immediate release of disaster relief funds. The funds from this grant for the 2021/22 financial year are depleted, so the 2022/23 grant allocation of R371.4 million will be the main source of additional funding for immediate relief for municipalities. Applications for funding from the MDRG need to be submitted to the National Disaster Management Centre (NDMC), which assesses the applications and recommends the amount of funding to be released.

A further R175.4 million is available in the *Municipal Emergency Housing Grant* (“MEHG”) for the 2022/23 financial year. Municipalities are required to submit applications to the national Department of Human Settlements (DHS) within 14 days of the agreement by the mayor that a housing emergency exists in terms of section 2.3.1(a) and (b) of the Emergency Housing Programme as per the Housing Code. DHS assesses the applications and recommends the amount of funding to be released to the National Treasury.

Table 1: Funds for immediate relief in 2022/23

	R'000	2022/23
Municipal Disaster Response Grant		371 420
Municipal Emergency Housing Grant		175 412
Total		546 832

Source: Division of Revenue Bill, 2022.

The frameworks setting out the grant rules and application process for the *Municipal Disaster Response Grant* and *Municipal Emergency Housing Grant* can be found on pages 207 and 227 of the 2022 DoRB.

As the 2022 DoRB is yet to be enacted (the 2022 DoRB is expected to be enacted in June 2022), only 45 per cent (R246 million) of the R549 million allocated in 2022/23 can be released prior to the enactment of the Bill. This will be done in terms of section 27 of 2021 Division of Revenue Act, which permits the transfer of 45 per cent of the 2022/23 equitable shares and conditional grants to provinces and municipalities before commencement of the DoRA for the 2022/23 financial year.

Schedule 7 allocations can also be converted between provinces and municipalities. Section 21(7), read with section 27, of the 2021 DoRA allows for the conversion of funds between the provincial and municipal *disaster relief* grants and the provincial and municipal *emergency housing* grants if the allocation for one sphere is exhausted and additional funds are needed for that sphere before the allocation for the other sphere is fully used. Such a conversion can be done at the request of the NDMC, or on National Treasury’s initiative, after consulting the NDMC.

As Schedule 7 grants are intended to allow for the rapid transfer of funds, the allocation to each municipality only has to be gazetted after the funds have already been transferred. The provisions allowing for the rapid release of these funds are set out in section 26(3), read with section 27, of the 2021 DoRA. i.e Funds can be released immediately upon approval by the National Treasury.

3.3 Reallocation of conditional grant funds

Funds from any conditional grants to municipalities may also be reallocated to pay for the alleviation of the impact of a classified disaster. Section 20(6)(a), read with section 27 of the 2021 DoRA provides for such a reallocation, if it is requested by both the department that administers that conditional grant and the NDMC. Section 26(6)(b), read with section 27, requires that the receiving officer must confirm that the funds proposed to be reallocated are not already committed before National Treasury can approve such a reallocation. Section 26(6)(c), read with section 27, of the 2021 DoRA, then requires that the funds be used in the same financial year, same sphere and for the same functional area they were originally allocated for. Reprioritised funds can be made subject to new conditions set by the

transferring officer – after consulting the NDMC and receiving approval for the conditions from National Treasury.

Given that municipalities are in the last quarter of the 2021/22 financial year, it is possible that some funds can be repurposed to respond to the disaster especially as in the affected areas, implementation of some projects has been affected by the extreme weather events. The 2022 MTEF conditional grant allocations, as outlined in the 2022 DoRB, also present a wider scope for reprioritisation in 2022/23. The national departments that administer municipal conditional grants will need to do assessments with the receiving municipalities and agree on the amounts that can be repurposed and submit to National Treasury for approval.

Municipalities are advised to balance the need to provide resources for the response to this disaster, while maintaining as much as possible of the planned implementation of projects in the 2022 MTEF as possible.

3.4 Utilisation of the contingency reserve for 2022/23

Following a disaster, the repair and rebuilding of damaged infrastructure is typically funded through ring-fenced allocations in the Adjustment Budget or the next Budget. While the funding sources outlined above emphasise making funding available rapidly to address the immediate impacts of a disaster, it typically takes longer to assess and plan for the rebuilding or repair of damaged infrastructure, as rebuilt infrastructure has to be redesigned so that it will not be vulnerable to damage in a similar disaster in the future. All disaster recovery requests are assessed by the NDMC, and it then recommends to the National Treasury the amounts to be funded.

Because disasters do not necessarily align with the budget process, which allows for funding, in terms of section 30(2)(d) of the PFMA, to be appropriated for unforeseeable and unavoidable expenditure, funding for post-disaster reconstruction and recovery is typically provided for in the contingency reserve.

Despite section 30 of the PFMA, clause 6 of the 2022 Appropriation Bill allows the Minister of Finance to approve expenditure if it cannot be reasonably delayed without negatively affecting service delivery. However, this provision only comes into effect once the Appropriation Bill is enacted. Similar provisions to allow for this type of expenditure in municipalities are provided for in clauses 6(4) and 8(4) of the 2022 DoRB. These clauses provide that if any expenditure from the contingency reserve is approved in terms of section 6 of the 2022 Appropriation Act, any increases to the equitable share or conditional grants to municipalities may be released after the National Treasury has published the additional allocations by notice in the Gazette. The use of these provisions, however, will only come into effect once the 2022 DoRB is enacted.

4 Reporting and monitoring:

4.1 Reporting and monitoring of expenditure and the procurement process

Funding to respond to this disaster will be subject to the procurement processes and reporting conditions. Municipalities are urged to spend funds in line with the applicable conditions and adhere to the relevant reporting requirements in DoRA. Furthermore, municipalities will have to record the expenditure on disaster relief in their respective financial systems. The National Treasury will issue further guidance on the weekly and monthly reporting of disaster relief expenditure in terms of the Municipal Standard Chart of Accounts (*mSCOA*).

The need for increased pro-active governance measures with regard to supply chain management and procurement processes during this time needs to be stressed. Municipalities are advised consider using their internal audit committees to undertake preventative audits for quality assurance on procurement to respond to the effects of the damage caused by the 2022 April floods.

4.2 Real time auditing

The Auditor-General of South Africa (AGSA) will conduct real-time audits on the disaster response funds made available to provide much-needed relief to affected communities. The audits will provide independent assurance on whether public funds have been appropriately accounted for and used for their intended purpose.

A real-time audit is still reactive and, therefore, transactions must take place for the audit to provide independent assurance that the transaction was performed correctly, that the purchased goods or services were of the right quality and that it reached the intended beneficiaries. It must also determine that the transactions that took place complied with the requisite laws and regulations.

In essence, a real-time audit is an early audit aiming to prevent, detect and report on the findings to ensure an immediate response to prevent leakage, potential fraud, financial mismanagement and wastage. Real-time audits will equip municipal accounting officers to act quickly on weaknesses in controls and prevent further losses. They also enable immediate oversight and consequence management.

The focus of the real-time audits will be on:

- Prevention – the AGSA will be testing the implementation of the preventative controls to address the increased risks and significant changes in operations and will report to the accounting officer on the remaining risks;
- Detection – high-risk transactions will be subjected to an audit and any key observations are reported to the accounting officer as soon as they are identified to be addressed before any additional payments are made; and
- Reporting – work done by the AGSA, the outcome thereof and the responses by the accounting officers to any weaknesses identified are reported in a special report.

Through an early audit, the AGSA will provide real-time insights into the management and usage of funds earmarked for disaster relief in accordance with the objectives and targets set for those funds.

5 Dissemination of information contained in this circular:

Accounting officers are requested to bring the contents of this circular to the attention of all relevant municipal officials, municipal entities, councillors and municipal support personnel. There has also been huge interest from the general public on the utilisation of disaster relief funds and hence it will also be imperative that the municipality and municipal entity prepare special detailed reports that must be published on their websites on a monthly basis on projects, spending, and progress made.

6 Notification to the Auditor-General:

A copy of this circular will be submitted to the Auditor-General for notification.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH HATTINGH
CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
26 APRIL 2022



Reference number: RCS/C.5

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR MUN NO. 1/2022

THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR G PIETERSEN
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY
THE MAYOR, BITOU MUNICIPALITY: MR D SWART
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR P SWART
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
THE MAYOR, CEDERBERG MUNICIPALITY: DR R RICHARDS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MS J BOTHA
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THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN
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THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR K PAPIER
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR R STRYDOM
THE MAYOR, WITZENBERG MUNICIPALITY: MR H SMIT

THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J PENXA
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR R BOSMAN (ACTING)
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR E PHILLIPS
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR H PRINS
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR A TITUS (ACTING)
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: DR S VATALA
THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: ADV L MBANDAZAYO
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: DR M GRATZ (ACTING)
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR J JACOBS
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR M HOOGBAARD (ACTING)
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR D ADONIS (ACTING)
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR J BOOYSEN
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR A DE KLERK
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR G SEAS (ACTING)
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: MR C PUREN (ACTING)
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR W HENDRICKS (ACTING)
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR N KRUGER (ACTING)
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR A HENDRICKS (ACTING)
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER

THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, SWELLENDAM MUNICIPALITY: MR A GROENEWALD
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR J JONKERS (ACTING)
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON

THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MS N NTSANGANI
THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR F LÖTTER
THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR M DYUSHU
THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR R ONTONG
THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON
THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS FA DU RAAN-GROENEWALD
THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR M MEIMANI
THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR R DE BRUYN (ACTING)
THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR B BROWN
THE CHIEF FINANCIAL OFFICER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR JW DE JAGER
THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR R DU PLESSIS
THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS HJ VILJOEN
THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR R BUTLER
THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR J CARSTENS (ACTING)
THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR M SHUDE
THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR E ALFRED
THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR O FREDERICKS
THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR G DE JAGER
THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR P HOFFMANN (ACTING)
THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDÉ
THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR A HENDRICKS (ACTING)
THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR K CAROLUS
THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON
THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MS E WASSERMANN
THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW
THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: DR JCP TESSELAAR
THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)
THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (DR R HAVEMANN) (PRO TEM)
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)
THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
THE CHIEF FINANCIAL OFFICER (MS A SMIT)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN) (PRO TEM)
THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MS K NEETHLING) (ACTING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR S KENYON) (PRO TEM)
THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)

THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

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MUNICIPAL BUDGET CIRCULAR FOR THE 2022/23 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

1. PURPOSE

The purpose of this circular is to:

- provide the economic and fiscal context that should be considered by municipalities when compiling the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF);
- outline the legislative requirements guiding the tabling of the 2022/23 MTREF Budgets and accompanied budget documentation; and
- remind municipalities of additional upcoming reporting responsibilities.

2. STRATEGIC CONTEXT

Economic and Fiscal Environment

The 2022 Strategic Integrated Municipal Engagement/ Local Government Medium Term Expenditure (SIME/ LG MTEC) process will take place amidst national and provincial economic recovery following sharp economic contractions in 2020. Based on historical data since 1960, South Africa experienced its steepest decline in economic output with a contraction of 16 per cent from the first to the second quarter of 2020, which was largely due to the strict COVID-19 lockdown. This resulted in an estimated 6.4 per cent contraction in the national GDP for 2020. National Treasury (NT)¹ expects a real economic growth rate of 5.1 per cent in the country for 2021 as the economy rebounds.

National real GDP growth is projected at 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024. The Western Cape economy has outperformed that of South Africa as a whole but has not substantially diverged from the national trajectory. The Provincial economy contracted by 5.5 per cent in 2020 and recovered with an estimated growth of 5.3 per cent in 2021 and a forecast of 1.4 per cent growth in 2022. The rebound is clouded by the COVID-19 pandemic, the discovery of new variants which compromise travel to and from South Africa and slow progress in the national vaccine rollout which reinforces uncertainty and poses risks to economic recovery.

¹ National GDP growth rates are projected by the National Treasury within MFMA Circular No. 112

Other risks to the economic environment include but are not limited to the slow implementation of structural reforms which continues to have a negative impact on business confidence and private investment; supply chain and electricity supply constraints, which could worsen over the short term; deceleration in global demand and declines in commodity prices which could have a negative impact on local industry.

The fiscal environment faces the risk of a further deterioration in public finances which could trigger credit rating downgrades. Cost of Employment pressures, the implementation of the non-pensionable salary increases for Public Servants of salary levels 1 to 12 and the Social Relief Distress Grant (including a potential introduction of a basic income grant) further compromise fiscal consolidation measures. While the fiscal framework does not currently include any additional support to state-owned enterprises, the poor financial condition and operational performance of several of these entities remain a large contingent risk. Ageing infrastructure and outdated technology, vandalism, continued population growth and increasing demand for services require resources that are not met with sufficient increases in revenue. From a governance perspective, an unprecedented number of municipalities have hung councils, which poses risks to municipal operations and service delivery. Significant job losses during this period of economic decline impacts on the affordability of municipal services and therefore municipalities' ability to collect revenue and increases demand for free basic services. Social unrest and challenges such as poverty, crime, low levels of skills, and substance abuse also require intervention.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by appropriate cost containment measures to reduce expenditure. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus. The current prime lending rate is 7.25 per cent. There appears to be consensus in the private sector that there will be quarterly increases in interest rates during 2022 as the Monetary Policy Committee of the South African Reserve Bank is determined to contain inflation and maintain price stability. This will reduce the disposable income of households as interest on loans will increase. It also impacts adversely on municipalities' ability to service debt and take up new loans to fund infrastructure programmes. Headline inflation is currently at a five-year high but is expected to remain between the 3 to 6 per cent target range over the 2022/23 MTEF; at 4.0 per cent for 2022/23, 4.4 per cent for 2023/24 and 4.5 per cent for 2024/25.²

Considering the fiscal constraints, maximising the value of spending is crucial. Government needs to contain costs, especially consumption related spending, exercise prudent and compliant financial management, and eliminate the waste of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audits to ensure the staff complement is aligned to the approved organogram. It will also be critical for municipalities to build risk management into the budget process, i.e., mitigating, identifying and protecting the institution against potential risks. These will assist government to improve its fiscal position.

² MFMA Circular 112

To combat the socio-economic challenges highlighted above, the Western Cape Recovery Plan themes of Jobs, Safety and Wellbeing remain at the centre of the response to address the impact of COVID-19 and lay the foundation for faster long-run economic growth and poverty reduction in the Province. It is underpinned by the Vision Inspired Priorities within the Provincial Strategic Plan 2019 - 2024. Local Government also has a vital role to play in this regard. Consideration should be given as to how value can be unlocked from good governance. The real challenge is to get beyond stability and for WCG to partner with municipalities to leverage our governance advantage to drive the recovery and growth.

Municipalities should make conscious efforts to maximize service delivery given these social, socio-demographic, economic and fiscal challenges. Municipalities are advised to consult the 2021 Socio-economic profiles³ and Municipal Economic Review and Outlook (MERO)⁴ for municipal specific socio-economic information. The MERO, which was tabled by the Minister of Finance and Economic Opportunities on 6 December 2021, will be distributed to various business forums across the Province and rolled out via the District Coordination Forums. These source documents as well as the above-mentioned macro-economic forecasts should be considered when preparing the 2022/23 MTREF budgets and plans.

3. NATIONAL TREASURY AND PROVINCIAL TREASURY GUIDELINES

3.1 Context

- Municipalities are advised to consult the latest Budget Circular, MFMA Circular 112 released on 6 December 2021.
- Municipalities MUST include the National and Provincial Treasury Budget Circulars as part of the source documents consulted in the preparation of the 2022/23 MTREF Budget documents and table it as part of the budget documentation in the Municipal Council.

3.2 Legislative Requirements: Tabling of the 2022/23 Budgets

- As per section 16(1) of the Local Government: Municipal Finance Management Act (Act No. 56 of 2003) (MFMA), the council of a municipality must approve an annual budget before the start of the financial year. In order for a municipality to comply with section 16(1), the mayor must table the annual budget at a council meeting at least 90 days (end of March 2022) before the start of the budget year as required by section 16(2) of the MFMA.
- Should it be foreseen that a municipality will not be able to comply with section 16(2), the mayor must, as per section 27(1) of the MFMA, inform the MEC for Finance in the province, in writing, of such impending non-compliance.
- Section 27(2) of the MFMA allows the MEC of Finance, on application by the mayor, and if good cause is shown, to extend any time limit or deadline pertaining to the tabling of the budget, provided that such extension does not compromise compliance with section 16(1). Municipalities must however make every effort to ensure that their budgets are tabled by 31 March 2022. This timeline is required to enable effective participation in the budget process by all stakeholders, including Council and the public; and for provincial departments to fulfil their oversight role. Provincial Treasury (PT) will therefore not recommend that an extension be granted unless exceptional circumstances exist.

³ <https://www.westerncape.gov.za/provincial-treasury/socio-economic-profiles-2021>

⁴ <https://www.westerncape.gov.za/provincial-treasury/investor-economic>

- In the event of non-compliance (that the budget was not timeously tabled by the end of March 2022), the mayor must, according to section 27(3) of the MFMA, inform the municipal council, the MEC for Finance and the National Treasury, in writing, of such non-compliance and any remedial or corrective measures the municipality intends to implement to avoid a recurrence. This requirement is dependent on, and subject to, any extension provided by the MEC in terms of section 27(2).
- Notification of impending and/or actual non-compliance with a time provision relating to the annual budget must be done in terms of Chapter 4 of the Municipal Budget and Reporting Recommendations (MBRR) and be in the format outlined in Schedule G of the MFMA.
- Failure to comply with section 16(2) of the MFMA, will compromise a municipality's ability to approve the budget before the start of the financial year as required by section 16(1) of the MFMA. Should a municipality not approve its budget by the start of the new municipal financial year (i.e. 1 July 2022), the Provincial Executive must intervene in terms of section 136(3) of the MFMA and section 139(4) of the Constitution. The Provincial Executive will accordingly take corrective measures which include, but are not limited to, placing a temporary hold on the Municipality's bank account, appointing an administrator, approving a temporary budget, or even dissolving council. Further guidance on this will be provided in a subsequent circular.

3.3 Development and Adoption of IDPs

The date of the 2021 Local Government elections presented a challenge for incoming councils to adopt new Integrated Development Plans (IDPs) by May 2022 within the legislated timeframes. The results from a survey conducted by the Department of Local Government indicates that many newly elected municipal councils plan to adopt the IDP of their predecessor in terms of section 25(3) of the Local Government: Municipal System Act, Act No. 32 of 2000 (MSA) and to only adopt a new IDP in their second year of office to facilitate thorough interrogation and extensive consultation for the finalisation of the new five-year strategy. Some municipalities are however planning to adopt new term of office IDPs in May 2022 despite the tight timelines.

For further guidance municipalities are referred to the joint National Treasury/Department of Cooperative Governance/South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 (20 October 2021) on the transitional measures in relation to the IDP process and to, if any further guidance or assistance is required in this regard, contact the IDP Directorate of the Department of Local Government.

3.4 Ensuring Municipal Sustainability through a funded budget

In the current economic and fiscal environment, municipalities may face financial strain for several reasons including rising demand for basic and free basic services, revenue collected being hampered due to reductions in household income, and below inflation increases in transfers from national government.

As per section 18 of the MFMA, municipalities should nevertheless ensure that their budgets are funded from realistically anticipated revenue to be collected, cash backed accumulated funds from the previous year as well as borrowed funds to be utilised for capital projects.

To ensure financial sustainability each Municipality must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read together with MFMA Circular No. 97 (31 July 2019);
- Ensuring value for money through the procurement process and promoting sustainable public procurement;
- The affordability of providing free basic services to all households;
- Any changes to functional assignments between spheres and/or intergovernmental funding arrangements for these services must be assessed for their long-term impact on municipal financial sustainability.
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Curbing the consumption of water and electricity by indigent households to ensure that they do not exceed their allocation without paying for additional consumption;
- Prioritising the filling of critical vacant posts, especially those linked to the delivery of basic services. Municipalities should also carefully consider whether non-critical vacancies need to be filled, or whether savings can be achieved by freezing some of these posts; and
- Ensuring that the budget is aligned to the municipality's Municipal Spatial Development Framework (MSDF), informed by its Capital Expenditure Framework, where this is in place, and is responsive to the municipality's identified risks.

The following sections contain additional guidelines regarding revenue and expenditure to ensure credible and sustainable budgeting.

3.4.1 Revenue

- a) Municipalities are advised to use the indicative numbers presented in the 2021 Division of Revenue Act (DoRA) to compile their 2022/23 MTREF. In terms of the outer year allocations (2023/24 and 2024/25 financial years), it is proposed that municipalities conservatively limit funding allocations for conditional grants to the indicative numbers as presented in the 2021 DoRA for 2023/24. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx>

The 2021 national Medium Term Budget Policy Statement (MTBPS) gave an estimation of growth in equitable share and conditional grants for local government over the 2022/23 MTREF. While these numbers may still change when the Budget is tabled in February, the indication is that following growth in the equitable share of only 0.6 per cent (in nominal terms) in 2023/24, the equitable share will increase by 4.5 per cent in 2024/25. Although municipalities can use this growth rate to estimate their equitable share allocation for 2024/25, cognisance should be taken that NT has taken the approach to gradually decrease the number of indigent households subsidised as part of the equitable share.

Table 1: Local Government Intergovernmental Transfers for the 2022 MTREF

R billion & per cent	2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
	Revised	Medium-term estimates			Growth rates		
Local government	137,6	146,3	148,9	155,4	6,4%	1,8%	4,3%
Equitable share	78,0	83,1	83,6	87,3	6,5%	0,6%	4,5%
General fuel levy sharing with metropolitan municipalities	14,6	15,3	15,4	16,1	4,9%	0,6%	4,5%
Conditional grants	45,0	47,9	49,9	51,9	6,5%	4,2%	4,0%
Main budget expenditure	1 893,1	1 897,9	1 936,7	2 039,1	0,3%	2,0%	5,3%
<i>Percentage shares</i>							
National departments	50,6%	48,7%	48,3%	48,2%			
Provinces	40,9%	42,0%	42,0%	42,1%			
Local government	8,5%	9,3%	9,7%	9,7%			

Source: 2021 National MTBPS

Municipalities are advised to consult section 2.1 of MFMA Budget Circular 112 for detail regarding the changes to local government allocations. All allocations must be updated once the national Minister of Finance tables the 2022 DoRA.

- b) Municipalities should comply with Section 74(2) of the MSA by setting cost-reflective tariffs. This ensures that municipalities set tariffs that enable the recovery of the full cost of providing the service. Municipalities should pay careful attention to tariff increases across all consumer groups. Municipalities are further encouraged to utilise the tariff setting tool referenced in MFMA Circular 98, item 4.2. The NT Municipal Costing Guide is available on the link below:

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

Municipalities should also maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The inflation rates have been provided in section 2 above. Municipalities must justify any increases in excess of the projected inflation rate for 2022/23 and include details of their revenue growth assumptions for the different service charges within the 2022/23 budget narrative.

- c) It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that anticipated revenue from property rates are accurate. The recent valuation roll data can be reconciled with the billing system and with the Deeds Office Registry as a further test. In accordance with the MFMA Circular No. 93 (7 December 2018), municipalities are once more requested to submit their annual reconciliation of the valuation roll to the billing system to NT by no later than 4 February 2022. The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>.
- d) Based on the Constitutional Court decision in Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009), a municipality has the right to disconnect the water service in the event of non-payment, or in the case of indigent households, restrict usage to only the national policy limit of 6 kilolitres of water per month.

- e) On 3 December 2021, the Gauteng High Court ruled that the National Energy Regulator of South Africa (NERSA) should process Eskom's application for Electricity Retail Tariffs and Structure Adjustment (ERTSA). Eskom has requested an average increase of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. The High Court set for the National Energy Regulator to make their decision on the ERTSA by 25 February 2022. The Municipal Benchmark tariff will only be finalised once the decision on the ERTSA is made, as this is the municipal bulk tariff input. NERSA's upcoming *Municipal Tariff Guidelines Increases, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2022/23 financial year* publication should be consulted before the approval of the final budgets.
- f) The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. Going forward the National and Provincial Treasury will place increased attention and focus on the completeness of municipalities' submissions. National Treasury regards the exclusion of the minimum level of information as serious non-compliance and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. NT will particularly focus on the adequacy of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.
- g) Section 216(2) of the Constitution requires that NT enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures. The criteria for the release of the Equitable Share instalments for the 2022/23 municipal financial year are outlined in section 8.1 of MFMA Budget Circular 112. Western Cape municipalities are encouraged to maintain their current high level of compliance.

3.4.2 Expenditure

- a) Accounting Officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently, and economically. Failure to do so will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
- b) Municipalities are encouraged to budget and ringfence their payment for bulk services and honour their current account payments (inclusive of Eskom) consistently to avoid stringent application of the bulk suppliers' credit control policy. Note that Eskom's payment terms have been extended to 30 days and the interest on overdue accounts is set at 2.5 per cent plus prime interest rate. Furthermore, municipal payments are allocated to capital first and then to interest.
- c) Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.
- d) Municipalities are encouraged to clear the control accounts monthly and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA.

- e) To address non-payment to Eskom, National Cabinet endorsed the recommendation that a smart prepaid solution for all municipalities be explored. NT, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a MFMA Circular No. 112 transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government. If a municipality or entity is currently in the process of procuring any smart meter solution or is planning to, it is cautioned against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR). With immediate effect, the municipality must obtain NT's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Contact Mr Sadesh Ramjathan (Sadesh.Ramjathan@treasury.gov.za) for NT inputs on procurement of similar solutions.
- f) Municipalities need to develop a Long-term Financial Model (LTFM) that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform a municipality's long-term financial strategy, which must articulate a sustainable, efficient, and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders. National Treasury will provide guidance to all municipalities on developing and implementing LTFM's and strategies, based on the pilot projects in this regard. The LTFM must be integrated with the MSDP's Capital Expenditure Framework, where this is in place.
- g) Municipalities are advised to develop a Capital Expenditure Framework, linked to its Long-Term Financial Plan (LTFP) and LTFM, that sets out a 10-year capital expenditure portfolio of projects that are prioritised, sequenced, and within the affordability envelop defined by the LTFM and LTFP. This will guide capital expenditure over the short, medium, and long term, and assist a municipality in allocating its capital budget to capital projects that align to the municipal vision and strategies.
- h) The Salary and Wage Collective Agreement for the period 1 July 2021 to 30 June 2024, as approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution, should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by the agreement shall receive with effect from 1 July 2022 and 1 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, to root out ghost employees.
- i) Municipalities are advised to budget for the actual costs approved in accordance with the *Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils* published annually between December and January by DCoG. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councillor(s) concerned.

3.4.3 Implementation of Municipal Cost Containment Regulations

Provincial Treasury has a legal responsibility to advocate for fiscal discipline and financial prudence, the need for which cannot be over-stated in the current fiscal and socio-economic environment. The implementation of Municipal Cost Containment Regulations is crucial in this regard.

An effective cost containment program requires the active oversight of management, as well as a budgeting process that yields reasonable expenditure targets. A downside of cost containment is that management focuses too much on the cost side of the business, rather than pursuing new revenue opportunities. A delicate balancing act must be maintained between operational efficiency and the long-term sustainability of an institution.

Most non-metro municipalities are not budgeting on a quarterly basis as per Annexure D of MFMA Circular 97 which results in under reporting and compromise oversight efforts by Council, National Treasury and the relevant provincial treasury, to curb non-essential spending. Observations as per 2021 Quarter 1 reporting outcomes, are that non-metro municipalities allocated 46.8 per cent of the budget towards *Other related Expenditure Items* in terms of the Municipal Cost Containment Regulations. This requires a microscopic view to prevent unnecessary budgeting and spending by some municipalities as a result of the possible vagueness of this section in the Regulations.

Municipalities are encouraged to pay attention to the quarterly reporting requirements since the maturity in the 3rd year of the Municipal Cost Containment Regulations should be at a level where budget cuts and expenditure ceilings on certain items on the item, *Other related Expenditure Items* can be identified.

3.4.4 Addressing Unfunded Budgets

- a) All tabled municipal budgets will be assessed by PT to determine whether they are funded. This assessment uses a Tool prescribed by NT. An assessment of the funding status will be provided to each municipality in their SIME assessment. Further information will be provided to any municipality found to have an unfunded budget on the factors that led to this status as well as advice on how to correct this.
- b) Municipalities are reminded that they should make changes to ensure that they adopt a funded budget for all three years of the 2022/23 MTREF period. If a municipality fails to adopt a funded budget, a credible Budget Funding Plan must be developed. This plan must be tabled and adopted by Council and be submitted to National and Provincial Treasury with its tabled and adopted budget in terms of section 24 (3) of the MFMA. PT is available to review and provide guidance on the credibility of draft Budget Funding Plans.
- c) Where municipalities have adopted an unfunded budget without a credible Budget Funding Plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the municipal council, and the changes to the budget must be effected in the mid-year adjustments budget to ensure compliance with section 18 of the MFMA.

3.5 Municipal Standard Chart of Accounts

3.5.1 Release of Version 6.6 of the chart

Version 6.6 was released with MFMA Circular No. 112 and must be used to compile the 2022/23 MTREF budget. As per the mSCOA regulations, each municipality is expected to submit the prescribed supporting data strings containing the required data directly from the financial system using the LG Upload Portal.

The Budget, Adjustments Budget and Section 71 Monthly Reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the mSCOA Chart Version 6.6. The revised MBRR Schedules for the 2022/23 MTREF, and its linkages to the financial and non-financial data strings are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

Requests for chart changes in the next version of the mSCOA Chart Version 6.6 should be logged on the Frequently Asked Questions (FAQ) database by 31 August 2022. Requests will be considered by the FAQ Committee, mSCOA Technical Committee and the mSCOA Steering Committee for the review of the Chart to be released by December 2022.

3.5.2 Budgeting and Reporting through MSCOA

- a) The credibility of mSCOA data strings remains a concern, although improvements have been observed in some areas. The areas of concern include:
- The incorrect use of the mSCOA Chart and Segments, balance sheet budgeting, movement accounting and basic municipal accounting practices.
 - Some municipalities are either not budgeting, transacting, and reporting directly from their core financial system; have not purchased all the modules of their core financial system; or have not upgraded to the Enterprise Resource Planning (mSCOA enabling) Version of their Financial System.
 - Municipalities are not locking their adopted Budgets and their Financial Systems at month-end to ensure prudent financial management. The Local Government Database and Reporting System will therefore lock all submission periods within the reporting period at the end of each quarter to enforce municipalities to lock their Budgets and close their Financial System at month-end in 2022/23.

Municipalities should refer to the guidance provided in the mSCOA circulars issued by NT to classify their transactions correctly.

- b) Municipalities are required to submit the C-schedule, primary bank statement, bank reconciliation, quality certificate, monthly budget statement and trial balance to the GoMuni Upload portal monthly in PDF format.
- c) The trial balances should from 1 July 2022 include the following minimum information: the mSCOA item description; balance brought forward; movement debit; movement credit; and balanced closing balance at the end of the document. Furthermore, the name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trial balance submitted to the GoMuni Upload portal.
- d) Municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting in terms of mSCOA Circular No. 9 (9 June 2020). Once NT can draw COVID-19 reports from the mSCOA data strings for the majority of municipalities and the COVID-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will no longer be required.

- e) The purpose of the costing segment in mSCOA is to provide for the recording of the full cost for the four core municipal functions as a minimum requirement. The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in formulating tariffs and cost control. Municipalities must refer to the mSCOA Project Summary Document (PSD) for the detailed application of the costing segment.
- f) Municipalities are not populating the GPS Coordinates in the IDP/Planning and Budgeting stage for their projects. PRTA, PROR, PRAD Data Strings must be populated including GPS Coordinates. GPS coordinates enhances the identification of location of tangible assets, aids in maintenance and replacement of assets, enhances revenue collection and assists with the location of assets during the audit process. Municipalities must ensure that all projects and infrastructure assets have GPS coordinates. PT will analyse the PRTA, PROR and PRAD data strings for completeness in this regard.
- g) Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses, etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Municipalities must ensure that the Skills Development Levy is correctly classified as operational costs as indicated in the PSD.
- h) With reference to MFMA Circular 107 (4 December 2020) municipalities were required to implement the new property categorisation framework by not later than 1 July 2021. The mSCOA Chart Version 6.6 makes provision for the new and old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. To avoid duplication and overstatement of revenue from property rates municipalities should not use both frameworks.
- i) National and Provincial Treasury will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with mSCOA requirements. The mSCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment. To generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by 15 July 2022. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via the adjustments budget in February 2023. The TABB should be verified and errors in the TABB should be corrected in the ORGB before the adopted budget is locked on the financial system and the ORGB data string is generated.

3.5.3 Municipal Financial Systems

- a) National Treasury will not be extending the RT25-2016 Service Level Agreements (SLA) for Financial Systems which expired in May 2019. Financial systems procured through this SLA therefore cannot be extended. Municipalities should instead approach the open market to procure a service provider for system support and maintenance. The Municipality may consider the use of long-term contracts in terms of section 33 of the MFMA. Where a municipality has entered an SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of section 116(3) of the MFMA.
- b) Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Municipalities need not procure a new financial system unless the system being used does not comply with the required business processes and system specifications. As such, the municipal needs must be re-evaluated to ensure that the IT systems in place are still i) compatible with the needs and systems of the municipality, ii) aligned

to modern technology and new legislative requirements and iii) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

3.5.4 Non-compliance with mSCOA Requirements

- a) One of the key objectives of the mSCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. All municipalities and municipal entities had to comply with the mSCOA Regulations by 1 July 2017. Several Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016. These will be expanded on in 2022/23.
- b) If a municipality has not yet achieved the minimum required level of mSCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of mSCOA. The action plan should include the system landscape, governance and institutional arrangements, system functionality and the proficiency of municipal officials to use the financial system (see section 5.3 of MFMA Circular 112 for further detail on what should be included in the action plan).
- c) The progress against the action plan must be monitored by the municipality's mSCOA Project Steering Committee and should also be reported on at the 2021/22 Mid-year Budget and Performance engagements, the Budget and Benchmark engagements with the National and Provincial Treasury, as well as the SIME engagements. Copies of the action plan and progress reports should also be shared with the National and Provincial Treasury.

4. UPCOMING MFMA REPORTING REQUIREMENTS

4.1 Mid-year Report

- a) As per section 72(1) of the MFMA, the Accounting Officer must by 25 January 2022 assess the municipality's financial and non-financial performance for the first half of 2021/22 and submit a report of such an assessment to the mayor as well as National and Provincial Treasury.
- b) The Accounting Officer must furthermore make the report public by close of business on 31 January 2022. In turn, the mayor must also in terms of section 54(1)(f) of the MFMA submit the report to the municipal council by 31 January 2022.
- c) Electronic versions (PDF and where applicable, Excel) of the report can be e-mailed to MFMA.MFMA@westerncape.gov.za copying in Dian.Cronje@westerncape.gov.za.

4.2 Annual Report

- a) In terms of section 127(2) of the MFMA, the mayor is required to table the (draft) annual report in council within seven (7) months after the end of the financial year, i.e., 31 January 2022. Municipalities are encouraged to prepare and submit the annual report in the template as outlined in MFMA Circular No. 63 (26 September 2012).
- b) In terms of section 127(5)(b), the annual report must immediately after being tabled in council, be submitted to the Auditor-General, the relevant PT and provincial department responsible for local government in the province. The tabled report can be e-mailed to MFMA.MFMA@westerncape.gov.za.

- c) Section 129(1) of the MFMA prescribes that the council of a municipality must consider the Annual Report (as tabled) and by no later than two months from the date on which the Annual Report was tabled, adopt an oversight report containing the council's comments on the annual report.
- d) In terms of section 132(2) of the MFMA, the approved annual report and the oversight report must be submitted to the Provincial Legislature within seven (7) days after the adoption hereof.
- e) Section 129(2) of the MFMA states that minutes of the council meetings and oversight committee meetings at which the annual report is discussed should be submitted to the AG, PT and the provincial department responsible for local government in the province.
- f) In terms of section 121(3)k of the MFMA, which indicates that the annual report of a municipality should include *any other information as may be prescribed*, the municipalities' attention is drawn to Section 13G of the Broad-based Black Economic Empowerment (B-BBEE) Act which requires the municipality to report on their compliance with B-BBEE in their AFS and annual reports. Municipalities were alerted to this requirement in section 4 of Treasury Circular Mun No. 29/2019 (1 November 2019). Compliance in this regard has been lacking. Municipalities are therefore reminded to provide the required information in the completion of the 2020/21 Annual Reports and AFS. The B-BBEE Commission's Explanatory Notice No.2 of 2021 (hereto attached as Annexure A) contains guidelines for completing the information required in terms of section 13G(1) of the B-BBEE Act.

5. KEY DATES OF THE 2022/23 INTEGRATED PLANNING AND BUDGETING PROCESS

Municipalities are urged to consult MFMA Circular 112 for information regarding the budget process and submissions. Provincial Treasury will issue a follow-up circular in which the budgeting process and submission, as well as the tabled budget, IDP and related documentation assessments and SIME engagements will be outlined.

The following key dates should be considered by the Municipality in the 2022/23 IDP and budgeting process.

Dates	Budget Process
25 January 2022	Mid-year Budget and Performance Assessment
31 January 2022	Tabling of Annual Report
28 February 2022	Municipal Main Adjustments Budget
23 February 2022	National Budget Day
8 March 2022	Provincial Budget Day
Latest 31 March 2022	Tabling of Annual Municipal Budget Adoption of Annual and Oversight Reports
Provisionally 25 April – 20 May 2022	SIME Engagements
31 May 2022	Adoption of Annual Municipal Budget

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to the following WC PT officials:

Directorate	Official	Tel. No.	Email
MFMA Co-Ordination	Elton Johannes	021 483 4229	Elton.Johannes@westerncape.gov.za
Public Finance	Kim-Kay Neethling	021 483 9186	Kim-Kay.Neethling@westerncape.gov.za
	Isaac Tsie	021 483 6241	Isaac.Tsie@westerncape.gov.za
Budget Office	Malcolm Booysen	021 483 3386	Malcolm.Booyesen@westerncape.gov.za
	Kim Engel	021 483 8459	Kim.Engel@westerncape.gov.za
	Shannon Engel	021 483 9198	Shannon.Engel@westerncape.gov.za
	Keith Roman	021 483 5434	Keith.Roman@westerncape.gov.za
Fiscal Policy	Shafeeqa Davids	021 483 9192	Shafeeqa.Davids@westerncape.gov.za
Cash Management	Anthea Paries	021 483 5472	Anthea.Paries@westerncape.gov.za
Accounting	Faez Salie	021 483 4252	Faez.Salie@westerncape.gov.za

Municipalities may also contact the following officials at NT:

	Responsible official	Tel. No.	Email
Western Cape	Willem Voigt	012 315 5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012 315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012 315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012 406 9064	lgdataqueries@treasury.gov.za

6. CONCLUSION

Municipalities are encouraged to consider and apply the contents on this budget circular in the 2022/23 planning and budgeting process.

Please direct any queries regarding this circular to: Malcolm Booysen at Malcolm.Booyesen@westerncape.gov.za.

DAVID SAVAGE
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE:



Reference: RCS/C.5

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR MUN. NO. 7/2022

THE MAYOR, CITY OF CAPE TOWN: MR G HILL-LEWIS
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR R STRYDOM
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J VAN DER HOVEN
THE MAYOR, CEDERBERG MUNICIPALITY: DR R RICHARDS
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR A TRUTER
THE MAYOR, SWARTLAND MUNICIPALITY: MR H CLEOPHAS
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
THE MAYOR, WITZENBERG MUNICIPALITY: MR H SMIT
THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR C POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV. G VAN DEVENTER
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBERG MUNICIPALITY: MR S VAN EEDEN
THE MAYOR, OVERBERG DISTRICT MUNICIPALITY: MR A FRANKEN
THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MR K PAPIER
THE MAYOR, OVERSTRAND MUNICIPALITY: DR A RABIE
THE MAYOR, CAPE AGULHAS MUNICIPALITY: MR P SWART
THE MAYOR, SWELLEN DAM MUNICIPALITY: MR F DU RAND
THE MAYOR, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M BOOYSEN
THE MAYOR, KANNALAND MUNICIPALITY: MR N VALENTYN
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDLES
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR D KOTZE
THE MAYOR, GEORGE MUNICIPALITY: MR L VAN WYK
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR C LOUW
THE MAYOR, BITOU MUNICIPALITY: MR D SWART
THE MAYOR, KNYSNA MUNICIPALITY: MR L DAVIS
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MS J BOTHA
THE MAYOR, LAINGSBURG MUNICIPALITY: MR M SMITH
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M JAFTHA
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR G PIETERSEN

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: ADV. L MBANDAZAYO
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR G SEAS (ACTING)
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR D ADONIS
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR H PRINS
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE MUNICIPAL MANAGER, LANGEBERG MUNICIPALITY: MR A DE KLERK
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR P OLIVER (ACTING)
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR J JONKERS
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR E PHILLIPS
THE MUNICIPAL MANAGER, SWELLEN DAM MUNICIPALITY: MR A GROENEWALD
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR I AVONTUUR (ACTING)
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR H VISSER (ACTING)
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: MR C PUREN (ACTING)
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: DR M GRATZ (ACTING)
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR W HENDRICKS (ACTING)
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR N MAREDI (ACTING)
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J JACOBS (ACTING)
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: DR S VATALA
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR J BOOYSEN
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR A HENDRICKS (ACTING)
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J PENXA

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
 THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: DR J TESSELAAR
 THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR E ALFRED
 THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR M MEIMANI
 THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR F LÖTTER
 THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
 THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON
 THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS F DU RAAN-GROENEWALD
 THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER
 THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR B BROWN
 THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR K CAROLUS
 THE CHIEF FINANCIAL OFFICER, BREEDE VALLEY MUNICIPALITY: MR R ONTONG
 THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR M SHUDE
 THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR N KRUGER
 THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW
 THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDÉ
 THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON
 THE CHIEF FINANCIAL OFFICER, SWELLENBAM MUNICIPALITY: MS E WASSERMANN
 THE CHIEF FINANCIAL OFFICER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR J DE JAGER
 THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR P MGENI (ACTING)
 THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS H VILJOEN
 THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR O FREDERICKS
 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR R DU PLESSIS
 THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR G DE JAGER
 THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR M DYUSHU
 THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR A JAGAYSOR (ACTING)
 THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR M ABDULLAH
 THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
 THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR A HENDRICKS (ACTING)
 THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MS N NTSANGANI
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (DR R HAVEMANN) (PRO TEM)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN) (PRO TEM)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR S KENYON) (PRO TEM)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)
 THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

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MUNICIPAL BUDGET CIRCULAR FOR THE 2022/23 MTREF AND ASSOCIATED 2022 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS

1. INTRODUCTION

This Circular is a follow-up to the Provincial Treasury (PT) Circular 01/2022 issued on 24 January 2022 and should be read in conjunction with National Treasury (NT) MFMA Circulars No. 112 and No. 115 issued on 06 December 2021 and 04 March 2022 respectively.

The purpose of this circular is to:

- provide guidance to municipalities with the finalisation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) Budgets and accompanied budget documentation, and
- brief municipalities on the 2022 Strategic Integrated Municipal Engagements (SIME) process and related matters.

2. LEGISLATIVE CONTEXT

The Western Cape Provincial Government (WCG) has institutionalised the Strategic Integrated Municipal Engagements (SIME; previously referred to as LGMTEC) process in fulfilment of its obligations under:

- Sections 5, 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003;
- Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA];
- Chapter 3 of the National Environmental Management Act (Act No. 107 of 1998) (NEMA); and
- Chapter 4 of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA).

The 2022 SIME process will give effect to the "Integrated Work Plan" adopted in 2017. It builds on the 2021 integrated municipal and provincial processes to strengthen alignment between municipal and provincial planning and budgeting and drives the theme of "Integrated service delivery", specifically as municipalities are preparing for the new Integrated Development Planning Cycle.

3. FISCAL AND ECONOMIC CONTEXT

3.1 2022 National Budget

The key highlights of the 2022 National Budget are summarised below.

- The world economy is expected to grow by 4.4 per cent in 2022 which is slightly lower than the 4.9 per cent that was anticipated when tabling the Medium-term Budget Policy Statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global supply chains, global geopolitical risk (particularly the Russian invasion of Ukraine) and reduced fiscal and monetary policy support have limited the pace of the world's economic recovery.
- The South African economy has not been shielded from these global developments; hence real GDP growth is estimated at 4.9 per cent in 2021, bouncing back from a 6.4 per cent contraction in 2020 and is projected to be followed by growth averaging 1.9 per cent over the next two years. The Western Cape GDP is expected to follow the national trajectory, expanding by 4.3 per cent in 2021, by 2.0 per cent in 2022 and by 1.9 per cent in 2023. This outlook partly reflects a slowing recovery. A more rapid implementation of economic reforms, complemented by fiscal consolidation, will ease investor concerns and support faster recovery and higher levels of economic growth over the long term. Significant risks to the economic outlook include new COVID-19 variants leading to new waves of infections, continued interruptions in power supply, rising inflation resultant from supply chain disruptions and increasing energy prices, fiscal risks as well as global economic uncertainty.
- Headline inflation is expected to remain between the 3 - 6 per cent target range over the 2022/23 MTEF as seen in the CPI inflation projections below. Although prime lending rates are increasing, borrowing conditions remain favourable. Lending rates are however expected to increase in the short-term.

Table 1: CPI Performance and Projections, 2020-2025¹

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: National Treasury, 2022

- A consolidated budget deficit of 6 per cent of GDP is projected for 2022/23, narrowing to 4.2 per cent of GDP in 2024/25. Gross debt is projected to stabilise at 75.1 per cent of GDP in 2024/25. Gross tax revenue for 2021/22 is expected to be R181.9 billion higher than projections in the 2021 budget. Government will continue to focus on broadening the tax base, improving administration and lowering taxes.
- Government's medium-term spending plans include an allocation of R3.3 trillion for the social wage, and R18.4 billion to support youth employment and the creation of short-term jobs in 2022/23 and 2023/24. Additional allocations since the 2021 MTBPS support policy priorities in higher education, teacher retention in basic education, health budgets for new hires and the continued response to COVID-19. Debt-service costs account for 15.1 per cent of total spending and grow faster than all functions, including learning and culture and health.

¹ Updated from the 2021 National Medium Term Budget Policy Statement (MTBPS). The Provincial Government inflation assumptions are based on the 2021 MTBPS projections.

- Over the 2022 MTEF period, after budgeting for debt-service costs, the contingency reserve and provisional allocations, 48.8 per cent of nationally raised funds are allocated to national government, 41.4 per cent to provinces and 9.8 per cent to local government.

The 2022 National Budget documentation is available at: <http://www.treasury.gov.za/documents/National%20Budget/2022/>

3.2 2022 Western Cape Provincial Budget

On Monday, 14 March 2022, the Western Cape Minister for Finance and Economic Opportunities, Mr. David Maynier, tabled the 2022 Western Cape Budget in the provincial legislature. The 2022 Budget focuses on implementing the Western Cape Recovery Plan priorities namely, Jobs, Safety, and Wellbeing, while maintaining a response to COVID-19. The budget policy priorities will support economic growth and job creation; strengthen law enforcement and social protection; and ensure human dignity by protecting human rights and supporting mental wellbeing.

The 2022 Budget is informed by the WCG's Fiscal Strategy which is based on four key fiscal decision-making principles, namely, *Protect basic services outcomes; Unlock allocative efficiency; Enhance productive efficiency; and Enable long-run fiscal sustainability.*

The 2022 Budget, named, "**A Budget to Push Forward**" will over the medium term spend R19.6 billion on "Jobs"; R4.4 billion on "Safety"; R111.3 billion on "Wellbeing"; and R30.3 billion over the medium term on infrastructure in the Western Cape.

The 2022 MTEF budget will over the medium term also allocate an additional R6.2 billion to education; R2.4 billion to healthcare; R136 million to social development; and R2.6 billion on infrastructure in the Western Cape.

These budgetary allocations support the WCGs fiscal principles and ensures that the WCG continues to –

- sustain the fight against the COVID-19 pandemic, including the successful rollout of the vaccination programme;
- support the recovery plan priorities of Jobs, Safety and Wellbeing;
- protect frontline services, including education, health and social development;
- rebalance the composition of expenditure by increasing spending on infrastructure;
- supports effective local governance;
- significantly improves the efficiency of expenditure by driving value for money in procurement;
- mitigate risks including drought, fire and flooding; and
- ensure long-term fiscal sustainability replenishing provincial reserves.

The 2022/23 Budget will spend R76.8 billion across the five districts and the metro in the Western Cape as follows: R8.7 billion in the Cape Winelands District; R3.8 billion in the West Coast District; R6.4 billion in the Garden Route District; R2.8 billion in the Overberg District; R989 million in the Central Karoo District; and R54.2 billion in the City of Cape Town.

To further support municipalities to drive economic growth, a new Municipal Ease of Doing Business Fund will be launched, which will allocate R10 million to projects which reduces red tape in municipalities in the Western Cape.

The budget also allocates an additional R30 million over the medium term to strengthen forensic investigation capability, and legal services capability, in the municipal space in order to support clean governance.

These priority objectives are as relevant to the local government space as it is to the Western Cape as a whole and has informed the formulation of the 2022 SIME theme i.e., Enabling Sustainability and Growth. Municipalities are urged to familiarise themselves with the fiscal strategy underlining the 2022 WCG MTEF Budget and to take cognisance of the Provincial expenditure allocations (including infrastructure investments) within the respective municipal areas. The allocations to be made per school and per hospital in the province, as well as those by Casidra and CapeNature, will be finalised and published in April 2022. The 2022 Main Budget documentation can be found here:

<https://www.westerncape.gov.za/provincial-treasury/news/western-cape-budget-202223>

4. NATIONAL AND PROVINCIAL BUDGET GUIDELINES

Municipalities are advised to consult MFMA Circulars No. 112 (2021) and No. 115 (2022) as well as the Provincial Treasury Circular No. 1/2022 (24 January 2022) for guidance in respect of planning and budgeting towards the 2022 MTREF.

Municipalities MUST include the National and Provincial Treasury 2022 Budget Circulars as part of the source documents consulted in the preparation of the 2022 MTREF Budget documents and table it as part of the budget documentation in the municipal council.

The NT and PT circulars provide guidance to municipalities on revenue, expenditure and accounting related matters for consideration when compiling their 2022/23 MTREF budgets. Although municipalities must thoroughly scrutinise these circulars in their own time, PT wishes to highlight the following key consideration:

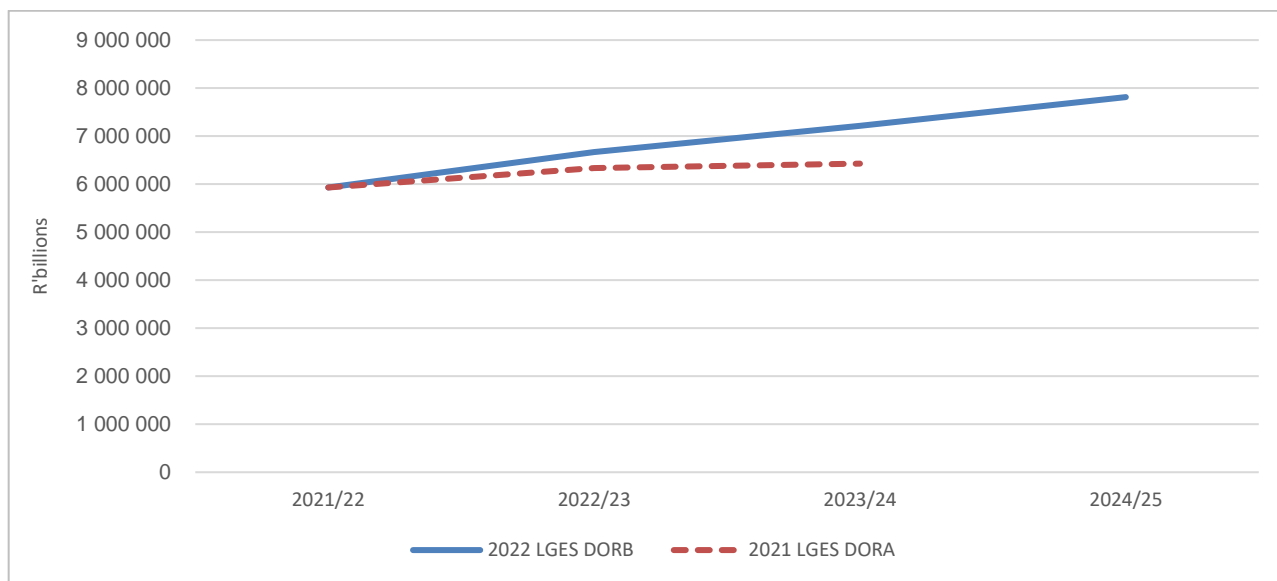
4.1 Direct Transfers to Local Government

The Division of Revenue Bill (DORB) was published on 23 February 2022, following the tabling of the 2022 National Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published therein. Note that in terms of the outer year allocations (2023/24 and 2024/25) it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website at the following link:

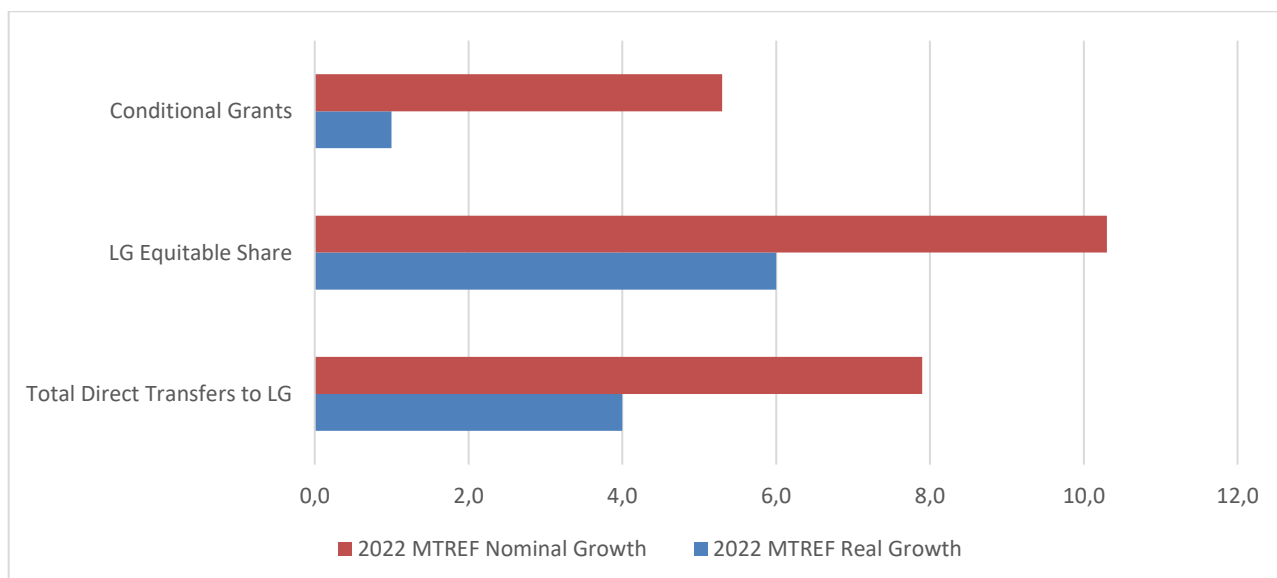
<http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx>

According to the DORB, direct transfers to municipalities will grow at an annual average rate of 7.9 per cent over the 2022 MTREF; direct conditional grants at 5.3 per cent, while the local government equitable share (LGES) will grow at 10.3 per cent on average per annum over this period. These growth rates are all above the inflationary estimates provided above.

Graph 1: Equitable Share Estimates, 2021 DORA vs 2022 DORB



Graph 2: Nominal vs Real LGES Growth across the 2022 MTEF



Source: Financial and Fiscal Commission; National Treasury, 2022

The two graphs above illustrate the impact of the significant additions to the equitable share over the MTEF. Graph 1 compares projected allocations in the 2021 DoRA with the new allocations in the 2022 DoRA. Graph 2 provides a comparison of average annual LGES growth rates in real and nominal terms for the 2022 MTREF allocations. When adjusted for inflation, the overall allocations to local government (equitable share, direct grants as well as fuel levels) show strong positive growth. This will help municipalities to offset the ever-increasing cost of basic services. The higher than inflation growth of allocations in the local government equitable share ensures that it fully compensates for the annual data updates made to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTREF. Growth in conditional grant allocations has been more modest.

An amount of R28.9 billion has been added to the LGES allocation over the MTREF to increase coverage for the provision of free basic services. Municipal budgets should demonstrate how the additional funds they have been allocated are being used to sustain and/or expand the provision of basic services to poor households. Municipalities are advised to prioritise ensuring that the full cost of providing free basic services to existing indigent households are fully covered before providing for expanded services.

Municipalities must be mindful that the Equitable Share is primarily meant to fund basic municipal services to indigents. Municipalities must ensure that monies are used for the purpose they were allocated for.

4.2 Salary and Wage Considerations

In line with the 2021 Multi-year Salary and Wage Collective Agreement for the 2022/23 financial year, and as instructed by the South African Local Government Bargaining Council Circular 1 of 2022 (9 March 2022), salary and wage increases shall, as of 1 July 2022, be as follows:

- In terms of Clauses 6.4 and 6.5, the salary and wage increase shall be 4.9 per cent.
- In terms of clause 7.2, the minimum wage shall increase to R9 043.21.
- In terms of clause 9.1.2, the flat rate homeowners' allowance shall increase to R1 011.77.
- In terms of clause 10.1.2, the medical aid maximum employer contribution shall increase to R5 007.00.
- In terms of clause 11.1, all benefits linked to salary shall increase by 4.9 per cent.

Municipalities that cannot afford to implement the above, may in terms of Clause 15 of the Agreement, apply for exemption. Municipalities that want to apply for exemption are requested to inform SALGA of such a decision as soon as possible, but not later than 31 May 2022.

4.3 Eskom Bulk Tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they have in their Multi-Year Price Determination (MYPD 5) applied for much higher tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA has, after deliberation, approved a 9.61 per cent tariff increase for Eskom starting from April 2022 and includes the 2022/23 tariff approval of 3.49 per cent.

NERSA's "Municipal Tariff Guidelines Increases, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2021/22 financial year" publication should be consulted before the tabling of the budgets. This guideline will include the maximum increase for tariffs for municipal consumers. Municipalities that table their budgets before the NERSA Guideline is published are advised to base their electricity tariff increases in their tabled budgets on the 9.6 per cent increase published for Eskom customers for the 2022/23 national financial year. Municipalities can then update with the corrected tariff for the 2022/23 municipal financial year as published in the NERSA Guideline when they finalise their budgets for adoption.

4.4 Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Municipalities are reminded to develop council approved Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&W) reduction plans as advocated for by MFMA Circular No.111 of November 2021. These reduction plans must align to the targets outlined in the 2019 – 2024 Medium Term Strategic Framework (MTSF). Progress reporting against these plans must be institutionalised as part of the monthly section 71 process to enable effective monitoring and oversight by National and Provincial Treasury, in addition to the reporting to the MEC for Local Government that is already required.

4.5 Unspent conditional grant funds for 2021/22

Municipalities must familiarise themselves with the provisions of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA), read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), which outlines the process to be followed in dealing with unspent conditional grant funding for 2021/22.

Noteworthy action steps and deadlines are briefly as follows:

- Roll-over applications must be submitted to NT by no later than 31 August 2022.
- Outcomes of the roll-over application process will be communicated to municipalities by 21 October 2022.
- Specific unspent grant amounts will be communicated by 8 November 2022 whereafter municipalities will have until 18 November 2022 to return the funds in question to the National Revenue Fund (NRF).
- Any unspent conditional grant funds that should have, but are not repaid to the NRF by 18 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's equitable share allocation transfer on 07 December 2022.

When requesting a rollover in terms of section 21(2) of the 2021 DoRA, municipalities must include the information as outlined in section 8.1 of the MFMA Budget Circular 115 with their submission to NT.

Provincial Treasury will shortly issue a circular to guide municipalities in terms of unspent provincial grant allocations for 2021/22 and the roll-over process that should be followed.

4.6 Provincial Conditional Grant Allocations

Total departmental transfers to local government in the Western Cape will in 2022/23 amount to R2.591 billion which equates to a 20.7 per cent decrease from R3.266 billion in 2021/22 (revised estimates). Looking forward, transfers will decrease towards 2023/24 (-0.04 per cent) and 2024/25 (-6.3 per cent). The decline is because of significant amounts being retained by the Department of Human Settlements across the MTREF.

The structure of provincial grants to municipalities remains largely the same as it has been in previous years. Municipalities were briefed on proposed changes to grants in a CFO Forum Technical Engagement workshop on 21 February 2022.

Two of the grants previously transferred by Provincial Treasury have been merged into a consolidated new Western Cape Financial Management Capability Grant. Details of this and all other conditional grants were published in Provincial Gazette 8566 (14 March 2022) and can be accessed at:

<https://www.westerncape.gov.za/provincial-treasury/news/western-cape-budget-202223>).

Municipalities must ensure that the provincial transfer receipts detailed in their budgets, align to the Provincial Gazette.

4.7 Municipal Standard Chart of Accounts

The 2022 MTREF budgets must be compiled making use of Version 6.6.1 of the mSCOA Chart, which will come into effect on 01 July 2022.

Municipalities must take note of the technical changes to the new version of the chart and follow the guiding recommendations made by NT (within MFMA Circular 115) insofar the successful completion of the budget is concerned.

Municipalities are reminded to complete the D-Forms required by NERSA. National Treasury is currently looking into how the mSCOA data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules are being introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional rules are outlined in NT MFMA Circular 115.

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA. The course covers fundamentals of mSCOA, system and reporting requirements and budgeting and transacting on the mSCOA chart. Municipalities are reminded to budget for the course in their 2022/23 MTREF budgets.

5. OTHER MATTERS

5.1 Performance Reporting Obligations: Implementation of MFMA Circular 88 (2017) for the 2022/23 municipal financial year

Municipalities are once again reminded to familiarise themselves with MFMA Circular No. 88 of 2017, its accompanying annexures and subsequent addendums which provide guidance to municipalities on the adoption and internalisation of a common set of performance indicators. Experience since the 2018/19 implementation of the original circular has shown that the on-going planning, budgeting and reporting reforms process is complex and requires sufficient time and change management for incremental roll-out, growth and institutionalisation.

Addendum 2 (released in December 2020) introduced a significant shift in the reforms in four respects: 1) it more closely integrates and guides planning, budgeting and reporting reforms; 2) it significantly expands and revises the set of MFMA Circular No. 88 indicators applicable to metropolitan municipalities; 3) it expands the application of the reforms and the indicators to differential categories of municipalities and levels of readiness, for application in 2021/22 MTREF cycle going forward; and 4) it introduces evaluations in the context of these reforms.

For immediate implementation purposes, municipalities should be able to identify the indicators in Appendix A to Addendum 2 that are listed as Tier 1 or Tier 2 for their category of municipality and start establishing baselines for those measurements (if they are not already being tracked). Understanding the standard definitions will require engaging with the technical indicator descriptions (TID) in Appendix B to Addendum 2. Municipalities should be able to navigate Appendix A without any further guidance to understand what is going to apply to them for the 2022/23

financial year and be able to refer to Appendix B to get the detail on the standard formulation of each indicator.

Importantly, please note that intermediate cities, districts and local municipalities will still not yet for 2022/23 be required to incorporate these indicators in their IDPs and SDBIPs. Instead, the relevant indicators should be included as an annexure to the IDP and SDBIP. Although the indicators do not formally have to be included in the IDP/SDBIP, municipalities will be required to report on performance against said indicators on a quarterly and annual basis. Municipalities are therefore advised to put in place the necessary standard operating procedures and portfolios of evidence to ensure timeous reporting throughout 2022/23 to ultimately strengthen the link between planning, budgeting and reporting. Please do note that the roll-out process currently remains a pilot project. Reporting against these indicators will as such not be audited for 2022/23.

6. 2022/23 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS (SIME) PROCESS

6.1 Municipal Budget Day

According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget at a council meeting at least 90 days (i.e. by 31 March 2022) before the start of the budget year.

It is important to note that there is no explicit requirement for council to endorse or approve the tabled budget or draft IDP tabled by the mayor for public participation. The municipal council only has the legal authority to consider a tabled budget and draft IDP after the completion of one or more public participation processes undertaken pursuant to Section 22, read with section 23 of the MFMA. Council will only consider for approval "*the product of an inclusive budget preparation and consultative process*" when the proposed annual budget (as amended, if applicable) is tabled before council in terms of section 24(1) of the MFMA.

Given that the preparation, consultation, adoption and implementation of a municipality's annual budget is inextricably linked to, and must be substantially aligned to and informed by the contents of that municipality's IDP, it would be procedurally flawed for the mayor to proceed with the tabling of the proposed annual budget (and commence with public participation process required in terms of section 22 of the MFMA) at a time when the municipality's draft IDP has not been completed.

6.2 Consequence Management

If a municipality has failed to complete the relevant processes applicable for the review and revision of the annual budget and the compilation of an IDP in time for the deadline applicable to the tabling of the proposed annual budget (i.e. 31 March), the mayor must submit an application for an extension of the said deadline. As per section 27 of the MFMA, the mayor of a municipality must, upon becoming aware of any impending non-compliance by the municipality of any provisions of the Act or any other legislation pertaining to the tabling or approval of the annual budget or compulsory consultation processes, inform the MEC for Finance in the province in writing of any impending non-compliance.

If the impending non-compliance pertains to a time provision, except section 16(1) of the MFMA, the mayor may apply to the MEC for Finance for an extension, which must be in accordance with Schedule G of the Municipal Budget and Reporting Regulations (MBRR). In addition to the requirement to inform the MEC of impending non-compliance with the MFMA, mayors and accounting officers are requested to inform PT should they have reasons to believe that their municipality's budget might not be tabled/approved timeously due to dynamics in council. This will

enable PT to engage with municipal officials to prepare for any possible action (including in terms of 139(4) of the Constitution) that may be required if a budget is not adopted.

In the event of actual non-compliance by a municipality with time provisions concerning the annual budget, the mayor must inform council, the MEC for Finance and NT, in writing, of such non-compliance and any remedial action or corrective measures the municipality intends to implement. Such a notification must be done in accordance with section 63 and Schedule G of the MBRR.

Municipalities are cautioned that any delay to table the budget in terms of section 16(2) of the MFMA could compromise the ability to approve the budget before the start of the financial year as required by section 16(1) of the MFMA. Failure to approve the budget before the start of the financial year will automatically invoke the provisions of sections 25(1) and 55 of the MFMA. Should a municipality not approve the budget by the start of the new financial year, the provincial executive MUST intervene in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or revenue-raising measures are approved. These steps include, but are not limited to, dissolving council and appointing an administrator and approving a temporary budget or revenue raising measures to provide for the continued functioning of the municipality.

Municipalities are kindly requested to communicate any changes to the confirmed tabling dates (as it appears in **Appendix A**) to PT via Tania.Bosser@westerncape.gov.za by **23 March 2022**.

6.3 Submitting budget documentation and schedules for 2022/23 MTREF

Section 22 (b)(i) of the MFMA requires that, immediately after an annual budget is tabled in municipal council, it must be submitted to NT and the relevant provincial treasury. If the annual budget is tabled in council on 31 March 2022, the **final date of submission of the electronic budget documents and corresponding mSCOA data strings is Friday, 01 April 2022**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the mSCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to NT and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Wednesday, 01 June 2022**.

The accompanying document submission checklist (**see Appendix B**) provides a list of the documentation required by Provincial Government. Electronic budget related documents must be provided in PDF format. The designated municipal official needs to complete and sign the accompanying checklist (**Appendix B**) as confirmation that the set of budget, IDP and related documents have been submitted.

Municipalities should note that NT will no longer accept submissions by email, NT will now only accept uploads via the GoMuni portal. The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 (2021), via the **GoMuni Upload Portal**. The upload portal can be accessed on <https://lguploadportal.treasury.gov.za> from 01 April 2022. All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to

lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under *New Registrations*.

Municipalities must also submit electronic documents to **Provincial Treasury** to: MFMA.MFMA@westerncape.gov.za or if too large (exceeds 3 MB), must be submitted via One Drive. Instructions for uploading the budget and related documents via **One Drive** are provided in **Appendix C**. Provincial Treasury will engage further with NT and municipalities to establish whether in future it is feasible for documentation to only be uploaded to the GoMuni portal. At present, municipalities are still required to separately submit all documentation to PT (as required in the MFMA).

If municipalities require advice with the compilation of their respective budgets, they should direct their enquiries to the following WC Provincial Treasury officials:

Directorate	Official	Tel. No.	Email
MFMA Co-Ordination	Steven Kenyon	021 483 0811	Steven.kenyon@westerncape.gov.za
Public Finance	Isaac Tsie	021 483 6241	Isaac.Tsie@westerncap.gov.za
	Thobelani Ntshingila	021 483 6100	Thobelani.Ntshingila@westerncape.gov.za
Budget Office	Malcolm Booysen	021 483 3386	Malcolm.Booyesen@westerncape.gov.za
	Dian Cronje	021 483 0390	Dian.Cronje@westerncape.gov.za
Fiscal Policy	Shafeeqa Davids	021 483 9192	Shafeeqa.Davids@westerncape.gov.za
Accounting	Faez Salie	021 483 4252	Faez.Salie@westerncape.gov.za

Municipalities may also contact the following officials at NT for assistance.

Responsible Area	Official	Tel. No.	Email
Western Cape	Willem Voigt	012 315 5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012 315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012 315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012 406 9064	lgdataqueries@treasury.gov.za

6.4 Publication of budgets on municipal website

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the Municipality's website. This will aid in promoting public accountability and good governance.

6.5 Strategic Integrated Municipal Engagement (SIME) Process

Integrated planning and budgeting focusses on strengthening the alignment of planning and budgeting in the Province, and places particular emphasis on enhancing the provincial and local government interface. The SIME engagements, which takes place in May 2022, precedes the approval and implementation of municipal budgets. The engagements afford the WCG the opportunity to provide feedback on its assessment of the municipal planning and budgeting efforts for the upcoming financial year and for the 2022 MTREF.

The assessments are based on compliance and performance information obtained from the Western Cape Monitoring and Evaluation System (WCMES) as well as an assessment on conformance, responsiveness, credibility, and sustainability of the municipality's draft budget, IDP, SDF and supporting plans. It is therefore important that all Municipalities timeously submit all the required information. The assessment of the tabled IDPs will be undertaken by the Department of Local Government, in close contact with all relevant sector departments in the Province impacting on municipalities, to ensure alignment between the IDPs and all the Provincial strategic priorities and plans.

The SIME engagements will primarily focus on strategic issues emanating from municipalities' draft IDPs and tabled annual budgets to gear municipalities for sustainable growth and development.

The overall objectives of the 2022/23 SIME process and the key messages therefore emphasises:

- Aligning strategic intent as encapsulated within the Integrated Development Plans (IDP) and municipal budgets to create public value based on the community needs/priorities identified through the public participation processes;
- Safeguarding of municipal sustainability by ensuring that municipalities table funded budgets and the strengthening of municipal financial management;
- Ensure optimal and targeted service delivery through strategic spatial planning and alignment;
- Deepening of an integrated approach to service delivery with the intention of creating synergies through the consolidation/concentration of resources across all spheres of government;
- Identification of areas that require support as well as opportunities for collaboration and partnerships.

The 2022 SIME engagements are planned to be in person, with a hybrid approach where officials can also join in via Microsoft Teams where such facilities can be accommodated by the municipality. Confirmation of the arrangements will be confirmed individually with each municipality.

- The SIME engagements are provisionally scheduled to take place from 3 May 2022 to 18 May 2022, subject to confirmation from the municipalities. PT will communicate with each Municipality on an individual basis to confirm the date and time of the engagement.

7. CONCLUSION

Municipalities should consider and apply the contents of this budget circular in the 2022/23 planning and budgeting process.

Please direct any queries regarding this circular to Dian Cronje at:

Dian.Cronje@westerncape.gov.za.

DR R HAVEMANN

DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES

DATE: 18 March 2022

CONFIRMED 2022 BUDGET TABLING DATES

Municipality	Confirmed date
City of Cape Town	Thursday, 31 March 2022
Matzikama	Tuesday, 29 March 2022
Cederberg	Thursday, 31 March 2022
Bergrivier	Tuesday, 29 March 2022
Saldanha Bay	Thursday, 31 March 2022
Swartland	Thursday, 31 March 2022
West Coast District Municipality	Friday, 25 March 2022
Witzenberg	Wednesday, 30 March 2022
Drakenstein	Wednesday, 30 March 2022
Stellenbosch	Wednesday, 30 March 2022
Breede Valley	Tuesday, 29 March 2022
Langeberg	Thursday, 31 March 2022
Cape Winelands District Municipality	Thursday, 24 March 2022
Theewaterskloof	Wednesday, 30 March 2022
Overstrand	Wednesday, 30 March 2022
Cape Agulhas	Tuesday, 29 March 2022
Swellendam	Thursday, 31 March 2022
Overberg District Municipality	Monday, 28 March 2022
Kannaland	Thursday, 31 March 2022
Hessequa	Friday, 18 March 2022
Mossel Bay	Thursday, 31 March 2022
George	Friday, 25 March 2022
Oudtshoorn	Thursday, 31 March 2022
Bitou	Thursday, 31 March 2022
Knysna	Wednesday, 30 March 2022
Garden Route District Municipality	Tuesday, 29 March 2022
Laingsburg	Wednesday, 30 March 2022
Prince Albert	Tuesday, 29 March 2022
Beaufort West	Thursday, 31 March 2022
Central Karoo District Municipality	Monday, 28 March 2022

DOCUMENT SUBMISSION CHECKLIST FOR THE 2022/23 TABLED INTEGRATED DEVELOPMENT PLAN, BUDGET, AND RELATED DOCUMENTATION

MUNICIPALITY: _____

In completing and signing the Budget and IDP documentation checklist below, the municipality confirms that Schedule A1 **complies with the Municipal Budget and Reporting Regulations (MBRR)** and that the main tables and the relevant supporting tables (as listed below) are in **version 6.6.1** of Schedule A1 and **drawn directly from the municipal financial system**.

The Integrated Development Plan as set out in Section 26, 32 and 34 of the Local Government: Municipal Systems Act, No 32 of 2000 and Regulations (MSA) and Section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

The Spatial Development Framework, Disaster Management Framework and additional documents must be submitted as required in terms of budget circulars.

Budget Documentation	Yes	No	N/A
Council Resolution in terms of the Tabled Budget			
The Budget Documentation as set out in the MBRR. The Budget Document must include the main A1 Schedule Tables (A1-A10)			
The non-financial supporting tables A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 and any information not contained in the financial data string in <u>the A1 in the prescribed mSCOA data string in the format published with Version 6.6.1 of the A1 schedule</u>			
Draft Service Delivery and Budget Implementation Plan			
Procurement Plan			
Draft Service Level Standards			
Signed Quality Certificate as prescribed in the MBRR			
D Schedules specific for the entities (where applicable)			
Budget Related Policies			
Information on any amendments to budget related policies			
Suite of budget related policies			
IDP and Related Documentation			
Council Resolution in terms of the IDP			
Draft Integrated Development Plan			
If the predecessors IDP with amendments, the draft memorandum referred to in Regulation 3(2) of the Local Government: Municipal Planning and Performance Management Regulations of 2001			
If a District Municipality, the IDP District Framework according to Section 27 of the MSA			
Process Plan according to Section 28 of the MSA			
Spatial Development Framework			
<i>Council Resolution in terms of the adoption of the Spatial Development Framework</i>			
Applicable Disaster Management Plan			
<i>Council Resolution in terms of the adoption of the Disaster Management Plan</i>			

Budget Documentation	Yes	No	N/A
Integrated Waste Management Plan			
<i>Council Resolution in terms of the adoption of the Integrated Waste Management Plan</i>			
Air Quality Management Plan			
<i>Council Resolution in terms of the adoption of the Air Quality Management Plan</i>			
Coastal Management Plan <i>(Coastal Municipalities only)</i>			
<i>Council Resolution in terms of the adoption of the Coastal Management Plan</i>			
Biodiversity Management Plan <i>(if relevant)</i>			
Invasive Species Monitoring, Control and Eradication Plan			
Climate Change Strategy			
Human Settlement Plan			
Local Economic Development Strategy			
Water Services Development Plan			
Storm Water Master Plan			
Integrated Transport Plan			
Electricity Master Plan			
Infrastructure Growth Plan			
Workplace Skills Plan			

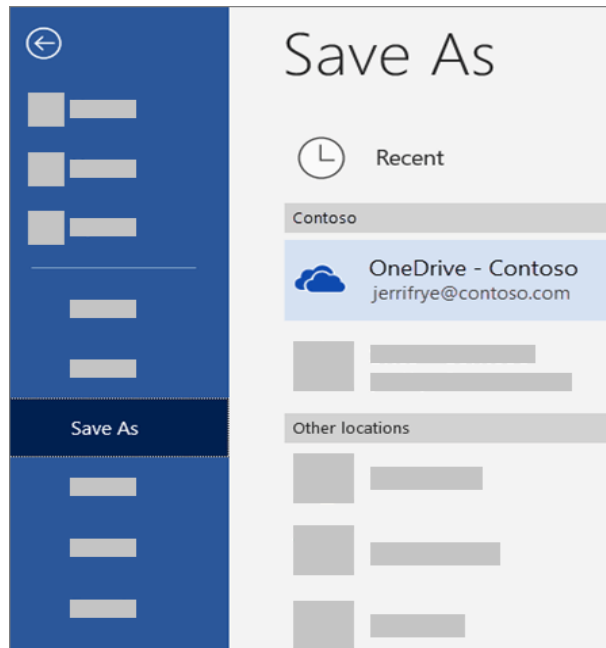
MUNICIPAL REPRESENTATIVE:**Designation:** _____**Name:** _____**Signature:** _____**Date:** _____

The following instructions provide a guide for the upload of budget documentation onto OneDrive.

● **How to upload documents to One drive:**

You can use this option if you have OneDrive linked to your Microsoft Office or Office 365

1. In any Office document, select File > Save As, choose your OneDrive, and then pick the folder where you want to save the file. Create a new folder (e.g. DC1 2022 Budget Documents) and place all the budget related documents within it.



2. To share the link to that folder, Go into OneDrive
3. Select the file that you want to share and right click on it
4. Choose "share"
5. Ensure that sharing is defaulted to "Anyone with the link can edit"
6. Enter the MFMA email address: MFMA.MFMA@westerncape.gov.za and email addresses of anyone else that you want to share the link with.
7. Click the Share Button

File names in following sequence for budget related documents to be submitted to MFMA:

- Demarcation code
- "ccyy" century and year (eg.2022)
- Name of document submitted (e.g. Draft Budget, Draft IDP, Draft SDBIP etc.)

E.g.: DC1 2022 Draft IDP

E.g.: DC1 2022 MTREF Main Budget

E.g.: DC1 2022 Draft SDBIP

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LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CBD	Central Business District
CBA	Critical Biodiversity Areas
CMP	Coastal Management Programme
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEA&DP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Human Settlements
DM	District Municipality
DLG	Department of Local Government
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
kl	kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour (1 000-watt hours)
LED	Local Economic Development
LUPA	Land Use Planning Act
MBRR	Municipal Budget and Reporting Regulations
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan

MMP	Maintenance Management Plan
MVA	Megavolt Amperes (1-Million-volt amperes)
MWh	Megawatt hour (1-Million-watt hours)
NRW	Non-revenue Water
NDHS	National Department of Human Settlements
O&M	Operations and Maintenance
PMS	Performance Management Systems
PT	Provincial Treasury
RMP	Road Management Plan
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

SECTION 1: INTRODUCTION

The 2022/23 MTREF municipal planning and budgeting process takes place amidst a national and provincial economic recovery following sharp economic contractions in 2020. Several fiscal, economic and social risks exist that could threaten municipal sustainability and economic growth.

The strategic theme for 2022 i.e. '*Enabling Sustainability and Growth*'.

Key enablers that facilitate sustainability and growth include, but are not limited to the following:

- **Innovation:** Introducing new ideas, methods of processes or reviewing existing practices to achieve outcomes in more efficient and effective ways. In a post-pandemic environment, municipalities are confronted with increasing citizen demands and expectations; a rapidly changing technological environment and a constrained fiscus. We cannot continue with the status quo, but must innovate i.e., to explore different and better ways of doing things in order to enhance service delivery.
- **Partnerships:** Partnerships calls for the integration of expertise and resources in order to drive allocative efficiency and enhance productive efficiency. Enabling sustainability and growth requires a collective effort between spheres of government (across and within spheres) as well as with the private sector and civil society.
- **Good governance:** Municipalities must build on and/or reinforce the foundations and successes of good governance that is necessary for improved performance. These need to be leveraged along with extensive risk management, to ensure financial, operational, social, economic and environmental sustainability. To this extent, SIME is an extension/continuation of TIME.

The importance of the integrated planning and budgeting assessment is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32 of 2000 (MSA), the MSA Regulations and the Local Government Municipal Finance Management Act 56 of 2003 (MFMA). These annual provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and constitutional mandates.

This report encapsulates comments by the Western Cape Provincial Government on the draft 2022/23 MTREF Budget, 2022/23 Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR);
- Public value creation and responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and SDF submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality.

The Provincial Government plans to meet the executives of your Municipality via MS Teams on 11 May 2022 where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as taken up in the draft budget, IDP, LED, SDF and various other strategies and plans. All the information related to the assessment and analysis of the annual budget, IDP and SDF are found in the report below.

SECTION 2: PUBLIC VALUE INTEGRATED PLANNING

2.1 INTRODUCTION

In terms of section 25(1) of the Municipal Systems Act, 2000 (the MSA), each municipal council must, within a prescribed period after the start of its elected term and through a participative process, adopt a single, inclusive and strategic plan for the development of the Municipality - the Integrated Development Plan (IDP).

An IDP is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in a municipality. An IDP provides the strategic direction for all the activities of a municipality over five years linked to the council term of office.

In terms of section 25(3) of the MSA, a municipal council may adopt the IDP of its predecessor, with or without amendment. Before taking such a decision the council must comply with section 29(1)(b)(i), (c) and (d).

Based on Council Resolution (Item 2/2/1) dated 30 March 2022, the Witzenberg Municipality (the Municipality) intends to adopt the IDP of its predecessor with amendments in terms of section 25(3) of the MSA, for one year. However, the tabled IDP reflects a second amendment of the 4th Generation IDP and also refers to a new 5-year IDP.

The Department is aware of the implications of the late 2021 Local Government Elections in respect to the drafting of IDPs for the new term of office and the different interpretations of the National Treasury Circular 107 of 2020. Whilst section 25(3)(a) of the MSA makes provision for the new council to adopt the IDP of its predecessor, some councils may be reluctant to adopt such IDPs for the duration of the term of office of the new council especially where there is a change of political leadership. To this end, the Municipality is advised to adopt the IDP of the predecessor with amendments with no reference of the period of the duration of such IDP i.e. one year only. Upon adoption of such IDP during May 2022, the Municipality may commence with the preparation for the drafting of an IDP for the remaining term of office which must be adopted in line with section 34(b) of the MSA and also follow the process as stipulated in Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations 2001 (MSA Regulations), This is because neither the MSA nor the MSA Regulations limit the extent to which an IDP may be amended.

2.2 INTEGRATED PLANNING ANALYSIS

2.2.1 IDP Overview

The tabled IDP reflects that the vision, mission and strategic objectives of Council will remain unchanged. A detailed SWOT analysis is also captured in the IDP, which reaffirms the strategic trajectory of the Council and identifies the key challenges within their area of jurisdiction.

Furthermore, the socio-economic data contained in the IDP is based on the most recent data as extracted from the LG-SEP 2021 and includes statistics such as population projections, households, safety and security, health and education. The existing level of development and the key challenges in the Municipality have been identified and the tabled IDP also indicates the communities that do not have access to basic services, including rural (farm) communities.

The tabled IDP reflects the Municipality's development priorities and clearly illustrates how these are aligned to national and provincial strategic goals. A summary of the Long-Term Financial Plan is reflected in the IDP, and it also includes budget projections for the next 3 years. An updated organogram is included in the

tabled IDP, and key performance indicators and performance targets are also reflected, and both linked to a strategic objective.

The tabled IDP reflects that the Municipality has identified four key performance areas (KPAs) and strategic objectives for each of the KPAs, further broken down into programmes, projects and activities. Key performance indicators are to indicate performance and progress on each one of the strategic objectives over the five-year IDP term.

The assessment of the tabled IDP compared to the 2017 - 2022 IDP revealed minor changes, however, nothing that affects the core components of the IDP in terms of section 26 of the MSA. Aspects that have been changed include the Investment maps from provincial sector departments.

2.2.2 IDP process

In terms of section 27 of the MSA each district municipality must, within a prescribed period after the start of its elected term and following a consultative process with the local municipalities within its area, adopt a framework for integrated development planning in the area as a whole. The district IDP framework binds both the district municipality and the local municipalities in the area of the district. Section 27(2) sets out the minimum matters that must be covered in the framework.

Section 28 of the MSA determines that a municipality must, within a prescribed period after the start of its elected term, adopt a IDP process plan in writing to guide the planning, drafting, adoption and review of its IDP. A Municipality must also consult the community before adopting such process and give notice to the local community of the process it intends to follow.

The IDP district framework lays the foundation to ensure alignment of the IDPs within a district, the alignment of all the IDPs with national and provincial sector plans and strategies, and for proper and sound consultation between district and local municipalities during the process of developing and adopting an IDP. The IDP process plan builds on this foundation by ensuring that the process of developing, adopting and reviewing a municipal IDP happens in a planned, structured and managed manner with provision for community input.

The tabled IDP reflects that the Municipality adopted a process plan in November 2021, however, two different dates are reflected on which the process plan was adopted. The tabled IDP does not clearly indicate the outcome of the public participation process and the extent to which community needs were identified and prioritised. The tabled IDP does reflect a diagram, which aims to outline the steps followed in the compilation of the IDP, however, many sections of the diagram are highlighted in black, and it is therefore not clear.

In terms of section 25 (3) of the MSA, a municipal council may adopt the IDP of its predecessor, with or without amendments. Before taking such a decision the council must comply with section 29(1)(b)(i), (c) and (d). They must therefore:

- Consult the local community on its development needs and priorities,
- Identify all plans and planning requirements binding on the Municipality in terms of national and provincial legislation, and
- Ensure that the process followed is consistent with any other matters that may be prescribed by regulations.

The tabled IDP reflects on the top four priorities in each ward, as well as the progress on each priority for the 2020/2021 financial year. The IDP also has a section on ward committees, however, the content of the section is highlighted in black, and it is therefore not possible to confirm whether the ward committees were consulted regarding the development needs and priorities in preparation of the tabled IDP. The Municipality

has, however, indicated in their time schedule, (as captured in the approved process plan), that public participation meetings will be conducted in April 2022 where the tabled IDP will then be presented to the ward committees. The Municipality has therefore not yet fully complied with section 29(1) of the MSA.

As a municipality that intends to adopt the IDP of its predecessor with amendments, it should be noted the amendments must be effected in accordance with the process referred to in section 34(b) of the MSA. The said process is set out in Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations, 2001 (MSA Regulations).

2.2.3 IDP compliance

Section 26 of the MSA refers to the core components of an IDP and states that an IDP must reflect:

- the municipal council's vision for the long-term development of the Municipality;
- an assessment of the existing level of development in the Municipality, including an identification of communities which do not have access to basic services;
- the council's development priorities and objectives for its elected term;
- the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the Municipality in terms of legislation;
- a Spatial Development Framework;
- the council's operational strategies;
- applicable disaster management plans;
- a financial plan; and
- the key performance indicators and performance targets determined in terms of section 41 of the MSA.

The tabled IDP reflects compliance with the above requirements of section 26 of the MSA.

2.2.4 IDP alignment

According to Section 32 of the MSA the MEC may within 30 days of receiving a copy of an IDP, or within such reasonable period as may be approved, request a municipality to adjust or amend the plan in accordance with the MEC's proposal if it is found to be in conflict with, or not aligned to or negates any of the development strategies of other affected municipalities or organs of state. Section 26 of the MSA further requires that IDPs must be aligned with and not negate the national and provincial development plans and planning requirements binding on the Municipality in terms of legislation.

The tabled IDP aligns with national and provincial development plans such as the National Development Plan, Western Cape Provincial Strategic Objectives (Vision Inspired Priorities), and the Cape Winelands District (CWD) Strategic Objectives.

The Joint District and Metro Approach (JDMA) has been approved in response to the District Development Model and serves as a tool to improve co-planning, co-budgeting and co-implementation. The tabled IDP reflects alignment with the JDMA.

The tabled IDP depicts the departmental sector plans and policies, indicating the approval status of the various sector plans, however, it does not reflect on when the plans are due for review. The tabled IDP does not reflect an approved Storm Water Master Plan or an approved Infrastructure Growth Plan.

To further assess alignment between the tabled IDP and national and provincial plans, various sector departments formed part of the assessment process and their feedback is captured below:

Economic Development

The tabled IDP reflects that the Witzenberg Local Economic Development Strategy is currently in its final stages of review. The implementation of the existing strategy is measured on a bi-annual basis. The Municipality has supported SMME developments through various projects including the following: SEDA Small Enterprise Development training; CWD Municipality seed funding support; development of a Small Business Hub in Prince Alfred's Hamlet and the Skoonvlei industrial area; the registration of businesses on municipal, provincial and national supply chain databases; and the development of a policy for management of business property for local economic purposes with its aim of capacitating previous disadvantaged communities.

The tabled IDP reflects that the Municipality has made tremendous progress in mobilising and harnessing the energies and expertise of the business sector in developing effective economic development strategies and programmes. This has led to the creation of a relationship between the Municipality and the Ceres Business Initiative, who represents the major commercial farmers and businesses in Ceres and surrounding areas. The business forum, in partnership with the Municipality, is in the process of developing business plans to expand the economic base of Witzenberg, with particular emphasis being placed on empowering previously disadvantaged groups.

The tabled IDP reflects that the most prominent places in the Municipality are Tulbagh, Wolseley and Ceres, with Prince Alfred's Hamlet and Op-die-Berg two northern outposts. Activities around these settlements are essentially agriculture based, with the towns being agricultural service centres. Some agri-processing related to wine, fruit, vegetables and other niche products take place. The region is also well-known for its fruit and wine products, as well as producing other agriculturally linked products such as olive, grain, beef and pork products. The other major economic driver in the area is the tourism sector, which has also recorded a very strong growth pattern and has become an important element of the local economy.

The tabled IDP reflects that the agriculture sector is estimated to have had a significant increase of 12.3 per cent in 2020. The agriculture sector's strong performance helped the total Municipal economy not to contract as significantly as anticipated in 2020. The main commodities in the municipal area are wheat, apples and pears. The growth in this sector is related to the price increase in wheat owing to the high exchange rate in 2020. Apples and pears are two of the top five most popular fruits in the country, and consumption is expected to increase by 25.0 per cent in the next decade. This will have a positive impact on purchasing power for local consumption, resulting in positive growth within the Municipality.

Municipal Infrastructure and Human Settlements

The Municipality deems appropriate infrastructure a critical focus area to support economic development, agriculture and livelihoods, whether in the form of transport routes or municipal services. The Municipal Spatial Development Framework also emphasizes this by including it as one of the five focus areas, which is to maintain and expand the Municipality's key regional and intra-regional infrastructure.

The Department Water and Sanitation (DWS) indicated that the Municipality performed well on the blue/green drop status and that this achievement needs to be flagged in the final IDP. The DWS also indicated that Water Services Infrastructure Grant (WSIG) funding has been made available for the Wastewater Treatment Works for the 2022/23 financial year, however, the tabled IDP does not reflect this.

The tabled IDP reflects that the Municipal Housing pipeline has been adopted by council, however it has not been included into the document. The IDP also refers to the implementation of the Human Settlements Plan, however, it does not expand on this plan, and it appears to be outdated. It is important to note that

the Human Settlements Plan should inform the IDP (over the medium term) through the identification of future housing projects in the Municipality.

Health, Social Services and Amenities

All citizens' rights to access to healthcare services are directly affected by the number and spread of facilities within their geographical reach. The tabled IDP reflects that the Municipality has eight primary healthcare facilities (all fixed clinics) and to supplement these, there are six mobile/satellite clinics. In addition to these primary healthcare facilities, there is also a district hospital.

The tabled IDP reflects that the Municipality has a Disaster Management Plan for COVID-19, which aims to identify strategies to protect the municipal workforce and general community and minimise the impact of the COVID-19 pandemic. The plan identifies the responsibilities of those in the organisation with a key role in managing how the Municipality respond to the pandemic, as well as those with responsibilities for providing essential services and support services.

The LG-SEP 2021 reflects that education remains one of the key avenues through which the state is involved in the economy. In preparing individuals for future engagements in the labour market, policy decisions and choices in the sphere of education play a critical role in determining the extent to which future economic and poverty reduction plans may be realised. The tabled IDP reflects that in 2020, the Municipality had a total of 53 public ordinary schools and that the number of schools has remained unchanged over the last few years. The number of no-fee schools also remained constant at 44 over the last few years, which translates into a total of 83.0 per cent of schools being registered with the Western Cape Department of Education as no-fee schools.

According to the tabled IDP, the Municipality has a Thusong Service Centre, located in Bellavista in Ceres, which provides essential government services to the communities.

Safe and Cohesive Communities

The tabled IDP reflects that the Municipality aims to expand partnerships with communities, the private sector and other departments and spheres of government to improve safety and security. Some safety initiatives reflected in the IDP include the development of road safety initiatives and programmes aimed at educational institutions from primary to tertiary level; increased legal compliance through enforcement of municipal by-laws and traffic regulations; reducing road accident fatalities within the region and increase service delivery to all the towns within the Municipality; and implementation of the Violence Prevention through Urban Upgrading programme.

During October 2020, the Municipality, together with the Department of Community Safety recruited seven peace officers to assist with the enforcement COVID-19 regulations. These learners are to be utilised on a 12-month learnership program to assist the Municipality in rendering more effective and efficient by-law enforcement within the Municipality.

2.2.5 Key findings

Based on the above assessment, below is a summary of key findings:

- The Council resolution states that the Municipality intends to adopt the IDP of its predecessor with amendments for one year, however, the tabled IDP reflects a second amendment of the 4th Generation IDP and also refers to a new 5-year IDP.
- The tabled IDP does not clearly indicate the extent to which development needs of the community were identified and prioritised;

- The tabled IDP depicts the departmental sector plans and policies indicating the status of the sector plans, however, not all plans reflect when they are due for a review.
- The tabled IDP does not reflect an approved Storm Water Master Plan.
- The tabled IDP does not reflect the latest adopted Housing Pipeline which has been approved by Council, and neither does it reflect an updated Human Settlements Plan.

2.3 ENVIRONMENTAL AND PLANNING ANALYSIS

a) Spatial Planning

Strategic spatial risks:

- Eskom electricity supply constraints


The Municipality is currently running in excess of its NMD (Notified Maximum Demand) of 46,2 MVA (total). The current Eskom backbone network does not permit an increase of this NMD until such time as their backbone network has been upgraded. The earliest that Eskom could increase the NMD is 2030 at a cost of R250 million.

At a conservative estimate of 2.5 per cent growth per annum, Witzenberg Municipality's load will be more than 50 MVA by 2030. However, a more realistic estimate includes agriculture's own estimate for their industry alone to be 2.5 per cent in addition to the natural growth of Witzenberg mentioned above. This then is a projected growth, realistically, of 5% per annum over the next ten years. By this estimate, Witzenberg Municipality's load will be 90+ MVA by 2030.

The reality however is that Eskom's inability to supply capacity has had a huge negative effect on the economy of Witzenberg and load-shedding is now added to this dire situation. Should Eskom not be able to complete the upgrade of their bulk electricity by 2030, the Witzenberg Municipality and its agricultural economy will be severely affected because of Eskom's inability to provide an increased Notified Maximum Demand.

The figure below depicts the current and immediate future growth and electricity needs.

Figure 1 Load forecast

	Ceres	Tulbagh	Wolseley
NMD	36.5 MVA NMD (41.5) Highest Registered 38.3 (Mar 20)	4.5 MVA NMD Highest Registered 4.03 (Mar 19)	5.2 MVA NMD Highest Registered 4.9 MVA (June 21)
Developments proceeding	<ul style="list-style-type: none"> • Vredebes development (2850 RDP housing units) 5.2 MVA • Bella Fruta 1 MVA • Golfing estate dev (slow growth) 0.5 MVA • Morceaux veg processing 0,5 MVA • Erf 9602 Ceres Mall 1 MVA [8.3 MVA] 	<ul style="list-style-type: none"> • Informal settlement growth 1 MVA [1 MVA] • Digby (315 housing units) 1 MVA • Waverenskroon (1350 housing units / Commercial 16 970m² / Institutional 20 775 m² / Recreation 24 400m² 1,5 MVA [2.5 MVA] 	<ul style="list-style-type: none"> • Pine Valley 2H (120 houses) 0,5 MVA • Grassroots– 1,5 MVA (Currently in application phase) [2 MVA] • VV4 1 MVA (Phased) • Goedoevonden (269 units security/frail care 1 MVA) [2 MVA]
Developments on 'hold'	<ul style="list-style-type: none"> • Kleinbegin (220 RDP housing units) 0.5 MVA • Mazoe (270 RDP housing units) 0.8 MVA • Belmont Development 0,5 MVA [1.8 MVA] 	Total 3.5 MVA	Total 4 MVA
	Total 10.1 MVA		

- *Inability to generate revenue through electricity*

Electricity provision to the un-electrified rural areas of Witzenberg municipal area is a resource that the Municipality is unable to exploit due to the current Eskom NMD constraints.

The inability to implement credit control measures in the Eskom supply areas of Op-Die-Berg & Prince Alfred's Hamlet is of great concern. The main reason is that effective debt collection through the cutting of electricity can't be implemented as Op-die-Berg and Prince Alfred's Hamlet are serviced by Eskom and in N'Duli illegal electricity connections can't be addressed due to safety issues of personnel. Strategic engagements with Eskom will be required to unlock the potential revenue collection.

- *Shortage of suitable serviced land for development*

There is a shortage of suitable and serviced land for development in the Municipality. Major engineering infrastructure upgrades are required as well as the installation of new engineering infrastructure is needed to enable proposed developments.

- *In-migration and land invasions*

In-migration due to seasonal agricultural workers searching for employment opportunities results in significant demand for services that the Municipality cannot meet. Furthermore, the threat of land invasions due to insufficient opportunities for agricultural workers also plays out in this Municipality.

- *Climate change risks*

Climate change risks and vulnerabilities are not sufficiently articulated in the IDP. Reference is made to anticipated draught/flood and fire risks, but the IDP does not unpack the risk to the agricultural sector, the foundation of the economy of the Municipality. This is of particular importance as any adverse impacts on the agricultural sector and its extensive value chain and the employment it offers could heighten levels of poverty, drive urbanization, and increase food insecurity in the Municipality, thus increasing pressure on social services.

Spatial opportunities for growth and development:

The MSDF speaks to strategic infill areas in Wolseley and Tulbagh. The development of these identified infill areas would relieve pressure on outward more expensive growth and could potentially raise revenue for the Municipality. It is acknowledged that there are electricity supply issues within the Municipality, but there is an opportunity, while the electricity issues are being addressed to prepare and package these strategic infill sites for sale to private developers i.e. to put together a land release programme for these strategic sites. Furthermore, if a critical mass for possible development is reached it may allow for a different approach to financing and the supply of energy.

- Witzenberg Municipality falls within one of 8 Renewable Energy Development Zones (REDZ's) identified for the country. REDZ's represent strategically important areas for large scale wind and solar photovoltaic energy development. The location of a REDZ within this Municipality will help in facilitating the development of off-grid options for electricity supply, which in turn will have a positive impact on possible development opportunities.

A further opportunity presents itself through the strong agricultural economic base with well-established linkages to markets that exists in the Municipality. Further expansion of industries revolving around the agricultural sector, including agri-processing present a spatial growth opportunity.

Small scale farming on municipal commonage presents another spatial opportunity of growth that was highlighted in the MSDF. This proposal was aimed at establishing farming opportunities for existing small scale livestock farmers. While the current Draft IDP makes reference to the need for commonage to be made

available to small scale farmers, it would seem that this proposal has not been implemented by the Municipality since the approval of the MSDF.

The Ceres Rail Company together with Transnet Freight Rail relaunched the freight service on the Wolseley – Ceres - Prince Alfred Hamlet branch line. The 26 km long branch line is rated to handle loads at a maximum of 16 tons per axle. The core freight at present is fruit, exported in refrigerated containers (reefers) and frozen fruit concentrate. The line moves mainly containerized traffic and contributes to the migration of rail-friendly traffic from road to rail. Opportunities for linkages with the Municipality's LED and tourism strategies as well as the proposed Agri Park in Ceres, are crucial and must be investigated.

Spatial Governance:

The inputs provided as part of the previous year's SIME engagements remain applicable pertaining to the CEF and Monitoring & Evaluation Chapters of the MSDF:

- While the MSDF includes a Capital Expenditure Framework (CEF), the contents thereof do not meet the purpose of a CEF as intended by the legislation. Amongst other things, the CEF should attempt to determine the affordability of various development proposals for the Municipality and the CEF presently does not achieve this.
- Ideally, the CEF should identify what investments are required to activate each of the PFAs for development and within what time period. In the section 'Breakdown of Infrastructure per PFA' in the MSDF, requirements to activate each of the PFA's are disaggregated to a degree. However, it was noted that certain infrastructure projects have already been budgeted over the MTEF period. In addition, further detail on PDAs will require precinct planning to understand detailed infrastructure needs/upgrades and this is a valid observation.
- The MSDF has a Chapter entitled Monitoring and Review. In this chapter, the Municipal Performance Management System (linked to the IDP) is highlighted as important to measure progress on delivering the Municipal spatial agenda. It proposes that MSDF- specific monitoring indicators be developed for inclusion in the Municipal Performance Management System. However, the Municipality has not developed such indicators to date and no M&E Framework and Implementation Table were included in the MSDF. Further work is required to augment the CEF and Monitoring & Evaluation Chapters of the MSDF. Once an adequate programme of projects or set of performance indicators are developed, progress and performance can be measured, and the budget can be plan-led. The development of a strong M&E Framework and Implementation Plan will also assist the Municipality to complete the annual performance review to determine how well the MSDF is being implemented.

Implementation of the MSDF through the IDP:

The IDP references the MSDF very well and explains that:

- The MSDF is based on the analysis of existing patterns of spatial development within the municipal areas,
- The expected need for different activities to be accommodated over the planning period,
- The MSDF outlines spatial policy, plans, proposals, guidelines, and implementation measures for Witzenberg Municipality as a whole and individual settlements within the Municipality.

Reference to the 2012 MSDF is included in error here and there and should be removed.

The table below illustrates that some of the Witzenberg Municipality's draft capital budget allocations as well as some WCG provincial government investment allocations, are aligned with the MSDF Priority Focus Areas, and this is commended.

Table 1 Alignment of Municipal and Provincial draft capital budget allocations with MSDF Priority Focus areas

Settlement	MSDF Priority Focus Areas	2022/23 to 2024/25 Witzenberg Draft Capital Budget Allocations alignment with Priority Focus Areas from the Witzenberg MSDF	Provincial Infrastructure Investment Projects and Programmes in the Municipality for the MTEF period 2022/23 – 2024/25
Ceres	The area between Ceres, Bella Vista, Vredebes, and Nduli earmarked for strategic restructuring, integration and significant future development.	<ul style="list-style-type: none"> ● Capex Swimming Pool Nduli (renewal) R10 000 (2022/23) ● Capex Library Nduli (renewal) R10 000 (2022/23) ● CAPEX: Vredebes Access Collector R13 194 000 (2023/24) ● Capex Vredebes Sportsgrounds (NEW) R1000 000 (2024/25) 	<ul style="list-style-type: none"> ● WCED: Nduli PS R7 000 000 ● Ceres Vredebes Phase H (529 services) IRDP (R10 600 000)
	Ongoing informal settlement upgrading in Nduli, including the upgrade of public space and increased commercial opportunity on the R46.	<ul style="list-style-type: none"> ● Capex Nduli infill Electrical Network (R4million 2023/24 and R4.18 million 2024/25) 	<ul style="list-style-type: none"> ● DoHS: 3463-xx01 - ISSP Ceres Nduli Infills ESS (188 services) UISP (R11 280 000)
	The upgrading of public space in Bella Vista.		
		<ul style="list-style-type: none"> ● Capex Upgrade Van Breda Bridge R1 2 017 000 (2022/23) and R152 000 (2023/24) 	
Wolseley	The area south of the rail line in the vicinity of Voortrekker Road contains substantial tracks of well-located underdeveloped and undeveloped land.		
	Strategic infill in the area between Pine Valley to the west and the rail line to the east.		
	Upgrading and infill development in Pine Valley		
		<ul style="list-style-type: none"> ● Capex Public Toilets Wolseley R500 000 (2022/23) ● CAPEX Tierhokskloof Bulk pipeline R4 624 000 (2022/23) 	<ul style="list-style-type: none"> ● Wolseley Montana Farm Workers Housing (700 sites) IRDP - R2 805 000

Settlement	MSDF Priority Focus Areas	2022/23 to 2024/25 Witzenberg Draft Capital Budget Allocations alignment with Priority Focus Areas from the Witzenberg MSDF	Provincial Infrastructure Investment Projects and Programmes in the Municipality for the MTEF period 2022/23 – 2024/25
Tulbagh	Strategic area for mixed-use development precinct plan with new infill and community facility opportunities and public upgrading		
	Mixed-use recreational community-orientated development precinct plan		
	<p>The area envisaged for concerted, priority intervention is situated north of the river and town's current built edge. Opportunity for further housing and mixed-use development exists, with due consideration to making a positive edge to build development and sensitive river edge</p> <p>Note: Planning for the Waverenskroon lifestyle estate north of Tulbagh has been in process for a number of years, including negotiations for the upgrade of water supply facilities for Tulbagh as part of the development.</p>	<ul style="list-style-type: none"> ● Capex Tulbagh Reservoir 3 635 000 (2023/24) and 3 635 000 (2024/25) ● Tulbagh Dam R18.73 million is allocated towards the new Tulbagh dam (2022/23), following a R17.3 million allocation to this project in the preceding financial year. 	<ul style="list-style-type: none"> ● WCED: Waveren SS - R50 000 000 ● DoHS: Tulbagh Erven 1366 and 1435-1443 (225 sites) IRDP
Op-Die-Berg	The area between Kerk Street and the development to the north could be explored in more detailed	<ul style="list-style-type: none"> ● Capex Op Die Berg Reservoir R4.9 million (2022/23) and R5 million (2024/25) 	
Prince Alfred Hamlet	<p>The area envisaged for concerted, priority intervention is bounden by Voortrekker Road, Mill Street, Bree Street, and Olienhout Avenue possible expanded to include the area bounded by Voortrekker Road north of Olienhout Street.</p> <p>The 2012 MSDF identified this area for Social Housing. Locationally, it is ideally situated for higher density housing and associated public</p>	<ul style="list-style-type: none"> ● Capex Fencing Landfill Site (renewal) R4 million (2022/23) 	

However, the table also illustrates that there are a few large capital investments allocated to towns that were not explicitly indicated as Priority Focus Areas in the MSDF. This suggests either, that spending is not in line with the MSDF, or that the MSDF failed to include these important capital projects as priority building blocks to enable other developments.

With Ceres being the growth node of the Municipality, the spatial distribution of growth-focused around Ceres, Wolseley and Tulbagh, the capital expenditure focus should continue as per the Municipality's current implementation pipeline as unpacked in the MSDF.

The budget allocation to Tulbagh is centered around water infrastructure projects relating to the Tulbagh dam (10 per cent or R36m of total budget) and Tulbagh reservoir, with the next biggest funding allocation to road rehabilitation. The budget allocation for Wolseley is for sports facility upgrades and the Tierhokskloof Bulk Water Pipeline.

It is noted that the Municipality is re-adopting its IDP and MSDF and will start the preparation work on a new IDP post-May 2022.

It is necessary that the Municipality undertakes an MSDF Performance Review to evaluate the progress in implementing the MSDF and whether there are any changed circumstances that merit an MSDF amendment in a future IDP cycle. The MSDF Performance Review will also be a valuable informant in preparing the new Municipal IDP.

The Municipality must ensure that the manager responsible for planning sits on the Municipality's Budget Steering Committee (in terms of Local Govt MFMA Municipal budget and reporting regulations Part 1 General Notice No. 393 (Gazette No 32141): Section 4 (2)) to ensure that the budgeting process is plan-led.

b) Regulatory Planning

Municipalities are reminded that various mechanisms exist for integration of regulatory processes in order to streamline application processes.

Municipalities are encouraged to consider these mechanisms as part of their Municipal Land Assembly Programme, and to contact the Department should they require support in this regard.

c) Biodiversity Management

The Department and CapeNature work together to ensure biodiversity governance in the Western Cape. The Western Cape Provincial Biodiversity Strategy and Action Plan (PBSAP 2016), which is currently under review, is a strategic mechanism of the Western Cape Provincial Government that aims to ensure all stakeholders, including the national and provincial government entities, local and district authorities, non-governmental organisations (NGOs), business and society as a whole, act in a coordinated and collaborative manner with regards to biodiversity conservation, its sustainable use, and the fair and equitable sharing of benefits arising from the use and value of ecosystems goods and services.

The PBSAP implementation is strengthened by the assent of the Western Cape Biodiversity Act, Act No. 6 of 2021 on 14 December 2021. The act will come into operation on a date to be determined by the Premier by proclamation in the Provincial Gazette. Current provincial biodiversity and conservation laws are still in place and must be observed until such time as it being wholly or in part repealed through the making of regulations in the Act.

Municipalities are herewith informed of the following implications of the Act:

i) Biodiversity Spatial Plan

CapeNature must prepare a Provincial Biodiversity Spatial Plan within one year of the commencement of this Act and submit it to the Provincial Minister for adoption after following a public participation process.

In terms of Section 36 of the Act, the purpose of a Biodiversity Spatial Plan is to -

- (a) set biodiversity targets;
- (b) spatially identify one or more categories of biodiversity priority areas that will ensure the continued existence and functioning of biodiversity and ecosystems, including the delivery of ecosystem services;
- (c) provide guidelines that set out the desired management objectives for land and resource use in each category of biodiversity priority area;
- (d) provide spatial planning and land use decision-making guidelines to ensure environmentally sustainable development and resource use and ecological and spatial resilience in the Province; and
- (e) ensure that the ecological infrastructure in the Province is maintained, ecosystem fragmentation and loss are avoided, and the resilience of ecosystems and human communities to the impacts of climate change is strengthened.

When a municipality adopts or amends its MSDF in respect of land use matters in areas identified in the Biodiversity Spatial Plan as biodiversity priority areas, it must indicate how the land use planning categories in the MSDF have taken into account the desired management objectives in the guidelines contemplated in section 36(e) of the Act.

ii) Alien and Invasive Species (AIS) Management

According to the NEM:BA Alien and Invasive Species regulations any landowner, occupier of land, person in control of land or any person in control of a listed category 1a, 1b and 3 invasive species must prevent the escape and spread of the species, including its growth or spread of propagules, and must control any specimen that escapes or spreads.

Further to that all management authorities of protected areas and organs of state in all spheres of government must prepare Invasive Species Monitoring, Control and Eradication Plans and submit it to the Minister via the Department of Forestry, Fisheries and the Environment. It is imperative that Municipalities actively plan to manage and eradicate Alien invasive Species within their jurisdiction and control. Due to the negative impacts of AIS in terms of water losses, fire and flood risks as well as loss of biodiversity, it is prudent to plan and budget for AIS eradication and follow-up clearing activities on an ongoing basis. This will benefit Municipalities with significant savings down the line in terms of the cost of disasters and ensure an environment that is safe, sustainable and provides for the ecosystem goods and services of its people (water, soil, natural products and ecotourism assets to mention a few).

d) Waste Management

Enforcement Matters

It is noted with concern that a number of Municipalities are experiencing ongoing challenges in terms of waste management facilities, which has resulted in significant pollution and degradation of the environment, as well as potentially impacting negatively on the health and wellbeing of the local residents.

This culminated in enforcement action taken against certain Municipalities who are non-compliant with their Waste Management Licenses and have contravened the relevant environmental legislation.

This Municipality is commended that there are currently no waste management matters subject to enforcement action.

Waste Management Planning

The Department will be finalising its Western Cape Integrated Waste Management Plan (2022 - 2027) in the 2022/23 financial year. The Plan takes a gender-responsive approach and takes into cognisance human rights and the needs of other vulnerable groups.

The Witzenberg Municipality has a 3rd generation Integrated Waste Management Plan (IWMP) dated February 2021 – 2026, which has been endorsed by the Department.

Information Management

Witzenberg Municipality has four (4) Waste Management Facilities registered on the IPWIS namely: D03118-01 - Prince Alfred Hamlet Waste Disposal Facility, D03119-02 - Tulbagh Landfill, D15721-01 - Witzenberg Recovery, D04146-01 - Op Die Berg Waste Disposal Site.

No IPWIS reports have yet been received and the Municipality is therefore non-compliant. Prince Alfred Hamlet Waste Disposal Facility - 0/3, Tulbagh Landfill - 0/3 Witzenberg Recovery - 0/3, Op Die Berg Waste Disposal Site - 0/3.

No waste disposal reports were submitted to IPWIS. A total of 212 tonnes of waste was diverted during this period in the municipal area. The diversion value is representative of the private sector. The Municipality did not report on Food-, Garden- and Wood waste.

The Witzenberg Municipality has not reported regularly to the IPWIS in the past calendar year due to lack of dedicated staff available for capturing of waste data. An appointment was made, and the official will now be assisting with the IPWIS reporting. The official underwent training on the IPWIS and Waste Calculator on 7 March 2022. Further follow up individual engagement took place on the MS teams and Email platforms. The Municipality is in the process of completing all outstanding reports. The Municipality started with the updating of recovery data as that is obtained from service provider. Gate control sheets need to be translated using the waste calculator and then reported to the IPWIS. The Municipality is also in the process of removing closed sites for which report prompts are received from the IPWIS.

Waste Minimisation & Policy Development

The Municipality only has a By-law relating to refuse removal which was published in 2005. They are currently updating the By-law by using the Provincial model bylaw. The Executive Mayoral Committee has recommended to Council that the Bylaw be adopted after which it should be sent to be Provincially Gazetted. The DEA&DP is awaiting confirmation of final approval from Council.

The Municipality has one drop-off and makes use of a split bag system. The Municipality also supports buyback centres and implemented e-waste initiatives. There is no chipping or composting. In the new financial year, the Municipality plans to extend their Zero Waste to landfill (pilot) project to other areas, which makes use of a 4-bag system. As part of the Zero Waste pilot, compostable bags and caddy containers were provided to participating households to divert organic waste/food waste. A new MRF and drop-off are in the plans, and the tender for a MRF in Ceres was approved in October 2020. The construction phase should be completed by June 2022.

Diversion of organic waste is currently only happening as part of the pilot project. In other areas, garden waste is collected separately in green bags, but disposed of at Prince Alfred Hamlet landfill. The Municipality has submitted their draft Organic Waste Diversion Plan to the Department for review.

A Recycling Forum has been established that brings together relevant role players working within the sector (including SMMEs and wastepickers). The Municipality is commended for being one of the municipalities selected as part of the Departments Wastepreneur Integration project and has worked with the service provider to plan and realise the best way to better integrate wastepreneurs and wastepickers.

Waste Licensing

The Municipality must ensure that it strives towards complying with the conditions of the waste management licences and permits. Details about the level of compliance of the Waste Management Facilities have been communicated to the Municipality through the Department's compliance audits. Some of the Waste Disposal Facilities are being operated with exceptionally low compliance ratings. The only action plan received from the Witzenberg Municipality is for the Prince Alfred Hamlet WDF. Wolseley WDF has been abandoned by the Municipality without the required decommissioning processes being followed and poses a serious risk to the surrounding informal community as outlined in Departmental audits. No internal and external audits have been received and no action plans have been forthcoming in recent years. The Municipality has shown little to no tangible improvement at its WDFs, except for Tulbagh. Facility security and buffer zone encroachment are ongoing issues that lead to incidences, and windblown litter blocks drainage infrastructure. The Municipality must continue devising alternative methods of addressing the more challenging compliance actions.

There is a lack of waste disposal facility airspace within this municipality, Municipal Infrastructure Grant funds have been made available to construct a Materials Recovery Facility in Ceres, which has been registered in terms of the relevant Norms and Standards. The construction and operation of the Cape Winelands District Regional WDF in Worcester will aid the current waste disposal crisis. The Municipality must implement the organic waste diversion requirements that are made compulsory through their authorizations. Recycling of waste must be considered to a greater extent than is currently implemented to stimulate a waste economy and job creation.

Pollution Control

It is noted with concern that a number of Municipalities are experiencing ongoing challenges in terms of sewage spillages or breakdowns of key bulk sewage infrastructure, which has resulted in significant pollution and degradation of the environment, as well as potentially impacting negatively on the health and wellbeing of the local residents.

This culminated in enforcement action taken against certain Municipalities who have contravened the relevant environmental legislation. These Municipalities are therefore advised to comply with the relevant enforcement notices issued by the Department's Directorate: Environmental Law Enforcement and to ensure that its draft budget adequately funds remedial measures and repair/upgrade works required to address the causes and impacts of the pollution, and to prevent/minimise such incidents in the future.

The following specific matter is highlighted in order to support the Municipality in prioritising relevant budget allocation:

Table 2 Enforcement notices issued by Directorate: Environmental Law Enforcement

Description	Action Required
Alleged unlawful discharge of sewage and dumping of waste into drainage channel along R46, Ceres.	PD was issued on 15 December 2021. The Municipality is required by the Department to conduct a clean-up of the stormwater channel and the dam, conduct maintenance to sewerage infrastructure and submit short, medium and long-term measures to address pollution within Ndoni Township.

e) Sustainability and Climate Change

The Climate Change Directorate within DEA&DP led the revision of the Western Cape Climate Change Response Strategy. The 2022 Strategy lists four guiding objectives for climate change response, namely:

- 1) Responding to the climate emergency,
- 2) Transitioning in an equitable and inclusive manner to net zero emissions by 2050,
- 3) Reducing climate risks and increasing resilience, and
- 4) Enabling a Just Transition through public sector, private sector and civil society collaboration.

Each of the Guiding Objectives is supported by a preliminary list of key responses, which are still to be detailed in an Implementation Plan. The Strategy and Implementation Plan are provisionally aligned to the prescriptions of the Climate Change Bill, 2022, currently being gazetted for public consultation through Parliament. The Bill places obligations on District and Metro municipalities for coordination of climate change responses.

Witzenberg Municipality does not have a climate change response strategy/framework yet. However, there is evidence of prioritising climate change responses in the IDP. Much emphasis is being placed on promoting the transition to renewable energy use and more efficient waste management, with the relevant projects included in the budget under high impact development projects. Climate hazards pertinent to the Municipality are drought, and possibly flooding, but a reduction of exposure through focussed activities is not evident.

The Municipality has approved and adopted the Disaster Risk Management Plan (DRMP) which it considers as a core component of the Integrated Development Plan. It is anticipated that the DRMP will guide the Municipality towards understanding and identifying specific risks and opportunities that climate change will present for the various sectors as the Municipality steers towards a sustainable and climate resilient future. Climate change-informed risk projections, and guidance on recommended responses, are available from various sources, including the CSIR's 'Green Book'.

In terms of Local Economic Development, the promotion of local production and product beneficiation are encouraged. However, where new infrastructure is created, it must be planned and designed with future transportation and energy systems in mind. The Municipality plans on strategically packaging and marketing its tourism product to increase the number of tourists and the demand for tourism offerings. This will require the Municipality to be quite innovative in developing the route networks servicing the area. The ideal would be to create the opportunity for more efficient forms of transport, i.e. rail, to be brought into the system at a later stage. The energy supply system must similarly be designed with new forms of supply in mind – i.e. feed-in from small generation facilities and encouragement of clean alternatives to coal or diesel use. The recommendation is therefore that local economic planning promote activities and sectors that are compatible with a future climate and carbon-constrained world.

SECTION 3: ECONOMIC SUSTAINABILITY

3.1 INTRODUCTION

This section examines to what extent the tabled 2022/23 MTREF Budget is responsive from a socio-economic perspective as well as the Municipality's ability to meet the community's expectations for services from its limited resources to contribute towards achieving economic sustainability and growth and maximizing benefits for its residents.

This is done by an analysis of the budgetary allocations to the strategic objectives and the municipal and provincial expenditure to determine their respective responsiveness to the socio-economic reality of the municipal area.

3.2 MUNICIPAL BUDGET ANALYSIS

This section analyses the responsiveness of the budget and strategic objectives to the socio-economic reality of the Municipality.

3.2.1 Key budget priorities in terms of IDP Strategic Objectives

The 2022/23 MTREF budget breakdown in terms of the strategic objectives are indicated in the table below. Witzenberg Municipality budgeted for a total operating expenditure of R804.41 million and a total capital budget of R77.42 million in the 2022/23 financial year.

Table 3 Strategic Objectives for the 2022/23 Medium Term Revenue & Expenditure Framework

Witzenberg Supporting Table SA5 & SA6 Reconciliation of IDP Strategic Objectives and Budget (Operating and Capital Expenditure)								
Strategic Objective	2022/23 Medium Term Revenue & Expenditure Framework OPEX				2022/23 Medium Term Revenue & Expenditure Framework CAPEX			
	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25	Average Annual Growth	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25	Average Annual Growth
Essential Services	516 951	563 164	617 760	9.3%	69 726	23 982	45 121	-19.6%
Governance	161 486	170 910	182 574	6.3%	1 220	180	840	-17.0%
Communal Services	107 019	108 798	115 164	3.7%	6 475	5 813	8 660	15.6%
Socio-Economic Support Services	18 950	20 059	10 865	-24.3%		500		
Total Expenditure	804 406	862 931	926 363	7.3%	77 421	30 475	54 621	-16.0%

Source:Witzenberg Municipality, A-Schedules

Comments:

- Witzenberg Municipality has presented a 2022/23 MTREF budget aimed at improving livelihoods, and the strategic goals noted in the budget Tables SA5 and SA6 for the 2022/23 MTREF are aligned to the strategic goals in the IDP and reflect financial commitments to all four key performance areas.
- The operating budget is concentrated within the 'Essential Services' KPA with an allocation of R516.95 million or 64.3 per cent of total operating expenditure. The operating budget for this KPA increased by 9.89 per cent from 2021/22 and will increase at 9.32 per cent on average per annum over the MTREF. Similarly, the bulk of the capital expenditure budget, R69.73 million (90 per cent) is allocated to the 'Essential Services' KPA.

- The Essential Services KPA addresses water, sanitation, and electrical services, it also addresses roads and transport management as well as street lighting and solid waste management and collection. Witzenberg Municipality's 2022/23 budget thus prioritizes basic trading services and service delivery.
- The rest of the operating budget (R287.46 million) is distributed across the remaining three KPA's with 'Governance' allocated 20.1 per cent, 'Communal Services' 13.3 per cent, and 'Socio-Economic Support Services' 2.7 per cent.
- The total capital expenditure has declined by 29.0 per cent from 2021/22 to 2022/23. Over the MTREF it is envisaged to further decline in 2023/24 by an even more significant amount of 60.6 per cent but expected to have a substantial increase of 79.2 per cent from 2023/24 to 2024/25.
- Most of the capital expenditure allocation (R69.73 million; 90.1 per cent) will be used for the provision and maintenance of basic services and the needs of informal settlements as well as the provision of bulk infrastructure. This is followed by an 8.4 per cent allocation towards the provision and maintenance of facilities and the environment, and a 1.6 per cent allocation towards financial viability and strengthening of partnerships.
- These objectives take the socio-economic reality and priorities of the Municipality into account and encompass the strategic goal of delivering on infrastructure-led growth, sustainable human settlements, financial sustainability, LED, social development, strategic partnerships, and international relationships.

3.2.2 Responsiveness of Expenditure

3.2.2.1 Responsiveness of Trading Services Expenditure

- Witzenberg's 2022/23 total operating budget allocation for *Trading Services* is R490.14 million, a 9.69 per cent increase from the 2021/22 budget. Municipal capital budget allocations for the provision of trading services are R54.71 million. This equates to 70.65 per cent of the total municipal infrastructure spend. It is however, a 5.24 per cent decline from the 2021/22 allocation, and is expected to decline in 2022/23 to 2023/24 by 82.34 per cent, after which it will increase in 2024/25 by 173.7 per cent.

Table 4 Trading Services Expenditure Analysis: 2022/23 (R'000)

Functional Area	Operating Expenditure	Capital Expenditure
Energy Sources	360 346	4 000
<p>Community needs (IDP)/Current reality:</p> <ul style="list-style-type: none"> ● Witzenberg's 2021 Socio-Economic Profile (SEP-LG) notes that 93.2% of households enjoy access to electricity as a primary source of lighting. ● Lack of access is mainly attributed to inadequate supply being unable to meet existing and future demands. Due to the under-capacity of bulk supply infrastructure, maximum demand limits cannot be increased. ● Major risks associated with energy provision include the stability of networks and access to new infrastructure. Eskom's bulk network can only be upgraded by 2030 and only if the necessary funds are allocated. ● While all indigent households receive free water and electricity, servicing informal settlements with electricity remains a challenge. ● Other threats include the increase in electricity losses, continued cable theft and vandalism. ● Key priorities within the IDP include responding to increased demand by communicating with Eskom and critical role-players regarding the upgrade of bulk supply, as well as addressing electricity losses by implementing the <i>Illegal Connection Policy</i>. 		

Functional Area	Operating Expenditure	Capital Expenditure
<p>Expenditure Analysis:</p> <ul style="list-style-type: none"> Witzenberg Municipality has allocated 7.0% of the basic infrastructure spending or R4.0 million towards electrical infrastructure spending for the 2022/23 financial year. This is a 69.7% reduction from the 2021/22 adjusted budget. Electrical infrastructure spending is expected to be the same amount in 2023/24 but substantially increases over the MTREF to R10.3 million in 2024/25. The entire allocation will be spent on the renewal and upgrading of MV networks. According to the Municipality's 2020/21 Annual report, 10.8% of electricity was lost, mainly because of ageing infrastructure and electricity theft. Thus, plans to renew and upgrade MV networks shows good prospects for reducing electricity losses and reducing the backlogs in access to electricity. This will positively affect future sustainability and boost economic growth. The operating budget, on the other hand, prioritises energy sources with R360.3 million. This allocation towards the Energy function increased by 11.1% in 2022/23 when compared to the 2021/22 adjustment budget total, receiving the highest allocation among the functions within Trading Services. Expenditure will on average increase by 10.2% annually across the MTREF. This contributes to bulk purchases of electricity (R354.4 million) and covers all operational requirements necessary for efficient service delivery and to ensure standards are complied with. The rest of the allocation (R6.0 million) will be used for street lighting and signal systems which positively responds to the public needs within the municipal area since one of the key priorities highlighted in the IDP is the need to provide and improve the quality of streetlights in unsafe areas as well as to upgrade older ones. This ensures a safer environment for all. The Municipality and the Department of Economic Development and Tourism are liaising with ESKOM with regards to improving energy provision and increasing capacity. 		
Functional Area	Operating Expenditure	Capital Expenditure
Water Management	40 330	37 708
<p>Community needs (IDP)/Current reality:</p> <ul style="list-style-type: none"> According to the 2021 SEP-LG, service access to piped water (inside or within 200m of a dwelling), included 98.5% of households in the Witzenberg area. Strategic risks to the Municipality are its inability to make provision for bulk water storage capacity to the Tulbagh region as well as its the high-water losses. Challenges faced by the Municipality include the limited budget for upgrading, replacing, and refurbishment of infrastructure and outdated equipment and vehicles. Further challenges include vandalism of infrastructure at pump-stations and reservoirs. Key priorities for water provision include investment in water infrastructure and maintaining existing infrastructure. 		
<p>Expenditure Analysis:</p> <ul style="list-style-type: none"> The operating budget on water management for 2022/23 shows an increase of 6.62% from 2021 and is expected to increase by an average of 5.2% per annum over the MTREF. This is an above-inflationary increase. These allocations are promising for addressing the Municipality's inherent strategic risks when it comes to water provision. The ongoing water scarcity in the Witzenberg region presents a major threat to the region, specifically to the agricultural sector. The Municipality has thus prioritized spending on water management within its capital budget with an allocation of R37.7 million. This accounts for 68.9% of basic infrastructure spending on trading services, making water management the largest allocation of all the functions. 		

Functional Area	Operating Expenditure	Capital Expenditure
<ul style="list-style-type: none"> Significant allocations include R14.6 million for the upgrading of the Tierhokskloof bulk pipeline and R18.7 million for the continued construction of the Tulbagh Dam. Currently Moordenaarskloof and Tierhokskloof are the main suppliers of water to Tulbagh, but yields are insufficient resulting in water restrictions on an annual basis. The new water storage dam will address the storage capacity shortcomings, ensuring sufficient storage during summer months or times of drought. Other allocations include the renewal of networks - water pipes and valve replacements (R1.5 million), and for the Op Die Berg reservoir (R2.8 million). The investment in water infrastructure and maintenance of existing water provision infrastructure is a key priority and should remain as such to effectively combat any possible water shortages in the future and reduce the strain on municipal resources. The capital budget allocation towards water management attests of the Municipality's attempts to improve service delivery as it directly addresses the key challenges of deteriorating water and sanitation pipe infrastructure and aging networks. The 2021 Annual report indicated that water loss for 2021 was 12.12%. This decline from the 15.04% in 2019 is evidence of the Municipality's continuous actions to improve the effectiveness of water provision. Pipe breakages – mentioned as a key concern in the community needs analysis, also has an impact on water losses. To combat this the Municipality has put additional measures in place with the introduction of a pipe replacement programme as well as a programme focused on the upgrading of pump stations. These interventions put in place will serve the municipal area's needs in the long term. Improved water management services can however not only be achieved through infrastructure investment, for this reason the Municipality has initiated alternative measures to compliment the municipal spend. The Municipality has also made provision in the budget for implementing water management devices to limit the flow of water that may supplement the Debt Collection Policy - this will effectively address excessive usage and non-payment. Additionally, the IDP outlines that those with conventional water meters will be converted to prepaid meters if they do not pay their municipal accounts so that outstanding debt may be avoided. 		
Functional Area	Operating Expenditure	Capital Expenditure
Waste Water Management	39 096	3 000
<p>Community needs (IDP)/Current reality:</p> <ul style="list-style-type: none"> According to the 2021 SEP-LG, 91.7% of households have access to adequate sanitation (flush/chemical toilet). These access levels are above the district averages for sanitation. Informal settlements are serviced through communal water and toilet Challenges include the limited budget available for refurbishing infrastructure and upgrading or replacing outdated equipment. Additionally, there are vandalism challenges at various sewer pump stations. A top service priority includes the need to maintain the storm water network in Tulbagh as households are utilizing storm water to dump their wastewater, causing the contamination of the river. 		
<p>Expenditure Analysis:</p> <ul style="list-style-type: none"> The capital expenditure budget for waste-water management increases by 22.48% in 2022/23 when compared to the 2021/22 budget. A large portion of the capital budget allocation will be used for sewer network replacements and security upgrades of pumpstations, which will address the vandalism challenges of sewer pump stations and improve service delivery within the municipal area. The operating budget allocation increases by 1.78% from 2021/22 to 2022/23. Over the MTREF, it is expected to increase by a similar amount in 2023 (1.74%), with a slightly steeper increase from 2023 to 2024 (5.48%). 		

Functional Area	Operating Expenditure	Capital Expenditure
<ul style="list-style-type: none"> These allocations respond well to the current needs of the Municipality, with R7.3 million allocated to storm water management which will assist in alleviating the problems in informal settlements. A significant portion will be used for sewerage (R28.1 million), and the remainder for public toilets and waste-water treatment. 		
Functional Area	Operating Expenditure	Capital Expenditure
Waste Management	50 366	10 000
<p>Community needs (IDP)/Current reality:</p> <ul style="list-style-type: none"> 69.8% of households have their solid waste removed at least once a week, according to the 2021 SEP-LG. This is below the District average. According to Witzenberg's 2020/21 Annual report, major obstacles include increased maintenance costs, vandalism, theft, and public ignorance on by-laws. These challenges have resulted in difficulty with operating municipal landfill sites and overall management of waste. The establishment of a regional waste site at Worcester is another challenge causing uncertainty regarding the strategy to be used for investing in current sites or for a material recovery facility aligned with the site. The waste management system employed by the Municipality operates successfully in collection and disposal, but more effort is needed to reduce waste generation within the municipal area. Currently no significant form of waste recovery, apart from existing private recycling enterprises and recycling bins in Tulbagh, Wolseley and Ceres. Public needs analysis in the tabled IDP highlights the need for better controlled refuse removal in phased areas for Wards 4 and 6. 		
<p>Expenditure Analysis:</p> <ul style="list-style-type: none"> Capital budget expenditure towards solid waste management infrastructure decreases by 73.2% in the 2022/23 budget when compared to the 2021/22 adjustments budget. A large portion of the 2022/23 expenditure will be used for the placement of new drop-off (transfer stations), to replace skips. This capital allocation assists the Municipality in managing landfill sites and further implementing their waste management strategy under Programme 1.1 Sustainable provision and maintenance of basic services infrastructure. Drop-off points will be placed strategically, and a public awareness campaign will be used to ensure its success. It will also consist of permanent personnel, contributing to job creation within the municipal area. The 2021/22 Annual report also highlights that people from local communities were given temporary work opportunities to clean the streets, open spaces, and around waste removal sites. This impacts job creation and ultimately economic growth and sustainability, in a positive way. The rest of the allocation (R4 million) will be used for the renewal of landfill sites in Prince Alfred Hamlet. These allocations are essential to addressing the waste management and landfill challenges faced by the Municipality. The operating budget on the other hand, increases by 79.1% when compared to the 2021/22 adjustments budget. Over the MTREF, operating expenditure will decline by 34.5% in 2023/24 and then increase by 6.12% in 2024/25. The entire allocation is used for solid waste removal. Within the waste management function there is strong evidence of innovation and partnerships which will ultimately enable sustainability and growth. The implementation of Waste Management Strategy is done in conjunction with Essen Gemeente in Belgium. Witzenberg has a long-term twinning agreement with this Municipality and has implemented many projects focused on the environment and on youth development in the past. 		

Source: 2022 Western Cape EPRE (Provincial spend), National Treasury Database (Municipal spend)

3.2.2.2 Responsiveness of Economic Expenditure

Table 5 Economic Expenditure Analysis: 2022/23 (R'000)

Functional Area	Operating Expenditure	Capital Expenditure
Road Transport and Public Works	23 714	14 017
<p>Community needs (IDP)/Current reality:</p> <ul style="list-style-type: none"> ● According to the SEP-LG, the Witzenberg municipal area experienced an increasing number of road user fatalities and declining number of DUI'S. Impeding factors include the safety of passengers, affordability of taxi services, and limited public transport during off peak periods. ● The municipal area consists of some deteriorated roads in need of upgrading. However, a major challenge hindering the maintenance and replacements of roads include limited and funding backlogs. ● If road surface conditions weaken, the road structure will be negatively affected. Therefore, regular maintenance to preserve the infrastructure is a key priority. 		
<p>Expenditure Analysis:</p> <ul style="list-style-type: none"> ● The Western Cape Government will spend R75.1 million on road transport and public works infrastructure within the Witzenberg area in 2022/23. This investment is predominantly for routine maintenance and repairs, and the rest will be used for renovations, replacements, and refurbishments. ● The capital budget for transport and public works responds well to the socio-economic reality and the community needs within the Witzenberg municipal area. Transport needs, as highlighted in the community needs section above, include that public transport services are limited, and safety and affordability issues arise. The municipal transport budget for Witzenberg indicates that there is R14.0 million allocated towards road infrastructure projects for the 2022/23 financial year. ● A large portion of the capital budget focuses on upgrading of roads - the Van Breda Bridge in Ceres (R6.0 million). While the road network within the municipal area consists of surfacing that is in good condition and able to withstand the high volumes of traffic, the road through Ceres is not of this same standard and still needs to accommodate the same high volume of heavy vehicles. The capital allocation towards this function therefore responds well to addressing the needs within the municipal area since the upkeep of road surface conditions through regular maintenance is essential for ensuring that road structures do not deteriorate. ● The rest of the capital expenditure is used for the renewal of the Network Street (R4.0 million). The Municipality makes use of a Pavement Management System (PMS) to maintain roads in the area, they do this by assessing the network and prioritizing based on routine maintenance, normal maintenance, or heavy rehabilitation. The allocation in the 2022/23 capital budget for the renewal of networks therefore responds well to addressing inherent funding limitations facing the Municipality, and aids in cutting into Road Transport and Public Works backlogs. ● The operating budget increases by 20.47% in 2022/23 and will increase by an average of 4.5% over the MTREF. ● As a result of increased urban growth over the past few years, the Municipality ensures that guidance is gained from the predetermined Roads Master Plan for all development planning. The latest plan has been approved in 2021. This comprises the implementation strategy programme outlining the objectives to provide direction and guidance on priority projects. This Master Plan identifies any backlogs and existing demand and capacity, and evaluates the viability of existing infrastructure, taking into consideration the possibility of augmentation or expansion. This assessment also identifies what new infrastructure is needed and by when, as well as addresses both primary and secondary networks and equipment needed for efficient and effective provision of services to all 		

3.2.2.3 Responsiveness of Social Expenditure

Table 6 Social Expenditure Analysis: 2022/23 (R'000)

Functional Area	Operating Expenditure	Capital Expenditure
Housing	17 172	-
<p>Community needs (IDP)/Current reality:</p> <ul style="list-style-type: none"> ● The most recent data indicates that there are 35 976 households within the Witzenberg municipal area and that the average number of people per household is 3.6. Of the total number of households, approximately 85.0% reside in formal dwellings. ● Housing challenges include the selling and renting of RDP houses, where sales are made illegally and without houses being transferred – hindering transfer processes. Other challenges include the transfer of rental stock, immigration control and illegal residents in informal settlements, GAP housing opportunities need to increase because household incomes rise on a yearly basis, and vandalism of communal toilets in informal settlements. ● There are housing needs in Ceres and Hamlet, as well as Wolseley with a backyard dwellers problem. There are also housing project safety needs in Nduli. 		
<p>Expenditure Analysis:</p> <ul style="list-style-type: none"> ● The Western Cape Government will spend R11.6 million on human settlements within the Witzenberg area in 2022/23. The bulk of this allocation (R10.6 million) is for Phase H implementation of the Vredebes housing project. ● A significant challenge facing the Witzenberg municipal area is the level of growing informality, most recent data indicates that approximately 15.0% of the total households in Witzenberg live in informal dwellings and there is also an expansion of the number of households in backyard dwellings. ● According to the Municipality's 2020/21 Annual Report, the total number of people on the housing waiting list is approximately 8 181. This figure shows a decrease of 25% from the previous years' figure of 10 774. These results have fluctuated over recent years, but the current state of an apparent downward trajectory is a promising one. Despite this, the Witzenberg area still faces a high demand for housing to accommodate a growing population and needs to diminish the current backlogs that exists. ● Operating budget allocations towards the housing function will in 2022/23 amount to R17.1 million, which equates to a 36.6% decline from the 2021/22 adjustments budget. Over the MTREF the allocation will first increase in 2023/24 by 6.3%, and then decline from 20223/24 to 2024/25 by 51.0%. ● Table A10 was not fully complete and thus the number of beneficiaries is not reflected, and no costing provided for free basic services. The Municipality should accurately complete the A10 schedule in its adopted 2022/23 budget. ● Witzenberg Municipality's 2022/23 IDP highlights housing needs as a key priority for many wards within the municipal area. Housing projects being implemented at present include the Bella Vista (completed in 2017), and Vredebes (still being developed). The Vredebes project will significantly influence municipal financial viability, service delivery and transport network and the implementation plan for this project includes the Provincial Government through the Regional Social and Economic Programme (RSEP). ● Despite the decline in the number of people on the housing waiting list, the main limitation faced within the Witzenberg municipal area is that current resources and bulk infrastructure are not enough to accommodate growth and achieve planned targets. 		

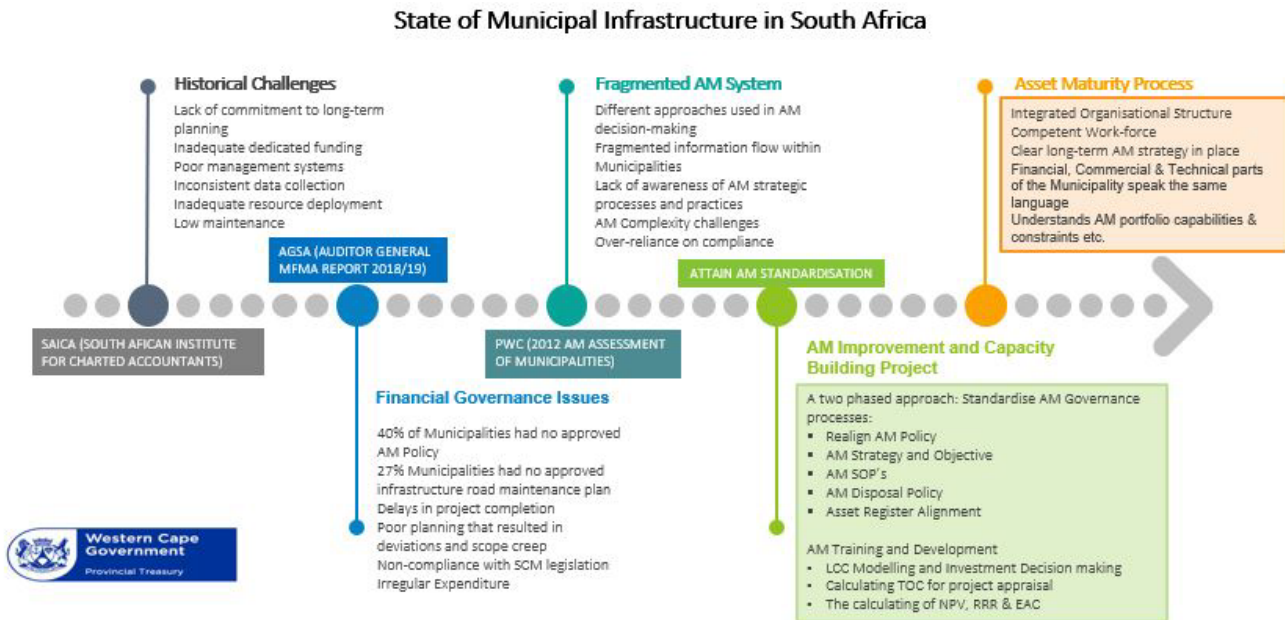
Source:2022 Western Cape EPRE (Provincial spend), National Treasury Database (Municipal spend)

3.3 UTILISING PROCUREMENT AS A LEVER TO ENHANCE LOCAL ECONOMIC DEVELOPMENT

3.3.1 Asset Management Governance and Capacitation Project

This project was necessitated by the challenges that were highlighted by AGSA during their 2018/19 audit report for MFMA in the Western Cape, SAICA and Price Waterhouse Coopers (PWC) assessment which is depicted below:

Figure 2 State of Municipal Infrastructure in South Africa



This project focused specifically targeted the Municipal Asset Management Governance Framework, Policies and Strategies as this is the bedrock of all assets related initiatives and provides a mechanism decision-making and gives clear understanding and oversight of each other's expectations, objectives, performance, risk appetite, and reporting requirements. The Framework would review municipal current:

- Policy and Strategy Development
- Asset Management Planning and Implementation
- Capability and Capacity Development
- Performance Improvement and
- Knowledge Management

Cape Winelands District Municipalities including Overstrand and Cape Agulhas Municipalities were piloted in the initial roll-out of the project. This project has now been implemented in the West Coast District and will overtime be rollout out to other districts of the Western Cape

As part of this Governance Framework attention was given to the **Operations and Maintenance Works Order Management** processes; this is the cornerstone of good Repairs and Maintenance Practices, and the Works Order Management document is the prerequisite to a Computerized Maintenance Management system (CMMS) that was found lacking at all piloted municipalities. The reason for the focus on this area is because of the inherent benefits thereof being:

- Cutting downtime of operation equipment
- Extent asset life

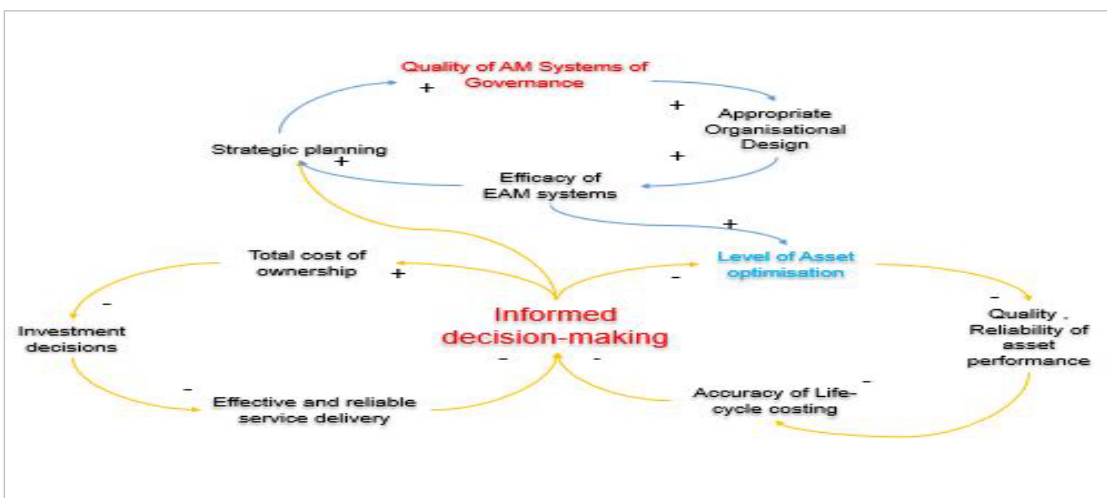
- increase availability and performance of equipment.
- Boost employee productivity.
- Reduce overtime.
- Improve municipal services.
- Reduce the maintenance backlogs.
- Improve safety.

The causal loop diagram below provides a snapshot of the aim and purpose of the Asset Management Governance and Capacitation Project. Starting with improving the quality of Asset Management system of Governance it is envisaged that this would have a knock-on effect of the other processes with the Asset Management system as is depicted in the diagram below. The causal loop diagram also illustrates the aimed interconnectedness of the various processes in the Asset Management System and the relationship with SCM with the ultimate purpose to mature the Asset Management System in municipalities overtime. This will depend on the capability, capacitation levels and culture that exists within various municipalities and districts.

The loop suggests that Asset Management System of Governance will impact Municipal Strategic Planning with appropriate alignment to the organisational design that should positively impact the efficacy of the Enterprise Asset Management Systems (EAM). This should translate into greater level of optimisation that impacts on:

- The quality and reliability of asset performance
- Accuracy of lifecycle costing into
- Better informed decision-making
- That positive effect Total Cost of Ownership (TCO)
- Help municipalities make informed Investment Decisions
- Hence deliver on effective and reliable service delivery

Figure 3 Causal Loop Diagram



The benefits are asset's longevity beyond design life, integrated solutions that balance cost, risk and performance over the asset life cycle that are needed to optimise asset reliability, availability and quality,

at minimum cost. All the elements in the causal loop becomes necessary to understand the risks, benefits of delaying new capital expenditure and the impact on strategic objectives. The aim of Asset optimization is to find the balance between efficiency and reliability by making strategic improvements to the effectiveness of your overall asset management methodology by providing more holistic adjustments to your Asset Management Governance Framework

The District Asset Management Steering Committee approach for CWDM will aim to share best and right practices and standardised Asset Management processes, in order to keep the continuity and improve the maturity within the region. The collective knowledge of the individual pilot projects will be shared among all municipalities on platform to improve the other portfolios within individual Municipalities.

To achieve this; collaboration among all municipalities on the platform will be key, so it is proposed that it would be essential for other District Municipalities to start playing that collaborative role within their respective districts, in order to start building momentum, so when the project is rolled out in that particular District, the process to standardisation and maturity would be easier.

3.3.2 Procurement Planning

Demand Management and procurement planning has become a national concern, hence National Treasury issued MFMA Circular No. 94 requiring the Accounting Officer to submit the procurement plan together with the Budget, Service Delivery and Budget Implementation Plan (SDBIP) to address the weak planning processes, as slow spending of capital budgets has a negative impact on service delivery.

Procurement planning in the Local Government sphere is an evolving process that needs to be enhanced overtime as the current system, manual or otherwise, has attributed to poor service delivery by not meeting the intended municipal service delivery goals.

PT is currently assessing all procurement plans of Western Cape Municipalities to ensure the compilation of a demand plan and procurement plans aligned with the IDP, SDBIP, and linked to the annual budget to ensure that funding for the acquisition of goods and services are available.

In times of fiscal austerity, efficient resource allocation and integrity in public spending is essential to ensure sound service delivery and transparency. Thus, procurement planning can be a useful recognition of procurement tool to improve institutional efficiency through savings and economies of scale. One of the ways to utilize procurement plans to achieve savings and economies of scale is to consider joint procurement for common goods and services.

3.3.3 Municipal Supplier Evidence Bank (SEB)

In the Draft Public Procurement Bill for public comment, under **Chapter 2, Part 3** – Use of Technology, reads *“Institutions must, to the extent possible, use information and communication technology to implement any of the procurement methods in this act”*

PT is currently doing research with the planned roll-out of supplier evidence bank (SEB) system to the municipalities to enhance their master supplier database and provide a reliable house for documentation of suppliers' information. The SEB is a central repository of governance documents required in the Supply Chain Management process that augments the CSD as this information is not available on the current CSD system.

There are numerous benefits that comes with this web-based solution for Provincial Treasury, municipalities and suppliers as it will provide a single point of reference, reduce the repetitive process of submitting documentation and house documentation. The benefits for municipalities and suppliers will include at least the following SCM Governance requirements:

The SEB will provide for LESS RED TAPE making it easier to do business with municipalities and streamline the activation process.

Focused on improving performance, compliance and developing a credible centralised data source has emerged.

- The main function of the SEB, is that governance documents submitted only ONCE to the WCSEB instead of each tender (BBBEE + tax compliance status extracted from CSD, MBD 4, 8 and 9 consolidated into ONE document: MBD4, inclusive of municipal services accounts.)
- The SEB will also flag suppliers listed on the NT tender defaulters register and restricted suppliers' list, potential conflict of interest, suspended suppliers and any supplier expired documentations.

Furthermore, the SEB is designed to accommodate local SMME's to render service with the Municipality especially for formal and informal quotation as there's no need for local supplies to visit the municipal office notice boards to check for advertised tender/RFQs, the system generates the email and send it to supplies based on their commodity/industry classification. Overtime Provincial Treasury will purpose to integrate other applications and solutions with the SEB via a BI solution as part of the e-Vision in order bring about better efficiencies in governance and data analytics.

SECTION 4: FINANCIAL SUSTAINABILITY

4.1 CREDIBILITY OF FUNDED BUDGET

4.1.1 Observations on the Current Financial Year

In assessing the 2022/23 MTREF budget, consideration is given to the Municipality's current year budget implementation, past revenue streams and spending trends as a baseline measure to determine the impact on future budget implications.

Table 7 Budgeted Performance against Audited Performance and current year

WC022 - Witzenberg	2018/19				2019/20				2020/21				Current Year 2021/22		
R thousands	Adjusted Budget	Audited Outcome	YTD%	Diff	Adjusted Budget	Audited Outcome	YTD%	Diff	Adjusted Budget	Audited Outcome	YTD%	Diff	Original Budget	Adjusted Budget	Diff
Financial Performance															
Property rates	68 317	69 879	102.3%	102.3%	72 415	73 594	101.6%	101.6%	76 529	80 775	105.5%	105.5%	83 290	83 290	100.0%
Service charges	318 218	305 199	95.9%	4.1%	342 173	352 556	103.0%	-3.0%	354 732	376 201	106.1%	-6.1%	413 772	422 772	2.2%
Investment revenue	8 194	8 551	104.4%	-4.4%	8 678	7 446	85.8%	14.2%	3 340	3 078	92.2%	7.8%	6 990	6 990	0.0%
Transfers recognised - operational	115 971	105 201	90.7%	9.3%	141 216	131 111	92.8%	7.2%	140 600	131 051	93.2%	6.8%	145 903	148 892	2.0%
Other own revenue	55 343	45 403	82.0%	18.0%	48 075	88 448	184.0%	-84.0%	41 234	35 320	85.7%	14.3%	52 768	54 959	4.2%
Total Revenue (excluding capital transfers and contributions)	566 042	534 234	94.4%	5.6%	612 557	653 154	106.6%	-6.6%	616 435	626 426	101.6%	-1.6%	702 723	716 903	2.0%
Employee costs	170 402	165 908	97.4%	2.6%	202 823	185 323	91.4%	8.6%	209 507	191 682	91.5%	8.5%	237 025	235 454	-0.7%
Remuneration of councillors	10 709	10 136	94.7%	5.3%	11 459	10 604	92.5%	7.5%	12 171	10 583	87.0%	13.0%	12 007	11 007	-8.3%
Debt impairment	42 172	22 599	53.6%	46.4%	56 498	50 522	89.4%	10.6%	54 688	34 865	63.8%	36.2%	63 750	63 750	0.0%
Depreciation & asset impairment	44 165	30 322	68.7%	31.3%	45 590	33 871	74.3%	25.7%	35 688	32 581	91.3%	8.7%	39 729	39 729	0.0%
Finance charges	16 002	15 847	99.0%	1.0%	16 569	14 622	88.2%	11.8%	17 418	10 017	57.5%	42.5%	8 696	8 684	-0.1%
Materials and bulk purchases	214 125	204 522	95.5%	4.5%	243 816	236 130	96.8%	3.2%	255 014	252 216	98.9%	1.1%	300 766	304 994	1.4%
Transfers and grants	14 163	1 247	8.8%	91.2%	2 229	1 495	67.0%	33.0%	7 769	6 534	84.1%	15.9%	25 603	23 382	-8.7%
Other expenditure	97 032	106 366	109.6%	-9.6%	129 654	108 814	83.9%	16.1%	110 557	110 907	100.3%	-0.3%	87 345	81 637	-6.5%
Total Expenditure	608 771	556 947	91.5%	8.5%	708 638	641 381	90.5%	9.5%	702 812	649 386	92.4%	7.6%	774 922	768 637	-0.8%
Surplus/(Deficit)	(42 729)	(22 713)	53.2%	46.8%	(96 081)	11 773	-12.3%	112.3%	(86 376)	(22 960)	26.6%	73.4%	(72 199)	(51 734)	-28.3%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	52 914	54 674	103.3%	103.3%	46 327	15 569	33.6%	66.4%	64 896	52 102	80.3%	19.7%	74 937	69 620	-7.1%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	1 083	575	53.1%	53.1%	1 378	-	0.0%	0.0%	560	-	0.0%	0.0%	170	170	0.0%
Surplus/(Deficit) after capital transfers & contributions	11 268	32 536	288.8%	-188.8%	(48 376)	27 342	-56.5%	156.5%	(20 920)	29 141	-139.3%	239.3%	2 908	18 056	520.8%
Share of surplus/ (deficit) of associate	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-	-	-100.0%
Surplus/(Deficit) for the year	11 268	32 536	288.8%	-188.8%	(48 376)	27 342	-56.5%	156.5%	(20 920)	29 141	-139.3%	239.3%	2 908	18 056	520.8%
Capital expenditure & funds sources															
Capital expenditure	91 554	87 076	95.1%	4.9%	76 434	34 298	44.9%	55.1%	86 843	66 943	77.1%	22.9%	89 094	80 908	-9.2%
Transfers recognised - capital	55 172	54 597	99.0%	99.0%	46 497	13 123	28.2%	71.8%	64 896	52 102	80.3%	19.7%	74 937	69 087	-7.8%
Borrowing	1 550	-	0.0%	0.0%	3 043	-	0.0%	0.0%	-	-	0.0%	0.0%	-	-	-100.0%
Internally generated funds	34 832	32 479	93.2%	6.8%	26 893	21 175	78.7%	21.3%	21 947	14 842	67.6%	32.4%	14 157	11 822	-16.5%
Total sources of capital funds	91 554	87 076	95.1%	4.9%	76 434	34 298	44.9%	55.1%	86 843	66 943	77.1%	22.9%	89 094	80 908	-9.2%

Findings and recommendations

- The table is aligned to the Audited Annual Financial Statements and restated figures as submitted by the Municipality. It should be noted that major discrepancies were noted between the audited outcomes of the data strings and those of the A Schedules of the Municipality and what was recorded in the Audited and Restated AFS of the Municipality. Municipality is requested to investigate these discrepancies and ensure full alignment in all municipal reports.
- The historical trends over the past three audited financial years indicates an acceptable level on the operating budget implementation performance when comparing the adjusted budget and the audited outcomes. In terms of the operating revenue, the Municipality has consistently collected above

94 per cent of its adjusted budget and the trend also indicates that the Municipality is excelling in the collection of revenue from property rates and service charges as noted by the +95 per cent collection.

- Observation is made on the major under collection on other revenue line-item where Fines and operational revenue are noted to have a huge impact. It should be noted that according to the GRAP1, fines need to be disclosed at 100 per cent however the Witzenberg municipality never receives the full amount that was budgeted for this item, this can also be seen in the monthly Section 71 IYM reporting. It can be noted when looking at the draft MTREF budget the Municipality has considered past trends as budgeted amount for fines was brought in line with the most recent audit outcomes.
- Operating expenditure, the Municipality have remained within its budgeted spending with savings on some of the items such as contracted services and employee related costs. It is noted that the Municipality has been budgeting for operating deficit over the past audited years and the overall performance over the past three audited years indicates that the Municipality made an average deficit before capital transfers and contributions. This is an indication that the Municipality has been unable to contribute more to capital reserves. The impact of COVID-19 largely had an impact on the ability of municipalities to collect and generate additional revenues which is one of the reasons for the sharp decline in net surpluses for 2020/21.
- Capital budget performance, the Municipality has underspent in 2019/20 with 55.1 per cent but slight underspending of by 4.9 per cent in the 2018/19 and 22.9 per cent in 2020/21 financial years as reflected in the above table. Cognisance should be taken of the fact that in 2019/20 and 2020/21 municipalities were faced with COVID-19 which resulted into difficult project implementation.
- For the current financial year, the year-to-date capital expenditure was at 48.4 per cent as at 31 March 2022 against the adjusted budget. There is a high probability that the current year's capital budget will not be fully spent. The Municipality is urged to strictly adhere to their procurement plans and place more focus on project implementation plans to get an accurate and true reflection of the planned capital expenditure which will also assists in capital performance management and ensuring capital budget is spent within National Treasury Norms of at least 95 per cent of the Capital Budget as per MFMA Circular No. 71.
- In view of the above findings, it is recommended that the Municipality consider current and past revenue and expenditure trends which set the baseline and therefore have an impact on future budgetary provisions. Sound financial management principles applied in the past should be built and also revenue enhancement initiatives should be rebuilt to ensure the municipal revenue generation is sustainable.

4.2 REVIEW OF THE NEW (2022/23) MTREF

4.2.1 Review of the Budget Assumptions

Table 8 Budget assumptions for the 2022/23 MTREF Budget:

No.	Description of the Budget Assumptions
1.	The forecasted CPIX is 4.8% in 2022/23 and estimated to decrease to 4.4% in 2023/24 and increase to 4.5% in 2024/25 . Increases of cost were limited to 5%. CPI has an impact on Bulk Purchases, Municipal Cost drivers, impact on households and businesses and cost of employee related cost.
2.	The 2022/23 budget was prepared on a projected revenue collection rate of: Rates 95.0% Electricity 98.0% Water 73.0%

No.	Description of the Budget Assumptions
	<p>Sanitation 61.0%</p> <p>Refuse 70.0%</p> <p>Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.</p>
3.	<p>The following principles and tariff increases, based on the cost reflectiveness of the tariffs are proposed:</p> <p>Property Rates = 7.25%</p> <p>Electricity = increases by 11.36% and consumption</p> <p>Water = 7.25%</p> <p>Sanitation = 7.25%</p> <p>Refuse removal = 7.25%</p>
4.	Cost containment measures were provided for in the budget documentation.
5.	Employment related costs for the entire MTREF period were budgeted at an annual increase of 4.9 plus 2.5% annual notch increases.
6.	Bulk electricity purchases are projected to increase by 11% .
7.	The municipal social package for free basic services is budgeted for 5000 registered indigents to be reviewed monthly consist of 10 kl of free water, 50 kWh of electricity per 30-day period, sewer services and weekly refuse removal. Also 1 700 households in informal settlement receiving free services.
8.	The external loans to be taken up to fund the capital budget over the MTREF period amount to R10 million .

- The budget assumptions listed in the budget document are used as benchmark in predicting the expected operating revenues and expenditures as well as the capital expenditure given the current realities facing the Municipality and its ability to manage its financial administration. These include amongst others policy decisions of different spheres of government affecting municipal operations, external factors influencing municipal revenue and expenditure patterns and the management of internal factors to minimise the impact on both the Municipality and its clients that they serve.
- The overall budget assumptions are credible and aligned to the prescribed regulatory framework as contemplated by the Municipal Budget and Reporting Regulations (MBRR), read together with the Municipal Financial Management Act (MFMA) and is also guided by the MFMA Circular No. 98 and 99.
- Any other factors that became known after the tabling of the budget and pre-empt to have an impact to the MTREF budget, should be considered in the adoption of the final budget after the tabling. These will encompass the constant changes to repo rate as regulated by the South African Reserve Bank. The Municipality should evaluate how the constant changes will affect the Municipality's borrowing cost and other cost drivers with increased inflation costs. It may have a significant impact on municipal revenue including debt collection, expenditure over the short to medium term and affordability of tariff increases on businesses and households.

4.2.2 mSCOA Implementation

- According to MFMA Circular No. 108, it is imperative that municipalities prepare MTREF budget from the financial systems and that the A1-Schedule be produced directly from their financial system, as this will eliminate alignment problems. Furthermore, MFMA Circular No. 112 states that the manual capturing on A1 schedule version 6.6 is not allowed in terms of the mSCOA Regulations.
- The Municipality is commended for showing major improvement with the implementation of mSCOA regulations as PT notes the efforts made by the Municipality in ensuring perfect alignment between A-Schedule tabled to Council and the submitted Data Strings. However, there are just minor challenges

identified with the Balance Sheet and Cash flow budgeting. mSCOA Circular No. 10, 11 and 12 guides municipalities on the use of the Fund segment, cash flow budgeting, VAT accounting treatment and balance sheet budgeting. The Municipality is urged to make the necessary correction on the ORGB data strings.

- To assure the accuracy of the budget data strings, a segment use analysis on 2022/23 TABB data strings was performed, and the table below concentrates on the Project, Fund, Function, Costing, and Region segment usages; the item segment will be examined within the report.

Table 9 mSCOA Segment Analysis

No	Segment	Witzenberg
1	Project Segment	TABB 2022_23
1.1	Maintenance	Adequately provided for
1.1.1	Corrective Maintenance	
1.1.1.1	Planned	Budget allocated
1.1.1.2	Emergency	Budget allocated
1.1.2	Preventative Maintenance	
1.1.2.1	Condition Based	Budget allocated
1.1.2.2	Interval Based	Budget allocated
1.2	Typical Work Streams	Adequate use
1.3	Municipal Running Costs	Excessive use Municipal Running Costs project. Consider transferring some of that to Typical Work Streams.
1.4	Default	Adequate use
2	Fund Segment	
2.1	Use of Fund Segment	Not always classifying the fund segment correctly (debt impairment incorrect funding source)
3	Function Segment	
3.1	Use of Function Segment	Adequate use
4	Costing Segment	
4.1	Use of Costing Segment	Adequate use
5	Region Segment	
5.1	Use of Region Segment	Limited use of available options.

Source:Data strings

- In terms of the allocation of the budget across the segments, the Municipality has used all six regulated segments in allocating the budget, however areas of improvements are noted in the above table and the Municipality is encouraged to correct the use of segments for the line items highlighted above when the final budget is adopted by Council.
- Provincial Treasury has provided the TABB segment tools analysis with the Municipality, with the aim of assisting the Municipality in examining their data and determining if the information is appropriately pulling across all segments before finalising the ORGB data strings. According to MFMA Circular No. 115, TABB shall be corrected in the ORGB before the adopted budget is locked on the financial system and the ORGB data string is generated. Therefore, it is requested that the Municipal officials avail themselves for a session (via MS Teams) on the TABB segment analysis to give more clarity on the tools shared with the Municipality. It will be greatly appreciated if the session could take place prior the adoption of the final budget.



4.2.3 Budget Overview

Table 10 Budget Overview for the 2022/23 MTREF Budget

Description	2018/19	2019/20	2020/21	Current Year 2022			2022/23 Medium Term Revenue & Expenditure Framework					
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Treasury Calculation	Budget Year +1 2023/24	Treasury Calculation	Budget Year +2 2024/25	Treasury Calculation
Total Revenue (excl. capital transfers and contributions)	535 818	617 609	623 159	702 723	716 903	716 903	756 938	756 938	819 629	819 629	884 645	884 645
Total Operating Expenditure	534 891	602 474	646 096	774 922	768 637	768 637	804 406	799 446	862 933	854 139	926 363	916 897
Surplus/(Deficit)	928	15 135	(22 937)	(72 199)	(51 735)	(51 735)	(47 468)	(42 508)	(43 303)	(34 510)	(41 717)	(32 252)
Non Cash Items												
Depreciation & asset impairment	17 723	14 187	50 015	63 750	63 750	63 750	46 171	41 211	52 494	43 700	55 876	46 410
Total Restated Result	18 651	29 322	27 078	(8 449)	12 016	12 016	(1 297)	(1 297)	9 191	9 191	14 159	14 159
Total Capital Expenditure	87 076	34 298	66 944	89 094	80 908	80 908	77 431	77 431	30 475	30 475	54 621	54 621
Funded by:												
Transfers recognised - capital	54 597	13 123	52 768	74 937	69 087	69 087	44 347	44 347	26 795	26 795	27 321	27 321
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	10 000	10 000	-	-	-	-
Internally generated funds	32 479	21 175	14 175	14 157	11 822	11 822	23 084	23 084	3 680	3 680	27 300	27 300
A7 Cash/cash equivalents at the year end:	2 340	(1 904)	606 094	79 464	185 107	185 107	133 444	151 469	171 348	193 545	166 239	217 138
A8 Surplus(shortfall) After Application of Cash and Investments	(9 623)	(53 819)	626 697	(5 712)	67 404	67 404	86 969	79 949	131 019	116 773	139 946	135 076

Findings and recommendations

- The Municipality tabled operational deficit budgets over the entire 2022/23 MTREF which are also aligned to the Treasury calculations as indicated in the above. The trend indicates that the Municipality has a practice of budgeting for operational deficits as was alluded to under audited performance table above. After reversing the non-cash items such as depreciation and asset impairment, the Municipality is making operational surpluses for the outer two years of the MTREF. However, for 2022/23 the Municipality will experience operating deficit even after restating the figures.
- Budgeting for operating deficits adversely affects the Municipality's ability to reserve funds for the capital expenditure and the acquisition/replacement of asset or maintenance and upgrade of assets used for service delivery. Operating deficits will make less funds available for investment in assets and capital projects to enhance service delivery as a result assets and infrastructures may deteriorate due to lack of maintenance and development impacting service delivery objectives. The Municipality is encouraged to implement strategies that will sustain the financial health of the institution and enable it to sustain the delivery of quality of services to the community.
- The Municipality's budget is funded but with threats to its sustainability over the 2022/23 MTREF. The Municipality's cash and cash equivalents remain positive over the entire 2022/23 MTREF, however, the budget report states that the Municipality only have sufficient cash and cash equivalents to fund its operations for 3 months. The Municipality should strive to increase their liquidity position to a point where they have a funded budget for the short-term and Medium-term. This will allow the Municipality to remain without risk as the funding is largely dependent on how effective the Municipality to develop long term strategies with less pressure.

4.2.4 Operating Revenue Budget

The following table depicts budgeted operating revenue budget and growth trends over the 2022/23 MTREF.

Table 11 2022/23 MTREF Operating Revenue Budget

WC022 - Witzenberg	Table A4 Budgeted Financial Performance (revenue and expenditure)			CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK ASSUMPTIONS & CALCULATION					
Description	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +0	Budget Year +1	Budget Year +2	% Change	% Change	% Change
Revenue By Source													
Property rates	69 777	73 497	80 674	83 290	83 290	83 290	74 938	96 532	103 632	111 306	15.9%	7.4%	7.4%
Service charges - electricity revenue	221 840	255 095	274 180	323 478	327 478	327 478	227 230	349 426	391 599	438 704	6.7%	12.1%	12.0%
Service charges - water revenue	35 547	39 419	43 137	39 677	39 677	39 677	33 914	49 810	52 694	55 694	25.5%	5.8%	5.7%
Service charges - sanitation revenue	24 904	32 329	30 920	25 043	28 043	28 043	24 185	32 053	34 014	36 117	14.3%	6.1%	6.2%
Service charges - refuse revenue	22 909	25 713	27 965	25 574	27 574	27 574	22 161	30 236	32 428	34 779	9.7%	7.3%	7.3%
Rental of facilities and equipment	5 441	3 998	1 606	1 470	2 970	2 970	3 545	3 416	3 452	3 491	15.0%	1.1%	1.1%
Interest earned - external investments	8 551	7 446	3 079	6 990	6 990	6 990	3 171	5 089	5 193	5 303	-27.2%	2.1%	2.1%
Interest earned - outstanding debtors	10 545	10 515	5 569	8 677	8 677	8 677	12 301	9 111	9 566	10 044	5.0%	5.0%	5.0%
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	14 313	22 149	11 593	21 479	21 479	21 479	8 225	11 137	11 194	11 254	-48.1%	0.5%	0.5%
Licences and permits	4 913	1 042	1 065	2 111	2 111	2 111	979	2 216	2 327	2 444	5.0%	5.0%	5.0%
Agency services	1 842	3 477	4 354	4 046	4 046	4 046	3 509	4 249	4 461	4 684	5.0%	5.0%	5.0%
Transfers and subsidies	105 776	132 980	131 244	145 903	148 892	148 892	107 978	150 108	157 252	160 552	0.8%	4.8%	2.1%
Other revenue	10 076	9 561	7 774	14 985	15 676	15 676	8 176	13 556	11 816	10 273	-13.5%	-12.8%	-13.1%
Gains	(615)	389	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	535 818	617 609	623 159	702 723	716 903	716 903	530 312	756 938	819 629	884 645	5.6%	8.3%	7.9%

Source: Funding Tool

Findings and recommendations

Over the MTREF the municipal revenue is projected to increase by 5.6 per cent in the 2022/23, 8.3 per cent in 2023/24 and 7.9 per cent in 2024/25.

High reliance on steady inflows of property rates and service charges are noted as noted in the table above. Any changes in terms of bulk purchases, consumptions usage, or changes in the projected revenue growth rate base will have a negative impact on the overall revenue generation and will apply pressure on cash backed surpluses, operational expenditure and ability to contribute to capital investment.

It is imperative that the Municipality continue to create an enabling environment for continuous growth within available resources and capabilities in the Witzenberg Municipal area to sustain real growth patterns in future projections.

The proposed increases for tariffs and rates over the 2022/23 MTREF budget are above CPI projections as guided by National Treasury circulars. Although tariff increases are required to ensure medium to long term financial sustainability and has a direct impact on the prioritisation of service delivery targets, it should however be affordable to consumers.

- **Property rates** are the third highest component of the operating revenue budget, and it is projected to increase by 15.9 per cent on 2022/23 and 7.4 per cent over the MTREF. Property rates revenue growth is not in line with the rates increase of 7.25 per cent reflected in the budget document. It is indicated in the budget document that the revenue growth is above the proposed rates due to adjustment in the ratio of bona fide farmers and adjustments to the number of indigents.

It is noted that as at March 2022 property rates debtors amounted to R24.69 million or 9.8 per cent of the total debtors with 79 per cent or R24.69 million relating to property rates outstanding over 90 days. Municipality needs to improve its Credit control in order to reduce the numbers. The Municipality should

also explore other measures such as assessing its debtor book and ensure that the necessary reconciliations between the deeds register, valuation roll and financial system to ensure all revenues due to the Municipality are generated.

- **Electricity services** remains the largest contributor to the operating revenue budget averaging 48 per cent over the MTREF. Tariff increase of 11.4 per cent is way above the proposed NERSA guideline of 9.6 per cent and revenue growth of 6.7 per cent is below the tariff increase. The tariff increase is higher than inflation rate and this will have a shocking effect on consumers who have already been impacted by the COVID-19, as well as an economy that is ailing and said to be on a recovery path. This might result in increased debtors due to unfordable tariff. PT takes note that it is highlighted in the budget that the Municipality is awaiting final guidance for NERSA and will adjust the final budget accordingly. It should be note that NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022.

Significant increases in electricity bulk purchases and the planned load shedding over the next coming years may exert pressure on consumers to explore alternative off the grid options impacting on consumption and growth patterns. The Municipality remains heavily reliant on electricity profit margins however with increasing pressures to provide a sustainable service, the Municipality should regularly review underlying assumptions to ensure all factors are considered over the medium to long term to inform its long-term funding model.

Electricity distribution losses were reported at 10.7 per cent in 2019/20 and 10.8 per cent in 2020/21 which were higher than the National Treasury norm of 7 - 10 per cent. Municipality is advised to investigate and be on the lookout for meters tampering and illegal connections and be proactive in replacing broken cables as soon as they are detected, as well as acting against defaulters. Electricity debtors as at end March 2022 were only 2.3 per cent of total outstanding debtors over 90 days' category which is an indication that the Municipality is able to collect revenues due from this service and the budgeted collection rate of 98 per cent could be realistic.

- **Service charges water** amounts to R49.81 million which constitute 6.6 per cent of the total revenue. The increase in water revenue projection for 2022/23 is 25.5 per cent which is above the tariff increase of 7.3 per cent due to correction to the base used to calculate water and adjustment to the number of indigents. It is noted that water distribution losses for 2019/20 and 2020/21 financial years amounted to 15 per cent and 12.1 per cent respectively. The Municipality is commended for bringing water losses slightly down, however, the losses are still pointing towards the range of 14 - 16 per cent treasury norm and Municipality is urged to consider appropriate strategies to ensure a sustainable service delivery of water to the community. Furthermore, Water debtors as at end March 2022 were only 32 per cent of total outstanding debtors over 90 days' category which is an indication that the Municipality is experiencing challenges in collecting revenues due from this service and the budgeted collection rate of 73 per cent could be realistic.
- **Service Charges Sanitation** contribute 4.2 per cent to the operating budget and is yielding profit margins of 13 per cent on average over the MTREF period which is commendable. **Service Charges Refuse removal** will contribute 4 per cent to total revenue over the MTREF with a tariff increase of 7.3 per cent in 2022/23. The Municipality reported deficits when comparing cost (A2) and Revenue projections (A4) over the MTREF. It is also noted that both services contribute largely to the debtors over 90 days, accounting for 17 per cent and 17.9 per cent respectively. Municipality is also budgeting collect 61 per cent and 70 per cent from these services which further proves municipality's struggles in collecting from these revenue sources. Also, taking note that refuse is operating at a deficit which is a concern, the Municipality is advised to explore integrated waste management strategies and implement methods to recover overall cost of this service.

It should be noted that the revenue growth from these services is expected to be 14.3 per cent and 9.7 per cent respectively which is not in line with the projected tariff increases and the growth is due to

adjustment in the ratio of bona fide farmers, number of indigents and correction to the base used to calculate water revenue. Cognisance should be taken of the affordability of services, given the increased tariff of 7.3 per cent on both services. Persistent increases above inflation over several years may result in unaffordable municipal bills resulting in increased debtors and not necessarily increased cash inflows.

- **Looking at the** segment analysis, it should be noted that when the budgeted revenue for rates and service charges is analysed, the Municipality made correct provision for the billing of the different property rates in the A6 and unbundled it in the A4 as well, but for revenue from service charges, the A4 is unbundled but all the billing items are dumped under “monthly billing” in the A6 (no provision for the different or sub-revenue items). In addition, the Municipality did not make provision for the VAT portion of the billing for the special rating areas as per the requirement of mSCOA Circular No. 12.
- The Municipality has also budgeted less for revenue from **finer, penalties and forfeits, interest on external investments**. These decreases are based on the low collection for fines and depletion of investments.
- Transfers and subsidies are estimated to increase by 0.8 per cent when compared to the 2021/22 adjusted budget and increase by 3.4 per cent over the outer years of the MTREF. This item is the second largest contributor to operating revenue budget which indicates significant reliance on operating grants. It should be noted that allocations to municipalities will not increase much over the coming years due to the slow economy and the country's limited resources. When the operating transfers and subsidies on table A4 is compared to supporting table SA18, it is noted that the two amounts do reconcile. However, when the Municipality's allocations as per SA18 are compared to the Provincial Gazette, it is noted that there are few discrepancies between the Gazetted allocations and what the Municipality reported on SA18. Municipality is commended for taking GRAP 23 principles into account when budgeting for grants and ensuring grant money is recognised as an asset and corresponding liability was raised based on the conditions of the grant allocations.

4.2.5 Tariff Analysis and Overview for the Four Trading Services

For this section the revenue of budget table A4 will be used as this is the revenue generated from the service less all subsidies provided by the Municipality. In addition to this, budget table A2 provide the expenditure information less the National Treasury allocation for each of the trading services as it is already exempted on the revenue side. The reasoning behind this is that theoretically for cost reflectiveness the revenue generated from the service should be able to cover the full cost of the service before transfers. This may become crucial going forward given the low economic backdrop, under-collection of tax revenue and shifts in governments priorities.

It should be noted that the methodology does not provide the full view on the cost reflectiveness of the set tariff. This is mainly due to the absence of the secondary costs associated with the provision of these services. Decisions about accepting profits or losses on services can only be made by looking at all services together and ensuring that in balance a municipality will fully recover costs. Tariff revenue losses will be made on some services, and these must be balanced against tariff revenue profits on other services, as well as other income sources such as assessment rates and subsidies. Getting the balance right is one of the most difficult parts of tariff setting.

The table below presents the methodology of cost reflectiveness discussed above. It is apparent from the information illustrated that the surpluses for all for trading services. This methodology is also applying the full allocation of the LGES which allows this scenario to have a more favourable outcome.

Table 12 Trading Services Revenue and Expenditure link - Trading and Economic Services

Description R thousand	2018/29	2019/20	2020/21	Current Year	Budget Year	Budget Year	Budget Year
	Audited Outcome	Audited Outcome	Audited Outcome	2021/22	2022/23	2023/24	2024/25
Revenue: A4	305 199	352 556	376 201	422 772	461 524	510 735	565 294
Service charges - electricity revenue	221 840	255 095	274 180	327 478	349 426	391 599	438 704
Service charges - water revenue	35 547	39 419	43 137	39 677	49 810	52 694	55 694
Service charges - sanitation revenue	24 904	32 329	30 920	28 043	32 053	34 014	36 117
Service charges - refuse revenue	22 909	25 713	27 965	27 574	30 236	32 428	34 779
Expenditure: A2	333 753	339 329	400 608	448 392	490 138	535 116	588 359
Energy sources	211 918	249 849	275 871	324 463	360 346	400 879	446 628
Water management	39 534	41 772	42 401	38 336	40 330	42 445	44 674
Waste water management	37 902	38 407	41 665	37 741	39 096	39 778	41 958
Waste management	44 400	9 302	40 671	47 853	50 366	52 015	55 099
LGES Allocation: SA1	29 433	17 614	20 940	29 294	26 280	28 121	30 114
Electricity	-	-	-	4 860	3 788	4 219	4 698
Water	3 451	3 427	3 145	5 406	3 839	3 897	3 960
Sanitation	13 660	7 664	11 650	10 392	10 054	10 783	11 565
Refuse	12 322	6 523	6 145	8 635	8 598	9 222	9 890
Surplus/Deficit	879	30 840	(3 467)	3 673	(2 334)	3 740	7 049
Electricity	9 922	5 246	(1 692)	7 875	(7 131)	(5 062)	(3 226)
Water	(536)	1 075	3 881	6 748	13 319	14 147	14 980
Sanitation	662	1 586	905	694	3 011	5 019	5 724
Refuse	(9 169)	22 934	(6 561)	(11 644)	(11 532)	(10 365)	(10 430)
Surplus/Deficit	0.3%	8.7%	-0.9%	0.9%	-0.5%	0.7%	1.2%
Electricity	4.7%	2.1%	-0.6%	2.4%	-2.0%	-1.3%	-0.7%
Water	-1.4%	2.6%	9.2%	17.6%	33.0%	33.3%	33.5%
Sanitation	1.7%	4.1%	2.2%	1.8%	7.7%	12.6%	13.6%
Refuse	-20.7%	246.5%	-16.1%	-24.3%	-22.9%	-19.9%	-18.9%

Source: Witzenberg Municipality 2022/23 MTREF Budget, Main Schedules A4: Trading revenue (excl. capital grants) and A2: Trading services

- Over the 2022/23 MTREF the budgeted revenue for electricity and refuse will not be sufficient to cover the costs for delivering electricity and refuse services even after the inclusion of the equitable share allocation to supplement of the cost of free basic services.
- The average loss for electricity revenue over the 2022/23 MTREF is R5.14 million or 1.3 per cent and R10.78 million or 20.6 per cent for refuse services. These losses indicate that the Municipality is not budgeting for cost-reflective tariffs that would enable the Municipality to recover the full cost of providing services. These deficits will have to be funded from other revenue sources diminishing own contributions towards capital funding. The reported deficit on Refuse is an indication that it difficult to provide for cash backed reserves towards the rehabilitation of landfill sites and as such the Municipality is advised to conduct a cost of recovery study on the refuse services. Also, to take note that considering the Municipality is planning to increase its tariffs by more than the CPI projections of 3-6 per cent over the 2022/23 MTREF, more increases would only provide for hardship upon poorer households and other customers and the Municipality needs to find an appropriate balance between the affordability while ensuring the sustainability of the Municipality.
- On the one hand, the surpluses on Water and Sanitation services must be viewed in line with water and losses and projected collection rates should be considered as expenditure should be planned within the maximum revenue to be collected. Furthermore, it is recommended that the Municipality put in place strategies to reduce losses, by attempting to reduce its technical and non-technical losses as these will reduce the cost of supplying services and increase the volumes sold. In addition, losses in terms to debt

impairments and write-offs also needs to be accounted for especially during these difficult times for consumers. As such the National Treasury has developed a tool to set proper tariffs for water, sanitation, electricity and solid waste. Municipalities are encouraged to explore use of the tool in order to improve tariff setting and improve financial sustainability. The tool can be accessed on the link <http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>. Municipalities are also urged to utilising the mSCOA costing segment correctly.

Table 13 Municipal Benchmarking – Operating revenue

PT: Municipal Budget and Benchmarking Engagement - 2022/23 Draft Budget (Per Mun Own Budgeted Figures)					
R thousands	WC022 Witzenberg (L)	MFMA Circular 71 Norm/ Guideline	Provincial Average	Highest	Lowest
Inc (Decr) in 2023 Op Rev against 21/22 Main Adj Budget					
% Increase in Total Operating Revenue	5.6%	CPI	5.7%	13.8%	(14.3%)
% Incr(Decr) in Property Rates Revenue	15.9%	CPI	6.7%	34.7%	(3.8%)
% Incr(Decr) in Electricity Revenue	6.7%	CPI	7.0%	14.6%	(16.7%)
% Incr(Decr) in Water Revenue	25.5%	CPI	5.4%	40.0%	(5.9%)
% Incr(Decr) in Sanitation Revenue	14.3%	CPI	8.8%	40.0%	(4.6%)
% Incr(Decr) in Refuse Revenue	9.7%	CPI	11.9%	100.0%	(1.6%)
Allocation Efficiency Opex Share: to Total OpRev - Excl Cap Transfers					
% Share of Total Operating Costs	106.3%	95% - 97%	94.6%	113.9%	86.2%
% Share of Employee Related Costs - Excl Cllrs	32.6%		35.0%	58.6%	24.9%
% Share of Remuneration (Incl Councillor)	34.2%		36.6%	61.3%	26.4%
% Share of Bulk Electricity	42.5%		21.9%	47.0%	.0%
% Share of Inventory Consumed (Water)	(.0%)		.7%	4.2%	(.1%)
% Share Contracted Services	6.8%		9.4%	20.2%	4.0%
% Share of Other Expenditure	6.5%		7.8%	22.3%	4.5%
Debt Impairment % of Billable Revenue	8.3%		7.8%	21.2%	.0%
Trading Services - Surplus/(Deficit) %					
Electricity Services (Dept)	(2.0%)	0% - 15%	8.2%	27.4%	(2.0%)
Water Services (Dept)	33.0%	= > 0%	25.5%	90.4%	(49.5%)
Sanitation Services (Dept)	7.7%	= > 0%	22.2%	219.1%	(58.2%)
Refuse Services (Dept)	(24.4%)	= > 0%	13.3%	235.0%	(35.5%)

The table above compares the Municipality's Operating Revenue performance as projected in the draft 2022/23 MTREF Budget against the expected norms, the provincial average, the highest and the lowest percentages in the province for each indicator.

4.2.6 Operating Expenditure Budget

The following table depicts budgeted operating revenue budget and growth trends over the 2022/23 MTREF.

Table 14 2022/23 MTREF Operating Expenditure Budget

WC022 - Witzenberg	Table A4 Budgeted Financial Performance (revenue and expenditure)			CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK			ASSUMPTIONS & CALCULATIONS		
Description	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year +0	Budget Year +1	Budget Year +2	% Change	% Change	% Change
Expenditure By Type													
Employee related costs	149 124	180 139	201 544	237 025	235 454	235 454	159 467	246 499	258 288	277 413	4.7%	4.8%	7.4%
Remuneration of councillors	10 136	10 604	9 897	12 007	11 007	11 007	7 396	12 108	13 318	14 650	10.0%	10.0%	10.0%
Debt impairment	17 723	14 187	50 015	63 750	63 750	63 750	27 716	46 171	52 494	55 876	-27.6%	13.7%	6.4%
Depreciation and asset impairment	31 146	32 483	32 145	39 729	39 729	39 729	22 351	39 589	39 589	39 589	-0.4%	0.0%	0.0%
Finance charges	8 409	9 410	4 522	8 696	8 684	8 684	76	9 116	9 558	10 036	5.0%	4.8%	5.0%
Bulk purchases - electricity	188 968	221 831	239 632	285 789	289 789	289 789	176 382	321 346	359 299	402 338	10.9%	11.8%	12.0%
Inventory Consumed	15 554	14 299	12 584	14 977	15 205	15 205	10 814	15 784	16 523	17 330	3.8%	4.7%	4.9%
Contracted services	43 841	44 653	51 748	48 390	40 538	40 538	22 632	51 736	48 669	51 102	27.6%	-5.9%	5.0%
Transfers and subsidies	10 021	25 477	6 534	25 603	23 382	23 382	1 630	13 143	13 920	4 294	-43.8%	5.9%	-69.2%
Other expenditure	59 980	48 947	37 409	38 955	41 099	41 099	29 414	48 914	51 275	53 735	19.0%	4.8%	4.8%
Losses	(12)	444	66	0	0	0	-	0	0	0	3.4%	2.5%	8.8%
Total Expenditure	534 891	602 474	646 096	774 922	768 637	768 637	457 878	804 406	862 933	926 363	4.7%	7.3%	7.4%

Source:NT Funding Tool

Findings and recommendations

- The Operating expenditure in aggregate is expected to grow by 7.3 per cent on average over the 2022/23 MTREF. The increase of operating expenditure is resulting in budgeted operating deficits over the 2022/23 MTREF. Although operating expenditure grows at a slower rate in comparison to the projected growth in operating revenue over the 2022/23 MTREF, the difference in growth rates is not enough for resultant surpluses across the 2022/23 MTREF.
- Witzenberg municipality's average operating expenditure budget performance over the last 3 audited financial years was underspent by 8.5 per cent. In this regard National Treasury in MFMA Circular No. 99 cautions municipalities against spending plans that may not be achieved, and careful consideration should be given to past performances where efficiencies were identified to apply to the budget and minimise impact on tariffs.
- The largest expenditure drivers for the 2022/23 financial year are bulk purchases electricity (39.9 per cent), cost of employment (30.6 per cent) and contract services (6.4 per cent). The apportionment against the outer years of the 2020/21 MTREF remains comparable.
- Employee related cost constitute 30.6 per cent of the aggregated operating expenditure and will increase by 4.7 per cent from 2021/22 to 2022/23. Although the Municipality is commended for the low increase in basic salary in 2022/23, the collective bargaining agreement makes provision for salary increases linked to the CPI determined by the reserve bank. The Municipality has budgeted for an increase of 7.1 per cent in the cost of Senior Manager and 5 per cent in the cost for other officials, thus is inclusive of a notch increase of 2.5 per cent.

Municipality is commended for its efforts in trying to curb the cost of employee as it is noted that personnel headcount will remain for 2022/3 and no motor vehicle allowance for Councillors as a measure to implement cost containment measures. It is noted that more options can still be explored such as less overtime, cell phone allowances, and motor vehicle allowance etc.

When looking at the data strings, the Municipality raised R230.77 as deposits (liability) and R199.774 million as withdrawals indicating that the Municipality is understating the expenditure amount on table A6, and this is also an indication that the Municipality is not going to pay over all the employee related costs.

- **Contracted services** in aggregate are projected to increase by 27.6 per cent in 2022/23 from R40.54 million adjusted budget in 2021/22 which is unsustainable and unaffordable for the Municipality. The net upward projection is attributed to outsourced services contributing 49.6 per cent and consultants and Professional Services 33 per cent. Notably, the use of consultants and professional services has increased by 53.5 per cent compared to adjusted budget and against the backdrop of employee related cost being the second main cost driver, it would be recommended that the Municipality weigh up the cost benefit of building in-house capacity versus the increasing budget allocation of outsourcing certain functions to circumvent ongoing reliance on contractors. Also, considerations should be given on transferring of skills on capacity building. It should be noted that this item constitutes 6.4 per cent of the total operating expenditure for 2022/23 which is well above the recommended national threshold of 5 per cent.
- **Debt impairment** has been estimated to decrease by 27.6 per cent when compared to the 2021/22 adjusted budget. It should be noted that the outstanding debtors' category in respect of consumer debtors over 90 days amounted to R252.82 million or 79.1 per cent of the total debt in March 2022. However, the three audited years show an average expenditure of R36 million on this item which could justify the reduction in expenditure for this item. This is an indication that the Municipality uses impairment a very last resort after all other efforts have been explored and is commended for such. Municipality is further advised to ensure that the Debt impairment is realistic as possible considering that this non-cash amount contributes to the operating surplus/(deficit). Municipality should put in place stringent credit control, to curb the potential losses which may result from the growing indigent profile.

It is also noted on the data strings that the Municipality is using non-funding transactions as funding source for debt impairment. Debt impairment should be funded by the relevant revenue source for which the impairment is provided. Impairment recognised do not agree to the impairment losses. The Municipality must split the impairment for services charges in accordance with the relevant revenue source (allocate the amounts to the relevant service charge instead of bundling the debt impairment recognition under service charges, the A4 impairment losses to reconcile with the A6 impairment recognised. The Municipality is commended for making provision for VAT on impairment for the different revenue sources and splitting the VAT by fund. The VAT is correctly accounted for - debiting the output VAT to reduce the output VAT for the relevant revenue source. However, the amounts recognised for VAT should be reviewed.

- **Depreciation and asset impairment** are expected to remain constant from 2021/22 to 2022/23 at R39.59 million and so for the outer years of the MTREF. It should be noted that depreciation is a replacement for the measurement of the rate of asset consumption and although a non-cash item it should still be factored into tariff setting and revenue projections to replace, renew or upgrade the infrastructure when the useful life thereof has been exhausted. The 0 per cent budgeted increase is not realistic, given the additional proposed new capital assets amounting to R49.06 million, upgrading of assets of R23.3 million, which will impact on the useful life of the assets and additional depreciation charge.

- **Bulk purchases** are the largest cost drivers, and it is estimated to increase by 10.9 per cent when compared to the 2021/22 adjustment budget and estimated to increase by 11.8 per cent and 12 per cent over the outer two years. The increases are above the 9.6 per cent increase in electricity tariffs approved by NERSA. It is recommended that the Municipality be mindful of electricity losses and the impact they have on bulk purchases by ensuring adequate maintenance for distribution infrastructure, curbing illegal electricity connections, and controlling own municipal consumption.

VAT input tax provision must be budgeted on the electricity bulk purchases from Eskom as bulk purchases are deemed a taxable supply. The amount captured under operational expenditure for bulk purchases is the same as the amount captured in current liabilities under trade and other payables. This indicates that the VAT provision has not been considered.
- **Water inventory**, the Municipality did not make any provision for the acquisition of water inventory and will mainly be issuing its natural resources. The Municipality is still required to ascertain the value of its natural water resources and indicate it in table A6 as inventory. Furthermore, no provision is made for water losses. The Municipality is encouraged to budget for water inventory in accordance with GRAP 12 whereby the water acquisitions are treated as inventory and any consumption is a reduction in inventory as water inventory consumed.
- The Municipality created no string for **COVID-19** related expenditure in terms of mSCOA Circular No. 9 and this has been an issue during the current year and must be fixed with the finalisation of the ORGB data strings. It should also be noted that since the lockdown regulations have been lifted and the President did declare that we are no longer in a state of emergency, NT has resolved that manual excel reporting on COVID-19 is no longer a requirement. Municipalities are required to properly report on COVID-19 using the mSCOA data strings.
- As per the 2020/21 Annual Financial Statements, the Municipality reported no irregular expenditure as the full R27.67 million was approved by counsel, no fruitless and wasteful expenditure was reported for the past three years and for such the Municipality is commended. However, for 2020/21 the Municipality reported an amount of R1.93 million as unauthorised expenditure.
- The above analysis notes that the Municipality employed concerted effort to reduce several expenditure items to give effect to its Cost Containment and Long-Term Financial Plans. However, to attain an affordable and sustainable budget, expenditure must be contained within realistic revenue collections. It is recommended that the excessive projections of expenditure items be reviewed in line with past trends and service delivery needs to ensure that the limited resources and public funds are appropriately utilised ensuring value for money and maximising the quality and quantity of services is achieved.

Table 15 Municipal Benchmarking – Operating Expenditure

PT: Municipal Budget and Benchmarking Engagement - 2022/23 Draft Budget (Per Mun Own Budgeted Figures)					
R thousands	WC022 Witzenberg (L)	MFMA Circular 71 Norm/ Guideline	Provincial Average	Highest	Lowest
Incr(Decr) in 2023 Op Exp against 21/22 Main Adj Budget					
% <i>Incr(Decr) in Total Operating Expenditure</i>	4.7%	CPI	3.2%	9.5%	(14.3%)
% Incr(Decr) in Employee Related Costs	5.1%	CPI	5.4%	11.0%	.7%
% <i>Incr(Decr) in Remuneration (Incl Councillors)</i>	5.3%	CPI	5.3%	10.6%	.8%
% Incr(Decr) in Bulk Purchases (Electricity)	10.3%	<i>NERSA</i>	7.3%	12.3%	.0%
% Incr(Decr) in Inventory Consumed (Water)	860.0%	AWB	44.1%	933.3%	(322.0%)
% Incr(Decr) in Contracted Services	34.7%	CPI	5.7%	160.0%	(54.1%)
% Incr(Decr) in Other Expenditure	13.1%	CPI	1.7%	21.3%	(33.4%)
Allocation Efficiency: to Total Op Exp					
% Employee Related Costs to Total Opex Excl Cllrs	30.6%	25% - 40%	34.5%	57.8%	25.5%
% <i>Remuneration Costs (Incl Councillor)</i>	32.2%	25% - 40%	36.1%	60.4%	26.4%
% Bulk Electricity Purchases to Total Opex	40.0%		21.4%	47.2%	.0%
% Inventory Consumed (Water) to Total Opex	(.0%)		.6%	3.7%	(.1%)
% Contracted Services to Total Opex	6.4%	2% - 5%	9.3%	20.2%	3.8%
% Other Expenditure to Total Opex	6.1%		8.4%	22.0%	4.4%
% Overtime to Employee Related Costs	.0%		1.5%	5.4%	.0%
% Consultancy Fees to Total Opex	2.1%		2.5%	9.3%	.5%

The table above compares the Municipality's Operating Expenditure performance as projected in the draft 2022/23 MTREF Budget against the expected norms, the provincial average, the highest and the lowest percentages in the province for each indicator.

4.2.7 Capital Expenditure Budget

The following table depicts budgeted capital expenditure budget over the 2022/23 MTREF.

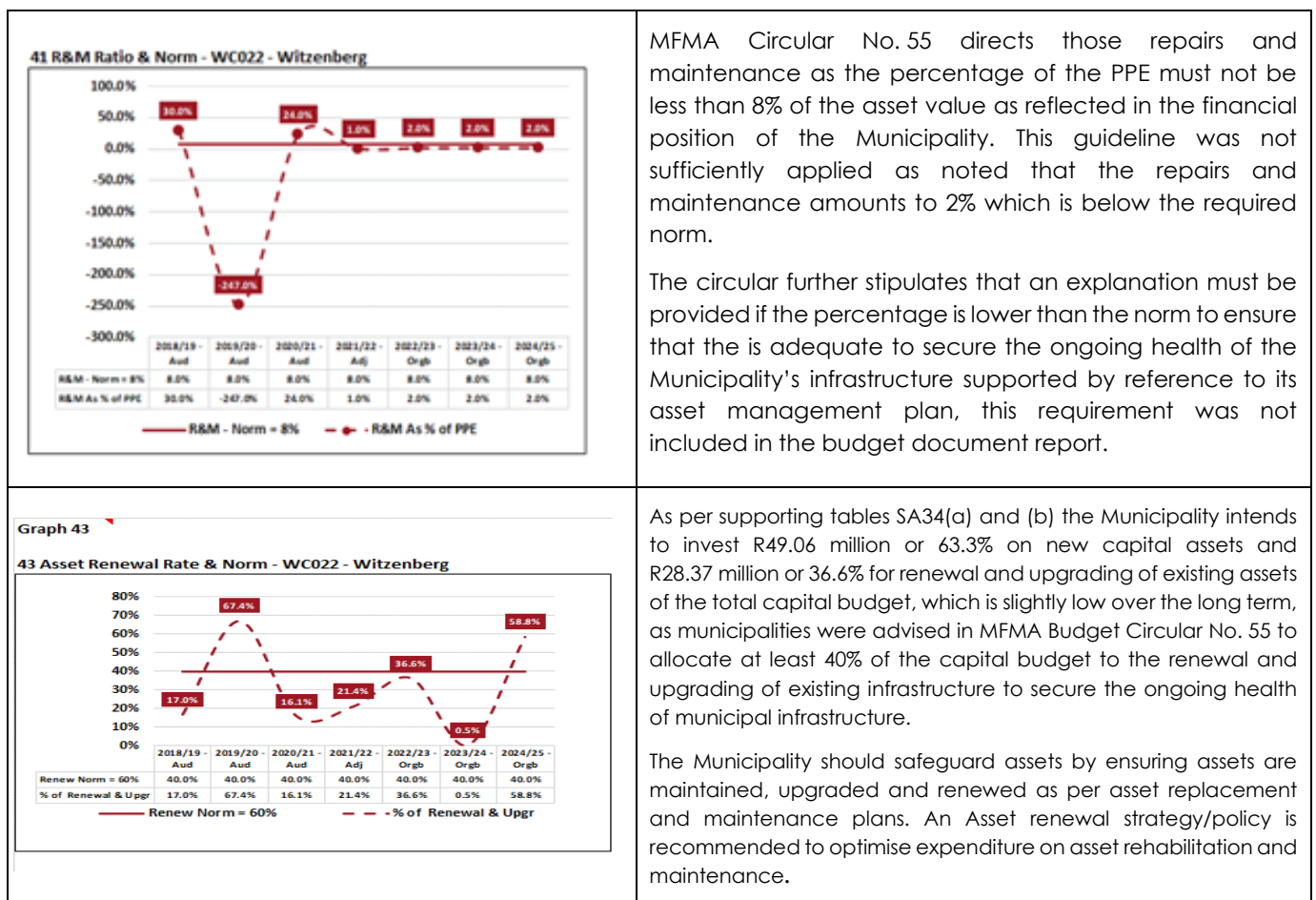
Table 16 Capital Budget

WC022 - Witzenberg Description	Table A5 Budgeted Capital Expenditure							MEDIUM TERM REVENUE & EXPENDITURE		
	CURRENT YEAR				CURRENT YEAR			MEDIUM TERM REVENUE & EXPENDITURE		
	2018/19 Audited Outcome	2019/20 Audited Outcome	2020/21 Audited Outcome	2021/22 Original Budget	2021/22 Adjusted Budget	2021/22 Full Year Forecast	2021/22 Pre-audit outcome	2022/23 Budget Year +0	2023/24 Budget Year +1	2024/25 Budget Year +2
Capital Expenditure - Functional										
Municipal governance and administration	11 013	(3 873)	53 283	2 080	4 228	4 228	1 538	2 220	1 180	840
Executive and council	388	166	(1)	600	600	600	-	440	-	170
Finance and administration	10 625	(4 038)	53 284	1 480	3 628	3 628	1 538	1 780	1 180	670
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety	3 455	5 091	10 876	5 456	3 263	3 263	1 755	6 485	6 313	8 660
Community and social services	129	313	1 613	-	-	-	-	50	4 957	5 300
Sport and recreation	3 326	4 651	7 782	5 456	3 023	3 023	1 515	6 435	-	3 010
Public safety	-	126	1 481	-	240	240	240	-	857	350
Housing	-	-	-	-	-	-	-	-	500	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	33 877	7 871	17 177	27 042	16 007	16 007	7 731	14 017	13 346	18 750
Planning and development	549	76	1 934	696	736	736	2	-	-	-
Road transport	33 328	7 795	15 243	26 347	15 272	15 272	7 729	14 017	13 346	18 750
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	47 963	18 849	35 728	54 666	57 601	57 601	28 319	54 708	9 635	26 371
Energy sources	11 378	7 740	4 054	13 163	13 204	13 204	2 603	4 000	4 000	10 280
Water management	12 522	2 297	7 954	21 135	18 281	18 281	11 627	37 708	3 635	7 841
Waste water management	22 950	7 096	18 448	3 386	3 739	3 739	1 779	3 000	-	4 250
Waste management	1 112	1 716	5 272	16 982	22 377	22 377	12 311	10 000	2 000	4 000
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	96 307	27 938	117 064	89 244	81 098	81 098	39 343	77 431	30 475	54 621
Funded by										
National Government	25 874	12 852	18 276	49 637	49 637	49 637	26 558	37 647	25 786	25 821
Provincial Government	28 266	271	33 326	24 801	18 635	18 635	10 399	6 200	1 009	-
District Municipality	457	-	665	500	815	815	240	500	-	1 500
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	501	-	-	-	-	-	-	-
Transfers recognised - capital	54 597	13 123	52 768	74 937	69 087	69 087	37 197	44 347	26 795	27 321
Borrowing	-	-	-	-	-	-	-	10 000	-	-
Internally generated funds	32 479	21 175	14 175	14 157	11 822	11 822	2 146	23 084	3 680	27 300
Total Capital Funding	87 076	34 298	66 944	89 094	80 908	80 908	39 343	77 431	30 475	54 621

- The Municipality approved an original capital budget of R89.09 million for the 2021/22 financial year which was then adjusted to R80.91 million during the main adjustments budget in February 2022 and this presents a decrease of 4.3 per cent. For the outer two years of the MTREF, the capital budget is expected to further decrease with 60.1 per cent for the 2023/24 and increase by 79.2 per cent in 2024/25 respectively. The decrease is mainly due to decrease on borrowings and internally generated funds as source of capital expenditure funding.
- Currently the Municipality is underspending on its capital budget. The Municipality should fully implement its capital budget and use its capital grants for its intended purpose in order to avoid applying for roll-overs that may be denied.
- The Municipality does incorporate Section 16(3) of the MFMA into the budgeting process, which allows for the appropriation of large capital projects over multiple years, enabling municipalities to improve planning and spending. Supporting table SA28 supports that the Municipality is making use of multi-year capital projects for large capital projects. 52.6 per cent of the municipal's capital expenditure for 2022/23 is planned to be spent across multiple financial years, 20.2 per cent for 2023/24 and 49.2 per cent for 2024/25.

Municipal asset replacement, renewal & depreciation management & repairs and maintenance plans:

Figure 4 Asset Management



- Trading services and Economic and Environmental Services are the two biggest contributors with 74.5 per cent and 18.1 per cent respectively which directly contribute to the Municipal Strategic Objectives 1 and 4. The allocation 74.5 per cent of the capital budget towards trading services or revenue generating assets, can be indication that the Municipality is planning to invest more on revenue

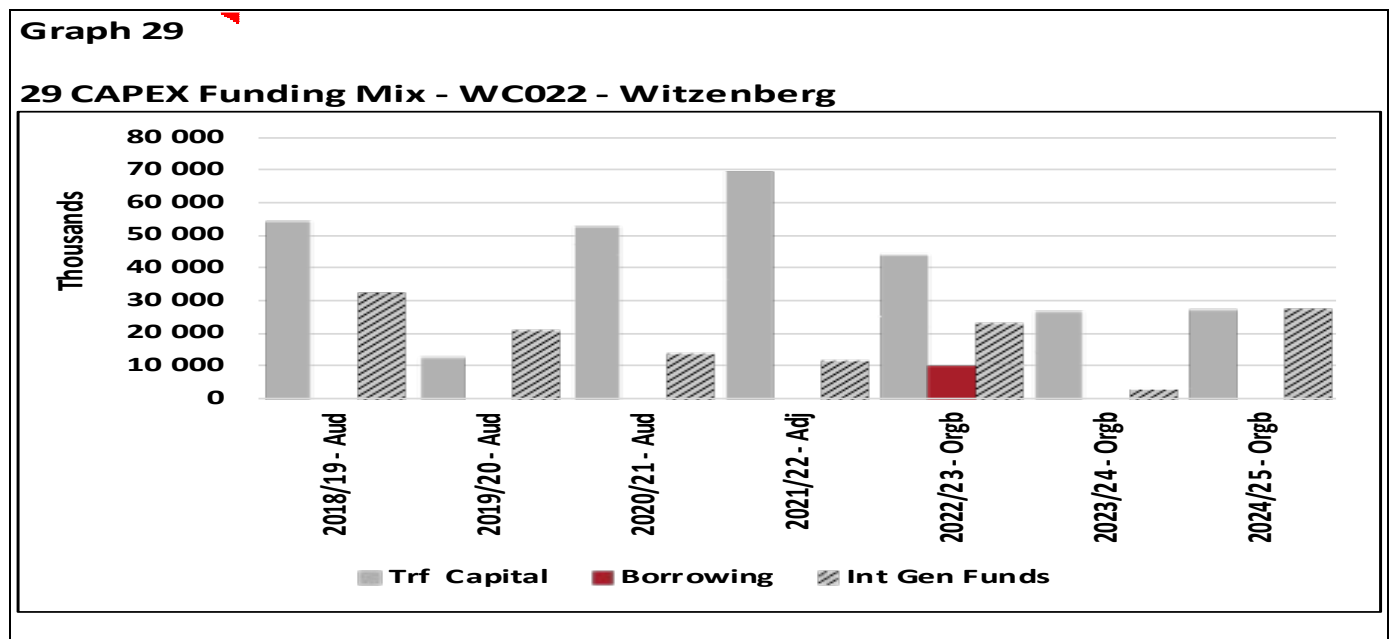
generating assets mainly focusing on water and waste management, which promises well in terms of increasing the revenue base of the Municipality and building of cash reserves to fund future projects.

Table 17 Municipal Benchmarking - Capital Expenditure

PT: Municipal Budget and Benchmarking Engagement - 2022/23 Draft Budget (Per Mun Own Budgeted Figures)					
R thousands	WC022 Witzenberg (L)	MFMA Circular 71 Norm/ Guideline	Provincial Average	Highest	Lowest
Distribution Losses					
% Electricity Distribution Losses	10.8%	7% - 10%	21.0%	500.0%	.0%
% Water Distribution Losses	12.1%	15% - 30%	6.9%	25.0%	.0%
Electricity Distribution Losses' Rand Value	25,880		8,981	50,895	-
Water Distribution Losses' Rand Value	356		2,043	22,389	-
Asset Management					
Renewal & Upgrading Existing Assets % total capex	36.6%		45.3%	91.7%	.0%
R&M % of PPE & Investment Property	1.8%	8%	5.6%	28.4%	.5%

The table above compares the Municipality's Asset management performance as projected in the draft 2022/23 MTREF Budget against the expected norms, the provincial average, the highest and the lowest percentages in the province for each indicator

Figure 5 Capital budget Funding mix



- Capital conditional grants** fund 65.1 per cent of the capital budget over the MTREF period, which reflects that the Municipality is mainly reliant on government grants for a major portion of funding for its capital expenditure. As such, implementing these grants are imperative to ensure retention of grant funding.

The budget performance in terms of capital grants for the period ending March 2022 reflects spending significantly below in-year budget targets. The spending trend is concerning as such the Municipality is cautioned against a slow spending rate as it will result in either rollover grants or the repayment of grants should they not be fully spent by 30 June 2022. It should be noted that this has been the case in past where roll-overs were not approved by both National and Provincial Treasuries and there has been instances where NT has threatened to stop funds to the Municipality due to under spending during the mid-year budget assessments.

- Borrowings amount** to 12.9 per cent of total capital funding in 2022/23 to fund capital projects pertaining to solid waste drop offs transfers station at Tulbagh and PA Hamlet (R6 million) and solid waste fencing landfill site (R4 million). The gearing ratio indicates that the Municipality still has the capacity to increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality.
- Internally generated funds** constitute 29.8 per cent of the planned capital funding over the MTREF period, the A-Schedule reports that the Municipality has reserves of R10.44 million that are cash backed to utilise for the R54.06 million planned capital expenditure in 2022/23. This would mean that the Municipality should be making substantial surpluses to add on to its capital reserves to be able to have sufficient funding for the planned capital expenditure to be funded by own revenues. It is noted by the end of the MTREF period the CRR will be depleted given the capital spending funded by the CRR over the MTREF. The sustainability of this funding model should be reviewed as high tariff increases can be expected as reserves becomes depleted over time with future infrastructure demands.

4.2.8 Forecasting and Multi-Year Budgeting

Figure 6 Forecasting and Multi-Year Budgeting

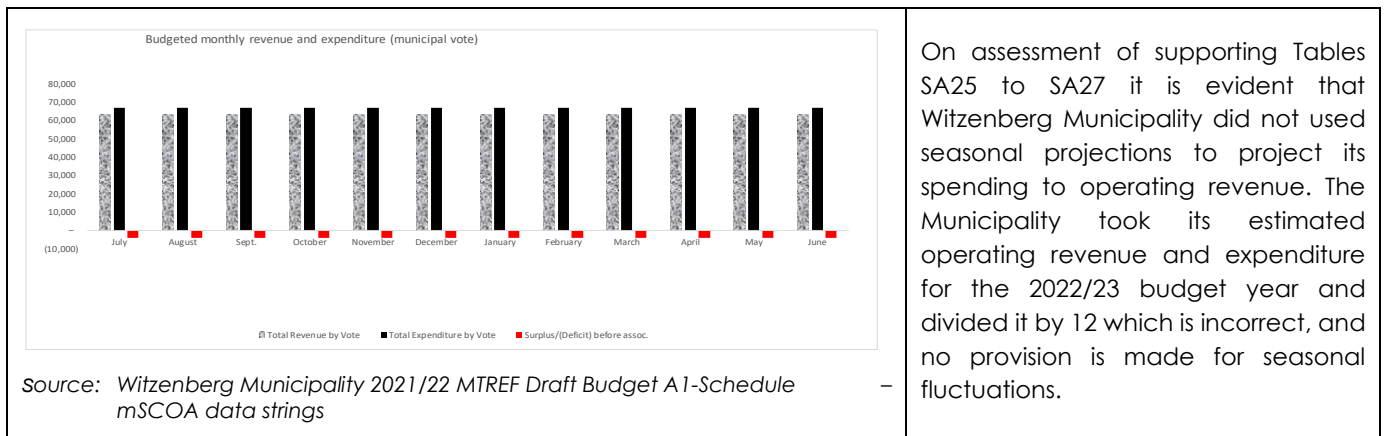
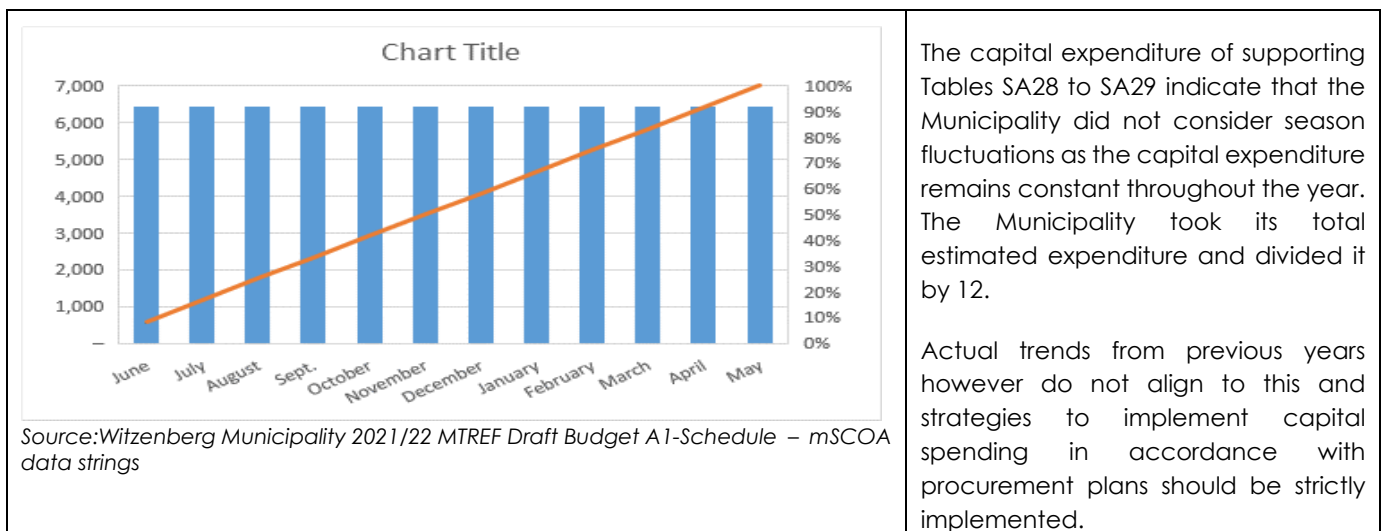


Figure 7 Monthly Capital Budgeting



4.2.9 Table A6 – Financial Position

Working Capital

The National Treasury outcome of the A6 (Budgeted Financial Position) indicates that the Municipality has reported a positive working capital that demonstrates that the Municipality has enough funds to meet its short-term liabilities over the MTREF period.

Current Ratio

The Municipality reported current ratios of 1.6:1, 1.8:1 and 1.9:1 for the 2022/23, 2023/24 and 2024/25 respectively. The ratio shows an upward trend analysis. The ratio outcomes display that the Municipality can meet its short-term obligations without collecting additional revenue.

Liquidity ratio

Based on the National Treasury outcome, the anticipated liquidity ratios are reported to be 0.94:1, 1.14:1, and 1.21:1 for the 2022/23, 2023/24 and 2024/25 years respectively, indicating that the Municipality do not have adequate cash and cash equivalents to settle its short-term debts, at least not in the impending 2022/23 financial year. However, the ratio outcomes show an upward trend and reported favourable ratios in the outer 2023/24 and 2024/25 MTREF years.

Cash Cover Ratio

The Municipality reflects a cost coverage ratio outcome of 2.48 months, 3.00 months, and 3.13 months for the 2022/23, 2023/24 and 2024/25 respectively which indicates that the Municipality is demonstrating that there are adequate cash resources to meet its monthly fixed operating commitments from available cash. The cash coverage ratios are in line with the National Treasury acceptable norm of 1-3 months.

4.2.10 Table A7 – Cash

The outcome of the National Treasury calculation based on the funding tool indicates that the Municipality reported a positive cash flow as per the A7 (Budgeted Cash Flow Statement) of R151.47 million, R193.55 million and R217.14 million for 2022/23, 2023/24 and 2024/25 respectively. The current liabilities exceed the available cash and cash equivalents in 2022/23 which raises a concern in respect of the Municipality's immediate financial health and liquidity position. However, in the outer MTREF years, the Municipality's current liabilities does not exceed the available cash and cash equivalents. Slight differences are also noted on table A7 when comparing the data strings submission to the budget submitted by the Municipality.

4.2.11 Table A8 – Application of Cash and Investments

Description	Table A8 Cash backed reserves/accumulated surplus reconciliation			CURRENT YEAR					MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
Cash and investments available														
Cash/cash equivalents at the year end	2 340	(1 904)	606 094	79 464	185 107	137 951	185 107	(3 612)	133 444	151 469	171 348	193 545	166 239	217 138
Other current investments > 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	9	9	9	-	9	9	9	9	9	9
Cash and investments available:	2 340	(1 904)	606 094	79 464	185 116	137 960	185 116	(3 612)	133 453	151 478	171 358	193 554	166 249	217 147
Application of cash and investments														
Unspent conditional transfers	3 475	41 154	(22 351)	10 490	39 866	10 961	39 866	28 336	37 717	10 961	37 717	10 961	37 717	10 961
Unspent borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Statutory requirements	3 146	3 862	1 188	-	33 497	2 531	33 497	48 667	(11 282)	5 876	(19 519)	10 327	(25 257)	14 134
Other working capital requirements	4 064	2 257	(417)	74 686	6 106	15 819	6 106	(74 862)	(19 313)	15 328	(18 375)	14 977	(27 926)	15 208
Other provisions	1 277	4 369	1 151	-	27 801	27 801	27 801	(1 193)	28 921	28 921	30 073	30 073	31 326	31 326
Long term investments committed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	(0)	263	(175)	-	10 442	10 442	10 442	-	10 442	10 442	10 442	10 442	10 442	10 442
Total Application of cash and investments:	11 963	51 915	(20 603)	85 176	117 712	67 554	117 712	957	46 484	71 529	40 339	76 781	26 303	82 071
Surplus(shortfall)	(9 623)	(53 819)	626 697	(5 712)	67 404	70 406	67 404	(4 569)	86 969	79 949	131 019	116 773	139 946	135 076

- The Municipality has taken into consideration the required applications to the reported cash and cash equivalents as reflected in table A8 (cash backed reserves/accumulated surplus reconciliation) which depicts that the Municipality will achieve an overall outcome of R79.95 million (2022/23), R116.77 million (2023/24) and R135.08 million (2024/25). The outcome of table A8 above shows that the Municipality's budget is funded over the MTREF period. However, if the Municipality does not implement strict credit control measures, the Municipality would be facing liquidity challenges as the budget report states that the Municipality only has sufficient cash and cash equivalents to sustain the Municipality for 3 months.

4.3 REVIEW OF THE HISTORICAL INFORMATION





4.3.1 The Financial Performance as per the Audited Annual Financial Statements





The assessment of the financial health and performance is an integrated process involving a review of a Municipality's audited annual financial statements, audit report and ratio analysis. The results of the ratio analysis are used to support financial decisions and to identify factors which may influence the financial stability of the Municipality.





Adverse ratios highlight areas where attention may be required to ensure sustainability. The assessment trend analysis is based on the 2019, 2020 and 2021 audited financial statements although the table provides for a full five-year horizon (2017 to 2021) in order to have a more solid context when looking at the 2022/23 budget.





The analysis is conducted as per National Treasury MFMA Circular No. 71. Provincial Treasury has analysed these ratios and the following items are highlighted.





Table 18 Financial ratios and norms



Financial ratios & norms	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment	
Asset Management										
1.	Capital Expenditure to Total Expenditure: 10% - 20%	10.27%	10.79%	13.53%	8.17%	9.42%	-2.13%	9.22%	The ratio results have significantly deteriorated during 2020 to 8.2 per cent as a result of the lockdown regulations implemented due to the COVID-19 pandemic. The ratio has, however, then improved slightly during 2021 to 9.42. As a result, the 2020 and 2021 ratio outcomes are not within the NT desired norm of 10 - 20%. This ratio outcome indicates that the COVID-19 pandemic influenced the expenditure of the Municipality.	
2.	Capital Expenditure Budget Implementation Indicator: 95 - 100%	97.38%	99.10%	96.17%	75.44%	77.09%	-5.67%	72.71%	The ratio has declined over the reviewed period. The outcomes computed are not within the NT norm. The 2020 and 2021 outcomes indicate that the Municipality has been negatively affected by the COVID-19 pandemic and influenced expenditure on capital projects. Therefore, the ratio can corroborate the capital expenditure to the total expenditure ratio outcome.	
3.	Impairment of Property, Plant and Equipment, Investment Property, and Intangible Assets (Carrying Value): 0%	0.02%	0.00%	0.09%	0.00%	0.00%	-N/A	N/A	The ratio has remained constant, and the results indicate that the Municipality is within the NT norm. The percentage further indicates a well-established asset preservation strategy, limiting the risk in service delivery and ensuring value for service delivery in the future.	
4.	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): 8%	5.99%	2.10%	1.92%	1.54%	1.67%	-27.37%	1.21%	The ratio results have fluctuated over the reviewed period. The ratio result is below the NT norm. Management decisions, service delivery and Asset Management Strategies also contribute to the levels of repairs and maintenance.	




Financial ratios & norms		2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
5.	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure : (None)	38.38%	45.84%	37.28%	73.06%	22.17%	-12.82%	19.33%	The ratio has fluctuated over the reviewed period, showing a downward trajectory. However, there is no norm from National Treasury for this ratio as the funding mix for Capital Expenditure is dependent on the municipal policy and the ability to raise revenue from different sources.	
Revenue Management and Cost Coverage										
6.	Operating Revenue Budget: 95% - 100%	103.66%	94.81%	86.25%	93.30%	101.26%	-0.58%	100.67%	The ratio outcome is within the NT norm. The actual operating revenue is close to the budget, and the Municipality gets commended for compiling an accurate operating revenue budget. Although there is an improvement, the Municipality should continue investigating its process's weaknesses and implement strengthening strategies in future.	
7.	Service Charges and Property Rates Revenue Budget: 95% - 100%	92.21%	99.10%	97.04%	102.79%	112.52%	5.10%	118.26%	The ratio results have increased over the reviewed period and are within or above the acceptable NT norm. However, the Municipality experiences a favorable variance, as revenue generated exceeds the budget. The Municipality should continue improving on past efficiencies and attempt to replicate this in other revenue streams.	
8.	Revenue Growth (%) - Excluding capital grants: = CPI	10.23% 5.1%	-4.67% 4.6%	0.56% 4.5%	15.18% 2.2%	1.33% 4.9%	-39.93%	0.80%	The ratio results fluctuated yearly over the period under. The result is below the CPI rate of 4.9% in 2020/21 and appears unfavourable. Management must investigate these results, take cognisance of revenue base growth and the local economic conditions, assess municipal charges' affordability, and implement remedial actions informed by their investigation. The Municipality is further encouraged to consider all alternative mechanisms for growing its revenue base.	

Financial ratios & norms		2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
9.	Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants): 1 - 3 months	2 Months	2 Months	2 Months	2 Months	2 Months	2.3%	2 Months	The ratio results have remained constant over the period under review and are within NT norms; the favorable ratio outcomes indicate that the Municipality can meet its operating commitments from cash and short-term investments and reflect positively on the Municipality's cash management.	
Liability Management										
10.	Debt (Total Borrowings)/ Revenue: 45%	2.16%	1.71%	1.45%	0.95%	0.56%	-28.57%	0.40%	This ratio results indicates that the Municipality's gearing is low. Therefore, the Municipality can take up further borrowings, and should consider taking while being cognisance of cash flow realities.	
11.	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure: 6% - 8%	2.30%	0.92%	3.24%	2.44%	1.76%	-6.44%	1.65%	The ratio results have fluctuated over the reviewed period but remain well under the National Treasury norm. These outcomes further indicate that the Municipality can take up borrowings to invest in infrastructure projects. However, it could also suggest that the Municipality is experiencing cash flow difficulties, as depicted by the current and working capital management ratio below and would likely be unable to access borrowings.	
12.	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Revenue:	2.12%	0.91%	3.37%	2.57%	1.82%	-3.76%	1.75%	This ratio measures the ability to service current borrowings with current operating revenues. Although the norm does not get provided for this ratio, management must consider the results with other Liability Management ratios, considering revenue growth and economic outlook results in deciding to take up further borrowings.	

Financial ratios & norms	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
Working Capital									
13. Net debtors' days: ≤ 30 days	54	56	57	58	77	9.4%	77	The ratio results have remained constant over the last four-year period, deteriorating in the 2021 year. This outcome further indicates possible weaknesses in debtor management. Therefore, management must investigate potential inadequacies that lead to results in the latter years; left unresolved, projections indicate further weakening in debt collection, which risks increased impairment and potential write-off of debtors.	
14. Creditors Payment Period (Trade Creditors): 30 days	55	51	41	41	41	- 6.8%	41	The ratio results have improved in the earlier years from 2017 to 2019, remaining constant after 2019; however, the ratio remains above the NT norm. A period longer than 30 days could indicate that the Municipality may be experiencing cash flow problems. Still, it could also be because of unresolved disputes, retentions, amount processing, or other factors. In addition, this may also indicate that adequate controls are not in place to ensure prompt payment. S65(2)(e) of the MFMA requires an amount to get paid within 30 days from invoice date.	
Expenditure Management									
15. Operating Expenditure Budget: 95% - 100%	97.74%	85.21%	91.49%	91.65%	91.55%	-1.62%	90.07%	The ratio results have fluctuated year on year over the period under review; the ratio is outside the NT norm. The Municipality should budget adequately for its Operating Expenditure and continue with its strategy going forward. Ideally, underspending should result from increased efficiency and not non-implementation of spending programmes.	
16. Remuneration as a % of Total Operating Expenditure: 25% - 40%	29.08%	30.86%	29.86%	30.17%	31.44%	1.97%	32.06%	The ratio results have remained constant, averaging 30.3% over the period under review. The outcomes have remained within the NT norm.	

Financial ratios & norms	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
17. Contracted Services as a % of Total Operating Expenditure: 2% - 5%	5.97%	6.86%	7.87%	6.88%	8.04%	7.72%	8.66%	The ratio results have deteriorated over the reviewed period and fall outside the NT norm. These outcomes further indicate that functions may be performed and outsourced to consultants. The Municipality must analyse its contracted service to find ways to reduce this expenditure where necessary.	
18. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure: 0%	0.00%	0.00%	4.69%	4.26%	0.30%	N/A	N/A	The ratio remained constant over the initial two-year period deteriorated to 4.5% in the 2019/20 financial years, then improving slightly in the 2021 year. As a result, the 2020 and 2021 financial year result is above the norm. Management is encouraged to investigate these resulting expenditures and monies recovered where possible. Management must further report these to the correct oversight structures and avail support in the investigation that may ensue. Controls and other weaknesses that lead to the incurrence of these expenditures must be part of the investigations, thereby reducing the risk of further increases.	
Grant Dependency									
19. Own Source Revenue to Total Operating Revenue (Including Agency Revenue): None	67.11%	82.23%	80.24%	78.63%	78.87%	4.12%	82.12%	The ratios results have fluctuated year on year over the period under review and is at 78.9% in the 2021 financial year. The ratio outcomes indicate that the Municipality generates significantly high levels of its revenue streams for its operations.	
Going Concern									
20. Total Liabilities to Total Assets: <50%	22.19%	22.12%	21.92%	22.01%	24.15%	2.14%	24.67%	The ratio results improved over the period under review. As a result, the ratio results are within the NT norm of <50%. The Municipality, however, is still encouraged to use this indicator to monitor its position. Going-concern risks expose risks related to meeting financial commitments as they come due. This risk is further evidence and corroborates the outcome of the creditors' days results; can read results in conjunction.	

Financial ratios & norms		2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
21.	Total Debt to Total Assets <50%	1.09%	0.69%	0.55%	0.39%	0.22%	-32.80%	0.15%	The ratio results improved over the period under review from 1.1% in 2017 to 0.2% in 2021. As a result, the ratio results are within the NT norm of <50%. However, it is encouraged that the Municipality monitor this position, taking cognisance that if service delivery assets get removed from the equation, it would significantly worsen the result.	
22.	Current Ratio: 1.5 - 2:1	2.03	2.22	1.97	1.82	1.52	-7.0%	1.41	The ratio results have shown a descending trajectory over the period, with projections showing a further reduction in results for future periods. Although the results remain above the norm, the continued worsened results indicate more difficulty meeting obligations as they become due. Therefore, it is encouraged that management work on rebuilding short-term reserves, thus reducing the vulnerable short-term position	

	Favourable
	Unfavourable
	Needs Improvement

For detail of ratio calculations, please see Annexure A.

4.4 SUMMARY AND FINDINGS FROM HISTORICAL TRENDS

Based on the ratio analysis in the table above, the following findings have been observed based on the historical performance of the Municipality. Where the analysis of historic patterns has already been discussed earlier in this chapter, those findings are not repeated below.

4.4.1 Asset Management

The Capital Assets are the source through which the municipal mandate gets realised. Therefore, it is imperative that planning & budgeting for the replacement, renovations, and preservation of these assets get prioritised. The 2020 and 2021 outcome indicate that the lockdown regulations implemented due to the COVID-19 pandemic negatively influenced expenditure, especially capital projects. Therefore, a continuation of underperformance in the capital budget ratio would raise questions about the planning for producing the budget - furthermore, the ability to realise the plans with the resources at their disposal.

The repairs and maintenance for the period under review ratio results are below the desired NT norm of 8 per cent. Therefore, the outcome computed for the 2021 year 1.67 per cent, which is below the 8 per cent norm, possibly indicates that insufficient expenditure gets incurred on repairs and maintenance to the extent that it could impact the use of the assets and increase the impairment of valuable assets. Therefore, the Municipality should ensure that the repairs and maintenance get performed as per the planned asset management strategy. In addition, not repairing acquisitions will

incur more capital expenditure and affect service delivery imperatives. Furthermore, have a resulting increase in impairment of valuable assets. The Impairment of Property, Plant and Equipment, Investment Property, and Intangible Assets (Carrying Value) ratio outcome of 0 per cent, however, indicates that the Municipality manages and maintains its assets well by ensuring that they are always in good condition continuation of service delivery. The outcome further highlights that though repairs and maintenance are low compared to the benchmark (NT norm), reasonable repairs and maintenance expenditure has occurred. Also, it depicts that cost gets aligned to the Municipality's asset management and maintenance plan for repairing and maintaining capital assets at their disposal.

4.4.2 Revenue Management and Cost Coverage

Revenue generation and the realization of debtors are critical to the Municipality. Therefore, management gets commended for its efforts and significant thought to its Revenue Management and continually assessing the adequacy of its Credit Control Policy and process, which has resulted in favourable outcomes concerning its revenue budget ratio outcomes. However, although improvements and efforts get noted, the Municipality should continue investigating its process's weaknesses and implement strengthening strategies in the future.

The Municipality appears to be generating revenue at a rate lower than inflation for the 2020/2021 financial year. This revenue rate can be attributable to the COVID-19-pandemic. This outcome is concerning as it further projects an indication that their revenue base might not be able to cover the more significant part of operating expenditure. Thus, the Municipality would have to identify alternative sources of funding.

Additionally, the Municipality might struggle with collecting cash from customers on time, as indicated by the working capital management ratio outcomes. However, there are sufficient cash and short-term investments funds to meet its monthly fixed operating commitments. This position will further improve the cash flow if the Municipality improves its revenue collection and ensure that debtors pay what is due to the Municipality on time.

4.4.3 Liability Management

The Municipality has managed their liabilities well, supported by the Debt to Revenue ratio, which remains well below the norm, easing any concerns as to whether the Municipality would be able to generate sufficient revenue to service debt obligations. In addition, the Municipality has additional capacity to take on additional borrowings, evidenced by other ratios discussed above and the current costs of servicing the debt are low. However, when the Municipality decides to take on additional funding, all other cash flow projections need to get considered for affordability purposes.

Liability Management ratio can, however, not get read in isolation, but considerations should get given to Working Capital Ratios. Furthermore, management must consider the low revenue growth with no growth in the current year as a factor in funding decision-making.

4.4.4 Expenditure Management

The operating Expenditure Budget ratio result remained constant in the 2021 financial year compared to that of the 2020 financial year; the ratio continues to be outside the NT norm of 95 - 100 per cent. Deviations from the norm indicate capacity challenges, financial controls and management issues, and poor budgeting. Therefore, the Municipality gets recommended to prepare budgets more accurately and effectively for its operating expenses and continue with this strategy.

Contracted services ratio has marginally decreased during the 2021 financial year under review; we can further analyse results with expenditure related to employee remuneration ratio, which marginally increased during the same period, confirming their statistically negative correlation, inverse relationship.

However, the Municipality is still encouraged to be mindful of using contracted services as a substitute for using its staff.

The Irregular, Fruitless & Wasteful and Unauthorized Expenditure ratio results have improved from 4.3 per cent in 2020 to 0.3 per cent during the 2021 financial year. The Municipality gets commended for the significant improvement. However, should remain cognisant that Irregular, Unauthorized, Fruitless and Wasteful expenditure may still indicate inadequate control. Therefore, management must investigate the rules in place and re-engineer the appropriate process to enable the non-occurrence of these forms of expenditure.

4.4.5 Grant Dependency

The grant dependency ratio measures the Municipality's ability to optimize its revenue and become self-sufficient. The ratio outcomes indicate that Witzenberg Municipality continues to generate significantly high revenue streams for its operations. In addition, the Municipality gets commended for its revenue generation strategies that got successfully implemented. The ratio further indicates that the Municipality is not dependent on grants for its operations, as less than 24 per cent of its revenue is from grant funding. It is, however, worth noting that this position has fluctuated over the period, showing a descending trajectory, illustrating deterioration to becoming more grant reliant on Capital Investment funding.

4.4.6 Working Capital

The Net debtors' days of the Municipality indicate that debtors take 60.4 days to settle their accounts on average. The deterioration was caused by an increase in gross debtors from R264.04 million in 2020 to R312.92 million in 2021. This outcome further indicates that the Municipality could get exposed to cash flow risk due to the Municipality experiencing challenges in collecting outstanding monies from debtors. The result gets further supported in the 2021 financial year, where the Municipality has R235.29 million (receivables from exchange transactions + property rates), 75.1 per cent of debtors are outstanding for more than 90 days. Therefore, the Municipality should also implement strict credit control measures to avoid debt going beyond 30 days. Failure to collect what is due to the Municipality might cripple the revenue base, consequently affecting the Municipality's cash flows.

The Creditors' Payment Period ratio results may have improved over the period under review; the results remain above the NT norm of 30 days. A period of longer than 30 days to settle creditors indicates that the Municipality may be experiencing cash flow problems. This ratio further indicates the Municipality may not be adequately managing its Working Capital or that adequate controls are not in place to ensure prompt payments. The Municipality will be required to provide further explanations in this regard. In addition, non-compliance with MFMA regulations guiding creditors' paying should get considered.

The working capital management components indicate areas of improvement concerning the strategies used in collecting monies and paying amounts due timeously. The Municipality is thus encouraged to revise their approach and address gaps; matters not attended to could result in future shortcomings concerning cash availability and the Municipality's day-to-day operations.

4.4.7 Going Concern

The ratio attempts to corroborate the going concern assumption. The ratio continuously improved over the period under review. The ratio results are within the NT norm of <50 per cent. These results can get further interpreted as 24.2 per cent of the Municipality's assets getting funded by non-equity sources. This outcome also further indicates that the Municipality has adequate resources required to continue with operations indefinitely.

Additionally, the other going concern related ratios indicate that the Municipality is still in a good financial position as the debt financing of the Municipality's assets are at an acceptable level. The Municipality is encouraged to ensure that they continue to manage their debt financing.

The Municipality, however, contrary to the paragraphs above, needs to be further aware of the declining trend highlighted by the current ratio results over the period under review. In addition, it highlights potential financial challenges and liquidity problems the Municipality may experience if it does not have sufficient resources to cover short-term financial obligations.

4.4.8 mSCOA Implementation

The Municipality has successfully submitted the AUDA data strings on the LG database.

Upon analysis of the RAUD and AUDA data strings, there are notable differences between information contained in the audited AFS for 2020/21 and information in the data strings. PTLGA will provide these differences identified to the Municipality for further investigation and possible correction.

SECTION 5: KEY RISKS AND RECOMMENDATIONS

This section outlines the main recommendations based on the SIME Assessment.

5.1 PUBLIC VALUE

5.1.1 Integrated Development Planning

- The Municipality has tabled the IDP of its predecessor with amendments for one year only i.e., 2022/23. Whilst this is not in accordance with section 25(3) of the MSA, the Department is mindful of the implications of the late 2021 Local Government Elections in terms of the drafting of IDPs by municipalities;
- The tabled IDP does not clearly indicate the extent to which development needs of the community were identified and prioritised;
- The tabled IDP does not reflect an approved Storm Water Master Plan; and
- The tabled IDP reflects that the Municipal Housing pipeline has been adopted by council, however it has not been included and the Human Settlements Plan appears to be outdated.

It is recommended that the Municipality must, in finalising its IDP to be adopted in May 2022:

- Consider adopting the IDP of its Council's predecessor with no reference to the one-year period. Upon adoption of such IDP, the Municipality may commence with the preparation for the drafting of the IDP for the remaining term of office, which must be adopted in line with section 34(b) of the MSA and also follow the process as stipulated in Regulation 3 of the MSA Regulations as neither the MSA nor the MSA Regulations limit the extent to which an IDP may be amended;
- Clearly indicate the public participation process followed and the extent to which community needs were identified and prioritised to ensure compliance with sections 25(3) and 29(1)(b)(i) of the MSA;
- Consider prioritising the approval of the Storm Water Master Plan and integration with subsequent reviews/amendments of the 2022-2027 IDP;
- The Municipality is encouraged to include the approved Housing Pipeline and the updated version of the Human Settlements Plan in the adopted IDP; and
- Consider the various recommendations and suggestions of national and provincial sector departments included in section 2.2.4 of this report dealing with IDP Alignment.

5.1.2 Environmental Affairs and Development Planning

The MSDF:

- It is necessary that the Municipality undertakes an MSDF Performance Review to evaluate the progress in implementing the MSDF and whether there are any changed circumstances that merit an MSDF amendment in a future IDP cycle. The MSDF Performance Review will also be a valuable informant in preparing the new Municipal IDP.
- The Municipality must ensure that the manager responsible for planning sits on the Municipality's Budget Steering Committee (in terms of Local Govt MFMA Municipal budget and reporting regulations Part 1 General Notice No. 393 (Gazette No. 32141): Section 4 (2)) to ensure that the budgeting process is plan-led.

Waste Management Planning

- The Municipality must work towards aligning its current IWMP and IDP with the Western Cape Integrated Waste Management Plan (2022-27) due for completion in the 2022/23 financial year.
- IPWIS reporting for the three (3) registered waste activities is outstanding from September 2020 to date and need to be completed. Waste diversion initiatives must be reported to the IPWIS. Continuous and regular waste reporting including organic waste must be submitted to the IPWIS.
- Considering the Organic Waste ban implemented by the Department, it is recommended that the Municipality focusses on projects that diverts as much organic waste from landfill as possible by finalising and implementing their draft diversion plan. Furthermore, C & D waste holds value, and it is suggested that the Municipality works on diverting this waste stream.
- The Municipality is encouraged to take forward the plans and actions put together in the Departments' Wastepreneur Integration Project.

5.2 ECONOMIC SUSTAINABILITY

- The waste management system employed by the Municipality operates successfully in collection and disposal, but more effort is needed to reduce waste generation within the municipal area. It is recommended that the Municipality explores effective waste generation options which could also assist with provision of additional resources for the Municipality.
- Table A10 was not fully complete and thus the number of beneficiaries is not reflected, and no costing provided for free basic services. The Municipality should accurately complete the A10 schedule in its adopted 2022/23 budget, this is important for accurate planning and budgeting.

5.2.1 Supply Chain Management

Key Risks identified with the Asset Management system of Governance and Capacitation Project

A. *Need for better Management of data and information standards*

- Silos of data where one department has access to critical data, but other departments have no access
- Where these silos of data exist, duplication of data is created that impacts on the reliability of the information needed for decision-making
- Critical information is kept on the PC's of certain engineers and files, that is not necessarily shared with the rest of the Municipality.
- Reliability and Credibility of data (Metadata such as the Source - where data is coming from, is not singular but have multiple inputs making it messy)

B. *Outdated Asset Management Maintenance Strategic Plans*

- Propensity to use the deviations route for emergency repairs and maintenance.
- Statistical data suggest that emergency work can cost municipalities between 20 per cent and 30 per cent more as opposed to planned works
- Equipment availability not translated into key objectives for the Municipality.
- Early detection of failure is not necessary build into maintenance systems

C. *The Need to Build Capability in Municipalities*

- Most of the Engineers are near retirement which requires a contingency plan for mentorship and knowledge management
- Need for maintenance planners, because without them, we don't expect well planned and efficiently executed maintenance
- Need for securing intellectual property and devising SOP`s based on them
- The ability to translate maintenance strategies into business and economic benefits

Key Recommendations

D. *Collaboration is key to success and continuity in Asset Management*

- Collaboration is key to success and continuity in Asset Management
- To improve the maturity levels within the various regions, there will a need for community of practice
- Share collective right practices and knowledge among participating municipalities within a Joint District Approach
- Strategic priorities would be best achieved if coordinated through a District Asset Management Steercom process
- A phased-in approach of right practices will be required to build maturity overtime

E. *Procurement Planning*

- PT to amend the existing **Treasury Circular Mun No. 18/2019**, to make it mandatory for municipalities to submit procurement plans on an annual basis by the 30th of June.
- There should be a standardised format for the procurement plans template across the municipalities.
- The municipalities should be encouraged to utilise mSCOA segmentations on their procurement plans to ensure alignment between the budgeted items and IDP strategic objectives.
- The Municipality should prioritise uploading/capturing their procurement plans on the National Treasury e-Tender portal every new financial year.

5.3 FINANCIAL SUSTAINABILITY

The mSCOA tabled budget (TABB) data strings are used as the source to assess whether the 2022/23 MTREF budget is funded, the assessment using the data strings submitted by the Municipality are used to assess whether the budget is funded or not.

The overall 2022/23 MTREF budget is funded but with threats to its sustainability over the 2022/23 MTREF and as such managing long-term stability requires sound financial reporting. The credibility and sustainability issues raised below in the budget assessment should be considered when tabling the final budget:

- Operating deficit budgets over the 2022/23 MTREF were tabled, which is attributed to non-cash items such as depreciation and asset impairment. The practice of tabling of operational deficit budgets has the ability over time to reduce either the contributions to cash backed reserves or reduce the contributions from internally generated funds towards capital spending. A funded budget depends on the realistically anticipated revenues, available cash backed accumulated funds from previous years not committed and borrowed funds for capital projects according to MFMA Section 18.

- Service charges and property rates account for approximately 73.7 per cent of the Municipality's total operating revenue budget, which forms a stable and predictable revenue base for the Municipality. Any changes in bulk purchases, consumption usage, or changes in the projected revenue growth rate base will have a negative impact on the overall revenue recovered and will apply pressure on cash backed surpluses, operational expenditure and ability to contribute to capital investment.
- Managing surpluses on Service Charges is therefore key to the overall funding model of the Municipality. Currently, high reliance is placed on profit margins from water and sanitation, however the surpluses on water and sanitation would be to supplement the expected losses from electricity and refuse services.
- All service charges will increase above CPI which is required for the improvement of deficits currently projected on some economic services. The budget document is unclear on the reasons for the increase in revenue above CPI on all service tariffs and rates. Water remains a scarce resource, but a key commodity in curbing the spread of the corona virus and should thus be affordable while maintaining a sustainable service.
- The budgeted increase in employee related costs is 7.4 per cent in 2022/23. This cost driver is key in determining tariffs and guidance provided in the MFMA Circular No. 115 must be applied to manage additional financial burdens placed on the Municipality. The Municipality needs to control growth in this cost. A corresponding increase in planned spending on contracted services is not noted as indicated in the budget document and municipality must weigh cost over benefits as increases on contracted services are also above the norm.
- Continue with stringent cost containment measures to, amongst other things, control unnecessary spending and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82.
- Bulk purchases Input tax VAT must be recognised for the taxable supplies to have a true reflection of the trade and other payables which have a direct impact on the calculation of the other working capital requirements in the table A8.
- Ensure that the allocations to repairs and maintenance, and the renewal of existing infrastructure are prioritised.
- The spending on conditional grants needs to be improved as funds may be withheld at year end due to underperformance. Recommended to implement procedures to ensure that grant-funded capital projects are effectively in use.
- Ensure that working capital is actively monitored and that the cash position stays adequate to preserve the Municipality's financial position, sustainability, and creditworthiness.
- High reliance is placed on Internally generated funds for capital investment however the risk to fund future infrastructure demands exist with the depletion of the CRR.
- The liquidity ratios of the Municipality suggest that the Municipality may struggle to cover their financial commitments in the impending 2022/23 financial year. The draft budget data strings indicates that the Municipality is exposed to a liquidity risk in 2022/23.
- Although, the Municipality has capacity to take on additional borrowing, this should be considered within the cash flow requirements and affordability parameters

- Address the findings related to the segment tool analysis. This is to ensure that the final budget considers all the recommendations and correct segment use is achieved for the financial the data strings to be correctly populated. Furthermore, the Municipality should ensure that they apply the principles of movement accounting and balance sheet budget when populating tables A6 and A7 and SA30 linkages as advised by the National Treasury to ensure that the cash flow of the Municipality is correctly populated.
- National Treasury has emphasized the importance of tabling and adopting funded budgets in MFMA Circulars No. 98, No. 99, No. 107, No. 108 and No. 115. Where municipalities have tabled an unfunded budget, they will be required to correct the budget to ensure that a funded budget is adopted and implemented. In the event that a funded budget is unachievable, municipalities must, together with their 2022/23 MTREF budget, table a credible Budget Funding Plan in council on how and by when the budget will improve from an unfunded to a funded position.

Ratio calculations

Table 1 MFMA Circular No. 71 Ratios 2020/21

No	RATIO	FORMULA	DATA SOURCE	NORM/ RANGE	INPUT DESCRIPTION	2021 Audited
A. Asset Management						
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure/ Total Expenditure (Total Operating expenditure + expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR.	10% - 20%		9.4%
					Total Operating Expenditure	643 352 932
					Taxation Expense	-
					Total Capital Expenditure	66 943 531
2	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure/ Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR.	95% - 100%		77.1%
					Actual Capital Expenditure	66 943 531
					Budget Capital Expenditure	86 842 952
3	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR.	0%		0.0%
					PPE, Investment Property and Intangible Impairment	-
					PPE at carrying value	982 159 084
					Investment at carrying value	44 223 547
					Intangible Assets at carrying value	1 260 288
4	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports.	8%		1.7%
					Total Repairs and Maintenance Expenditure	17 106 278
					PPE at carrying value	982 159 084
					Investment Property at Carrying value	44 223 547

No	RATIO	FORMULA	DATA SOURCE	NORM/ RANGE	INPUT DESCRIPTION	2021 Audited
5	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings)/ Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR.	None		22.2%
					Internally generated funds	14 841 673
					Borrowings	-
					Total Capital Expenditure	66 943 531
B. Revenue, Debtors and Liquidity Management (cash availability)						
6	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue/Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR.	95% - 100%		101.3%
					Actual Operating Revenue	624 221 407
					Budget Operating Revenue	616,435,443
7	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue/ Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR.	95% - 100%		112.5%
					Actual Service Charges and Property Rates Revenue	456 976 184
					Budget Service Charges and Property Rates Revenue	406 124 070
8	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR.	= CPI		1.3%
					CPI	4.9%
					Total Revenue Excl.Capital (Previous)	616 015 382
					Total Revenue Excl.Capital (Current)	624 221 407
9	Cash/Cost Coverage Ratio (Excl. Unspent Conditional Grants)			1 - 3 Months		2 Months
					Cash and cash equivalents	115 305 213
					Unspent Conditional Grants	24 703 606
					Overdraft	-

No	RATIO	FORMULA	DATA SOURCE	NORM/ RANGE	INPUT DESCRIPTION	2021 Audited
		((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment)/ Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR.		Short Term Investments	-
					Total Annual Operational Expenditure	575 906 415
C. Liability Management						
10	Debt (Total Borrowings)/ Revenue	(Overdraft + Current Finance Lease Obligation + Non-current Finance Lease Obligation + Short Term Borrowings + Long term borrowing)/ (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR.	45%		0.6%
					Total Debt	2 774 921
					Total Operating Revenue	624 221 407
					Operational Conditional Grants	131 051 159
11	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost (Interest Paid and Redemption)/ Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR.	6% - 8%		1.8%
					Interest Paid	10 016 942
					Redemption	1 330 872
					Total Operating Expenditure	643 352 932
					Taxation Expense	-

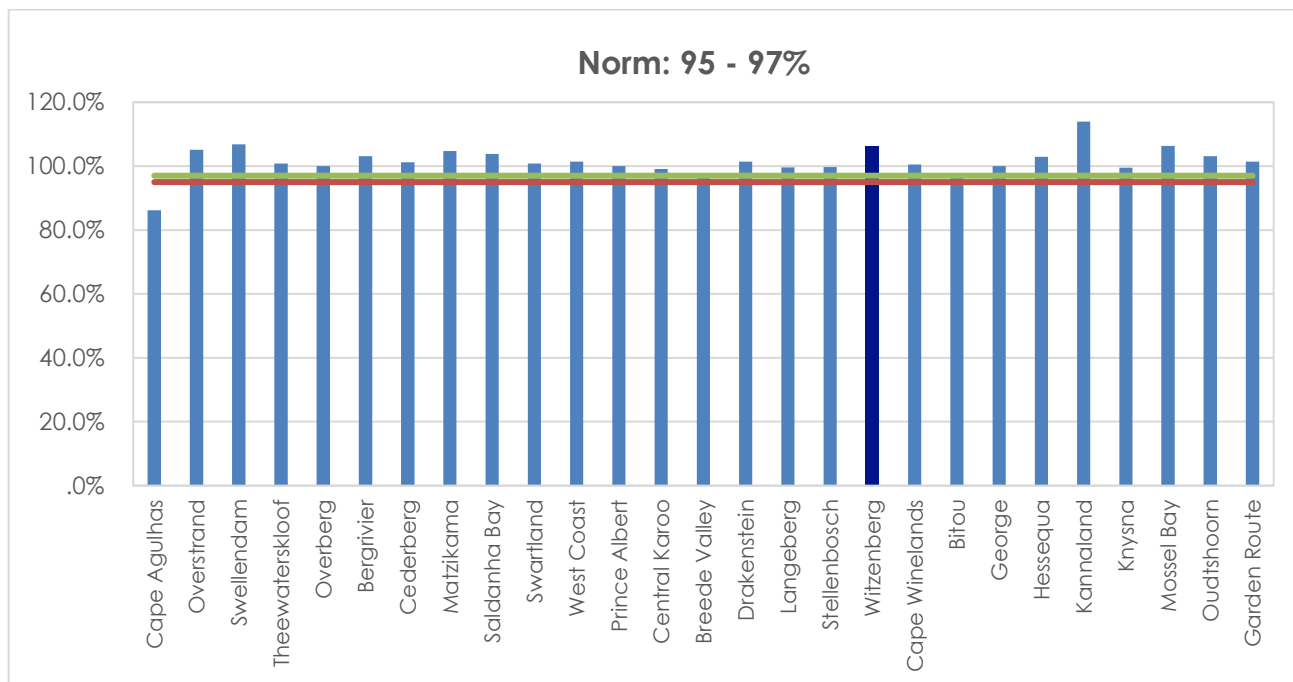
No	RATIO	FORMULA	DATA SOURCE	NORM/ RANGE	INPUT DESCRIPTION	2021 Audited
12	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Revenue	Capital Cost (Interest Paid and Redemption)/ Total Operating Revenue x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR.	None		1.8%
					Interest Paid	10 016 942
					Redemption	1 330 872
					Total Operating Revenue	624 221 407
					Taxation Expense	-
D. Working Capital						
13	Net Debtors Days	((Gross Debtors - Bad debt Provision)/Actual Billed Revenue)) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR.	30 days		77 days
					Gross debtors	312 917 491
					Bad debts Provision	216 870 082
					Billed Revenue	456 976 184
14	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding/ Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR.	30 days		41 days
					Trade Creditors	46 157 948
					Contracted Services	51 747 585
					Repairs and Maintenance	17 106 278
					General expenses	34 632 352
					Bulk Purchases	239 632 251
					Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	66 943 531
E. Expenditure Management						
15	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure/ Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR.	95% - 100%		91.6%
					Actual Operating Expenditure	643 352 932
					Budget Operating Expenditure	702 732 435

No	RATIO	FORMULA	DATA SOURCE	NORM/ RANGE	INPUT DESCRIPTION	2021 Audited
16	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration)/ Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR.	25% - 40%		31.4%
					Employee/personnel related cost	191 681 705
					Councillors Remuneration	10 583 028
					Total Operating Expenditure	643 352 932
					Taxation Expense	-
17	Contracted Services % of Total Operating Expenditure	Contracted Services/Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR.	2% - 5%		8.0%
					Contracted Services	51 747 585
					Total Operating Expenditure	643 352 932
					Taxation Expense	-
18	Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure)/ Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR.	0%		0.3%
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	1 935 841
					Total Operating Expenditure	643 352 932
					Taxation Expense	-
F. Grant Dependency						
19	Own Source Revenue to Total Operating Revenue (Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR.	None		78.9%
					Total Revenue	676 323 265
					Government grant and subsidies	183 153 017
					Public contributions and Donations	858 743
					Capital Grants	52 101 858
G. Net Asset Position (Going Concern)						
20	Total Liabilities/Total Assets	Total Liabilities/Total Assets	Statement Financial Position.	<50%		24.2%
					Total Liabilities	300 781 381
					Total Assets	1 245 368 209
21	Total Debt/Total Assets	Total Debt/Total Assets	Statement Financial Position.	None		0.2%
					Total Debt	2 774 921
					Total Assets	1 245 368 209

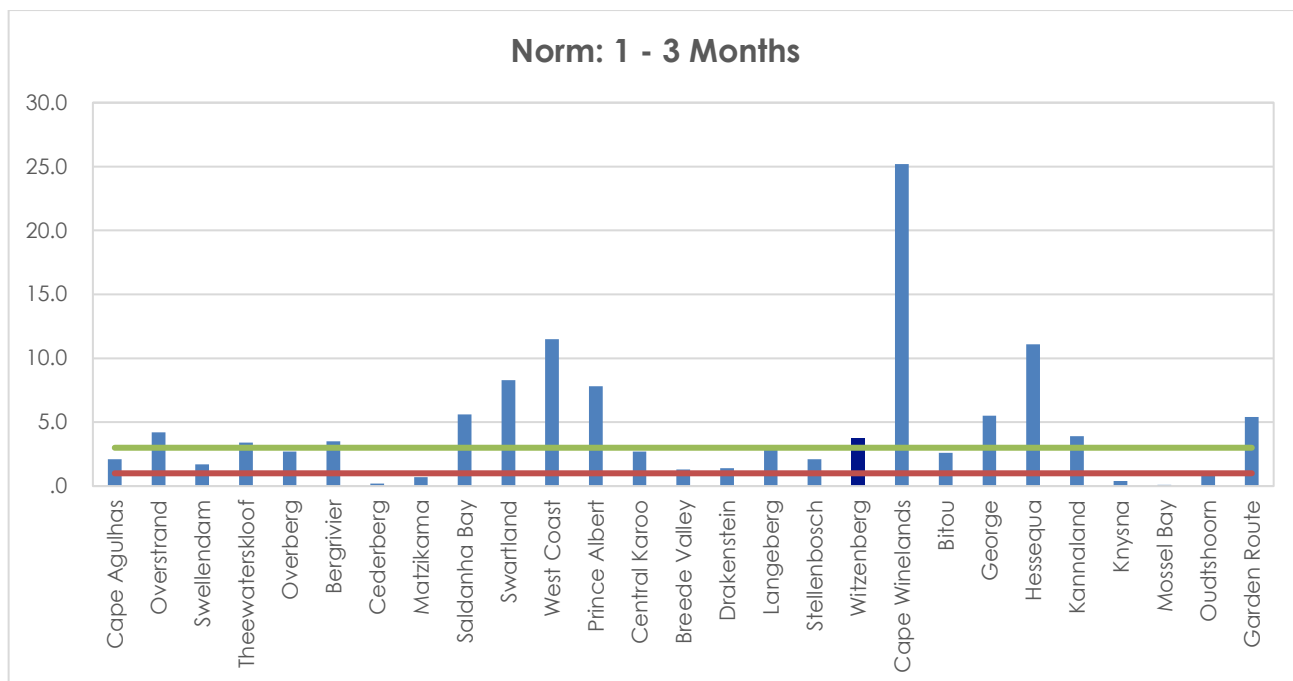
No	RATIO	FORMULA	DATA SOURCE	NORM/ RANGE	INPUT DESCRIPTION	2021 Audited
22	Current Ratio	Current Assets/ Current Liabilities	Statement of Financial Position, Budget, IDP and AR.	1.5 - 2:1		1.5
					Current Assets	217 175 290
					Current Liabilities	143 199 791

BENCHMARKING: KEY FINANCIAL HEALTH INDICATORS

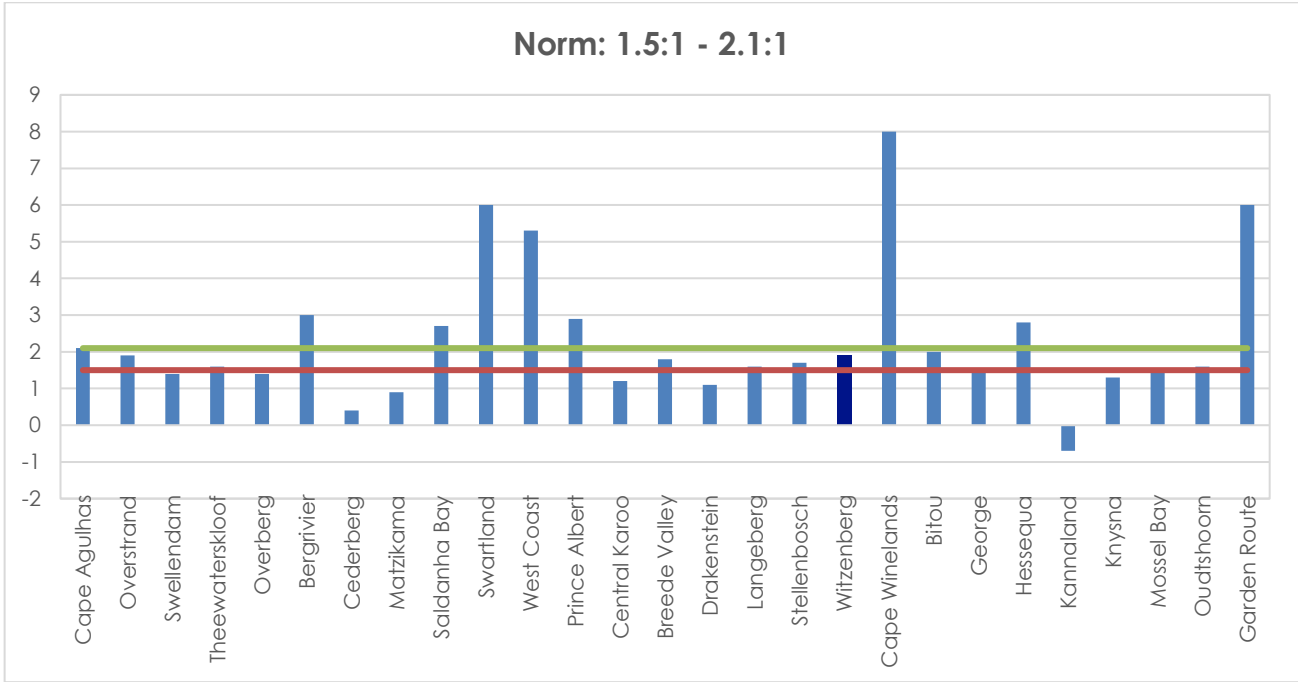
1. % Share of Total Operating Costs against Total revenue



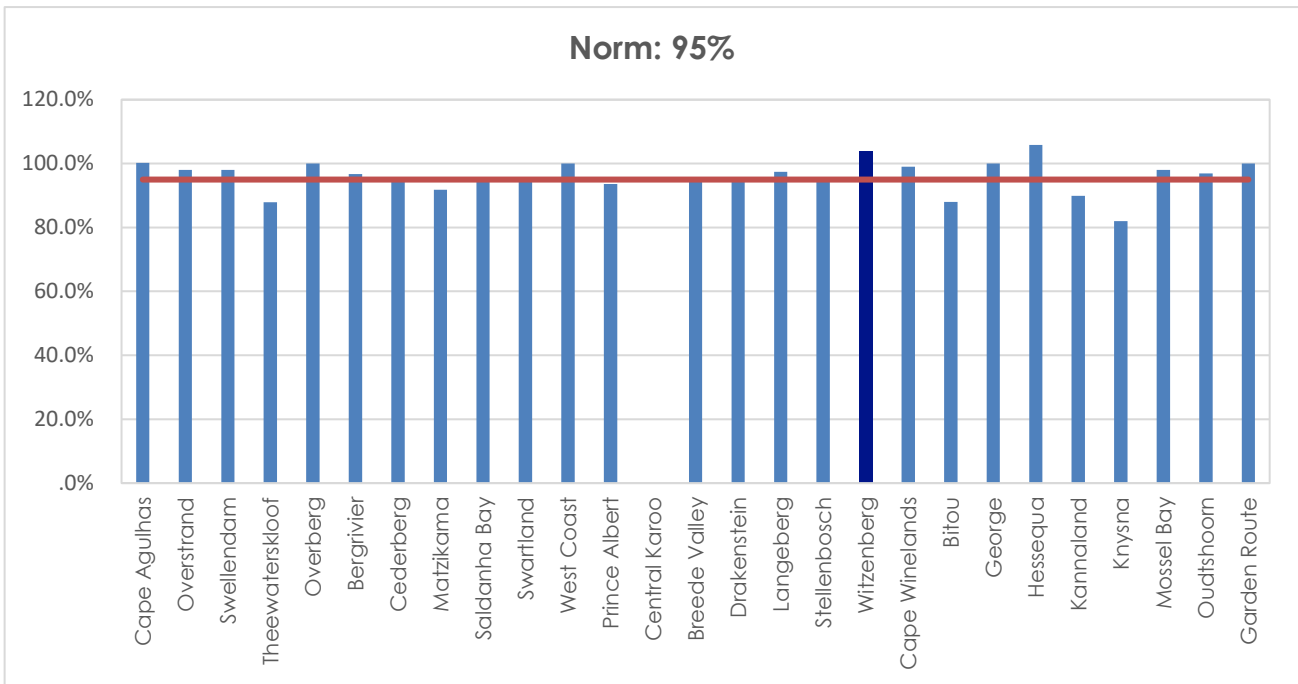
2. Cash/Cost coverage ratio



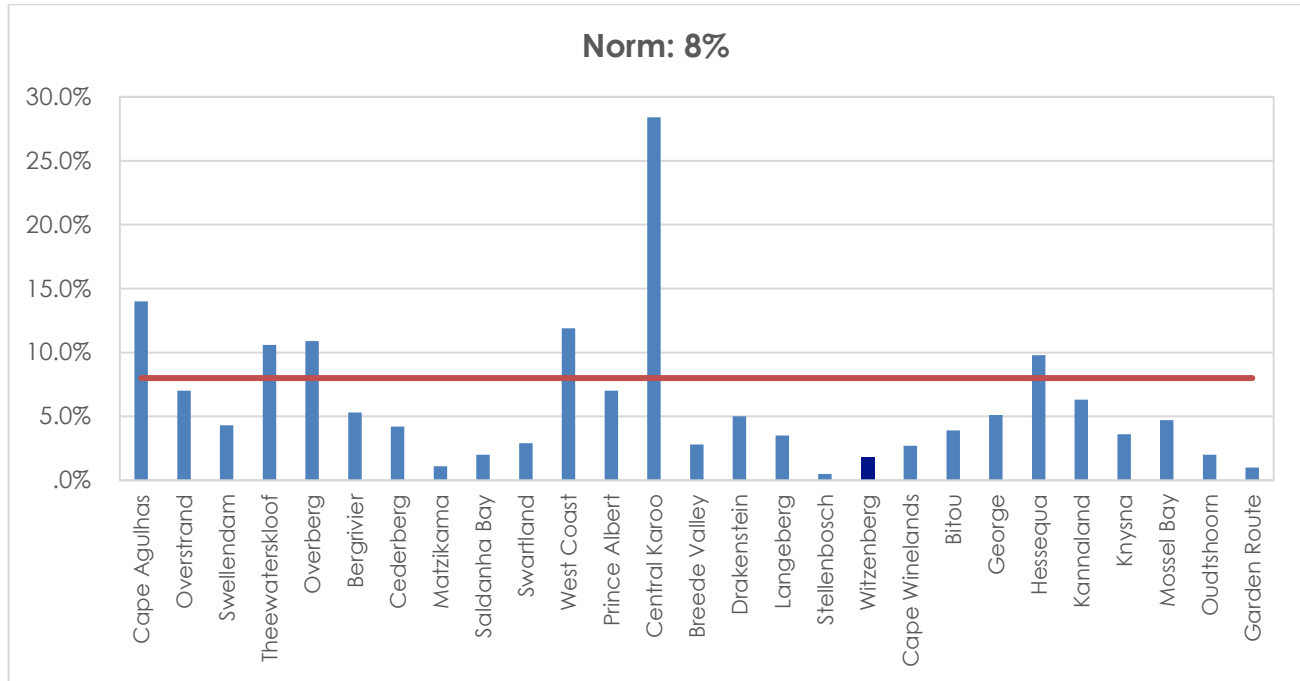
3. Current Asset Ratio



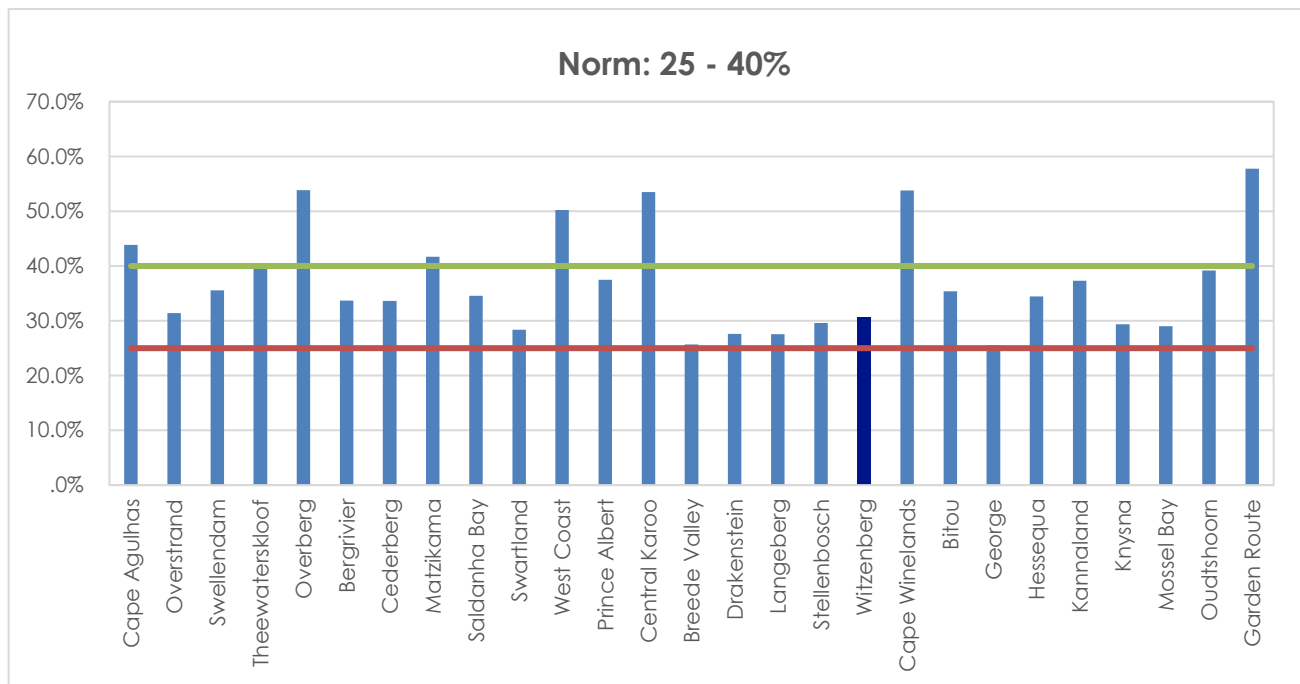
4. Collection Rate



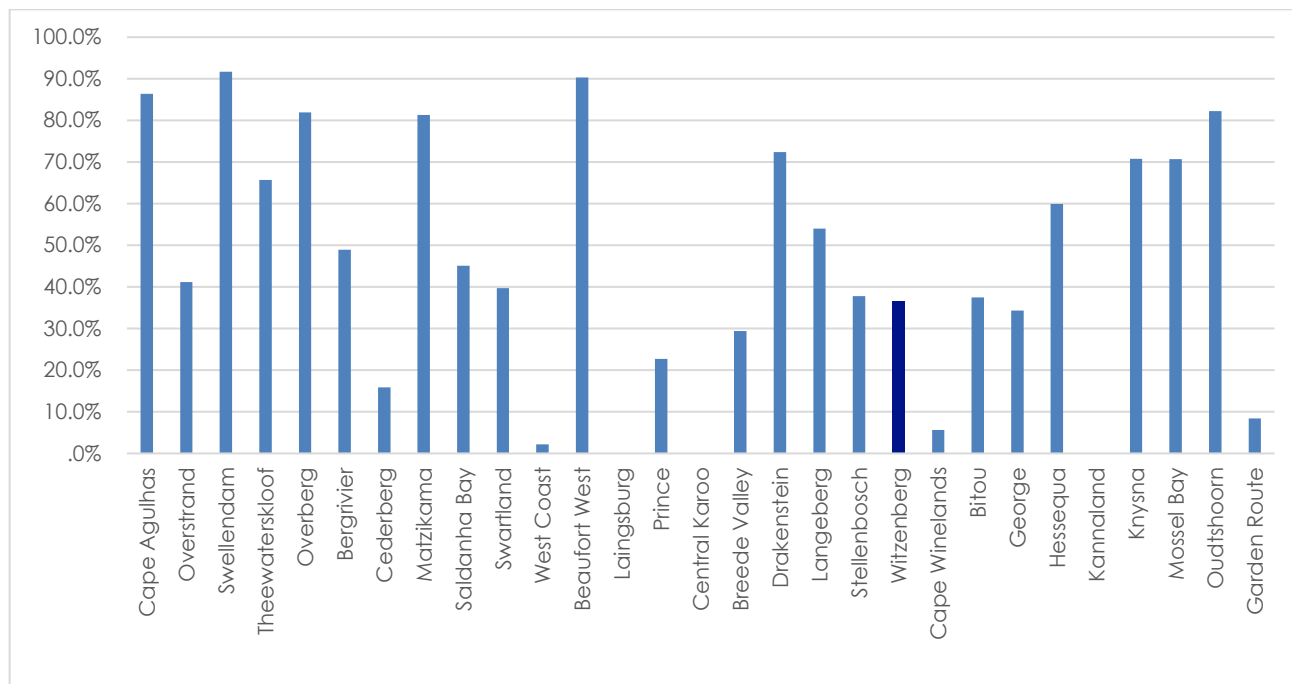
5. R&M % of PPE & Investment Property



6. % Employee Related Costs to Total Opex Excl Cllrs



7. Renewal and upgrading existing assets % total capex





Contents

SIME 2022/23

- 2022/23 MTREF Assessment Response
- IDP & Budget Process
- Assumptions - planning, spatial, financial, economic
- Key service delivery & fiscal risks
- Revenue Optimisation Strategies
- Expenditure priorities & efficiencies
- Capital Budget: Service delivery objectives & challenges, funding mix, external borrowing strategy, infrastructure pipeline & long-term financial planning

2022 Strategic Integrated Municipal Engagement 2

MTREF Assessment Response

Municipal Infrastructure and Human Settlements (p8)

DWS provided WSIG funding to the tune of R30M to upgrade the Wolseley WWTW for the 2022/23 and 2023/24 financial years.

2022 Strategic Integrated Municipal Engagement 3

MTREF Assessment Response

Spatial Planning (11)

Eskom electricity supply constraints

The Municipality is currently running in excess of its NMD (Notified Maximum Demand) of 46,2 MVA (total). The current Eskom backbone network does not permit an increase of this NMD until such time as their backbone network has been upgraded

Please help us

2022 Strategic Integrated Municipal Engagement 4

MTREF Assessment Response

Spatial Governance (p13)

It is acknowledged that although the MSDF does not include all major capital projects regarded as import building blocks to enable developments, it does provide the framework and focus areas that enable infrastructure decisions to be plan-led. Master planning based on the MSDF spatial growth areas are done for each service (water/sewerage/electricity/roads) and project prioritisation is based on IDP outcomes. Detailed planning of the priority focus areas in future will enable further detailed infrastructure needs and costing.

MTREF Assessment Response

Waste Management Planning(p17)

• Ipwis

The ipwis capturing of all landfill sites are ongoing (internal employees have been trained to capture the data) and a target date for completion is set for end June 2022.

Waste Licensing

The Wolseley Landfill sites has not been abandoned by the Municipality, it has been invaded by illegal squatters.

MTREF Assessment Response

Water Management (p22),

- The statement that we are unable to supply bulk water at Tulbagh is incorrect, as we are busy with the construction of a 1,2Million m3 raw water dam at Tulbagh to the tune of R24million (excl vat), to supply water to Tulbagh residents.
- We only received the approved WULA on 21 May 2021, whereas we submitted our application on 18 July 2016, the WULA authorises us to commence with construction.
- We finalised the procurement process (appointment of contractor) after recieval of the WULA and started with construction on 5 November 2021.
- Currently construction progress for phase 1 is 62%.

MTREF Assessment Response

FINANCIAL SUSTAINABILITY(p34).

There are just minor challenges identified with the Balance Sheet and Cash flow budgeting. MSCOA Circular No. 10, 11 and 12 guides municipalities on the use of the Fund segment, cash flow budgeting, VAT accounting treatment and balance sheet budgeting. The Municipality is urged to make the necessary correction on the ORGB data strings.

We will appreciate help in explaining how NT interpret the data strings.

MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- The table is aligned to the Audited Annual Financial Statements and restated figures as submitted by the Municipality. It should be noted that major discrepancies were noted between the audited outcomes of the data strings and those of the A Schedules of the Municipality and what was recorded in the Audited and Restated AFS of the Municipality. Municipality is requested to investigate these discrepancies and ensure full alignment in all municipal reports.
- We acknowledge this issue with the audited figures and are in discussion with the service provider. For the municipality this is also unacceptable.

2022 Strategic Integrated Municipal Engagement

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MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- The Municipality tabled operational deficit budgets over the entire 2022/23 MTREF which are also aligned to the Treasury calculations as indicated in the above. The trend indicates that the Municipality has a practice of budgeting for operational deficits as was alluded to under audited performance table above. After reversing the non-cash items such as depreciation and asset impairment, the Municipality is making operational surpluses for the outer two years of the MTREF. However, for 2022/23 the Municipality will experience operating deficit even after restating the figures.

2022 Strategic Integrated Municipal Engagement

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MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- The municipality advises Treasury to relook at their calculation for reversal of non-cash items. But acknowledge the valiant efforts done.
- The municipality also acknowledge that there is an urgent need to raise fund in order to build reserves in cases of emergency infrastructure repairs and to build cash and cash equivalents to sustain quality of service delivery.
- We need to acknowledge that the infrastructure assets increase rapidly, hence depreciation increases rapidly, and therefore we will never be able to fully generate the cash to cover non-cash items from the public.
- This is not a singular effort and we will discuss this more under revenue optimising strategies. A reverse strategy will have to be looked at.

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MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- High reliance on steady inflows of property rates and service charges are noted as noted in the table above. Any changes in terms of bulk purchases, consumptions usage, or changes in the projected revenue growth rate base will have a negative impact on the overall revenue generation and will apply pressure on cash backed surpluses, operational expenditure and ability to contribute to capital investment.

2022 Strategic Integrated Municipal Engagement

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MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- The municipal own revenue is the main source of income and this has always been the drive for self-sustainability. In terms of our understanding this has also been the strategy from National and Provincial to make municipality less reliant on grants.
- The municipality acknowledge the comments that its It is imperative that the Municipality continue to create an enabling environment for continuous growth within available resources and capabilities in the Witzenberg Municipal area to sustain real growth patterns in future projections. We cannot do this without additional electricity. We have deliberated this point a lot and need results on this.

MTREF Assessment Response

FINANCIAL SUSTAINABILITY(p36).

Just because the budget is funded does not mean the Municipality can misappropriate funds or overcommit their budget.

Please explain the above statement – has any misappropriation of funds been identified in the past, or in this budget?

MTREF Assessment Response

FINANCIAL SUSTAINABILITY(p36).

- **Property rates** are the third highest component of the operating revenue budget, and it is projected to increase by 15.9 per cent on 2022/23 and 7.4 per cent over the MTREF. Property rates revenue growth is not in line with the rates increase of 7.25 per cent reflected in the budget document.

The high increase for the 2022/2023 year is due to alignment increase of Agricultural business and industrial to town tariff in terms of the property rates act since the current financial year and supplementary valuation rolls.

MTREF Assessment Response

FINANCIAL SUSTAINABILITY(p38).

- **Electricity services** remains the largest contributor to the operating revenue budget averaging 48 per cent over the MTREF. Tariff increase of 11.4 per cent is way above the proposed NERSA guideline of 9.6 per cent.

MTREF Assessment Response

FINANCIAL SUSTAINABILITY(p38).

Although section 42 of the MFMA requires that municipalities must be informed by 15 March of any price increase in bulk services the guideline was received after the budget was tabled in council.

Response from NERSA

This email acknowledges receipt of Witzenberg municipality tariffs application. The application will be treated as a draft until we receive the final guideline report.

MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- The Municipality remains heavily reliant on electricity profit margins (p 38)
- After the inclusion of the equitable share allocation to supplement of the cost of free basic services, the average loss for electricity revenue over the 2022/23 MTREF is R5.14 million (p 40)

MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- The cost of the free basic services are include in electricity expenditure, but no portion of the equitable share allocation is included in electricity revenue.
- The full 8.61% increase from Eskom is recommended as tariff increase for customers as the electricity surplus is declining.

MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- **Revenue collection**
- The current revenue billed collection strategy are not yielding any growth in collection. This now only leave the last option of selling properties to collect. This was discussed previous and assistance was promised, so far none was provided by provincial colleagues.
- Debt collection remains a challenge in areas where Eskom provides electricity.

MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- Employee related cost
- constitute 30.6 per cent of the aggregated operating expenditure and will increase by 4.7 per cent from 2021/22 to 2022/23.
- **The 4.7% increase shows the commitment to reduce expenditure as it is significantly below the agreed salary increase of 4.9% plus the notch increase of 2.5%.**

2022 Strategic Integrated Municipal Engagement

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MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- Employee related cost
- When looking at the data strings, the Municipality raised R230.77 as deposits (liability) and R199.774 million as withdrawals indicating that the Municipality is understating the expenditure amount on table A6, and this is also an indication that the Municipality is not going to pay over all the employee related costs.
- **The provision for post employment benefits are non cash flow items.**

2022 Strategic Integrated Municipal Engagement

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MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- **Contracted services**
- In aggregate are projected to increase by 27.6 per cent in 2022/23 from R40.54 million adjusted budget in 2021/22 which is unsustainable and unaffordable for the Municipality. The net upward projection is attributed to outsourced services contributing 49.6 per cent and consultants and Professional Services 33 per cent. Notably, the use of consultants and professional services has increased by 53.5 per cent.

2022 Strategic Integrated Municipal Engagement

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MTREF Assessment Response

FINANCIAL SUSTAINABILITY.

- **Contracted services**
- **The 2021/2022 budget was adjusted downwards in terms of the budget improvement plan. The budget for 2022/2023 was increased due to the negative effect of the downward adjustment on service delivery.**

2022 Strategic Integrated Municipal Engagement

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IDP & Budget Process

Process Plan approved	15 December 2021
IDP Public Meetings	14 – 17 March
Council Workshop	29 March
Draft Budget & IDP Tabled	30 March
Draft Budget & IDP Advertised	1 April
Public Meetings	3 – 12 May
SIME	11 May
Council Workshop	24 May
Council Meeting	25 May

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Assumptions - planning, spatial, financial, economic

NT Circular 112

It is impossible to limit expenditure and tariff increases to 4.0%

Salaries increase with 4.9% plus 2.5% notch

Bulk purchases increase with expected 8.61%

Fuel increase of up to 40% is expected.

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Assumptions - planning, spatial, financial, economic

General Tariff increases of 7.25% required.

Electricity Tariff increase with 8.61%

NERSA approval required.

2022 Strategic Integrated Municipal Engagement

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Key service delivery & fiscal risks

Waste Management Planning

- The Municipality must work towards aligning its current IWMP and IDP with the Western Cape Integrated Waste Management Plan (2022-27) due for completion in the 2022/23 financial year. (will align)

2022 Strategic Integrated Municipal Engagement

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Key service delivery & fiscal risks

Waste Management Planning

Considering the Organic Waste ban implemented by the Department, it is recommended that the Municipality focusses on projects that diverts as much organic waste from landfill as possible by finalising and implementing their draft diversion plan. Furthermore, C & D waste holds value, and it is suggested that the Municipality works on diverting this waste stream.

(we are busy constructing a MRF at Ceres to the tune of R26,7 including vat, to assist with waste reduction), a drop off facility has been constructed at Wolseley and we have budgeted for the new financial year for the construction of additional drop-off facilities in other towns to the tune of R6million)(see attached photo)

Key service delivery & fiscal risks

WITZENBERG
Municipality • Munisipaliteit • Gemeenskap

Amptelike Opening: Wolseley Afvaloorlaaistase

1 Julie 2021

BEDRYFSURE

Maandag – Vrydag
08:00 – 16:30

Saterdag
09:00 – 14:00

Verhoedsdae
08:00 – 13:00

Sondag
Gesluit

AANVAARBAAR:
PAPIER, KARTON, PLASTIEK, GLAS, BOUROMMEL, TUINVULLIS & METAAL

NEE: Huishoudelike vuilnis, gevaarlike afval, bande, weggooidoeke, ens.

aanspreeksterief:
Vir elke 150
kerwinkbare materiaal
by die oorspronklike
ontvang die
rekeninghouer 'n
afslag (groottebeheerde
raadsterief).
Slags reaktansiede
(Inwoners)

Key service delivery & fiscal risks

Waste Management Planning

The Municipality is encouraged to take forward the plans and actions put together in the Departments' Wastepreneur Integration Project.

(we are considering implementation most of the recommendations)

ECONOMIC SUSTAINABILITY

Waste Management Planning

The waste management system employed by the Municipality operates successfully in collection and disposal, but more effort is needed to reduce waste generation within the municipal area. It is recommended that the Municipality explores effective waste generation options which could also assist with provision of additional resources for the Municipality.

(see above comments with regard to new waste infrastructure)

Revenue Optimization Strategies

- Re-evaluate the cost of possible outsourcing of services
- Re-evaluate the cost of delivering services ourselves
- Determine the most cost effective manner to provide services versus outsourcing services
- Recovery rate will keep on declining as the cost of living is increase to rapidly.
- We need to do the inverse and reduce the cost of supply. The current methods are not working.
- This might increase net profit and may result in halting of increases in tariffs for residence.
- We are not saying this will be beneficial, but we running out of options
- Need to have laws and regulations change so that local government can become a service provider outside of its current mandates to become self-sustainable.

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Expenditure priorities & efficiencies

- **All expenditure in the budget is priorities, we just need to look at better efficiencies.**
- **A study must be done to modernise the manner in how things in local government is done. The dinosaur manner of operating is not working and is expensive.**
- **We need to incorporate better technology in repairing roads, water filtrations, etc. We need to reduce the human element cost as its expensive.**
- **Cost of local content is an additional 60% + in some instances.**

2022 Strategic Integrated Municipal Engagement

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Expenditure priorities & efficiencies

- **Increases in expenditure items is unavoidable:**
 - **Security services**
 - **Need to protect community assets against vandalism**
 - **Protec critical infrastructure**
 - **Illegal occupation of municipal land**
 - **Contracted services (Repairs & maintenance)**
 - **Repair vandalised assets**
 - **Aging fleet**
 - **Aging infrastructure**
 - **Repairs in terms of master plans.**

2022 Strategic Integrated Municipal Engagement

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RED FACES

Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): **8% (page 51)**

- **The repairs and maintenance ratio does not include the salaries and wages of the relevant departments. We acknowledge that the projects of the applicable salaries and wages needs to be changes to be the relevant repairs and maintenance, but this will result in an advance application of cost and management accounting. This is being hampered by MSCOA chart not coming to halt and allowing municipalities to catch up.**

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RED FACES

- Revenue Growth (%) - Excluding capital grants:
- The municipality increase in revenue is mainly attributed to the tariff increases. The decline is predominately driven by fines and rental of facilities. Fines are high in terms revenue billed but not collected and rental of facilities due to the facilities used for covid 19.

RED FACES

- Net debtors' days: ≤ 30 days
- Provincial SIME report page 53 indicates that the debtor's ratio is 77 days, but the municipal calculation is 57 days. This coincides with the calculation as per Circular 71 for debtor's days. PT just have to relook at their calculation.

RED FACES

- Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure: **0.0% (Actual 0.3%)**
- The Unauthorised Expenditure was approved by council and budget controls sharpened.

CAPITAL BUDGET 2022/23 R'000

MIG FUNDING	
Vredebes Access Collector	10 910
Wolseley Water	870
Upgrade of Leyell Street Sport Facilities	6 355
Op-Die-Berg Reservoir	2 855

CAPITAL BUDGET 2022/23 R'000

WSIG FUNDING	
Wolseley Waste Water Treatment	13 653

41

CAPITAL BUDGET 2022/23 R'000

RBIG FUNDING	
Tulbagh Dam	16 729
Own funding Tulbagh Dam	2 000

42

CAPITAL BUDGET 2022/23 R'000

DEPARTMENT OF TRANSPORT	
Van Breda Bridge	6 200
Van Breda Bridge own contribution	5 817

43

CAPITAL BUDGET 2022/23 R'000

CWDM	
Toilet Facilities Wolseley	500

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CAPITAL BUDGET 2022/23 R'000**PROPOSED LOAN**

Transfer Stations: Tulbagh; Hamlet; ODB; Bella Vista	6 000
Fencing Landfill site Hamlet	4 000

45

CAPITAL BUDGET 2022/23 R'000**INSURANCE CLAIM**

'N'duli Library	10
N'duli Swimming pool	10

Minimal amounts was brought in to execute if payments is received from SASRIA.

It should be noted that a release form was received from SASRIA to the value of R 2 198 525.34 in respect of above claims

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CAPITAL BUDGET 2022/23 R'000**OWN FUNDING**

Own contributions to projects	7 817
Electricity upgrades & equipment	4 000
Streets	2 000
Vehicles	1 000
Water	1 500
Sewerage	2 500
Other	897

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Key Recommendations

Collaboration is key to success and continuity in Asset Management (p61)

GT advisory services was appointed by Provincial Government and compiled the following documentation, which will be endorsed by council to assist with asset management:

- o Work order management policy
- o Asset Management Disposal Policy
- o Asset Management Policy
- o Information standards for infrastructure asset management
- o Strategic asset management plan

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Thank You



A municipality that cares for its community, creating growth and opportunity!

Budget Related Policies 2022/2023



INDEX

- Budget Policy
- Tariff Policy
- Property Rates Policy
- Credit Control and Debt Collection Policy
- Cash Management and Investment Policy
- Consumer Payment Incentive Policy
- Petty Cash Policy
- Indigent Policy
- Budget Virement Policy
- Asset Management Policy
- Funding and Reserves Policy
- Borrowing Policy
- Cellular telephone and data card policy
- Municipal Supply Chain Management Policy
- SCM Policy For Infrastructure Procurement
- Long Term Financial Plan Policy
- Transport- Travel- And Subsistence Allowance Policy
- Post-Employment Medical Aid Contribution Policy
- Infrastructure Investment Policy
- Cost Containment Policy



BUDGET POLICY

Date of implementation 01 July 2010

Adopted by Council 15/06/2010

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1. DEFINITIONS

"Accounting Officer"

(a) means the City Manager;

"Allocation", means

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget

- (a) approved by a municipal council in terms of section 24 of the MFMA, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and Reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including

- (a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of section 3 of the municipal property rates Act;
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;
- (d) the cash management and investment policy which the municipality must adopt in terms of section 13(2) of the Act;
- (e) a borrowing policy which must comply with Chapter 6 of the Act;
- (f) a funding and reserves policy;
- (g) a policy related to the long-term financial plan;
- (h) the supply chain management policy which the municipality is required to adopt in terms of section 111 of the Act;
- (i) any policies dealing with the management and disposal of assets;
- (j) any policies dealing with infrastructure investment and capital projects, including –
 - (i) the policy governing the planning and approval of capital projects; and
 - (ii) the policy on developer contributions for property developments;

- (k) the indigents policy of the municipality;
- (l) any policies related to the provision of free basic services;
- (m) any policies related to budget implementation and monitoring including –
 - (i) a policy dealing with the shifting of funds within votes;
 - (ii) a policy dealing with unforeseen and unavoidable expenditure; and
 - (iii) policies dealing with management and oversight;
- (n) any policies related to the managing electricity and water including -
 - (i) a policy related to the management of losses; and
 - (ii) a policy to promote conservation and efficiency;
- (o) any polices related to personnel including polices on overtime, vacancies and temporary staff;
- (p) any policies dealing with municipal entities, including –
 - (i) the service delivery agreement; and
 - (ii) the dividend preference of the municipality; and
- (q) any other budget-related or financial management policies of the municipality.

"**Budget transfer**" means transfer of funding within a function / vote.

"**Budget Year**" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"**chief financial officer**" means a person designated in terms of section 80(2) (a) of the MFMA;

"**councillor**" means a member of a municipal council;

"**creditor**", means a person to whom money is owed by the municipality;

"**current year**" means the financial year, which has already commenced, but not yet ended;

"**delegation**", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"**financial recovery plan**" means a plan prepared in terms of section 141 of the MFMA

"**financial statements**", means statements consisting of at least

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

"**financial year**" means a twelve months period commencing on 1 July and ending on 30 June each year

"**financing agreement**" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"**fruitless and wasteful expenditure**" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment", in relation to funds of a municipality, means

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"lender", means a person who provides debt finance to a municipality;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"long-term debt" means debt repayable over a period exceeding one year;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

"municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipality"

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means

- (a) an employee of a municipality or municipal entity;
- (b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"past financial year" means the financial year preceding the current year;

"quarter" means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

"**service delivery and budget implementation plan**" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate

- (a) projections for each month of
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"**short-term debt**" means debt repayable over a period not exceeding one year;

"**standards of generally recognised accounting practice**", means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board

"**unauthorised expenditure**", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

"**virement**" means transfer of funds between functions / votes

"**vote**" means

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

2. INTRODUCTION

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the executive mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.

3. OBJECTIVE

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to Witzenberg Municipality's IDP review and budget processes.

4. BUDGETING PRINCIPLES

- The municipality shall not budget for a cash deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.
- Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- Witzenberg Municipality shall prepare three-year budget (medium term revenue and expenditure framework (MTREF)) and that be reviewed annually and approved by Council.
- The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan.

5. BUDGET PREPARATION PROCESS

5.1. Formulation of the budget

- (a) The Accounting Officer with the assistance of the Chief Financial Officer, Manager Financial Administration and the Manager IDP shall draft the IDP process plan as well as the budget timetable for the municipality including municipal entities for the ensuing financial year.
- (b) The executive mayor shall table the IDP process plan as well as the budget timetable to Council not later than 31 August of each year for approval (10 months before the start of the next budget year).

- (c) IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act, Municipal Budget and reporting regulations as well as the guidelines set by National Treasury.
- (d) The Executive Mayor shall convene a strategic workshop in September/October with the mayoral committee and senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality. The executive mayor shall table the IDP priorities with the draft budget to Council.
- (e) The Executive Mayor shall table the draft IDP and MTREF budget to council by 31 March of each year (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.
- (f) The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- (g) The budget must be in the prescribed format by National Treasury, and must be divided into capital and operating budget.
- (h) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- (i) The expenses reflected in the budget must be divided into items.
- (j) The budget must contain the information related to the two financial years following the financial year to which the budget relates, as well as the estimated revenues and expenses for the current year and the two prior year actual revenue and expenditures.

5.2. Public participation process

Immediately after the draft annual budget has been tabled, the municipality must convene hearings on the draft budget in April and invite the public, stakeholder organisations, to make representation at the council hearings and to submit comments in response to the draft budget.

5.3. Approval of the budget

- (a) Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
- (b) The council resolution, must contain budget policies and performance measures be adopted.
- (c) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
- (d) The budget tabled to Council for approval shall include the following supporting documents:
 - i. draft resolutions approving the budget;
 - ii. and levying property rates, other taxes and tariffs for the financial year concerned;
 - iii. measurable performance objectives for each budget vote, taking into account the municipality's IDP;
 - iv. the projected cash flows for the financial year by revenue sources and expenditure votes;
 - v. any proposed amendments to the IDP;
 - vi. any proposed amendments to the budget-related policies;
 - vii. the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the accounting officer, the chief financial officer, and other senior managers;
 - viii. particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on;
 - ix. particulars of the municipality's investments; and

- x. various information in regard to municipal entities under the shared or sole control of the municipality

5.4. Publication of the budget

- (a) Within 14 days after the draft annual budget has been tabled, the Director must post the budget and other budget-related documentation onto the municipal website so that it is accessible to the public.
- (b) The Chief Financial Officer must within 14 days after the draft annual budget is tabled:
 - (i) submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website.
 - (ii) ensure that a newspaper advertisement is placed that the draft budget is available at the Municipal offices and available for comments.

5.5. Service Delivery and Budget Implementation Plan (SDBIP)

- (a) The Executive mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
- (b) The SDBIP shall include the following components:
 - (i) Monthly projections of revenue to be collected for each source
 - (ii) Monthly projections of expenditure (operating and capital) and revenue for each vote
 - (iii) Quarterly projections of service delivery targets and performance indicators for each vote
 - (iv) Ward information for expenditure and service delivery
 - (v) Detailed capital works plan broken down by ward over three years

6. CAPITAL BUDGET

- (a) Expenditure of a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and has a useful life in excess of one year.
- (b) The capital budget shall distinguish between replacement and new assets.
- (c) A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- (d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- (e) Before approving a capital project, the Council must consider:
 - (i) the projected cost of the project over all the ensuing financial years until the project becomes operational,
 - ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- (f) Before approving the capital budget, the council shall consider:
 - (i) the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
 - (ii) depreciation of fixed assets,
 - (iii) maintenance of fixed assets, and
 - (iv) any other ordinary operational expenses associated with any item on such capital budget.
- (g) Council shall approve the annual or adjustment capital budget only if it has been properly cash funded.
- (h) The capital expenditure shall be funded from the following sources:
 - (i) **Revenue or Surplus**
 - If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.

- If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.
- (ii) **External loans**
- External loans can be raised only if it is linked to the financing of an asset;
 - A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured;
 - The loan redemption period should not exceed the estimated life span of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
 - Interest payable on external loans shall be included as a cost in the operating budget;
 - Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

Capital Replacement Reserve (CRR)

- Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve shall be established from the following sources of revenue:
 - inappropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
 - interest on the investments of the CRR, appropriated in terms of the investments policy;
 - additional amounts appropriated as contributions in each annual or adjustments budget; and
 - interest on investments of unutilised grants;
 - only VAT claimed back on grants and subsidies; and
 - Sale of land and profit or loss on the sale of assets.
- Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;
- If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;
- Transfers to the CRR must be budgeted for in the cash budget

Grant Funding

- Non capital expenditure funded from grants
 - must be budgeted for as part of the revenue budget;
 - Expenditure must be reimbursed from the funding creditor and transferred to the operating and must be budgeted for as such.
 - Capital expenditure must be budgeted for in the capital budget;
- Grant funding does not need to be cash backed but cash should be secured before spending can take place.
- All unutilized grants received must be ring fenced and cash backed by means of an investment.

7. OPERATING BUDGET

- (a) The municipality shall budget in each annual and adjustments budget for the contribution to:
- (i) provision for accrued leave entitlements equal to 100% of the accrued leave entitlement of officials as at 30 June of each financial year,
 - (ii) provision for the impairment of debtors taking into account prior year, current year improvements and future improvement in debt collection percentages.
 - (iv) provision for the obsolescence and deterioration of stock in accordance with its stores management policy
 - (v) Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
 - (vi) At least 5% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance.
- (b) When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- (c) The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- (d) The operating budget shall reflect the impact of the capital component on:
- depreciation charges
 - repairs and maintenance expenses
 - interest payable on external borrowings.
 - other operating expenses.
- (e) The chief financial officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.

8. FUNDING OF CAPITAL AND OPERATING BUDGET

- (a) The budget may be financed only from:
- (i) realistically expected revenues, based on current and previous collection levels;
 - (ii) cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
 - (iii) borrowed funds in respect of the capital budget only.

9. UNSPENT FUNDS / ROLL OVER OF BUDGET

- (a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- (b) Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- (c) Conditions of the grant fund shall be taken into account in applying for such roll over of funds
- (d) Application for roll over of funds shall be forwarded to the budget office by the 15th of April each year to be included in next year's budget for adoption by Council in May.
- (e) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made at least 30 days (31 May each year) prior the end of that particular financial year.
- (f) No unspent operating budget shall be rolled over to the next budget year

10. BUDGET TRANSFERS AND VIREMENTS

Budget transfers and veriments are dealt with in terms of the councils Budget Veriment Policy.

11. ADJUSTMENT BUDGET

Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.

- (a) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- (b) Council may revise its annual budget by means of an adjustments budget in terms of section 28 of the MFMA and according to the timelines of the Municipal Budget and reporting regulations section 23.
- (c) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- (d) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.
- (e) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.
- (f) An adjustments budget must contain all of the following:
 - (i) an explanation of how the adjustments affect the approved annual budget;
 - (ii) appropriate motivations for material adjustments; and
 - (iii) an explanation of the impact of any increased spending on the current and future annual budgets.
- (g) Any inappropriate surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget, but shall be appropriated to the municipality's capital replacement reserve.
- (h) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- (i) Unauthorised expenses may be authorised in an adjustments budget.
- (j) In regard to unforeseen and unavoidable expenditure, the following apply:
 - (i) the Executive mayor may authorise such expenses in an emergency or other exceptional circumstances in terms of Section 29 of the MFMA;
 - (ii) the authorized amount may not exceed 4 % of the approved own revenue included in the annual budget in respect of such unforeseen and unavoidable expenses;
 - (iii) these expenses must be reported by the Executive mayor to the next Council meeting;
 - (iv) the expenses must be appropriated in an adjustments budget; and
 - (v) Council must pass the adjustments budget within sixty days after the expenses were incurred.

k) New Projects may not be added during the financial year unless it falls within the ambit of unforeseen and unavoidable expenditure and/or an additional allocation received

Funds for SDBIP projects or items may not be removed from the budget through an adjustments budget process unless:

- the necessity thereof is as a consequence of funds that is no longer available or
- a significant reduction in the collection rate substantiates and justifies the removal and
- performance agreements have been amended prior to the removal thereof.

12. BUDGET IMPLEMENTATION

12.1 Monitoring

- (a) The accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
- funds are spent in accordance with the budget;
 - expenses are reduced if expected revenues are less than projected; and
 - revenues and expenses are properly monitored.
- (b) The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Executive mayor for consideration and tabling to Council.
- (c) The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

12.2 Reporting

12.2.1 Monthly budget statements

- (a) The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Executive mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- (i) actual revenues per source, compared with budgeted revenues;
 - (ii) actual expenses per vote, compared with budgeted expenses;
 - (iii) actual capital expenditure per vote, compared with budgeted expenses;
 - (iv) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
 - (v) the amount of allocations received, compared with the budgeted amount;
 - (vi) actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - (vii) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
 - (viii) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
 - (ix) projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.
- (b) The report to the National Treasury must be both in electronic format and in a signed written document.

12.2.2 Quarterly Reports

- (a) The Executive mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

12.2.3 Mid-year budget and performance assessment

- (a) The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- (b) The Accounting officer must then submit a report on such assessment to the Executive mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- (c) The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

13. CONCLUSION

The Director Corporate Services must place on the municipality's official website the following:

- the annual and adjustments budgets and all budget-related documents;
- all budget-related policies;
- the integrated development plan
- the annual report;
- all performance agreements;
- all service delivery agreements;
- all long-term borrowing contracts;
- all quarterly and mid-year reports submitted the Council on the implementation of the budget and the financial state of affairs of the municipality.



TARIFF POLICY

Date of implementation: 1 July 2010

Reviewed and amendments by Council on:

20/04/2011

31/05/2012

29/05/2013

28/05/2014

30/05/2017

30/05/2019

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1. Introduction

Every Municipality is responsible for the drafting and annual revision of a tariffs policy within the framework provided by the Act on Municipal Systems.

2. Purpose

The purpose of the policy is to ensure that:

- o the provisions of section 74 of the Act on Municipal Systems (Act 32 of 2000) are complied with;
- o a properly documented policy is in place to determine how the tariffs of the Witzenberg Municipality are to be determined; and
- o the tariffs are realistic and affordable.

3. Principles

The determination of tariffs should in all instances be based on sound economic principles. The Council's input is to ensure that the tariffs policy be reviewed and modified during the annual budgetary process.

3.1 Basic principles

The following principles, in addition to those enunciated in section 74 of Act 32 of 2000, were considered:

- o Equalisation within the shortest possible time
- o Affordability of service
- o Discouragement of wastage through pricing mechanisms
- o Ensuring adequate cash flow
- o Simple and understandable structure
- o Justifiable structure
- o Transparent structure

3.2 The Municipal account

The accounts for property rates and services may not be viewed in isolation. They must be approached collectively in order to determine the most affordable amount to be paid by different clients as a total account.

3.3 Credit control

It is not possible to successfully calculate a tariffs structure without considering the provisions of an effective credit control system. Similarly, a credit control system cannot function without a sound tariffs policy drafted in support of the problems of indigent persons.

3.4 Costs of the provision of services and the calculation of tariffs

Tariffs must be capable of recovering the costs of the provision of a service. If a service should be run at a loss, there will by necessity have to be cross-subsidising from other services. It is therefore imperative that the tariffs for each service be accurately calculated and that the correct tariffs structure is accepted and implemented.

3.5 Socio-economic factors

As a result of non-payment, local authorities are experiencing problems with their cash flow. One of the most important reasons for non-payment is the failure of tariffs structures to make proper allowance for the socio-economic circumstances of the communities involved. The implementation of pre-paid electricity, as well as “free” water and electricity, partially address this problem.

Clients have been divided into the following categories:

- o Clients unable to make any contribution towards the provision of services and who have to be subsidised fully.
- o Clients who can afford a partial contribution and who need only to be subsidised partially.
- o Users who can fully afford the services.

It is important to identify these categories and to plan the tariffs structures accordingly. The subsidies are derived from two sources, namely:

- o Contributions by the State – The State determine the extent of these contributions from year to year and may increase or lower the contribution, while the needs of the local authority increase annually.
- o Contributions from Municipal funds – These funds must be budgeted for.

Services may also be subsidised from a combination of the aforementioned funds.

The tariffs structure has been compiled in the following manner in order to make provision for subsidising:

- o Fully subsidised in terms of the Indigent policy
- o Full tariff payable.

3.6 Equalisation of principles

In order to accomplish the total legalisation of tariffs, the tariffs must as far as possible be standardised throughout the whole municipality. Unique circumstances of a particular town will, however, play a role in preventing the tariffs from being 100% identical throughout. The principles for the determination of the tariffs should however, never vary.

3.7 Phasing in of new tariffs structures

Time is needed for the phasing in of any new structure. In practice this will mean that different towns will be subjected to different tariff increases during the period of phasing in.

3.8 Profit-taking

The following goals for profit-taking are applicable within Witzenberg.

o	Electricity	-	Profit of 15%
o	Water	-	Profit of 15%
o	Sewerage	-	Profit of 0,5%
o	Refuse removal	-	Profit of 0,5%

3.9 Basic and Availability charges

Tariffs are set in a manner that will ensure sustainability of the service. Therefore basic services charges and service availability charges are levied on every site whether the service is utilized or not. The aim is to recover all fixed costs and a portion of the variable cost of the relevant service

4. Tariffs structure

4.1 Electricity

The following directions of the NER were considered during the drafting of the electricity tariffs structure:

- Tariffs must be economically sustainable.
- Clients must be given a choice of tariffs.
- The tariffs should be based on the costs of delivery, while also complying with the guidelines laid down in NRS 058.
- The tariffs must be transparent and the level of cross-subsidising must be known.
- The tariffs must be comparable with the tariffs of neighbouring suppliers
- The tariffs must be conveniently administered and must reflect the standard of service provision.

NERSA suggested five categories of tariffs to form the basis of the tariffs structure.

Name of Tariff	Tariff Components			
	Minimum levy (Rand/client/month)	Energy levy (Cent/ kWh)	Duration of use of energy tariff (Cent/ kWh)	Demand tariff (Rand/KVA)
Singular energy tariff		√		
Dual tariff	√	√		
Dual time of consumption tariff	√		√	
Tripartite tariff	√	√		
Tripartite time of consumption tariff	√		√	√

The structuring of the tariffs structure for the provision of electricity, with due consideration of the NER directions, is based on the following principles:

- Structure is divided into client groups;
- A costing structure is allocated to each client group;
- Five tariffs structures and components were used as per the NER's directions;
- Profit-taking of the existing tariffs in the new structure;
- Phasing in of existing tariffs into new structure.

4.1.1 Client groups

The tariffs structure is divided into the following client groups:

- Residential clients
- Commercial clients
- Industrial clients
- Rural clients
- Large-scale clients

The classification of the client is left up to the client himself, and will largely be determined by the client's own needs.

- Street lights and sports bodies are identified as a special group.

4.1.2 Tariffs structures

The following tariffs are used:

- Availability tariff

This tariff is levied on all vacant premises with the potential of being linked to the municipal services.¹

The availability tariff is levied monthly or part thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

- Singular energy tariff

This structure is only available to clients who are residential, street lights or sports bodies. The tariff is based on the quantity kwh consumed. Provision is made for the following varying sizes of connections:

- Pre-paid meters up to 1 X 40A
- Single phase
- Three-phase

It is up to the client to decide which connection meets his particular requirements. Depending on the consumption of kWh, the client should decide whether a single-phased tariffs structure will suit his requirements better than a dual tariffs structure. The cut-off point is approximately 1 000kwh consumption.

- Dual tariff

This tariffs structure is available for commercial, rural and residential clients. The tariff consists of a minimum component and an energy component.

The minimum levy is a levy per month, or portion thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

The energy component is based on the kWh consumed from one reading to the next.

Two sizes of residential connections are provided:

- single phase
- three phase.

For the commercial client a distinction is made between single and three-phase supplies as well as between the following sizes per phase:

20A
40A
60A
80A
100A
150A
200A
250A

Rural clients are divided into smaller than 25KVA, larger than 25KVA but smaller than 50KVA and larger than 50KVA to a maximum of 100KVA. The energy tariff is divided into two tariffs, i.e. fewer than 1000 units and more than 1000 units during a period measured from one reading to the next.

¹ Amended by council on 28 May 2014

- Tripartite tariff

This tariffs structure is available to commercial, industrial, rural and large-scale clients.

As with the dual structure, the levies are based on a minimum as well as an energy levy. Additionally, however, a demand levy is imposed, based on the client's maximum demand during the previous month.

Within the groups, a distinction is made between:

- Bigger than 1MVA high tension
- Smaller than 1MVA high tension
- Low tension

- Tripartite tariff for time of use

This tariffs structure is exactly the same as the tripartite tariff. It is also available to the same groups of clients. The only difference is that the time of consumption is linked to the tariff. The client has to apply for this tariff, usually following a thorough examination by him.

- SSEG Tariffs

The Municipality aims to implement SSEG tariffs which both cover municipal costs (fixed and variable) in different tariff categories, and will also be cognizant of a reasonable return-on investment for the SSEG customer. The tariff will be implemented only once NERSA has approved such a tariff.

4.2 Water

4.2.1 Client groups

Recovery of the costs of the water service is not based only on consumption and the type of client, but also on the extent to which the client has access to the service and what the service must provide for, as well as the actual consumption. The principle of equity is taken into account when the client groups are classified.

Clients are classified in accordance with the size of their connections to the main supply. By classifying the client in accordance with the size of the connection, a more equitable basis for contributions towards costs is obtained than when a tariff is simply allocated to a certain type of consumer. In this way, cross-subsidising is largely eliminated.

2.2 Tariffs structures

The following tariffs structures will be in existence:

- Availability levy on all vacant premises within the town areas linked to the water network.
- Minimum levies for every size of connection with distinction being made between the following sizes:

Size of connections	Factor
Vacant premises	1.64
0-25mm	1.00

26-50mm	11.45
51-80mm	28.92
81-100mm	45.78
101-150mm	102.41
Client consuming > 20 000 kl./per month	2228.92
Un-metered connections	3.37

- The consumption tariff is a block tariff, with the client able to choose between block A and B:

- Block A**

Consumption	Factor
0-6	0.32
7-30	0.92
31-60	0.92
61-300	0.92
Above 300	3.19

- Block B**

Consumption	Factor
0-300	1.00
301-1000	1.00
1001-8000	0.97
Above 8000	0.97

- Block C** (Only for consumers with consumption of over 20 000 kilolitres per month)

Consumption	Factor
0-20 000	0
Above 20 000	0.31

- Block D** (Only municipal consumption)

Consumption	Factor
Above 0	0.26

The block tariffs should encourage consumption, but discourage abuse, with Block A for residential clients and Block B for commercial clients. The choice nevertheless remains the client's. The third block is clients with consumption of over 20 000 kilolitres per month.

The above factors will be phased out as the water demand is growing in relation to the water supply.²

- Pre-paid water tariff – This tariff is calculated together with the other tariffs with a factor of 0.85.
- Municipal tariff – A departmental tariff based on the size of the connection is levied together with a consumption tariff. The departmental levy is aimed at the mere recovery of maintenance and running costs. In calculating this, loan costs, administrative levies, provision for bad debts and profit-taking are not considered.

The availability and minimum levies are levied monthly or part thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

² Amended by Council resolution 30/05/2017

If a client on Block A consumption is higher than 300 kl of water per meter reading cycle, then that client may apply for relief if the client can proof that leakage existed. The relief application will be considered based on the following criteria:

- (a) Usage portion of the client indicated that the clients consumption prior to the leakage was less than 300kl and
- (b) Proof can be provided of the cost of repair of the leakage.

The account will be adjusted as follow:

A	=	Usage during period of meter reading (can be more than one period)
B	=	300
C	=	Tariff of Block A for consumption (61 – 300)

Formula: _____ $A - B \times C$

If a client's consumption increased due to a leakage, an average consumption can be charged for a period not exceeding 3 months on submission of proof that the leakage existed and was subsequently repaired.

That the authority for the approval of the relief be assigned to the Manager: Income or Chief Financial Officer.³

Clients are entitled to one claim in a financial year for relief for high water accounts caused by leaking pipes and fittings. Any additional applications can only be approved by the Chief Financial Officer.⁴

4.2.3 Calculation of tariffs during water restrictions

Council determine water saving tariffs with the annual budget and tariff approval process. Provision is made for moderate and extreme restrictions.

4.3 Refuse removal

No distinction is made between fixed and variable costs in the costing structure of refuse removal.

The total costs are divided amongst the clients in relation to the municipal valuation of residential property.

All other consumers are billed according to the size and number of wheelie bins removed.

Where more than one dwelling unit **or business unit**, as defined in the Council's zoning scheme regulations, is situated on a premises (such as a semi-detached dwelling or a block of flats etc.) each such a dwelling unit or **each business unit** shall for the purpose considered to be a consumer. This will be measured by electricity connection. Dwelling or business unit is define as a formal structure with a building plan. That discretion for possible exemption be given to the Accounting Officer regarding this paragraph to evaluate on a case by case basis. ?????? should be removed

The unit of measurement will be reflected in approved tariffs.4.3.1 Client groups

³ Amended by Council resolution 27/8/2014

⁴ Amended by Council resolution 30/05/2017

The following client groups are distinguished:

- ◆ Non Residential Clients with one removal per week
- ◆ Non Residential Clients with two removals per week
- ◆ Non Residential Clients with three removals per week
- ◆ Residential Clients with one removal per week

4.3.2 Tariffs structure

A minimum tariff equal to one removal per week is levied on all commercial and industrial clients, irrespective of whether the service is utilised or not.

All levies are levied monthly or part thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

Non Residential Clients are compelled to use wheelie bins for refuse removal purposes. The minimum monthly charge will be equal to the charge for a 240L Wheelie Bin.

4.4 Sewerage

Different types of services provided by the Municipality are in existence in respect of sewerage. These include a water-closet system and a suction-drain system, primarily in Prince Alfred's Hamlet.

4.4.1 Costs structure and client groups

In order to determine a basis for the equitable sharing of costs, each client group's share in the costing structure should be considered.

Potential dumping is used as the fairest method. The client is levied in accordance with his dumping potential. This is determined by the size of the water connection to the property. The client with a bigger connection has the ability to dump more water into the sewerage system. The quantity of water used is not taken into account.

As sewage sludge is based on the flow of water, the costs are largely incurred in respect of the dumping into the sewage works and the treatment of the substances.

The following categories are distinguished:

- <20mm water connection
- 21-50mm water connection
- 80mm water connection
- 100mm water connection
- 150> water connection

A special category was created for Qbiqua Prison.

⁶Where more than one dwelling unit or business unit, as defined in the Council's zoning scheme regulations, is situated on a premises (such as a semi-detached dwelling or a block of flats etc.) each such a dwelling unit or each business unit shall for the purpose of this be considered to be a consumer. This will be measured by electricity connection. Dwelling or business unit is defined as a formal structure with a building plan. That discretion for possible

⁶ Amended by Council resolution on 30/05/2019

exemption be given to the Accounting Officer regarding this paragraph to evaluate on a case by case basis.?????????????????- Should be removed

4.4.2 Water-closet system

For the purposes of classification where one connection is in place but more than one usage are separately operated on the premises, each separate usage is regarded as a connection in accordance with the classification under which such usage would normally be connected, but not bigger than the connection that serves the premises.

Examples of these are flats, shopping centres where sub-letting takes place and a residential house with a separate flat.????????????????

All levies are a monthly levy, or part thereof, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

The unit of measure is:

- Percentage of water consumption.
- Percentage of water consumption plus costs for strength of disposal.

A monthly availability levy is imposed on vacant premises where the possibility exists for the connection of a water-closet system to the main sewerage system. The tariff is calculated by dividing the total loan costs by the number of clients (built-up and vacant premises) and to divide that figure by twelve.

4.4.3 Suction-drain system

The suction-drain system is based on usage. Seepage systems which are never sucked make no contribution towards the costs of the service, although the service must still be provided. Fixed costs are accordingly recovered by consumer's tariffs and not by a fixed levy.

The suction-drain service structure entails the following:

- ◆ Availability levies are recovered monthly from all built-up properties in Prince Alfred's Hamlet.
- ◆ Variable costs which recover vehicle and personnel costs, are levied per suction service provided.
- ◆ A distinction is made between areas inside and outside the town area.

Based on vehicle costs, a kilometre tariff is recovered from clients outside the town area.

All levies, with the exception of the kilometre tariff and suction-drain service tariff, are imposed monthly or pro rata on both water-closet and suction-drain services, provided that where a resident is connected after the 15th of a month, a levy will only be imposed on the following month's account.

4.5 Property rates

The general valuation roll for Witzenberg will come into effect on 1 July 2013.⁷ The Municipality has at its disposal a rates policy which addresses the following:

- ◆ Criteria for differentiated property rates categories
- ◆ Differentiated tariffs

The purpose of property rates is to recover costs that cannot be redeemed by tariff-recovering services or direct revenue.

⁷ Amended by Council resolution 30/05/2017

5. Sundry Tariffs

The principles expounded for tariff construction, are also applicable to diverse tariffs.

5.1 Resorts

The full costs of the resorts must be recovered by the tariffs so that they place no further burden on the inhabitants of Witzenberg, while at the same time the utilisation of the resorts should be encouraged. The costs of the swimming baths within the resorts form part of the resorts' costs.

The following tariff groups are distinguished:

- Chalets or houses
- Caravan sites
- Semi-permanent camping sites
- Day visitors/motor vehicles
- Renting of conference facilities and halls

A distinction is also made in respect of seasons and the following seasons are defined:

High season

The period of 26 days during the December and January school holidays. Exact dates are determined from year to year

And

The four days coinciding with the Easter weekend during March or April.

In-season

From the commencement of the Western Cape's school holidays during September until the end of April, excluding the high seasons indicated above.

Off-season

All other days, excluding high season and in-season.

A further distinction exists between weekends and weekdays in the event of high season and in-season. No such distinction exists during the off-season.

The following rebates will be given:

- (a) Rebate of 25 % for bookings during weekdays except in school holidays of the Western Cape;
- (b) Pensioners qualifies for a rebate of 50 % in off-season;
- (c) Students accompanied by parents receives 12 % discount on day visit tariffs;
- (d) 50 % rebate for bookings of conference facilities where 5 or more chalets or houses are booked and occupied.

The Director: Community Services may use his/her discretion in terms of the delegation of powers to grant rebates other than stipulated above based on occupation rate and tourism potential.

5.2 Tariffs for halls

Tariffs are levied for the use of municipal halls (e.g. Community halls).

5.2.1 Tariff

All halls must be graded in accordance with their size, condition and available facilities, in the following grades:

A-grade	=	100%
B-grade	=	75%
C-grade	=	50%

The tariffs are determined on the basis of economical and equitable rent and are calculated as follows:

- Costs of personnel and equipment utilised from time to time during use of the hall and preparations and tidying-up activities, to be calculated on the same basis for each property.
- Letting of property, which will vary per grouping (e.g. eating utensils, etc.).
- Categories of functions.

5.2.2 Deposits

Sufficient deposits must be obtained for each letting to cover not only the Municipality's costs, but also to provide for breakage.

5.2.3 Letting periods

Letting is to be divided into morning, afternoon and evening sessions while preparation and tidying up are also provided. This division is retained and is defined as follows:

- Morning session - from 08:00 – 13:00, including preparation and tidying up
- Afternoon session – from 13:00 - 18:00, including preparation and tidying up.
- Evening session - from 18:00 – 24:00, including preparation and tidying up.
- A pro-rata contribution must be paid, in addition to the letting fee, for every hour or portion thereof falling outside those indicated above.

5.2.4 Free of Charge

The Library Halls may be provided free of charge to the following organisations:

- Youth
- Charity
- Community
- Sport
- Education
- Government and
- Local management meetings of political parties

Community halls may be provided free of charge twice a quarter per party which are represented in the Council, which may be used for political meetings with the community. The political party must however give notice in writing to the Accounting Officer.

The provision is subject to the availability of the facility and will be dealt with accordingly to priority of application based on time of receipt of the application.

5.3 Fees for Cemeteries

Cemetery fees are based on the following:

- Value of land
- Costs of preparing grave
- Maintenance in future
- Costs of digging and closing up of grave (should the family not do so)
- A premium on the sale of the grave to a non-inhabitant of Witzenberg.

As only one costing centre is used, the costs for the preparation of a grave must be the same at all cemeteries. Exceptions, however, may be made in relation to ground formation in respect of the digging of the grave. In order to provide for those who cannot afford the full tariff, a subsidy is to be calculated that is based on specific criteria, and be included in the Municipality's indigent policy.

5.4 Other

The other diverse tariffs must, wherever possible, be determined on actual costs plus a percentage.

6. Rebates

The Municipality provides rebates to people or organisations that assist with economic growth within Witzenberg by the creation of new structures or by additions to existing buildings and the creation of job opportunities.

The person or organisation who wants to apply for the rebate must do so that the application speaks to the criteria extent and conditions as stipulated below:

6.1 Criteria

The person or organisation must create new or extend building and create new job opportunities. The investor must apply for the rebate and provide at least the following information in writing:

- Total cost of building plan
- Total number of jobs created after completion of building phase
- Number of Directors
- Number of Directors classified as historically disadvantaged individuals HDI

The criteria and weights for evaluating the application are as follow:

Criteria	Points
Improvement value of Buildings extended	60
Job opportunities	30
HDI points based on Directors	10

The allocation of points will be as follow:

Improvement value of extension

1 Point for every R80,000.00 of value added

Job opportunities

2 Points for every permanent new job opportunity created, and

1 Point for every seasonal job opportunity created

HDI points

The percentage of the number of HDI directors is used as a basis to allocate a point out of 10.

The applicant must score at least 50 points to qualify for a rebate. The applicant must be prepared that an audit be performed at any stage during the period when the rebates are allocated. If at any stage it is found the applicant do not meet the requirements then the rebate will be stopped immediately.

6.2 Extent

Two categories of rebates exist. A minimum of 75 points must be obtained to qualify for a category A rebate.

The rebate will be for a period of 5 years and will be as follow:

	Rebate A Percentage rebate	Rebate B Percentage rebate
Year 1	25 %	15 %
Year 2	20 %	12 %
Year 3	15 %	9 %
Year 4	10 %	6 %
Year 5	5 %	3 %

The rebate will be applicable on all service charges as well as property rates.

The rebate will only be applicable on the additional services account of the applicant to the original account.⁸

7. Conclusion

In drafting any tariffs policy, the principles enunciated above must be applied in order to determine the equity of the tariff. However, irrespective of the fairness or equity of the tariff, huge problems will be encountered with maintaining and continuing a service if the tariff is not affordable to a large portion of the clients.

⁸ Recommended amendment Council 25/03/2020



PROPERTY RATES POLICY

FORMULATED IN TERMS OF SECTION 3 OF
THE LOCAL GOVERNMENT: MUNICIPAL
PROPERTY RATES ACT, NO. 6 OF 2004

Date of Implementation: 01 July 2010

***OUR VISION: "A MUNICIPALITY THAT CARES FOR ITS COMMUNITY,
CREATING GROWTH AND OPPORTUNITIES"***

*Amended by Council 30/05/2017
Amended by Council 18/05/2016
Amended by Council 15/06/2010
Amended by Council 28/05/2009*

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1. LEGISLATIVE CONTEXT

- 1.1 This policy is mandated by Section 3 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended, which specifically provides that a municipality must adopt a Rates Policy.
- 1.2 In terms of Section 229 of the Constitution of the Republic of South Africa, 1996 (No.108 of 1996), a municipality may impose rates on property.
- 1.3 In terms of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended a municipality in accordance with-
- a. Section 2(1), may levy a rate on property in its area; and
 - b. Section 2(3), must exercise its power to levy a rate on property subject to-
 - i. Section 229 and any other applicable provisions of the Constitution;
 - ii. the provisions of the Property Rates Act; and
 - iii. the rates policy.
- 1.4 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000), the municipality has the right to finance the affairs of the municipality by imposing, *inter alias*, rates on property.
- 1.5 In terms of Section 62(1)(f)(ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) the municipal manager must ensure that the municipality has and implements a rates policy.

2. DEFINITIONS

- 2.1 **Act** means the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended.
- 2.2 **Municipality** means the municipal council for the municipal area of Witzenberg.
- 2.3 **Pensioners** mean natural persons 60 years old or older.¹
- 2.4 **All other terms** are used within the context of the definitions contained in the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) as amended.

¹ Added on 30 May 2017

3. POLICY PRINCIPLES

- 3.1 Rates are levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 3.2 As allowed for in the Act, the municipality has chosen to differentiate between various categories of property and categories of owners of property. Some categories of property and categories of owners are granted relief from rates. The municipality however does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis, other than by way of an exemption, rebate or reduction provided for in this policy.
- 3.3 There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation.
- 3.4 The rates policy for the municipality is based on the following principles:
- (a) Equity
The municipality will treat all ratepayers with similar properties the same.
 - (b) Affordability
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates.
 - (c) Sustainability
Rating of property will be implemented in a way that:
 - i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality; and
 - ii. supports local social economic development
 - (d) Cost efficiency
Rates will be based on the value of all rateable property and the amount required by the municipality to balance the operating budget after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage removal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

4. SCOPE OF THE POLICY

This policy document guides the annual setting (or revision) of property rates. It does not make specific property rates proposals. Details pertaining to the applications of the various property rates are published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

5. APPLICATION OF THE POLICY

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

6. CATEGORIES OF PROPERTY

~~6.1 Criteria for determining categories of properties for the purpose of levying different rates and for the purpose of granting exemptions will be according to the permitted use of the property~~

6.1 The municipality has determined categories of rateable properties based on the following criteria:

- a. Use of the property
- b. For properties used for multiple purposes, the Municipality may apply the category of multiple use. For such properties the Municipal Valuer as appointed by the Municipality, will apportion a value to each distinct use of said property and apply the appropriate category for billing at the applicable rate.²

6.2 Categories of property for the municipality include-

- (a) residential properties
- (b) industrial properties
- (c) business and commercial properties
- (d) agricultural properties
- (e) mining properties
- (f) properties owned by an organ of state and used for public service purposes
- (g) public service infrastructure properties
- (h) properties owned by public benefit organisations and used for specified public benefit activities

² Recommended for amendment

- (i) properties used for multiple purposes, subject to Section 9; or
- (j) any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by notice in the Gazette.”³
- (k) **Vacant Land**⁴

7. CATEGORIES OF OWNERS

7.1 Criteria for determining categories of owners of properties, for the purpose of granting exemptions, rebates and reductions will be according to the-

- (a) indigent status of the owner of a property
- (b) sources of income of the owner of a property
- (c) owners of property situated within an area affected by-
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii. any other serious adverse social or economic conditions;
- (d) owners of residential properties with a market value below a determined threshold;
- (e) owners of agricultural properties who are *bona fide* farmers; or
- (f) pensioners⁵

7.2 In determining whether a property forms part of a particular category indicated below, the council shall have regard to the actual zoning-use or permitted use of the property to which the relevant property is put. Vacant land is included in its own category, irrespective of the permitted use of the property. A change in zoning may result in a change in the category of the property. In table 1 the different usage is listed against the rating categories.

7.3 Business, commercial and/or industrial improvements on agricultural properties will be rated separately from the rest of the property according to the zoning and/or consent uses of the improvement.

³ Amended by Council on 27/02/2017 in terms of amendments to the Act

⁴ **Proposed for Amendment**

⁵ Added on 30 May 2017

Table 1

Rating categories	Use codes
Residential Property	GEN RES
	GROUP HOUSE
	RES
	RES 1
	RES 2
	RES 3
	RES 4
	SIN RES
	RESORT 2
	AGRI 1/ROS 2
	RURAL RESIDENTIAL ZONE I
	SINGLE RESIDENTIAL ZONE I
	SINGLE RESIDENTIAL ZONE II
	GENERAL RESIDENTIAL ZONE I
	GENERAL RESIDENTIAL ZONE II
	GENERAL RESIDENTIAL ZONE III
	GENERAL RESIDENTIAL ZONE IV
	GENERAL RESIDENTIAL ZONE V
	AGRICULTURAL ZONE III
Informal Settlements	INF RES
Business/Commercial Property	BUS
	BUS 1
	BUS 2
	BUS 4
	BUS 5
	CEMETERY
	COM
	EDUC
	GUEST HOUSES
	INST
	INST 1
	INST 2
	INST 3
	LOC BUS
	OPEN S1
	OPEN S 2
	OPEN S 3
	PARKING
	RES 5

Rating categories	Use codes
	RESORT 1
	ROS 1/ OPEN S 3
	BUSINESS ZONE I
	BUSINESS ZONE II
	BUSINESS ZONE III
	BUSINESS ZONE IV
	BUSINESS ZONE V
	BUSINESS ZONE VI
	RESORT ZONE I
	OPEN SPACE ZONE II
	OPEN SPACE ZONE III
	OPEN SPACE ZONE IV
	TRANSPORT ZONE III
	RENEWABLE ENERGY ZONE
	TELECOMMUNICATION STATION ZONE
	UNDETERMINED ZONE
Industrial property	IND
	IND 1
	IND 3
	INDUSTRIAL ZONE 1
	INDUSTRIAL ZONE II
	INDUSTRIAL ZONE III
	INDUSTRIAL ZONE IV
	UNDETERMINED ZONE
Agricultural Properties:	
Bona fide Agricultural	AGRI 1/RES 1
	AGRI 1/RES 2
	AGRI 1/SERVT
	AGRI 1
	AGRI 1/OS 2
	AGRI 1/OS 3
	AGRI 1
	AGRI 1/INST ⁶
	AUTH
	AGRICULTURAL ZONE I
Agricultural / Business	AGRI 1/BUS 2/RES 5
	AGRI 1/ROS 1/RES 5
	AGRI 1/BUS 2
	AGRI 1/RES 5

⁶ Updated by Council 29/05/2013 with effect from July 2012

Rating categories	Use codes
Agricultural / Industrial	AGRI 1/AGRI 2
	AGRI 1/IND 1
	AGRI 1/IND 2
	AGRI 2
	AGRICULTURAL ZONE II
State Owned Property	AGRI 1
	AUT
	BUS
	EDUC
	GEN RES
	INST
	INST 1
	INST 2
	INST 3
	LOC BUS
	OS 1
	OS 2
	OS 3
	OS
	RES
	RES 1
	SERV
	SIN RES
	SPORT
	TRANS
	TRANS 1
	TRANS 2
	TRANS 3
	UNDET
	COMMUNITY ZONE I
	COMMUNITY ZONE III
TRANSPORT ZONE I	
TRANSPORT ZONE II	
AUTHORITY ZONE	
Municipal Property	AGRI 1
	AUT
	BUS

Rating categories	Use codes
	EDUC
	GEN RES
	INST
	INST 1
	INST 2
	INST 3
	LOC BUS
	OS 1
	OS 2
	OS 3
	POS
	RES
	RES 1
	SERV
	SIN RES
	SPORT
	TRANS
	TRANS 1
	TRANS 2
	TRANS 3
	UNDET
	COMMUNITY ZONE IV
	OPEN SPACE ZONE I
AUTHORITY ZONE	
Vacant Land - Urban	VACANT
	POS
Public Service Infrastructure	SERV STAT
	TRANS
	TRANS 1
	TRANS 2
	UNDET
Place of worship	COMMUNITY ZONE II⁷

⁷ Zonings in terms of new zoning scheme approved 26 May 2021

8. DIFFERENTIAL RATING

- 8.1 Criteria for differential rating on different categories of properties will be according to-
- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
 - (b) The promotion of social and economic development of the municipality.
- 8.2 Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category.

8.3 Rates ratios to be applied

The rates ratio in relation to residential properties to be applied on non-residential properties is set in the table 2 below:

Table 2:

Categories	Ratio in relation to residential Property ⁸
Residential Property:	
Bona Fide residential	1:1
Informal settlements	1:1
Business / Commercial property:	1:1.81
Industrial Property	1:1.76
Agricultural Properties:	
Bona Fide Agricultural	1:0.16
Agricultural/Business	1:1.81
Agricultural / Industrial	1:1.76
State owned Property	1:1.63
Vacant Land – Urban	1:1.50
Public Service Infrastructure	1:0.25
Building clauses	1:1.25

⁸ Updated in line with proposed tariffs

9. EXEMPTIONS

9.1 The following categories of property are exempted from rates:

- (a) Municipal properties
Municipal properties are exempted from paying rates as it will increase the rates burden or service charges to property owners or consumers.

- (b) Public Benefit Organisations
The following Public Benefit Organisations may apply for the exemption of property rates subject to producing a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (No 58 of 1962):
 - i. Welfare organisations
Properties owned by not for gain institutions or public benefit organisations and are solely use for the benefit of the institution and or for charitable purposes and performs welfare and humanitarian work as contemplated by part 1 of the ninth Schedule of the Income Tax Act (Act 58 of 1962). Council may grant a rebate as of 100% in the case of Inst. 2 uses and 50% in the case of Inst. 3 users.

 - ii. Animal welfare
Property owned or used by institutions/organisations whose exclusive aim is to protect birds, reptiles and animals on a not-for-gain basis.

- (c) In terms of section 17(i) of the MPRA, the council do not levy a rate on the property registered in the name of and used primarily as a place of public worship by a religious community, including an official 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 exclusion lapses if not used for the purposes as indicated above.)

- (d) **Public Service Infrastructure properties (PSI)**

The Municipality will apply the rate ratio as set out in the MPRA (Definitions, Sections 17 (1) (a) and 17 (1) (a)(A) and the Regulations) to public service infrastructure.⁹

⁹ Sub-paragraph recommended for inclusion

9.2 Exemptions will be subject to the following conditions:

- (a) all applications must be addressed in writing to the municipality;
- (b) a SARS tax exemption certificate must be attached to all applications;
- (c) the municipal manager or his/her nominee must approve all applications;
- (d) applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought; and
- (e) the municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false.

10. REDUCTIONS

10.1 A reduction in the municipal valuation as contemplated in section 15(1)(b) of the Act will be granted where the value of a property is affected by-

- (a) a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
- (b) any other serious adverse social or economic conditions

10.2 The reduction will be in relation to the certificate issued for this purpose by the municipal valuer.

10.3 All categories of owners can apply for a reduction in the rates payable as described above

11. REBATES

Categories of property

(a) Business, commercial and industrial properties

- i. The municipality may grant rebates to rateable enterprises that promote local, social and economic development in its area of jurisdiction, based on its Local, Social and Economic Development Policy and as included in the council tariff policy.
- ii. Rebates will be granted once an application was received and approved by the municipal manager or his/her delegate.

(b) Conservation Land

No rebates are granted to privately owned properties whether designated or used for conservation purposes.

(c) Historical or heritage properties

No rebates are granted other than residential rebates if appropriate.

(d) Cemeteries.

Privately owned cemeteries received a rebate of 50% and must be exclusively be used for the purpose of a cemetery.

(e) Residential Properties.

The Municipality will not levy a rate on the first value up to R 120 000 of the market value as per the Valuation Roll of Residential Properties, as follows:

- on the first R15 000 on the basis set out in Section 17(1)(h) of the MPRA; and
- on the balance of the market value up to R105 000 in respect of residential properties, as an important part of the Councils indigent relief measures aimed primarily at alleviating poverty amongst those persons owning low-value properties.¹⁰

(f) Other properties: informal settlements; industrial properties; business and commercial properties. (Refer to paragraph 6.2)

The Municipality will not levy a rate on the first value up to R120 000 of the market value as per the Valuation Roll of informal settlements, industrial properties or business and commercial properties as categorise in paragraph 6.2.¹¹

(g) Pensioners may qualify for a rebate of 50% on residential property.

- Pensioners may qualify for a rebate of 50% on residential property in terms of councils' policy.
- Only the primary property of the owner will qualify for the 50% rebate.¹²
- Only persons 60 years and older will qualify for the 50% rebate.¹³

¹⁰ Subsection (e) added by Council 18/05/2016

¹¹ Subsection (f) added by Council 18/05/2016

¹² Amended by council 26/05/2021

¹³ Amended by council 26/05/2021

- Rebates will be granted once an application was received and approved by the municipal manager or his/her delegate.¹⁴

12. MULTIPLE-USE PROPERTIES

Properties with split zoning and/or consent use (properties used for multiple purposes) as per Section 9 of the MPRA will be categorised separately for each distinct use as determined by the Municipality and applied for billing at the appropriate and applicable rate.¹⁵

13. RATES INCREASES

- (a) The municipality will consider increasing rates annually during the budget process in terms of the guidelines issued by National Treasury from time to time.
- (b) Rate increases will be used to finance the increase in operating costs of community and subsidised services.
- (c) Affordability of rates to ratepayers.
- (d) All increases in property rates will be communicated to the local community in terms of the municipality's policy on community participation.

14. NOTIFICATION OF RATES

- (a) The municipality will give notice of all rates approved at the annual budget meeting at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days' notice will be based on the new rates.
- (b) A notice stating the purport of the municipality's resolution and the date on which the new rates become operational will be displayed by the municipality at places installed for that purpose.

15. PAYMENT OF RATES

- 15.1 Liability for and payment of rates is governed by the MPRA and the Municipality's Credit Control and Debt Collection Policy and By-Laws as well as any other applicable legislation.¹⁶

¹⁴ Paragraph (g) - added by Council 30/05/2017

¹⁵ Amended by council 26/05/2021

¹⁶ Paragraph 16.1 added by Council 18/05/2016

- 15.2 Ratepayers may choose, not later than 31 August in any financial year, or such later date in such financial year as may be determined by the municipal manager or his/her nominee, between paying rates annually in one instalment on or before 30 September or in twelve equal instalments on or before the 15th day of the month following on the month in which it becomes payable.¹⁷
- 15.3 An owner is liable for payment of a rate whether or not that person has received a written account. The furnishing of accounts for rates in terms of this section is subject to section 102 of the Municipal Systems Act.¹⁸
- 15.4 A rate levied by a municipality on a sectional title unit is payable by the owner of the unit.¹⁹
- 15.5 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the credit control, debt collection and indigent policy of the municipality.
- 15.6 If a property owner, who is responsible for the payment of property rates in terms of this policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control, Debt Collection and indigent policy of the Municipality.
- 15.7 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act.
- 15.8 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 15.9 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

¹⁷ Paragraph 16.2 amended by Council 18/05/2016

¹⁸ Paragraph 16.3 added by Council 18/05/2016

¹⁹ Paragraph 16.4 added by Council 18/05/2016

16. CLEARANCE CERTIFICATES

- (a) Are issued in terms of Section 118 (1) (a) of the Local Government: Municipal Systems Act, 2000, Act No. 32 of 2000, and will be valid for a period of 60 days from the date it has been issued.
- (b) Are issued within 7 working days after receipt of the applicable fees and receipt of the clearance application form.
- (c) Are issued when all amounts due in connection with that property for municipal fees, surcharges, property rates and other municipal taxes, levies and duties have been fully paid.
- (d) All rates in respect of the financial year when the transfer is reasonably expected are immediately payable.
- (e) If an amount liable for rates and services in respect of a property is outstanding and the property needs to be transferred, a rates clearance certificate will only be issued upon payment of the current account and after completion of an agreement by the new owner for any municipal services in arrears, subject to Council's Credit Control and Debt Collecting Policy in respect of the following transfers:
 - (i) Transfer of a property from the Municipality to the new owner;
 - (ii) Transfer of a property from one spouse to the other;
 - (iii) Transfer of a property from the owner (parent) to a child.²⁰

17. REGULAR REVIEW PROCESSES

The rates policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

18. SHORT TITLE

This policy is the Property Rates Policy of the Witzenberg Municipality.

19. ENFORCEMENT/IMPLEMENTATION

This policy has been approved by the Municipality and came into effect from 1 July 2009.

²⁰ Paragraph 17 added by Council 18/05/2016



CREDIT CONTROL & DEBT COLLECTION POLICY

***OUR VISION: "A MUNICIPALITY THAT CARES FOR ITS COMMUNITY, CREATING
GROWTH AND OPPORTUNITIES"***

Date of implementation: 01 July 2008

Latest review and updates by Council on 30/05/2019

Reviewed and amended by Council 29/05/2019
Reviewed and amended by Council 28/05/2014
Reviewed by Council 29/05/2013
Reviewed by Council 31/05/2012
Reviewed by Council 28/09/2011
Reviewed by Council 20/04/2011
Reviewed by Council 15/06/2010
Council 28/05/2009 Item 8.1.2
Council 04/08/2008

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PREAMBLE

WHEREAS Section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 (*the Constitution*) provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

AND WHEREAS Section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

AND WHEREAS Section 195 (1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including-

- the promotion of the efficient, economic and effective use of resources;
- the provision of services impartially, fairly, equitably and without bias; and
- the fact that people's needs must be responded to.

AND WHEREAS Section 4 (1) (c) of the Local Government: Municipal Systems Act 33 of 2000 (*the Systems Act*) provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties;

AND WHEREAS Section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS Section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Chapter 9, Sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority.

The Witzenberg Municipal Council, at its meeting of 28May 2008adopts this policy to be known as: The Witzenberg Municipality Credit Control and Debt Collection Policy". This policy replaces that policy in its entirety.

1. DEFINITIONS

In this policy, unless the context indicates otherwise, the word or expression has the following meaning:

- 1.1 “**Accounting Officer**” The Municipal Manager appointed in terms of Section 82(1) (a) or (b) of the Municipal Structures Act, 1998 (Act No. 117 of 1998);
- 1.2 “**Actual consumption**” means the measured consumption of a consumer of a municipal service during a specified period;
- 1.3 “**Arrangements**” means a formal agreement entered into between the Council and a debtor where specific repayment parameters are agreed to.
- 1.4. “**Arrears**” mean any amount due, owing and payable by a customer in respect of a municipal account not paid on the due date;
- 1.5. “**Average consumption**” means the deemed consumption of a customer of a municipal service a specific period, which consumption is calculated by adding the recorded monthly average consumption and the current actual consumption and dividing the total by 2;
- 1.6. “**Bank guarantee**” refers to an undertaking by a registered financial institution whereby it guarantees a specified maximum amount to be paid if the principal debtor (the consumer) fails to pay;
- 1.7. “**Calculated amounts**” refers to the amounts calculated by the Chief Financial Officer, in consultation with the relevant technical departments, to be due to the Council by a consumer in respect of the supply of the applicable municipal services for any period during which the exact quantity of the supply cannot be determined accurately for reasons beyond the control of the Chief Financial Officer. This shall normally be based on the average consumption figures, if available, for the service rendered to the customer or, failing the availability of such data, on the average consumption figures applicable to one or more properties of similar size and nature in the area in which the customer resides or carries on business;
- 1.8. “**Charges**” refers to charges incurred by the municipality to collect arrears;
- 1.9. “**Chief Financial Officer**” refers to the person so designated in terms of Section 75(2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) or any person duly authorised to act on behalf of such person and shall have the same meaning as Strategic Executive Manager: Finance or City Treasurer;
- 1.10. “**Consolidated account**” refers to one combined account for all municipal services, housing rents and instalments, rates and basic charges payable, and “**consolidated bill**” has a corresponding meaning;
- 1.11. “**Consumer**” means a customer;

- 1.12 **“Conventional electricity and water meters means** “electricity and/or water meters, as the case may be, which are used to determine the supply of electricity and water and which are normally read on a monthly or other fixed interval basis;
- 1.13 **“Council”** refers to The Witzenberg Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to this policy;
- 1.14 **“Councillor”** refers to any member of a municipal council;
- 1.15 **“Credit Control ”**refers to all functions relating to the collection of monies owed by customers and users of municipal services.
- 1.16 **“Customer”** refers to any occupier of any premises to which Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;
- 1.17 **“Defaulter”** refers to any customer owing the municipality money in respect of rates and / or service or sundry charges; not paid on the due date as stipulated on the account or on the agreement. The owner will be held responsible for occupiers / tenants, arrear accounts, for water, electricity and any other service or sundry accounts;
- 1.18 **“Deposit”** refers to a minimum sum of money specified by the Chief Financial Officer and payable by the consumer to the Municipality prior to occupation of the property or prior to the date on which services to the property are required;
- 1.19 **“Due date”** in the absence of any express agreement in relation thereto between the Council and the customer, refers to the date stipulated on the account and determined from time to time as the last date on which the account must be paid;
- 1.20 **“Equipment”** refers to any building or other structure, pipe, pump, wire, cable, meter, engine or any accessories;
- 1.21 **“Estimated ”**consumption arises when no actual reading can be taken and is equivalent to the existing average consumption;
- 1.22 **“Existing”** customers refers to the customers who have already entered into an agreement for the supply of municipal services;

- 1.23 **"Financial year"** refers to the period starting from 1 July in a year to 30 June the next year;
- 1.24 **"Fees"** refers to expenses incurred by the municipality to collect arrears;
- 1.25 **"Implementing Authority"** means the Municipal Manager or his nominee, acting in terms of Section 100 of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000);
- 1.26 **"Interest"** is a charge levied with the same legal priority as service fees and calculated at a rate determined by Council from time to time on all arrear monies;
- 1.27 **"Meter"** audits refer to an investigation to verify the correctness of the consumption and supply of electricity and water;
- 1.28 **"Municipality"** when referred to as:
- (a) a corporate body, means a municipality as described in Section 2 of the Municipal Systems Act, 2000 (Act No. 32 of 2000);
 - (b) A geographic area means a municipal area determined in terms of the Local Government Municipal Demarcation Act, 1998 (Act No. 27 of 1998).
- 1.29 **"Municipal Manager"** means the person appointed as Municipal Manager in terms of Section 82 of the Local Government Municipal Structures Act, 1998, (Act No. 117 of 1998) and includes any person acting in that position or to whom authority has been delegated;
- 1.30 **"Municipal services"** refers to any services provided by the municipality or any authorised and contracted service provider, available or applied for, or provision made for any service, for which it is entitled to charge a fee or formulate a tariff, payable by a customer or user, thereof;
- 1.31 **"Normal office hours"** means the hours when the Chief Financial Officer's offices are open to the public from Mondays to Fridays, excluding public holidays, Saturdays and Sundays;
- 1.32 **"Official"** refers to an employee of The Witzenberg Municipality
- 1.33 **"Occupier"** means any person, who occupies any property or part thereof, without regard to the title under which he or she occupies the property,
- 1.34 **"Owner"** means:

- (a) The person in who from time to time is vested the legal title to premises, which title is registered at the Deeds Office;
 - (b) In a case where the person in whom the legal title is vested is insolvent or deceased, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
 - (c) In a case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises with a building thereon;
 - (d) In the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof;
 - (e) In relation to
 - i. A piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property; or
 - ii. A section, as defined in such Act, the person in whose name such a section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;
 - (f) Any legal person including but not limited to
 - i. A company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a Trust, a Closed Corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984) and a voluntary association;
 - ii. Any department of State;
 - iii. Any Council or Board established in terms of any legislation applicable to the Republic of South Africa;
 - iv. Any Embassy or other foreign entity;
- 1.35 **"Premises"** includes any piece of land, the external surface boundaries of which are delineated on-
- (a) A general plan or diagram registered in terms of the Land Survey Act, 1927 (9 of 1927), or in terms of the Deed Registry Act, 1937 (47 of 1937); or
 - (b) A sectional plan registered in terms of the Sectional Titles Act, 1986 (95 of 1986), which is situated within the area of jurisdiction of the Council;
- 1.36 **"Rates"** refers to property rates on property situated in the municipal area, any other tax, duty or levy imposed by the municipality;

- 1.37 **"Service agreement"** refers to an agreement for the consumption of electricity and/or water and other services as determined from time to time;
- 1.38 **"Terminated account"** refers to:
- (a) the final account for services after the customer has left the premises, whether or not the customer has given notice to terminate the supply of service; OR
 - (b) the final account for services if the customer has contravened the service provisions of this policy and attendant municipal bylaws;
- 1.39 **"Variable flow-restricting device"** refers to a device that is coupled to the water connection that allows the water supply to be restricted or closed;
- 1.40 **"Visitation fee"** refers to the fee charged for attendance and/or disconnection/reconnection of an electricity/water supply when the supply has been disconnected due to non-payment and/or tampering, or where access to disconnect/restrict has not been gained, which fee shall be
- 1.41 **"Voluntary garnishee order/emoluments order"** refers to a court order for the deduction of an amount of money from the salary or other income of a customer.

2. INTRODUCTION

- 2.1. The Council cannot develop the local economy and provide acceptable services to its residents unless it receives payment, in full, of all bills raised for the services that it provides.
- 2.2. The municipality must develop, maintain and implement a credit control and debt collection policy that is consistent and complies with the relevant legislation.
- 2.3. In regard to payments expected from registered indigents and Council tariffs, this policy is to be read in conjunction with The Witzenberg Municipality Indigent Policy and The Witzenberg Municipal Tariff Policy.

3. OBJECTIVES

The objectives of the Credit Control and Debt Collection Policy are:

- 3.1 To define a framework within which the municipality can develop an effective procedure to bill and collect its revenues;
- 3.2 To ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interests of the community, residents and ratepayers and in a financially sustainable manner as prescribed by the Municipal Systems Act, 2000 (Act No. 32 of 2000), and other applicable legislation;
- 3.3 To maintain and implement a credit control and debt collection policy, which is consistent and complies with Section 97 of the Municipal Systems Act, 2000 (Act No. 32 of 2000).
- 3.4 To ensure that the municipality develops credit control procedures and mechanisms that are considered to be consistent, fair and effective to all its consumers.

4. UNDERLYING PRINCIPLES OF THIS POLICY

- 4.1 The administrative integrity of the municipality must be maintained at all times. The democratically elected councillors are responsible for policymaking, while it is the responsibility of the Councillors, Municipal Manager and all staff to ensure the execution of these policies.
- 4.2 This policy shall take effect and be enforceable from the date of approval thereof by Council.
- 4.3 The collection process must be cost-effective and enforcement of payment for services rendered must be prompt, consistent and effective.
- 4.4 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and the reticulation network and any fraudulent activity in connection with the provision of municipal services will lead to disconnections and/or restrictions, penalties, loss of rights and criminal prosecutions.
- 4.5 All Witzenberg Municipality employees shall:
 - 4.5.1 Embrace the principles of Batho Pele and treat all debtors with dignity and respect at all times
 - 4.5.2 Employees shall execute their duties in an honest and transparent manner whilst protecting the confidentiality of information in accordance with the Access to Information Act.

5. ROLE AND RESPONSIBILITY OF MUNICIPAL MANAGER

- 5.1 In terms of Section 100 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Municipal Manager is responsible for implementing the credit control and debt collection policy. In line with this, the Municipal Manager is to perform the following:
 - 5.2 install and maintain appropriate accounting system.
 - 5.3 bill customers.
 - 5.4 demand payment on due dates.
 - 5.5 raise penalties and interest for defaulters.
 - 5.6 appropriate payments received.

- 5.7 collect outstanding debt.
- 5.8 provide different/alternate payment methods.
- 5.9 determine credit control and debt collection measures.
- 5.10 determine all relevant work procedures for, inter alias, public relations, arrangements, disconnection/reconnection of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.
- 5.11 instruct attorneys to proceed with the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders, etc.).
- 5.12 appoint staff to execute Council's policy and by-laws.
- 5.13 determine internal control procedures.
- 5.14 monitor contracts with service providers in connection with credit control and debt collection.
- 5.15 The Municipal Manager may delegate these responsibilities to the Chief Financial Officer. However, this delegation does not absolve the Municipal Manager from being held accountable for implementing this policy.
- 5.16 The Municipal Manager is to report monthly to the Executive Committee, and quarterly to the Council, on the actions taken in terms of this policy, and on the payment levels for the periods concerned.
- 5.17 Although the Municipal Manager is held accountable for implementing this policy, it is the responsibility of all officials of the municipality to promote and support this credit control and debt collection policy.

6 ROLE AND RESPONSIBILITY OF COUNCILLORS

- 6.1 To approve budgets consistent with the needs of communities, ratepayers and residents.
- 6.2 To impose rates and taxes and to determine service charges, fees and penalties to finance the budget.
- 6.3 To facilitate sufficient funds to give access to basic services for the poor.
- 6.4 To provide for a bad debt provision, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the municipality.
- 6.5 To, together with the Chief Financial Officer, set an annual improvement target for debt collection (refer Section 9), in line with acceptable accounting ratios and the ability and performance of any appointed external service providers.
- 6.6 To approve a reporting framework for credit control and debt collection.
- 6.7 To consider and approve by-laws to give effect to the Council's policy.
- 6.8 To revise the budget should Council's targets for credit control and debt collection is not met.
- 6.9 To take disciplinary and/or legal action against Councillors, officials and agents who do not execute Council policies and by-laws, or act improperly in terms of such policies.
- 6.10 To approve a list of suitably qualified service providers that will act on behalf of Council in all collection and legal matters relating to debt collection.
- 6.11 To provide sufficient capacity in the Municipality's Budget and Treasury Office for credit control and debt collection or, alternatively, to appoint service providers or debt collection agents to assist with the credit control and debt collection procedures.
- 6.12 To assist the Municipal Manager in the execution of his duties, if and when required.
- 6.13 To provide funds for the training of staff in connection with credit control and debt collection.
- 6.14 In terms of Section 99 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Executive Committee, is to monitor and supervise the application of this policy, and is to report to Council on the extent and success of the municipality's credit control actions.

- 6.15 In order to maintain the credibility of the municipality in the implementation of the present policy, Councillors, by adopting this policy, pledge that their own accounts will at no stage fall into arrears.

7. **DUTIES AND FUNCTIONS OF WARD COUNCILORS**

- 7.1 To adhere to and convey Council policies to residents and ratepayers.
- 7.2 To adhere to the Code of Conduct for Councillors.
- 7.3 The ward committees will act in terms of roles and functions as approved by Council.
- 7.4 The ward committees are encouraged to actively promote this policy, and to ensure, at the same time, that the municipality's customer service is of a standard acceptable to the community.

8. **DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS**

- 8.1 To fulfil certain responsibilities, as brought about by the privilege and or right to use and enjoy public facilities and municipal services.
- 8.2 To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality on or before the due date for payment.
- 8.3 To observe the mechanisms and processes of the municipality in exercising their rights.
- 8.4 To allow municipal officials access to their property to execute municipal functions.
- 8.5 To comply with the by-laws and other legislation of the municipality.
- 8.6 To refrain from tampering with municipal services and property.

9. EXPECTED DEBTOR PAYMENT LEVELS

- 9.1 The municipality is to aim at ensuring that payment levels (i.e. the percentage level of income received from debtors) for the present and future financial years, in respect of all amounts due to the municipality, exclusive of the balance of the monthly accounts payable by registered indigents, are maintained at an annual average of at least 96%.
- 9.2 The long-term target is a debtor turnover ratio of 30 days, that is, debtors are expected to pay for services on average within one month of receiving accounts.

10. AREA OF APPLICATION

- 10.1 This policy shall apply and be enforceable throughout the entire area of jurisdiction of The Witzenberg Municipality
- 10.2 The Council reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying this policy. The Council will, on application of this policy, avoid discrimination as forbidden by the Constitution unless it is established that the discrimination is fair as allowed by the Constitution.

11 APPLICATION FOR SERVICES AND SERVICE AGREEMENTS

- 11.1 Before being provided with electricity, water and/or other customer services, and prior to taking occupation of premises, every customer shall enter into a service agreement with the Council in which, inter alia, the customer agrees that the electricity, water and/or other services, supplied by either Prepaid or Credit meter systems, may be used for credit control purposes to collect arrears in respect of all outstanding debt.
- 11.2 All consumers wishing to utilise municipal services must apply to enter into a service agreement.
- 11.3 The service agreement will be entered into prior to the provision of services and prior to the consumer taking occupation of the premises.

- 11.4 A new service agreement will only be entered into once all amounts owed by a consumer on other debtor accounts are settled in full.
- 11.5 A new service agreement will only be entered into on a property, once all outstanding amounts owed on the property are settled in full. The owner of the property shall have the responsibility to ensure that all debts incurred after are fully paid by the tenant in order to mitigate the non-provision of services to tenants/residents after the date mentioned above.
- 11.6 Paragraph 11.5 is not applicable to outstanding accounts in respect of houses allocated by the housing committee.¹
- 11.7 Where municipal services are used/consumed or made use of, and the owner, tenant, or occupants of a property, have not entered into nor completed an agreement for such services, the owner responsible for the payment of rates on the property will be billed for the metered consumption and all municipal service charges applicable to the property.
- 11.8 The service agreement shall indicate that transfer of a property may not be registered until the municipality issues a clearance certificate which reflects that all amounts due in connection with that property for municipal service fees, property rates and other municipal taxes, levies and duties have been fully paid. The outstanding monies include accounts relating to tenants who may have left the property of the seller.
- 11.9 Application forms are available at the municipal offices and the application process must occur at least ten (10) working days prior to taking occupation of the premises. This will ensure that services are available when occupation is taken. Failure to adhere to the timeframe may result in customers not having the services available when occupation is taken.
- 11.10 The Municipality will render the first account after the first meter reading cycle following the date of signing the service agreement or as soon as is administratively possible.
- 11.11 Consumers who illegally consume services without a valid service agreement will be subject to disconnection and/or removal of the service and may have charges laid against them for theft and fraud.

¹ Amended by Council on 28 May 2014

11.12 The service agreement shall set out the conditions under which the services are provided and shall require the signatories thereto to accept the contents of the municipality's credit control and debt collection policy, as well as the provisions of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

(a) An undertaking by customers:

- That the electricity, water and/or other services supplied by either the Prepaid or Credit meter systems, may be used for credit control purposes to collect arrears in respect of all outstanding debt and shall include rates if the customer is the owner of the property;
- That they are liable for the costs of collection, including any administration fees, penalties for late payment, legal costs, interest, disconnection fees and reconnection fees, and
- That any alleged non-receipt of an account does not affect the customers' liability for the account, nor stop the credit control process;

(b) An undertaking by Council:

- That it will deliver accounts to customers by Post Office delivery and emails
- That if customers do not receive an account and have accordingly requested one, a statement will be supplied to them.

11.13 Where a signatory is not the owner of the property to which the services are to be provided, a letter from the owner indicating that the signatory is the lawful occupant of the property and where a lessor/lessee arrangement exists between the parties, a copy of such agreement shall be attached to the service agreement.

11.14 Where a consumer has failed to enter into a service agreement with the Council, water and/or electricity shall be restricted or disconnected, as the circumstances may require, until such time as a service agreement has been entered into and the applicable deposits have been paid. In such circumstances, the consumer will be held liable for any calculated amounts.

11.15 The Municipality shall open only one account per property for the rates, fixed levies, service and other charges. Tenants/ occupier accounts will be open in the case of an approved indigent opening an account, and or the air of a deceased estate???? (refer to section 35)

11.16 This will be done in a phased in manner e.g. when a current tenant closes an account the services will be transferred to the owners account.

12 DEPOSITS AND GUARANTEES

- 12.1 Every customer is to pay a deposit on application for the provision of municipal services before the municipality renders any service to the property. Deposits are payable when new customers sign service agreements and when existing customers move to a new supply address. All deposits shall be paid at least 5 (days) days prior to occupation of the property or prior to the date on which the services are required. Failure to comply with this clause may result in a delay in the connection of services and the Council shall not be liable for any loss or prejudice suffered by a customer as a result thereof.²
- 12.2 Subject to the provisions of clauses 12.3, 12.4 and 12.5 hereunder, the calculation for deposits shall be based on two months' consumption of metered services together with any charges for other municipal services, or a minimum amount specified by the Chief Financial Officer from time to time. Also refer to 6.3.4 of the tariff listing
- 12.3 In the case of Housing Projects an amount of R500.00 is payable for deposit. To be reviewed by the CFO from time to time. In determining the deposit described in Section 12.2, the Chief Financial Officer may differentiate between areas to give cognisance to differences in service standards and usage.
- 12.4 The Chief Financial Officer may re-assess customer deposits for new domestic, commercial and industrial customers three months after the initial deposit date and may, as a result of this reassessment, require an additional deposit from the customer.
- 12.5 The Chief Financial Officer may review deposits annually and, in the case of a customer' s service being disconnected or restricted as a result of non-payment or tampering, may increase the deposit. Should the deposit be increased as a result of this review the customer must immediately make payment of the increased amount in line with the instruction from the Chief Financial Officer.
- 12.6 The outcome of the review contemplated in clause 12.5 shall be communicated to the customer in the event of any variation in the deposit arrangements being required.
- 12.7 Should a customer's services be disconnected twice during any twelvemonth period due to non-payment, the customer's deposit shall be adjusted the following month to conform to Clause 12.5.
- 12.8 Not applicable no current guarantees

² Amended by Council on 28 May 2014.

12.9 The municipality will pay no interest on deposits³

13 ACCESS TO PROPERTY TO READ METERS

13.1 In terms of Section 101 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the occupier, owner or tenant of a property is to allow municipal officials or the municipality's authorised service providers access to read meters, install or repair meters as well as to, discontinue or restrict the provision of a service. The official is to have the proper authorisation and can only request access during reasonable hours.

13.2 If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible, the municipality shall estimate the consumption of the service concerned and thereafter bill the accountholder for the monetary value of such estimated consumption.

13.3 In the event that the Council continues to be unsuccessful in obtaining access to the property and, therefore, is unable to obtain an accurate meter reading, the Chief Financial Officer or his authorised representative may disconnect the supply of services.

13.4 Voluntary readings:

- These will be permitted provided the municipality obtains any final reading should the consumer move to another supply address.
- Consumers may be liable for a fee to cover the costs of obtaining a reading if no advance warning is given and special arrangements are required to obtain a reading.
- The Municipality is entitled to make suitable adjustments to the readings should a consumer fail to ensure that a final reading is obtained.
- An audit reading during the normal reading cycles must be obtained at least once every 6 months. If a special audit reading becomes necessary this will be done at the cost of the consumer.
- The consumer may elect to supply voluntary readings subject to compliance with these rules. The Chief Financial Officer may, however, cancel the voluntary reading convenience if the consumer fails to render readings on two or more consecutive occasions.

³ Amended and reviewed by Council on 30 May 2019

14 ACCOUNTS, BILLING AND PAYMENT

14.1 The Council shall produce and post one consolidated monthly bill to consumers for services supplied or available (inter alias, electricity, water, refuse and sewerage charges) and for rates levied on property within the municipal area unless, for whatever reason, the rates account has not been consolidated with the services account in which case separate monthly accounts will be posted. These accounts will be produced in accordance with meter reading cycles at regular intervals or as prescribed by law. 14.2 The account/invoice will reflect the following details:

- o Consumer name;
- o Consumer account number;
- o Consumer postal address;
- o Address details to which the services have been supplied;
- o The consumption or estimated consumption for each metered service within a specified period;
- o The applicable service tariff;
- o The monthly amount due on property rates and the total annual amount due;
- o The valuation of the property;
- o The amount due on any other service charges;
- o The total amount due and payable;
- o The amount in arrears, if any;
- o The final date for payment (due date);
- o The method, name and location of any municipal offices and authorised agents where payments may be made, and
- o A notification that failure to settle the total amount due by due date will result in termination or restriction of services.

- 14.3 The Council shall undertake to post the consolidated account to the customer address, in South Africa, as specified by each customer. However, non-receipt of an account does not negate the responsibility of the customer to pay the amount owing by due date nor prevent interest charges and debt collection procedures. In the event of non-receipt of an account, the onus rests on the account holder to obtain a free copy of the most recent account, before the due date.
- 14.4 The consumer shall, in writing, notify the Council of any change of address, including an e-mail address, and contact details. Notwithstanding the fact that a consumer has not received an account as a result of his failing to notify the Council of his change of address or due to delays on the part of external service providers, the customer is nevertheless liable for payment of such account. Any change of address only becomes effective when the notification of the change is received and acknowledged by the Council.
- 14.5 Accounts must be paid in full on or before the due date as indicated on the account. Failure to comply with this section shall result in debt collection action (as contained in Section 27 of this policy) being instituted against the customer. Interest on arrears, at the rate determined from time to time by the Council or, in the absence of any determination, as prescribed by law, will accrue after due date if the account remains unpaid irrespective of the reason for non-payment (refer Section 18).
- 14.6 Bulk consumers may at the discretion of Council be notified of their unpaid accounts prior to the commencement of the debt collection process.
- 14.7 Payments for accounts must be received at a Municipal pay-point by close of business on or before the due date. In the case of any electronic payments the money must be received in the municipal bank account no later than the close of business on the due date. In the case of monies paid to agents, the money must be deposited with the agent prior to the close of business on due date and proof thereof may be required to validate any claims.
- 14.8 The following methods of payment and payment points can be used: Debit order payments, which forms are available from the municipal cash offices;
- o Cash payments can be made at the municipality' s cash offices, any South African Post Office and their agencies, ABSA and Easy Pay Outlets e.g. Pick & Pay, Checkers, etc.
 - o Electronic banking payments directly into the municipality' s account;

- 14.9 The consumer acknowledges that any agent used for transmitting payments to the Municipality is at the risk and cost of the consumer. In addition the consumer must take into account the transfer time of the particular agent.
- 14.10 All payments and/or part-payments received by the Municipality shall be allocated to services in the manner as contained in Section 20.

15. METERING OF CONSUMABLE SERVICES

- 15.1 The municipality may introduce various metering equipment for the measurement of service consumption and customers may be encouraged to convert to a system preferred by the municipality.
- 15.2 Customers who default (fail to pay by the due date) may be required by the municipality to convert to another metering system.
- 15.3 Meters (credit) will be read in monthly cycles, at regular intervals or as prescribed by Council. Should circumstances prevent such a reading, the Municipality is entitled to continue with the procedure as laid down in Section 13 of this policy.
- 15.4 A consumer is responsible to ensure access to metering equipment and will be liable for any cost incurred to ensure access (such as relocating or disconnecting the meter) if satisfactory access is not possible.
- 15.5 Routine or special maintenance of metering equipment will be communicated to the consumer prior to being undertaken in order to establish a suitable time to perform such maintenance.

16. VALUATION OF PROPERTIES

- 16.1 All properties within the boundaries of the Witzenberg Municipality are to be valued in terms of the legislation applicable to the valuation of properties for the purpose of levying property rates.
- 16.2 If the Municipality has not yet included such valuation for the purpose of levying rates, the Municipal Valuer shall conduct a valuation of the relevant property for purposes of a supplementary valuation

17. PROPERTY RATES

- 17.1 In terms of the Council Rates Policy, and in accordance with the tariff of Charges Schedule, Property Rates will be raised annually in July of each year, charged on a monthly basis and will be reflected on the consumers monthly bill.
- 17.2 All Property Rates not paid by due date will, in addition to any procedures as prescribed by law, be subject to credit control and debt collection procedures as stipulated in this policy.
- 17.3 An owner may apply to have his/her property rates be charged monthly. In which the due date for application is set at 30th June of each year.⁴
- 17.4 If in default it will reversed to yearly and the total annual rates amount become payable.
- 17.5 When a property is transferred to a new owner and the rates on a supplementary valuation become payable after the transfer, the previous owner and the new owner will jointly and separately be held responsible for the payment for the rates.

18. INTEREST ON ARREARS AND OTHER PENALTY CHARGES

- 18.1 Interest shall be charged for a full month on all arrear amounts at the percentage determined by Council irrespective of when payment is made.
- 18.2 For purposes of determining arrear amounts, all amounts that are unpaid after due date, excluding interest, penalty charges previously raised including collection charges and Value Added Taxation, shall be taken into account.
- 18.3 The Chief Financial Officer will be entitled to raise the following charges/fees in addition to the interest charge contemplated in clause 18.1:
- o charges for disconnection or restriction of services
 - o charges for reconnection or reinstatement of services
 - o charges for notices of default and other correspondence

⁴ Updated 04/08/2008 Special Council meeting

- o penalty charges for illegal reconnections
 - o Reconnection fee to be paid for both prepaid and conventional meters
 - o Charges / Fees on all legal proceedings⁶
- 18.4 Other than those penalty charges prescribed by legislation, the value of each of these charges will be determined on an annual basis by Council when considering its annual budget and shall be contained in the Witzenberg Municipality Tariff Register.

19. AGREEMENTS AND ARRANGEMENTS FOR PAYMENT OF ARREARACCOUNTS

19.1 The Chief Financial Officer is authorised to enter into agreements with customers in arrears with their accounts and to grant customers extensions of time for settlement of the amounts due to Council. No arrangement for the payment of debt in instalments may be entered into with a tenant without the consent of the property owner.⁷

19.2 Where a customer in arrears is a business or commercial concern, a minimum of 50% of the total overdue amount, as an initial payment, shall be paid, and the balance of the account shall be paid in equal instalments over a maximum period of twelve months. Any future monthly current accounts shall be paid on or before the due dates for the month in question. In respect of business or commercial consumers who are in arrears, interest will be raised in terms of Section 18 of this policy.

In exceptional circumstances, The Accounting Officer and CFO can deviate from the general rule above provided that:

- The current account is paid in full
- A written agreement is entered into that provides for the down payment of the arrears amount in monthly instalments.

19.3 Where a customer in arrears is a domestic consumer the following processes will be follows:

- i) When the customer account include outstanding debt, the customer payment incentive policy as approved by Council may apply; and
- ii) In the case of all other debt, the current account, as an initial payment, shall be paid, and the balance of the account shall be paid in equal instalments over a maximum period of forty eight [48] months.
- iii) In exceptional circumstances, The Accounting Officer and CFO can deviate from the general rule in (ii) above provided that:
 - The current account is paid in full

⁶ Amended by Council on 28 May 2014

⁷ Amended by council on 28 May 2014

- A written agreement is entered into that provides for the down payment of the arrears amount in monthly instalments.

iv) A customer can make a maximum of 2 arrangements within a financial year of the Municipality.⁸

Any future monthly accounts shall be paid on or before the due date. Consumers, who honour their agreements and arrangements to pay, will not be charged interest from the date of the agreement on municipal service arrears, with the exception of property rates in arrears where statutory provisions may apply. Should they default on their credit extension for whatever reason, interest shall be raised from the date of default on the full outstanding debt in terms of Section 18 of this policy.”

- 19.4 A consumer may be required to complete a debit order for the payment of arrears in terms of the agreement.
- 19.5 Should a customer breach the arrangement in any way, the balance of the arrear account, together with the balance of interest outstanding on the account, shall immediately become due and payable to the municipality.
- 19.6 A customer who fails to comply with any credit arrangement shall not be permitted to enter into any further arrangement or extension of time for payment and shall have his services terminated, however a customer who brings his credit arrangement up to date by an immediate payment shall have his services reconnected as soon as is practically possible.
- 19.7 A customer who fails to comply with any arrangement of debt shall have his service agreement terminated, services disconnected/restricted, and/or his deposit adjusted with an amount of R500 to cover a part of the arrear debt.
- 19.8 Only debtors with positive proof of identity or an authorised agent with a Power of Attorney shall be permitted to enter into an Acknowledgment of Debt agreement with the Council. If the arrear account is in the name of a tenant, the owner of the property, have to give written consent to the Municipality to enter in to Acknowledgement of Debt agreement with his /her tenant.
- 19.9 Where a debtor is a close corporation, trust, or a company, the person who signs an acknowledgment of debt on behalf of such close corporation, trust or company, shall produce written proof that he is authorised to sign such acknowledgment on behalf of all members and/or directors of the close corporation, trust, or the company.

⁸Updated 28/05/2009

- 19.10 An Acknowledgment of Debt agreement shall contain all arrangements for paying off arrear accounts, which may include interest. One copy of the agreement shall be handed to the customer and another filed with the Chief Financial Officer.
- 19.11 In instances where a customer is employed, the municipality may obtain a voluntary garnishee order or emoluments attachment order.
- 19.12 Where any debt has arisen as a result of the Council having applied an incorrect charge and/or tariff, the consumer may arrange to pay the debt over a maximum period equivalent to the period over which the incorrect charge was applied or over twelve months, whichever is the shorter.
- 19.13 The Director Finance and Deputy Director Finance may deviate from the policy in special circumstances.⁹

20. ALLOCATION OF PAYMENTS AND PART-PAYMENTS

- 20.1 Receipt of the total outstanding monies will be allocated to the credit of the account in full.
- 20.2 A customer shall not be entitled to allocate any payment made to any portion of the total debt due to the Council.

21 DISHONOURED QUES/DEBIT ORDERS

- 21.1 Refusal by banks to honour payments by debit order is regarded as non- payment, upon which the relevant debtor is subject to credit control measures.
- 21.2 The Council shall, at the earliest opportunity, be entitled to disconnect or restrict, as the case may be, the electricity and/or water supply of a customer who has offered a cheque or debit order as payment for municipal services if such cheque or debit order is returned or dishonoured by the financial institution on which it is drawn as a result of a lack of funds or for any other reason.
- 21.3 A customer tendering a debit order referred to in Clause 21 .2 shall be liable for all administration charges and bank fees as determined by Council as a result of such transaction.
- 21 .4 Should a dishonoured debit order be received, the customer may be contacted telephonically with the request that a cash deposit equal in amount to that of the dishonoured cheque be made into the municipality' s account within 24 hours.

⁹ Recommended for amendment.

- 21.5 Should any attempt to contact the customer fail, then the municipality shall immediately discontinue the supply of services to the premises.
- 21.6 In the event of the customer not having sufficient funds to settle the outstanding debt, the Municipality may open a case of fraud with the South African Police Service.
- 21.7 Dishonoured cheques are to be kept on file and will only be given to account holders on request if the account is paid up to date after the reversal of the dishonoured payment.
- 21.8 A customer who has offered three dishonoured debit order payments in any 12 month period will not be allowed to make further payments by cheque for a period of at least one year, although a bank guaranteed cheque may be accepted by the Chief Financial Officer.

22. QUERIES IN RESPECT OF ACCOUNTS

- 22.1 The enquiries counters at the municipality's service centres can be contacted for all account queries.
- 22.2 An enquiry clerk stationed at the municipality's service centres shall be available to assist consumers with account balance queries as well as the opening and closing of accounts.
- 22.3 Any resident or consumer who may feel aggrieved concerning his/her account may address a written grievance / appeal to the Chief Financial Officer.
- 22.4 The municipality endeavours to investigate any query and give feedback within fourteen working days of the receipt of the query.
- 22.5 Any query in respect of the amount due and payable on the consolidated bill must be lodged, in writing, at the municipality within 10 days of the consolidated bill date in order that it may be investigated. Should the query not be lodged within 10 days, the municipality cannot be bound to the provisions of clause 22.4.
- 22.6 A customer who has lodged an enquiry is not relieved of the responsibility to maintain regular payment on his account. In the event of an accountholder reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder provided the accountholder has paid, by due date, an amount equal to the monthly average monetary value of the three most recent un-queried accounts in respect of the service under query, as well as all un-queried balances on such account, and, provided further that, such query is made in writing by the accountholder or is recorded in writing by the Chief Financial Officer or his designate on behalf of the accountholder within 10 days of the consolidated bill date.

- 22.7 If a customer has received a response to a query but is still not convinced that the account is correct, the customer will still be liable for the full outstanding amount and will be subject to credit control action.

23. UNRESOLVED CUSTOMER QUERIES

- 23.1 Should a query remain unresolved after 14 working days have passed from the date the query was lodged, the customer is to notify the Section Head of the relevant section who will follow up and resolve the query.
- 23.2 Should the Section Head, as a result of the complexity of the case, be unable to resolve the query, it is to be referred to the Consolidated Billing Manager for resolution.

24. DISCONNECTIONS/RESTRICTIONS OF SERVICE

- 24.1 The Council shall disconnect/restrict services to consumers whose consolidated accounts remain unpaid after due date.
- 24.2 The municipality shall, prior to disconnection and/or restriction of services, not be obliged to issue any final demand notices or other reminders to customers whose accounts are unpaid after due date.
- 24.3 The municipal account shall reflect a warning message that shall be deemed to be proper and sufficient notice to the customer that his services may be disconnected or restricted unless payment is received on or before due date.
- 24.4 In the event that full payment of the consolidated account, including any accumulated arrears, is not received by close of business on due date, the electricity supply and thereafter the water supply may be disconnected/restricted, unless a formal arrangement for an extension of payment, in terms of Section 19, has been approved by the Chief Financial Officer or his authorised representative.
- 24.5 Even though a customer may have concluded satisfactory credit arrangements in terms of Section 19, the Council is not obliged to effect a reconnection of services on the day that payment is received or the agreement has been signed, but will, unless unable to do so because of circumstances beyond the control of the municipality, endeavour to do so within three (3) working days in terms of Section 26 read in conjunction with Section 25.

- 24.6 Where a customer's services are disconnected, or where access to disconnect services has not been obtained, the customer shall be charged a visitation fee, as determined by the Council, which shall be paid prior to the services being reconnected.
- 24.7 Where a customer's account and/or service agreement has been terminated or is in arrears and no credit arrangement has been entered into,
- the Council may, at the customer's cost, proceed to collect such amount as is outstanding and due in terms of the procedures for debt collection contained in Section 27 of this policy.
- 24.8 Where a customer or owner's account is in arrears and no credit arrangement for the settlement of any outstanding debt has been entered into, and, whether the services to the property have been disconnected / restricted or no the Council may, regardless of whether the service agreement is terminated or not, implement the procedures for debt collection as set out in Section 27 of this policy, if such action is deemed by the Chief Financial Officer to be in the best interests of the Council.
- 24.9 Should the Chief Financial Officer be of the opinion that the termination of services, in respect of which the account is in arrear, could result in the endangerment of the life of any person, the Chief Financial Officer may appropriately restrict rather than terminate the services in question.

If a household is classified as an indigent household in terms of section 6.1 of the Assistance to the poor policy, as amended, then the following will be applicable with regard to disconnection/restriction of services:

- (i) Prepaid electricity may be blocked for purchases if the other services are in arrears; and¹⁰

24.10 Changing meters of defaulters¹¹

- (i) The water meters of defaulters can be replaced with water management meters, and the consumption can be limited to a minimum of 200 litres per day (6 kilolitres per month);
- (ii) The electricity meters of defaulters can be replaced with split prepaid meters;
- (iii) The cost of the replacement meters will be borne by the consumer who can pay the cost in three monthly instalments. If the consumer defaults on the payment for the meters, the electricity supply

¹⁰Updated 31/05/2012 Council meeting

¹¹Updated Council 28/09/2011

will be blocked and/or the water consumption will be limited to 200 litres per day (6 kilolitres per month).

25. **RECONNECTION/REINSTATEMENT OF TERMINATED/RESTRICTED SERVICES**

25.1 Services which have been terminated or restricted shall be reconnected or reinstated by the municipality only when all the following conditions have been met:

- the 30 days arrear account plus the reconnection fee has been paid in full, including the interest raised on such account; and an acceptable arrangement has been entered on the arrears older than 30 days with the municipality, including the interest raised on such account; or a query, as contemplated in Section 22, has been resolved and arrangements for payment as approved by the Chief Financial Officer have been concluded; a revised/existing service agreement has been entered into/reinstated with the municipality, as contemplated in Section 11 of this policy; and
- a suitable cash deposit, as determined by the Chief Financial Officer in terms of Section 12, has been paid to the municipality.

26. PROCEDURE FOR DEBT COLLECTION AND WRITE OFF

Where consumer accounts are in arrears, the Chief Financial Officer is authorised to institute the following procedures with the intention of proceeding until the debt is collected or written off:

26.1 Immediately after due date, disconnect and/or restrict all water and/or electricity services for all overdue amounts relating to rates, service charges or any charges for services rendered by the municipality in terms of the procedures laid down in Section 24 of this policy;

26.2 Thirty days after the due date:

- Tracing action may be authorized and instituted if the whereabouts of the debtor is unknown.

26.3 Sixty days (or any earlier period if the Chief Financial Officer deems that it is in the best interest of the Council) after the due date, and where an account rendered to a customer remains outstanding, the following action may be taken:

- All arrear amounts shall be handed over to the Council's internal or external debt collection agents.

The collection agents will then make use of normal debt collection procedures including a call centre approach and legal processes to collect the amounts owed to Council

- If necessary, the sale in execution of such property to recover arrear property rates and service charges will be instituted irrespective if the accountholder is also the owner of the property).

- All legal expenses incurred by the municipality shall be for the account of the accountholder in default¹².

26.4 The Chief Financial Officer may insist that a consumer, who is utilising a credit meter, convert from that credit metered supply to a prepayment supply. The cost of such a conversion is to be borne by the consumer.

26.5 The Chief Financial Officer may allocate up to thirty (30) percent of any payment for prepayment services to arrear debt.

26.6 The Chief Financial Officer may order that emolument attachment or garnishee orders be instituted on debtors' salaries.

¹²Updated 20/04/2011

- 26.7 The Chief Financial Officer may/must withhold rates clearance certificates in terms of Section 118 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) and Section 30 of this policy.
- 26.8 The Chief Financial Officer may/must withhold payments of grants-in-aid to consumers whose accounts are in arrears.
- 26.9 The Chief Financial Officer may/must withhold payment to suppliers whose accounts are in arrears in terms of the Supply Chain Management policy.
- 26.10 The Chief Financial Officer may withhold/reject the approval of building plans relating to improvements on properties if there are arrears on that property.
- 26.11 Whenever all the legal avenues and procedures listed above have been exhausted, or it becomes uneconomical to proceed further, the arrear amounts should be classified as irrecoverable and should be written off.
- 26.12 The Chief Financial Officer, may forward a report to Council for the writing off of consumer, if such debts may be irrecoverable.
- 26.13 The Executive Committee, in terms of its delegated authority, may authorize the writing off of the debts wherein after a report will be forwarded to full Council for ratification.
- 26.14 The Chief Financial Officer shall as soon as possible after 30 June each year, or more regularly if requested by Council to do so, present to the Council a report indicating the amount of the arrears that have been written off during the financial year, together with the reasons for the write off.
- 26.15 The Chief Financial Officer may write off debts to the value of R1000.00 per individual if he is satisfied that:
- All reasonable steps have been taken to recover the debt and the debt is considered to be irrecoverable, or
 - He/she is convinced that recovery of the debt would be uneconomical.
- 26.16 The Chief Financial Officer may approve the write off of debt outstanding for more than three years, excluding property rates, on condition that all the other debt is paid immediately in full.¹³
- 26.17 Any debtors whose amounts are written off may be listed with the Credit Bureau and may not be permitted to enter into future service contracts with the Council.

¹³ Amended by Council on 28 May 2014

- 26.18 Industrial consumers can qualify for an early payment rebate of one percent if their account is paid in full within 15 days after the month during which the services were consumed.¹⁴
- 26.19 A collection fee of up to 5% of the amount collected on behalf of the municipality may be paid to employers that deduct municipal accounts from their employees.¹⁵
- 26.20 If a household is classified as an indigent household in terms of section 6.1 of the Assistance to the poor policy, as amended, then the Chief Financial Officer must prior to implementation of sections 26.2 and 26.3 determine whether the debt would be uneconomical to recover as set out in section 26.15.¹⁶
- 26.21 That rental debt when the municipality is the lessor be referred to the Housing Committee for a decision regarding the arrear debt where the unit is to be assigned to another lessee. Where the Housing Committee's decision is to write-off the debt that this first be approved by the Municipal Council before implementation. ¹⁷

27 ILLEGAL TAMPERING AND/OR THEFT OF SERVICES

The Municipality does not condone theft and fraud of municipal services and will monitor the service networks for signs of tampering or irregularities. Furthermore,

- 27.1 Water and electricity metering and connection equipment remain the property of the municipality and anyone involved in instances of tampering, damaging or theft thereof will be liable for criminal prosecution.
- 27.2 With regard to electricity services, if tampering of any nature or theft of such services is identified, the electricity supply to the property may be discontinued by the removal of the meter and the cable and the water supply may be restricted. In addition, the customer's service agreement with the Council may be cancelled and the customer's deposit may be offset against any amounts owed to the Council.
- 27.3 If the restricted water supply is tampered with or any variable flow-restricting device removed, the water supply may be discontinued, the service connection removed and the customer's service agreement with the Council may be cancelled. The customer's deposit may be offset against any amounts owed to the Council.
- 27.4 Once Council becomes aware that any terminated or restricted service has been irregularly reconnected or reinstated, the necessary action to remedy the situation will be implemented which could include the Municipal Manager reporting such action to the South African Police Service.

¹⁴ Amended by Council on 28 May 2014

¹⁵ Amended by Council on 28 May 2014

¹⁶ Updated 04/08/2008 Special Council meeting

¹⁷ Amended by Council on 30 May 2019

- 27.5 All outstanding amounts including, all metered consumption since the date of the illegal reconnection, or the estimated consumption, if a reliable meter reading is not possible, shall be paid in full together with the required deposit, before any reconnection/reinstatement, and new services agreement are considered.
- 27.6 If found that any person (natural or juristic) are illegally connected or reconnected to municipal services, or that he/she fiddled with any meter, reticulation network or any other supply equipment, or delivered any unlawful service associated with the provision of municipal services, or stole or damaged any municipal property, he/she shall be prosecuted and/or held liable for fines, as determined by the magistrate.¹⁸

However, the receipt of payment will not necessarily impact on nor prejudice any legal or criminal proceedings against the customer.

28 UNOCCUPIED PREMISES

- 28.1 When a consumer terminates a consumption account and no new owner registers, the property is deemed to be unoccupied.
- 28.2 Whenever water and/or electricity consumption is recorded at a property that is deemed to be unoccupied effort will be made to establish the identity of the person responsible for that consumption, failing which an appropriate bill will be raised and forwarded to the owner of the property for payment. Should payment not be received then the registered owner of the property is liable for the services consumed.

29. CLEARANCE CERTIFICATES

- 29.1 Before any property can be transferred from one owner to another, all amounts owing to the municipality on the property must be settled. Only after settlement, will the Municipality issue a certificate stating that all outstanding debts have been settled. No property transfer can take place without such a certificate.
- 29.2 The Municipality requires a payment in advance equal to two¹⁹ months average consumption of all relevant services prior to the issuing of such a clearance certificate in order to allow for any consumption that may take place during the time taken for the transfer to go through.

¹⁸ Amended by Council on 30 May 2019

¹⁹ Updated 04/08/2008 Special Council meeting

- 29.3 The Municipality shall, wherever possible, issue a clearance certificate within ten working days of such request once all outstanding debts and administration fees have been paid in full.
- 29.4 The above provisions do not apply in the case of transfers from National Government, Provincial Government or another municipality of residential property where the provisions of Section 118 of the Municipal Systems Act are applicable.

30. MUNICIPAL STAFF

- 30.1 Any member of staff of the Council and any Councillor may not be in arrears with the Council for rates and/or service charges for a period longer than three months, and the Council will deduct any outstanding amounts from the salary or allowance of such member of staff or Councillor after this period, in accordance with item 10 of Schedule 2 of the Municipal Systems Act, 2000 (Act No. 32 of 2000).
- 30.2 Staff arrangements made to pay off debt will be adjusted yearly equal to the percentage salary increase.
- 30.3 Salary deductions will be made from yearly bonuses & performance bonuses to be set off against any arrears or outstanding amount.
- 30.4 Any back pay, promotions, overtime & standby are first use to reduce arrears of staff.
- 30.5 Staff members that made arrangements to pay off debt must complete a salary deduction form and this deduction may not be stopped until debt has been paid in full.
- 30.6 If a staff member is sixty (60) days in arrears and has made no arrangement to pay off the outstanding amount, deduct full amount from salary.

31. REPORTING AND PERFORMANCE MANAGEMENT

- 31.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Committee as supervisory authority in terms of Section 99 of the Municipal Systems Act, 2000 (Act No.32 of 2000), read with section 100(c).
- 31.2 If, in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent to the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will immediately move for a revision of the budget according to realistically realisable income levels.

31.3 The Executive Committee shall, at intervals of 3 months, report to Council as contemplated in Section 99(c) of the Municipal Systems Act.

32. DEFINITION OF IRRECOVERABLE DEBT

Debt will only be considered as irrecoverable if it complies with the following criteria:

- (a) All reasonable notifications and cost effective legal avenues have been exhausted to recover specific outstanding amount, or
- (b) Any amount equal to or less than R500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it, or
- (c) The cost to recover debt does not warrant further action, or
- (d) The debtor is untraceable or cannot be identified so as to proceed with further action, or
 - (i) the debtor has immigrated leaving no assets of value to cost effectively recover Council's claim, or
- (e) It is not possible to prove debt outstanding, or
 - (i) a court has ruled that the claim is not recoverable, or
 - (ii) the outstanding amount is due to an irrecoverable administrative error by the Municipality, or
- (f) All arrears will be written off to bad debts where water consumers have had their water leaks repaired, provide the necessary proof and for a period of six months from the date of repair –
 - (i) Pay their water & sewer bill above the free portion on or before the due date, and
 - (ii) Maintain their water consumption within affordable levels.

33. COMMUNICATION OF POLICY TO CONSUMERS

33.1 The municipality will, at its own cost, publish the Credit Control and Debt Collection Policy in the local media. The Chief Financial Officer operating under delegated authority will publish the policy on whatever basis is to the Council's best advantage. A copy of the policy will be posted on the municipality's website and hardcopies will be made available on request at the service centres. Any amendments may be communicated on the website and in a newsletter from time to time.

- 33.2 Councillors must, from time to time, address ward committees on the contents of the policy and any amendments thereto.

34. BY-LAWS TO BE ADOPTED

- 34.1 By-laws shall be adopted to give effect to the Council's credit control and debt collection policy.
- 34.2 The by-laws are to comply with the requirements of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Water Services Act, 1997 (Act No. 108 of 1997), the Electricity Act, 1987 (Act No. 41 of 1987) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
- 34.3 The by-laws deal severely with defaulters, and their application requires a considerable degree of commitment from the Municipal Manager and his or her administration, as well as from the municipality's political structures. For the by-laws to ensure the avoidance of financial misfortunes for the municipality, and to lead to sustained financial stability, their application will have to receive the constant attention of all the municipality's key role-players and decision makers. If the by-laws are not constantly and consistently applied, from month to month and from year-to-year, the municipality's political and administrative credibility will be severely impaired, and it may not be able to ensure financial sustainability in the long run.
- 34.4 Although the by-laws envisage even the termination of basic services for defaulting accountholders this will not in itself, no matter how harsh it may seem to those councillors and officials who are disposed to greater leniency, prevent the accumulation of arrears. The monthly billing for property rates, sewerage charges and refuse removal fees will continue in respect of defaulting accountholders, even though their consumption of electricity and water may have been terminated or restricted. The termination or restriction of services must therefore be seen merely as a vital first step in the credit control programme, and the commitment by the municipality to follow up such actions with the full force of the law at the municipality's disposal is an essential further step if the accumulation of debts is to be meaningfully curtailed.

35 DECEASED ESTATES

Deceased Estates need to be registered at the Master of the High Court if, the Value of the property exceeds the amount of R250 000 if less it may be registered at the Local Court, Legal Aid

S.A.(LASA) can be contacted to assist in this regardThe accounts of deceased estates may be transferred into the names of relatives as determined by the executor of the deceased estate, to allow for the continuation of service delivery to the relevant property on the following conditions: review

The historical debt remains a claim against the deceased estate; review

The executor of the deceased estate together with the new account holder must enter into an agreement with Witzenberg municipality for the payment of the historical debt;

The normal service deposit is payable by the new account holder

If the property is let out, the service deposit is payable without any exceptions;

A clearance certificate in terms of section 118 of the municipal systems act may be issued by Witzenberg municipality on condition that the executor of the deceased estate provides the municipality with a guarantee that the outstanding debt will be paid on transfer; review

In the instance of a child-headed household the account must remain in the name of the deceased estate, but the estate will qualify for indigent support, if the other criteria for an indigent household are met.

36. ENFORCEMENT OF OTHER LEGISLATION

36.1 In addition to the credit control and debt collection provisions contained in this policy and the published by-laws relating hereto, the Council may enforce any other rights or exercise any power conferred upon it by the Municipal Systems Act, 2000 (No. 32 of 2000), the Water Services Act, 1997 (Act No. 108 of 1997), the Property Rates Act, 2004 (Act No. 6 of 2004) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

36.2 In the event of an inconsistency between the provisions of these and any other by-laws, the provisions of these by-laws shall prevail.

37. CUSTOMERS ASSISTANCE

Water Leaks Rebates

A customer will qualify for a water leak rebate if:

- the leak occurred and was not easily discernible from above ground;
- the leak had been repaired after detection;
- the customer had only applied for one rebate in a 24-month cycle;
- a certificate from a registered plumber, or a sworn affidavit from any other person who has repaired the leak, and must reach the Chief Financial Officer within 30 working days of the repair, and contain the following details:
 - the date on which the leak was repaired;
 - confirmation that the leak was not discernible from above ground;
- The adjustment will be calculated based on the difference between the greater of the average consumption (KI) for the previous year's corresponding periods
- or three months' average usage after the leakage has been fixed and the consumption of period of the leakage for a maximum period of three years. The rebate will be limited to a maximum period of 3 months

38 COMMENCEMENT DATE

This policy as amended takes effect as from the 01 July 2019.



CASH MANAGEMENT AND INVESTMENT POLICY

Date of implementation: 01 July 2008

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APPENDIX A

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) determines that a municipality must introduce an appropriate, prudent and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councillors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

now therefore the Witzenberg Municipality adopt the cash and investment management policy set out in this document.

1. DEFINITIONS

"Act" means the local government Municipal Finance Management Act, 2003 (Act no. 56 of 2003)

"Council" means the Municipal Council of Witzenberg Municipality

"Gazette" means the Government Gazette

"Investee" means an institution or counterparty with which an investment is placed, or its agent.

"Investment" means an amount of funds deposited in deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) on which interest is earned or received.

"Internal investment manager" means the official appointed or acting as the Manager: Financial administration of Witzenberg Municipality.

2. LEGAL FRAMEWORK

- a) Legislation – local government: Municipal Finance Management Act 56 of 2003 (As amended)
- b) Treasury regulations in terms of Section 13(1) of the Act (As amended).

3. OBJECTIVES

- a) To maximize returns from authorized investments, consistent with the secondary objective of minimizing risk
- b) To ensure compliance with all legislation governing the investment of funds.
- c) To maintain adequate liquidity to meet cash flow needs
- d) To undertake the investment of funds not immediately required for operational purposes in a prudent financial manner.
- e) To ensure diversification of permitted investment.
- f) To ensure compliance with regard to revenue management as contemplated in Sect 64(d), 64(f) and 64(h) of the Act
- g) To ensure compliance with regard to Sect 10 and 11 of the Act

4. CASH MANAGEMENT POLICY

4.1. General Policy

It is recognised that from time to time, Council has cash flow surpluses and borrowing requirements due to daily receipts and payments. Council maintains a daily cash position summary and a yearly cash flow projection is prepared during the annual planning process and is updated monthly. This determines Council's borrowing requirements and surpluses for investment. Cash invested "outside" the bank account is covered by section 4 of this policy.

4.2. Bank Accounts

Council operates one primary bank account for its day to day operational activity requirements. All monies due to Council and due by Council emanating from Council activities must pass through this primary account.

4.2.1 Cheque Management

Cheques are printed in batch format. To prevent the removing of cheques, cheques are delivered in sealed boxes where strict control is exercised over the numerical sequence of cheques on the expenditure system by means of a cheque register.

4.2.2 Delegation/Rights

The incumbents of the following post are authorized to sign cheques on behalf of Council

4.2.3 Cheques

- A-Signatories: Director: Financial Services/Chief Financial Officer
Manager: Financial Administration
Manager Income
Manager: Supply Chain
- B-Signatories: Accountant Assets & Budgets
Accountant Credit Control
Accountant Debtors
Accountant Expenditure

Each payment needs to be signed by at least two A-signatories, or one A-signatory and one B signatory.

4.2.4 Electronic Funds Transfer (EFT)

Authorisation same as cheques above

4.3 Bank Overdraft

- 4.3.1 Barring the fact that Council has an approved overdraft facility with its primary banker for possible unanticipated short-term cash flow shortfall, its general policy is to avoid going into overdraft.

Short-term debt is incurred based on expected income and must be repaid within the same financial year. (Section 45 of the MFMA)

- 4.3.2 Council set the credit limit for the bank overdraft facility at R6, 000, 000 (six million rand).
- 4.3.3 The terms of the agreement for the bank overdraft facility, including the credit limit, may be changed only by a resolution of council.
- 4.3.4 Any overdrawn bank account at any date must be reported without avail to Council supported by reasons therefore.
- 4.3.5 Any short term facility that requires review must first be approved by the Accounting Officer.

4.4 Cash collection

4.4.1 Controlled, secured and prompt cash collection

- a) All cashier banking batches and or shifts must be closed at least on a daily basis;
- b) Each cashier banking batch must be closed and deposit in the primary bank account separately;
- c) All forms, categories or types of money received must be quoted in the form or type received, for example cheques as cheques and cash as cash;
- d) A cashier must count the money he/she received, record the outcome on the cash-up sheet per category, then report to the senior responsible for the closing of the banking batches;
- e) No cashier may have access to the closing bank batch facility of the financial system;
- f) The senior verifies whether the amounts is correct and send the cashier back if necessary, otherwise closed the banking batch;
- g) The cashier in the presence of the senior put the money in the cash bags; seal it and lock it away in his/her fault for collection;
- h) All closed banking batches must be deposited and received by the bank within 72 hours;
- i) An independent service provider will collect all bags; quote the seal serial number and issue a receipt for the money bags;
- j) The service provider must ensure that the bank check the seals, verify the seal number and sign for the money bag; and
- k) All shortages must be paid in by the cashier and all surpluses must be receipted in an item number open for this purpose.

4.4.2 Availability of receipting points

- a) Cash receipting points will be available in Wolseley, Tulbagh, Ceres, Prince Alfred Hamlet and Op-Die-Berg at municipal offices;
- b) The normal office hours are Monday to Thursday 08h30 till 15h30 and Friday 08h30 till 14h30;
- c) The Municipality makes use of prepaid electricity sales points in all the suburbs where the Municipality is the approved electricity supplier, these points is open at least from 07h00 till 20h00; and
- d) The Municipality also make use of third party payments for example Easy pay and Pay – a- Bill.

4.4.3 Electronic payments directly into bank account

Electronic payments directly into the bank account are allowed provided that the client use his/her debtors account number as reference or booking number or traffic fine number.

4.4.4 Receipt of money by post

- a) All mail of the Municipality is opened by an official responsible for Archives in the presence of a cashier responsible for collecting the mail received payments;
- b) All monies (cash, cheques and postal orders) are recorded in a register signed by the mail received payments;
- c) This cashier will then capture the received payments on the financial system; records the receipting number with the date of the receipt and sign the register;
- d) When a cheque is post dated, it is written in a post dated cheque register and then kept in a safe until the valid date and then it is captured; and
- e) The senior responsible for the cashiers must verify at least once a week that all payment received via mail is received and that all post dated payments has been captured.

5. INVESTMENT POLICY

5.1 General Policy

Generally Council will invest surplus funds with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) for terms not exceeding one year in anticipation of cash flow expectations. From time to time, with prior Executive Mayoral Committee approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the National Treasury regulations from time to time.

5.2 Application

5.2.1 This policy applies to all investments made by the Witzenberg Municipality or its duly appointed investment manager.

5.2.2 In addition, all investments must be in accordance with the Municipal Investment Regulations. Where there is a conflict between this policy and the Municipal Investment Regulation, the Municipal Investment Regulations will supersede this policy.

5.2.3 This policy do not apply to -

- (a) a pension or provident fund registered in terms of the Pension Funds Act 24 of 1956, or any subsequent legislation; or
- (b) in respect of trust money administered by a municipality where a trust deed prescribes how the trust money is to be invested.

5.2.4 Investments dominated in foreign currencies prohibited

Council may make an investment only if the investment is dominated in Rand and is not indexed to, or affected by, fluctuations in value of the Rand against foreign currency.

5.4 Diversification

- 5.4.1 Council will only make investments with approved institutions which have an A rating as per Appendix A.
- 5.4.2 Not more than 30% of available funds will be placed with a single institution.
- 5.4.3 Council must regularly monitor its investment portfolio and when appropriate liquidate an investment that no longer has the minimum acceptable credit rating as specified in 4.4.1 above.

5.5 Investment Managers

5.5.1 External Investment Managers

The municipality may as and when the need arise approach an external A-graded investment manager to administer the investment portfolio on its behalf. The external investment manager will be appointed in terms of SCM policy and service level agreement will govern the functions and responsibility of the service provider. All investments made by the external investment manager on behalf of the Council of Witzenberg must be made within the ambit of this policy and with National Treasury's investment Regulations.

5.5.2 Internal Investment Manager.

All investments made by the internal investment manager shall be in accordance with section 4.4 of this policy.

5.6 INTERNAL CONTROLS OVER INVESTMENTS

5.6.1 Delegations

In terms of section 79 of the Act, the Accounting Officer has delegated to the Director: Finance (CFO), in writing, his duty under section 65(2)(h) to manage the councils available working capital effectively and economically in terms of the prescribed cash management and investment framework. The CFO has sub delegated this duty to the Manager Financial Administration.

5.6.2 Concluding deals

Written mandates, signed by the Manager Financial Administration and the CFO, shall be issued to all investees with whom the Council of Witzenberg invests funds setting out the following:

- 5.6.2.1 Authorised dealers: name and particulars of the Councils officials who are authorised to transact investments deals with the investees;
- 5.6.2.2 Authorised signatories: name and particulars of the Councils officials who are authorised to sign written confirmations or any other correspondence in respect of investments transactions.
- 5.6.2.3 A dealing sheet, signed by an authorised dealer, shall be prepared in all instances for each individual investment, detailing the quotations received and the recommended investee. The Manager Financial Administration, together with any one of the authorised signatories referred to above, shall be authorised to approve the transaction.
A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the Manager Financial Administration and the CFO.

5.7 Ownership

- 5.7.1 All investments must be made in the name of the Council of Witzenberg Municipality.
- 5.7.2 Written proof of investments made must be obtained from the institution where the investment is made and must be kept on file.
- 5.7.3 Council may not borrow money for the purposes of investment.

6. DUE CARE

In dealing with financial institutions, the following ethical principles must be observed:

- 6.1 The Chief Financial Officer and all staff in his/her directorate shall not accede to any influence by or interference from Councillors, investment agents, institutions or any other outsiders.
- 6.2 Under no circumstances may inducements to invest be accepted;
- 6.3 Interest rates quoted by one institution must not be disclosed to another institution; and
- 6.4 The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.
- 6.5 Investments must be made with such judgement and care, under prevailing circumstances like a person of prudence, discretion and intelligence would exercise.
- 6.6 Investment may not be made for speculation but must be a genuine investment; and
- 6.7 Investments must in the first instance be made with the primary regards being to the probable safety of the investment, in the second instance to the liquidity needs of the municipality and lastly to the probable income derived from the investment.

7. PERFORMANCE MEASUREMENT

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Financial Officer has primary responsibility for determining this overall quality. Objective measures include:-

- 7.1 Adherence to policy.
- 7.2 Timely receipt of interest income.

8. REPORTING

8.1 Reports

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Bank Balance	Report Daily	Senior Clerk Bank Reconciliations	Manager: Financial administration
Investments	Monthly within 10 working days of the end of the month. As part of section 71 of MFMA report	Accountant	Manager: Financial administration, Chief Finance Officer and Council

8.2 Monthly reports

Monthly reports must set out at least –

- (a) the market value of each investment as at the beginning of the reporting period;
- (b) any changes to the investment portfolio during the reporting period;
- (c) the market value of each investment as at the end of the reporting period; and
- (d) fully accrued interest and yield for the reporting period

9. ANNUAL REVIEW OF POLICY

This policy on investments will be reviewed annually or earlier if so required by legislation. Any changes to the investment policy must be adopted by council and be consistent with the Act and any National Treasury regulations.

10. EFFECTIVE DATE

The effective date of this amended policy shall be 1 July 2010.

APPENDIX A

APPROVED INSTITUTIONS

Banking Institution	Short-term	Long-term
ABSA Bank Ltd		AAA
Development Bank of SA		AAA
First Rand Bank Ltd		AA+
Sanlam Capital Markets Ltd		A
Imperial Bank Ltd		A+
Investec Bank Ltd		A+
Land and Agricultural Bank of SA		AA-
Nedbank Ltd		AA-
Standard Bank of South Africa Ltd		AA+

1. Long-term ratings

AAA- Obligations which have the highest rating assigned by Fitch IBCA on its nation rating scale for that country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Capacity for timely repayment of principal and interest is extremely strong, relative to other obligors in the same country.

AA- Obligations for which capacity for timely repayment of principal and interest is very strong relative to other obligors in the same country. The risk attached to these obligations differs only slightly from the country's highest rated debt.

A- Obligations for which capacity for timely repayment of principal and interest is strong relative to other obligors in the same country. However, adverse changes in business economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.



CONSUMER PAYMENT INCENTIVE POLICY (CPIP)

Date of implementation 01 July 2009

Reviewed by Council 15/06/2010

Reviewed by Council 20/04/2011

Reviewed by Council 31/05/2012

Reviewed by Council 29/05/2013

Reviewed and amended by Council on 28/05/2014

Reviewed and amended by Council on 27/05/2015

Reviewed and amended by Council on 18/05/2016

Reviewed and amended by Council on 30/05/2017

1. BACKGROUND

The Credit Control and Debt Collection Bylaws were reviewed and adopted by Council on the 28 May 2008. The purpose of the policy is to encourage the residents of Witzenberg to pay for services and also to promote the culture of payment amongst its citizens. The policy also aims to promote the Municipal Systems Act 32 of 2000, Sec 97(F) which relates to the extension of time for payment of services. The main focus of the policy is to institute incentive schemes to encourage prompt payment of debtor accounts.

2. OBJECTIVE OF THE SCHEME

To outline the parameters, criteria and procedures within which identified debts of participants to the scheme is written-off in exchange for prompt and timeous payment of future accounts rendered by the Municipality.

3. INCENTIVE DEFINED

3.1 Benefits derived by a participant to scheme

- One tenth of verified debt to be written-off every six months until debt is written-off in totality upon the participant fully complying with the conditions of the scheme.
- Assist consumers in improving the status of their municipal account in two ways, namely the decreasing of their existing debt through write-off and assisting them in ensuring that their current accounts do not deteriorate to a similar state.
- Registered Indigents must ensure that their monthly accounts are up-to-date if consumption has been more than the subsidy provided.
- The Incentive Policy is applicable only on debt relating to Service Charges excluding charges on Property Rates.

3.2 Benefit to Council

- Promotes sustainable and reliable revenue for the Council for future years.
- Creates amongst consumers the awareness and principle of paying for services consumed.
- Limits the financial burden of bad debt on the municipal council in future years.

4. CONDITIONS APPLICABLE TO THE SCHEME

- 4.1 Participant to promptly and timorously pay six (6) consecutive months' account rendered. The account must be paid before or on due date.
- 4.2 Participant to honour the acknowledgement of debt agreement entered into for the debt not identified for write-off, failing which it invalidates the application on the Incentive Policy.

5. WHO MAY APPLY

- 5.1 Only domestic consumers and educational schools and Hostels service accounts (Rates excluded) that have active accounts at date of application.
- 5.2 Only consumers that have outstanding debts as at the 30th June 2020 and the said debt or portion thereof is at date of application still outstanding.¹

6. WHO MAY NOT APPLY

- 6.1 Registered indigent consumers.
- 6.2 Commercial and Industrial consumers.
- 6.3 Government Departments, which includes schools and Parastatals.
- 6.4 Consumers utilising domestic premises to operate businesses.

7. METHOD OF COMMUNICATION ON THE SCHEME

- 7.1 The incentive scheme will be advertised in different mediums - newspapers, road shows and through the monthly statements.
- 7.2 A consumer must then complete an application form.
- 7.3 A reconciliation of the account will then be performed to verify whether the applicant qualifies.

8. THE PROCEDURE APPLICABLE

- 8.1 Verified debt as at 30th June 2020² to be "parked" and written-off in instalments as the conditions are met.
- 8.2 Verified debt accrued after 1st July 202³ to be dealt with via an acknowledgement of debt and arrangement for payment by the participant.
- 8.3 Incentive to be applied with effect from the 1st July 2010 retrospectively and upon approval.

¹ Adjusted annually

² Adjusted annually

³ Adjusted annually

9. INCENTIVE CALCULATION

One tenth of applicable debt to be written-off upon the participant promptly and timorously paying six (6) consecutive months account rendered in addition to the acknowledgement of debt accrued after 1st July 2020.⁴

Example

(a)	Verified outstanding debt as at the 30 th June 2020 amounts to	R5 000-00
(b)	Incentive portion written off each quarter 1/10 th of debt as per (a)	R500-00
(c)	Verified outstanding debt for the period accrued after 1st July 2020	R2 400-00
(d)	Monthly accounts rendered to be paid timeously.	
(e)	Acknowledgement of debt agreement (2400/36)	R66-67 per month

Incentive calculation

- The R5 000-00 is "parked thereby targeting it for write-off.
- An agreement is entered into for the R2 400 at R66-67 per month (2400/36)
- For every three consecutive months that the participants' current account and the arrangement of (66-67) must be paid up, an amount of R500-00 will be written-off from the "parked debt".

10. PARTICIPANTS TO THE SCHEME THAT DEFAULT

- 10.1 Participants, who default will not automatically be removed from the scheme, however their participation will be automatically suspended by the financial system that Council is using should they be in default for by two months or more.
- 10.2 The participants, in order to be reinstated on the Incentive Policy, must pay all outstanding amounts from the last account which was paid.
- 10.3 The incentive portion will only be affected if the participant has fully complied with the said conditions referred to in Section 4 of this scheme.
- 10.4 Participants who default on a regular basis will at management's discretion be removed from the scheme and normal credit control actions in terms of the bylaws will be instituted.

⁴ Recommended for adjustment



PETTY CASH POLICY

Date of implementation: 01 July 2010

Petty Cash Policy

1. INTRODUCTION

The management of expenditure of the municipality in an effective and controlled manner is the responsibility of the Accounting Officer of the municipality. Therefore the following petty cash policy is adopted by the Witzenberg Municipality.

Witzenberg Municipality includes the towns **and rural areas** of:

Bella Vista
Ceres,
Nduli
Prince Alfred's Hamlet,
Op-die-Berg,
Tulbagh, and
Wolseley

2. OBJECTIVES

To comply with regulatory framework in terms of the relevant legislation.

3. REGULATORY FRAMEWORK

- a) The Municipal Finance Management Act (56 of 2003)
- b) **Paragraph 15** **The** Municipal Supply Chain Management Regulations of 2005
- c) **Paragraph 15** **The** Municipal Supply Chain Management Policy

4. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (**Section 65**) are:

- (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.
- (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—
 - (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
 - (b) that the municipality has and maintains a management, accounting and information system which—
 - (i) recognises expenditure when it is incurred;
 - (ii) accounts for creditors of the municipality; and
 - (iii) accounts for payments made by the municipality;

Petty Cash Policy

- (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;
- (d) that payments by the municipality are made—
 - (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
 - (ii) either Electronically or by way of non-transferable cheques?, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager hereby delegates authority to the Chief Financial Officer.

5. PETTY CASH PURCHASES

Petty cash requests will be made to the designated Petty cash officer in writing. The applicant must ensure that the items requested must be approved Petty Cash items. Petty cash officers will be held accountable for the safe guarding of petty cash.

- (a) Petty cash is strictly restricted to cash purchases:
 - i. up to a transaction value of R1 990.00 (VAT included)
 - ii. Submission must contain approved quote, petty cash requisition and MBD9 as a minimum
- (b) Approved list of Petty cash purchases are as follows:
 - i. Condolences, well wish cards, bouquets and flowers to the value of R350 (to be approved by Municipal Manager or relevant Director); No Gift baskets
 - ii. Keys for offices; Courier services; Postage
 - iii. Temporary vehicle licensing and public driver permits
 - iv. Tollgate fees when an employee is driving with an official vehicle registered in the name of the Municipality
 - v. Refunds (Library book fees);
 - vi. Refreshments and catering – only if approved by Municipal Manager
 - vii. Purchases are not split over two or more cash purchase claims;
 - viii. Purchase other than that specified in (i) to (v) above, may be approved by the CFO in exceptional cases where it is impractical or impossible to follow the official procurement processes, hence through a full deviation process:
 - 1. No approved store items may be purchased by means of a petty cash transaction;
 - 2. No fixed asset may be purchased by means of a petty cash transaction;

Petty Cash Policy

3. No travel and subsistence claims or disbursements may be paid via petty cash;

c. Petty cash Receipts

- i. Receipts must be provided immediate when petty cash has been issued to the purchaser and goods has been paid and received;
- ii. Failure to provide receipts, the receiver of petty cash automatically gives permission that the petty cash can be recovered from their monthly salary in a once off amount

6. MAXIMUM AMOUNT OF PETTY CASH PER MONTH

Petty cash will only be held in Ceres. The maximum float may not exceed R5 000.00 at any point in time. The maximum amounts of petty cash purchases are limited to R10 000.00 per month.

7. REPORTING

A monthly reconciliation report must be provided within 5 working days after month end to the chief financial officer, including:

- (a) The total amount of petty cash purchases for that month: and
- (b) Receipts and appropriate documents for each purchase



INDIGENT POLICY

OUR VISION

A Municipality that cares for its community, creating growth and opportunities.

OUR MISSION

The Witzenberg Municipality is committed to improve the quality of life of its community by:

- Providing and maintaining affordable services.
- Promoting Social and Economic Development
- The effective and efficient use of available resources
- Effective Stakeholder and Community participation

Recommended for adjustment March 2022
Reviewed by Council September 2021
Reviewed by Council 27/05/2020
Reviewed by Council 30/05/2019
Reviewed by Council 30/05/2017
Reviewed by Council 18/05/2016
Reviewed by Council 28/09/2011

Adopted by Council 15/06/2010

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1. INTRODUCTION

Witzenberg acknowledges the fact that priority must be given to the basic needs of the community and that the social and economic development of the community is assisted in an effort to provide access to the basic level of service in terms of the Constitution of South Africa, Sect 152 (1) (b) and 153 (b).

In an effort to make basic services accessible to the poor and to contribute to poverty alleviation program of National Government, the Council will allocate funds to assist the Poor. This policy, the Indigent Policy, is the tool to ensure that eventually the poor is in the safety net and are protected from measures to deny them access to the basic services. It is however acknowledged that the assistance will only be possible with the assistance of National Governments Fiscal support.

2. AIM

To ensure a sound and sustainable manner to provide affordable basic services to the Poor by means of assisting them financially within the legal framework of the powers and functions of the Municipality in order to improve the livelihood, in an effort to creating a prosperous Municipality free of poverty.

3. OBJECT OF THE POLICY

The object of this policy is to:

- Ensure a transparent, accountable and sustainable manner to assist the poor to access of basic services as defined later in the policy;
- Ensure a sustainable manner to assist the poor with the graveyard costs, transfer duties and to change the municipal accounts in the cases of death, legal separation, divorce, etc. when necessary; and to
- Ensure that a fair portion of the equitable share, as provided by National Government, is utilized as a contribution to poverty alleviation.

4. LEGAL FRAMEWORK

The legal framework within to provide basic services, are in terms the Constitution of South Africa:

- Sect 152 (1) (b) – provision of services in sustainable manner,
- Sect 153 (b) – participation in national and provincial programs, and
- Sect 156 – powers and functions to be performed by the municipalities.

Section 74(2)(c) of the Systems Act, Act 32 of 2000 deals with the ability of the municipality to make provision for the provision of access to at least basic services for the poor households. Sect 118 of the same Act provides the powers to the Municipality to issue clearance certificates and to hold back those of owners who are in arrears.

It is also seen that Sect 151(1) (b) of the Constitution, read with Section 74(2) (c) of the systems act provides enough powers to the Municipality to subsidize the poor with regard to other tariffs as well as to ensure that the household can maintain access to basic services when the head of the household should pass away.

5. DEFINITIONS

In this policy the under mentioned means, unless the context indicates otherwise-

"Household" a family unit consisting of a head of the family, and his or her spouse.¹

"Indigent household" a household that complies with the criteria as determined in section 6 of this policy.

"Income" All sources of income of a head of the family, and his or her spouse², for example salaries, allowances, pensions, rental and business income not limiting it to the examples mentioned, excluding state child support grants, care dependency grants, foster care grants or maintenance support.³

"Spouse" includes husband, wife or living partner, including traditional marriages.⁴

6. CRITERIA

Assistance is provided to households that meet the criteria as set out in 6.1, to old age homes that meet the criteria as set out in 6.2 and to schemes aimed at providing housing for the less privileged elderly as set out in 6.3.

6.1. The qualification criteria for urban households in order to receive assistance are as follow:

6.1.1. The head of the household must be a South African citizen;

6.1.2. An application on the prescribe form, fully completed with the required information and signed, must be provided;

6.1.3. The household, except in the case of rural households, must receive an account from the Municipality of Witzenberg;

6.1.3.1. If the municipal account is not in the name of the people residing in the house the following procedures may be followed:

6.1.3.1.1. An indigent application process to determine whether the household qualifies for benefits – if they qualify then:

6.1.3.1.1.1. A letter from the owner, or the executor of the estate, if applicable, authorising the municipality to open a service account in the name of the person residing in the house;

6.1.3.1.1.2. If the owner has died and an executor has not been appointed, all the children of the deceased must give permission with an affidavit that the account can be opened in the specific person's name;

6.1.3.1.1.3. In the case of municipal property, the housing committee will determine the lessee.

6.1.3.1.2. The municipal manager is delegated to write off the old debt on the property if the property is transferred into the name of the beneficiary within 24 months after the approval of the indigent application.⁵

6.1.4. No member of the household, except in the case of rural households which resides on the farm where he/she works and is not the owner, may own a fixed property other than the site on which the household resides; and

6.1.5. The household joint gross income may not exceed the level of R 5,000.00⁶ per month. The average monthly income for seasonal workers may be calculated by multiplying the monthly income with the

1 Amended by Council 30/05/2019

2 Amended by Council 30/05/2019

3 Amended by Council 28/09/2011

4 Amended by Council 30/05/2019

5 Paragraph 6.1.3.1 Amended by Council Sept 2021

number of months the person normally works and dividing the answer by 12. The monthly income for weekly wages may be calculated by multiplying the weekly wage by 4.3.⁷

- 6.1.6. Two individual government pension (old age or disability) that exceeds the threshold as per 7.1 may qualify for the 100% benefit if it is the only household income.⁸
- 6.1.7. The municipal manager may approve a household as indigent in exceptional circumstances.⁹
- 6.1.8. As a pre-requisite the municipality will install water demand management meters free of charge at indigent properties as a prerequisite to be registered as an indigent and all water leaks on the property will be repaired by the municipality at the cost of the municipality.¹⁰
- 6.1.9. No applicants who have a mobile shop in their erven (whether they are the owner or operator of the shop or not) is eligible for any Indigent benefit;¹¹
- 6.1.10. No Indigent application will be approved if any illegal trading is conducted on the property;¹²
- 6.1.11. Where there is a business operated by the main account holder or their spouse/ life partner, an affidavit must be accompanied stating that the income (profit) from the business is not more than the thresholds of the Indigent (100% or 50%) subsidy. Where discretion regarding this matter is needed, the application is to be referred to the Municipal Manager or Director Community for approval.¹³
- 6.1.12. No Indigent application will be approved in the case of any person that lives/stay on the property who is employed by any State Department, Local Government or District Municipality, excluding EPWP type employment.¹⁴
- 6.2. The qualification criteria for old age homes in order to receive assistance are as follow:
 - 6.2.1. More 50% of the residence within the old age home must receive less than R 3,000 per month income; and
 - 6.2.2. An application on the prescribe form, fully completed with the required information and signed, must be provided.
- 6.3. People residing in approved schemes aimed at providing housing for the less privileged elderly will qualify automatically for the full indigent benefit.:
 - 6.3.1. Maple Park
 - 6.3.2. Moredou
 - 6.3.3. Hamlet Sefsgoord
 - 6.3.4. Other schemes approved by council.¹⁵

7. BENEFITS

6 Amended by Council 27/05/2020

7 Recommended for amendment Sept 2021

8 Amended by Council 30/05/2019, Amended by Council Sept 2021

9 Amended by Council 30/05/2017

10 Amended by Council 27/05/2020

11 Amended by Council Sept 2021

12 Amended by Council Sept 2021

13 Amended by Council Sept 2021

14 Amended by Council Sept 2021 Recommended to be removed

15 Amended by Council Sept 2021

All benefits are awarded in the form of free use consumption tickets or as a subsidy on the municipal account.

The following benefits are available for:

7.1. Households with a joint gross household income less than R 3,000

7.1.1 Property rates

In terms of the Property Rates Act, Act 6 of 2004, section 17(h) all residential sites are exempt from the first R 15,000 of the market value on property. As additional subsidy the Municipality will increase this level to R105 000 by means of a subsidy in the form a credit on the municipal account. This subsidy will be equal to the smallest of R 105 000 market value or the total valuation of property.

7.1.2 Electricity

A subsidy equal to the amount charged for the first 50 kWh consumed per month.

7.1.3 Water

A subsidy equal to the amount charged for the first 6 kilolitres consumption per month as well as 100% subsidy on the basic charge for water, where the Municipality is the service providers.

7.1.4 Sanitation

A subsidy equal to 100% of the amount charged for the service per month where the Municipality is the service provider.

7.1.5 Refuse removal

A subsidy equal to 100% of the amount charged for the service per month where the Municipality is the service provider.

7.1.6 House rental

A subsidy equal to 100% of the amount charged in the case of municipal sub economical rental stock as house rental per month.

7.1.7 Graveyard costs

A subsidy equal to 100% of the amount charged for graveyard cost. The subsidy can be in terms of every deceased member of the household and minor dependents.

7.1.8 Transfer costs

7.1.8.1. A subsidy equal to 100% of the amount charged for transferring the municipal services accounts as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit.

7.1.8.2. A subsidy equal to 100%, but limited to R 5000.00¹⁶ of the costs of an attorney to transfer the property into the spouse name, as a result of death of the head of the household whilst approved as an Indigent household and the current, registration is not in both parties' name registered in the deeds office. The appointment of the attorney is entirely the prerogative of the Municipality.

7.2. Households with a joint gross household income more than R 3,000 but less than R 5,000.¹⁷

7.2.1. Property rates

In terms of the Property Rates Act, Act 6 of 2004, section 17(h) all residential sites are exempt from the first R 15,000 of the market value on property. As additional subsidy the Municipality will increase this level to R105 000 by means of a subsidy in the form of a credit on the municipal account. This subsidy will be equal to the smallest of R 105 000 market value or the total valuation of property.

7.2.2. Electricity

A subsidy equal to 100% of the amount charged for the first 25 kWh consumed per month, where the Municipality is the service provider.

7.2.3. Water

A subsidy equal to 100% of the amount charged for the first 3 kilolitres consumption per month as well as 50% subsidy on the basic charge for water, where the Municipality is the service provider.

7.2.4. Sanitation

A subsidy equal to 50% of the amount charged for the service per month where the Municipality is the service provider.

7.2.5. Refuse removal

A subsidy equal to 50% of the amount charged for the service per month where the Municipality is the service provider.

7.2.6. House rental

A subsidy equal to 50% of the amount charged in the case of municipal sub economical rental stock as house rental per month

7.2.7. Graveyard costs

A subsidy equal to 50% of the amount charged for graveyard cost. The subsidy can be in terms of every deceased member of the household and minor dependents.

7.2.8. Transfer costs

7.2.8.1. A subsidy equal to 50% of the amount charged for transferring the municipal services accounts as a result of death of the head of the household. In the event of separation or divorce, the person who is residing at this plot, qualifies for the subsidy on transfer costs. This household is also exempt from making a consumer deposit or to increase the existing deposit.

7.2.8.2. A subsidy equal to 50%, but limited to R 5000.00¹⁸ of the costs of an attorney to transfer the property into the spouse name, as a result of death of the head of the household whilst approved as an Indigent household and the current registration is not in both parties name registered in the deeds office. The appointment of the attorney is entirely the prerogative of the Municipality.

¹⁷ Paragraph 7.2 inserted by council 27/05/2020

¹⁸ Amended by Council Sept 2021

- 7.3. The rebates in terms of sections 7.2.2', 7.2.3, 7.2.4, 7.2.5 and 7.2.6 is subject to the payment of the municipal account by the applicant. The accounts will be monitored on regular intervals and if it is found that the applicant failed to pay the monthly account, the rebates may be stopped.
- 7.4. Old age Homes
- 7.4.1. Electricity
- A subsidy equal to 10% of the amount charged for the service per month
- 7.4.2. Water
- A subsidy equal to 81.2% of the amount charged for the service per month
- 7.4.3. Sanitation
- A subsidy equal to 59% of the amount charged for the service per month.
- 7.4.4. Refuse removal
- A subsidy equal to 33% of the amount charged for the service per month.
- 7.5. The municipal manger is delegated to write off all outstanding debt on indigent accounts as at 30 September 2021 and all outstanding debt of new approvals as a once off benefit.¹⁹
- 7.6. If an applicant failed to pay the monthly account, 30% of prepaid electricity purchases may be utilised as payment on the municipal account.²⁰

8. RESTRICTIONS / LIMITATIONS ON INDIGENT RELIEVE:²¹

- 8.1. The water meters of indigents who consumed in excess of 6 kilolitre water per month and do not pay regularly for the excess can be replaced with water management meters, and the consumption can be limited to a minimum of 200 litres per day (6 kilolitres per month);
- 8.2. The electricity meters of indigents who consumed in excess of 50 kWh units of electricity per month and do not pay regularly for the excess can be replaced with split prepaid meters and the connection can be limited to a minimum of 40 Amps;²²
- 8.3. The cost of the replacement meters will be borne by the municipality.

9. ADMINISTRATIVE PROCEDURES

9.1. Organizational Structure

The organizational structure dealing with assistance to the poor is split in decision making and execution.

The decision making component will consist of the elected councillors in the Finance Committee, with the execution unit being the advisors of the committee.

¹⁹ Amended by Council Sept 2021

²⁰ Amended by Council Sept 2021

²¹ Amended council 28/09/2011

²² Amended by Council Sept 2021

Responsibilities of the Committee:

This committee will ensure that recommendations be made with regard to:

- Policy changes;
- Monitoring of the assistance provided; and
- Serve as the dispute handling committee.

The execution portion will be dealt with by the Social and Economic Development unit of Witzenberg Municipality.

Responsibilities of the unit will include at least:

- Assist households with applications;
- Consider applications according to criteria
- Approve applications;
- Ensure implementation of approved applications;
- Keep administrative record of all applications,
- Assist in reconciling information with the financial system; and
- Prepare monitoring reports.

9.2. Application Procedure – First/new applications

9.2.1. The head of the household, if not the municipal account holder supported by the municipal account holder, must apply for the subsidy in person. The onus to apply is placed on the head of household.

9.2.2. The application must be on the prescribe application form. Attached as Annexure 12.1.2.

9.2.3. The application form must at least include the following documents:

9.2.3.1. Copy of the latest municipal accounts, where applicable;

9.2.3.2. Copy of the head of the household identification document and in the case of not the account holder the account holder documentation;

9.2.3.3. Copy of the deceased identification and death certificate documents, where applicable;

9.2.3.4. Proof of income, certified by employer as a true reflection, if applicable;

9.2.3.5. Copy of the pension card, UIF card, or interest certificate, etc., if applicable;

9.2.3.6. An affidavit that certifies that the information provided is the truth and nothing but the truth. (Attached as Annexure 12.1.3)

9.2.3.7. Copy of the last three months' bank statements when required; and

9.2.3.8. Additional information such as tax information or other information may be requested as mandatory for the indigent application process.²³

9.2.4. The municipality acknowledged the fact that support must be offered in order to ensure access to the subsidy. For this purpose, a unit is in tack to assist the poor. All applications must be lodged at this unit, called the Social & Economic Development unit of Witzenberg Municipality.

9.2.5. The Municipality reserves the right that an official of the unit may visit the household residing place in order to establish or confirm the information provided.

9.2.6. The Municipality reserves the right to verify information received by means of ITC checks.²⁴

²³ Amended by Council Sept 2021

²⁴ Amended by Council 30/05/2019

- 9.2.7. The Municipality undertakes to remind the household, ±two months prior to expiry of the approval, of the expiry. The non-receiving of the notice in the form of a house visit, letter or via the municipal account will not place the responsibility on the Municipality to ensure re-application.
- 9.2.8. Elderly people and or people with medical conditions may apply for house visits for application purposes.²⁵
- 9.2.9. No credit control measures will be implemented for a period of two months from date of application, to allow for the follow up and consideration of the application.²⁶

9.3. RENEWAL PROCEDURE²⁷

- 9.3.1. For renewal purposes the application procedure may be replaced by an affidavit stating:

- 9.3.1.1. There have been no changes in the income of the household;
- 9.3.1.2. The households' income is still below the monthly thresholds as per the municipal indigent policy;
- 9.3.1.3. That the person making the affidavit acknowledge that it is a criminal offence to make a false declaration.

- 9.3.2. Where the applicant(s) are 65 years and older and their application has been approved the following must be done on an annual basis in a form of affidavit:

- 9.3.2.1. Provide proof of living;
- 9.3.2.2. Confirmation that the households' income is still below the monthly thresholds as per the municipal indigent policy.²⁸

9.4. Measurement and duration of applications for approval

- 9.4.1. Measurement whether the application qualify in terms of the criteria as set in section 6 is based on the information as on the date of the application. The municipality reserves the right to lodge their own investigation in order to ensure compliance with the criteria.
- 9.4.2. An approved application is valid for a period of twelve months.
- 9.4.3. If an applicant's financial position changes and it is of a permanent nature the applicant must inform the Municipality of the change. If the change affects the household in such a manner that it no longer meet the criteria as set in section 6 the approval will automatically stop.
- 9.4.4. The onus rest with the applicant to inform the Municipality of any such changes.
- 9.4.5. The approval will stop automatically two months after the head of the household passed away. If the household left behind is still financially in the same position the subsidy must be transferred to the new head of the household. The onus to apply is placed on the new head of the household.
- 9.4.6. Where the applicant is deceased the surviving next of kin (husband/wife/child/grandchild) have to apply as the new head of the household.²⁹
- 9.4.7. The applicant must:³⁰

- indicate that the owner is deceased;

²⁵ Amended by Council Sept 2021

²⁶ Paragraph 9.2.9 Amended by Council Sept 2021

²⁷ Paragraph 11 Amended by Council Sept 2021

²⁸ Paragraph 9.3.2 Recommended for inclusion May 2022

²⁹ Paragraph 9.3.6 included by council 27/05/2020

³⁰ Paragraph 9.3.7 included by council 27/05/2020

- attached an affidavit (declaration) that he or she is the person to whom the house has been allocated to in the estate;
- If there is no estate, all surviving next of kind have to give consent to the applicant to occupy the estate property.

10. Disputes

Any dispute based on the administrative process or approval of an application will be dealt with by the Finance Committee. The Committee may call the applicant to put their dispute in words or ask the applicant to put it in writing. The Social and Welfare unit must be afforded to provide the committee with documentary proof of the process followed and or reasons for the decision made. The committee may not include in their decision any deviation of this policy.

11. TERMINATION OF INDIGENT SUPPORT³¹

Indigent Support will be terminated under the following circumstances:

- 11.1. Death of account-holder;
- 11.2. Upon sale of the property;
- 11.3. When circumstances in the indigent household have improved in terms of a gross income exceeding the limit;
- 11.4. If the applicant is found to have furnished false information regarding indigent status;
- 11.5. If the household head owns ~~a business or~~³² a second property or there is a business operated in the property;
- 11.6. If it is determined during a visit that the household does not meet the requirements any longer.³³
- 11.7. If there is any illegal trading on the property.³⁴

12. COMMENCEMENT DATE

This amended policy takes effect when approved by Council.

³¹ Paragraph 10 included by council 27/05/2020

³² Amended by Council Sept 2021

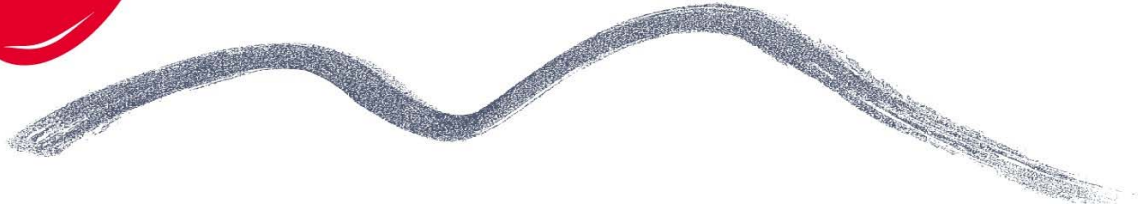
³³ Amended by Council Sept 2021

³⁴ Amended by Council Sept 2021



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase



BUDGET VIREMENT POLICY

Date of implementation 01 July 2010

Index

1. Definitions
2. Abbreviations
3. Objective
4. Financial Responsibility
5. Transfer/ Virement Restrictions
7. Transfer / Virement Procedure

Annexure "A" Vote Classification

Annexure "B" Item Classification

1. Definitions

"Accounting officer" The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA

"Approved budget" means an annual budget approved by a municipal council.

"Budget-related policy" means a policy of a municipality affecting or affected by the annual budget of the municipality as defined in the Budget Policy of the Council

"Chief financial officer" means a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.

"Deputy Chief financial officer" Deputy Director: Finance¹

"Capital Budget" This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods

"Council" means the council of a municipality referred to in section 18 of the Municipal Structures Act.

"Financial year" means a 12-month year ending on 30 June.

"Line Item" an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures [See annexure "B" for current item structure]

"Operating Budget" The Town's financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them.

"Ring Fenced" an exclusive combination of line items grouped for specific purposes for instance salaries and wages.

"Service delivery and budget implementation plan" means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget.

"Virement" is the process of transferring an approved budget allocation from one vote to another, with the approval of the Municipal Manager. To enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.

"Vote" means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. [See annexure "A" for current Vote structure]

"Budget transfer" means the transfer of an approved budget allocation from one operating or capital line item to another within a vote, with the approval of the relevant senior manager.

¹Updated 31/05/2012 Council meeting

2. Abbreviations

- 2.1. CFO – Chief Financial Officer
- 2.2. Deputy CFO: Deputy Chief Financial Officer
- 2.3. IDP – Integrated Development Plan
- 2.4. MFMA – Municipal Finance Management Act No. 56 of 2003
- 2.5. SDBIP -Service delivery and budget implementation plan
- 2.6. CM – Council Minute/s

3. Objective

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

4. Financial Responsibilities

- 4.1 Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments is identified at the earliest possible opportunity. (Section 100 MFMA)
- 4.2 The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)
- 4.3 It is the responsibility of each manager or head of a department or activity to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 102.

5. Virement Restrictions

- 5.1 No funds may be viremented between votes without consent of both vote holders and the Municipal Manager.
- 5.2 Virements may not exceed a maximum annual limit of 5 % per vote from which the virement originates.
- 5.3 A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years.
- 5.4 No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of the Mayoral Committee.

5.5 No funds may be transferred between line items without approval of the vote holder authorization, in other words the senior Manager's approval.

5.6 Budget may not be transferred from Support service (interdepartmental) costs, Capital financing, Depreciation, Contributions, Grant Expenditure, Insurance and Income Foregone.

5.7 Budget may only be transferred from or to Salaries or employee related costs if approved by the CFO.

5.8 Transfers Virements in capital budget allocations are only permitted within specified action plans and not across funding sources without the written approval of the CFO and the Municipal Manager and must in addition have comparable asset lifespan classifications. ²

5.9 No virements are permitted in the first three months or the final month of the financial year without the express agreement of the CFO or the Deputy CFO.

5.10 An approved virement/transfer does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the supply chain management policy of Council as periodically reviewed.

5.11 Virements/transfers may not be made between Expenditure and Income.

5.12 No virements/transfers are allowed in terms of income line items.

5.13 No virement/transfers are allowed from capital budget to the operating budget

5.14 Virements/transfers should not result in new projects on the capital budget without the written approval of the CFO and the Municipal Manager³

5.15 Virements/transfers of conditional grant funds to a purpose outside than specified in the relevant conditional grant framework are not permitted.

5.16 Virements / Transfers to Travelling and Accommodation and Entertainment line items are only permitted with the approval of the CFO and Municipal Manager⁴

5.17. Virements / Transfers from Repairs & Maintenance Projects are only permitted with the approval of the CFO and Municipal Manager

5.18 Virements / Transfers from Specific Operational Typical Work streams Projects are only permitted with the approval of the CFO and Municipal Manager

5.19 No virements be permitted from projects allocated to specific regions/areas

5.20 No virements be permitted from projects used to measure performance in terms of the SDBIP

5.21 No virements be permitted for Funds allocated as grants to individuals (e.g. bursaries)

Appendix A Classification be repealed and replaced with the updated Municipal Votes as disclosed in the Budget Schedules

Appendix B Classification be repealed and replaced with the mSCOA line items

6. Virement Procedure

6.1 All virement/transfer proposals must be completed on the appropriate documentation and

forwarded to the relevant Finance Officer for checking and implementation.

6.2 All virements must be signed by the Initiator, Vote Holder, Municipal Manager and the official responsible for budgets.

6.3 All transfers must be signed by the Initiator, Vote holder, the official responsible to process the proposals and a Line Manager within Finance.

6.4 The form must be completed for all Budget Transfers, virements as well as transfers.

²Updated 31/05/2012 Council meeting

³Updated 31/05/2012 Council meeting

⁴Updated 31/05/2012 Council meeting

6.5 Virements/transfers in excess of R 50,000 require the approval of the Deputy CFO and Virements / Transfers in excess of R 200,000 require the approval of the Chief Financial Officer⁵

6.6 All documentation must be in order and approved before any expenditure can be committed or incurred. (Section 79 MFMA)

6.7 The Municipal Manager will report to the Mayor on a quarterly basis on those virements that have taken place during that quarter.

APPENDIX A WITZENBERGMUNICIPALITY
GFS CLASSIFICATION, COST CENTRE & VOTE STRUCTURE

GFS Classification	Cost centres	Municipal Votes	Vote Holder (Responsible Sec 57 Appointment)	Support Vote Holder (Responsible Line Manager)
Budget & Treasury Office	Property rates	Budget & Treasury Office	Director: Financial Services	Manager: Income
Budget & Treasury Office	Treasury: Administration	Budget & Treasury Office	Director: Financial Services	Manager: Financial Administration
Budget & Treasury Office	Treasury: Debtors	Budget & Treasury Office	Director: Financial Services	Manager: Income
Budget & Treasury Office	Treasury: Credit control	Budget & Treasury Office	Director: Financial Services	Manager: Income
Budget & Treasury Office	Treasury: Supply Chain	Budget & Treasury Office	Director: Financial Services	Manager: Supply Chain
Budget & Treasury Office	Treasury: Audit	Budget & Treasury Office	Director: Financial Services	Manager: Financial Administration
Community & Social Services	Cemeteries	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Community & Social Services	Library services	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Community & Social Services	Community Halls & Facilities	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Community & Social Services	Thusong Centre	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Community & Social Services	Social & Welfare services	Community & Social Services	Director: Community Services	Manager: Social and Economic services
Corporate Services	Control centre	Community & Social Services	Director: Community Services	Manager: Protection Services
Corporate Services	Property maintenance	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Corporate Services	Administration	Corporate Services	Director: Corporate Services	Manager: Administration
Corporate Services	Property administration	Corporate Services	Director: Corporate Services	Unknown
Corporate Services	Information Technology	Corporate Services	Director: Corporate Services	Manager: Administration
Corporate Services	Human resources	Corporate Services	Director: Corporate Services	Manager: Human Resources
Corporate Services	Tourism	Corporate Services	Director: Corporate Services	Manager: Communications
Corporate Services	Administration	Corporate Services	Director: Corporate Services	Manager: Administration
Corporate Services	Mechanical Workshop	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Corporate Services	Marketing & Communications	Corporate Services	Director: Corporate Services	Manager: Communications
Electricity	Electricity: Administration	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Electricity	Electricity: Client Services	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Electricity	Electricity: Generation	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Electricity	Electricity: Distribution	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Environmental Protection	Environmental Protection	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Executive & Council	Municipal Manager	Executive & Council	Municipal Manager	Manager: IDP

⁵Updated 31/05/2012 Council meeting

**APPENDIX A WITZENBERGMUNICIPALITY
GFS CLASSIFICATION, COST CENTRE & VOTE STRUCTURE**

GFS Classification	Cost centres	Municipal Votes	Vote Holder (Responsible Sec 57 Appointment)	Support Vote Holder (Responsible Line Manager)
Executive & Council	Council cost	Corporate Services	Director: Corporate Services	Manager: Administration
Executive & Council	Town secretary	Corporate Services	Director: Corporate Services	Manager: Administration
Executive & Council	Chief Executive's	Executive & Council	Municipal Manager	Manager: IDP
Housing	Housing: Administration	Housing	Director: Community Services	Manager: Housing
Housing	Housing: Construction	Housing	Director: Community Services	Manager: Housing
Housing	Housing: Maintenance	Housing	Director: Community Services	Manager: Housing
Planning & Development	Licensing & regulation	Community & Social Services	Director: Community Services	Manager: Amenities & Environment
Planning & Development	Local Economical Development	Community & Social Services	Director: Community Services	Manager: Social and Economical services
Planning & Development	Integrated Development Planning	Executive & Council	Municipal Manager	Manager: IDP
Planning & Development	Building Control	Planning	Director: Technical Services	Manager: Planning & Projects
Planning & Development	Town Planning	Planning	Director: Technical Services	Manager: Planning & Projects
Planning & Development	Project Management	Planning	Director: Technical Services	Manager: Planning & Projects
Planning & Development	Performance Management	Planning	Director: Technical Services	Manager: Planning & Projects
Public Safety	Electricity: Street Lights	Electro Technical Services	Director: Technical Services	Head: Electro Technical Services
Public Safety	Fire Protection	Public Safety	Director: Community Services	Manager: Protection Services
Public Safety	Police & Traffic	Public Safety	Director: Community Services	Manager: Protection Services
Public Safety	Disaster management	Public Safety	Director: Community Services	Manager: Protection Services
Road Transport	Vehicle Licensing & Testing	Public Safety	Director: Community Services	Manager: Protection Services
Road Transport	Roads	Civil services	Director: Technical Services	Manager: Roads & Storm water
Sport and Recreation	Pine forest: Administration	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Pine forest: Security services	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Pine forest: Semi permanent units	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Pine forest: Cleaning services	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Pine forest: Swimming pools	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Klipriver park: Administration	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Klipriver park: Cleaning services	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Klipriver park: Swimming pool	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Sport and Recreation	Parks	Sport & Recreation	Director: Community Services	Manager: Amenities & Environment
Sport and Recreation	Sport grounds	Sport & Recreation	Director: Community Services	Manager: Amenities & Environment
Sport and Recreation	Swimming pools	Sport & Recreation	Director: Community Services	Manager: Resorts & swimming pools
Waste Management	Public Toilets	Civil services	Director: Technical Services	Manager: Solid Waste
Waste Management	Solid Waste - Dumping Site	Civil services	Director: Technical Services	Manager: Solid Waste
Waste Management	Solid Waste - Garden	Civil services	Director: Technical Services	Manager: Solid Waste
Waste Management	Solid Waste - Removal	Civil services	Director: Technical Services	Manager: Solid Waste
Waste Water Management	Sewerage	Civil services	Director: Technical Services	Manager: Water & Sewerage
Waste Water Management	Storm water Management	Civil services	Director: Technical Services	Manager: Roads & Storm water
Water	Water Storage	Civil services	Director: Technical Services	Manager: Water & Sewerage
Water	Water Distribution	Civil services	Director: Technical Services	Manager: Water & Sewerage

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
3001	3000	Salaries	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3002	3000	Bonuses	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3003	3000	Standby	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3004	3000	Overtime	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3005	3000	Housing Allowances	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3006	3000	Housing Subsidies	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3007	3000	Entertainment Allowances	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3009	3000	Leave paid out	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3010	3000	Transport Allowances	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3011	3000	Resettlement Costs	Employee related costs - Salaries & Wages	Expenditure	Yes*	Yes*
3101	3100	Medical contributions	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3102	3100	Pension contributions	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3103	3100	UIF	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3104	3100	Group Life Insurance	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3105	3100	Bargaining Council Levies	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
3106	3100	Employees Awards	Employee related costs - Social contributions	Expenditure	No	Yes*
3107	3100	Post-retirement benefits	Employee related costs - Social contributions	Expenditure	No	Yes*
3108	3100	Exgratia Pension	Employee related costs - Social contributions	Expenditure	No	Yes*
3109	3900	Finance Cost Medical	Interest Expense - External borrowings	Expenditure	No	No
3110	3900	Finance Cost Long service	Interest Expense - External borrowings	Expenditure	No	No
3111	3900	Finance Cost Exgratia	Interest Expense - External borrowings	Expenditure	No	No
3301	3300	Employee Cost Transferred	Less Employee Costs Allocated	Expenditure	No	No
3401	3400	Mayor	Remuneration of Councillors	Expenditure	No	No
3402	3400	Deputy Mayor	Remuneration of Councillors	Expenditure	No	No
3403	3400	Speaker	Remuneration of Councillors	Expenditure	No	No
3404	3400	Mayoral Committee Allowances	Remuneration of Councillors	Expenditure	No	No
3405	3400	Councillor Allowances	Remuneration of Councillors	Expenditure	No	No
3406	3400	Medical	Remuneration of Councillors	Expenditure	No	No
3407	3400	Pension	Remuneration of Councillors	Expenditure	No	No
3501	3500	Impairment of debtors	Bad Debts	Expenditure	No	No
3502	3500	Impairment of long-term debtors	Bad Debts	Expenditure	No	No
3503	3500	Impairment Debtors (Non-Exchange)	Debt impairment	Expenditure	No	No
3601	3600	Debt Collection Fees - Extern	Collection costs	Expenditure	Yes	Yes
3602	3600	Summonses & Legal Lawsuits	Collection costs	Expenditure	Yes	Yes
3603	3600	Debt Collection Fees - Intern	Collection costs	Expenditure	Yes	Yes
3701	3700	Depreciation	Depreciation and asset impairment	Expenditure	No	No
3702	3700	Depreciation for Rehabilitation	Depreciation and asset impairment	Expenditure	No	No
3704	3700	Impairment for Rehabilitation	Depreciation and asset impairment	Expenditure	No	No
3705	3700	Amortisation	Depreciation and asset impairment	Expenditure	No	No
3801	3800	Buildings	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3802	3800	Network	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
3803	3800	Network - Patchwork	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3805	3800	Network - Resealing	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3806	3800	Network - Main roads	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3807	3800	Network - Traffic signs	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3808	3800	Network - Storm water	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3809	3800	Network - Sidewalks	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3810	3800	Meter replacement	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3811	3800	Pump stations	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3812	3800	Efficient treatment works	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3813	3800	Site - works	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3814	3800	Furniture and Equipment	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3815	3800	Vehicles	Repairs and Maintenance - Municipal Assets	Expenditure	Yes	Yes
3816	4400	Maintenance: Swimming Pool	Other Expenditure	Expenditure	Yes	Yes
3817	4400	Repairs & Maintenance- Computer	Other Expenditure	Expenditure	Yes	Yes
3818	4400	Repairs & Maintenance- Plant & Equipment	Other Expenditure	Expenditure	Yes	Yes
3819	4400	Fire Fighting Equipment	Other Expenditure	Expenditure	Yes	Yes
3901	3900	Interest on Bank overdraft	Interest Expense - External borrowings	Expenditure	Yes	Yes
3902	3900	Interest on External Borrowing	Interest Expense - External borrowings	Expenditure	No	No
3903	3900	Unamortized Discount - Interest	Interest Expense - External borrowings	Expenditure	No	No
3904	3900	Interest Cost Employee Benefit	Interest Expense - External borrowings	Expenditure	No	No
3905	3900	Interest Rehabilitation	Interest Expense - External borrowings	Expenditure	No	No
3906	3900	Interest Paid	Interest Expense - External borrowings	Expenditure	No	No
4101	4100	Electricity purchases (KVA)	Bulk purchases	Expenditure	Yes	Yes
4102	4100	Electricity purchases (kWh)	Bulk purchases	Expenditure	Yes	Yes
4104	4100	Electricity purchases (Fixed charges)	Bulk purchases	Expenditure	Yes	Yes
4105	4100	Electricity (Variable charges)	Bulk purchases	Expenditure	Yes	Yes
4201	4400	Bank charges	General Expenses - other	Expenditure	Yes	Yes
4202	4200	Service supplier contracts	Contracted services	Expenditure	Yes	Yes
4203	4200	Rental of Compactor	Contracted services	Expenditure	Yes	Yes
4204	4200	Legal Costs	Contracted services	Expenditure	Yes	Yes
4205	4200	Town & Regional Planning	Contracted services	Expenditure	Yes	Yes
4206	4400	Insurance	General Expenses - other	Expenditure	Yes	Yes
4207	4200	Transport (Contractor)	Contracted services	Expenditure	Yes	Yes
4208	4200	Transport: Cash	Contracted services	Expenditure	Yes	Yes
4210	4200	Cleaning Contract	Contracted services	Expenditure	Yes	Yes
4212	4200	Cleaning Services	Contracted services	Expenditure	Yes	Yes
4213	4200	Upkeep of Valuation records	Contracted services	Expenditure	Yes	Yes
4214	4200	Toilet services	Contracted services	Expenditure	Yes	Yes
4215	4200	Service Supplier Contracts (Se	Contracted Services	Expenditure	Yes	Yes
4220	4200	Security	Contracted Services	Expenditure	Yes	Yes
4221	4200	Legal Cost (Labour)	Contracted Services	Expenditure	Yes	Yes

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
4301	4400	Subsidy National Government	General Expenses - other	Expenditure	Yes	Yes
4302	4400	Subsidy Provincial Government	General Expenses - other	Expenditure	Yes	Yes
4303	4400	District Municipality	General Expenses - other	Expenditure	Yes	Yes
4304	4400	Grant Other	General Expenses - other	Expenditure	Yes	Yes
4305	5000	Inform. Settl. without account - Refuse	Internal Charges (ACB)	Expenditure	No	No
4306	5000	Inform. Settl. without account - Sewerage	Internal Charges (ACB)	Expenditure	No	No
4307	5000	Inform. Settl. without account - Water	Internal Charges (ACB)	Expenditure	No	No
4308	4400	Grant Belgium - Federal Gov.	General Expenses - other	Expenditure	Yes	Yes
4309	4400	Grant Belgium - Flemish Gov.	General Expenses - other	Expenditure	Yes	Yes
4310	4400	MSIG Wyk 1	General Expenses - other	Expenditure	No	No
4311	4400	MSIG Ward 2	General Expenses - other	Expenditure	No	No
4312	4400	MSIG Ward 3	General Expenses - other	Expenditure	No	No
4313	4400	MSIG Ward 4	General Expenses - other	Expenditure	No	No
4314	4400	MSIG Ward 5	General Expenses - other	Expenditure	No	No
4315	4400	MSIG Ward 6	General Expenses - other	Expenditure	No	No
4316	4400	MSIG Ward 7	General Expenses - other	Expenditure	No	No
4317	4400	MSIG Ward 8	General Expenses - other	Expenditure	No	No
4318	4400	MSIG Ward 9	General Expenses - other	Expenditure	No	No
4319	4400	MSIG Ward 10	General Expenses - other	Expenditure	No	No
4320	4400	MSIG Ward 11	General Expenses - other	Expenditure	No	No
4321	4400	Indigent Electricity (Eskom)	General Expenses - other	Expenditure	No	No
4322	4400	Change of connections	General Expenses - other	Expenditure	No	No
4323	4400	Indigent Change/Transfer cost	General Expenses - other	Expenditure	No	No
4324	4300	Donations	Grants & Subsidies Paid	Expenditure	No	No
4325	4400	Grant exp - Workshops	General Expenses - other	Expenditure	No	No
4326	4400	Grant exp - Development project	General Expenses - other	Expenditure	No	No
4327	4400	Grant exp - Stationary & print	General Expenses - other	Expenditure	No	No
4328	4400	Grant exp - Telephone	General Expenses - other	Expenditure	No	No
4329	4400	Grant exp - Traveling & subsistence	General Expenses - other	Expenditure	No	No
4332	4400	OPEX NAT.Grant Expenditure-FMG	General Expenses - other	Expenditure	No	No
4333	4400	OPEX NAT.Grant Expenditure-MSIG	General Expenses - other	Expenditure	No	No
4334	4400	OPEX NAT.Grant Expenditure-EPW	General Expenses - other	Expenditure	No	No
4335	4400	OPEX NAT.Grant Exp-Transformation	General Expenses - other	Expenditure	No	No
4336	4400	Opex NAT.Grant Exp- DWAF	General Expenses - other	Expenditure	No	No
4337	4400	Opex NAT.Grant Exp- MIG	General Expenses - other	Expenditure	No	No
4338	4400	Opex NAT.Grant Exp- RBIG	General Expenses - other	Expenditure	No	No
4339	4400	Opex NAT.Grant Exp- INEP	General Expenses - other	Expenditure	No	No

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
4340	4400	Opex Prov.Grant Exp- Library	General Expenses - other	Expenditure	No	No
4341	4400	Opex Prov.Grant Exp- CDW	General Expenses - other	Expenditure	No	No
4342	4400	Opex Prov Grant Exp- Main Road	General Expenses - other	Expenditure	No	No
4343	4400	Opex Prov Grant Exp- Wolseley	General Expenses - other	Expenditure	No	No
4344	4400	Opex Prov Grant Exp- Hand Craf	General Expenses - other	Expenditure	No	No
4345	4400	Opex Prov Grant Exp- Aqua Cult	General Expenses - other	Expenditure	No	No
4346	4400	Opex Prov Grant Exp- Planning	General Expenses - other	Expenditure	No	No
4347	4400	Opex Prov Grant Exp- Housing	General Expenses - other	Expenditure	No	No
4348	4400	Opex Prov Grant Exp- Sport	General Expenses - other	Expenditure	No	No
4349	4400	Opex Prov Grant Exp- PTIP	General Expenses - other	Expenditure	No	No
4350	4400	Opex Prov Grant Exp- Multi Pur	General Expenses - other	Expenditure	No	No
4351	4400	Opex Distr Grant Exp- Asset In	General Expenses - other	Expenditure	No	No
4352	4400	Opex Distr Grant Exp- Water In	General Expenses - other	Expenditure	No	No
4353	4400	Opex Distr Grant Exp- Housing	General Expenses - other	Expenditure	No	No
4354	4400	Opex Distr Grant Exp- Hawkers-	General Expenses - other	Expenditure	No	No
4355	4400	Opex Distr Grant Exp- Streets	General Expenses - other	Expenditure	No	No
4356	4400	Opex Distr Grant Exp- Solid Wa	General Expenses - other	Expenditure	No	No
4357	4400	Opex NAT Grant Exp - Housing	General Expenses - other	Expenditure	No	No
4358	4400	Opex NAT Grant Exp- Rural Dev	General Expenses - other	Expenditure	No	No
4402	4400	Advertising/Printing Stationery	General Expenses - other	Expenditure	Yes	Yes
4404	4400	Pauper Burials	General Expenses - other	Expenditure	Yes	Yes
4405	4400	Rewards	General Expenses - other	Expenditure	Yes	Yes
4406	4400	Fertilisers	General Expenses - other	Expenditure	Yes	Yes
4407	4400	Damages/Replacements	General Expenses - other	Expenditure	Yes	Yes
4409	4400	Chemicals	General Expenses - other	Expenditure	Yes	Yes
4410	4300	Donations	Grants & subsidies paid	Expenditure	No	No
4411	4400	Eskom Electricity	General Expenses - other	Expenditure	Yes	Yes
4412	4400	Advertising	General Expenses - other	Expenditure	Yes	Yes
4413	4400	Gas/Rental of gas bottle	General Expenses - other	Expenditure	Yes	Yes
4415	4400	Dog Expenses	General Expenses - other	Expenditure	Yes	Yes
4416	4400	Rental of Houses	General Expenses - other	Expenditure	Yes	Yes
4417	4400	Rental of Offices	General Expenses - other	Expenditure	Yes	Yes
4418	4400	Communication & Events	General Expenses - other	Expenditure	Yes	Yes
4419	4400	Inspection fees	General Expenses - other	Expenditure	Yes	Yes
4420	4400	Inventory - New	General Expenses - other	Expenditure	Yes	Yes
4421	4400	Koekedouw Dam	General Expenses - other	Expenditure	Yes	Yes
4422	4400	Commission on Recoveries	General Expenses - other	Expenditure	Yes	Yes
4424	4400	Membership fees	General Expenses - other	Expenditure	Yes	Yes
4425	4400	Licensing Radio's	General Expenses - other	Expenditure	Yes	Yes
4426	4400	Machine Rental	General Expenses - other	Expenditure	Yes	Yes
4428	5000	Municipal Services	Internal Charges (ACB)	Expenditure	No	No
4429	4400	Investigations	General Expenses - other	Expenditure	Yes	Yes
4430	4400	Entertainment Mayor	General Expenses - other	Expenditure	Yes	Yes

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
4431	4400	Entertainment Speaker	General Expenses - other	Expenditure	Yes	Yes
4432	4400	Disinfectants	General Expenses - other	Expenditure	Yes	Yes
4433	4400	Public Drivers permit	General Expenses - other	Expenditure	Yes	Yes
4434	4400	Public Entertainment (Tea & Coffee)	General Expenses - other	Expenditure	Yes	Yes
4435	4400	Training	General Expenses - other	Expenditure	Yes	Yes
4436	4400	Auditing External	General Expenses - other	Expenditure	Yes	Yes
4437	4200	Auditing Internal	Contracted services	Expenditure	Yes	Yes
4438	4400	Plant & pest control (chemical)	General Expenses - other	Expenditure	Yes	Yes
4439	4400	Plant material & seeds	General Expenses - other	Expenditure	Yes	Yes
4440	4400	Post Evaluation Cost	General Expenses - other	Expenditure	Yes	Yes
4441	4400	Publicity/tourism	General Expenses - other	Expenditure	Yes	Yes
4442	4400	Rations	General Expenses - other	Expenditure	Yes	Yes
4443	4400	Travelling & Accommodation	General Expenses - other	Expenditure	Yes	Yes*
4445	4400	Sewerage analysis	General Expenses - other	Expenditure	Yes	Yes
4446	4400	Condolences	General Expenses - other	Expenditure	Yes	Yes
4447	4400	Security Services	General Expenses - other	Expenditure	Yes	Yes
4448	4400	Cleaning materials	General Expenses - other	Expenditure	Yes	Yes
4449	4200	Disconnection of services	Contracted services	Expenditure	Yes	Yes
4450	4400	Developing Projects	General Expenses - other	Expenditure	Yes	Yes
4451	5000	Street lighting	Internal Charges (ACB)	Expenditure	No	No
4454	4400	Study bursary	General Expenses - other	Expenditure	Yes	Yes
4455	4400	Telephone and Postage	General Expenses - other	Expenditure	Yes	Yes
4456	4400	Tourism	General Expenses - other	Expenditure	Yes	Yes
4458	4400	Translation services	General Expenses - other	Expenditure	Yes	Yes
4461	4400	TV Transponder	General Expenses - other	Expenditure	Yes	Yes
4462	4400	Pointing out of markers	General Expenses - other	Expenditure	Yes	Yes
4463	4400	Uniforms	General Expenses - other	Expenditure	Yes	Yes
4464	4400	Insurance Claims Expenses	General Expenses - other	Expenditure	No	No
4465	4400	Skills Development Levies	General Expenses - other	Expenditure	No	No
4466	4400	Trade Union costs	General Expenses - other	Expenditure	Yes	Yes
4467	4400	Consumable Items	General Expenses - other	Expenditure	Yes	Yes
4468	4400	Lost Books	General Expenses - other	Expenditure	Yes	Yes
4469	4400	Courier of Council Notifications	General Expenses - other	Expenditure	Yes	Yes
4470	4400	Vehicle Fleet Costs	General Expenses - other	Expenditure	Yes	Yes
4471	4400	Refuse bags	General Expenses - other	Expenditure	Yes	Yes
4472	4400	Valuation costs	General Expenses - other	Expenditure	Yes	Yes
4473	4400	Laundry expenses	General Expenses - other	Expenditure	Yes	Yes
4474	4400	Water sampling - Waste disposal site	General Expenses - other	Expenditure	Yes	Yes
4475	4400	Water research levy	General Expenses - other	Expenditure	Yes	Yes
4476	3100	Employees Awards	Employee related costs - Social contributions	Expenditure	Yes*	Yes*
4477	4400	Special Projects	General Expenses - other	Expenditure	Yes	Yes
4478	3100	Compensation Commissioner	Employee related costs - Social contributions	Expenditure	No	No

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	Transfer To
4479	4400	Water Levies	General Expenses - other	Expenditure	Yes	Yes
4480	4400	Water Rights Vredebes	General Expenses - other	Expenditure	Yes	Yes
4481	4400	Audit Committee	General Expenses - other	Expenditure	Yes	Yes
4482	4400	Festivals Contribution	General Expenses - other	Expenditure	Yes	Yes
4483	4400	Heating Fuel	General Expenses - other	Expenditure	Yes	Yes
4484	4400	Inauguration of Mayor	General Expenses - other	Expenditure	Yes	Yes
4485	4400	Awareness program	General Expenses - other	Expenditure	Yes	Yes
4486	4400	Removal of aliens	General Expenses - other	Expenditure	Yes	Yes
4487	4400	Special Projects- Old Age Function	General Expenses - other	Expenditure	Yes	Yes
4488	4400	Cleaning & disinfection material	General Expenses - other	Expenditure	Yes	Yes
4489	4400	TV Licences	General Expenses - other	Expenditure	Yes	Yes
4490	4400	Telephone	General Expenses - other	Expenditure	Yes	Yes
4491	4400	Cell phone	General Expenses - other	Expenditure	Yes	Yes
4492	4400	Data lines	General Expenses - other	Expenditure	Yes	Yes
4493	4400	Postage	General Expenses - other	Expenditure	Yes	Yes
4494	4400	Veldt Fire Roads	General Expenses - other	Expenditure	Yes	Yes
4495	4400	Pound of animals	General Expenses - other	Expenditure	Yes	Yes
4496	4400	Projects	General Expenses - other	Expenditure	Yes	Yes
4497	4400	Mayors Golf day	General Expenses - other	Expenditure	Yes	Yes
4498	4400	Ward Committees	General Expenses - other	Expenditure	Yes	Yes
4499	4400	Inventory - Replacements	General Expenses - other	Expenditure	Yes	Yes
4500	4400	Entertainment Director Finance	General Expenses - other	Expenditure	Yes	Yes*
4501	4400	Entertainment Director Corporate	General Expenses - other	Expenditure	Yes	Yes*
4502	4400	Entertainment Municipal Manager	General Expenses - other	Expenditure	Yes	Yes*
4503	4400	Strategic Partnership	General Expenses - other	Expenditure	Yes	Yes
4504	4400	Generator fuel	General Expenses - other	Expenditure	Yes	Yes
4505	4400	Housing plan & policy	General Expenses - other	Expenditure	Yes	Yes
4506	4400	Relief parcels	General Expenses - other	Expenditure	Yes	Yes
4507	4400	Samro licences	General Expenses - other	Expenditure	Yes	Yes
4508	4400	Courier services	General Expenses - other	Expenditure	Yes	Yes
4509	4400	Public participation	General Expenses - other	Expenditure	Yes	Yes
4510	4400	Steering committee & Forum	General Expenses - other	Expenditure	Yes	Yes
4511	4400	Review process cost	General Expenses - other	Expenditure	Yes	Yes
4512	4400	Vehicle Tracking Costs	General Expenses - other	Expenditure	Yes	Yes
4513	4400	International relationships	General Expenses - other	Expenditure	Yes	Yes
4514	4400	Entertainment Director Technical Services	General Expenses - other	Expenditure	Yes	Yes*
4515	4400	Entertainment Director Community Services	General Expenses - other	Expenditure	Yes	Yes*
4516	4400	Op die Berg Office	General Expenses - other	Expenditure	Yes	Yes
4517	4400	MEDICAL EXAMINATIONS	General Expenses - other	Expenditure	Yes	Yes
4518	4300	Donations	Grants & Subsidies Paid	Expenditure	No	No
4519	4400	Refreshments - Disciplinary &	General Expenses - other	Expenditure	Yes	Yes

APPENDIX B WITZENBERG MUNICIPALITY ITEM CLASSIFICATION

Line Item number	NT code	Description	Classification	Comment	Transfer From	T
4520	4400	FIRE AMMUNITION	General Expenses - other	Expenditure	Yes	Ye
4521	4400	Fire Fighting Foam	General Expenses - other	Expenditure	Yes	Ye
4522	4400	Corporate Branding	General Expenses - other	Expenditure	Yes	Ye
4523	4400	Consultant Fees	General Expenses - other	Expenditure	Yes	Ye
4524	4400	In-service Training	General Expenses - other	Expenditure	Yes	Ye
4525	4400	Stock losses/write-off's	General Expenses - other	Expenditure	Yes	Ye
4526	4400	Actuarial Loss	General Expenses - other	Expenditure	Yes	Ye
4527	4400	Registrar of Deeds	General Expenses - other	Expenditure	Yes	Ye
4528	4400	Vehicle Cost Grant	General Expenses - other	Expenditure	Yes	Ye
4529	4400	Vehicle Repair Grant	General Expenses - other	Expenditure	Yes	Ye
4530	4400	Cleaning of Rivers	General Expenses - other	Expenditure	Yes	Ye
4531	4400	Festive Lights	General Expenses - other	Expenditure	Yes	Ye
4532	4400	Monitoring Alarm	General Expenses - other	Expenditure	Yes	Ye
4533	4400	Generator Repairs	General Expenses - other	Expenditure	Yes	Ye
4534	4400	Prepaid Electricity (Internal)	General Expenses - other	Expenditure	Yes	Ye
4535	4400	DRIVERS PDP'S & LICENSING	General Expenses - other	Expenditure	Yes	Ye
4536	4400	Towing Cost	General Expenses - other	Expenditure	Yes	Ye
4537	4400	Life Guards	General Expenses - other	Expenditure	Yes	Ye
4538	4400	PPP Investigations	General Expenses - other	Expenditure	Yes	Ye
4903	5000	Internal Recoveries (ABC)	Internal Charges (ACB)	Expenditure	No	No
5101	6210	Asset replacement reserve to	Contributions (from)/ to provisions	Nett Assets	No	No
5102	6280	Back dated Remuneration	Contributions (from)/ to provisions	Nett Assets	No	No
5103	6280	Redundant/ shortages of stock	Contributions (from)/ to provisions	Nett Assets	No	No
5104	6280	Valuation reserve to	Contributions (from)/ to provisions	Nett Assets	No	No
5105	4450	Provision Landfill rehabilitation	Contributions (from)/ to provisions	Expenditure	No	No
5202	6220	Housing account	Contributions (from)/ to provisions	Nett Assets	No	No

Under special condition



ASSET MANAGEMENT POLICY

Date of Implementation: 01 July 2010

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1. INTRODUCTION

This policy for the management of assets has been designed to assist management and officials of the Witzenberg Municipality with the description of management procedures for Property, Plant and Equipment, Investment Property, Agricultural Assets and Intangible Assets. It also should assist with the capacity to differentiate between activities, which are acceptable in terms of general authorization, supervisory responsibilities and limits of authority to the management of assets and functions of the organisation.

This policy will provide certainty with respect to the handling of asset management procedures undertaken within the organization and will ensure that management and employees understand their respective responsibilities and duties.

For the purpose of this policy, assets exclude inventory and monetary assets such as debtors.

This policy replaces all asset management procedures/instructions and memoranda that have been previously issued.

Failure to comply with this policy will result in the institution of disciplinary procedures in terms of the stipulated human resource policies and procedures of Witzenberg Municipality.

2. OBJECTIVE

The objective of this policy is to ensure that assets of the Municipality are properly managed and accounted for by:

- The accurate recording of essential asset information;
- The accurate recording of asset movements;
- Exercising strict physical controls over all assets;
- Treating the assets correctly in the Municipality's financial statements;
- Providing accurate and meaningful management information;
- Compliance with the Council's accounting policies and Generally Recognised Accounting Practices;
- Adequate insuring of assets;
- Maintenance of Council's assets;
- Ensuring that managers are aware of their responsibilities with regard to the assets; and
- Setting out the standards of management, recording and internal controls so as to safeguard the assets against inappropriate utilisation or loss.

3. STATUTORY FRAMEWORK

The statutory framework for this policy is:

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- Local Government: Municipal Structures Act, No 117 of 1998;
- Local Government: Municipal Systems Act, No 32 of 2000;

- Local Government: Municipal Finance Management Act, No. 56 of 2003;
- Regulation No. 31346 of 2008;
- Municipal Supply Chain Management Regulations No. 27636;
- Generally Recognised Accounting Practice.

4. ACCOUNTING STANDARDS

This document constitutes a policy statement and shall not take precedence over the standards specified by the Accounting Standards Board. The relevant accounting standards include:

- GRAP 1 – Presentation of Financial Statements;
- GRAP 13 – Leases;
- GRAP 16 – Investment Property;
- GRAP 17 - Property, Plant and Equipment;
- GRAP 100 - Non – current Assets Held for Sale and Discontinued Operations;
- GRAP 101 - Agricultural;
- GRAP 102 – Intangible Assets; and
- IAS 36 - Impairment of Assets

Other relevant accounting standards are:

- GRAP 12 on Inventories
- GRAP 11 on Construction Contracts

5. DEFINITIONS

Every effort has been made to use definitions established through legislation, standards of accounting and other guidance on asset management.

“Accounting Officer” means the municipal manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and being the head of administration and accounting officer in terms of Section 60 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

“Agricultural Activity” is the management by an entity of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets.

“Active market” is a market in which all the following conditions exist:

- The item traded within the market are homogeneous;
- Willing buyer and seller can normally be found at any time; and
- Prices are available to the public.

“Agricultural Produce” is the harvested product of the entity’s biological assets.

“Amortisation” is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

“Assets” are resources controlled by the municipality as a result of past events and from which future economic benefit or service potential are expected to flow. However for the purpose of this policy exclude inventory and other monetary assets.

“Asset categories” are the six main asset categories defined as follows:

“Asset Life-Cycle” is the cycle of activities that an asset goes through – including planning, design, initial acquisition and/or construction, cycle of operation and maintenance and capital renewal and finally disposal.

“Asset Manager” is any official who has been delegated responsibility and accountability for the control, usage, physical and financial management of the municipality’s assets in accordance with the entity’s standards, policies, procedures and relevant guidelines.

“Asset Register” is a record of information on each asset that supports the effective financial and technical management of the assets, and meets statutory requirements.

“Biological Asset” is a living animal or plant.

“Biological Transformation” comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes to a biological asset.

“Carrying amount” is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

“Chief Financial Officer” means an officer of a municipality designated by the municipal manager to be administratively in charge of the budgetary and treasury functions.

“Class of property, plant and equipment” means a grouping of assets of a similar nature or function in a municipality’s operations, which is shown as a single item for the purpose of disclosure in the financial statements.

“Commercial service” means a service other than a municipal service

- (a) rendered by a private sector party or organ of state to or for a municipality or municipal entity on a commercial basis; and
- (b) which is procured by the municipality or municipal entity through its supply chain management policy.

“Community Assets” – are defined as any asset that contributes to the community’s well-being. Examples are parks, libraries and fire stations.

“Cost” – is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or where applicable, the amount attributed to that asset when initially

recognized in accordance with the specific requirements of Standards of GRAP.

“Depreciation” – is the systematic allocation of the depreciable amount of an asset over its useful life.

“Depreciable Amount” – is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

“Depreciated replacement cost”, in relation to a capital asset, means an amount equivalent to the cost to replace the capital asset on the date of transfer adjusted by a deemed depreciated cost at the date of the transfer taking into account the age and condition of the asset.

“Disposal”, in relation to a capital asset, includes –

- (a) the demolition, dismantling or destruction of the capital asset; or
- (b) any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership.

“Disposal management system” means the system contemplated in regulation 40 of the Municipal Supply Chain Management Regulations, published by General Notice No. 868 of 2005.

“Enhancements / Rehabilitation” is an improvement or augmentation of an existing asset beyond its original recognized service potential for example useful life, capacity, quality and functionality.

“Fair Value” – is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

“GRAP” is Standards of Generally Recognised Accounting Practice

“Head of department / senior manager” – means a manager referred to in section 56 of the Municipal Systems Act.

“Heritage Assets” – are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

“Historical cost” means the original purchase price or cost of acquisition of the capital asset at the time the asset was acquired

An **“impairment loss”** of a cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An **“impairment loss”** of non-cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

“Infrastructure assets” are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage

purification and trunk mains, transport terminals and car parks.

“Intangible assets” are identifiable non-monetary assets without physical substance.

“Investment Properties” – are defined as property (land or a building-or part of a building-or both) held (by the owner or by lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production and supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

“Municipality” means the Witzenberg Municipality.

“Other Assets” – are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

“Property, Plant and Equipment” (PPE) – are tangible assets that:

- are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- are expected to be used during more than one period.

“Realisable value” means the amount of cash or cash equivalents that could currently be obtained by transferring the capital asset, less the estimated cost of completion and the estimated costs necessary to make the transfer.

“Recoverable Amount” – is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.

“Recoverable service amount” is the higher of a non-cash-generating asset’s fair value less costs to sell and its future value in use.

“Residual Value” – of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and condition expected at the end of its useful life.

“Right to use, control or manage” means a right to use, control or manage the capital asset for a period exceeding one calendar month without ceding legal ownership in the asset. In other words, where the granting of such rights do not amount to the transfer or permanent disposal of the asset, for example when a right is acquired through a leasing, letting or hiring out arrangement.

“Senior Manager” is a manager referred to Section 57 of the Municipal Systems Act (MSA) being someone reporting directly to the municipal manager.

“Service provider” –

- (a) in relation to a municipal service, means a private sector party or organ of state appointed by a municipality in terms of Chapter 8 of the Municipal Systems Act to perform a municipal service in accordance with that Act; or
- (b) in relation to a commercial service, means a private sector party or organ of state appointed in terms of the supply chain management policy of a municipality or municipal entity to render a commercial service to or for the municipality or entity as an independent contractor.

“Supply chain management policy” means the supply chain management policy which a municipality or municipal entity is required to have in terms of Chapter 11 of the Act.

“The Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

“Transfer”, in relation to a capital or subsidiary asset, means transfer of ownership in the asset as a result of a sale or other transaction.

“Useful Life” – is either:

- the period of the time over which an asset is expected to be used by the municipality, or
- the number of production or similar units expected to be obtained from the asset by the municipality.

6. BACKGROUND

The utilization and management of property, plant and equipment, investment property, intangible assets and agricultural assets is the prime mechanism by which the Municipality can fulfil its constitutional mandates for:-

- Delivery of sustainable services;
- Social and economic development;
- Promoting safe and healthy environments; and
- Fulfilling the basic needs to the community.

As trustees on behalf of the local community, the Municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in assets.

The policy for the management of assets deals with the Municipal rules required to ensure the enforcement of appropriate stewardship of assets. Stewardship has two components being the:-

- Financial administration by the Chief Financial Officer; and
- Physical administration by the relevant managers.

Statutory provisions are being implemented to protect public property against arbitrary and inappropriate management or disposals by local government.

Accounting standards have been approved by the Accounting Standards Board to

ensure the appropriate financial treatment for property, plant and equipment, investment property, intangible assets and agricultural assets. The requirements of these new accounting standards include:-

- The compilation of asset registers covering all assets controlled by the Municipality.
- Accounting treatment for the acquisition, disposal, recording and depreciation/amortisation of assets.
- The standards to which financial records must be maintained to comply with the new accounting standards.

7. DELEGATION OF POWERS

This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials as well as between the Council and the Executive Mayor and the Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.

In accordance with the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA), the Municipal Manager is the accounting officer of the Municipality and therefore all designated officials are accountable to him/her. The Municipal Manager is therefore accountable for all transactions entered into by his/her designates.

The overall responsibility of asset management lies with the Municipal Manager. However, the day to day handling of assets should be the responsibility of all officials in terms of delegated authority reduced in writing.

8. RESPONSIBILITY

Municipal Manager

The Municipal Manager is responsible for the management of the assets of the Municipality, including the safeguarding and the maintenance of those assets. He/she must ensure that:-

- The Municipality has and maintains a management, accounting and information system that accounts for the assets of the Municipality.
- The Municipality's assets are valued in accordance with standards of Generally Recognized Accounting Practice (GRAP).
- The Municipality has and maintains a system of internal control of assets, including an asset register.
- Senior managers and their teams comply with this policy.

Chief Financial Officer

The Chief Financial Officer is responsible to the Municipal Manager to ensure that

the financial investment in the Municipality's assets is safeguarded and maintained. He/she may delegate or otherwise assign responsibility for performing these functions but he/she will remain accountable for ensuring that these activities are performed. He/she must ensure that:-

- Appropriate systems of financial management and internal control are established and carried out diligently.
- The financial and other resources of the Municipality assigned to him/her are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented.
- The systems, processes and registers required to substantiate the financial values of the Municipality's assets are maintained to standards sufficient to satisfy the requirements of effective management.
- Financial processes are established and maintained to ensure the Municipality's financial resources are optimally utilized through appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets.
- The senior managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

Senior Managers

The Senior Managers must ensure that:-

- Appropriate systems of physical management and control are established and carried out for assets in their area of responsibility.
- The Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful utilization and losses resulting from criminal or negligent conduct are prevented.
- Their management systems and controls can provide an accurate, reliable and up to date account of assets under their control.
- They are able to justify that their plans, budgets, purchasing, maintenance and disposal decisions for assets optimally achieve the Municipality's strategic objectives.

The senior managers may delegate or otherwise assign responsibility for performing these functions but they will remain accountable for ensuring that these activities are performed.

Each senior manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

The responsibility for the physical control of assets rests with the relevant senior manager to whom the responsibility was delegated to in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003.

Each senior manager shall ensure that assets entrusted to him / her are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, No 56 of 2003, is adhered to.

No amendments, deletions or additions to the asset register shall be made other than by the Asset Manager or by an official acting as the Asset Manager and must be authorized by the Chief Financial Officer.

Upon the resignation / retirement of an employee, the applicable senior manager must inform the Chief Financial Officer and Corporate Service Department in writing that the asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary the applicable senior manager must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant senior manager.

9. ASSET REGISTER

The asset register shall be maintained in the format determined by the Chief Financial Officer, which format shall comply with the requirements of generally recognised accounting practice (GRAP) and any other accounting requirements which may be prescribed.

The asset register shall reflect the following information:

- a brief but meaningful description of each asset
- the date on which the asset was acquired or brought into use
- the location of the asset
- the responsible senior manager and department(s) or vote(s) within which the assets will be used
- the title deed number, in the case of property
- the stand number, in the case of property
- where applicable, the identification number
- the measurement based used (Cost or Fair Value)
- the original useful live
- the revised useful live
- the residual value
- the original cost, or the revalued amount or the fair value if no costs are available
- the (last) revaluation date of the assets subject to revaluation
- the revalued value of such assets
- who did the (last) revaluation
- accumulated depreciation to date
- the depreciation charge for the current financial year
- the carrying value of the asset
- the method and rate of depreciation

- impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- method of calculating recoverable amount (when impairment test are required in terms of GRAP)
- increases or the decreases resulting from revaluations (if applicable)
- the source of financing
- condition of the asset
- the current insurance arrangements
- whether the asset is required to perform basic municipal services
- whether the asset has been used to secure any debt, and – if so – the nature and duration of such
- security arrangements
- the date on which the asset is disposed of
- the disposal price
- the date on which the asset is retired from use, if not disposed of.

All heads of department under whose control any asset falls shall promptly provide the Chief Financial Officer in writing with any information required to compile the asset register, and shall promptly advise the Chief Financial Officer in writing of any material change which may occur in respect of such information.

An asset shall be capitalised, that is, recorded in the asset register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately capitalised as a fixed asset. An asset shall remain in the asset register for as long as it is in physical existence.

The Asset Manager must ensure that reconciliations are performed on a monthly basis between the general ledger values and the asset values and to be submitted to the Chief Financial Officer.

The Chief Financial Officer must check and authorize the reconciliations as correct.

Depreciation methods and rates used must be approved by the Chief Financial Officer.

The asset manager should allocate depreciation rates and methods to each asset class, and ensure that depreciation calculations are correctly applied and posted in the general ledger.

10. CLASSIFICATION OF ASSETS

In compliance with the requirements of the National Treasury, the Chief Financial Officer shall ensure that all assets are classified under the following headings in the Fixed Assets Register, and Heads of Departments shall in writing provide the Chief Financial Officer with such information or assistance as is required to compile a proper classification:

10.1 Property, Plant and Equipment

- Land (not held as investment assets).
- Infrastructure assets (assets which are part of a network of similar assets).
- Community assets (assets contributing to the general well-being of the community).
- Heritage assets (culturally significant assets).
- Other assets (ordinary operational assets).
- Housing (rental stock or housing stock not held for capital gain).

Save for land and buildings other assets shall be classified under the following headings:

- Computer equipment;
- Office equipment;
- Furniture and fittings;
- Radio Equipment;
- Plant and machinery;
- Motor Vehicles; and
- Emergency Equipment.

10.2 Investment Property

Investment assets (resources held for capital or operational gain and which are not used by the Municipality). Properties occupied by the Municipality, Councillors or officials are classified as owner-occupied property and are therefore not classed as investment property

Investment properties will be treated in accordance with GRAP 16 and will separately be classified in the Statement of Financial Position. Investment properties will not be depreciated but will annually be revalued.

10.3 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance.

Intangible assets will be treated in accordance with GRAP 102 and will separately be classified in the Statement of Financial Position. Intangible assets shall be valued at cost less any accumulated amortization and any impairment losses.

10.4 Agricultural Assets

Agricultural Assets will be treated in accordance with GRAP 101 and will separately be classified in the Statement of Financial Position,

10.5 Assets Treated as Inventory

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the asset register in the same manner as other fixed assets, but a separate section of the asset register shall be maintained for this purpose.

The Chief Financial Officer shall use the classifications indicated in the Annexure on estimated lives of assets, as a guideline and in the case of an item of assets not appearing in the Annexure shall use the classification applicable to the asset most closely comparable in the Annexure.

11. CAPITALISATION CRITERIA

PPE and Intangible Assets

All assets may only be acquired in terms of council's Supply Chain Management Policy and in terms of the budgetary provisions. The responsibility for the purchase of assets would be delegated in terms of council's Delegation Framework and Supply Chain Management Policy. Depending on the cost of the asset to be purchased the following procedure for purchasing an asset must be followed:

- Senior managers shall at all times ensure that there are enough funds in their departmental budgets before requesting approval to any requisition to purchase an asset;
- Senior managers shall ensure that the correct vote and expenditure line item are used and recorded on the requisition requesting approval to purchase an asset;
- Tenders or quotations as required in terms of council's Supply Chain Management policy should be obtained and where required submitted to council's tender committee for approval;
- The tender committee resolution of the approved tender or recommended quotation should be attached to the requisition signed by the relevant head of department;
- The order would then be generated by the Budget and Treasury department;
- Once delivered the asset must be labelled / bar-coded by the Budget and Treasury department before such asset is put into use;
- The senior manager should endorse receipt of the asset on the invoice and forward it for payment to the Budget and Treasury department; and
- The Budget and Treasury department would then generate payment.

The completion of any immovable asset by or under control of every head of department should promptly be declared to the Chief Financial Officer in writing

stating the full details required for recording in the assets register.

All PPE and intangible assets shall be carried in the asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation or amortisation in the case of intangible assets.

The original cost of an item of PPE or intangible assets may include:

- Cost price;
- Financing costs (MFMA section 46(4));
- Import tax;
- Non-claimable purchase tax; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When payment for an item of PPE or intangible assets is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When an item of PPE is acquired to be exchanged or partly exchanged for a dissimilar item of PPE or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

The only exceptions to this rule shall be revalued items of PPE (see part 7.9 below) and heritage assets in respect of which no depreciation is recorded in the fixed asset register.

Subsequent expenditure relating to an asset that has already been capitalized, should only be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the municipality.

Investment Property

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of purchased investment property includes all directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs).

When payment for an investment property is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When investment property is acquired to be exchanged or partly exchanged for a dissimilar investment property or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

After initial recognition investment property will be measured at fair value. A gain or loss arising from a change in fair value shall be recognized as a profit or loss in the Statement of Financial Performance in the period in which it arises. The fair value of investment property shall reflect market conditions at reporting date.

In terms of GRAP 16 transfers to and from investment property shall be made when there is a change in use:

- (a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) Commencement of development with a view to sale, for a transfer from investment property to inventories;
- (c) End of owner-occupation, for a transfer from owner-occupied property to investment property; or
- (d) Commencement of an operating lease to another party, for a transfer from inventories to investment property.

When an investment property is transferred to inventory or owner-occupied property, the property's deemed cost is the fair value of the property at the date of the change in use.

For a transfer from inventories to investment property, that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in the Statement of Financial Performance.

Reinstatement, Maintenance and Other Expenses

Only expenses incurred in the enhancement of an asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of an asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of an asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses, which are reasonably ancillary to the bringing into operation of an asset, may be capitalised as part of such asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, and installation, assembly and communication costs.

Intangible Assets

Assets that meet the criteria of GRAP 102 (Intangible Assets) shall be recognized as Intangible Assets at cost.

Heritage Assets

If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Position purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

Donated Assets

Where an asset is donated to the municipality, or an asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the asset register at its fair value, as determined by the Chief Financial Officer.

12. DEPRECIATION

Depreciation of PPE

All PPE, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which PPE is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on an annual basis against the appropriate line item in the department or vote in which the item of PPE is used or consumed.

However, depreciation shall initially be calculated from the day following the day in which an item of PPE is acquired or – in the case of construction works and plant and machinery – the day following the day in which the item is brought into use, until the end of the year concerned. Thereafter, depreciation charges shall be calculated annually.

Each Head of Department, acting in consultation with the Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable PPE controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

Rate of Depreciation and Amortisation

The Chief Financial Officer shall assign a useful operating life to each depreciable item of PPE recorded on the Municipality's asset register. In determining such a useful life the Chief Financial Officer shall use to the useful lives set out in the annexure to this document as a guideline.

In the case of an item of PPE which is not listed in this annexure, the Chief Financial Officer shall determine a useful operating life, if necessary in consultation with the Head of Department who shall control or use the item in question, and shall be guided in determining such useful life by the likely pattern in which the item's economic benefits or service potential will be consumed.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

Method of Depreciation

The Chief Financial Officer shall allocate the depreciable amount of all depreciable PPE and intangible on a systematic basis over its useful life.

The residual value and useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

13. AMENDMENT OF ASSET LIVES AND DIMINUTION IN THE VALUE OF PPE

Only the Chief Financial Officer may amend the useful operating life assigned to any PPE, and when any material amendment occurs the Chief Financial Officer shall inform the Council of such amendment.

The Chief Financial Officer shall amend the useful operating life assigned to any item of PPE if it becomes known that such item has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the item's economic benefits or service potential will be consumed.

If the value of an item of PPE or intangible assets has been diminished to such an extent that it has no or a negligible further useful operating life or value such item shall be fully depreciated or eradicated in the financial year in which such diminution in value occurs.

Similarly, if an item of PPE has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the item has physically ceased to exist, it shall be written off in the asset register.

In all of the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the item of PPE or intangible asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable item of PPE, and such item has been capitalised at a value other than a purely nominal value, such item shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable item of PPE, and the department or vote controlling or using the item in question shall bear the full depreciation expenses concerned.

Additional depreciation not budgeted for as a result of unforeseeable or unavoidable circumstances must be provided for in an adjustments budget and, if such circumstances arises close to the end of the financial year and there will not be time for Council to consider the adjustments before the end of the financial year, may in advance be approved by the Mayor in terms of Section 29 of the MFMA, provided that any other provisions of the MFMA be complied with.

14. IMPAIRMENT OF ASSETS

The accounting treatment relating to impairment losses is outlined in IAS37.

The carrying amount of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to the recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification works is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of the recoverable amount.

The following may be indicators that an asset is impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Departments will identify and inform the Chief Financial Officer of assets that:
 - o Are in a state of damage at year end.
 - o Are technologically obsolete at year end. .
 - o Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
 - o Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts.
- The recoverable amounts of these assets need to be determined by calculating the net selling price per asset as defined above.
- The impairment loss per asset is the difference between the net selling price and the carrying value of the asset.
- The impairment loss needs to be accounted for by identifying the relevant funding source.

15. REVALUATION OF ITEMS OF PPE

All land and buildings recorded in the Municipality's asset register shall be revalued when the Council is of the opinion that economic conditions have had a substantial impact on the on the value of land and buildings within the municipal area. Under such circumstances a sworn valuer will be appointed to perform a valuation of all land and buildings.

The Chief Financial Officer shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the items as recorded in the valuation roll, provided the Chief Financial Officer is satisfied that such value reflects the fair value of the land and buildings concerned.

The Chief Financial Officer shall also, where applicable, create a revaluation reserve for each such item equal to the difference between the value as recorded in the valuation roll and the carrying value of the item before the adjustment in question.

The buildings concerned shall thereafter be depreciated on the basis of its revalued amount, over its remaining useful operating life, and such increased depreciation expenses shall be budgeted for and debited against the appropriate line item in the department or vote controlling or using the buildings in question.

The Chief Financial Officer shall ensure that an amount equal to the difference between the new (enhanced) annual depreciation expense and the depreciation expenses determined in respect of such buildings before the revaluation in question is transferred each year from the revaluation reserve to the Municipality's appropriation account. An adjustment of the aggregate transfer shall be made at the end of each financial year, if necessary.

If the amount recorded by the valuer is less than the carrying value of the item of

land or buildings recorded in the asset register, the Chief Financial Officer shall adjust the carrying value of such item by increasing the accumulated depreciation of the item in question by an amount sufficient to adjust the carrying value to the value as recorded by the valuer. such additional depreciation expenses shall form a charge, in the first instance, against the balance in any revaluation reserve previously created for such item, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the item of land or building in question

Revalued land and buildings shall be carried in the asset register, and recorded in the annual financial statements, at their revalued amount, less accumulated depreciation (in the case of buildings).

16. ACQUISITION OF ASSETS

Pre-acquisition Planning

Before a capital project is included in the budget for approval, the Chief Financial Officer must demonstrate that he/she has considered the following:

- The projected cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including the tax and tariff implications;
- The financial sustainability of the project over its use full life including revenue generation and subsidisation requirements;
- The physical and financial stewardship of that asset through all stages of its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
- The inclusion of the capital project in the Integrated Development Plan and future budgets; and
- Alternatives to the capital purchase.

The heads of department are accountable to ensure that the Chief Financial Officer receives all reasonable assistance, guidance and explanation to enable him to achieve his planning requirements.

Approval to Acquire Property, Plant and Equipment

Money can only be spent on a project if:

- The money has been appropriated in an approved Capital Budget;
- The project, including the total cost has been approved by the Council;
- The Chief Financial Officer confirms that funding is available for that specific project; and
- Any contract that will impose financial obligations beyond two years after the budget year is appropriately disclosed.
- The Supply Chain Management Policy is adhered to.

Authorization for the acquisition of assets should be as per this municipality's delegation of authority and payment for assets shall be in accordance with financial policies and regulations of this Municipality.

Funding of Capital Projects

Within the Municipality's on-going financial, legislative or administrative capacity, the Chief Financial Officer must establish and maintain the funding strategies that optimise the municipality's ability to achieve its strategic objectives as stated in the Integrated Development Plan. The acquisition of assets may not be funded over a period longer than the useful life of that asset.

17. PURCHASE OR HIRE OF IMMOVABLE PROPERTY

The municipality may acquire by purchase, or by hire, immovable property within or outside the municipal boundary provided it complies with the requirements of the MFMA and the Supply Chain Management policy and subject to the following:

- The cost of the purchase or hire had been budgeted for; and
- The intention to buy or hire the immovable property had been advertised for public comment.
- After consideration of any public comments/objections the Council will:
 - o In the case of the following paragraph complies with the requirements of that paragraph; and
 - o In the case of all other immovable property, finally resolve to continue with the purchase or hire and apply the supply chain management processes
- The Council will not continue with the purchase or hire of any immovable property where:
 - o The price is in excess of the market value thereof as assessed by an appraiser; or
 - o The rental which, when calculated per annum in the case of:
 - Immovable property hired for agricultural purposes, exceeds six present; and
 - Immovable property hired for any other purpose, exceed twelve present of the market value of the property, as assessed by an appraiser.

The Council may accept a gift or conveyance of immovable property either for the municipality or in trust for charitable or other public purposes not connected with public worship, and hold the same in such trust or for such purpose as may be declared by such donors and may administer, utilize and improve such property.

The trustees of any immovable property held in trust for any township village of settlement which has become a municipality or part of a municipality may transfer such property to the Council, subject to any special trusts in their deeds of title and upon conditions not at variance therewith.

18. GUIDELINE PROCEDURES FOR ADDITIONS TO ASSETS

The Asset Manager must ensure all additions to assets are in accordance with an approved Capital Budget. Additions must be updated on a monthly basis in the Municipality's Asset Register. All additions must be approved by the Chief Financial Officer.

19. FUNDING OF PPE AND RESERVES

The purchase of assets may be funded from the raising of external loans, leases, government- and public contributions, the Capital Replacement Reserve and surplus cash.

The Chief Financial Officer shall ensure that in respect of all assets financed from grants or subsidies or contributions received from other spheres of government or from the public at large, as well as in respect of assets donated to the Municipality, a government grants reserve or public contribution reserve for future depreciation is created equal in value to the capitalised value of each item of asset in question.

The Chief Financial Officer shall thereafter ensure that in the case of depreciable PPE an amount equal to the annual depreciation expenses of the items concerned are transferred each year from such reserve to the Municipality's accumulated surplus.

20. ALIENATION OF ASSETS

In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any item of PPE shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy and the Municipal Asset Transfer Regulations

Every head of department shall report in writing to the Chief Financial Officer on 30 April of each financial year on all assets controlled or used by the department concerned which such head of department wishes to alienate by public auction or public tender.

The Chief Financial Officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

The council shall delegate to the municipal manager the authority to approve the alienation of any moveable asset with a carrying value less than R200 000 (two hundred thousand rand). The council shall ensure that the alienation of any asset with a carrying value equal to or in excess of R200 000 (two hundred thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004.

In terms of Section 14 of the Municipal Finance Management Act, 2004 the Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of assets needed to provide the minimum level of basic municipal services.

The Municipality may transfer ownership or otherwise dispose of assets other than one contemplated above, but only after the Council, in a meeting open to the public:-

- has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- has considered the fair market value of the item and the economic and community value to be received in exchange for the asset;
- That a public participation process be held before council's assets can be alienated.

The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be subsequently reversed by the Municipality after that asset has been sold, transferred or otherwise disposed of.

Once the assets are alienated, the Chief Financial Officer shall treat the disposal of the items in terms of GRAP and amend the relevant records of the asset register. If the proceeds of the alienation are less than the carrying value recorded in the asset register, such difference shall be recognised as a loss in the Statement of Financial Performance of the department or vote concerned.

If the proceeds of the alienation, on the other hand, are more than the carrying value of the asset concerned, the difference shall be recognised as a gain in the Statement of Financial Performance of the department or vote concerned.

All gains realised on the alienation of assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the Statement of Financial Performance of the department or vote concerned.

If, however, both gains and losses arise in any one financial year in respect of the alienation of the assets of any department or vote, only the net gain (if any) on the alienation of such assets shall be appropriated to the Capital Replacement Reserve.

Transfer of assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the Municipal Asset Transfer Regulations.

21. GUIDELINE PROCEDURES FOR THE DISPOSAL OF ASSETS

The Senior Manager must submit a motivation for the disposal of an asset under his/her control to the Chief Financial Officer.

The Chief Financial Officer must authorize, by signature the motivation and submit the motivation to the Accounting Officer for his/her approval.

Before computer equipment is disposed the Chief Financial Officer must consult the IT section.

All combined motivations must be submitted to the Asset Manager to update the asset register of the municipality and the book of accounts regarding the sale.

The following information should be update in the asset register:

- Reason for disposal;
- Information relating to the buyer;
- Individual requesting disposal;
- Cost, book value and proposed selling price of the asset;
- Date of sale;
- Method of payment;
- Receipt number; and
- The relevant asset information

22. OTHER WRITE-OFFS OF PPE

An item of PPE, even though fully depreciated, shall be written off when it can no longer be used, in consultation with the Head of Department controlling or using the item concerned.

Every Head of Department shall report to the Chief Financial Officer on 31 October and 30 April of each financial year on any item of PPE which such Head of Department wishes to have written off, stating in full the reason for such recommendation.

The Chief Financial Officer shall consolidate all such reports, and shall promptly notify the Council on the PPE to be written off.

The only reasons for writing off PPE, other than the alienation of such item of PPE, shall be the loss, theft, and destruction or material impairment of the PPE in question.

If an item of PPE must be written off as a result of an occurrence out of the control of the municipality, such as malicious damage, theft or destruction, the municipal manager must determine whether a third party or an employee was involved in the loss and take all reasonable steps to recover such loss, including reporting the incident to the South African Police Services and the Auditor General, the insurance as well as institute disciplinary steps against any employee who might have been involved in such incident.

In every instance where a not fully depreciated item of PPE is written off, the Chief Financial Officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the item concerned.

23. MANAGEMENT AND OPERATION OF ASSETS

Accountability to manage assets

Each Senior Manager is accountable to ensure that Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. This will include:

- o Developing appropriate management systems, procedures, processes and controls for managing assets;
- o Providing accurate, reliable and up to date account of assets under their control; and
- o The development and motivation of relevant strategic asset management plans and operational budgets that optimally achieve the Municipality's strategic objectives.

Contents of a strategic management plan

Senior Managers need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Senior Manager will need to develop strategic asset management plans that cover:-

- o Alignment with the Integrated Development Plan;
- o Operational guidelines;
- o Performance monitoring;
- o Maintenance programs;
- o Renewal, refurbishment and replacement plans;
- o Disposal and Rehabilitation plans;
- o Operational, financial and capital support requirements, and
- o Risk mitigation plans including insurance strategies

The operational budgets are the short to medium term plan for implementing this strategic asset management plan.

Reporting of Emerging Issues

Each Functional Manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

Verification of Assets

The Municipality shall at least once during every financial year undertake on a

date as determined by the Chief Financial Officer a comprehensive verification of all moveable assets controlled or used by all the departments of the Municipality.

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all relevant results of such verification, provided that each such item of asset verification shall be undertaken and completed during 30 June of each financial year, and that the resultant report shall be submitted to the Chief Financial Officer not later than 30 June of the year in question.

Movement of Assets

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all transfers from its original location of assets (including minor assets items) within 5 working days after transfer of such item.

24. MAINTENANCE

Maintenance Plans

Every Head of Department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Council for approval.

If so directed by the Municipal Manager, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The Head of Department controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July or the earliest Council meeting thereafter, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the item concerned.

Deferred Maintenance

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset, the Chief Financial Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the annual financial statements. Such note shall also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the Chief Financial Officer shall re-determine the useful operating life of the fixed asset in question, if necessary in consultation with the Head of Department controlling or using such item, and shall recalculate the increased annual depreciation expenses accordingly.

General Maintenance of Assets

Every Head of Department shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such item attain their useful operating lives.

25. REPLACEMENT STRATEGY

The Municipal Manager, in consultation with the Chief Financial Officer and other Heads of Departments, shall formulate norms and standards for the replacement of all normal operational assets. Such norms and standards shall be incorporated in a formal strategy, which shall be submitted to the Council for approval. This strategy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items.

Such strategy shall also provide for the replacement of assets which are required for service delivery but which have become uneconomical to maintain.

26. TRANSFER OF ASSETS

When assets are transferred to other Government Departments or municipalities, a document with specific authorization should be attached to the asset to ensure the validity of the transfer.

The document should also include:

- Asset description;
- Cost of the asset;
- Date of acquisition;
- Unique asset number;
- Effective date of transfer;
- Quantity; and
- Authorization by both transferor and transferee.

The asset manager must then effect the transactions in the book of accounts of the municipality on the day the asset is transferred to the transferee.

27. PHYSICAL SECURITY OF ASSETS

Every Senior Manager shall be directly responsible for the physical safekeeping of any asset controlled or used by their department.

In exercising this responsibility, every Senior Manager shall adhere to directives issued by the Chief Financial Officer with regard to the control and safekeeping of the municipality's assets.

All assets should be kept in a secure location, maintained regularly, insured against theft or destruction, utilized economically and efficiently.

When it is suspect that an employee abuses assets, this fact should be reported to the Chief Financial Officer within 48 hours. Such an employee should be subject to the disciplinary procedures as described in terms of the Standard

Conditions of Service.

All items of Property, Plant and Equipment lost, stolen or damaged must be reported to the Chief Financial Officer within 48 hours after discovery for further investigation and reporting required by the Municipal Finance Management Act No. 56 of 2003.

28. INSURANCE OF ASSETS

The Accounting Officer must ensure that all movable assets are insured at least against fire and theft, and municipal buildings and infrastructure are insured at least against fire and allied perils.

The Accounting Officer shall recommend, after consultation with the Chief Financial Officer, the basis of insurance cover to be applied: either the carrying value or the replacement value of the assets. Such a recommendation shall take due cognizance of the budgetary resources of the municipality.

Any theft, loss or damage to an asset should immediately be reported to council's insurance brokers by the relevant head of department under whose responsibility the asset falls. A copy of the insurance claim submitted should be forwarded to the Chief Financial Officer. All insurance claims must be recorded in an insurance register and all outstanding insurance claims reported on a monthly basis to the Chief Financial Officer. It is the responsibility of the relevant head of department to ensure that all documents / information for the completion of the claim is forwarded to council's insurance brokers and that copies thereof is forwarded to the Chief Financial Officer. The head of department should in writing request the replacement of the asset which can only be authorized, if sufficient provision for the replacement of the asset is on the capital budget, by the Municipal Manager after consultation with the Chief Financial Officer. If sufficient provision is not on the capital budget the asset can only be replaced if provision for the replacement is made on an Adjustments budget. In the case where an asset must be replaced as an emergency measure, the Mayor may authorise such expenditure, subject to compliance with Section 29 of the MFMA.

Third-party (insurance) pay-outs must be treated as revenue when the amount is certain and may not be offset against the cost of replacing the item. The carrying value of items lost, stolen or damaged beyond repair must be treated as impairment against the relevant department or vote. The full cost of the replacement item must then be capitalised.

If the municipality operates a self-insurance reserve, the Chief Financial Officer shall annually determine the premiums payable by the departments or votes after having received a list of the assets and insurable values of all relevant assets from the heads of departments concerned.

The municipal manager shall recommend to the council of the municipality, after consulting with the Chief Financial Officer, the basis of the insurance to be applied to each type of asset: either the carrying value or the replacement value of the assets concerned. Such recommendation shall take due cognizance of the

budgetary resources of the municipality.

The Chief Financial Officer shall annually submit a report to the council of the municipality on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.

29. SHORT TITLE

This policy shall be called the Asset Management Policy of the **Witzenberg Municipality**.

APPENDIX A

SCHEDULE OF EXPECTED USEFUL LIVES OF ASSETS			
	ASSET LIFE		ASSET LIFE
<u>INFRASTRUCTRE ASSETS</u>		<u>INFRASTRUCTRE ASSETS</u>	
ELECTRICITY:		GAS:	
Power stations	30	Meters	20
Cooling towers	30	Main supply	20
Transformer kiosks	30	Storage tanks	20
Meters	20	Supply and reticulation networks	20
Load control equipment	20		
Switchgear	20	SEWERAGE:	
Supply and reticulation networks	20	Sewer mains	20
Main supply	20	Outflow sewers	20
		Sewerage purification works	20
ROADS:		Sewerage pumps	15
Motorways	15	Sludge machines	15
Other roads	10		
Traffic islands	10	PEDESTRAIN MALLS:	
Traffic lights	20	Footways	20
Street lights	25	Kerbing	20
Overhead bridges	30	Paving	20
Storm water drains	20		
Bridges, subways and culverts	30	AIRPORTS:	20
Car parks	20	Taxiways	20
Bus terminals	20	Runways	20
		Aprons	20
		Airport and radio beacons	20
WATER		SECURITY	
Meters	15	Fencing	3
Mains	20	Security systems	5
Rights	20	Access control systems	5
Supply and reticulation networks	20		
Reservoirs and storage tanks	20		
<u>COMMUNITY ASSETS</u>		<u>COMMUNITY ASSETS</u>	
RECREATIONAL FACILITIES		BUILDINGS	
Bowling greens	20	Ambulance stations	30
Tennis courts	20	Aquariums	30
Swimming pools	20	Beach developments	30
Golf courses	20	Care centres'	30
Jukskei pitches	20	Cemeteries	30
Outdoor sport facilities	20	Civic theatres and community centres'	30
Organ	20	Clinics and hospitals	30
Lakes and dams	20	Game reserves and rest camps	30
Fountains	20	Stadiums and indoor sports	30
Flood lights	20	Museums and galleries	30
		Parks and public conveniences	30
		Recreational centres' and zoo	30
<u>OTHER ASSETS</u>		<u>OTHER ASSETS</u>	

SCHEDULE OF EXPECTED USEFUL LIVES OF ASSETS			
	ASSET LIFE		ASSET LIFE
BUILDINGS		EMERGENCY EQUIPMENT	
Abattoirs	30	Other fire fighting equipment	15
Asphalt plant	30	Ambulances	5-10
Cable stations	30	Fire hoses	5
Caravan Parks	30	Emergency lights	5
Bioscope	30		
Compacting stations	30	MOTOR VEHICLES	
Hostels for public / tourists	30	Fire engines	20
Hostels for employees	30	Buses	15
Housing schemes	30	Motor vehicles	5-7
Kilns	30	Motorcycles	3
Laboratories	30	Trucks and light delivery vehicles	5-7
Markets	30		
Nurseries	30	AIRCRAFT	15
Office buildings	30		
Old age homes	30	WATERCRAFT	15
Quarries	30		
Tip sites	30	PLANT AND EQUIPMENT	
Training centres	30	Graders	10-15
Transport facilities	30	Tractors	10-15
Workshops and depots	30	Mechanical horses	10-15
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FUNDING AND RESERVES POLICY

Date of implementation: 01 July 2010

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FUNDING AND RESERVES POLICY

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Version: Final

Date: 15 June 2010

Summary: This document describes the Funding and Reserves Policy that will be applicable to the municipality, detailed.

Approved: This policy was approved by the Municipal Council on 15 June 2010.

Signature: _____ **Date:** _____

Municipal Manager

FUNDING AND RESERVE POLICY

1. INTRODUCTION AND OBJECTIVE

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

2. SECTION A: FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes. and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are therefore clear in that the budget must be cash – funded i.e. cash receipts inclusive of prior cash surpluses must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

2.2 STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise to the management of his or her own finances with the primary objective of ensuring that the objectives of this policy are achieved.

2.3 STATEMENT OF INTENT

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance, provided that the requirements of the MFMA must at all times be adhered to.

2.4 CASH MANAGEMENT

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

2.5 DEBT MANAGEMENT

Debt must be managed in terms of the municipality's Debt Management Policy, together with any requirements in this policy.

2.6 FUNDING THE OPERATING BUDGET

2.6.1 INTRODUCTION

The municipality's objective is that the user of municipal resources must pay for such usage in the period it occurs.

The municipality however, recognises the plight of the poor, and in line with national and provincial objectives, the municipality commits itself to subsidised services to the poor. This will necessitate cross subsidisation in tariffs to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

- a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
- c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
- d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven

provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded from the calculation as it must be included in changes in Cash and Cash Equivalents and Payables.

Furthermore, in the budget the total grants recognised as revenue must equal the total expected expenditure from grants, inclusive of capital expenditure and VAT as per directive given in MFMA circular 48.

- e) Projected revenue from services charges must be reflected as net (all billing less revenue foregone, which is free basic services, discounts and rebates).
- f) Projected revenue from property rates must include all rates to be levied, but rebates and discounts must be budgeted for as either revenue foregone or a grant, as per directive in MFMA Budget Circular 51, depending on the conditions of the exemption, rebate or reduction.

For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.

- g) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortised discount must be included in the Operating Budget but excluded in the cash flow budget.
- h) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality, and it is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at 5% of the prior year balance of the long-term benefits, be included in the operating budget, in order to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an "Employee Benefits Reserve".
- i) Depreciation must be fully budgeted for in the operating budget.

In order to ensure a sufficient accumulation of cash for the replacement of Property, Plant and Equipment and Intangible Assets, the amount of depreciation on assets funded from own sources, excluding assets funded from grants, public contributions and external loans must be reflected as a surplus on the cash flow budget.

- j) Contributions to provisions (non-current and current) do not form part of the cash flow. It is however, necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

It is therefore a requirement that the contribution to current provisions, as well as 20% of the prior year balance of the non current provision, is budgeted as cash surpluses until the necessary funding level is obtained.

2.7 FUNDING THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own contributions, grants, public contributions as well as external loans.

Own Contributions

The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve.

Notwithstanding the above the capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions are determined during the budget process.

Contributions to the Capital Replacement Reserve (CRR)

All proceeds from the sale of redundant property plant and equipment, and the VAT portion of capital grants that represents own income must be transferred to the CRR.

Funds must be transferred to the CRR in the budget process to ensure that sufficient funds are available in the reserve to finance the capital expenditure from own contributions.

Grants (Including Public Contributions)

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that unusual grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

It is therefore determined that the accounting officer must evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

It is furthermore determined that the depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer must put such accounting measures in place to comply with this requirement, to a reasonable extent.

External Loans

The municipality may only raise loans in accordance with its Debt Management Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans are utilised for operating purposes.

For budgeting purposes any difference between proposed capital spending from loans and proposed loans raised must be included in the cash surplus for the year.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality wants to ensure that the budget or adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as reconciliations according to this policy. Any additional indicators recommended by National Treasury in future must also be taken into account, as well as any additional reconciliation items as either determined by the Council or the Accounting Officer.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless any negative indicators can be reasonably explained and

future budget projections address the turn-around of these indicators to within acceptable levels.

2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

A positive Cash and Cash Equivalents position throughout the year is crucial. In addition, the forecasted cash position at year-end must at least be the amount as calculated in the Reconciliation of Cash Requirements as determined by this policy and attached to this policy as Appendix "A".

2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants;
- unspent conditional public contributions;
- unspent borrowings;
- vat due to SARS;
- secured investments;
- the cash portion of statutory funds such as the Housing Development Fund;
- other working capital requirements; and
- In addition, it must be sufficient to back reserves as approved by the municipality and the portions of provisions as indicated below:
 - Current portion of Rehabilitation of landfill sites
 - Current portion of Post-retirement benefits
 - Current portion of Long service provisions
 - Current portion of Ex-gratia pension provisions
 - 20% of staff leave
 - 100% of performance bonuses
 - 100% of staff bonuses
 - 100% of any other employee benefits

2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ("CASH COVERAGE")

This indicator shows the level of risk should the municipality experience financial stress.

2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS

It is almost certain that the operating budget, which includes depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that the users of the assets funded from grants, public contributions and revaluations must be burdened with tariff increases to provide for such depreciation charges. In order to ensure a “balanced” budget but excluding such depreciation charges, the depreciation charges may be offset against the net surplus / deficit.

Should the budget result in a deficit after the offsetting, the budget will be deemed unfunded and must be revised.

2.8.6 PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET

The intention of this indicator is to ensure that tariff increases are in line with macro economic targets, but also to ensure that revenue increases for the expected growth in the geographic area is realistically calculated.

The formula to be used is as follows:

	DESCRIPTION	PROPERTY RATES	SERVICE CHARGES	TOTAL
A	Revenue of budget year	R XX	R XX	R XX
B	Less: Revenue of prior year	R XX	R XX	R XX
C	=Revenue increase/decrease	R XX	R XX	R XX
D	% Increase/(Decrease)	C/B %	C/B %	C/B %
E	Less: Upper limit of macro Inflation target	%	%	%
F	=Growth in excess of inflation target	%	%	%
G	Less: Expected growth %	%	%	%
H	=Increase attributed to tariff Increase above macro inflation target	%	%	%

In the event that the percentage in (h) above is greater than zero, a proper motivation must accompany the budget at submission, or the budget must be revised.

2.8.7 CASH COLLECTION % RATE

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

It is not permissible to project a collection rate higher than the rate currently being obtained, even if the municipality recently approved a debt collection policy or implemented additional debt collection measures. Any improvement in collection rates during the budget year may be appropriated in an Adjustment Budget.

2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE

This indicator provides information whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance might have an influence on it. Any difference, however, must be motivated in the budget report.

2.8.9 CAPITAL PAYMENTS AS A PERCENTAGE OF CAPITAL EXPENDITURE

This indicator provides information as to the timing for payments on capital projects and utilising allowed payment terms.

2.8.10 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Debt Management Policy.

2.8.11 GRANTS REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE

The percentage should never be less than 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

2.8.12 CONSUMER DEBTORS CHANGE (CURRENT AND NON - CURRENT)

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

An unacceptable high increase in either current– or non– current debtors' balances should be investigated and acted upon.

2.8.13 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL

It is of utmost importance that the municipality's Property Plant and Equipment be maintained properly, in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

As a general benchmark the maintenance budget should be between 4% and 8% of the value of assets.

2.8.14 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

2.8.15 FINANCIAL PERFORMANCE BUDGET

Although it is not a legal requirement that the financial performance budget should balance, it only makes management sense that it should balance.

A number of line–items influence the net result of the financial performance budget. It includes capital grant revenue, depreciation charges including those where assets were funded from grants and public contributions, unamortised discounts and gains/losses on the disposal of Property Plant and Equipment. These items need to be taken into consideration in order to establish if the operating budget is realistic and credible.

2.8.16 FINANCIAL POSITION BUDGET

This indicator provides an overall view of the projected financial position over the periods of the Medium Term Expenditure framework, including movements in inventory and payables.

2.8.17 CASH FLOW BUDGET

A positive cash flow is a good indicator of a balanced budget, as well as the ability of the municipality to meet its future commitments.

The cash flow budget, however, does not include those items such as contributions to the provisions described elsewhere in this policy, the effect of depreciation charges etc, and care must be taken not to let a projected positive cash inflow lead to additional expenditure requests, without taking the requirements of those items into consideration.

3. SECTION B: RESERVES POLICY

3.1 INTRODUCTION

Fund accounting historically formed a huge part of municipal finance in the IMFO standards.

Since the municipality changed to General Recognised Accounting Practices (GRAP), fund accounting is no more allowed.

The municipality, however, recognises the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy aims to provide for such measure of protection by creating certain reserves.

3.2 LEGAL REQUIREMENTS

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund. The GRAP Standards itself also do not provide for reserves.

However, the GRAP “Framework for the Preparation and Presentation of Financial Statements” states in paragraph 91 that such reserves may be created, but “Fund Accounting” is not allowed and any such reserves must be a “legal” reserve, i.e. created by law or Council Resolution.

3.3 TYPES OF RESERVES

Reserves can be classified into two main categories being “cash funded reserves” and “non – cash funded reserves”.

3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

(a) Capital Replacement Reserve (CRR)

The CRR is to be utilised for future capital expenditure from own funds and may not be used for maintenance– or other operating expenditure.

The CRR must be cash–backed and the Accounting Officer is hereby delegated to determine the contribution to the CRR during the compilation of the annual financial statements.

(b) Employee benefits reserve

The aim of the reserve is to ensure sufficient cash resources are available for the future payment of employee benefits.

The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

(c) Non-current provisions reserve

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of non – current provisions.

The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

(d) Valuation reserve

The aim of this reserve is to ensure sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

The contribution to this reserve should be approximately 25% of the anticipated cost of the General Valuation and the Accounting Officer is hereby delegated to determine this amount annually during the compilation of the annual financial statements.

(e) Other statutory reserves

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

3.3.2 NON – CASH FUNDED RESERVES

It might be necessary to create non – cash funded reserves for a variety of reasons, including GRAP requirements. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required.

The Accounting Officer is hereby delegated and may also in the discretion of the Accounting Officer, create reserves for future depreciation offsetting, in the absence of a standard similar to IAS 20.

3.4 ACCOUNTING FOR RESERVES

3.4.1 REVALUATION RESERVE

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

3.4.2 OTHER RESERVES

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

It is a condition of GRAP and this policy that no transactions may be directly appropriated against these reserves.

4. SECTION C: REVIEW OF THE POLICY

This Funding and Reserves Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of the policy must be approved by the Municipal Council.

Whenever the Minister of Finance or the National Treasury or the Auditor – General requests changes to the policy by way of legislation, changes to GRAP or otherwise, it must be reviewed and submitted for consideration by the Council on an annual basis. Such submission must be accompanied with a full description of the reasons for the change to the policy.

APPENDIX A

RECONCILIATION OF CASH REQUIREMENTS

Cash flow from operating activities	R XX
Add : Depreciation from own funds	R XX
Add : Current provisions balance	R XX
Add : Current employee benefits balance	R XX
Add : Unspent conditional grants	R XX
Add : Unspent public contributions	R XX
Add : Unspent borrowings	R XX
Add : VAT due to SARS	R XX
Add : Secured investments	R XX
Add : Cash portion of Statutory Reserves	R XX
Add : Working Capital Requirements	R XX
= Minimum Cash Surplus Requirements for the year	R XX



BORROWING POLICY

Date of implementation 01 July 2013

BORROWING POLICY

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1. PURPOSE

- 1.1. To provide the Municipality with a borrowing framework policy.
- 1.2. Set out the objectives, policies, statutory requirements as well as guidelines for the borrowing of funds.

2. OBJECTIVES

- 2.1. The objectives of the policy are to:
- 2.2. enable the municipality to exercise their obligation to ensure sufficient cash resources to implement capital programme in the most cost effective manner;
- 2.3. ensure compliance with the relevant legal and statutory requirements relating to Municipal borrowing;
- 2.4. govern the taking up of short-term and long-term debt according to the legislative framework
- 2.5. manage interest rate and credit risk exposure
- 2.6. maintain debt with specified limits and ensure adequate provision for the repayment of debt and
- 2.7. To maintain financial sustainability.

3. SCOPE OF THIS POLICY

- 3.1. The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.
- 3.2. This policy shall apply the Council, Mayoral Committee, all Portfolio Committees, Accounting Officer, Strategic Executive Directors and all staff of the municipality. It is, however, specifically applicable to the council and all officials who have a formal, administrative duty to deal with capital projects and programmes of the municipality and the management of the budget.

4. BORROWING ETHICS

- 4.1. In dealing with financial institutions, the following ethical principles must be adhered to:
- 4.2. The Chief Financial Officer shall not accede to any influence by or interference from councillors, borrowing institutions or any outsiders.
- 4.3. Under no circumstances may inducements to borrow be accepted.

5. LEGISLATION

- 5.1. The legislative framework governing borrowings are:
 - 5.1.1. Local Government Municipal Finance Management Act, Act 56 of 2003; and
 - 5.1.2. Local Government Municipal Regulations and Debt Disclosure, Regulation R492, published under Government Gazette 29966, 15 June 2007.

6. COMPULSORY DISCLOSURE WHEN INCURRING MUNICIPAL DEBT

- 6.1. The Municipal Regulations on Debt Disclosure has been promulgated (Government Gazette no. 29966, 15 June 2007) and has been effective from 01 July 2007 for a municipality or municipal entity. Refer to Annexure A2, Municipal Finance Management Act: Municipal Regulations on Debt Disclosure.
- 6.2. The implementation of the regulations will help to strengthen the level of confidence in municipal fiscal affairs and enable the capital markets to effectively participate by providing access to a range of competitive funding instruments for the provision of municipal infrastructure and other capital development in accordance with section 46 of the Municipal Finance Management Act
- 6.3. In the case of short-term debt it must be disclosed whether the debt is to bridge:
 - 6.3.1. Shortfalls within a financial year during which the debt is incurred, in expectation or specific and realistic anticipated revenue to be received with that financial year; or
 - 6.3.2. Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocation or long-term debt commitments.
- 6.4. In the case of long-term debt, whether the purposes of the debt is for:
- 6.5. Capital expenditure on property, plant or equipment to be used for the purpose of achieving the objectives of local government, subject to section 46(4) of the Act.
- 6.6. Refinancing of existing long-term debt, subject to section 46(5) of the Act.

7. PROCESS

The process as required by the Act is as follows:

7.1. Short-term debt

- 7.1.1. A municipality may incur short-term debt only if:
 - 7.1.1.1. A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and
 - 7.1.1.2. The accounting officer has signed the agreement or other document which creates or acknowledges the debt.
- 7.1.2. A short term debt transaction may be:
 - 7.1.2.1. approve individually; or
 - 7.1.2.2. approve an agreement with a lender for short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that:
 - 7.1.3. the credit limit must be specified in the resolution of the council;
 - 7.1.4. in terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and
 - 7.1.5. if the council approves a credit facility that is limited to emergency use, the accounting officer must notify the council in writing as soon as practical of the

amount, duration and cost of any debt incurred in terms of such a credit facility, as well as options for repaying such debt.

7.1.6. A municipality:

- 7.1.6.1. Must pay off short-term debt within the financial year; and
- 7.1.6.2. May not renew or refinance short-term debt, whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.
- 7.1.6.3. No lender may wilfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection 7.1.6.2
- 7.1.6.4. If a lender wilfully extends credit to a municipality in contravention of paragraph 7.1.6.3, the municipality is not bound to repay the loan or interest on the loan.
- 7.1.6.5. Subsection 7.1.6.1 does not apply if the lender:
 - 7.1.6.5.1. Relied in good faith on written representations of the municipality as to the purpose of the borrowing; and
 - 7.1.6.5.2. Did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt. Long-term debt

7.2. Long-term debt

7.2.1. A municipality may incur long-term debt only if:

- 7.2.1.1. A resolution of the municipal council, signed by the executive mayor, has approved the debt agreement; and
- 7.2.1.2. The accounting officer has signed the agreement or other document which creates or acknowledges the debt.

7.2.2. A municipality may incur long-term debt only if the accounting officer of the municipality:

- 7.2.2.1. has, in accordance with section 21A of the Municipal Systems Act:
- 7.2.2.2. at least twenty one (21) days prior to the meeting the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided; and
- 7.2.2.3. invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt; and
- 7.2.2.4. has submitted a copy of the information statement to the municipal council at least twenty one (21) days prior to the meeting of the council, together with particulars of:
 - 7.2.2.4.1. the essential repayment terms, including the anticipated debt repayment schedule; and
 - 7.2.2.4.2. The anticipated total cost in connection with such debt over the repayment period.

7.2.3. Capital expenditure contemplated in 5.3(a) may include:

7.2.3.1. Financing costs, including:

7.2.3.1.1. capitalized interest for a reasonable initial period;

7.2.3.1.2. Costs associated with security arrangements in accordance with section 48 of the Act;

7.2.3.1.3. discounts and fees in connection with the financing;

7.2.3.1.4. fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and

7.2.3.1.5. Costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing.

7.2.3.1.6. Costs of professional services directly related to the capital expenditure; and

7.2.3.1.7. Such other costs as may be prescribed.

7.2.4. A municipality may borrow money for the purpose of refinancing existing long-term debt, provided that:

7.2.4.1. the existing long-term debt was lawfully incurred;

7.2.4.2. the refinancing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed

7.2.4.3. the net present value of projected future payments (including principal and interest payments) after refinancing is less than the net present value of projected future payments before refinancing; and

7.2.4.4. the discount rate used in projecting net present value referred to in paragraph (c), and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

7.2.5. A municipality's long-term debt must be consistent with its capital budget referred to in section 17(2) of the Act.

8. CONDITIONS

Witzenberg Municipality may incur debt only if:

8.1. the debt is denominated in rand and is not indexed to, or affected by fluctuations in the value of the rand against any foreign currency; and

8.2. section 48(3) of the Act has been complied with, if security is to be provided by the municipality.

9. SECURITIES

9.1. Witzenberg Municipality may by resolution of its council provide security for:

9.1.1. any of its debt obligations; and

9.1.2. contractual obligations of the municipality undertaken in connection with capital expenditure by the persons on property, plant or equipment to be used by the

municipality or such other person for the purpose of achieving the objectives of local government in terms of section 152 of the Constitution.

9.2. Appropriate security is contemplated in section 48(2) of the Act.

9.3. Other additional conditions to be complied with are contemplated in section 48(3) to (5) of the Act.

10. DISCLOSURE

The Municipality must, when interacting with a prospective Lender or when preparing documentation for consideration by a prospective Investor, disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

11. GUARANTEES

11.1. The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorized by the Municipality. This must be done in the same manner and subject to the same conditions applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

11.2. Witzenberg Municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following condition:

11.3. The guarantee must be within limits specified in the municipality's approved budget.

11.4. Neither the national nor a provincial government may guarantee the debt of a municipality except to the extent that chapter 8 of the Public Finance Management Act provides for such guarantees

12. SUBMISSION OF DOCUMENTS

When entering into discussion with a prospective lender with a view to incur short-term or long-term debt, the following information must be made available to the prospective lender.

12.1. audited financial statements for the preceding three (3) financial years with audited outcomes;

12.2. approved annual budget;

12.3. the municipal integrated development plan;

12.4. Repayment schedules pertaining to existing short-term or long-term debt.

13. NOTIFICATION TO NATIONAL TREASURY

All information prescribed in the act must be provided to National Treasury with respect to a long-term debt proposal.

Information to be provided with respect to a long-term debt proposal

	Details	MFMA
A	A copy of the <i>information statement</i> required by section 46(3), containing particulars of the proposed borrowing (debt) instrument.	46(3)(a)(i)
B	<p>If not already incorporated in the <i>information statement</i>, the following information should be provided separately (note QBMR = Quarterly Borrowing Monitoring Return to NT, see over page for further information):</p> <p>amount of debt to be raised through borrowing or other means purposes for which the borrowing (debt) is to be incurred interest rate(s) applicable (state whether fixed or variable etc) planned start and end date (term of instrument) detailed repayment schedule for the duration of the borrowing (debt) (showing dates and all payments of principal and interest, etc) total estimated cost of the borrowing (debt) over the repayment period type of instrument (select from QBMR) security to be provided (select from QBMR) and provide details source of loan funds (select from QBMR)</p>	46(3)(b)(i) and (ii)
C	<p>A schedule of consultation undertaken, including:</p> <p>date(s) when the <i>information statement</i> was made public details of meetings, media adverts and other methods used to consult on the proposed long-term borrowing (debt)</p>	46(3)(a)(i), (ii)
D	A copy of the approved budget, and relevant documentation supporting the budget, highlighting the asset(s) to be funded by the proposed borrowing (debt) and the revenue to be received. It must be demonstrated that the proposed borrowing (debt) is consistent with the IDP, the capital budget and the revenue is shown accordingly.	46(6) 17(2) 19
E	<p>If the borrowing (debt) is for the purpose of refinancing existing long-term borrowing (debt), the following information:</p> <p>description of the asset(s) for which the original loan was required the useful remaining life of the asset(s) the net present value of the asset(s), including the discount rate used</p>	46(5)

	and any assumptions in the calculations the net present value of projected future payments <u>before</u> refinancing, including the discount rate and assumptions used. the net present value of projected future payments <u>after</u> refinancing, including the discount rate and assumptions used.	
F	What source of funding will be used to repay the loan? Please specify the revenue stream(s) and whether this is existing revenue, or new revenue.	19(1)(d)
G	Schedule of <u>all</u> long-term borrowing (debt) obligations in the format of the QBMR showing principal and interest payments for the life of <u>all loans</u> and any associated investments set up as sinking funds etc.	
H	A copy of the council/board of directors' resolution approving the borrowing (debt) instrument should be forwarded once approved.	

14. FINANCIAL AFFAIRS OF THE MUNICIPALITY

- 14.1. The following information concerning the financial situation and financial management of the municipality must be disclosed:
- 14.1.1. schedule of all long-term debt obligations stating principal and interest payments for the life of all loans and any security provided to secure such debt;
 - 14.1.2. the amount of any short-term debt outstanding;
 - 14.1.3. the revenue of the municipality for the preceding three (3) financial years stated separately:
 - 14.1.4. Government grants and public donations;
 - 14.1.5. Revenue from rates and service charges and other revenue sources
 - 14.1.6. what source of funding will be used to repay the loan;
 - 14.1.7. details of any default by the municipality on outstanding or repaid debt during the preceding three (3) years;
 - 14.1.8. the reserves of the municipality;
 - 14.1.9. a summary of financial policies and practices; and
 - 14.1.10. The latest credit rating obtained.

15. INTEREST RATE RISK

- 15.1. As a general principle when interest rates are expected to decrease, it is advisable that a floating rate be negotiated in order to take advantage of the lower interest rates in future. If interest rates are expected to increase, it is advisable to obtain a fixed rate so that the benefits of the current low interest rate are maintained.
- 15.2. The interest risk must be limited in so far as possible. The policy directive is to negotiate fixed interest rates for all long-term borrowings. This will ensure stability

of the repayments and reduce the risk for high rates and tariff increases as a result of interest rate hikes in the market.

- 15.3. Variable rates should be considered for short-term debt only.

16. LIMITATIONS

To ensure a financial viable municipality the following ratios are used to determine the municipal gearing ability to borrow:

- 16.1. Long-term credit rating of BBB;
- 16.2. Interest cost to total expenditure to not exceed 8%;
- 16.3. Long-term debt to revenue (excluding grants) not be exceed 50%;
- 16.4. Payment rate mature above 95%; and
- 16.5. Percentage of capital charges to operating expenditure less than 18%.

17. PROHIBITED BORROWING PRACTICES

Witzenberg Municipality shall not borrow for investment purposes, with the sole purpose of investing to earn a return. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments. Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt must be denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

18. IMPLEMENTATION AND REVIEW

- 18.1. The Accounting Officer shall be responsible for the implementation and administration of this policy with the assistance of the Strategic Executive Director for Financial Services Department once approved by Council. All future borrowings must be considered in accordance with this policy read with MFMA and Local Government Municipal Regulations and Debt Disclosure, Regulation R492, published under Government Gazette 29966, 15 June 2007 and other directives and guidelines issued by National Treasury.
- 18.2. In terms of section 17(1) (e) of the Municipal Finance Management Act, 2003 this policy shall be reviewed on annual basis to ensure that it complies with changes in applicable legislation and regulation and the reviewed policy tabled to Council for approval as part of the budget process .
- 18.3. This policy must be read together with the Budget and Funding and Reserves Policies; Local Government Municipal Finance Management Act, Act 56 of 2003; and Local Government Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase



CELLULAR TELEPHONE AND DATA CARD POLICY

Date of implementation 01 July 2013

CELLULAR TELEPHONE AND DATA CARD POLICY

1. **Purpose**

The purpose of this policy is to determine guidelines for the:

- Management of cellular telephones
- Acquisition of cellular telephones
- Acquisition of data cards
- Management of data cards

2. **General**

2.1 It is recognised that cellular telephones are useful communications tools is in many cases essential for Municipal officials to carry out their duties. To this end this policy shall regulate the provision of a cellular telephone and/or data cards for officials in the Witzenberg Municipality.

2.2 All applications for cellular telephones and/or data cards shall require the approval of the Municipal Manager.

2.3 In considering the granting of a cellular phone and/or data card, the Municipal Manager shall take into account all of the following:-

- 2.3.1 Operational responsibility of the applicant.
- 2.3.2 Availability of funds.
- 2.3.3 Time spent outside of the office by the official.
- 2.3.4 The need for constant and immediate contact of the official.
- 2.3.5 Improvement in efficiency of the official.
- 2.3.6 Need for immediate contact with councillors and the public.
- 2.3.7 Safety of officials.

3 **General Controls**

3.1 An annual review shall be carried out by the Municipal Manager to determine the continued need for all cellular telephones and/or data cards.

3.2 If it is determined that an official no longer qualify for a cellular telephone and/or data card, he/she must be advised in writing of the decision with at least a two months' notice period.

4 **Limit of allowances**

4.1 The allowable all inclusive expenditure for cellular telephones and/or data cards will be limited to the following maximum monthly amounts excluding VAT.

Positions¹	Contract by municipality	Allowance to employee
Municipal Manager	3 000	5 000
Directors	3 000	5 000
T Level 18	900	1 200
T Level 14 - 17	700	1 000
Other Approved Employee's	280	400
All data Cards	350	500
Tablets	350	500

¹ Amendment proposed May 2022

- 4.2 The municipal manager can in exceptional cases and on justifiable grounds on written application by a person whose cell phone expenditure is above the maximum monthly limit set above, determine in writing a higher limit for that specific month.
- 4.3 Any account in excess of the allowable maximum amounts as stated in paragraph 4.1 or the higher limit in paragraph 4.2 above, will be deducted from the relevant employee's salary as soon as possible.
- 4.4 Where no written determination by the municipal manager in terms of paragraph 4.2 is received on or before the 10th of the month, any account in excess of the allowable maximum amounts as stated in paragraph 4.1 will be deducted from the relevant employee's salary as soon as possible.
- 4.5 Before any cellular telephone and/or data card is handed over to an employee he or she must sign the relevant authority that any excess can be deducted from his or her salary.
- 4.6 The municipal manager can adjust these amounts annually subject to budgetary provisions.
- 4.7 All employees that qualify for the cellular phone and data card allowance will receive the allowance and not a municipal funded cellular phone or data card. All employees' receiving this allowance must ensure that the item for which the allowance is received is in working condition and has the necessary airtime/data to perform their functions.
- 4.8 The local government regulations on appointment and conditions of employment of senior managers in terms of the Local Government: Municipal Systems Act, 2000 (act no. 32 of 2000) section 40 determines that a senior manager is entitled to compensation for the use of a mobile telephone and data card for official purposes in accordance with the relevant policy of the municipality.²

5 Additional charges

- 5.1 All additional charges including but not limited to the following will be for the account of the user:

- Content charges
- Subscriptions
- Cellular phone data charges

6 Cellular telephones and Data Card Allowance

- 6.1 The municipal manager may approve that a monthly allowance not exceeding the limits as per paragraph 4.1 be paid to employees that qualify for the use of cellular telephones or data cards.
- 6.2 Employees that elect the allowance option must provide a cellular phone and/or data card to be used for official business and may not use municipal cellular telephones and/or data cards.
- 6.3 Proof that the cellular phone and/or data card is available for official use must be provided on request. If the required proof cannot be provided the allowance will be stopped with immediate effect.
- 6.4 The municipality will only pay the allowance to the user; all cost in excess of the allowance will be for the account of the user.
- 6.5 The allowance will be paid together with the employees' monthly salary.
- 6.6 The recipient of the allowance will be responsible for the payment of income tax on the allowance, which will be deducted from the employee's salary.

² Included 29 May 2018

7 Management and Control Of Cellular telephones and Data Card Needs

- 7.1 A register of all cellular telephones and data cards and service agreements must be maintained by the Administration department.
- 7.2 All cellular telephones and data cards will be obtained on a rental agreement.
- 7.3 The agreement for a cellular phone must be conducted in the Municipalities name.
- 7.4 The agreement for a data card must be conducted in the Municipalities name.
- 7.5 No cellular telephones or data cards will be upgraded for improved models before the contract has expired, unless indicated to the contrary by the service provider or on recommendation by the relevant director or head of department.
- 7.6 After lapse of the agreement, the cellular phone or data card becomes the property of the employee.
- 7.7 If the relevant employee leaves the employment of the municipality before the agreement lapse, the cellular phone and/or data cards with the relevant SIM cards must be handed in at the administration department who must ensure that it is in working condition and that it is the correct SIM cards.
- 7.8 The cellular phone number is the property of the Witzenberg municipality and cannot be transferred to employees.

8 Insurance

- 8.1 All reasonable care must be taken to protect the equipment from damage, destruction or loss and any proof of negligence shall be dealt with within the context of Council's disciplinary code.
- 8.2 The Excess payment on insurance claims will be for the account of the user of the cellular phone or data card.

9 ICT policies

- 9.1 Users of data cards acknowledge that all other ICT policies adopted by Witzenberg Municipality are applicable on the usage of the data cards.

10 Promotional Items and or Gift Vouchers

- 10.1 Any promotional items and or gift vouchers received with a cellular phone and or data contract will be the property of the municipality and not of the employee.
- 10.2 The only exception to the above is tablets that can be used by the employee for official purposes for the duration of the rental agreement, where after it will become the property of the employee.

11 Procurement

- 11.1 The administration of the procurement process will be done by the Administration section.
- 11.2 The procurement of cellular telephones and data cards will be done by the Supply Chain Unit.



SUPPLY CHAIN MANAGEMENT POLICY

Reviewed by Council 26/05/2021
Reviewed by Council 30/05/2017
Reviewed by Council 18/05/2016
Reviewed by Council 28/05/2015
Reviewed by Council 27/05/2014
Adopted by Council 29/05/2013

SUPPLY CHAIN MANAGEMENT POLICY

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Proposed date for adoption: 1 April (PP regulations 2017) /July 2017

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the municipality.

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CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

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Annexure A

Annexure B

1. Definition - In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“Accounting officer” – means the municipal official referred to in section 60 of the Act

“B-BBEE” means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act.

“B-BBEE Status Level of Contributor” means the B-BBEE status of an entity in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. ¹

“Bid” means a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of goods, services or construction works through price quotations, advertised competitive bidding processes or proposals.

“Bidder” means any person submitting a competitive bid or a quotation.

“Black designated groups” has the meaning assigned to it in the codes of good practice issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act. ²

“Black people” has the meaning assigned to it in section 1 of the Broad-Based Black Economic Empowerment Act. ³

“Broad-Based Black Economic Empowerment Act” means the Broad-Based Black Economic Empowerment Act, 53 of 2003 and Codes of Good Practice pertaining thereto.

“Chief Financial Officer or CFO” means a person designated in terms of section 80(2) (a) of the Act.

“CIDBA regulations” means any regulations issued in terms of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);

“Class deviation” means a deviation from the normal procurement process for goods and services anticipated to be procured more than once in a financial year but exclude

¹ Amended by council 30 May 2017

² Amended by council 30 May 2017

³ Amended by council 30 May 2017

procurement made in an emergency situation.

“Community Based Vendor” means a supplier of goods, services and/or construction works who resides in the Witzenberg municipal area or has its principal business activities in the Witzenberg municipal area, who meets the criteria for community based vendor as determined by the Municipal Council from time to time, and who is registered as such on the municipality’s supplier database.

“Competitive bidding process” means a competitive bidding process referred to in paragraph 21 of this Policy;⁴

“Competitive bid” means a bid in terms of a competitive bidding process;

“Consultant/ consulting engineer” means a person or entity providing advisory services to the municipality which amongst others include consulting firms, management firms, procurement agents, inspection agents, auditors, other multinational organisations, investment and merchant banks, universities, research agencies, government agencies, non-governmental organisations (NGOs) and individuals.

“Contract” means the agreement which is concluded when the municipality accepts, in writing, a competitive bid or quotation submitted by a supplier.

“Contract manager” refers to an internal official assigned to ensure the effective administration of the contract

“Day(s)” means calendar days unless the context indicates otherwise.

“Designated sector” means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content.

“Disposal” in relation to capital assets means –

- (a) The demolition, dismantling or destruction of the capital asset; or
- (b) Any other process applied to a capital asset which results in loss of ownership of the capital asset otherwise than by way of transfer of ownership;

“Exempted Micro Enterprise” means an exempted micro enterprise in terms of a code

⁴ Amended by council 30 May 2017

of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act.⁵

“Final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote was accepted;

“Formal written price quotation” means a written or electronic offer to the municipality in response to an invitation to submit a quotation as referred to in paragraph 19 of this Policy;

“Green procurement” means the procurement of environmentally friendly products and services;⁶

“Head of Department” means a Senior Manager as defined in the Municipal Finance Management Act, 2003 (Act no.56 of 2003) and who is responsible for a vote as assigned by the Accounting Officer;

“Individual deviation” means a deviation from the normal procurement process as set out in this policy that affect only one contract / procurement award made in circumstances where it is impractical to follow the normal procurement process and in an emergency situation.

“In the service of the state” means to be –

- (a) A member of –
 - (i) Any municipal council;
 - (ii) Any provincial legislature; or
 - (iii) The National Assembly or the National Council of Provinces;
- (b) A member of the board of directors of any municipal entity;
- (c) An official of any municipality or municipal entity;
- (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Municipal Finance Management Act, 2003 (Act No.56 of 2003); and Public Finance Management Act, 1999 (Act No. 1 of 1999)
- (e) A member of the accounting authority of any national or provincial public entity;
or
- (f) An employee of Parliament or a provincial legislature;

⁵ Amended by council 30 May 2017

⁶ Amended by council 30 May 2017

“Joint Venture or Consortium” means an association of persons formed for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract or contracts. The Joint Venture must be formalised by agreement between the parties.

“Line manager” means a manager reporting directly to a senior manager and who is responsible for a cost centre as assigned by the relevant senior manager;

“Long term contract” means a contract with a duration period exceeding one year and does not have the same meaning as contracts of a long term nature referred to in paragraph 24(1)(e) of this policy;⁷

“Long term nature contract” means a contract as defined by section 33(1) of the Municipal Finance Management Act imposing financial obligations on the Municipality beyond the first three years covered in the approved annual budget;⁸

“List of accredited prospective providers” means the list of accredited prospective providers which the municipality must keep in terms of paragraph 16 of this policy;⁹

“Municipality” means Witzenberg Municipality or any person(s) or committee delegated with the authority to act on its behalf.

“Other applicable legislation” means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000), as amended;
- (b) The Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), as amended;
- (c) The Construction Industry Development Board Act, 2000 (Act No.38 of 2000), as amended; and
- (d) The Preferential Procurement Regulations, as amended¹⁰
- (e) The Local Government: Municipal Systems Act;¹¹
- (f) The Competition Act; and¹²

⁷ Amended by council 30 May 2017

⁸ Amended by council 30 May 2017

⁹ Amended by council 30 May 2017

¹⁰ Amended by council 30 May 2017

¹¹ Amended by council 30 May 2017

¹² Amended by council 30 May 2017

(g) The Promotion of Administrative Justice Act.¹³

“Policy” means this Supply Chain Management Policy as amended from time to time by Council

“Targeted Labour” means those individuals employed by a contractor, or sub-contractor, in the performance of a contract, who are defined in the contract as the target group, and who permanently reside in the municipal area.

“Tender” referred to in the Preferential Procurement Regulations 2017, has the same meaning as “bid” as defined in this policy¹⁴

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“The Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“The Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

“Written quotations” means quotations referred to in paragraph 18 of this Policy.¹⁵

¹³ Amended by council 30 May 2017

¹⁴ Amended by council 30 May 2017

¹⁵ Amended by council 30 May 2017

2. Policy statement and objectives

Section 111 of the Municipal Finance Management Act requires each municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act.

In addition, the Preferential Procurement Policy Framework Act requires an Organ of State to determine its Preferential Procurement Policy and to implement it within the framework prescribed.

The objectives of this Policy are:

- to give effect to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective;
- to comply with all applicable provisions of the Municipal Finance Management Act including the Municipal Supply Chain Management Regulations published under GN868 in Government Gazette 27636 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA; regulations pertaining thereto, including:
 - the Preferential Procurement Policy Framework Act;
 - the Broad-Based Black Economic Empowerment Act;
 - the Construction Industry Development Board Act;
 - the Local Government: Municipal Systems Act; and
 - the Promotion of Administrative Justice Act.
- the Competition Act.¹⁶

¹⁶ Amended by council 30 May 2017

CHAPTER 1
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

3. Supply chain management policy

- (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –
 - (a) Gives effect to –
 - (i) Section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) is fair, equitable, transparent, competitive and cost effective;
 - (c) Complies with –
 - (i) The Regulations; and
 - (ii) Any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) is consistent with other applicable legislation;
 - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.

- (2) This Policy applies when the municipality –
 - (a) Procures goods or services;
 - (b) Disposes of goods no longer needed;
 - (c) Selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; and
 - (d) Selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.

- (e) the procurement of goods and services under a contract secured by that other organ of state, provided that the relevant supplier has agreed to such procurement.
- (3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

4. Amendment of the supply chain management policy

- (1) The accounting officer must –
 - (a) at least annually review the implementation of this Policy; and
 - (b) When the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the Council.
- (2) If the accounting officer submits proposed amendments to the Council that differs from the model policy issued by the National Treasury, the accounting officer must –
 - (a) Ensure that such proposed amendments comply with the Regulations; and
 - (b) Report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

5. Delegation of supply chain management powers and duties

- (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
 - (a) To discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) This Policy;
 - (b) to maximize administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).
- (3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality;
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 35-37 of this Policy.

6. Sub delegations

- (1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.

- (2) The power to make a final award –
 - (a) Above R 10 million (VAT included) may not be sub delegated by the accounting officer;
 - (b) Above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –
 - (i) The chief financial officer;
 - (ii) A bid adjudication committee of which the Chief Financial Officer is a member / Chairperson;
 - (c) Not exceeding R2 million (VAT included) may be sub delegated but only to –
 - (i) The chief financial officer;
 - (ii) A senior manager;
 - (iii) A manager directly accountable to the chief financial officer or a senior manager; or
 - (iv) A bid adjudication committee.

- (3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph 5(2) must within five days of the end of each month submit to the official referred to in subparagraph 5(4) a written report containing particulars of each final award made by such official or committee during that month, including–

- (a) The amount of the award;
 - (b) The name of the person to whom the award was made; and
 - (c) The reason why the award was made to that person.
- (4) A written report referred to in subparagraph 5(3) must be submitted –
- (a) To the accounting officer, in the case of an award by –
 - (i) The chief financial officer;
 - (ii) A bid adjudication committee of which the chief financial officer; or
 - (b) To the chief financial officer or his delegate responsible for the relevant bid, in the case of an award by –
 - (i) A manager referred to in subparagraph 5 (2) (c) (ii); or
 - (ii) A bid adjudication committee of which the chief financial officer is a member.
- (5) Subparagraphs 5(3) and 5(4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant/ consulting engineer.

7. Oversight role of council

- (1) The Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must –
 - (a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report.
- (3) The Supply Chain Manager must, within 4 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Chief Financial Officer, of which he must submit it within 3 days to the Accounting Officer. The Accounting Officer must within 3 days after receiving the report submit it to the Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

8. Supply chain management unit

- (1) Witzenberg Municipality has established a supply chain management unit to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer whom this duty has been delegated in terms of section 82 of the Act.

9. Training of supply chain management officials

- (1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

10. Format of supply chain management system

This Policy provides systems for –

- (1) Demand management;
- (2) Acquisition management;
- (3) Logistics management;
- (4) Disposal management;
- (5) Risk management; and
- (6) Performance management.

11. Communication with the municipality

- (1) All correspondence with regards to this policy shall be addressed to the Manager: Supply Chain Management.

Part 1: Demand management

12. System of demand management

- (1) The accounting officer has established and implemented an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system -
 - (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;

- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
 - (c) Provide for the compilation of the required specifications to ensure that its needs are met.
 - (d) undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
 - (e) provide efficient and effective provisioning and procurement systems and practices to enable the municipality to deliver the required quantity and quality of services to the communities.
 - (f) establish uniform procedures, documents and contracts and the implementation of sound systems of control and accountability.
 - (g) establish a professional supply chain management system which results in continuing improvement in affordability and value for money, based on total cost of ownership and quality of procurement as competition amongst suppliers is enhanced.
- (3) Green procurement must be incorporated as far as reasonable possible, for all specifications of goods, services and construction works.
- (4) In the development of bid specifications, innovative mechanisms should be explored to render the service or product more resource and energy efficient.

Part 2: Acquisition management

13. System of acquisition management

- (1) The objectives of this acquisition management system are to ensure:
 - (a) that goods and services, including construction works and consultant services are procured by the municipality only in accordance with the authorised procedures incorporated herein;
 - (b) that expenditure on goods and services, including construction works and consultant services is incurred in terms of an approved budget; and
 - (c) that the threshold values of the different procurement procedures are complied with.

- (d) that bid documentation, evaluation and adjudication criteria, and general conditions of contract are in accordance with the requirements of relevant legislation including, the Preferential Procurement Policy Framework Act, and any conditions of the Construction Industry Development Board Act; and
 - (e) that procurement guidelines issued by the National Treasury are taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -
- (a) The kind of goods or services; and
 - (b) The name of the supplier.
- (3) Unless otherwise indicated in the bid documents, the municipality shall not be liable for any expenses incurred in the preparation and / or submission of a bid or quotation.
- (4) Bid documentation may state that alternative bids can be submitted provided that a bid is in accordance with the bid documents is also submitted.
- (5) An alternative bid shall be submitted on a separate complete set of bid documents and shall be clearly marked "Alternative Bid" to distinguish it from the main bid offer referred to above.
- (6) Bid documentation shall state that the municipality will not be bound to consider alternative bids.
- (7) The Manager Supply Chain management may extend the bid closing date if circumstances justify the action, provided that the closing date may not be extended unless a notice is published in the same newspapers as the original advertisement prior to the original bid closing date.
- (8) The notice referred to in paragraph 13 (7) must also be posted on the municipal notice boards, the municipal website and a notice must be sent to all bidders

14. Range of procurement processes

- (1) Goods and services may only be procured by way of
 - (a) One written price quotation up to a transaction value of R 2,000 (VAT included);
 - (b) Petty cash purchases up to a transaction value of R 2,000 (VAT included) for items specified in the Petty Cash policy;
 - (c) Three written price quotations for procurements of a transaction value over R 2,000 up to R10,000 (VAT included);
 - (d) Three formal written price quotations for procurements of a transaction value over R 10,000 up to R200,000 (VAT included); and
 - (e) A competitive bidding process for–
 - (i) Procurements above a transaction value of R200 000 (VAT included); and
 - (ii) The procurement of long term contracts.
 - (2) The accounting officer may, in writing lower, but not increase, the different threshold values specified in subparagraph 14(1);
 - (3) For quotations (up to R 30 000) bidders are required to be registered on the municipality's supplier database prior to the acceptance of their quotation in respect of the goods or services required.
 - (4) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.
- 15. General preconditions for consideration of written quotations or bids**
- (1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –
 - (a) Has furnished that provider's –
 - (i) Full name;
 - (ii) Identification number or company or other registration number; and
 - (iii) Tax reference number and VAT registration number, if any;

- (iv) registration number in terms of section 18(1) of the Construction Industry Development Board Act, 2000 (Act No.38 of 2000), should the provider quote or bid to undertake, carry out or complete any construction works or portion thereof;
 - (b) Has provided the municipality with an original and valid tax clearance from the South African Revenue Services confirming that the provider's tax matters are in order; and
 - (c) Has indicated –
 - (i) Whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the bidder is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) Whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (iv) On their supplier database application form if the supplier or person is in the service of the state, that such declaration be deemed as sufficient and that the responsibility rests on the supplier to notify the supply chain management unit of any changes hereto.
 - (v) Has completed, signed and submitted a certificate of independent bid determination with their bid or quotation.
- (2) Laws of the Republic of South Africa shall govern contracts arising from the acceptance of bids and quotations.
- (3) Where the acquisition in question is likely to involve an imported component which will be subject to foreign exchange rate adjustments, the bid documentation must specify that the contractor take out a forward exchange contract in order to fix the Rand based price as soon as possible after the award.

16. Lists of accredited prospective providers

- (1) The accounting officer must –
 - (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations for procurement up to R 30 000; and
 - (b) at least twice a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - (c) specify the listing criteria for accredited prospective providers;
 - (d) disallow the listing of any prospective supplier on the municipality's supplier database who do not comply with the accreditation requirements i.e. listing criteria and also based on standards, set by any relevant control bodies that govern or regulate the category of service or industry.
 - (e) disallow the listing of any prospective provider whose name appears on the National Treasury's List of Restricted Suppliers and/or Registered for Tender Defaulters and/or a person or business prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.
- (4) The accounting officer may use the Central Supplier Database hosted by National Treasury for procurement.¹⁷

¹⁷ Amended by council 30 May 2017

17. Petty cash purchases

Petty cash purchases must be done according to the Petty Cash policy. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 14 (1) (b) of this Policy, are as follows–

- (a) The Accounting Officer may delegate the responsibility for petty cash to an official directly or indirectly reporting to the CFO;
- (b) No item that is an approved stores item might be purchase by means of a petty cash transaction;
- (c) No fixed asset of whatever value may be purchase through petty cash;
- (d) The nature of petty cash transactions that can be processed as petty cash transactions are listed in paragraph 5 of the Petty Cash policy;
- (e) The Council will determine annually the maximum amount of petty cash expenditure per month as referred to in paragraph 6 of the petty cash policy;
- (f) A monthly reconciliation report must be provided to the chief financial officer, within five days of the end of each month containing particulars of each final award made by an official during that month, including:
 - (i) The total amount of petty cash purchases for that month; and
 - (ii) Receipts and appropriate documents for each purchase.

18. Written Price quotations

- (1) The conditions for the procurement of goods or services through written price quotations are as follows:
 - (a) All requirements below R2 000.00 (VAT incl.) which are not covered by the Petty Cash policy, one written price quotation must be obtained from providers who are listed as accredited prospective service providers.
 - (b) All requirements between R2 000.00 (VAT incl.) and R 10 000.00 (VAT incl.) three written price quotations must be obtained from providers who are listed as accredited prospective service providers.
 - (c) Where no suitable providers are available from the list of accredited prospective providers, quotations may be obtained from other possible providers, provided that such providers meet the listing criteria;¹⁸

¹⁸ Amended by council 30 May 2017

19. Formal written price quotations

- (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
 - (a) Quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;
 - (b) Quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria;¹⁹
 - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and
 - (d) The Chief Financial Officer must record the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph 19 (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

20. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

- (1) The procedure for the procurement of goods or services through written quotations or formal written price quotations is as follows:
 - (a) When using the list of accredited prospective providers the accounting officer must promote on-going competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 19, be advertised for at

¹⁹ Amended by council 30 May 2017

- least seven days on the website and official notice boards of the municipality;
- (c) Offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - (d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
 - (e) Offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (f) Acceptable offers, which are subject to the preference points system (PPPFA; Preferential Procurement Regulations as amended and this policy), must be awarded to the bidder who scored the highest points;²⁰
 - (g) Comply with all requirements for proper record keeping.

21. Competitive bids

- (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 13(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- (3) The accounting officer may split unduly large quantities of work into smaller contracts (units) to provide opportunities for emerging entrepreneurs and make it manageable. This may only be done when it is technically, logistically and financially feasible.

22. Process for competitive bidding

- (1) The procedures for the following stages of a competitive bidding process are as follows:

²⁰ Amended by council 30 May 2017

- (a) Compilation of bidding documentation as detailed in paragraph 23
- (b) Public invitation of bids as detailed in paragraph 24;
- (c) Site meetings or bid clarification meetings as detailed in paragraph 25;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 27;
- (e) Evaluation of bids as detailed in paragraph 36; (f) Award of contracts as detailed in paragraph 37;
- (g) Administration of contracts -
 - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- (h) Proper record keeping -
 - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

23. Bid documentation for competitive bids

- (1) The criteria to which bid documentation for a competitive bidding process must –
 - (a) Take into account –
 - (i) The general conditions of contract and any special conditions of contract, if specified;
 - (ii) Any Treasury guidelines on bid documentation; and
 - (iii) The requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (iv) And clearly indicate the terms and conditions of contract specifications, criteria for evaluation and adjudication procedures to be followed where applicable, and include if and where site meetings/ bid clarification meetings are compulsory.
 - (b) include the preference points system to be used , goals as contemplated in the PPPFA; Preferential Procurement Regulations as amended and this policy;²¹
 - (c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

²¹ Amended by council 30 May 2017

- (d) Provide for an appropriate contract and / or delivery period;
- (e) stipulate if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish²²
 - (i) If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (j) Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
- (k) Not be aimed at hampering competition, but rather to ensure fair, equitable, transparent, competitive and cost effective bidding, as well as the protection or advancement of persons or categories of persons.

24. Public invitation for competitive bids

- (1) The procedure for the invitation of competitive bids is as follows:
 - (a) On completion of the bid specification process the municipality shall publicly invite bids.

²² Amended by Council 26 May 2021

- (b) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin);
 - (b) The notice may require a payment of a non-refundable bid fee by bidders who require bid documents. The bid documentation fee shall be determined by the accounting officer from time to time
 - (d) The information contained in a public advertisement, must indicate –
 - (i) The title of the proposed bid;
 - (ii) The bid number;
 - (iii) The date, time and location of any site meeting/ bid clarification meeting and whether such meetings are compulsory;
 - (iv) Whether functionality is required;
 - (v) The place where the bid documentation is available for collection and the times between which bid documents may be collected;
 - (vi) The bid documentation fee;
 - (vii) The place where bids must be submitted;
 - (viii) The closing date and time for submission of bids; and
 - (ix) The required CIDB contractor grading for construction work, if applicable.
 - (e) The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R4 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph 22(2) of this policy;
 - (f) A statement that bids may only be submitted on the bid documentation provided by the municipality, must be included.
- (2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

- (3) Bids submitted must be sealed and must clearly indicate the bid number and bid title on the outside of the envelope for which the bid is being submitted.²³
- (4) Details of all prospective bidders who have been issued with bid documents must be recorded by the Supply Chain Management Unit and shall remain confidential for the duration of the bid period. Details of prospective bidders must, wherever possible, include the full name of the person drawing documents, the name of the company for whom the bid documents are, a contact person, a contact telephone, a fax number and a postal and email address.
- (5) A bidder that did not pay the prescribed bid document fee, will be disqualified from the bidding process.
- (6) The municipality may require bidders to submit section(s) of their bid in electronic format, but only after the bid closing date. If the electronic copy differs from the original hard copy, the original hard copy will be binding.

25. Site meetings/ bid clarification meetings

- (1) Site meetings/ bid clarification meetings will, in general, not be compulsory. In exceptional circumstances however, a site meeting/ bid clarification meeting may be made compulsory with the approval of the relevant director.
- (2) If site meetings/ bid clarification meeting are to be held, full details must be included in the bid notice and the bid document, including whether or not the site meeting/ bid clarification meeting is compulsory.
- (3) Where site meetings/ bid clarification meetings are made compulsory, the date for the site meetings/ bid clarification meeting shall be not less than 7 (seven) days after the bid has been advertised.

²³ Amended by council 30 May 2017

- (4) Site meetings/ bid clarification meeting will be chaired by a duly authorised representative from the Supply Chain Management Unit. The relevant line manager responsible for a specific bid or the duly appointed consulting engineering firm employee must be present at the site meetings/ bid clarification meeting in order to provide technical information and to answer technical related questions that might arise from the prospective bidders.
- (5) The chairperson of the site meeting/ clarification meeting must explain the way how the site meetings/ bid clarification will be conducted and must exclude prospective bidders that arrive after the meeting has been opened.
- (6) Prospective bidders present at the site meetings/ bid clarification meeting, will be required to confirm their attendance by signing the attendance register as provided by the Supply Chain Management Unit.
- (7) In instances where bid documentation provides for an attendance certificate, such a certificate must be signed by the representative of the Supply Chain Management Unit who was present at the site meetings/ bid clarification meeting and submitted with the bid document.
- (8) If at a site meetings/ bid clarification meeting, any additional information is provided or clarification of vague points is given, such additional information or clarification must be conveyed to all bidders in writing within a time frame as determined by the municipality, but not later than 7 (seven) days before the bid closing date.
- (9) Drawings and other supplements to bid documents may be provided to prospective bidders at the site meetings/ bid clarification meeting.
- (10) A bidder who failed to attend a compulsory site meeting/ bid clarification meeting will be disqualified from the bidding process.

26. Submission of bids

- (1) Bids must be submitted before the closing time, at the address and in

accordance with the directives in the bid documents.

- (2) Each bid must be in writing using non-erasable ink and must be submitted on the official Form of Bid/Offer issued with the bid documents.
- (3) The bid must be submitted in a separate sealed envelope with the name and address of the bidder, the bid number and title, the bid box number (where applicable), and the closing date indicated on the envelope. The envelope may not contain documents relating to any bid other than that shown on the envelope. Only sealed bids will be accepted.
- (4) The onus shall be on the bidder to place the sealed envelope in the official, marked and locked bid box provided for this purpose, at the designated venue, not later than the closing date and time specified in the bid notice.
- (5) No bids forwarded by telegram, facsimile or similar apparatus shall be considered.
- (6) A bid is late if it is not placed in the relevant bid box by the closing time and date of such bid.
- (7) A late bid shall not be admitted for consideration and shall be returned unopened (where feasible) to the bidder with the reason for the return thereof endorsed on the envelope.

27. Procedure for handling, opening and recording of competitive bids and formal written price quotations in excess of R 30 000²⁴

- (1) The procedures for the handling, opening and recording of **competitive** bids and formal written price quotations in excess of R 30 000, are as follows:²⁵
 - (a) At least two officials, of whom one must be the delegated Supply Chain Management representative, must at all times, administer the opening of bids.
 - (b) At the specified closing time on the closing date the applicable bid box shall be closed.

²⁴ Amended by council 30 May 2017

²⁵ Amended by council 30 May 2017

- (c) The bid box shall be opened in public as soon as practical after the closing time of the bid.
 - (d) Immediately after the opening of the bid box, all bids that are clearly marked shall be opened.
 - (e) The Supply Chain Management representative as delegated, shall read out the name of the bidder, if practical the bid amount, the BBBEE status level contribution of each bidder, where applicable the local content percentages of the goods offered and the bid opening register will be made available for public inspection and published on the municipality's website.²⁶
 - (f) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
 - (g) No information, except the provisions in subparagraph (e), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
 - (h) The Supply Chain Management representative that is delegated to open the bids must –
 - (i) stamp the bid document with the official municipal stamp together with the two signatories administering the bid opening
 - (ii) record in a register all bids received in time;
 - (iii) sign the register as well as the official assisting at the bid opening.
 - (iv) Make the register available for public inspection; and
 - (v) Publish the entries in the register and the bid results on the website.
 - (vi) No councillor may be present at the opening of bids.
- (2) Bids shall be invalid, and shall be endorsed and recorded as such in the bid opening record by the responsible official to open the bid, in the

²⁶ Amended by council 30 May 2017

following instances:

- (a) If the bid is not sealed;
 - (b) if the bid, including the bid price amount, where applicable is not submitted on the official Form of Bid/Offer;
 - (c) if the bid is not completed in non-erasable ink;
 - (d) if the Form of Bid/Offer is signed, but the name of the bidder is not stated, or is indecipherable; or
 - (e) if in a two envelope system is followed, the bidder fails to submit both a technical proposal and a separate sealed financial offer/bid.
- (3) A bid will not be invalidated if the amount in words and the amount in figures do not correspond, in which case the amount in words shall be read out at the bid opening and shall be deemed to be the bid amount.
- (4) The Manager Supply Chain Management may, in compliance with paragraph 63 of this policy, provide a reasonable opportunity to a bidder who made an innocent error and/ or omission in his/ her bid document, to correct the innocent error and/ or omission, provided that such opportunity will not unduly prejudice any of the other bidders.
- (5) Bidders shall be afforded no longer than 48 hours from time of notification to correct such innocent errors and/ or omissions. If no response is received from such bidders at the deadline, the bid may be invalidated.
- (6) When bids are declared invalid at the bid opening, the bid sum of such bids shall not be read out. However, the name of the bidder and the reason for the bid having been declared invalid shall be announced.

28. Procedure for the opening of bids where a two envelope system is followed

- (1) If a two envelope system is followed, only the technical proposal will be opened at the bid opening.
- (2) The unopened envelope containing the financial proposal shall be stamped and endorsed with the opening official's signature, and be retained by him/her for safekeeping.

- (3) When required the financial offers/bids corresponding to responsive technical proposals, shall be opened by the opening officials in accordance with paragraph 27 (1) (a)
- (4) All bidders who submitted responsive technical proposals must be invited to attend the opening of the financial offers/bids.
- (5) Envelopes containing financial offers/bids corresponding to non-responsive technical proposals shall be returned unopened along with the notification of the decision of the Bid Adjudication Committee in this regard.

29. Communication with bidders before bid closing

- (1) The Manager Supply Chain Management may, if necessary, communicate with bidders prior to bids closing.
- (2) Such communication shall be in the form of a notice issued to all bidders by the Manager Supply Chain Management by either e-mail, facsimile, or registered post as may be appropriate. A copy of the notice together with a transmission verification report/proof of posting shall be kept for record purposes. Notices should be issued at least one week prior to the bid closing date, where possible, except in terms of paragraph 13 (7).
- (3) Notwithstanding a request for acknowledgement of receipt of any notice issued, the bidder will be deemed to have received such notice if the procedures in paragraph 29 (2) have been complied with.

30. Negotiations with preferred bidders

- (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
 - (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

31. Two-stage bidding process

- (1) A two-stage bidding process is allowed for –
 - (a) Large complex projects;
 - (b) Projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) Long term projects with a duration period exceeding three years subject to section 33 of the Act.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.
- (4) A two envelope system differs from a two-stage (prequalification) bidding process in that a technical proposal and the financial offer are submitted in separate envelopes at the same place and time. The financial offers will only be opened once the technical proposals have been evaluated.

32. Validity periods

- (1) The period for which bids are to remain valid and binding must be indicated in the bid documents.
- (2) The validity period is calculated from the bid closure date and bids shall remain in force and binding until the end of the final day of that period.
- (3) This period of validity may be extended by the Manager: Supply Chain Management, provided that the original validity period has not expired, and that all bidders are given an opportunity to extend such period. Any such extension shall be agreed to by a bidder in writing.
- (4) Bidders who fail to respond to such a request before the validity of their bid expires, or who decline such a request shall not be considered further in the bid evaluation process.

- (5) In the event that an appeal is received, the validity period is deemed to be extended until finalisation of the appeal.

33. Samples

- (1) Bid documents may require samples that must be submitted.
- (2) Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the Supply Chain Management representative mentioned in the bid document before the bid closing date.
- (3) A register will be kept by the Supply Chain Management representative of samples received from prospective bidders. An acknowledgement of receipt shall be issued to the prospective bidder as proof of delivery.
- (4) Bids may not be included in parcels containing samples.
- (5) If samples are not submitted as required in the bid documents then the bid concerned must be declared non-responsive.
- (6) Samples shall be supplied by a bidder at his/her own expense and risk. The municipality shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents.
- (7) If a bid is accepted for the supply of goods according to a sample submitted by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample. If not, it might be deemed as a breach in contract.
- (8) The municipality reserves the right not to return the contract sample and may dispose of it at its own discretion.

34. Committee system for competitive bids

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for procurement or cluster of procurements as the

accounting officer may determine:

- (a) A bid specification committee; (b)
A bid evaluation committee; and
 - (c) A bid adjudication committee;
- (2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and
 - (3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
 - (4) The committee system must be consistent with – (a)
Paragraph 35, 36 and 37 of this Policy; and
(b) Any other applicable legislation.
 - (5) The accounting officer may apply the committee system to formal written price quotations.

35. Bid specification committees

- (1) A bid specification committee must compile the specifications for procurement of goods or services by the municipality.
- (2) Specifications –
 - (a) Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) Must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test

- methods, packaging, marking or labelling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) must indicate the preference points system to be utilised as set out in the PPPFA; Preferential Procurement Regulations as amended and this policy; and²⁷
 - (g) Must be approved by the relevant director prior to publication of the invitation for bids in terms of paragraph 24 of this Policy.²⁸
- (3) A bid specification committee must be composed of one or more officials of the municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.
- (4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

36. Bid evaluation committees

- (1) A bid evaluation committee must –
 - (a) Evaluate bids in accordance with –
 - (a) the specifications for a specific procurement; and
 - (b) The points system set out in terms of paragraph 35 (2) (f).
 - (b) Evaluate each bidder’s ability to execute the contract;
 - (c) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
 - (d) Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

²⁷ Amended by council 30 May 2017

²⁸ Amended by council 30 May 2017

- (2) A bid evaluation committee must as far as possible be composed of- (a) Officials from departments requiring the goods or services; and (b) At least one supply chain management practitioner of the municipality.
- (3) The accounting officer may sub-delegate its power in terms of paragraph 63 of this policy to the bid evaluation committee.

37. Bid adjudication committees

- (1) A bid adjudication committee must –
 - (a) Consider the report and recommendations of the bid evaluation committee; and
 - (b) Either –
 - (i) Depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
 - (ii) Make another recommendation to the accounting officer how to proceed with the relevant procurement.
- (2) A bid adjudication committee must consist of at least four senior Managers of the municipality which must include –
 - (a) The Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer;
 - (b) at least one senior supply chain management practitioner who is an official of the municipality or the municipal entity; and
 - (c) a technical expert in the relevant field who is an Director of the municipality or municipal entity, if the municipality or municipal entity has such a expert
- (3) A quorum is of 50 % plus 1, with the Chief Financial Officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer being, at all times one of the quorum-forming members:

- (4) The accounting officer may appoint the CFO as chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting and will be documented in the minutes.
- (5) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- (6) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –
 - (a) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (b) Notify the accounting officer.
 - (c) The accounting officer may –
 - (i) After due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a)-(b); and
 - (ii) If the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- (7) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (8) The accounting officer must comply with section 114 of the Act within 10 working days
- (9) If the Bid Adjudication Committee or other delegated official has resolved that a bid be accepted, the successful and unsuccessful bidders shall be notified in writing of this decision

- (10) Every notification of decision shall be sent via registered mail and either faxed or sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification and kept for record purposes.
- (11) Members of the bid specification committee, bid evaluation committee and technical advisors may attend the bid adjudication committee to provide clarity, but has no decision making rights pertaining to the award.
- (12) The accounting officer may sub-delegate its power in terms of paragraph 63 of this policy to the bid evaluation committee, the bid adjudication committee and the Manager Supply Chain Management.

38. Procurement of banking services

- (1) A contract for banking services –
 - (a) Must be procured through competitive bids;
 - (b) Must be consistent with section 7 or 85 of the Act; and
 - (c) May not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 Days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

39. Procurement of IT related goods or services

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

- (3) The accounting officer must notify SITA together with a motivation of the IT needs if –
 - (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - (b) The transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

- (4) If SITA comments on the submission and the municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

40. Procurement of goods and services under contracts secured by other organs of state

- (1) the accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
 - (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) There is no reason to believe that such contract was not validly procured;
 - (c) There are demonstrable discounts or benefits to do so; and
 - (d) That other organ of state and the provider have consented to such procurement in writing.

- (2) Subparagraphs (1) (c) and (d) do not apply if –
 - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) A municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

41. Procurement of goods necessitating special safety arrangements

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

42. Proudly SA Campaign/Local content

- (1) The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services
- (2) Bids in respect of services, works or goods that have been designated for local production and content, must contain a specific bidding condition that only locally produced goods, services or works or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered
- (3) The National Department of Trade and Industry is empowered to designate industry sectors, in line with national development and industrial policies for local production, where only locally produced goods, services or construction works, or locally manufactured goods that meet a stipulated minimum threshold for local production and content, may be used.
- (4) In the case of designated sectors, where in the award of bids, local production and content is of critical importance, such bids must be advertised with a specific condition of bidding, that only locally produced goods, services or construction works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- (5) Any instructions, circulars and guidelines issued by National Treasury in the above regard may be complied with.
- (6) Where there is no designated sector, bids may include, as a specific condition of bidding, that only locally produced goods, services or construction works, or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered,

on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.

- (7) Every bid where local production and content are used, it must be measurable and audited.
- (8) Bids must be evaluated in terms of the evaluation criteria stipulated in the bid documents. The amendment of the stipulated minimum threshold for local production and content after the closure of bids is not allowed as this may jeopardise the fairness of the process.

43. Appointment of consultants

- (1) the accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if
 - (a) The value of the contract exceeds R200 000 (VAT included); or
 - (b) The duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
 - (a) all consultancy services provided to an organ of state in the last five years; and
 - (b) Any similar consultancy services provided to an organ of state in the last five years.
- (4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

44. Deviation from and ratification of minor breaches of, procurement processes

(1) The accounting officer may –

(a) Dispense with the official procurement processes established by this Policy and procure any required goods or services through any convenient process, which may include direct negotiations and through the process set out in this paragraph provided that the municipality shall adhere to fair, equitable, transparent, competitive and cost-effective, procurements to the maximum extent practicable.

(b) Dispense with the official procurement processes established by this Policy only –

- i. In an emergency;
- ii. If such goods or services are produced or available from a single provider only;
- iii. For the acquisition of special works of art or historical objects where specifications are difficult to compile;
- iv. Acquisition of animals for zoos and/or nature and game reserves; or
- v. In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(c) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) In compliance with the provisions of paragraph 44(1) the municipality implements individual and class deviations.

(3) Individual Deviations

The accounting officer may decide to consider an individual deviation only if –

- (a) In an emergency
- (b) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and the goods or services are anticipated to be used only once during the financial year.

(4) The conditions warranting procurement in an emergency dispensation should include, where time of the essence, the existence of one or more of the following:

- (a) the possibility of human injury or death;
- (b) the prevalence of human suffering or deprivation of rights;
- (c) the possibility of damage to property, or suffering and death of livestock and animals;
- (d) the interruption of essential services, including transportation and communication

facilities or support services critical to the effective functioning of the municipality as a whole;

(e) the possibility of serious damage occurring to the natural environment;

(f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service; and

(g) the possibility that the security of the state could be compromised.

(5) The accounting officer must be satisfied that the prevailing situation as indicated in (a)-(g) above is of such a scale and nature that it could not readily be alleviated by interim measures in order to allow time for normal bid, at least three quote procurement process or a class deviation.

(6) Where possible, in an emergency situation, three quotes in accordance with general acquisition management principles should be obtained and a report submitted to the Municipal Manager for approval. However, where time is of the essence, the emergency shall be immediately addressed, and the process formalised in a report to the Municipal Manager as soon as possible thereafter.

(7) System of class deviations:

(a) The accounting officer may decide to consider a class deviation, only if –

(i) Such goods or services are produced or available from a single provider; (ii)

For the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iii) Acquisition of animals for zoos and/or nature and game reserves; or

(iv) In any other exceptional case where it is impractical or impossible to follow the official procurement processes and a contract for goods or services are likely to be awarded more than once in the financial year to the same supplier;

(8) Where possible, in considering a class deviation in terms of paragraph 44(7), three quotes in accordance with general acquisition management principles should be obtained and a report submitted to the Municipal Manager for approval.

(9) If the accounting officer decides to consider a class deviation in terms of paragraph 44 (7) (i)-(iv), other than in paragraph 44(8) the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with

a) Reasons as to why the procurement is done through a class

- deviation and why it is not open to other competitors; and
- (c) An invitation to the public or other potential suppliers to submit their comments within 14 days of the notice.
- (10) The bid adjudication committee must consider the class deviation and make a recommendation to the accounting officer
- (11) A meeting of the adjudication committee to consider a class deviation may be open to the public.
- (12) When considering the class deviation, the adjudication committee must take into account –
- (a) Any comments submitted by the public or suppliers;
 - (b) The indicative market prices of the goods or services;
 - (c) The duration or planned times of when the service or goods are needed;
 - (d) The proposed circumstances, conditions or limitations for the use of the class deviation; and
 - (e) The reasons for deviating from the normal procurement process in compliance with paragraph 44
- (13) The accounting officer must record the reasons for any deviations in terms of this policy and report them to the next meeting of the council and include it as a note to the annual financial statements.
- (14) Paragraph 44 (13) of this policy does not apply to the procurement of goods and services contemplated in paragraph 13(2) of this policy.

45. Unsolicited bids

- (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
 - (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) The product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) The person who made the bid is the sole provider of the product or service; and
 - (d) The reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- (3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph 45(2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
 - (a) Reasons as to why the bid should not be open to other competitors;
 - (b) An explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) An invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

- (7) When considering the matter, the adjudication committee must take into account –
 - (a) any comments submitted by the public; and
 - (b) Any written comments and recommendations of the National Treasury or the relevant provincial treasury.

- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

46. Combating of abuse of supply chain management system

- (1) The accounting officer must–
 - (a) Take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) Investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) Take appropriate steps against such official or other role player; or
 - (ii) Report any alleged criminal conduct to the South African Police Service;
 - (c) Check the National Treasury’s database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) Reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for

more than three months; or

- (ii) Who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - (e) Reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - (f) Cancel a contract awarded to a person if –
 - (i) The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - (g) Reject the bid of any bidder if that bidder or any of its directors –
 - i. Has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - (ii) Has been convicted for fraud or corruption during the past five years;
 - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) Has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of paragraphs 46 (1) (b) (i)-(ii) of this policy.

Part 3: Logistics, Contract, Disposal, Risk and Performance Management**47. Logistics management**

Logistics management must provide for an effective system in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration.

- (1) The accounting officer must establish and implement an effective system of logistics management, which must include –
 - (a) Placing of orders:
 - (i) Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations.
 - (ii) All purchase orders will be captured on the municipality's financial system
 - (b) Receiving of goods:
 - (i) Goods received must be captured on the municipality's financial system via a goods receive note with reference to the relevant purchase order number.
 - (ii) Deliveries of goods may not exceed the order quantity. Short deliveries will keep the purchase order open until the balance of the order is received or when the order is cancelled.
 - (c) Expediting orders:
 - (i) The purchasing expeditor will be required to monitor and expedite the transport of goods and outstanding purchase orders.
 - (ii) Reminder letters can be communicated automatically to vendors based on the reminder levels (days before delivery due date) that are set in the bid or quotation.
 - (d) Stores / warehouse management

- i. Stock is valued at the weighted average costing method per item and is VAT exclusive.
- ii. Regular monitoring of spending patterns on types or classes of goods must be performed, where practical.
- iii. Each item must have a unique stock item number.
- iv. A formal stock count must be done on a quarterly basis and any surpluses, deficits, losses, damaged stock and obsolete stock must be reported by the Manager Supply Chain Management to Council.
- v. Each stock item must have a minimum, maximum and re-order level which must be captured on the financial system.
- vi. Stock items must be systematically replenished using the re-order point as per the financial system.
- vii. Goods in transit must be taken into account during the replenishment of stock
- viii. Stock levels must be revisited on an annual basis
- ix. The financial system must indicate lead times for stock items x.

Before payment is approved, certification by the Storekeeper that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract

- xi. The Storekeeper must ensure appropriate standards of internal control and warehouse management are adhered to, to ensure that goods placed in stores are secure, safe and only used

for the purpose for which they were purchased

- xii. The Storekeeper must perform regular spot-checking of stock items to ensure that the items are on the correct shelving space and that the physical quantities correspond with the quantities as per the financial system. Any differences found must be reported to the Manager Supply Chain Management.
- xiii. Items listed as stock, may not be procured outside of the stock system.
- xiv. Where user departments require higher quantities of stock, a demand forecast must be provided to the Storekeeper in advance, taking lead time into consideration, to enable the Storekeeper to procure the requested quantities on time.

48. Contract management

- 1) Contract administration includes all administrative duties associated with a contract that has arisen through the acquisition/procurement processes described in this policy.
- 2) All contracts must be administered by a contract manager, who will be an internal official assigned to ensure the effective administration of the contract.
- 3) The contract manager will typically be the internal project manager assigned to the project as a whole, but may also be a cost centre owner or other responsible official.
- 4) A contract manager must be assigned to each contract and, where possible, should be involved from the earliest stages of the acquisition process.
- 5) The contract manager's duties and powers shall be governed by the conditions of contract and the general law.
- 6) In administering a contract, the contract manager will be required to form

opinions and make decisions which, while in the Witzenberg Municipality's best interests, must be fair to all parties concerned.

- 7) Directors shall be responsible for ensuring that contract managers are:
 - (a) assigned to all contracts within the Director's area of responsibility; and
 - (b) adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties.

- 8) The contract manager must:
 - (a) ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;
 - (b) ensure that purchase order are captured on the municipality's financial system in the form in accordance with the pricing schedule;
 - (c) ensure that all original contract documentation is lodged with Archives for record purposes;
 - (d) monitor on a monthly basis the performance of the service provider order to ensure that all of the terms and conditions of the contract are met;
 - (e) regularly report to the accounting officer on the management of the contract and the performance of the service provider;
 - (f) conduct contract risk assessments for contracts longer than 3 months as stated in paragraph 50 (4) and 50 (5);
 - (g) where necessary, take appropriate action where a service provider is underperforming or is in default or breach of the contract and to report such failures promptly to the accounting officer;
 - (h) where appropriate, authorise payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that

the necessary Service Entry Sheets or Goods Received Notes are lodged with the Finance Department for capturing on the municipality's financial system;

- (i) contract variation or change procedures are approved by the accounting officer in writing which must be in line with the applicable general conditions of contract and this policy;
- (j) administer disputes, in consultation with the Supply Chain Management Unit, in terms of this policy and the applicable conditions of contract;
- (k) conduct, as appropriate, post contract reviews;
- (l) maintain adequate records (paper and/or electronic) in sufficient detail on an appropriate contract file to provide an audit trail;
- (m) act with care and diligence and observe all accounting and legal requirements;
- (n) inform the Asset Management section of the location of newly procured assets for asset register and insurance purposes; and
- (o) provide contract information to the Supply Chain Management Unit, as determined by the unit, after a contract has ended.

49. Disposal management

- (1) Subject to the provisions of the Municipal Asset Transfer Regulations:
 - (a) moveable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous to the municipality;

- (b) immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - (c) in the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment;
 - (d) in the case of fire arms, the National Conventional Arms Control Committee must approve any sale or donation of firearms to any person within or outside the Republic.
 - (e) where assets are traded in for other assets, the highest possible trade in price is negotiated
- (2) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act; are as follows:
- (A) *A municipality may not transfer ownership as a result of sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.*
 - (B) *A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public-*
 - (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and*
 - (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset*
- (3) *Immovable property may only be let at market related rates except when the public interest or the plight of the poor demands otherwise and provided that all charges, rates, tariffs, scales of fees or other charges relating to the letting of*

immoveable property are annually reviewed;

(a) Except for compliance with paragraph 49(3) above, this policy shall not apply to the letting of immovable property unless decide otherwise by council.

- (4) Assets may be disposed of by –
- (i) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
 - (ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (iii) Selling the asset; or
 - (iv) Destroying the asset.

50. Risk management

- (1) The accounting officer has established and implemented an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.
- (2) Risk management include –
- (a) The early and systematic identification of risks on a case-by-case basis;
 - (b) The allocation and acceptance of risks to the party best suited to manage such risks;
 - (c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
- (3) Due care must be taken in the bid administration and management process to minimise the risks of:
- (a) litigation by unsatisfied service providers
 - (b) misinterpretation of municipal needs
 - (c) overstatement or understatement of municipal needs
 - (d) selecting or delivery of inappropriate goods and services

- (e) poor value for money
 - (f) appointing inappropriate suppliers
 - (g) unethical conduct of suppliers and other official involved in the supply chain management process
 - (h) uneconomical, uncompetitive and inequitable procurement
- (4) To give effect to paragraph 3 above, the municipality will identify risk inherent to a particular bid
- (a) Risks may be identified for all bids during the specification stage of the bid process.
 - (b) Risks identified in (i) above may cover the entire life cycle of a contract from initiation to completion of the goods/services
 - (c) For contracts with a life cycle in excess of 3 months, the risks may be reviewed at least monthly by the contract manager as referred to in paragraph 48(1)(e)(iii)
 - (d) The contract manager in conducting the review of the bid risks during the life cycle of the contract may add new or emerging risks when identified
- (5) A risk table may be included at specification stage for each bid that may set out:
- (a) Risk description
 - (b) Background to the risk
 - (c) Impact
 - (d) Likelihood
 - (e) Inherent risk
 - (f) Current controls
 - (g) Perceived control effectiveness
 - (h) Residual risk
 - (i) Risk owner
 - (j) Actions to improve management of the risk
 - (k) Time scale
- (6) The risk rating methodology will be in accordance with the Witzenberg Municipality's risk management policy.

- (7) The Evaluation and Adjudication Committee may review risks of bids received against the predetermined risk as identified at the bid specification stage and may in conducting the review of the bid add new or emerging risks and mitigating strategies when identified.

- (8) At the briefing session with the successful bidder in terms of paragraph 66 of this policy:
 - (a) Risks identified during the Bid specification, Bid evaluation and Bid adjudication process that pertains to the contract for goods or services may be disclosed to the successful bidder to improve mitigating factors.
 - (b) New and emerging risks identified may be added
 - (c) Risks identified by the successful bidder may be added to the contract risks if agreed to by the municipality.

51. Performance management

- (1) The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

- (2) The quarterly report and annual report on the implementation of this policy, the monitoring of the service delivery and budget implementation plan (SDBIP) and the Annual Report may be used as tools to perform a retrospective analysis of supply chain management processes.

- (3) **Vendor performance**
 - (a) Each project manager shall monitor the supplier's compliance and performance to the set of specifications.
 - (b) If the supplier fails to perform in accordance with the specification requirements, the project manager must report such failure to the supplier in writing immediately upon becoming aware of such non-compliance for them to correct the situation.
 - (c) The above information will be kept and made available for future evaluation purposes, contract negotiations and regular feedback to vendors.
 - (d) If vendors fail to deliver in terms of paragraph 23 (1) (a) of the

General conditions of contract, the municipality reserves the right to make use of remedies at its disposal in terms of applicable law.

Part 4: Other matters

52. Prohibition on awards to persons whose tax matters are not in order

- (1) No award above R15 000 (including VAT) may be made in terms of this policy to a person whose tax matters have not been declared by South African Revenue Service to be in order.²⁹
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.
- (4) It is the supplier's responsibility to provide the municipality with a valid and original tax clearance certificate.

53. Prohibition on awards to persons in the service of the state

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - (a) Who is in the service of the state;
 - (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) A person who is an advisor or consultant contracted with the municipality with the purpose of assisting the municipality with the defining of requirements, drafting of specifications or the evaluation of the bids.
- (2) Persons and business must declare their interest as stated in 53(1)(a)-(c) of this policy when completing their supplier database application forms and bid documents. Failure to do so may lead to disqualification.

²⁹ Amended by council 30 May 2017

- (3) The municipality may utilise mechanisms at its disposal to determine whether a person is in the service of the state.

54. Awards to close family members of persons in the service of the state

- (1) The municipality does not encourage the awarding of contract by employees in decision-making positions to close family members or friends. To this extent the municipality requires all employees to make full disclosures of businesses owned by close family members and/ or friends and it is further expected that such individuals must not directly or indirectly be involved in the awarding of such business
- (2) The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
 - (a) The name of that person;
 - (b) The capacity in which that person is in the service of the state; and
 - (c) The amount of the award.

55. Ethical standards

- (1) A code of ethical standards as set out in the “National Treasury’s code of conduct for supply chain management practitioners” is hereby established for officials and other role players in the supply chain management system of the municipality in order to promote –
 - (a) mutual trust and respect; and
 - (b) An environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) A breach of the code of ethics must be dealt with as follows -
 - (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) In the case a role player who is not an employee, through other

appropriate means in recognition of the severity of the breach.

- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

56. Inducements, rewards, gifts and favours to municipalities, officials and other role players

- (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
 - (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
 - (b) Any reward, gift, favour or hospitality to –
 - (i) Any official; or
 - (ii) Any other role player involved in the implementation of this Policy.
- (2) The accounting officer must promptly report any alleged contravention of subparagraph 55 (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Subparagraph 55 (1) does not apply to gifts less than R350 in value.

57. Sponsorships

- (1) The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –
 - (a) a provider or prospective provider of goods or services; or
 - (b) A recipient or prospective recipient of goods disposed or to be disposed.

58. Objections and complaints

- (1) Persons aggrieved by decisions or actions taken in the implementation of this

supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

59. Resolution of disputes, objections, complaints and queries

- (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –
 - (a) To assist in the resolution of disputes between the municipality and other persons regarding -
 - (i) Any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) Any matter arising from a contract awarded in the course of the supply chain management system; or
 - (b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
 - (a) Strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) Submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the Relevant provincial treasury if –
 - (a) The dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) No response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the Dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach

a court at any time.

60. Contracts providing for compensation based on turnover

- (1) If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –
 - (a) A cap on the compensation payable to the service provider; and
 - (i) That such compensation must be performance based.

61. Compliance with Ethical standards

- (1) In order to create an environment where business can be conducted with integrity and in a fair and reasonable manner, this Policy will strive to ensure that the accounting officer and all representatives of the Witzenberg Municipality involved in supply chain management activities shall act with integrity and in accordance with the highest ethical standards. All supply chain management representatives shall adhere to the code of conduct of municipal staff contained in schedule 2 of the Systems Act, the code of conduct for supply chain management practitioners and other role players (annexure A to this policy) and the Ethical code of suppliers (annexure B to this policy).

62. Handling of proprietary information

- (1) All information designed and prepared for the municipality is deemed as proprietary. No such information may be distributed, modified or customised for third parties without the written permission of the accounting officer.
- (2) All supplier information shall be treated as confidential
- (3) In appropriate instances, the municipality may require security clearance and confidentiality agreements to be entered into with suppliers.

63. Non-compliance with preemptory requirements of bids

- (1) The accounting officer is empowered to condone non-compliance with preemptory requirements of bids in cases where the condonation is not incompatible with public interest and promote the values of fairness, competitiveness and cost-effectiveness which are listed in Section 217 of the

Constitution.

64. Right of Appeal

- (1) In terms of Section 62 of the Municipal Systems Act (Act 32 of 2000 as amended), a person whose rights are affected by a decision taken by the municipality, in terms of a delegated authority, in the implementation of its supply chain management system, may appeal against that decision by giving written notice of the appeal and reasons to the Municipal Manager within 14 days of the date of receipt of the notification of the decision.³⁰

Bid documents must state that any appeal in terms of paragraph 64 must be submitted to the Municipal Manager, and must contain the following:

- (a) reasons and/or grounds for the appeal;
 - (b) the way in which the appellants rights have been affected; and
 - (c) the remedy sought by the appellant.
- (2) The Municipal manager shall establish an appropriate appeal authority in terms of section 62 of the Systems Act, to consider appeals received in terms of paragraph 64(1) above
 - (3) The appeal authority 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

65. Unsuccessful bidder debriefing

- (1) The unsuccessful bidder debriefing service is offered by the municipality to unsuccessful bidders upon request.
- (2) During the debriefing unsuccessful bidders can find out how their proposal scored against required criteria and obtain comments from the evaluation team on their bid.
- (3) The debriefing should be a positive and constructive experience that explains how bidders can improve future submissions.
- (4) The debriefing an opportunity for unsuccessful bidders to:

³⁰ Amended by Council 26 May 2021

- (a) Learn more about the procurement and evaluation process in an informal setting.
 - (b) Find out how their proposal scored against the required criteria.
 - (c) Hear the overall comments from the evaluation team on your bid.
 - (d) Gather information on how future submissions may be improved.
- (5) The debriefing is not part of the Supply Chain complaint or appeal process in terms of paragraph 58 or 64 of this policy.
- (6) The debriefing is not legal proceeding and no legal representation is permitted at the debriefing.
- (7) At the debriefing session the unsuccessful bid is not compared to other bids, nor will information be provided to the unsuccessful bidder about other bids.
- (8) In scheduling bidders debriefings session upon the request of the unsuccessful bidder, the municipality must:
- (a) Confirm the date and time of the debriefing session in writing;
 - (b) Conduct separate debriefings with each vendor;
 - (c) Ensure that proper minutes are kept of each debriefing session;
 - (d) Retain all correspondence and documentation relevant to the debriefing session as part of the procurement documentation.
- (9) In conducting bidder's debriefings, the municipality may:
- (a) Provide a general overview of the evaluation process set out in the bid documents;
 - (b) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score.
 - (c) Provide suggestions on how the supplier may improve future submissions;
 - (d) Address specific questions and issues raised by the supplier in relation to their submission.

66. Successful bidder briefing

- (1) The notification to the successful bidder in terms of paragraph 37(8) may require of the successful bidder to attend a compulsory briefing session with the municipality before commencement of the contract at no cost to the municipality.
- (2) The purpose of the briefing session is to:

- (a) Introduce the municipal contract manager allocated to the specific contract in terms of paragraph 48 and to meet the successful bidders contract manager;
 - (b) Examine and analyse the bid document and contractual conditions to ensure that specific expectations of the municipality and the obligations of the successful bidder are well understood;
 - (c) Discuss the strengths and weaknesses of the bidder's submission in relation to the specific evaluation criteria and the bidders evaluated score.
 - (d) Communicate and document the anticipated contract risks and challenges as perceived by both the municipality and the successful bidders;
 - (e) To develop mitigating strategies to address and mitigate the contract risk and challenges; and
 - (f) Communicate the contract administration process as stated in paragraph 48 of this policy.
 - (g) Formally sign the bid contract
- (3) At least the following persons must attend the briefing session:
- (a) The municipal contract manager
 - (b) The authorised municipal supply chain official
 - (c) The successful bidders authorised contract signatory
 - (d) The successful bidders contract manager
- (4) The notification to the successful bidder refer to in paragraph 66(1) must state the date, time and place of the briefing session in writing.
- (a) Proper minutes must be kept of each briefing session;
 - (b) All correspondence and documentation in relation to the briefing session must be maintained as part of the procurement documentation.

67. Acceptance of offers

- (1) At the invitation of bids, or quotations;
 - (a) the municipality is not obliged to accept the lowest or any offer;
 - (b) The municipality may, where an offer relates to more than one item, accept such offer in respect of or any specific item or items.
 - (c) The municipality may accept any offer notwithstanding the fact that the offer does not comply with the bid invitation in respect of which the offer has been made subject to the conditions of paragraph 63 of this policy.

68. Preferential Procurement³¹

68.1 80/20 preference point system for acquisition of goods or services with Rand value equal to or above R30 000 and up to R50 million

(1) The following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.

³¹ Recommended for inclusion 30 March 2022

68.2 90/10 preference point system for acquisition of goods or services with Rand value above R50 million

(1) The following formula must be used to calculate the points out 90 for price in respect of a tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest two decimal places.

(4) A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.

68.3 80/20 preference points system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R30 000 and up to Rand value of R50 million

(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{max} = Price of highest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.

68.4 90/10 preference point system for tenders to generate income or to dispose of or lease assets with Rand value equal to or above R50 million

(1) The following formula must be used to calculate the points for price in respect of a tender to generate income or to dispose of or lease assets, with a Rand value above R50 million, inclusive of all applicable taxes:

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{max} = Price of highest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specified goals envisaged in section 2(1)(d) and (e) of the Act.

(3) The points scored must be rounded off to the nearest 2 decimal places.

(4) A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of the Act.

68.5 Points allocated for B-BBEE:

B~BBEE Level Contributor	Status of Contributor	Number of Points Tenders with Rand value equal to or above R30 000 and up to Rand value of R50 million	Number of Points - tenders with Rand value equal to or above R50 million.
	1	20	10
	2	18	9
	3	14	6
	4	12	5
	5	8	4
	6	6	3
	7	4	2
	8	2	1
Non-compliant contributor		0	0

69. Commencement

This Policy takes effect on 1 July 2017

Paragraph 68 will be effective retrospectively from 16 February 2022.³²

Where the content of this policy is in contradiction of laws and regulations, the latter will take preference.³³

³² Recommended for inclusion 30 March 2022

³³ Recommended for inclusion 30 March 2022

ANNEXURE A

WITZENBERG MUNICIPALITY

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1. General Principles

The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2. Conflict of interest

An official or other role player involved with supply chain management –

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;

- (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality;
- (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- (g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- (h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- (i) Should not take improper advantage of their previous office after leaving their official position.

3. Accountability

Practitioners are accountable for their decisions and actions to the public.

Practitioners should use public property scrupulously.

Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.

All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.

Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including:

- (i) Any alleged fraud, corruption, favouritism or unfair conduct;
- (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
- (iii) Any alleged breach of this code of conduct.

Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the **Mayor** who must ensure that such declaration is recorded in the register.

4. Openness

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5. Confidentiality

Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractors personal rights.

Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

6. Bid Specification / Evaluation / Adjudication Committees

Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.

Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

No person should-

- (i) Interfere with the supply chain management system of the municipality; or
- (ii) Amend or tamper with any price quotation / bid after its submission.

7. Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- (i) Suggestions to fictitious lower quotations;
- (ii) Reference to non-existent competition;
- (iii) Exploiting errors in price quotations / bids;
- (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

ANNEXURE B

Witzenberg Municipality's Supply Chain Management: Supplier's Code of Conduct

The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

WM is committed to high standards of business ethics and integrity as reflected in this WM Code of Conduct. WM expects all of its suppliers to adhere to similar good working standards and business ethics. The Supplier is expected to comply with the requirements set out in this WM Supplier Code of Conduct. In addition, WM and the Supplier may agree on further standards in supply agreements.

1. Human Rights

This Bill of Rights, as enshrined in Constitution Act 108 of 1996, is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom. The Constitution obliges municipalities to respect, protect, promote and fulfill the rights in the Bill of rights. To this end, when service providers provide services to and on behalf of the WM they are also obliged to respect, protect, promote and fulfill the rights in the Bill of rights insofar as it is relevant to their business.

In accordance with the aforementioned ethics and standards, WM require the following business practices from Suppliers:

- To not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.
- To respect the right of everyone to inherent dignity and the right to have their dignity respected and protected.
- To respect the right of every person not to be subjected to slavery, servitude or forced labour.

- To respect everyone's right to freedom of conscience, religion, thought, belief and opinion.

2. Fair Labour Conditions and Child Labour

The Supplier will ensure fair labour conditions. In particular, the supplier will:

- refrain from employment discrimination based on gender, colour, ethnicity, religion, disability, union membership, political affiliation or sexual orientation;
- respect the rights of employees to freely associate and bargain collectively;
- comply with all applicable laws on employment and in particular the Basic Conditions of Employment Act 75 of 1997 and the Labour relations Act 66 of 1995.
- not use any forced or compulsory labour or involuntary prison labor and give all employees the choice to leave their employment freely upon reasonable notice;
- compensate employees fairly and adhere to the Basic Conditions of Employment Act 75 of 1997, sector specific minimum wages and / or collective agreements and where these do not exist, compensate employees so they can at the least meet their basic needs; and
- The Supplier will protect children from exploitative labour practices and in particular they will not require or permit children to perform work or provide services that-
 - are inappropriate for a person of that child's age; or
 - place at risk the child's well-being, education, physical or mental health or spiritual, moral or social development;

3. Occupational Health and Safety

The Supplier will strive to provide a safe and healthy workplace for all of its employees and strive to adhere to the requirements of Occupational Health and Safety Act 85 of 1993.

4. Environmental Responsibility

The Supplier is committed to environmental protection and will conduct its business in an environmentally sensitive way.

5. Business Ethics

The Supplier will conduct its business in an ethical manner in accordance with all applicable rules and regulations. In particular, the Supplier will

- refrain from any and all forms of extortion and bribery;
- adhere to anti-trust and other competition laws, e.g. not participating in price fixing or bid-rigging; and
- disclose to WM information about any principal shareholder, directors in the service of the state
- The Supplier will protect all confidential information provided by WM and its respective business partners.

6. Conflict of Interest

The Supplier must disclose to WM information about conflict of interest of any WM employee, or close family member of an employee that have an interest in any of the Supplier's business.

Suppliers must not use their position for private gain or to improperly benefit any person or company.

Suppliers must not offer any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of a WM employee, irrespective of the value of the gift, reward, favour, hospitality or benefit.

Suppliers must declare to the accounting officer of WM details of any private or business interest which an employee of WM, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by WM;

Suppliers must not place WM employees under any financial or other obligation that might seek to influence WM employees in the performance of their official duties; and

Suppliers must not take improper advantage of previous WM employees to unfairly benefit the supplier by using the information or knowledge of previous employees of WM after leaving office.

7. Business Continuity Planning

The Supplier shall maintain appropriate insurance and or policies to mitigate exposures to business risk, business threats, terrorism, crime, pandemics, natural disasters and related major accident exposures.

8. Procurement by Supplier

WM expects the Supplier to obtain confirmation from each of its sub-suppliers providing goods or services directly or indirectly to WM that the sub-supplier acts in compliance with this WM Supplier Code of Conduct.



SCM POLICY FOR
INFRASTRUCTURE
PROCUREMENT AND
DELIVERY MANAGEMENT

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1 Scope

This policy establishes the *Witzenberg Municipality's* policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity

2 Terms, definitions and abbreviations

2.1 Terms and definitions

For the purposes of this document, the definitions and terms given in the standard and the following apply:

accept: receive as adequate, valid, or suitable

agent: person or organization that is not an employee of *Witzenberg Municipality* that acts on the *Witzenberg Municipality's* behalf in the application of this document

approve: officially agree to

authorised person: the Accounting Officer or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

conflict of interest: any situation in which:

- a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,
- b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or
- c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee

contract manager: person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

family member: a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption

framework agreement: an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

gate: a control point at the end of a process where a decision is required before proceeding to the next process or activity

gateway review: an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

gratification: an inducement to perform an improper act

infrastructure delivery: the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

infrastructure procurement: the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure with an estimated value of one million Rand or more.

maintenance: the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

operation: combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

order: an instruction to provide goods, services or any combination thereof under a framework agreement

organ of state: an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

procurement document: documentation used to initiate or conclude (or both) a contract or the issuing of an order

principal: a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)

standard: the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

working day: any day of a week on which is not a Sunday, Saturday or public holiday

2.2 Abbreviations

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board

SARS: South African Revenue Services

3 General requirements

3.1 Delegations

3.1.1 The *council of Witzenberg Municipality* hereby delegates all powers and duties which are necessary to enable the *Accounting Officer* to:

- a) discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 or 10 of the Local Government Municipal Finance Management Act of 2003 and this document;
- b) maximise administrative and operational efficiency in the implementation of this document;
- c) enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this document; and
- d) comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003 Act.

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e) The Accounting Officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties.

3.1.2 No departure shall be made from the provisions of this policy without the approval of the Accounting Officer of Witzenberg Municipality.

3.1.3 The *Accounting Officer* shall for oversight purposes:

Within 60 days of the end of each financial year, submit a report on the implementation of this policy, to the council of the *Witzenberg Municipality*.

3.2 **Objections and complaints**

Will be dealt with in terms of the stipulations of the Supply Chain Policy of Witzenberg Municipality.

3.3 **Resolution of disputes, objections, complaints and queries**

Will be dealt with in terms of the stipulations of the Supply Chain Policy of Witzenberg Municipality.

4 **Control framework for infrastructure delivery management**

4.1 **Assignment of responsibilities for approving or accepting end of stage deliverables**

The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery

Stage		Person assigned the responsibility for approving or accepting end of stage deliverables	Output	Project Value
No	Name			
0	Project initiation	An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope		
		Accept: Relevant Director	Approved IDP	All
		Recommend: Municipal Manager		
		Council approves 5 year IDP		
1	Infrastructure planning	An infrastructure plan which identifies and prioritizes projects and packages against a forecasted budget over a period of at least three years		
		Accept: Relevant Director	Approved Budget	All
		Recommend: Municipal Manager		
		Council approves budget for MTREF		

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Stage		Person assigned the responsibility for approving or accepting end of stage deliverables	Output	Project Value
No	Name			
2	Strategic resourcing	A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where needs are met through own procurement system, a procurement strategy		
		Accept: Relevant Manager	Procurement Strategy / Plan	All
		Recommend : Relevant Director		
Accounting Officer approves the Procurement Strategy / Plan				
3	Pre-feasibility	A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage		
		Accept: Service Provider	Approved pre-feasibility report	Projects Above R 1 Million
		Recommend: Relevant Manager		
	Relevant Director approves the pre-feasibility report			
	Preparation and briefing (Inception)	A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages		
		Accept: Service Provider	Approved Inception Report	Projects Above R 1 Million
Recommend: Relevant Manager				
Relevant Director approves the pre-feasibility report				
4	Feasibility	A feasibility report which presents sufficient information to determine whether or not the project should be implemented		
		Accept: Service Provider	Approved Feasibility Report	Projects Above R 1 Million
		Recommend: Relevant Manager		
	Relevant Director approves the feasibility report			
	Concept and viability (Preliminary Design)	A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages		
		Accept: Service Provider	Approved Concept and viability report	Projects Above R 1 Million
Recommend: Relevant Manager				
Relevant Director approves the Concept and viability report				

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Stage		Person assigned the responsibility for approving or accepting end of stage deliverables	Output	Project Value	
No	Name				
	Gateway review	An independent review of the available information at a gate upon which a decision to proceed or not to the next process is based			
		Accept: Review team (not less than three people) is led by a professional engineer, professional quantity surveyor or professional architect.	Approved Concept and viability report	Projects Above R 50 Million	
		Recommend: Relevant Manager			
		Relevant Director approves the Gateway review			
5	Design development (Detailed Design)	A design development report which develops in detail the approved concept to finalize the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages			
		Accept: Service Provider	Approved Detailed Design	Projects above R 200 000	
		Recommend: Relevant Manager			
		Relevant Director approves the Detailed Design			
6	Design documentation (& Procurement)	6A Production information	Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction		
			Accept: Relevant Manager	Approved bid Document	Projects above R 200 000
			Recommend: Bid specification committee		
			Relevant Director approves the Bid document		
	6B Manufacture, fabrication and construction information	Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a package which enables manufacture, fabrication or construction to take place			
		Accept: Relevant Manager	Contract Award Approved Order	All	
		Recommend: Bid evaluation committee			
		Bid adjudication committee approves the bid		Projects below R 10 million	
The accounting officer approves the bid	Projects above R 10 million				

Stage		Person assigned the responsibility for approving or accepting end of stage deliverables	Output	Project Value
No	Name			
7	Works (Contract Administration & Inspection)	The relevant manager / consulting engineer manages the contract in terms of contract conditions		
		Accept: relevant manager / consulting engineer	Minutes of site meetings, progress payment certificates and Contract Correspondence	All
		Recommend: relevant manager		
		Relevant director approves		
8	Handover	Works which have been taken over by the municipality, complete with record information		
		Accept: relevant manager / consulting engineer	Practical completion certificate & project unbundling information	All
		Recommend: relevant manager		
		Relevant director approves		
9	Package completion (Close Out)	Works with notified defects corrected, final account settled and the close out report issued		
		Accept: relevant manager / consulting engineer	Final completion certificate	All
		Recommend: relevant manager		
		Relevant director approves		

4.2 Gateway reviews

4.2.1 All major capital projects having an estimated capital expenditure equal to **or fifty million rand** shall have a gateway review of the end-of-stage 4 deliverable, prior to the acceptance of such deliverable. The review shall be initiated by the organ of state which intends implementing the project. The focus of such a review shall in the first instance be on the quality of the documentation, and thereafter on:

- a) deliverability (the extent to which a project is deemed likely to deliver the expected benefits within the declared cost, time and performance envelope);
- b) affordability (the extent to which the level of expenditure and financial risk involved in a project can be taken up on, given the organisation's overall financial position, both singly and in the light of its other current and projected commitments); and
- a) value for money.

4.2.2 A gateway review team shall comprise not less than three persons who are not involved in the project associated with the works covered by the end of the stage 4 deliverable, and who are familiar with various aspects of the subject matter of the deliverable at the end of the stage under review. Such a team shall be led by a person who has at least six years postgraduate experience in the planning of infrastructure projects and is registered either as a professional engineer in terms of the Engineering Profession Act, a professional quantity surveyor in terms of the Quantity Surveying Profession Act or a professional architect in terms of the Architectural Profession Act. The members of the team shall, as relevant, have expertise in key technical areas, cost estimating, scheduling and implementation of similar projects.

4.2.3 The relevant treasury shall be notified of a proposed gateway review for a major capital project, three weeks prior to the conducting of such a review. Such notification shall be accompanied by a brief outline of the proposed project or package, the names and qualifications of the reviewers and the timeframes for the review. The relevant treasury may nominate additional persons to serve on the review team.

4.2.4 The gateway review team shall base its findings primarily on:

- a) the information contained in the end-of-stage deliverables;
- b) supplementary documentation, if any, provided by key staff obtained during an interview process; and
- c) interviews with key staff members and stakeholders.

4.2.5 The gateway review team shall issue a report at the conclusion of a gateway review which indicates the team's assessment of the information at the end of a stage and provides findings or recommendations on areas where further work may be undertaken to improve such information.

4.2.6 Aspects in the report shall be flagged as being:

- a) code red: team considers the aspect to pose a significant risk to the project or package;
- b) code amber: team considers the aspects which indicate a minor risk to the project or package; or
- c) code green: team considers the aspect to have been given adequate consideration to the extent that it is unlikely to jeopardise the success of progressing to the next stage, or minor adjustments may be required before proceeding.

4.2.7 The contents of the gateway review report shall be taken into account when accepting the stage 4 deliverable. A stage 4 deliverable shall not be accepted until such time that all code red risks have been addressed in the stage 4 end-of-stage deliverable.

5 Control framework for infrastructure procurement

5.1 The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

5.2 The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

- a) Bid Specification Committee shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;
- b) the authorised person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

5.3 The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

6 Infrastructure delivery management requirements

6.1 Institutional arrangements

6.1.1 Committee system for procurement

6.1.1.1 General

6.1.1.1.1 A committee system comprising the Bid Specification Committee, Bid evaluation committee and Bid Adjudication committee shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.

6.1.1.1.2 The Bid evaluation committee shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.

6.1.1.1.3 The persons appoint in writing as technical advisors and subject matter experts may attend any committee meeting.

6.1.1.1.4 No person who is a political officer bearer, a public office bearer including any councilor of a municipality, a political advisor or a person appointed in terms of section 12A of the Public Service Act of 1994 or who has a conflict of interest shall be appointed to a bid specification, bid evaluation or bid adjudication committee.

6.1.1.1.5 Committee decisions shall as far as possible be based on the consensus principle i.e. the general agreement characterised by the lack of sustained opposition to substantial issues. Committees shall record their decisions in writing. Such decisions shall be kept in a secured environment for a period of not less than five years after the completion or cancellation of the contract unless otherwise determined in terms of the National Archives and Record Services Act of 1996.

6.1.1.1.6 Committees may make decisions at meetings or, subject to the committee chairperson's approval, on the basis of responses to documents circulated to committee members provided that not less than sixty percent of the members are present or respond to the request for responses. Where the committee chairperson is absent from the meeting, the members of the committee who are present shall elect a chairperson from one of them to preside at the meeting.

6.1.1.2 Bid Specification committee

6.1.1.2.1 The *Accounting Officer* shall appoint in writing on a procurement by procurement basis:

a) the members of the bid specification committee.

6.1.1.2.2 The Bid Specification Committee shall comprise one or more persons. The chairperson shall be an employee of *Witzenberg Municipality* with requisite skills. Other members shall, where relevant, include a representative of the end user or the department requiring infrastructure delivery.

6.1.1.2.3 No member of, or technical adviser or subject matter expert who participates in the work of the any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

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Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold

Activity		Sub-Activity (see Table 3 of the standard)		Key action	Person assigned responsibility to perform key action
1*	Establish what is to be procured	1.3 PG1	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Council (BUDGET APPROVAL) Relevant Manager
2*	Decide on procurement strategy	2.5 PG2	Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	Confirm selection of strategies so that tender offers can be solicited	Relevant director
3	Solicit tender offers	3.2 PG3	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Procurement documentation committee BSC and relevant director
		3.3 PG4	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	CFO (BSC)
4	Evaluate tender offers	4.2 PG5	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Director (BEC)
		4.7 PG6	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	Tender committee BAC, Accounting Officer
5	Award contract	5.3 PG7	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Accounting Officer
		5.5 GF1	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	CFO or delegate.

* Applies only to goods and services not addressed in a procurement strategy developed during stage 2 (strategic resourcing) of the control framework for infrastructure delivery management

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Table 2 (continued)

Activity		Sub-Activity		Key action	Person assigned responsibility to perform key action
6	Administer contracts and confirm compliance with requirements	6.4 PG8A	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	Director
		6.5 PG8B	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Director
		6.6 PG8C	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage	Approve amount of time and cost overruns up to the threshold	Director
		6.7 PG8D	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	Accounting Officer
		6.8 PG8E	Obtain approval to cancel or terminate a contract	Approve amount	Accounting Officer
		6.9 PG8F	Obtain approval to amend a contract	Approve proposed amendment to contract	Accounting Officer

Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement

Activity		Key action	Person assigned responsibility to perform key action
1 FG1	Confirm justifiable reasons for selecting a framework contactor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	<i>Relevant director or manager</i>
3 FG2	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	<i>BSC</i>
4 FG3	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	<i>Relevant director or manager / Approved budget</i>
6 FG4	Authorise the issuing of the order	If applicable, review evaluation report and confirm or reject recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	<i>BAC</i>

6.1.1.3 Evaluation committee

6.1.1.3.1 The *Accounting Officer* shall appoint on a procurement by procurement basis in writing:

- a) the members of the bid evaluation committee.

6.1.1.3.2 The bid evaluation committee shall comprise not less than three people. The chairperson shall be an employee of *Witzenberg Municipality* with requisite skills. Other members shall include a supply chain management practitioner and, where relevant, include an official from the department requiring infrastructure delivery.

6.1.1.3.3 The bid evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:

- a) the capability and capacity of a tenderer to perform the contract;
- b) the tenderer's tax and municipal rates and taxes compliance status;
- b) confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;
- d) the Compulsory Declaration has been completed; and
- e) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

6.1.1.3.4 No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

6.1.1.3.5 The chairperson of the evaluation committee shall promptly notify the *Accounting Officer* of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

6.1.1.4 Bid Adjudication Committee

6.1.1.4.1 The tender committee shall comprise the following persons or their mandated delegate:

- a) *Chief financial officer* who shall be the chairperson;
- b) *Director Technical Services*
- c) *Director Community Services*
- d) Director Corporate services
- e) Manager Supply Chain

6.1.1.4.2 No member of the evaluation committee may serve on the bid adjudication committee. A member of an evaluation committee may, however, participate in the deliberations of a Bid Adjudication committee as a technical advisor or a subject matter expert.

6.1.1.4.3 The Bid Adjudication committee shall:

- a) consider the report and recommendations of the evaluation committee and:

- 1) verify that the procurement process which was followed complies with the provisions of this document;
 - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
 - 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
 - 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- b) refer the report back to the evaluation committee for their reconsideration, make a reward for bids below R 10 000 000 or make a recommendation to the accounting officer on the award of a tender, with or without conditions, together with reasons for such recommendation for bids above R 10 000 000.

6.1.1.4.4 The Bid Adjudication committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the Municipal Manager on the course of action which should be taken.

6.1.1.4.5 The Bid Adjudication committee shall consider the merits of an unsolicited offer and make a recommendation to the Accounting Officer.

6.1.1.4.6 The Bid Adjudication committee shall report to the *Accounting Officer* any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

6.1.1.4.7 The Bid Adjudication committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- a) made a misrepresentation or submitted false documents in competing for the contract or order; or
- b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

6.1.1.4.8 The Bid Adjudication committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper conduct in relation to such system. The National Treasury and the *Western Cape Treasury* shall be informed where such tenderers are disregarded.

6.1.2 Actions of the accounting officer relating to the award of a contract or an order

6.1.2.1 Award of a contract

6.1.2.1 The accounting officer shall, consider the report(s) and recommendations of the Bid Adjudication committee, and either:

- a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
- b) decide not to proceed or to start afresh with the process.

6.1.3 Conduct of those engaged in infrastructure delivery

6.1.3.1 General requirements

6.1.3.1.1 All personnel and agents of *Witzenberg Municipality* shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

- a) behave equitably, honestly and transparently;
- b) discharge duties and obligations timeously and with integrity;
- c) comply with all applicable legislation and associated regulations;
- d) satisfy all relevant requirements established in procurement documents;
- e) avoid conflicts of interest; and
- f) not maliciously or recklessly injure or attempt to injure the reputation of another party.

6.1.3.1.2 All personnel and agents engaged in *Witzenberg Municipality's* infrastructure delivery management system shall:

- a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
- b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;
- c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
- d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
- e) ensure that resources are administered responsibly;
- f) be fair and impartial in the performance of their functions;
- g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
- h) not abuse the power vested in them;
- i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- j) assist *Witzenberg Municipality* in combating corruption and fraud within the infrastructure procurement and delivery management system;
- k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
- l) not make false or misleading entries in reports or accounting systems; and
- m) keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

6.1.3.1.2 An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

6.1.3.2 Conflicts of interest

6.1.3.2.1 The employees and agents of *Witzenberg Municipality* who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

- a) disclose in writing to the employee of the *Witzenberg Municipality* to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and
- b) not participate in any activities that might lead to the disclosure of *Witzenberg Municipality* proprietary information.

6.1.3.2.2 The employees and agents of *Witzenberg Municipality* shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

6.1.3.2.3 Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in *Witzenberg Municipality's* interest to do so, submit a tender for work associated with such documents provided that:

- a) *Witzenberg Municipality* states in the tender data that such an agent is a potential tenderer;
- b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and
- c) the procurement documentation committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

6.1.3.3 Evaluation of submissions received from respondents and tenderers

6.1.3.3.1 The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

- a) not have any conflict between their duties as an employee or an agent and their private interest;
- b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
- c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
- d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to *Witzenberg Municipality*.

6.1.3.3.2 The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of *Witzenberg Municipality* and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

6.1.3.3.3 *Witzenberg Municipality* personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

6.1.3.4 Non-disclosure agreements

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect *Witzenberg Municipality's* confidential information and interests.

6.1.3.5 Gratifications, hospitality and gifts

6.1.3.5.1 The employees and agents of *Witzenberg Municipality* shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

6.1.3.5.2 The employees and agents of *Witzenberg Municipality* as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- a) money, loans, equity, personal favours, benefits or services;
- b) overseas trips; or
- c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

6.1.3.5.3 The employees and agents of *Witzenberg Municipality* shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

6.1.3.5.4 All employees and agents of *Witzenberg Municipality* may for the purpose of fostering inter-personal business relations accept the following:

- a) meals and entertainment, but excluding the cost of transport and accommodation;
- b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- e) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350, they must declare these gifts to the *Accounting Officer*.

6.1.3.5.5 Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

6.1.3.5.6 Employees and agents of *Witzenberg Municipality* shall without delay report to the *Accounting Officer* any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

6.1.3.6 Reporting of breaches

Employees and agents of *Witzenberg Municipality* shall promptly report to the *Accounting Officer* any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

6.1.4 Measures to prevent abuse of the infrastructure delivery system

The *Accounting Officer* shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

- a) take steps against an employee or role player and inform the National Treasury and *Western Cape Treasury* of those steps;
- b) report to the South African Police Service any conduct that may constitute a criminal offence;
- c) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;
- d) cancel a contract if:
 - 1) it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
 - 2) an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

6.1.5 Awards to persons in the service of the state

6.1.5.1 Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:

- a) a member of any municipal council, any provincial legislature, or the National Assembly or the National Council of Provinces;
- b) a member of the council of any municipal entity;
- c) an official of any municipality or municipal entity;
- d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- e) a member of the accounting authority of any national or provincial public entity; or
- f) an employee of Parliament or a provincial legislature.

6.1.5.2 The notes to the annual financial statements of the *Witzenberg Municipality* shall disclose particulars of an award of more than R 2 000 to a person who is a family member of a person identified in 6.1.5.1 or who has been in the previous 12 months. Such notes shall include the name of the person, the capacity in which such person served and the amount of the award.

6.1.6 Collusive tendering

Any submissions made by a respondent or tenderer who fails to declare in the Compulsory Declaration that the tendering entity:

- a) is not associated, linked or involved with any other tendering entity submitting tender offers; or

- b) has not engaged in any prohibited restrictive horizontal practices including consultation, communication, agreement, or arrangement with any competing or potential tendering entity regarding prices, geographical areas in which goods and services will be rendered, approaches to determining prices or pricing parameters, intentions to submit a tender or not, the content of the submission (specification, timing, conditions of contract etc.) or intention to not win a tender shall be rejected.

6.1.7 Placing of contractors under restrictions

6.1.7.1 If any tenderer which has submitted a tender offer or a contractor which has concluded a contract has, as relevant:

- a) withdrawn such tender or quotation after the advertised closing date and time for the receipt of submissions;
- b) after having been notified of the acceptance of his tender, failed or refused to commence the contract;
- c) had their contract terminated for reasons within their control without reasonable cause;
- d) offered, promised or given a bribe in relation to the obtaining or the execution of such contract;
- e) acted in a fraudulent, collusive or anti-competitive or improper manner or in bad faith towards *Witzenberg Municipality*, or
- f) made any incorrect statement in any affidavit or declaration with regard to a preference claimed and is unable to prove to the satisfaction of *Witzenberg Municipality* that the statement was made in good faith or reasonable steps were taken to confirm the correctness of the statements,

The relevant manager shall prepare a report on the matter and make a recommendation to the *Accounting Officer* for placing the contractor or any of its principals under restrictions from doing business with the *Witzenberg Municipality*.

6.1.7.2 The *Accounting Officer* may, as appropriate, upon the receipt of a recommendation made in terms of 6.1.7.1 and after notifying the contractor of such intention in writing and giving written reasons for such action, suspend a contractor or any principal of that contractor from submitting a tender offer to *[name of municipality or municipal entity]* for a period of time.

6.1.7.3 The relevant manager shall:

- a) record the names of those placed under restrictions in an internal register which shall be accessible to employees and agents of *Witzenberg Municipality* who are engaged in procurement processes; and
- b) notify the National Treasury and relevant Provincial *Treasury* and , if relevant, the Construction Industry Development Board, of such decision and provide them with the details associated therewith.

6.1.8 Complaints

6.1.8.1 All complaints regarding the *Witzenberg Municipality's* infrastructure delivery management system shall be addressed to the Accounting officer. Such complaints shall be in writing.

6.1.8.2 The Accounting officer shall investigate all complaints regarding the infrastructure procurement and delivery management system and who will decide on what action to take.

6.2 Acquisition management

6.2.1 Unsolicited proposal

6.2.1.1 The *Witzenberg Municipality* is not obliged to consider unsolicited offers received outside a normal procurement process but may consider such an offer only if:

- a) the goods, services or any combination thereof that is offered is a demonstrably or proven unique innovative concept;
- b) proof of ownership of design, manufacturing, intellectual property, copyright or any other proprietary right of ownership or entitlement is vested in the person who made the offer;
- c) the offer presents a value proposition which demonstrates a clear, measurable and foreseeable benefit for *Witzenberg Municipality*;
- d) the offer is in writing and clearly sets out the proposed cost;
- e) the person who made the offer is the sole provider of the goods or service; and
- f) the *Accounting Officer* finds the reasons for not going through a normal tender processes to be sound.

6.2.1.2 The *Accounting Officer* may only accept an unsolicited offer and enter into a contract after considering the recommendations of the tender committee if:

- a) the intention to consider an unsolicited proposal has been made known in accordance with Section 21A of the Municipal Systems Act of 2000 together with the reasons why such a proposal should not be open to other competitors, an explanation of the potential benefits for the *municipality* and an invitation to the public or other potential suppliers and providers to submit their comments within 30 days after the notice;
- b) the *Witzenberg Municipality* has obtained comments and recommendations on the offer from the National Treasury and *Western Cape Treasury*;
- c) the Bid Adjudication committee meeting which makes recommendations to accept an unsolicited proposal was open to the public and took into account any public comments that were received and any comments and recommendations received from the National Treasury and *Western Cape Treasury*; and
- d) the provisions of 6.2.1.3 are complied with.

6.2.1.3 The *Accounting Officer* shall, within 14 working days after the decision to award the unsolicited offer is taken, submit the reasons for rejecting or not following the recommendations to the National Treasury, the *Western Cape Treasury* and Auditor General. A contract shall in such circumstances not be entered into or signed within 30 days of such submission.

6.2.2 Tax and rates compliance

6.2.2.1 SARS tax clearance

6.2.2.1.1 No contract may be awarded or an order issued where the value of such transaction exceeds R 15 000, unless a tenderer or contractor is in possession of an original valid Tax Clearance Certificate issued by SARS

6.2.2.1.2 In the case of a partnership, each partner shall comply with the requirements of 6.2.2.2.1.

6.2.2.1.3 Notwithstanding the requirements of 6.2.2.1 and 6.2.2.3 the following shall apply, unless a person who is not tax compliant indicates to the Accounting officer that it intends challenging its tax compliance status with SARS,

- a) a contract may be awarded to a non-compliant tenderer if such a tenderer is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;

- b) an order may be awarded to a non-compliant contractor if such a contractor is able to remedy its tax compliance status within a period not exceeding 10 working days after being duly notified of its non-compliant status;
- c) a non-compliant contractor shall be issued with a first warning that payments in future amounts due in terms of the contract may be withheld, before the authorising of any payment due to such contractor;
- d) before authorising a further payment due to a non-compliant contractor who has failed to remedy its tax compliance status after receiving a first warning, a second and final warning shall be issued to such contractor;
- e) no payments may be released for any amounts due in terms of the contract due to a non-compliant contractor if, after a period of 30 calendar days have lapsed since the second warning was issued, the non-compliant contractor has failed to remedy its tax compliance status.

6.2.2.1.4 The *Witzenberg Municipality* may cancel a contract with a non-compliant contractor if such a contractor fails to remedy its tax compliance status after a period of 30 calendar days have lapsed since the second warning was issued in terms of 6.2.2.1.4e).

6.2.2.2 Municipal rates and taxes

No contract may be awarded to a tenderer who, or the principals of that tenderer, owes municipal rates and taxes or municipal service charges to any municipality or a municipal entity and are in arrears for more than 3 months.

6.2.3 Declarations of interest

Tenders and respondents making submissions in response to an invitation to submit a tender or a call for an expression of interest, respectively shall declare in the Compulsory Declaration whether or not any of the principals:

- a) are an employee of the *Witzenberg Municipality* or in the employ of the state; or
- b) have a family member or a business relation with a person who is in the employ of the state.

6.2.4 Invitations to submit expressions of interest or tender offers

6.2.4.1 All invitations to submit tenders where the estimated value of the contract exceeds R200 000 including VAT, except where a confined tender process is followed, and expressions of interest shall be advertised on the *Witzenberg Municipality's* website and on the National Treasury eTender Publication Portal. Advertisements shall be placed by the Supply Chain Management department.

6.2.4.2 Advertisements relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.4.1 be advertised on the CIDB website. Advertisements shall be placed by the Supply Chain Management department.

6.2.4.3 Where deemed appropriate by the Bid Specification Committee an invitation to tender and a call for an expression of interest shall be advertised in suitable local and national newspapers and the Government Tender Bulletin as directed by such person. Advertisements shall be placed by the Supply Chain Management department.

6.2.4.4 Such advertisements shall be advertised for a period of at least 30 days before closure, except in urgent cases when the advertisement period may be shortened as determined by the *Accounting Officer*.

6.2.4.5 Invitations to submit expressions of interest or tender offers shall be issued not less than 10 working days before the closing date for tenders and at least 5 working days before any compulsory clarification meeting. Procurement documents shall be made available not less than 7 days before the closing time for submissions.

6.2.5 Publication of submissions received and the award of contracts

6.2.5.1 The Supply Chain Management department shall publish within 10 working days of the closure of any advertised call for an expression of interest or an invitation to tender where the estimated value of the contract exceeds R200 000 including VAT on the municipality's or municipal entity's website, the names of all tenderers that made submissions to that advertisement, and if practical or applicable, the total of the prices and the preferences claimed. Such information shall remain on the website for at least 30 days.

6.2.5.2 The Supply Chain Management department shall publish within 7 working days of the award of a contract the following on the *Witzenberg Municipality's* website

- a) the contract number;
- b) contract title;
- c) brief description of the goods, services or works;
- d) the total of the prices, if practical;
- e) the names of successful tenderers and their B-BBEE status level of contribution;
- f) duration of the contract; and
- g) brand names, if applicable.

6.2.5.3 the Supply Chain Management department shall submit within 7 working days of the award of a contract the information required by National Treasury on the National Treasury eTender Publication Portal regarding the successful and unsuccessful tenders. Submissions shall be made by the Supply Chain Management department.

6.2.5.4 The award of contracts relating to construction works which are subject to the Construction Industry Development Regulations issued in terms of the Construction Industry Development Act of 2000 shall in addition to the requirements of 6.2.5.3 be notified on the CIDB website. The notification shall be made by placed by the Supply Chain Management department.

6.2.6 Disposal committee

6.2.6.1 The *Accounting Officer* shall appoint on a disposal by disposal basis in writing the members of the disposal committee to decide on how best to undertake disposals in accordance with the provisions of clause 10 of the standard.

6.2.6.2 The disposal panel shall comprise not less than three people. The chairperson shall be an employee of *Witzenberg Municipality*.

6.2.6.3 The disposal committee shall make recommendations to *Accounting Officer* who shall approve the recommendations, refer the disposal strategy back to the disposal committee for their reconsideration, and decide not to proceed or to start afresh with the process.

6.3 Reporting of infrastructure delivery management information

The Manager: Supply Chain Management and relevant technical expert shall submit any reports required in terms of the standard to the National Treasury or *Western Cape Treasury*.

7 Infrastructure procurement

7.2.1 The *Witzenberg Municipality's* preapproved templates for Part C1 (Agreements and contract data) of procurement documents shall be utilised to obviate the need for legal review prior to the awarding of a contract. All modifications to the standard templates shall be approved by the Accounting Officer prior to being issued for tender purposes.

7.2.2 Disputes arising from the performance of a contract shall be finally settled in a South African court of law.

7.2.3 The Municipal Declaration and returnable documents contained in the standard shall be included in all tenders for:

- a) consultancy services; and
- b) goods and services or any combination thereof where the total of the prices is expected to exceed R10 m including VAT.

7.3 Payment of contractors

The *Witzenberg Municipality* shall settle all accounts within 30 days of invoice or statement as provided for in the contract.

7.4 Approval to utilise specific procurement procedures

7.4.1 Prior approval shall be obtained for the following procurement procedures from the following persons, unless such a procedure is already provided for in the approved procurement strategy:

- a) The Accounting Officer shall authorise the use of the negotiated procedure above the thresholds provided in the standard.
- b) The Accounting Officer shall authorise the approaching of a confined market except where a rapid response is required in the presence of, or the imminent risk of, an extreme or emergency situation arising from the conditions set out in the standard and which can be dealt with or the risks relating thereto arrested within 48 hours; and
- c) the proposal procedure using the two-envelope system, the proposal procedure using the two-stage system or the competitive negotiations procedure.

7.4.2 The person authorised to pursue a negotiated procedure in an emergency is *[designated person]*.

7.5 Receipt and safeguarding of submissions

7.5.1 A dedicated and clearly marked tender box shall be made available to receive all submissions made.

7.6 Opening of submissions

7.6.1 Submissions shall be opened by an opening panel comprising two people nominated by the chief financial officer who have declared their interest or confirmed that they have no interest in the submissions that are to be opened.

7.6.2 The opening panel shall open the tender box at the stipulated closing time and:

- a) sort through the submissions and return those submissions to the box that are not yet due to be opened including those whose closing date has been extended;
- b) return submissions unopened and suitably annotated where:
 - 1) submissions are received late, unless otherwise permitted in terms of the submission data;
 - 2) submissions were submitted by a method other than the stated method,
 - 3) submissions were withdrawn in accordance with the procedures contained in SANS 10845-3; and
 - 4) only one tender submission is received and it is decided not to open it and to call for fresh tender submissions;
- c) record in the register submissions that were returned unopened;
- d) open submissions if received in sealed envelopes and annotated with the required particulars and read out the name of and record in the register the name of the tenderer or respondent and, if relevant, the total of prices including VAT where this is possible;
- e) record in the register the name of any submissions that is returned with the reasons for doing so;
- f) record the names of the tenderer's representatives that attend the public opening;
- g) sign the entries into the register; and
- h) stamp each returnable document in each tender submission.

7.6.3 Each member of the opening panel shall initial the front cover of the submission and all pages that are stamped in accordance with the requirements of 7.6.2h).

7.6.4 Respondents and tenderers whose submissions are to be returned shall be afforded the opportunity to collect their submissions.

7.6.5 Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process.

7.7 Use of another organ of state's framework agreement

The *Witzenberg Municipality* may make use of another organ of state's framework contract which has been put in place by means of a competitive tender process and there are demonstrable benefits for doing so. The *Accounting Officer* shall make the necessary application to that organ of state to do so.

7.8 Insurances

7.8.1 Contractors shall be required to take out all insurances required in terms of the contract.

7.8.2 The insurance cover in engineering and construction contracts for loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4, unless otherwise directed by the Accounting Officer.

7.8.3 Lateral earth support insurance in addition to such insurance shall be take out on a case by case basis.

Table 4: Minimum insurance cover

Type of insurance	Value
Engineering and construction contracts - loss of or damage to property (except the works, Plant and Materials and Equipment) and liability for bodily injury to or death of a person (not an employee of the Contractor) caused by activity in connection with a contract	Not less than R20 million
Professional services and service contracts - death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract or damage to property	Not less than R10 million
Professional indemnity insurance	geotechnical, civil and structural engineering: R5,0 million electrical, mechanical and engineering: R3,0 million architectural: R5,0 million other R3,0 million

7.8.4 The insurance cover in professional services and service contracts for damage to property or death of or bodily injury to employees of the Contractor arising out of and in the course of their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event unless otherwise directed by the Bid Specification Committee

7.8.5 SASRIA: Special Risk Insurance in respect of riot and associated risk of damage to the works, Plant and Materials shall be taken out on all engineering and construction works.

7.8.6 Professional service appointments shall as a general rule be subject to proof of current professional indemnity insurance being submitted by the contractor in an amount not less than the value stated in Table 4 in respect of each claim, without limit to the number of claims, unless otherwise directed by the *Bid Specification Committee* in relation to the nature of the service that they provide.

7.8.6 Witzenberg *Municipality* shall take out professional indemnity insurance cover where it is deemed necessary to have such insurance at a level higher than the levels of insurance commonly carried by contractors.

7.8.7 Where payment is to be made in multiple currencies, either the contractor or *Witzenberg Municipality* should be required to take out forward cover. Alternatively, the prices for the imported content should be fixed as soon as possible after the starting date for the contract.

7.9 Written reasons for actions taken

7.9.1 Written reasons for actions taken shall be provided by the relevant manager.

7.9.2 The written reasons for actions taken shall be as brief as possible and shall as far as is possible, and where relevant, be framed around the clauses in the:

- a) SANS 10845-3, *Construction procurement - Part 3: Standard conditions of tender*, and, giving rise to the reason why a respondent was not short listed, prequalified or admitted to a data base; or
- b) SANS 10845-4, *Construction procurement - Part 4: Standard conditions for the calling for expressions of interest*;

as to why a tenderer was not considered for the award of a contract or not awarded a contract.

7.9.3 Requests for written reasons for actions taken need to be brief and to the point and may not divulge information which is not in the public interest or any information which is considered to prejudice the legitimate commercial interests of others or might prejudice fair competition between tenderers.

7.10 Request for access to information

7.10.1 Should an application be received in terms of Promotion of Access to Information Act of 2000 (Act 2 of 2000), the "requestor" should be referred to the *Witzenberg Municipality's* Information Manual which establishes the procedures to be followed and the criteria that have to be met for the "requester" to request access to records in the possession or under the control of *Witzenberg Municipality's*.

7.10.2 Access to technical and commercial information such as a comprehensive programme which links resources and prices to such programme should be refused as such information provides the order and timing of operations, provisions for time risk allowances and statements as to how the contractor plans to do the work which identifies principal equipment and other resources which he plans to use. Access to a bill of quantities and rates should be provided in terms of the Act.



LONG-TERM FINANCIAL PLAN POLICY

Date of implementation 01 July 2013

LONG-TERM FINANCIAL PLAN POLICY

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1. DEFINITIONS AND ABBREVIATIONS

“**basic municipal service**” means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

“**BSC**” means Budget Steering Committee, a committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA;

“**budget-related policy**” means a policy of a municipality affecting or affected by the annual budget of the municipality, including—

the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

“**IDP**” means the Integrated Development Plan;

“**LTFP**” means Long Term Financial Plan;

“**long-term debt**” means debt repayable over a period exceeding one year;

“**MBRR**” means the Municipal Budget and Reporting Regulations;

“**MFMA**” means the Municipal Finance Management Act No 56 of 2003;

“**MTREF**” means Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years;

“**Municipality**” means Witzenberg Municipality;

“**municipal tariff**” means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

“**municipal tax**” means property rates or other taxes, levies or duties that a municipality may impose;

“**National Treasury**” means the National Treasury established by section 5 of the Public Finance Management Act.

“**Short Term**” refers to a period up to 3 (three) years

“**Medium Term**” refers to a period between 3 (three) and 5 (five) years

“**Long Term**” refers to any period longer than 5 (five) years

2. INTRODUCTION

- 2.1. The Local Government: Municipal Finance Management Act No 56 of 2003 (hereafter MFMA) has instituted various financial reform measures. Sound financial management practices have been identified as essential to the long-term sustainability of municipalities. In this regard the MFMA necessitates that municipality's must have a policy related the Long Term Financial Plan (hereafter LTFP).
- 2.2. A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan (hereafter IDP). It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on rates, tariffs and other service charges.
- 2.3. The Municipality has developed a financial model that aims to determine the appropriate mix of parameters and assumptions within which the municipality should operate to facilitate budgets which are affordable and sustainable at least 10 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the municipality's operational budget.

3. PROBLEM STATEMENT

- 3.1. Preceding the inception of the MFMA municipal budgets usually catered for immediate demands with little or no view to future needs or the future consequences of particular decisions. This poor planning practice fragmented the sustainability of municipal budgets.

4. PURPOSE

- 4.1. The policy aims to ensure that all long-term financial planning is based on a structured and consistent methodology thereby ensuring long-term financial affordability and sustainability.

5. GUIDING PRINCIPLES

- 5.1. The policy is based on the following principles:-
 - 5.1.1. Future financial sustainability;
 - 5.1.2. Optimal collection of revenue, taking into consideration the socio economic environment;
 - 5.1.3. Optimal utilisation of grant funding;
 - 5.1.4. Continuous improvement and expansion in service delivery framework, and
 - 5.1.5. Prudent financial strategies.

6. ROLE PLAYERS AND STAKEHOLDERS

The following role players will ensure that the LTFP is implemented in accordance with the prescribed legislative requirements and Council processes.

- 6.1. Budget Office
 - 6.1.1. Responsible for the preparation and the compilation of the LTFP;
 - 6.1.2. Responsible for overall oversight;
 - 6.1.3. Present long term financial plan outcome to the Budget Steering Committee;
 - 6.1.4. Review Policy and Strategy, in consultation with relevant stakeholders, to ensure maximum compliance in terms of legislation.
- 6.2. Directorates and Departments
 - 6.2.1. Responsible for providing reasons on past performance outcomes
 - 6.2.2. Responsible for providing information to Budget Office to update the financial plan;
 - 6.2.3. Required to identify revenue and expenditure plans for both operating and capital budgets for at least 3 years.
 - 6.2.4. Required to make recommendations on future service delivery matters.
- 6.3. Budget Steering Committee

- 6.3.1. Responsible for providing strategic guidance on matters relevant to the long term financial plan
- 6.3.2. Responsible for endorsing the projected MTREF assumptions and parameters contemplated by the LTFP.

7. REGULATORY CONTEXT

- 7.1. Section 17 (3) of the MFMA states that “when an annual budget is tabled it must be accompanied by amongst other “any proposed amendments to the budget-related policies of the municipality”.
- 7.2. Section 21 of the MFMA states that the mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for, amongst other:
 - (i) The preparation, tabling and approval of the annual budget;
 - (ii) the annual review of—
 - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - (bb) the budget-related policies;
 - (iii) The tabling and adoption of any amendments to the IDP and the budget-related policies; and
 - (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).
- 7.3. Section 7 (1) of the Local Government: Municipal Finance Management Act, 2003, Municipal Budget and Reporting Regulations, 2009 (hereafter MBRR) states that:
“the Municipal Manager of a municipality must prepare, or take all reasonable steps to ensure the preparation of budget-related policies of the municipality, or any or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21 (1) (b) of the MFMA”.
- 7.4. Section 7 (1) reference (1) of the MBRR, further states that “as defined in section 1 of the MFMA. Policies that affect or are affected by the annual budget of a municipality include “(g) A policy related to the long term financial plan”.
- 7.5. Section 4 (1) of the MBRR states “that the mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA”.
- 7.6. Section 26 (h) of the Local Government: Municipal Systems Act 32 of 2000 (hereafter the MSA) states that “An Integrated Development Plan must reflect a financial plan, which must include a budget projection for at least the next three years”.

8. POLICY DIRECTIVE DETAILS

- 8.1. Financial strategies
 - 8.1.1. An intrinsic feature of the LTFP is to give effect to the Municipality's financial strategies. These strategies include:
 - 8.1.1.1. Increasing funding for asset maintenance and renewal;
 - 8.1.1.2. Continuous improvement to the financial position;
 - 8.1.1.3. Ensuring affordable debt levels to fund the capital budget;
 - 8.1.1.4. Maintaining fair, equitable and affordable rates and tariff increase;
 - 8.1.1.5. Maintaining or improving basic municipal services;
 - 8.1.1.6. Achieving and maintaining a breakeven/surplus Operating budget; and
 - 8.1.1.7. Ensuring full cost recovery for the provision of internal services.
- 8.2. Non – financial strategies
 - 8.2.1. The LTFP is a key component for achieving the goals listed in the IDP of the Municipality. The LTFP must consider the following non – financial strategic strategies:
 - 8.2.1.1. The Municipality's Strategic Focus Areas;
 - 8.2.1.2. Infrastructure led growth strategies; and
 - 8.2.1.3. The Municipality's Spatial Development Framework.
- 8.3. Preparation of the LTFP
 - 8.3.1. The LTFP process should commence by latest June of each year.
 - 8.3.2. The LTFP should consider the fiscal overview by reviewing past financial performance, projection of long-term financial outlook and financing and funding arrangements. The following matters should be considered annually:
 - 8.3.2.1. Revising the long-term financial plan for events that may have impacted during the recent past;

- 8.3.2.2. Assessing the outcomes and achievements of the past few years financial performance as per the audited financial statements;
 - 8.3.2.3. Reviewing the financial objective and assumptions;
 - 8.3.2.4. Reviewing the past and summarise long term financial outlook;
 - 8.3.2.5. Assess the current overall financial position and liquidity situation;
 - 8.3.2.6. Identify any financial challenges and constraints;
 - 8.3.2.7. Identifying strategies to deal with the challenges, and to maintain financial viability and capacity to sustain services;
 - 8.3.2.8. Identify overall funding mix and implications for own revenue and external funding; and
 - 8.3.2.9. Assess compliance with the MFMA and other relevant legislation etc.
- 8.3.3. The LTFP is prepared in an uncertain environment it is therefore required to make certain assumptions on the following internal and external factors:
- 8.3.3.1. Reviewing the external factors (population migration, employment, health, development of businesses, and new residential areas, etc.);
 - 8.3.3.2. General inflation outlook and its impact on the municipal activities;
 - 8.3.3.3. Credit rating outlook;
 - 8.3.3.4. Interest rates for borrowing and investment of funds;
 - 8.3.3.5. Rates, tariffs, charges and timing of revenue collection;
 - 8.3.3.6. Growth or decline in tax base of the municipality;
 - 8.3.3.7. Collection rates for each revenue source;
 - 8.3.3.8. Price movements on specifics e.g. bulk purchases of water and electricity, fuel etc.;
 - 8.3.3.9. Average salary increases;
 - 8.3.3.10. Industrial relations climate, reorganisation and capacity building;
 - 8.3.3.11. Trends in population and households (growth, decline, stable);
 - 8.3.3.12. Changing demand characteristics (demand for services);
 - 8.3.3.13. Trends in demand for free or subsidised basic services;
 - 8.3.3.14. Impact of national, provincial and local policies;
 - 8.3.3.15. Ability of the municipality to spend and deliver on the programmes; and
 - 8.3.3.16. Implications of restructuring and other major events into the future.
- 8.3.4. Intergovernmental fiscal transfers/allocations from National and Provincial government play a pivotal role in the finances of the Municipality. The following unconditional transfers/allocations must be considered, as a minimum, when projecting the budget:
- 8.3.4.1. Local Government Equitable Share;
 - 8.3.4.2. Grants related to the provision of Provincial government functions.
- 8.4. The Municipality's LTFP model and scenario planning
- 8.4.1. The Municipality financial model gives effect to the LTFP. It enables the forecasting of the operating and capital budgets for at least 10 years into the future. The model embodies National Treasury's budget preparation guidelines, drawing on assumptions and parameters to forecast the operating budget.
 - 8.4.2. Strategic initiatives should be prioritised and quantified to be included in the financial model.
 - 8.4.3. The financial forecasting model must be updated using the fiscal overview, assumption and intergovernmental fiscal transfers/allocations information to identify immediate opportunities and/or risks.
 - 8.4.4. The medium and long-term financial viability should be evaluated.
 - 8.4.5. Reiterative scenario planning should be executed to ensure optimum use of resources to cater for strategic initiatives.
 - 8.4.6. To identify the optimum balance between revenue collection and municipal spending the following should be taken into account:
 - 8.4.6.1. The impact each scenario has on the financial sustainability and affordability of the Municipality;
 - 8.4.6.2. Whether scenarios are realistic in terms of revenue projections;
 - 8.4.6.3. Potential revenue enhancement strategies which may have a long-term impact on the revenue base of the Municipality;
 - 8.4.6.4. Potential cost saving mechanisms related to strategic initiatives; and
 - 8.4.6.5. The impact of infrastructure investments and maintenance programs on future revenue streams.
 - 8.4.7. Presentations on scenarios should be presented to the BSC as may be requested.
 - 8.4.8. BSC should endorse the final MTREF scenario inclusive of assumptions and parameters annually by latest January.

- 8.5. The annual updated LTFP should identify the following:
 - 8.5.1. Assumptions and parameters to be used to compile the Operating and Capital budgets over the next MTREF;
 - 8.5.2. Future Operating revenue and expenditure projections based on assumptions and parameters;
 - 8.5.3. Future affordability of projected Capital Plans
 - 8.5.4. The level of infrastructure development required to achieve the
 - 8.5.5. Municipal priorities, within the funding restrictions; and
 - 8.5.6. External funding requirements in respect of long term debt.
- 8.6. Implementation of the LTFP
 - 8.6.1. The annual updated LTFP should provide the parameters and assumptions for the compilation of the operating and capital budgets for the next MTREF.
 - 8.6.2. This information should be provided to the Operating and Capital budget departments by latest January of each year.
9. **EVALUATION AND REVIEW**
 - 9.1. This policy shall be implemented once approved by Council.
 - 9.2. In terms of section 17(1) (e) of the MFMA this policy must be reviewed on an annual basis
 - 9.3. Changes in financial strategy, non – financial strategic strategies and legislation must be taken into account for future amendments to this policy.
 - 9.4. Any amendments must be tabled to Council for approval as part of the budget process.



TRANSPORT- TRAVEL- AND SUBSISTENCE ALLOWANCE POLICY

TRANSPORT- TRAVEL- AND SUBSISTENCE ALLOWANCE FOR COUNCILLORS AND EMPLOYEES OF WITZENBERG MUNICIPALITY

This policy applies to all Councillors and employees of Witzenberg Municipality who are travelling on official business.

1. Glossary

“accommodation allowance”	an amount payable to a Councillor or an employee for expenses incurred in respect of overnight accommodation, meals and incidental costs (e.g. refreshments). This allowance is intended for unusual circumstances which fall outside of the employee’s or Councillor’s normal daily course.
“incidental costs”	private telephone calls, refreshments, service charges and gratuities.
“meals”	breakfast and /or lunch and /or dinner.
“miscellaneous expenses”	laundrying, bus fares, taxi fares, parking- & toll fees, and expenses not specified.
“representative”	A Councillor or an employee who is duly authorised to represent the Municipality in terms of the delegated powers of the Council.
“senior manager”	an employee appointed in terms of Section 56 of the Municipal Systems Act (Act no. 32 of 2000).

2. Transport Allowance

2.1. Councillors

An travelling allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of Remuneration Of Public Office Bearers Act of 1998 may be included as part of the total package of the councillor.

2.2. Municipal Manager and Senior Managers

The Municipal Manager and Senior Managers shall be required to utilise their own motor vehicle when they is required to travel for purposes relating to their employment and may therefore structure their total cost of employment to provide for a car allowance for tax purposes.

2.3. Other qualifying employees: Fixed Travelling Allowance Scheme (Perk scheme)

All applications for a Transport Allowance shall require the approval of the Municipal Manager. The monthly transport allowance of other qualifying employees will be determined according to their task levels:

T LEVEL	New Transport Allowance	Current Transport Allowance
T 14	R 9,000	R 8,330
T 15	R 10,000	R 8.330
T 16	R 11,000	R 8,330 – 10,925 Higher amounts – personal to incumbent.
T 17+	R 12,000	R 8.330

The monthly allowance will increase with 50% of the annual salary increase as agreed upon by the Bargaining Council from 1 July 2017.

2.4. Essential User Transport Allowance¹

The Essential User Transportation Scheme is paid to employees who need transport to perform duties as an alternative to the provision of official transport.

To be eligible for a regular transport allowance an employee should for six consecutive months in the form prescribed keep record of official trips taken with private vehicles by keeping at least information about the date, route, distance and reason and authorization for each trip. During the six months the employee will be paid an ad hoc monthly transport allowance calculated by multiplying the official distance travelled (limited to 1 166km) by the sum of the fixed and running cost of the relevant vehicle. At the end of six months a reported should be submitted to the municipal manager for consideration of the award of a regular transport allowance based on the average monthly distance travelled for official purposes within the Witzenberg Municipal area..

All applications for an Essential User Transport Allowance including the type of vehicle shall require the approval of the Municipal Manager. Admission to and participation in the scheme is determined on the basis of the need for transportation for official purposes.

The fixed monthly allowance is based on average distance travelled over 6 months. The maximum fixed monthly distance is 1 166 km per month. If the municipal manager approves a monthly distance of more than 1 166 km in special circumstances only the running cost will be payable for the distance in excess of 1 166 km.

If records of distances travelled over a period of six months are not available a log book must be kept and the employee will be paid for the actual official distances travelled to a maximum of 1 166 km per month.

The cost per kilometre is determined as per the following table and will be amended with the annual budget process:²

FIXED COST		
NORM	R 170 000	R 250 000
CAPACITY	1400cc - 1600cc	2000cc
TYPE	Sedan	LDV
FINANCING	R 43 350	R 63 750
INSURANCE	R 9 100	R 11 000
TOTAL	R 52 450	R 74 750
÷ANNUAL DISTANCE	14 000 km	14 000 km
Cent/km	380c	540c
RUNNING COST		
Cent/km	190c	200c

The employer or employee can terminate participation in this scheme with six months' notice.

¹ Recommended to be removed

² Recommended for amendment

3. Travelling expenses

3.1. In the consideration of expenditure the most practical and economical mode of transport must be used, after all the factors have been considered by the Municipal Manager or his/her nominee, provided that such consideration does not exceed whatever is listed hereunder.

3.2. **Airfares**

Economy class airfares shall be paid plus vehicle rental in the Class A category. In cases of emergency and where no booking for economy class or a Class A vehicle is available, the Municipal Manager or his nominee may authorise that Business Class or any other vehicle class tariffs may be paid.

3.3. **Travelling expenses**

Travelling expenses shall only be paid to a representative or in the case of an employee where he/she uses private transport to undertake a trip on behalf of the Municipality.

Every trip by an employee must have the prior authorisation of the employee's senior manager.

3.3.1. Reimbursement of travelling expenses to destinations outside of the Municipality's jurisdictional area, shall be payable to employees who participate in the **Fixed Travelling Allowance Scheme (Perk scheme)** as per kilometres measured from the employee's location or place of residence, whichever is the shortest. The tariff per kilometre is R 2.00.

The running cost will increase with 50% of the annual salary increase as agreed upon by the Bargaining Council from 1 July 2017.

3.3.2. Reimbursement of travelling expenses to destinations outside of the Municipality's jurisdictional area, shall be payable to Employees who participate in the **Essential User Transportation Scheme** as per kilometres measured from the employee's location or place of residence, whichever is the shortest. The tariff per kilometre will be according to the running cost of the scheme.

3.3.3. Employees who are not part of any Transportation Scheme shall be reimbursed for actual kilometres travelled from their place of residence or from his/her location during office hours in accordance with Section 8(1)(b) of the Income Tax Act and in conjunction with the prescribed tariffs per kilometre for employees not travelling more than 8 000 kilometres per annum.

3.3.4. Travelling expense reimbursements **for Councillors, the Municipal Manager and other senior managers** shall be dealt with as follows:

3.3.4.1. Destinations outside of the Municipality's area of jurisdiction:

Councillors, the Municipal Manager and other senior managers (section 56 appointments) shall be reimbursed for the actual kilometres travelled in accordance with the tariffs of the Department of Transport.

3.3.4.2. Destinations within the Municipality's area of jurisdiction:

3.3.4.2.1. ~~The Municipal Manager and other senior managers shall not receive any reimbursement for actual kilometres travelled within the Municipality's~~

~~area of jurisdiction, insofar as such travelling expenses have already been factored into their total reimbursement package.~~

The Municipal Manager and other senior managers (section 56 appointments) shall receive reimbursement for actual kilometres travelled within the Municipality's area of jurisdiction, in terms of section 39 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, in accordance with the tariffs of the Department of Transport.³

- 3.3.4.2.2. Councillors shall be reimbursed in accordance with the Act on Public Office Bearers subject to the business kilometre limits as stipulated in the Act.
- 3.3.4.2.3. Where a councillor wishes to claim for kilometres travelled over and above the limit as stipulated in the Act referred to in (b) supra, such claim must be accompanied by a travel log of all the kilometres travelled. This travel log should at least include a starting- and finishing kilometre reading per trip, as well as defining the purpose of the trip. The reimbursement for the kilometres travelled over and above the limit, shall be paid in accordance with the tariffs of the Department of Transport.
- 3.3.5. A person who elects to make use of private transport to attend a meeting, congress or seminar, and where the travelling costs would be more than airfare, shall be paid the cash equivalent of an Economy Class air ticket based on a seven (7) day advance booking, with the proviso that the subsistence costs shall only be paid for a period not longer than would have been applicable in the case of air travel.
- 3.3.6. Where at all possible, more than one (1) person shall make use of the same vehicular transport, and only the owner or the driver of the vehicle is entitled to claim the applicable travelling allowance as defined in 3.3.1 to 3.3.5. Every endeavour should be made to utilize the mode of transport that is the most economical.
- 3.3.7. Where an employee who participates in the Essential User Transportation Scheme or the Fixed Travelling Allowance Scheme travels to the very same destination as Councillors or other employees, then such Councillors and employees shall endeavour to travel with the employee who is in receipt of the said travelling allowance.
- 3.3.8. Where an employee will be travelling beyond a radius of 200 kilometres from his location or place of residence, he may claim an advance payment equal to the estimated kilometres multiplied by the applicable tariff. Upon return to his location, the employee shall submit a final claim so that the adjustment between the advance payment and the actual claim can be settled once-off.

4. Subsistence Costs

The accommodation allowance is divided into two categories, namely overnight allowance and day allowance.

4.1. Overnight allowance

An overnight allowance shall be paid to a representative who travels to a destination outside of the municipal area for a period of 24 hours or longer or any portion thereof after the first 24 hours.

³ Recommended for adjustment

A distinction is made between travelling within and travelling outside of the boundaries of the Republic of South Africa.

The following are the limits in respect of allowances and actual expenditure:

4.1.1. Accommodation

- 4.1.1.1. Accommodation expenses, both within as well as outside of the boundaries of South Africa:
- 4.1.1.2. The actual expenditure in respect of accommodation shall be paid by the Municipality, provided that this expenditure does not exceed the day tariff as determined by Council during its budget process.
- 4.1.1.3. Only the actual expense incurred by the representative shall be paid. In the event where the representative is accompanied by his/her spouse, the representative shall be responsible for the difference between the single tariff and the double tariff of the relevant institution.
- 4.1.1.4. The costs for the representative's spouse as referred to in 4.1.1.2 must be paid to the Municipality in advance if such costs have to be paid in together with that of the representative.
- 4.1.1.5. Where the tariff as mentioned in 4.1.1.1 is exceeded, the prior approval of the Municipal Manager or his nominee has to be obtained.

4.1.2. Meals and incidental expenses within the boundaries of the Republic of South Africa:

- 4.1.2.1. The allowance payable shall be equal to the "Meals and Incidental Costs"-tariff as determined and amended by the South African Revenue Services in terms of Section 8(1)(c) of the Income Tax Act, and is deemed non-taxable. The allowance paid shall be deemed as the actual expenditure by the representative.

Actual expenditure incurred for meals excluding alcoholic refreshment may be claimed provided that this expenditure does not exceed the day tariff as determined by Council during its budget process.

- 4.1.2.2. In the event where all the meals are included with the accommodation and/or supplied during the conference, meeting or seminar, the tariff for incidental expenses will apply. This tariff is equal to the tariff defined as "Only Incidental Expenses" as determined and amended by the South African Revenue Services in accordance with Section 8(1)(c) of the Income Tax Act, and is deemed non-taxable.
- 4.1.2.3. In the event where certain meals are included with the accommodation or supplied during the conference, meeting or seminar, the accommodation allowance shall be reduced proportionately as follows:

The difference between the tariffs as determined in 2.1.2.1 and 2.1.2.2 shall be divided into three equal parts and shall be reduced by the number of meals provided, irrespective of whether the representative made use of the meals or not, plus the tariff as referred to in 2.1.2.2.

- 4.1.2.4. In the event where the purpose of the expense is to facilitate training, all tariffs payable in terms of 2.1.2.1, 2.1.2.2 and 2.1.2.3 may be claimed in advance

with the prior approval of an authorised official within the Human Resources Section.

- 4.1.2.5. In the event where the representative is unable to make use of the meals provided due to religious convictions or allergies, the reimbursement for alternative meals shall be dealt with on an ad hoc basis, with the authorization of the Municipal Manager or his nominee.

4.1.3. Meals and incidental expenses outside of the boundaries of the Republic of South Africa:

- 4.1.3.1. The maximum tariff payable shall be equal to the tariff defined as “Meals and Incidental Costs in the Republic” as determined and amended by the South African Revenue Services in terms of Section 8(1)(c) of the Income Tax Act, and is deemed non-taxable.
- 4.1.3.2. The payment of the tariff shall be deemed as actual expenditure by the representative, for which no formal proof of expenditure is required, and is payable irrespective of whether meals were provided or not.
- 4.1.3.3. The tariff payable in terms of 2.1.3.1 may be claimed in advance with the prior approval of the Municipal Manager. In the case of the Municipal manager the prior approval must be given by the Executive Mayor.
- 4.1.3.4. In the event where all the meals are included with the accommodation and/or supplied during the conference, meeting or seminar, the tariff for incidental expenses is payable subject to paragraph 2.1.3.8.
- 4.1.3.5. This tariff is equal to the tariff defined as “Only Incidental Expenses” as determined and amended by the South African Revenue Services in accordance with Section 8(1)(c) of the Income Tax Act, and is deemed non-taxable.
- 4.1.3.6. In the event where certain meals are included with the accommodation or supplied during the conference, meeting or seminar, the accommodation allowance shall be reduced proportionately as follows:
- 4.1.3.7. The difference between the tariff defined as “Only Incidental Expenses” and the tariff known as “Meals and Incidental Costs” shall be divided into three equal parts and shall be reduced by the number of meals provided, irrespective of whether the representative made use of the meals or not.
- 4.1.3.8. Incidental expenses is only due where the recipient is obliged to spend at least one night away from his or her usual place of residence.

4.1.4. Miscellaneous Expenses:

- 4.1.4.1. The actual expenditure in respect of laundry (excluding dry cleaning), bus fares and taxi fares, parking fees and toll fees, shall be paid by the Municipality upon proof of payment, both within as well as outside of the boundaries of the Republic of South Africa, and the expenditure shall be linked to the exchange rate, where applicable.
- 4.1.4.2. Communication Expenses:
 - 4.1.4.2.1. All expenses incurred within the Republic’s boundaries, shall be dealt with in terms of the Cell Phone Policy, as amended.

- 4.1.4.2.2. The cost of any calls made or received by the representative outside of the boundaries of the Republic, shall be paid at the actual cost of all official calls.

5. Reimbursement for applicants who attend interviews.

5.1. Accommodation expenses

- 5.1.1. The actual cost of the accommodation, including the cost of meals, as arranged by the Municipality.

5.2. Travelling expenses

- 5.2.1. Travelling expenses shall be dealt with according to the guideline in paragraph 3.1, and in the event of the applicant making use of private transport, the tariff per actual kilometres travelled will apply, as outlined in paragraph 3.3.3. Where a hired vehicle is used to transport the applicant from the airport, the actual cost of a hired vehicle with the engine capacity of 1300cc to 1500cc shall be paid.
- 5.2.2. Where the applicant has to make use of air travel to attend an interview, the actual cost as defined in par 3.2 shall be paid.
- 5.2.3. Travelling expenses shall be paid only for applicants who reside within the boundaries of the Republic of South Africa.

6. Claims

For a claim to be processed for payment, the following documentary proof must be handed in to the Directorate: Finance:

- 6.1. In the case of an employee, the representative's attendance must be authorised by the Municipal Manager or his nominee in terms of the delegation of authority.
- 6.2. In the case of a senior manager, his/her attendance must be authorised by the Municipal Manager.
- 6.3. In the case of Councillors or the Municipal Manager, their attendance must be authorised by the Executive Mayor, in consultation with the Municipal Manager.
- 6.4. In the case of the Executive Mayor, his/her attendance must be authorised by the Municipal Manager.
- 6.5. A properly completed official claim form (attached as annexure 6.5) must be handed in, having been signed by an official who is duly authorised to approve expenses.
- 6.6. Supporting documentation in the form of invoices for overnight allowances in terms of miscellaneous expenses and communication expenses. (the latter being applicable only to overseas trips).
- 6.7. All claims to be processed must be handed in to the Directorate: Finance not later than 10 working days after the journey has been undertaken or a longer period approved by the Director Finance.

7. Commencement date

The implementation date of this policy be affective from 1 July 2016 irrespective the date of approval.

WITZENBERG LOCAL MUNICIPALITY CLAIM FOR TRAVEL- AND SUBSISTENCE ALLOWANCE	
Claimant:	
Reason for visit:	
Town visited:	

Travel and Subsistence allowance					
DEPARTURE		ARRIVAL		TOTAL	
Date	Time	Date	Time	Days	Hours
Day allowance:					R
Vehicle	cc	Kilometres	@		R

Travel allowance for candidates attending interviews (in terms of item 4)				
Vehicle	cc	Kilometres	@	R
Rail ticket				R
Air ticket & vehicle rental				R
Accommodation expense				R

Incidental expenses, subject to proof of expenses	
Sundry expenses	R
Sundry expenses	R
Sundry expenses	R
Sundry expenses	R
Communication expenses (outside the borders of RSA)	
TOTAL	R

.....
DATE

.....
SIGNATURE OF CLAIMANT

.....
DATE

.....
AUTHORISED OFFICIAL

.....
VOTE NUMBER



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase



POST-EMPLOYMENT MEDICAL AID CONTRIBUTION POLICY

Reviewed by Council 30/05/2017

Adopted by Council 26/07/2016

POST-EMPLOYMENT MEDICAL AID CONTRIBUTION POLICY

1. **Purpose**

The purpose of this policy is to determine guidelines for the:

- 1.1 Management of contributions to medical aids, post-employment.
- 1.2 Determine whether an employee is entitled to the post-employment medical aid benefit.

2. **Definitions**

- 2.1 **Approved medical aid:** A medical aid approved by the Bargaining Council.
- 2.2 **Bargaining Council:** The South African Local Government Bargaining Council.
- 2.3 **Medical disability:** Employees not able to continue with employment due to medical reasons with proof from medical practitioners.
- 2.4 **Normal retirement age:** The retirement age for the purpose of this policy is set at 60 years.¹
- 2.5 **Qualifying dependants:** Legally married spouse and dependent children below the age of 21.

3. **Object of the policy**

To ensure a transparent, accountable and sustainable manner to assist qualifying employees access of post-employment health care benefits.

4. **Qualifying employees**

- 4.1 An employee retiring at normal retirement age, with at least 10 years' service and who was a member of an approved medical aid for at least the last 5 years before retirement.
- 4.2 An employee retiring within 5 years of normal retirement age, with at least 20 years' service, and who was a member of an approved medical aid for at least the last 5 years before retirement.
- 4.3 An employee leaving employment due to health reasons with at least 5 years' service and who was a member of an approved medical aid for at least the last year before retirement.
- 4.4 An employee not capable to continue employment due to injury on duty and who was a member of an approved medical aid for at least the last year before medical retirement.
- 4.5 An employee who did not have a medical condition that resulted in the medical boarding at date of appointment.
- 4.6 An employee retiring at normal retirement age who was in the employment of the municipality at the date of implementation of this policy and who was a

¹ Amended by Council 30/05/2017

member of an approved medical aid for at least the last 5 years before retirement.

4.7 The qualifying dependants of an employee if the employee passed while in service and the employee and his qualifying dependants were members of an approved medical aid.²

4.8 The qualifying dependants of an employee will be entitled to the benefits even after the passing of the employee after retirement.³

5. **Limit of benefit**

The benefit will be limited to the smaller of:

5.1 The maximum amount applicable to in-service members as agreed on at the Bargaining Council.

5.2 70 % of the total contribution payable to an approved medical aid scheme in respect of the employee and his/her qualifying dependants.

6. **Payment of benefit**

6.1 The municipality will only be responsible to pay the employer's contribution over to the relevant medical aid. The employee must make his/her own arrangements to pay his/her contribution to the medical aid.

6.2 If the employee fails to pay his/her contribution to the medical aid the contribution payable by the municipality can be stopped.

7. **Cancellation of benefit**

The benefit in terms of this policy may be terminated:

7.1 If the beneficiary is still economically active (Employed by another entity or self-employed.)

7.2 If the beneficiary is in arrears for three months or longer with his contribution to the medical aid.

7.3 The Municipal Manager may consider the continuation of the benefit on receipt of a motivated application.

8. **Transitional arrangements**

8.1 Existing beneficiaries of the post-employment medical scheme will retain their current benefit until 31 December 2017 when they can choose more affordable options from their medical schemes.

8.2 The future benefit of existing beneficiaries whose current benefit is more than the benefit as per paragraph 5.1 will receive the larger of the current benefit and the benefit as per paragraph 5.1, but limited to the amount as per paragraph 5.2.

² Amended by Council 30/05/2017

³ Amended by Council 30/05/2017



WITZENBERG MUNICIPALITY

CAPITAL INFRASTRUCTURE INVESTMENT POLICY

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1. DEFINITIONS

“Asset” means a tangible or intangible resource capable of ownership.

“Capital Asset” means:-

- (a) Any immovable asset such as land, property or buildings; or
- (b) Any moveable asset that can be used continuously or repeatedly for more than one year in the production or supply of goods or services, for rental to others or for administrative purposes, and from which future economic or social economic benefit can be derived, such as plant, machinery and equipment.

“Capital Expenditure (CAPEX)” means expenditure used to create new assets or to increase the capacity of existing assets.

“Carrying Value” means the Cost less Accumulated Depreciation of an Asset.

“Infrastructure Assets” includes all core assets which are integral to the delivery of municipal services, including water supply, sanitation, road transport and storm water drainage, solid waste removal, electricity supply, and community facilities. In terms of GRAP, it includes all immovable Property, Plant and Equipment (PPE), as well as specific immovable assets such as vehicles that are directly used in the delivery of the service (such as waste removal trucks). It excludes intangible assets (such as licenses, software, etc.) and current assets (ones with a life less than 12 months, such as consumables).

“Infrastructure Asset Management Plan (IAM)” means a plan developed for the management of Infrastructure Assets with the aim of providing specified levels of service in a cost-effective manner, now and in the future. Multi-disciplinary management techniques (including technical and financial) are combined to determine the aggregated asset life-cycle needs. A significant component of the plan is a long-term cash-flow.

“Infrastructure Asset Management Policy” means a formal statement adopted by Council that indicates the municipality's policy objective, the policy principles, and how these will be pursued (including the establishment of an IAM Team, and aligned systems and planning).

“Infrastructure Asset Management Strategy” means a document that defines key IAM processes and targets including the definition of Consumer Groups and Service Catchments; Service Performance Standards and targets that accommodate the municipality's vision of future growth and demand; interaction and coordination measures; AMS functionality and data standards; risk management processes; IAM practice improvement processes; a funding and prioritisation strategy; and allocation of responsibility for implementation.

“Operation” relates to running the service e.g. record keeping, accounting, monitoring, complaints and repairs.

“Maintenance” means the actions required for an asset to achieve its expected useful life and ensuring that the asset functions efficiently for the whole of its Expected Useful Life. Maintenance can be planned or unplanned. Planned Maintenance includes measures to prevent known failure modes and can be time or condition-based. Repairs are a form of unplanned maintenance to restore an asset to its previous condition after failure or damage. Expenses on maintenance are considered operational expenditure.

2. INTRODUCTION

2.1 This policy aims to describe the process through which the Municipality can initiate projects of a capital nature. It ultimately aims to serve as a principal instrument to steer the budget for Infrastructure and Capital projects in the Municipality around a particular agreeable and sustainable developmental path.

2.2 This policy is mandated by section 8 of the Local Government: Municipal Budget and Reporting Regulations.

3. PURPOSE

3.1 This policy sets out the process and methodology for capital investment of any nature, regardless of the funding source. The following investments of a capital infrastructure nature fall within the ambit of this policy:

- 3.1.1 New building construction or acquisitions;
- 3.1.2 Extensions to existing buildings;
- 3.1.3 Upgrades to accommodation and housing, other than those projects relating to low cost housing;
- 3.1.4 Land acquisitions;
- 3.1.5 All major capital works, as covered within the Asset Maintenance / Life-Cycle Management Policy;
- 3.1.6 All infrastructure developments; and
- 3.1.7 Information and communication infrastructure renewals and/or upgrades;

4. GUIDING PRINCIPLES

4.1. The Capital Infrastructure Investment Policy is based on the following principles:-

- 4.1.1 Need as identified within the IDP, underpinned by the Municipal Capital Investment Program and National Spatial Development Perspective;
- 4.1.2 Necessity to fulfil the service delivery mandate as identified within the Asset Maintenance / Life-Cycle Management Policy; and
- 4.1.3 Affordability.

5. NEW CAPITAL INFRASTRUCTURE INVESTMENT

5.1 New infrastructure development may only be entered into if:-

- 5.1.1 The project is in line with the Municipality's IDP;
- 5.1.2 Funding has been secured through either internal or external funding mechanisms and has been approved in the Municipality's Capital Budget; and
- 5.1.3 A detailed life-cycle funding plan has been developed, supported and integrated into the Asset Maintenance / Life –Cycle Management Policy;

5.2. All new infrastructure investments will be subject to:-

- 5.2.1 Needs analysis based on:-
 - i. Service delivery sustainability;
 - ii. Consumer growth projections which are in line with the National and Regional Spatial Development Growth Perspectives; and
 - iii. National, Regional and Municipal strategic directives.
- 5.2.2 Strategic project plan, including:-

- i. A holistic overview of the direct benefits, risks and impact of the intended project;
 - ii. An assessment on the impact of current Infrastructure;
 - iii. A service delivery framework relevant to the project;
 - iv. A cost assessment, detailing the capital and maintenance cost projections for the entire life-cycle; and
 - v. A funding model, detailing the financing source and associated cost, if any, as well as any revenue projections associated with the project.
- 5.2.3 Outcome of stakeholder consultation, including:-
- i. Environmental impact studies; and
 - ii. Feedback from community participation process, with specific focus on:-
 - Rights and entitlements of members of the community; and
 - impact on quality of life.
- 5.2.4 Implementation model, detailing:-
- i. Relevant skills base and source of skills required for implementation; and
 - ii. Specific timeframes for each activity throughout the project lifecycle (cradle to grave approach).

6. REFURBISHMENT AND SIGNIFICANT INFRASTRUCTURE MAINTENANCE PROJECTS

- 6.1 All Capital Infrastructure refurbishment and significant maintenance projects may only be entered into if:
- 6.1.1 The project is in line with the Municipality's IDP or emergency maintenance framework;
 - 6.1.2 Funding has been secured through either internal or external funding mechanisms and has been approved in the Municipality's Capital Budget; and
 - 6.1.3 A detailed life-cycle funding plan has been developed, supported and integrated into the Asset Maintenance / Life –Cycle Management Policy.
- 6.2 All refurbishments and significant infrastructure maintenance projects will be subject to:-
- 6.2.1 Needs analysis based on:-
 - i. Service delivery sustainability; and
 - ii. Asset redundancy and failure assessment of the asset under scrutiny.
 - 6.2.2 Strategic project plan, including:-
 - i. A holistic overview of the direct benefits, risks and impact of the intended refurbishment project;
 - ii. An assessment on the potential impact of unavailability of the asset during the refurbishment process, including redundancy measures;
 - iii. A service delivery framework relevant to the project;
 - iv. A cost assessment, detailing the capital and maintenance cost projections for the entire life-cycle; and
 - v. A funding model, detailing the financing source and associated cost, if any, as well as any revenue projections associated with the project.
 - 6.2.3 Outcome of stakeholder consultation, including:-
 - i. Environmental impact studies; and
 - ii. Feedback from community participation process, with specific focus on;
 - Rights and entitlements of members of the community; and
 - Impact on quality of life;
 - 6.2.4 Implementation model, detailing:-
 - i. Relevant skills base and source of skills required for implementation; and
 - ii. Specific timeframes for each activity throughout the project lifecycle (cradle to grave approach).

7. FUNDING OF CAPITAL INFRASTRUCTURE INVESTMENTS

7.1 All new Capital Infrastructure Investments may be funded from:-

- 7.1.1 Cash backed accumulated surpluses;
- 7.1.2 Borrowings;
- 7.1.3 Government grants and subsidies;
- 7.1.4 Public donations and contributions;
- 7.1.5 PPP initiatives in line with the MFMA PPE regulations; and
- 7.1.6 Operating Revenue.

7.2 All refurbishment and significant infrastructure maintenance projects may be funded from:-

- 7.2.1 Cash backed accumulated surpluses;
- 7.2.2 Borrowings in respect of refurbishment;
- 7.2.3 Government grants and subsidies in accordance with their relevant conditions; and
- 7.2.4 Operating Revenue.

8. INFRASTRUCTURE BUDGETING

- 8.1 The on-going renewal of Infrastructure Assets should be approximately 1.0 % of the Carrying Value of the Assets.
- 8.2 On-going Repairs and Maintenance of Infrastructure Assets should be at the very least 2.0 % of the Carrying Value of the Assets.

9. IMPLEMENTATION & REVIEW OF THIS POLICY

- 9.1 This policy shall be implemented once approved by Council.
- 9.2 In terms of section 17(1)(e) of the MFMA this policy must be reviewed on a regular basis as deemed necessary and the reviewed policy tabled to Council for approval as part of the budget process.



COST CONTAINMENT POLICY

Date of implementation 01 July 2019

MUNICIPAL COST CONTAINMENT POLICY
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, No 56 of 2003
 Date of adoption: 1 July 2019

The Council of the Witzenberg Municipality resolves in terms of section 168 {1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), to adopt the Municipal Cost Containment Regulations (Government Gazette No. 42514) as the Cost Containment Policy of the municipality:

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1. DEFINITIONS

In the policy a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

"Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"consultant" means a professional person, individual, partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist a municipality or municipal entity to perform its functions to achieve the objects of local government in terms of section 152 of the Constitution;

"cost containment" means measures implemented to curtail spending in terms of the policy;

"credit card" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

2. OBJECT OF POLICY

The object of this policy is to ensure that resources of a municipality are used effectively, efficiently and economically by implementing cost containment measures.

3. APPLICATION OF POLICY

This Policy applies to all officials and political office bearers in the municipality.

4. COST CONTAINMENT

The municipality must develop and implement a cost containment policy which must -

- (a) be adopted by council as part of its budget related policies; and
- (b) be consistent with the Act and the Cost Containment Regulation

5. USE OF CONSULTANTS

The use and appointment of consultants will be in line with the cost regulations and Council's policy on municipal supply chain.

6. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

- (1) The threshold limit for vehicle purchases relating to official use by political office bearers must not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package for the different grades of municipalities, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.
- (2) The procurement of vehicles in sub-regulation (1) must be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms.
- (3) Before deciding to procure a vehicle as contemplated in sub-regulation (2), the accounting officer or delegated official must provide the council with information relating to the following criteria which must be considered-

- (a) status of current vehicles;
 - (b) affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in sub-regulation (1);
 - (c) extent of service delivery backlogs;
 - (d) terrain for effective usage of the vehicle; and
 - (e) any other policy of council.
- (4) If the rental referred to in sub-regulation (3) is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.
- (5) Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres.
- (6) Notwithstanding sub-regulation (5), a municipality or municipal entity may replace a vehicle for official use by political office bearers before the completion of 120 000 km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.
- (7) The utilisation of municipal vehicles for official purposes is contained in the Fleet Management Policy.

7. TRAVEL AND SUBSISTENCE

The Municipal policy on travel and Subsistence will be applicable. The hiring of private vehicles, as refer to in the cost containment policy will not be allowed.

8. DOMESTIC ACCOMMODATION

Accommodation arrangements will only be approved if the return trip undertaken by any official and or Councillor, for official purposes is more than 500km. All bookings will be made as prescribe by the cost containment regulations.

9. CREDIT AND DEBIT CARDS

- (1) The use of any credit and debit card for municipal activities are forbidden.
- (2) Where officials or political office bearers incur expenditure in relation to official municipal activities, such officials or political officer bearers must use their personal credit cards or cash or arrangements made by the municipality, and request reimbursement in accordance with the written approved Travel and Subsistence Policy and processes.

10. SPONSORSHIPS, EVENTS AND CATERING

- (1) The municipality may not incur catering expenses for meetings which are only attended by persons in the employ of the municipality, unless the prior written approval of the accounting officer is obtained.

- (2) The accounting officer may incur catering expenses for the hosting of meetings, conferences, workshops, courses, forums, recruitment interviews, and proceedings of council that exceed five hours.
- (3) Entertainment allowances of qualifying officials may not exceed two thousand rand per person per financial year, unless approved otherwise by the accounting officer.
- (4) The municipality may not incur expenses on alcoholic beverages unless the municipality recovers the cost from the sale of such beverages.
- (5) The accounting officer must ensure that social events, team building exercises, year-end functions, sporting events and budget vote dinners are not financed from the municipality or the municipal entity's budgets or by any suppliers or sponsors.
- (6) The municipality may not incur expenditure on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade unless costs related thereto are recovered from affected officials or is an integral part of the business model.
- (7) The accounting officer may incur expenditure not exceeding the limits for petty cash usage to host farewell functions in recognition of officials who retire after serving the municipality for ten or more years or retire on grounds of ill health.

11. COMMUNICATION

- (1) The municipality may, as far as possible, advertise municipal related events on its website instead of advertising in magazines or newspapers.
- (2) The accounting officer must ensure that allowances to officials for private calls and data costs are limited to an amount as determined by the accounting officer.
- (3) Newspapers and other related publications must be discontinued on expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.
- (4) The municipality may participate in the transversal term contract arranged by the National Treasury for the acquisition of mobile communication services.

12. CONFERENCES, MEETINGS AND STUDY TOURS

(HR Manager to ensure if such policies and procedures exist)

- (1) The accounting officer must establish policies and procedures to manage applications to attend conferences or events hosted by professional bodies or non-governmental institutions held within and outside the borders of South Africa taking into account their merits and benefits, costs and available alternatives.
- (2) When considering applications from officials or political office bearers to attend conferences or events within and outside the borders of South Africa, an accounting officer or mayor as the case may be, must take the following into account-
 - (a) the official's or political office bearer's role and responsibilities and the anticipated benefits of the conference or event;
 - (b) whether the conference or event addresses relevant concerns of the institution;

- (c) the appropriate number of officials or political office bearers, not exceeding three, attending the conference or event; and
 - (d) the availability of funds to meet expenses related to the conference or event.
- (3) An accounting officer may consider appropriate benchmark costs with other professional bodies or regulatory bodies prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.
 - (4) The benchmark costs referred to in sub-regulation (3) may not exceed an amount as determined from time to time by the National Treasury through a notice.
 - (5) The amount referred to in sub-regulation (4) excludes costs related to travel, accommodation and related expenses, but includes-
 - (a) conference or event registration expenses; and
 - (b) any other expense incurred in relation to the conference or event.
 - (6) When considering costs for conferences or events these may not include items such as laptops, tablets and other similar tokens that are built into the price of such conferences or events.
 - (7) The accounting officer of a municipality or municipal entity must ensure that meetings and planning sessions that entail the use of municipal funds are, as far as may be practically possible, held in-house.
 - (8) Municipal or provincial office facilities must be utilised for conference, meetings, strategic planning sessions, *inter alia*, where an appropriate venue exists within the municipal jurisdiction.
 - (9) The accounting officer must grant the approval for officials and in the case of political office bearers and the accounting officer, the mayor, as contemplated in sub-regulation (2).
 - (10) The municipality must, where applicable, take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

13. OTHER RELATED EXPENDITURE ITEMS

- (1) All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.
- (2) Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing, printing of agendas and brochures and other inducements as part of, or during election periods or to fund any activities of any political party at any time.
- (3) Expenditure on tools of trade for political office bearers must be limited to the upper limits as approved and published by the Cabinet member responsible for local government in terms of the Remuneration of Public Office Bearers Act, 1998.
- (4) The municipality must avoid expenditure on elaborate and expensive office furniture.

- (5) The municipality may only use the services of the South African Police Service to conduct periodical or quarterly security threat assessments of political office bearers and key officials and a report must be submitted to the speaker's office.
- (6) The municipality may consider providing additional time-off in lieu of payment for overtime worked. Planned overtime must be submitted to the relevant manager for consideration on a monthly basis. A motivation for all unplanned overtime must be submitted to the relevant manager. (Refer to Overtime Policy)
- (7) A municipality must ensure that due process is followed when suspending or dismissing officials to avoid unnecessary litigation costs. (Refer to Disciplinary Policy)

14. ENFORCEMENT PROCEDURES

Failure to implement or comply with this policy may result in any official of the municipality, political office bearer or director of the board that authorised or incurred any expenditure contrary to this policy being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the Act read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

15. DISCLOSURES OF COST CONTAINMENT MEASURES

- (1) The disclosure of cost containment measures applied by the municipality must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.
- (2) The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution. The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.
- (3) The reports referred to in sub-regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.

16. SHORT TITLE AND COMMENCEMENT

The Municipality Cost Containment policy is in line with the Municipal Cost Containment Regulations published in the Government Gazette 42514 of 7 June 2019 and take effect on 1 July 2019.

TUBAGH COMMUNITY DEVELOPMENT FORUM

POSTAL ADDRESS: 28 JACARANDA STREET, TULBAGH, 6820:WESTERN CAPE

CONTACT DETAILS: EMAIL: nevillejansen64@gmail.com.

CHAIR PERSON: N JANSEN: 081 553 7122: SECRETARY: J BEUKES 073 121 9514

DATE: 25 April 2022.

Die Munisipale Bestuurder
Witzenberg Munisipaliteit
50 Voortrekkerstraat
CERES
6835.

Vir Aandag: Die Bestuurder: Geïntegreerde Ontwikkellingsplan

INSAKE: VOORSTELLE VAN TULBAGH - GEMEENSKAP: VERSOEK OM OP
2022 / 2023 BEGROTING TE PLAAS:

Ons verwys no bovermelde aangeleentheid en wens hiermee te versoek dat die onderstaande items op gemelde begroting geplaas word.

1. INFORMELE NEDERSETTINGS:

Dat, vanweë die Munisipaliteit se onvermoë om die nodige beheer toe te pas by die huidige nedersettings, en die feit dat die situasie die afgelope jaar vererger het, behoorlik begroot word vir aanstelling van meer wetstoepassingsbeamptes om effektief aandag te gee aan;

- a. Beheer van onwettige plakkery
- b. Onwettige en onveilige elektriese verspreiding
- c. Identifisering en beheer van onwettige immigrante.

2. BEHUISING:

- a. Heropbou en OntwikkellingsBouprojek (HOP):

Tans is hokke opgerig op gediens erwe en het die Witzenberg Munisipaliteit sowat sewentien miljoen rand (R 17 000 000- 00) wat bewillig was vir die voltooiing van die HOP - projek, teruggestuur met die verskoning dat daar nie "grond is om huise te bou nie". Ons versoek is dat hokke verskuif word en die uitstaande huise gebou word.

3. OOP ERWE:

- a. Grond wes van Palmsingel en beide kante Waverenstraat is gesoneer vir behisingsontwikkeling maar is nie gediens nie. Daar word versoek dat die nodige stappe gedoen word om gemeld grond te diens. Dit word voorgestel dat die gemelde grond hersoneer word na die oorspronklike sonering as hospitaalgrond ten einde die bestaande kliniek op te gradeer na 'n daghospitaal.
- b. Op die hok van sesdelaan en Holzaphelststraat, oos van sesdelaan, is 'n oop erf wat gesoneer is as oop ruimte. Gemelde erf word tans gebruik as 'n area vir dwelmshandel en ander kriminele aktiwiteite. Dit word voorgestel dat gemelde erf hersoneer word vir die oprigting van ekonomiese woonstelle.

4. PLAASLIKE EKONOMIESE ONTWIKKELING:

Onbenutte munisipale geboue word daagliks gevandaliseer en word andersins verwaarloos. Die onderstaande geboue word benodig vir ontwikkeling van klein besighede. Dit word versoek dat die Munisipaliteit behoorlik begroot om die geboue op te gradeer en beskikbaar gestel word vir gebruik deur klein besighede, naamlik;

- a. Gebou te Obiquasingel, wes van die Waterwerke, vir toekenning aan die Tulbagh Bussiness Initiative Forum, asook dat 'n tydelike "Bussiness Hub" op die perseel aangebring word vir klein besighede.
- b. Elektriese kantoor te Steinthalweg, regoor die Tulbagh - kliniek, vir gebruik as advieskantoor.
- c. Ou Munisipale Stoor, vir gebruik deur entrepreneurs vir;
 - motorwerktuigkunde
 - paneelklopper
 - motorverfwerk ("spray painting")

5. OPGRADERING VAN PAAIE:

Paaie in Tulbagh is in haaglike toestande en meer as 80% daarvan is sedert die ontstaan van die Witzenberg Munisipaliteit (vir meer as 20 jaar) nie onderhou nie. Paaie wat eens teerpaai was, se teer is van die paai geskraap en is tans grondpaai. Met die laaste begroting is daar skandelik nie eens begroot vir aanbring van een spoedwal nie.

Die voormalige Burgemeester van die Witzenberg Munisipaliteit het in die publiek erken dat die toestand van paai in Tulbagh so erg agteruitgegaan het, dat dit 'n geraamde R21miljoen rand sal kos om dit op standaard te bring.

Dit word versoek dat behoorlik begroot word vir die opgradering van paai in Tulbagh, insluitende straatbeligting, sypaadjies en spoedwalle.

6. OPGRADERING VAN WITZENVILLE SPORTSGRONDE:

Die Witzenville sportsgronde word loop erg deur onder vandaiste. Die munisipaliteit spreek aanhoudend die gevolg aan in plaas van die oorsaak. Gevolglik word die plek na herstelwerk weer en weer afgebreek. Die sportsgronde lyk derhalwe by die dag al hoe meer onooglik.

Dit word geëis dat die Munisipaliteit begroot ten einde onmiddellike aandag te gee aan die volgende;

- a. Die verwydering van die huidige "vibre creet" omheining en 'n muur te bou om die sportsgrond, en
- b. Terseldertyd 'n opsigterswoning binne die sportsgrond - perseel te bou, ten einde die toesig en beheer meer effektief toe te pas.

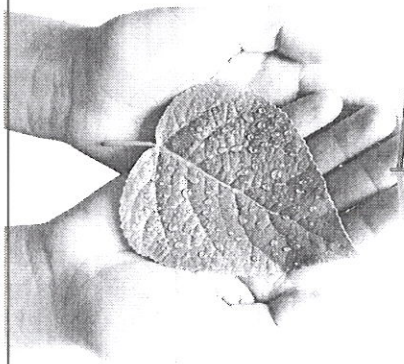
7. BUSY BEE - GEBOU:

Die Raad het besluit dat die gestremde organisasie DPSA nie meer die Busy Bee sentrum kan huur nie, en het die huurkontrak summier beëindig. Die plek het leeg gestaan en honderde duisend rande se skade is aangebring aan die gebou. Dit staan nou nog verlate.

Dit word versoek dat behoorlik begroot word om gemelde gebou op te gradeer vir gebruik as 'n Thusong Sentrum waar dienste soos SASSA - dienste, Departement Arbeid en werkskepping, en Binnelandse Sake op 'n daaglikse basis aangebied kan word.

Die uwe

NEVILLE JANSEN (MNR)
VOORSITTER.



Agri-Witzenberg

GEAFFILIEER BY
AFFILIATED TO 
WES-KAAP • WESTERN CAPE • KWAZULU-NATAL

Datum : 7 April 2022

Vir Aandag: Munisipale Bestuurder
Witzenberg Munisipaliteit
CERES
6835

Geagte Mnr. Nasson

Graag rig ons namens Agri-Witzenberg die volgende kommentaar aan u t.o.v. die voorgestelde begroting.

Agri-Witzenberg is 'n apolitiese federale organisasie wat 263 produsente vanuit die Breërivier, Wolseley, Tulbagh, Ceres, Prince Alfred Hamlet, Witzenbergvallei, Koue Bokkeveld en Tankwa Karoo verteenwoordig. Agri-Witzenberg is geaffilieer by Agri Wes-Kaap wat op sy beurt weer as een van nege provinsies by Agri SA geaffilieer is en die grootste landbou lede-organisasie in die land is, wat produsente verteenwoordig.

Produsente is dankbaar vir goeie oeste, maar stygende insetkoste moet ingedagte gehou word. Die Oekraïne / Russiese oorlog speel ook 'n rol in die Witzenberg en dra by tot die uitdagende tye waarin ons is om ons produkte te bemark en te versprei en plaas baie druk op ons produsente. Die realiteit is dat kostes / insette met tussen 7% en 100% gestyg het. Landbouprodusente is prysnemers en kan ek u verseker dat ons produkpryse nie met dieselfde tendense gestyg het as die insette nie.

Ons streek dra baie by tot die ekonomie van die Wes-Kaap en Suid-Afrika. Hou ook in berekening die werk wat geskep word deur al die bedrywe en produsente.

Eiendomsbelastingkoerse vir die Witzenberg het in die 2020/21 en 2021/22 finansiële jare onderskeidelik met 18% en 8% gestyg. Beide hierdie stygings was bo inflasie en het die kumulatiewe effek van die eiendomsbelasting stygings werklik 'n negatiewe impak op die finansiële stand van

Voorsitter: Heinie du Toit
Posbus 8, KBV, 6836
☎ 023-3170685
remhoogte@ceresremhoogte.co.za

Kantoor: BonChretienstraat, Ceres
Posbus 356, Ceres, 6835
☎ 023 3161230
admin@korkom.co.za



Agri-Witzenberg

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produsente. Produsente het aan Agri-Witzenberg aangedui dat 'n verdere styging wat inflasie oorsake eenvoudig nie haalbaar is nie.

Agri-Witzenberg wil graag die geleentheid gebruik om Artikel 20 van die Wet op Plaaslike Regering: Munisipale Finansiële Bestuur, 56 van 2003 ("die Wet") onder u aandag te bring. Die Wet verskaf die volgende riglyne aangaande munisipale begrotings:

"20. Matters to be prescribed

(1) The Minister acting with the concurrence of the Cabinet member responsible for local government-

(a) must prescribe the form of the annual budget of municipalities: and

(b) may prescribe-

...

(iii) inflation projections to be used with regard to the budget;

...

(2) The Minister may take appropriate steps to ensure that a municipality in the exercise of its fiscal powers in terms of section 229 of the Constitution does not materially and unreasonably prejudice-

(a) national economic policies, particularly those on inflation administered pricing and equity;

....

(eie beklemtoning)"

Agri-Witzenberg verwys ook graag verder na die Municipal Budget Circular for the 2021/22 MTREF, gepubliseer 4 Maart 2022 en beklemtoon die volgende uittreksel uit die sirkulêr:

"The following macro-economic forecasts **must be considered** when preparing the 2022/23 MTREF municipal budgets.



Agri-Witzenberg

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Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Municipal Budget Circular for the 2022/23 MTREF
04 March 2022

Page 2 of 23

(eie beklemtoning)

Dit is teen hierdie agtergrond dat Agri-Witzenberg formeel beswaar maak teen die voorgestelde styging van eiendomsbelasting teen 'n koers van 24.5% (landbougrond) en 34% (landbou industrieë), soos tans vervat in die konsepbegroting. **Agri-Witzenberg se pleidooi is dat die verhoging op eiendomsbelasting vir landbougrond en landbou industrieë nie hoër as inflasie sal wees nie.** Binne die begroting stel ons voor dat meer aandag gegee sal word aan wanbetalers, eerder as om die wetsgehoorsame belastingbetalers toenemend te belas.

Baie dankie vir die geleentheid om kommentaar te lewer en vir u oor om te luister.

Sterkte met u verantwoordelikhede en wees verseker van landbou se ondersteuning.

Landbougroete.



Bennie van Rensburg
VOORSITTER WBV LV
Namens Heinie du Toit, VOORSITTER: AGRI WITZENBERG

Cobus Kritzinger

From: David Nasson
Sent: 10 May 2022 07:36
To: Cobus Kritzinger
Subject: FW: WITZENBERG 2022/3 BUDGET AND IDP

David Nasson
Municipal Manager
Witzenberg Municipality
Work: 0233168196 |



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From: Anthony Silberberg [mailto:artexfund@gmail.com]
Sent: Monday, 09 May 2022 22:52
To: Hennie Smit <henniesmit@witzenberg.gov.za>; David Nasson <david@witzenberg.gov.za>; Adrian Hofmeister <Adrian@witzenberg.gov.za>
Cc: Anthony Silberberg <artexfund@gmail.com>
Subject: Fwd: WITZENBERG 2022/3 BUDGET AND IDP

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DRAFT IDP AND BUDGET 2022

Ald Hendrik Smit Executive Mayor
Me David Nasson Municipal manager
Mr Adrian Hofmeister IDP Unit Manager
Witzenberg Municipality
Ceres

Good morning Gentlemen

DRAFT IDP AND BUDGET 2022

Trust that this mail finds you in good health

It is regretted that I was not able to participate the Public Participation meeting held at the Witzenville hall on Thursday Please accept my apologies.

An invitation was subsequently received to a Business and Agri meeting on 18 May, and i hope to be able to participate..

That said and done many in Tulbagh are bitterly disappointed that the newly elected Council was not able to produce a more realistic and objective IDP and Budget document.

It is proposed that this socalled Integrated Development Plan and Budget be rejected and redrafted for the reasons listed below. To detail just a few . At this stage time does not allow a more comprehensive evaluation

1 This is purported to be an Integrated Development Plan.. Please explain why, notwithstanding requests, no budget has been allocated for the redevelopment and repair of the Klipriver Park and Galgheuwel Municipal Nature Reserve

You and the Council are invited to an on site inspection of these once magnificent facilities that have been ruined by the Witzenberg Municipality since it took over the administration of Tulbagh

It is a an absolute and total disgrace.

At least R100 million must be included in the Capital Budget to rehabilitate these facilities

Witzenberg Municipalities allowed this to happen in the mistaken belief that the resorts were not a core activity of the Municipality

It has now been accepted at all levels that the promotoon of tourism is indeed a core activity of a municipality to develop the local economy and create much needed jobs

2 Notwithstanding the pitiful lack of service delivery the Municipality proposes tto incease the following rates by an exorbitant 7.25 %

This is way over the upper limit of the Treasury inflation target range of 3 to 6%

Witzenberg Municipality is adding to the inflationary pressures facing South Africa and is part of the problem rather than the solution

Please explain why the following rate increases have been proposed

Water + 7.25%

Refuse Removal +7.25%

Rates +7.25%

Sewerage +7.25 %

The sewerage charge is particularly troublesome as in my own case, for example the sewerage charge is 12 times higher than the water consumption charge

Average monthly water consumption charge R20.63

Average monthly sewerage charge R256.69

How can the municipality charge R256 to dispose of R20 fresh water at the most.

To make matter even more ridiculous the sewerage is then piped back to Church Street to irrigate the gardens and sports fields

A french drain would sort the problem at no cost at all .

It is proposed that the sewerage charge be capped at 75% of the water consumption charge

Also with the expanded works programme the Municipality employs a team of people every month

It howver has no idea how to use these workers

Rather than deploying them to maintain Klipriver Park etc .they are given broome and told to sweep Van der Stel Street over and over again

It is evident that the Mnicipality has lost control of expenditure and is simply simply passing on the additional costs to the public

For example why are there no less than three refuse collections a week in Tulbagh?

One collection a week would suffice saving at least 50 %

It is apparent that the Municipality has a policy of continually increasing charges to the economically active section of the community in order to provide free services to the indigent.

It now happens that the total lack of focus on tourism development has driven many businesses to the point that they are operating at a loss. My own business included.

As I operate at a loss and do not have a monthly income of R3000 i qualify for indigent benefits
Please advise how to apply.

The ZenZi Academy that I operate is well qualified to help the Muncicipality to significantly improve efficiency and cut costs

Please advise if you would like us to tender to sort Witzenberg as a prelude to also sorting the 250 disfunctional Municipalities in South Africa.

With kind regards
Anthony Silberberg
Director IDEAS
ZenZii Academy

MEMORANDUM

To: Director: Technical Services
Municipal Manager
From: Senior Manager: Electro-technical Services & Director Finance
Date: 2021/11/30
Ref: Policies

APPROVAL OF METHODOLOGY, ALLOWABLE LIMIT AND MOTIVATION OF RENEWABLE TARIFF- SMALL SCALE EMBEDDED GENERATION [SSEG] POLICY

Purpose

To provide the regulatory background to the installation of SSEG by consumers and to motivate a renewable energy tariff to Council, as well as the motivation of changes in the existing policy.

Background

Council approved the “*Approval of Energy Plan (Small Scale Embedded Generation*” (16/3/P – 31 October 2018) as a measure to control the numerous applications at the time. This policy has proven its worth as far as potential applicants are concerned with regard to requirements and procedures.

There are however three issues that will have to be addressed, namely the implementation of a RENEWABLE tariff, proposed adjustments to the existing policy and an explanation of relevant legislation.

The current status is that Council does not have a RENEWABLE tariff and the current limit is 15% of the NMD of each town, measured in kVA.

Discussion

REGULATORY IMPLICATIONS

Regarding the consumer’s rights to install SSEG the regulations state the following.

Section 35 of the Electricity Regulation Act stipulates that NERSA may make rules, guidelines and codes of conduct and practice. As such the Grid Code (South African Distribution Code) is a document approved by NERSA in terms of the Electricity Regulation Act. As a licenced electricity distributor we are obliged to comply with the Grid Code as required in section 27 of the Electricity Regulation Act.

*The **Electricity Regulation Act empowers the SA Distribution code** which in terms of paragraph 3.2 states that:*

3.2.1 upon receipt of the application for connection to the distribution system, the distributor shall advise whether the applicant can be connected to the existing system and / or what technical improvements are required to enable the new connection;

3.2.2 the distributor shall provide an offer to connect and if accepted by the customer, both parties shall enter into a connection agreement

3.2.3 The connection agreement shall include information such as project planning data, inspection, testing and commissioning programs, electrical diagrams and any other information the Distributor may deem necessary to proceed with the processing of the application for connection.

3.2.4 If the application for connection has been declined, the Distributor shall advise the customer on the alternative options available for connection to make the connection successful.

The Distribution Code therefore provides that the municipality is obliged to provide reasons for declining an application for connection insofar as the municipality must provide an applicant with the technical information and improvements required to connect their system and of the alternative options available to rectify an unsuccessful application"

Paragraph 4 of the Distribution Code sets out the responsibilities of distributors and stipulates

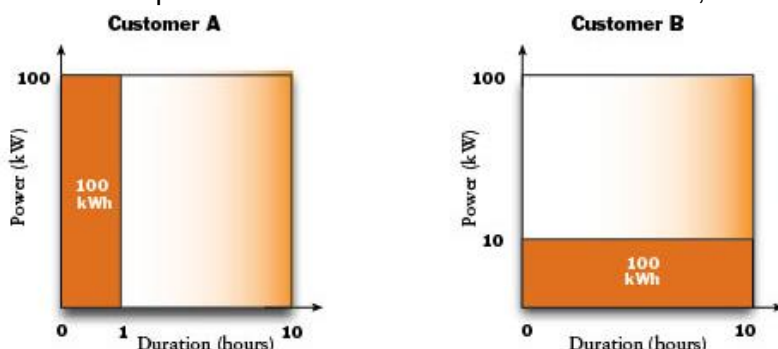
4(1) that the distributor shall make capacity available on its networks and provide open and non-discriminatory access for the use of this capacity to all customers including embedded generators"

Paragraph 4 further states that "the distributor is entitled to a fair compensation through the electricity tariffs as described in the electricity code". For this reason it is necessary that the Municipality implement SSEG tariffs to prevent further financial impact on the Municipality.

ALLOWABLE LIMIT

Although a percentage of the NMD was an initial measurement, the fact is that NMD is measured in kVA and Solar Panels are measured in kWp, this has proven somewhat impractical. The more appropriate method would be to use a kWh generated/annum limit as compared to Councils total kWh purchases from Eskom per annum.

In order to explain the difference between kW and kWh, consider the following diagram:



Ceres is geographically placed such that with the available Solar Radiation energy, a 1kWp solar panel can generate in the order of 1680kWh of energy per year, under actual circumstances.

Considering that the current 15% (kVA based) Ceres limit has been reached, which is currently 5 600 kWp, this equates to $5\,600\text{ kWp} \times 1\,680\text{ kWh/kWp} = 9\,408\,000\text{ kWh}$ that can be generated by the installed panels in a year.

During the 18/19 financial year, a total of 162 968 602 kWh was purchased from Eskom. The ratio of Eskom purchased to installed panels generated (above) is $9\,408\,000\text{ kWh} / 162\,968\,602\text{ kWh}$ which is 5,77%.

Thus the old impractical kVA based 15% method is in reality equivalent to 5,77% kWh based methodology which is far more appropriate, since the Municipality is only concerned about the energy generated in kWh.

The Western Cape Provincial Gazette (6792 of 20 September 2010) – White Paper on Sustainable Energy for the WC Province – sets a provincial target for energy efficiency improvement of 15% by 2014. This is where the original interim 15% limit was obtained, albeit being inaccurately applied to the kVA instead of the kWh.

At this point it should be mentioned that no other Councils with SSEG policies have a limitation. The limitation was also applied to protect the sustainability of the Municipality. With the new Renewable Energy Tariff that is proposed in this item, the 15% limitation can remain, but is no longer required for the sustainability of the Municipality. The only limitation that remain is the infrastructure limitations, that will be addressed during the applications received. Should there be a technical limitation, the customer can address these limitations by doing the necessary upgrading to the network.

It is therefore proposed that Council resolve that the Municipal Manager, in collaboration with the Director Technical Services and Chief Financial Officer, be mandated to adjust on this percentage as the situation dictates.

Below is Ceres approved applications in the new and old format, as an example

INSTALLED SSEG - WITZENBERG CERES

Date	Town	Applicant Name	SSEG kW installed	kWh generated/annum	Installer details
18 - 2 - 2016	Ceres	OAST Farming (Loxtonia)	100	168 000	van Wyk Elektries, Malmesbury
02 - 11 - 2017	Ceres	De Keur	70	117 600	African Technical Innovations, Ceres
2-12-2017	Ceres	Bloubos Gat - Nico Bester	25	42 000	African Technical Innovations, Ceres
27 - 1 - 2017	Ceres	CFP	100	168 000	African Technical Innovations, Ceres
3 - 2 - 2016	Ceres	CCS	400	672 000	African Technical Innovations, Ceres
20 - 4 - 2018	Ceres	Boland Stud - Eugene Freeman	25	42 000	African Technical Innovations, Ceres
25 - 7 - 2017	Ceres	Netcare	50	84 000	Energyneering, Midrand
Oct-13	Ceres	CFG	986	1 656 480	African Technical Innovations, Ceres
Jan-13	Ceres	CCS	508	853 440	African Technical Innovations, Ceres
Des 2012	Ceres	Kobus Engelbrecht	10	16 800	African Technical Innovations, Ceres
Mrt 2013	Ceres	Francis Matthee	5	8 400	African Technical Innovations, Ceres
Aug-15	Ceres	Anton reinecke	3	5 040	African Technical Innovations, Ceres
Sep-12	Ceres	Pieter du Doit	17	28 829	African Technical Innovations, Ceres
Mar-18	Ceres	Elrio	179	300 720	Emergy
Sep-12	Ezelfontein	Steven Versveld	17	28 560	African Technical Innovations, Ceres
20-Sep-18	Ceres	De Keur	75	126 000	African Technical Innovations, Ceres
05-Dec-18	Ceres	De Keur Sentrum (PnP)	280	470 400	RenEnergy
Jun-17	Ceres	Bella Frutta	200	336 000	African Technical Innovations, Ceres
20 - 12 - 2018	Ceres	CFP	500	840 000	RenEnergy
Jan-19	Ceres	CFG	1 500	2 520 000	Unknown
May-19	Ceres	du Toit vrugte	550	924 000	Energy partners
		TOTAL kW installed	5 600	9 408 269	TOTAL kWh generated
		Ceres NMD	36 500	162 968 602	Annual Eskom kWh purchases
		% kW installed vs KVA	15%	5.77%	% kWh capacity installed vs Eskom purchases

THE CASE FOR IMPLEMENTING A RENEWABLE TARIFF

The difference between the tariff charged to a Time off Use Customer (TOU) and the tariff paid to Eskom during Standard time in the low season is used to determine the potential loss to the Municipality. (approximately 30c per kWh generated)

A Basic Charge per kWh that can be generated by the SSEG plant are therefore recommended for Non-Residential customers. This basic charge should be equal to at least the difference in the energy sold on the specific tariff to the customer and the rate at which the power is bought from Eskom. This will ensure that the Municipality makes no loss once any renewable installation is done.

It is estimated that a 100 kWp plant can generate an average of 151 200 kWh per annum. The plant also loses up to 20% efficiency after 20 years' lifetime. The basic charge will therefore be calculated at only 90% of the total plant output. The relevant Basic Charge can therefore be calculated as follows:

$$151\,200 \times 0.30 \times 90\% \div 12$$

$$= R\ 3\ 402 \text{ per } 100 \text{ kW installation per month.}$$

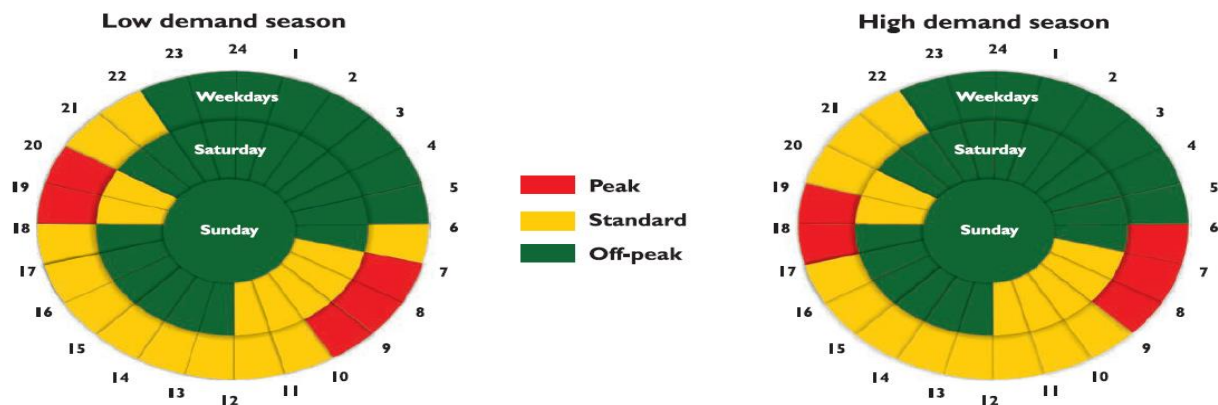
Applying this basic principle to all the current Power User (greater than 100kVA) tariffs results in the undermentioned Basic Charge per kWh generated.

		Municipal	Municipal		Proposed Municipal Basic on installed panels.	Customer
		Buy from Eskom	Sell to Customer	Municipal Mark-up	R/kWh For use in tariff	Save On Solar
		R/kWh	R/kWh	R/kWh		R/kWh
Agri Customers	2.4					
<25 kVA	2.4.1	1.131931	2.31	1.178069	1.178	1.132
25kVA--50 kVA	2.4.2	1.131931	2.31	1.178069	1.178	1.132
50kVA--100kVA	2.4.3	1.131931	2.246	1.114069	1.124	1.122
Bulk Customers	2.5					
Agri Customers	2.5.1					
Time Of Use Customers	2.5.1.1					
<1MW High Tension	2.5.1.1.1	1.131931	1.177583	0.045652	0.16	1.018
<1MW Low Tension	2.5.1.1.2	1.131931	1.288571	0.15664	0.16	1.129
Normal	2.5.1.2					
<1MW High Tension	2.5.1.2.1	1.131931	1.23	0.098069	0.16	1.070
<1MW Low Tension	2.5.1.2.2	1.131931	1.100087	-0.03184	0.16	0.940
Urban Customers	2.5.2					
Time of Use Customers	2.5.2.1					
>1MVA High Tension	2.5.2.1.1	1.131931	1.360601	0.22867	0.23	1.131
<1MVA High Tension	2.5.2.1.2	1.131931	1.451322	0.319391	0.32	1.131
<1MVA Low Tension	2.5.2.1.3	1.131931	1.415728	0.283797	0.284	1.132
Normal	2.5.2.2					
>1MVA High Tension	2.5.2.2.1	1.131931	1.5	0.368069	0.368	1.132
<1MVA High Tension	2.5.2.2.2	1.131931	1.48	0.348069	0.348	1.132
<1MVA Low Tension	2.5.2.2.3	1.131931	1.558435	0.426504	0.427	1.131

The business sector agree with the Basic Charge as far as new approvals are concerned, but not for plants already approved.

Their proposal provides for net metering – excess kWh exported to the municipal network can be used at a later stage in the same tariff time frame and same tariff. Electricity exported a specific colour timeframe can only be used in that timeframe.

As indicated, the 30c/kWh is just an average value of the difference in customer tariffs and the purchase price from Eskom. This basic charge should be equal to at least the difference in the energy sold on the specific tariff to the customer and the rate at which the power is bought from Eskom. This will ensure that the Municipality makes no loss once any renewable installation is done.



For residential customers a refit tariff of 50c/kWh is proposed. – Excess kWh generated will be purchased by the municipality and sold to other customers. R100.00 is recommended for residential customers for this renewable tariff.

Kindly note that all proposed tariffs can only be levied once approved by council and NERSA. The expected date for implementation of the tariffs is therefore 1 July 2022.

It is important to note the any SSEG installation can only generate electricity, whilst the power from the Municipal grid in on. The basic charge is calculated on the total output of a renewable energy PV Plant in the Witzenberg area that did not experience any electricity network interruptions. Should there be load shedding or a prolonged interruption, the Director Technical services shall quantify the implications of the interruption on the production of the SSEG plant and a correction in the basic charge will be proposed to finance for correction.

THE CURRENT POLICY

Below is the Council resolution “Approval of Energy Plan (Small Scale Embedded Generation” (16/3/P – 31 October 2018)

UNANIMOUSLY RESOLVED

- (a) *that Council takes notice of the co-authored inputs and documentation of the Association of Municipal Electrical Undertakings, Western Cape Provincial Government, Cape Town and Green Cape as the nationally accepted standardised policy related to the implementation of Renewable Energy (Small Scale Embedded Generation) within municipalities.*

- (b) *that Council adopts the NRS 097-2-1 (2010) and NRS 097-2-3 (2014) Grid Interconnection of Embedded Generation, Section 1 – Utility Interface, Section 2 – Simplified utility connection criteria for low-voltage connected generators as the basis of its Energy Plan and Small Scale Embedded Generation Policy.*
- (c) *that the supporting documents, including the undermentioned, are accepted as official documentation related to the application processes related to any consumer intending to install Renewable Energy:*
 - (i) *Requirements for Embedded Generation*
 - (ii) *Contract for Embedded Generation*
 - (iii) *Application Form*
 - (iv) *Commissioning Form*
 - (v) *Decommissioning Form*
- (d) *that any amendments to the relevant NRS standards automatically be included in the Council's Energy Policy.*
- (e) *that any amendment to the Electrical Bylaws as well as the implementation of a Renewable Tariff will automatically form part of Council's Energy Policy as and when approved by Council.*
- (f) *that the Administration will table a report to Council on a suitable Renewable Tariff for further discussion.*
- (g) *that Council reserves the right to refuse or limit the installation of Small Scale Embedded Generation plants if it is determined that they are having an onerous effect on the Quality of Supply of the Electrical Network of the municipality.*
- (i) *that any Large Power Users applying for permission to install Small Scale Embedded Generation plants must supply proof of their facility having an average power factor of 0,85 or better before any application will be considered.*
- (j) *that all existing Small Scale Embedded Generation installations commissioned prior to the approval of this Energy Policy will be required to comply with the policy as amended from time to time, whilst the municipality reserves the right to install suitable bi-directional four quadrant meters to monitor that connection.*
- (k) *that any meters currently installed and allowed in writing by the municipality to run in reverse, will be expected to comply with these requirements once the Renewable Tariff is implemented.*
- (l) *that for future applicants successfully requesting permission to install Small Scale Embedded Generation plants, the costs of installing the required bi-directional four quadrant meters are for the applicants' costs.*
- (m) *that conventional or pre-payment meters are not allowed to run backwards.*

As stated, the current policy and documentation remains relevant. But as the report is addressed to methodology and RENEWABLE tariff, the undermentioned changes to the policy are proposed.

RECOMMENDATION

- (a) That Council rescind the previous decision “Approval of Energy Plan (Small Scale Embedded Generation (16/3/P – 31 October 2018)
- (b) that Council takes notice of the co-authored inputs and documentation of the Association of Municipal Electrical Undertakings, Western Cape Provincial Government, Cape Town and Green Cape as the nationally accepted standardised policy related to the implementation of Renewable Energy (Small Scale Embedded Generation) within municipalities.
- (c) that Council adopts the NRS 097-2-1 (2010) and NRS 097-2-3 (2014) Grid Interconnection of Embedded Generation, Section 1 – Utility Interface, Section 2 – Simplified utility connection criteria for low-voltage connected generators as the basis of its Energy Plan and Small Scale Embedded Generation Policy.
- (d) that the supporting documents, including the undermentioned, are accepted as official documentation related to the application processes related to any consumer intending to install Renewable Energy:
 - (i) Requirements for Embedded Generation
 - (ii) Contract for Embedded Generation
 - (iii) Application Form
 - (iv) Commissioning Form
 - (v) Decommissioning Form
- (e) that any amendments to the relevant NRS standards automatically be included in the Council’s Energy Policy.
- (f) that any amendment to the Electrical Bylaws as well as the implementation of a RENEWABLE energy tariff will automatically form part of Council’s Energy Policy as and when approved by Council.
- (g) That the Municipality include the principle of the RENEWABLE tariff as explained in the report for approval from NERSA in the 2022/2023 NERSA tariff application. This tariff will be additional and mandatory for new SSEG installations and new approvals and that Council considers the phasing in of the tariff on existing approved installations over a five year period.

Category	Basic/ month	Refit / kWh
Residential	R70.00	R0.50
Commercial, LPU	Solar Basic - Municipal mark-up on sales for the specific tariff x (Energy Generated per Year x 90% / 12) determined annually	One for One as per current existing tariff (Zeroed end of each financial year)
	As per undermentioned table, updated annually.	

Municipal Mark-up calculator (2021/2022)

		Municipal Buy from Eskom R/kWh	Municipal Sell to Customer R/kWh	Municipal Mark-up R/kWh	Proposed Municipal Basic on installed panels. R/kWh	Customer Save On Solar R/kWh
Agri Customers	2.4					
<25 kVA	2.4.1	1.131931	2.31	1.178069	1.178	1.132
25kVA--50 kVA	2.4.2	1.131931	2.31	1.178069	1.178	1.132
50kVA--100kVA	2.4.3	1.131931	2.246	1.114069	1.124	1.122
Bulk Customers	2.5					
Agri Customers	2.5.1					
Time Of Use	2.5.1.1					
Customers	2.5.1.1.1	1.131931	1.177583	0.045652	0.16	1.018
<1MW High Tension	2.5.1.1.2	1.131931	1.288571	0.15664	0.16	1.129
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<1MVA Low Tension	2.5.2.2.3	1.131931	1.558435	0.426504	0.427	1.131

- (h) that Council reserves the right to refuse or limit the installation of Small Scale Embedded Generation plants if it is determined that they are having an onerous technical effect on the Quality of Supply of the Electrical Network of the municipality.

- (i) *that once the total sum of approved Renewable Energy applications reaches 15 % of the municipality's total Eskom purchased kWh for the preceding financial year or a 'technical limit' in terms of a network impact study for each town, whichever comes first, no further applications will be considered.*
- (j) *that any Power Users (greater than 100kVA) applying for permission to install Small Scale Embedded Generation plants must supply proof of their facility having an average power factor of 0,85 or better before any application will be considered.*
- (k) *that all existing Small Scale Embedded Generation installations commissioned prior to the approval of this Energy Policy will be required to comply with the policy as amended from time to time, whilst the municipality reserves the right to install suitable bi-directional four quadrant meters to monitor that connection at the consumer's cost.*
- (l) *that any meters currently installed and allowed in writing by the municipality to run in reverse, will be expected to comply with these requirements once the SSEG tariff is implemented.*
- (m) *that for future applicants successfully requesting permission to install Small Scale Embedded Generation plants, the costs of installing the required bi-directional four quadrant meters are for the applicants' costs.*
- (n) *that domestic conventional or pre-payment meters are not allowed to run backwards.*
- (o) *for continued participation in the SSEG program customers must always be NET consumers.*
- (p) *that permission to install Small Scale Embedded Generation will automatically lapse after 12 months from date of approval, if the installation process has not been started, unless an arrangement, in writing, has been agreed with the Municipality.*



Project report

Review and Strategic Input to an Updated Municipal SSEG Tariff Structure – Phase 2

Second and third project headline if required

Witzenberg Municipality

Document control record

Document prepared by:

Aurecon South Africa (Pty) Ltd

Reg No 1977/003711/07

Aurecon Centre
 1 Century City Drive
 Waterford Precinct
 Century City
 7441
 PO Box 494
 Cape Town
 8000
 Docex: DX 204

T +27 21 526 9400

F +27 21 526 9500

E capetown@zutari.com

W Zutari.com

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3	2021/06/28	Revision	George Raju Roché Cronje	Corné van Diemen		Lloyd Wallace
4	2021/07/05	Revision	George Raju Roché Cronje	Corné van Diemen		Lloyd Wallace
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Current revision		5				

Approval			
Author signature		Approver signature	
Name		Name	
Title		Title	
Corné van Diemen		Lloyd Wallace	
Senior Consultant		Associate	

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Executive Summary

Witzenberg Municipality has experienced declining electricity sales over the past year. The following trends have been further observed: increases in Small-Scale Embedded Generation (SSEG), consumers improving their energy efficiency and intermittent levels of load shedding across the municipal area. These changes coupled with a tariff structure that remains unamended are believed to be responsible for the declining energy sales from the Witzenberg consumer base. SSEG systems, which are currently solar photovoltaic (PV) installations, should be installed in line with the requirements of the Witzenberg SSEG Policy (Energy Plan) approved in October 2018. However, the SSEG tariff referred to in the Policy has not been implemented yet. A full, detailed tariff study is required in order to determine an appropriate SSEG tariff but this is expected to take a significant amount of time and effort. This high-level assessment aims to propose an interim SSEG tariff and determine the impact it will have on the municipality and its revenue stream, until the full study can be undertaken.

As per the Previous report (Phase 1) it was found that Witzenberg Municipality’s current tariffs are not sustainable, resulting in an increasing reduction in revenue. The residential tariff specifically, was found to be low in comparison to the national benchmarks and we recommend that the municipality considers adjusting these tariffs to be in line with other surrounding municipalities.

This study was to try and determine a middle-of-the-road interim SSEG tariff for each of the user groups defined by the municipality. The tariff consists of a fixed monthly charge (R/month) and a Renewable Energy Feed-In Tariff (REFiT), or energy charge, which is based on a rand per kilowatt-hour (R/kWh). These values were informed by NERSA guidelines, as well as SSEG tariffs of other municipalities.

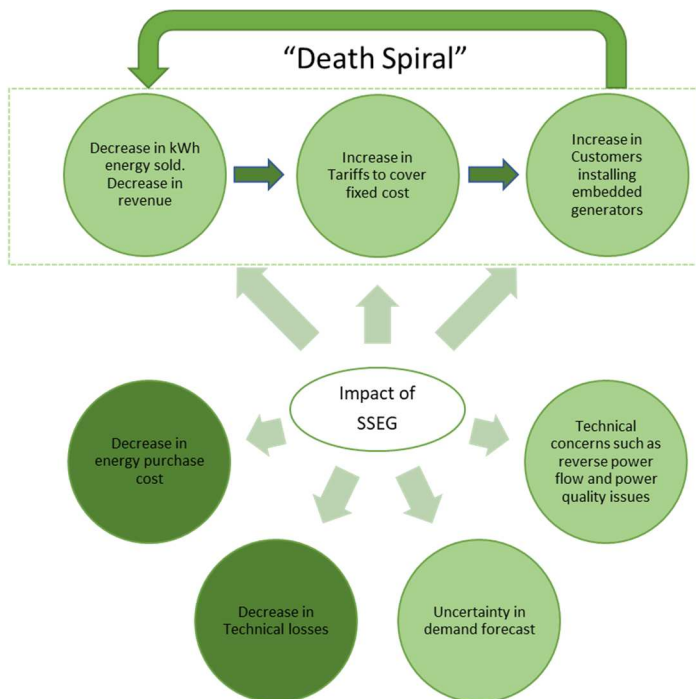


Figure 1: impact of increased SSEG on the Witzenberg electricity system

Introduction

Due to limited timeframe of this Review and Strategic Input to an Updated Municipal SSEG Tariff Structure – Phase 2, it was decided to focus on short term goals in order to have the most impact on focused areas. To achieve as much as possible in the short time available, the team focused on two aspects namely, a technical study, that would help form the basis for the second aspect, the financial modelling. This was grounded on the information as requested from the Witzenberg Municipality, as well as information that was available from the Phase 1 project.

Technical

Introduction

This section outlines the technical impacts of Small-Scale Embedded Generation (SSEG) on the Witzenberg Municipality distribution network. The uptake in solar PV generation has increased significantly over the last five years in line with the SSEG policy of the municipality. Current SSEG policy at Witzenberg and other municipalities in South Africa limit the total sum of approved SSEG plant installed capacity to 15% of the Notified Maximum Demand (NMD) in the respective area of supply. The challenge with most municipalities, as is the case with Witzenberg, is that the NMD usually occurs during the evening times when there is no contribution from solar sourced SSEG, and the impact of allowing additional SSEG might pose a risk to supply the NMD from the grid alone when SSEG contribution is at its lowest.

This technical impact assessment will assess the current levels of SSEG, the potential technical risks, and impacts associated with increasing SSEG beyond the 15% limit.

High levels of SSEG penetration in distribution networks affects various network parameters that should be studied to mitigate the negative impacts:

- Voltage regulation and thermal loading of equipment
- Network fault levels
- Protection grading
- Network reliability planning
- Power quality
- Reverse power flow
- Safe network isolation for maintenance repairs due to additional generation sources

Methodology

The study consisted of the following main tasks:

Data Gathering and Review

Project supporting information was collected and reviewed including:

- Demand information
- Schematic diagrams and geospatial (GIS) data of the existing electrical network
- Network models
- Existing SSEG installation data

Area and Network Overview

This task involved familiarising the team with the study area location, current electrical coverage, and capacity of the existing network within the study area.

Network Modelling

This task involved the development of a representative load flow simulation model, network scenarios and modelling SSEG installations in the study area.

Technical Evaluation

The technical impact of varying levels of SSEG in the distribution network was assessed on a high level. A review of existing technical standards and design criteria applicable to SSEG integration was conducted. The impact of SSEG on voltage regulation, thermal loading of equipment, fault levels in the network and reverse power flow were analysed through steady state load flow analysis.

Conclusions and Recommendations

The study results were summarized, recommendations made to mitigate the negative impacts on the network and further studies required.

Network Overview

Witzenberg municipality has 3 supply areas being supplied from Eskom via four 11kV intake points. At the Eskom substations, voltage is stepped down from 66kV to 11kV and distributed at 11kV. The three main supply areas; Ceres, Wolseley and Tulbagh consist mostly of radial feeders and a mix between meshed and radial feeder system in Ceres. The distribution system consists of switching stations, ring main units (RMUs), mini-substations and pole mounted transformers (PMTs) stepping voltage down from 11kV to 400V. The MV feeder network (in red) is shown in Figure 2 below with blue circles showing the intake points:

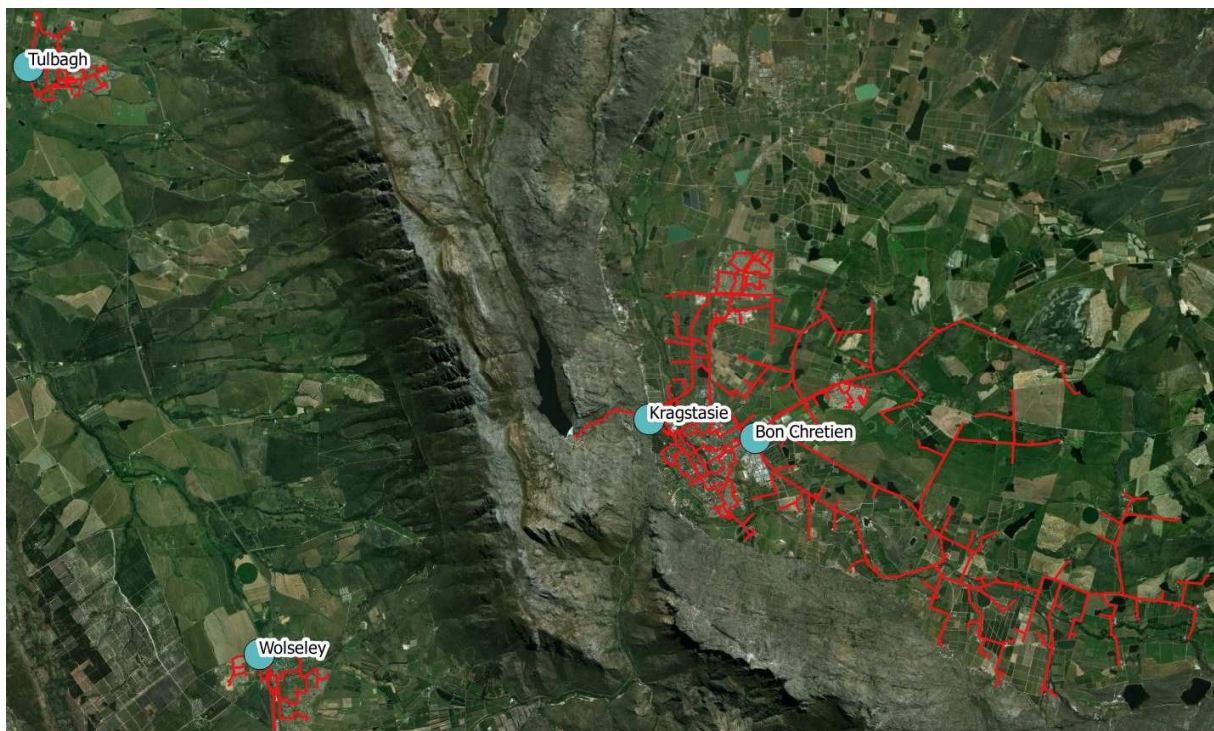


Figure 2: Witzenberg Municipality MV Feeder Network (Source: Bing Maps, Municipality GIS data)

Metered load data at the intake points was provided and reviewed to obtain the study area load profiles. The study area consists of mainly of residential, industrial, and agricultural consumer types. Figure 3 shows the 2019 yearly load profiles of Ceres, Wolseley, and Tulbagh with the 2019 NMDs shown with orange horizontal lines.

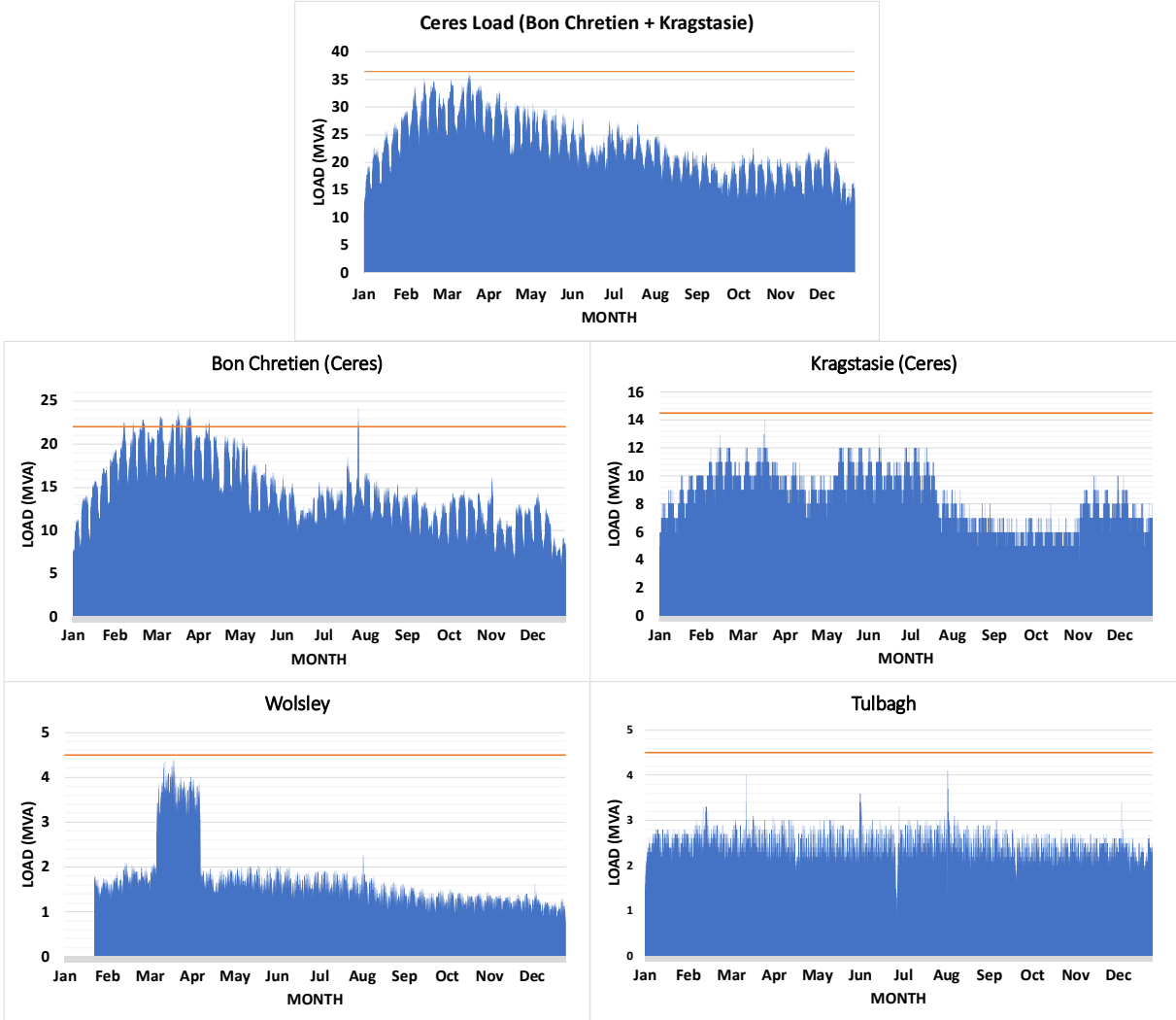


Figure 3: Study Area 2019 Yearly Load Profiles and NMDs

As seen in Figure 3, the maximum demand for the Bon Chretien intake substation in Ceres has exceeded the NMD of 22 MVA in 2019. Witzenberg has applied for a 5 MVA NMD increase for Bon Chretien in May 2019 and an NMD increase of 0.7 MVA was approved for Wolseley in January 2021. Table 1 shows the NMDs for each intake substation in 2021.

Table 1: 2021 NMDs Per Intake Substation

Intake Substation	NMD (MVA)
Bon Chretien (Ceres)	22
Kragstasie (Ceres)	14.5
Wolseley	5.2
Tulbagh	4.5

Network Modelling

A network model of the distribution network within Power Tools analytical software, study area single line diagrams (SLDs) and study results from a 2018 network master plan study was made available for

the study. The network model was imported into ETAP 16.2 and reviewed by checking and confirming the network connectivity as well as the equipment ratings and network parameters. By utilizing the provided network information, a representative load flow simulation model of the 2018 distribution network was developed. A screenshot showing the representation of a distribution substation (De Bos) as modelled in ETAP is shown in Figure 4. Complete single line diagram snapshots for each supply area as modelled in ETAP are included in Appendix C.

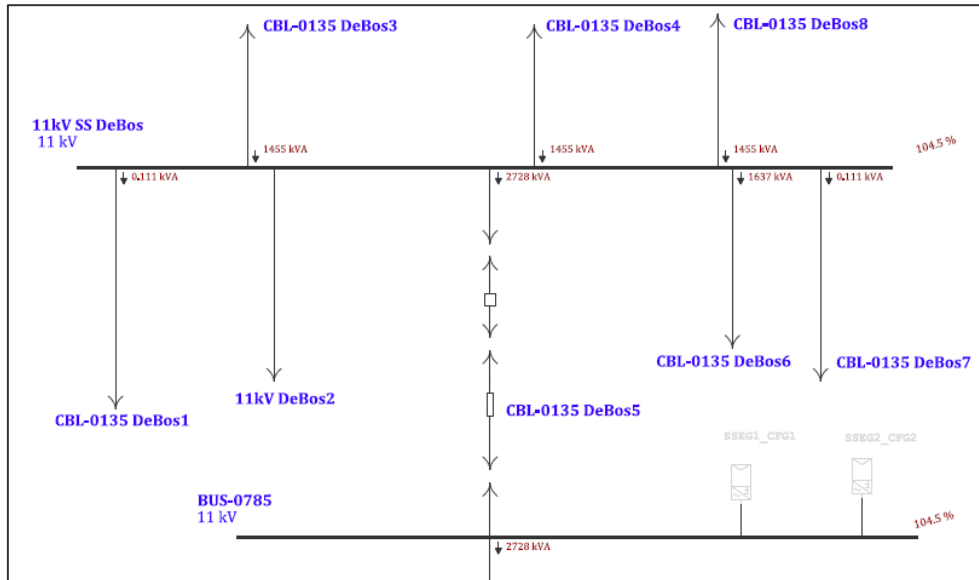


Figure 4: ETAP Simulation Model - One Line Diagram Representation

Table 2 to Table 5 summarize the study area intake substation grid parameters, line impedances and main switching substations in the study area

Table 2: Intake Substation External Grid Parameters

Intake Substation	Capacity (MVA)	Three phase Fault Levels (kA)
Kragstasie (Ceres)	20	7.1
Bon Chretien (Ceres)	2 x 20	4.3
Wolseley	10	5.7
Tulbagh	20	3.9

Table 3: Cable parameters

Circuit Type	Voltage (kV)	R1 (ohm/km)	X1 (ohm/km)	Rated Current (A)	Rated Power (MVA)
PILC 185mm ² Cu	11	0.04	0.02	349	6.6
PILC 185mm ² Al	11	0.06	0.03	269	5.1
PILC 95mm ² Cu	11	0.07	0.02	240	4.6
PILC 70mm ² Cu	11	0.10	0.03	207	3.9
XLPE 35mm ² Cu	11	0.21	0.03	140	2.7
PILC 25mm ² Cu	11	0.26	0.03	115	2.2
PILC 16mm ² Cu	11	0.38	0.03	75	1.4

Table 4: Overhead line parameters

Transmission Line Type	Voltage (kV)	Impedance per phase		Rated Current (A)	Rated Power (MVA)
		R (ohm/km)	X (ohm/km)		

Hare	11	0.44	0.62	360	6.9
Rabbit	11	0.87	0.65	240	4.6
Fox	11	1.26	0.68	190	3.6
Gopher	11	1.76	0.69	150	2.9

Table 5: Study Area Main Substations

Substation		Voltage (kV)	No. of Feeders
Name	Type		
Ceres			
Bon Chretien	Main Intake	11	19
Kragstasie	Main Intake	11	15
Panorama	Distribution Sub	11	12
Vredebes	Distribution Sub	11	12
Jakaranda	Distribution Sub	11	7
De Bos	Distribution Sub	11	8
Lyell	Distribution Sub	11	6
Wolseley			
Wolseley	Main Intake	11	5
Voortrekker	Distribution Sub	11	3
Tulbagh			
Tulbagh	Main Intake	11	3
Stasieweg	Distribution Sub	11	5

Technical Evaluation

Technical Impacts of SSEG

Figure 5 illustrates some of the technical impacts of SSEG on the distribution network.

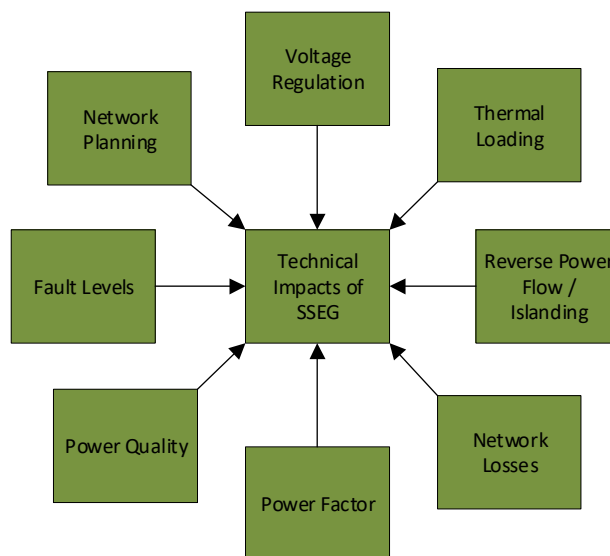


Figure 5: Technical Impacts of SSEG on the distribution Network

Voltage regulation: SSEG can cause significant voltage rise at the point of connection (POC) which has an impact on the overall system voltage regulation and operation of distribution transformers and tap changers. If the SSEG contribution is not consistent, tap changing

and voltage compensation equipment operations and switching will be increased and probably lead to earlier equipment failure and increased maintenance costs.

Thermal Loading: SSEG can decrease feeder loading depending on the connection point location and power output.

Reverse Power Flow: High levels of SSEG penetration can result in power flow from the LV network into the MV feeder source and cause certain types of protection relays to operate and disconnect associated circuits creating an island condition. In addition, the safe operation and isolation of networks become more challenging especially if the SSEG location and connectivity is not properly documented and the network switching officers are not aware of SSEG locations during circuit isolation and testing.

Network Losses: Integration of SSEG affects the losses in distribution networks. In general, grid losses are reduced with SSEG.

Power Factor: Most PV inverter systems operate close to unity power factor and supplies most of the active power demand while the grid supplies the reactive power demand. SSEG can affect the ratio of active to reactive power supplied by the grid and therefore change the power factor of the grid supply.

Power Quality: PV inverter systems can inject harmonics into the network causing a decrease in power quality. Inverters are generally required to be type tested to ensure harmonic contribution is within the emission limits specified in NRS048-4 “Electricity Supply – Quality of Supply Part 4: Application practices for licensees”.

Fault Levels: SSEG affects the fault current in the distribution network and high levels of SSEG may require reconfigurations in protection relays as well as review of equipment fault carrying capacity ratings that might have to be increased due to higher fault levels.

Network Planning: Traditional network planning principles which assumed one directional power flow have changed due to the increasing levels of SSEG penetration. SSEG causes more variation in customer load profiles which poses a challenge in network planning and assessment of network capacity. In typical residential supply areas, SSEG mainly contributes during the day, leaving the grid to be designed to supply the evening demand, which is often less cost effective, resulting in applying more prudent design practises.

Assessment Criteria

There are several technical standards and guidelines that can be applied when considering the integration of SSEG. These standards aim to maintain network adequacy and are used to protect the interests of all network users. The “Grid Connection Code for Renewable Power Plants (RPPs) Connected to the Electricity Transmission System (TS) or the Distribution System (DS) in South Africa” specifies the minimum technical and design grid connection requirements for renewable generators and includes specific requirements applicable to the three categories of RPPs:

Table 6: RPP Categories in South Africa

Category		Rated Power
A	A1	0 - 13.8 kVA
	A2	13.8 - 100 kVA
	A3	100 - 1MVA
B		1 - 20 MVA
C		100 - 1MVA

The standard includes the requirements of the RPP to withstand frequency and voltage deviations at the Point of Connection (POC), reactive power capability, power quality, protection, curtailment, control, testing and reporting requirements. In general, requirements are most stringent on category C plants and less on category B and A respectively.

The NRS097 is a two-part document that specifies technical requirements for the interconnection of embedded generation to low, medium, and high voltage distribution networks. NRS097-1 “Distribution standard for the interconnection of embedded generation” applies to MV and HV networks and is in course of preparation. NRS097-2 “Small-scale embedded generation” specifies the technical requirements for the utility interface, the embedded generator and utility distribution network with regards to embedded generators smaller than 1000 kVA connected to low-voltage networks.

Witzenberg requirements and application process for solar PV embedded generator connection are detailed in a “Requirements for Small Scale Embedded Generation” policy document published in 2018. The document details the technical requirements and application process of the municipality for connecting solar PV embedded generation to the municipal electricity network. The document covers requirements for installation sizes up to 1MVA connected to low-voltage networks. The policy states that once the total sum of approved SSEG plants equals a maximum of 15% of Witzenberg municipalities NMD for each supply area, no further applications will be approved.

NRS097-2 Section 3 “Simplified utility connection criteria for low-voltage connected generators” guidelines serves as a simplified guideline for assessing embedded generator applications that do not require detailed grid studies. Technical limits that constrain the amount of SSEG in the network, as per NRS097-2-3, are:

- Thermal ratings of equipment (lines, cables, and transformers) may not be exceeded
- MV and LV voltage regulation should be within the limits specified in NRS048-2:

Table 7: Maximum Deviation from Standard Voltage Levels

Voltage level (kV)	Compatibility Level
11	±5%
0.4	±10%

- The maximum change in LV voltage due to embedded generators are limited to 3%. This limit is based on common international practice and ensures that short-term variations in generation output will not cause significant changes in voltage regulation. The NRS097-2-3 guidelines state that based on South African standard voltage levels and limits, MV voltage control practises and the MV/LV transformer voltage ratio and tap settings, voltage rise on LV feeders due to embedded generation should ideally be limited to 1%.
- Reverse power flow into MV feeder sources which can cause islanding by directional protection relays should be avoided.
- Fault level contribution of SSEG should be limited to prevent the need for reconfiguration of protection relays and/or replacement of equipment not designed for the higher fault levels.

The application of the limits given above result in the following proposed technical criteria for SSEG size limitations:

Table 8: Criteria for SSEG size limits (NRS097-2-3)

Category	Criteria
Voltage rise on LV feeders	<1%
Maximum generation connected to a MV transformer	75% of transformer rating
Customer on dedicated LV feeders	75% of NMD

Customer on shared LV feeders	25% of NMD
Total generation connected to a MV feeder	15% of maximum load

Network Assessment

The impact of the current and anticipated penetration levels of SSEG on the distribution network was studied through load flow simulations on the 2018 distribution network. The study focused on the 15% limit of total installed capacity of SSEG per supply area, voltage regulation, and fault level contribution of SSEG.

Assumptions and Limitations

The following assumptions were applied to this study:

- The study was based on data provided by Witzenberg and is assumed to be accurate.
- Locations of the existing PV installations were determined from the data and schematic diagrams provided. Where the location of the installation could not be determined, high level assumptions were made.
- The study only considered PV systems and did not include other forms of SSEG such as diesel generators or battery storage.
- The study focused on the MV (11kV) network and excluded LV feeders (400V).
- PV installations and inverters were modelled using standard ETAP equipment libraries and modelled on the MV/LV bus closest to the associated load, depending on level of detail in the network model.

The following limitations apply to this study:

- Load flow studies were limited to a single loading scenario and did not include simulations for peak and minimum system loading.
- PV systems were simulated at maximum active power output, at unity power factor, and were not simulated at varying power factors.

Network Scenarios

Three network scenarios were selected for the study:

Base Scenario – No SSEG

No SSEGs are in service and study area power is supplied fully from the intake substations.

Scenario 1 – 15% SSEG

The combined installed capacity of SSEG is 15% of the peak load (NMD) at each of the supply areas intake points. This Scenario adopts the guidelines and SSEG limits of NRS097-2-3.

Scenario 2 – 30% SSEG

A simplified approach was used in doubling the installed capacity of each SSEG installations in Scenario 1 to assess the impact on the network.

Table 9: Installed SSEG capacity for network scenarios

Supply Area	Current NMD (MVA)	Planned NMD (MVA)	Current SSEG Capacity (MVA)*	15% of planned NMD SSEG limit (MVA)**	Scenario 2 SSEG (MVA)

Ceres	36.5	41.5	6	6.2	12.4
Wolseley	5.2	5.2	0.2	0.8	1.6
Tulbagh	4.5	4.5	0.003	0.7	1.4

* For the study, installations where the application status was rejected or still in process were considered installed

The received network model contained two loading categories for each load in the model:

1. Design: Load in kVA is equal to the associated transformer kVA rating
2. Normal: 50% of the design load

Due to time constraints and the limitations in the way ETAP allows the user to scale loads, a single loading scenario was developed for the study by scaling down the loads to 25% of the design value. The modelled loads represent a typical afternoon when PV generation is at a maximum. Table 10 shows the modelled at each intake substation.

Table 10: Load Flow Study Area Loads

Substation	Modelled Load (MVA)
Kragstasie (Ceres)	8.6
Bon Chretien (Ceres)	12.6
Wolseley	2.5
Tulbagh	2.5

SSEG Modelling

A consolidated list of Witzenberg PV applications and installations was used to model the existing PV systems on the distribution grid. Most of the current installations are in Ceres and are by bulk and agriculture consumers with a small percentage of installed capacity by residential consumers. For the study, installations smaller than 50kW were not modelled. The installed capacity of 15% for network Scenario 1 was obtained by modelling an additional 15 hypothetical PV systems at the far end of various feeders in the study area. Table 11 shows the full list of SSEG PV systems considered in the study.

Table 11: SSEG PV Systems modelled

Supply Area	ETAP Model Name	SSEG Name	Actual or Hypothetical	SSEG kWp installed		
				Scenario 1	Scenario 2	Not modelled
Ceres	SSEG1_CFG1	CFG	Actual	1500	3000	-
Ceres	SSEG2_CFG2	CFG	Actual	986	1972	-
Ceres	SSEG3_DTV	du Toit vrugte	Actual	550	1100	-
Ceres	SSEG6_CCS1	CCS	Actual	508	1016	-
Ceres	SSEG5_CFP	CFP	Actual	500	1000	-
Ceres	SSEG6_CCS2	CCS	Actual	400	800	-
Ceres	SSEG7_DK1-2	De Keur Sentrum (PnP)	Actual	280	560	-
Ceres	SSEG8_VG	Vadersgawe - Ian Versveld	Actual	224	447	-
Ceres	SSEG10_BF	Bella Frutta	Actual	200	400	-
Ceres	SSEG11_EL	Elrio	Actual	179	358	-
Ceres	SSEG13_OF	OAST Farming (Loxtonia)	Actual	100	200	-
Ceres	SSEG12_CFP2	CFP	Actual	100	200	-
Ceres	SSEG7_DK1-2	De Keur, Schoonvlei (CA Rooms)	Actual	75	150	-
Ceres	SSEG14_DK3-4	De Keur	Actual	75	150	-
Ceres	SSEG14_DK3-4	De Keur	Actual	70	140	-
Ceres	SSEG15_TP	Tommie Prins, Uitzicht Farm	Actual	50	100	-
Ceres	SSEG16_NC	Netcare	Actual	50	100	-
Ceres	SSEG17_PW	PJ de Wet Fruit & Cartage	Actual	48	96	-
Ceres	SSEG_BUS-1011	Eselfontein Dairy Load Bus (East)	Hypothetical	61	122	-
Ceres	SSEG_BUS-0345	Agterfontein2 Load Bus (North East)	Hypothetical	61	122	-
Ceres	SSEG_BUS-0340	PMT Sewerage Load Bus (South Central)	Hypothetical	61	122	-
Ceres	SSEG_BUS-0478	Karee MS Load Bus (North)	Hypothetical	61	122	-
Ceres	SSEG_BUS-1023	Ideaal3 Load Bus (North West)	Hypothetical	61	122	-
Ceres	-	Bloubos Gat - Nico Bester	Actual	-	-	25
Ceres	-	Boland Stud - Eugene Freeman	Actual	-	-	25
Ceres	-	Pieter du Doit	Actual	-	-	17

Ceres	-	Steven Versveld	Actual	-	-	17
Ceres	-	Kobus Engelbrecht	Actual	-	-	10
Ceres	-	Francis Matthee	Actual	-	-	5
Ceres	-	Anton reinecke	Actual	-	-	3
Total SSEG Ceres (kW):				6200	12400	102
Wolseley	SSEG_BUS-0072	Wolfpack	Hypothetical	160	320	-
Wolseley	SSEG_RMU MALVA	RMU MALVA	Hypothetical	160	320	-
Wolseley	SSEG_BUS-0025	Blomme	Hypothetical	160	320	-
Wolseley	SSEG_RMU STAMPER	Stamper	Hypothetical	160	320	-
Wolseley	SSEG_BUS-0063	Rewinder	Hypothetical	160	320	-
Wolseley	-	Kobus Engelbrecht / Tiaan Bester / Grassroots	Actual	-	-	200
Total Wolseley (kW):				800	1600	200
Tulbagh	SSEG_BUS-0126	Tulpak	Hypothetical	140	280	-
Tulbagh	SSEG_BUS-0136	Gevangenis	Hypothetical	140	280	-
Tulbagh	SSEG_BUS-0224	TRF NO.4	Hypothetical	140	280	-
Tulbagh	SSEG_BUS-0208	Duifstraat	Hypothetical	140	280	-
Tulbagh	SSEG_RMU PIET RETIEF2	RMU PIET RETIEF2	Hypothetical	140	280	-
Tulbagh	-	Jean Reynaud Venter	Actual	-	-	3
Total SSEG Tulbagh (kW):				700	1400	3

Load flow results

The impact of the SSEG penetration levels in network Scenario 1 (15%) and network Scenario 2 (30%) were analysed through steady state load flow analysis. Load flow simulations were conducted for each scenario to compare and assess the impact at varying levels of SSEG penetration.

Voltage Deviation

Voltage rise in the network was calculated by subtracting the base scenario busbar voltage magnitude from the Scenario 1 and Scenario 2 busbar voltage magnitude. Figure 6 shows the percentage voltage deviation observed on Ceres area 11 kV (MV) busbars. In the figure, the voltage deviation is sorted from highest to lowest, left to right.

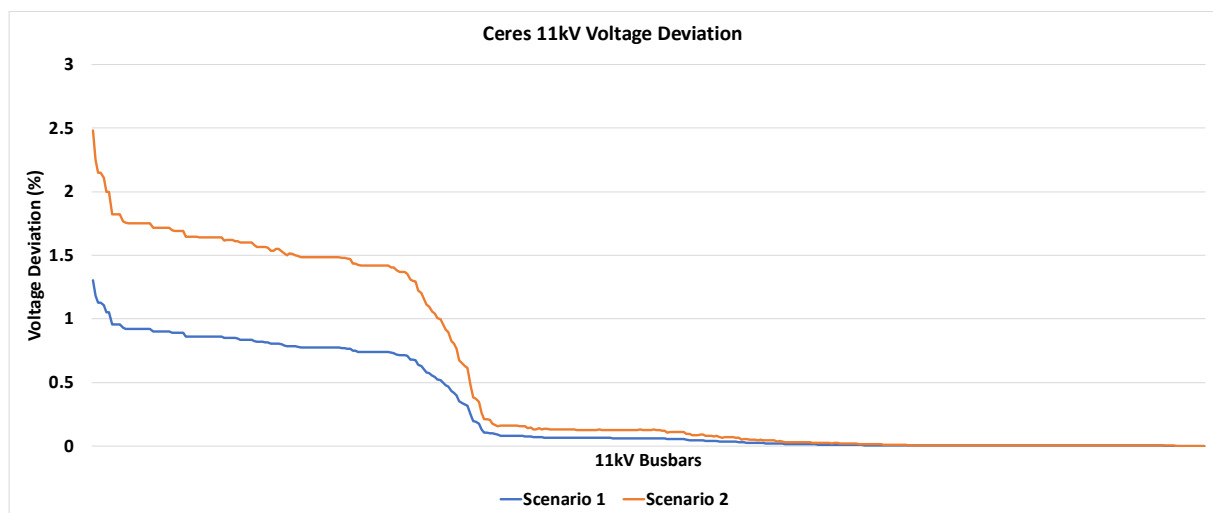


Figure 6: Ceres 11kV Voltage Deviation

Figure 7 shows the percentage voltage deviation observed on Ceres area 400 V (LV) busbars. In the figure, the voltage deviation is sorted from highest to lowest, left to right.

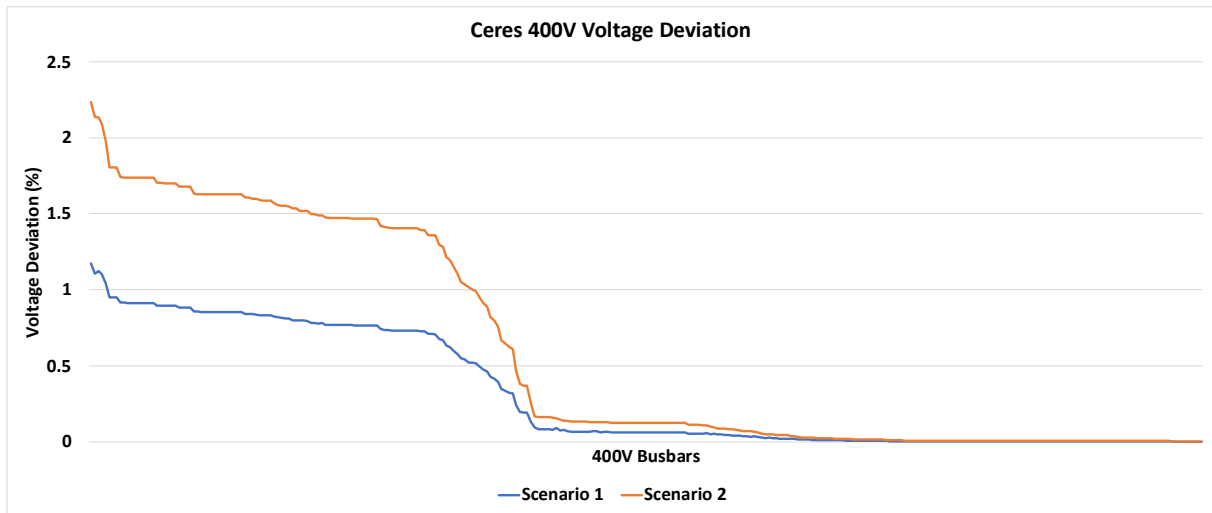


Figure 7: Ceres 400V Voltage Deviation

As seen in Figure 6 and Figure 7, most of the busbar voltage deviation observed is below 1% for Scenario 1 (15% SSEG) and below 2% for Scenario 2 (30% SSEG).

For Wolseley and Tulbagh, a similar approach was used to calculate voltage deviation on the 11 kV and 400 V busbars. The results showed much smaller deviations compared to Ceres. Table 12 summarizes voltage deviation results in each area for Scenario 1 and Scenario 2.

Table 12: Voltage Deviation results

Supply Area	11kV Voltage Deviation				400V Voltage Deviation			
	Highest Deviation (%)		Average Deviation (%)		Highest Deviation (%)		Average Deviation (%)	
	Scenario 1	Scenario 2	Scenario 1	Scenario 2	Scenario 1	Scenario 2	Scenario 1	Scenario 2
Ceres	1.31	2.48	0.29	0.55	1.18	2.23	0.31	0.60
Wolseley	0.07	0.14	0.02	0.05	0.05	0.09	0.03	0.05
Tulbagh	0.11	0.21	0.06	0.11	0.11	0.21	0.06	0.12

The voltage deviation results observed in Ceres show that for Scenario 2, there are a significant number of busbars that exceed the 1% voltage deviation criteria for LV busbars given in Table 8. The worst affected busbars were observed at distances further away from the intake points.

For Wolseley and Tulbagh, the low voltage deviation observed can be attributed to a healthy base scenario voltage regulation and the fact that PV systems were modelled with unity power factor.

Fault Levels

Fault level increase as a result of the SSEG penetration levels in Scenario 1 (15% SSEG) and Scenario 2 (30% SSEG) was calculated at each 11kV busbar by subtracting the Scenario 1 and Scenario 2 fault levels at each 11kV busbar from the base Scenario fault level at the busbar. Faults were applied only to MV buses in the system and calculated using the IEC method. Table 13 summarizes the maximum three phase fault level increases in each area for Scenario 1 and Scenario 2.

Table 13: Three Phase Fault Level Increase

Supply Area	Highest 11kV Fault Level Increase (A)	
	Scenario 1	Scenario 2
Ceres	82.7	197.9
Wolseley	8.1	15.5
Tulbagh	7.7	15.6

The high fault levels observed in Scenario 2 in Ceres can possibly be attributed to high transformer overloads which were observed on the hypothetical PV systems modelled on 400V busbars in Ceres. In reality, these overloads will not occur because the modelling assumed lumped PV system modelled at a single busbar where in reality the PV systems would be in smaller sizes and distributed along the feeder.

Network Losses

Network losses in the system were calculated in each supply area for each Scenario and the results summarized in Table 14 below:

Table 14: Network Losses

Supply Area	Network Losses		
	S0	S1	S2
	kW	kW	kW
Ceres	172.2	141.9	122.2
Wolseley	7.9	6.7	6.1
Tulbagh	14.2	11.9	10.4

The results show a decrease in network losses for increased levels of SSEG in the network.

Reverse Power Flow

The likelihood of reverse power flow into the MV feeder source (intake substations) was assessed by comparing typical solar generation profiles of the total installed SSEG capacity (PV Systems) modelled in Scenario 1 and Scenario 2 to the load profiles in each supply area. A typical low load day was selected for the comparison. Figure 8, Figure 9, and Figure 10 show the load profiles versus the PV generation profiles for Ceres, Wolseley, and Tulbagh. The PV generation profiles in the figures represent typical PV profiles, and were not based on actual site conditions (solar irradiance levels) in the study area. The load profiles were selected for a typical low load day and do not represent the study area 'absolute' minimum loads. The graphs show that there is a significant chance of reverse power flow into the MV feeder source (intake substations) for Scenario 2 (30% SSEG), especially in Ceres and Wolseley and during low loading conditions.

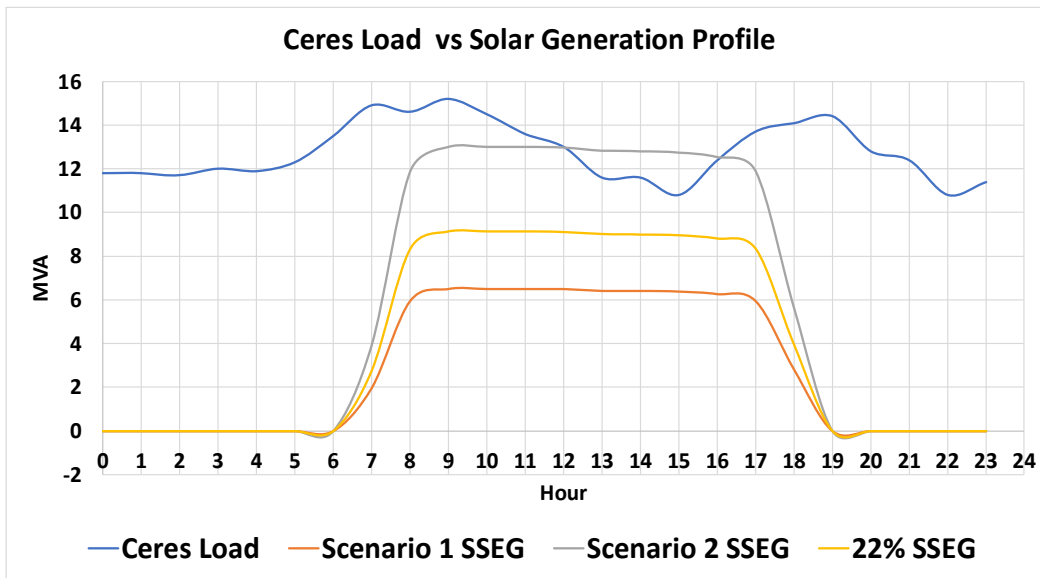


Figure 8: Ceres Load vs PV Generation Profile

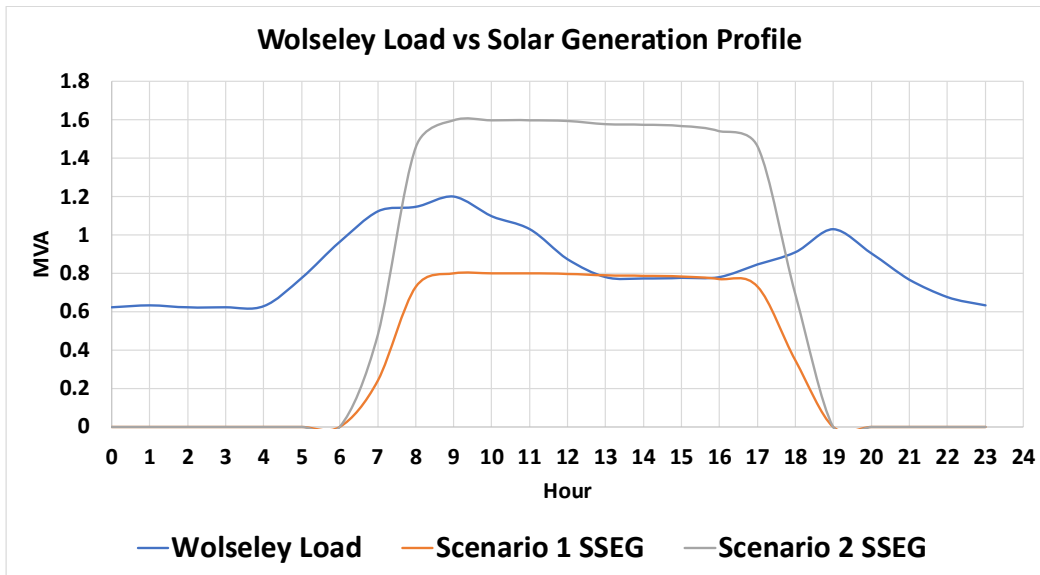


Figure 9: Wolseley Load vs PV Generation Profile

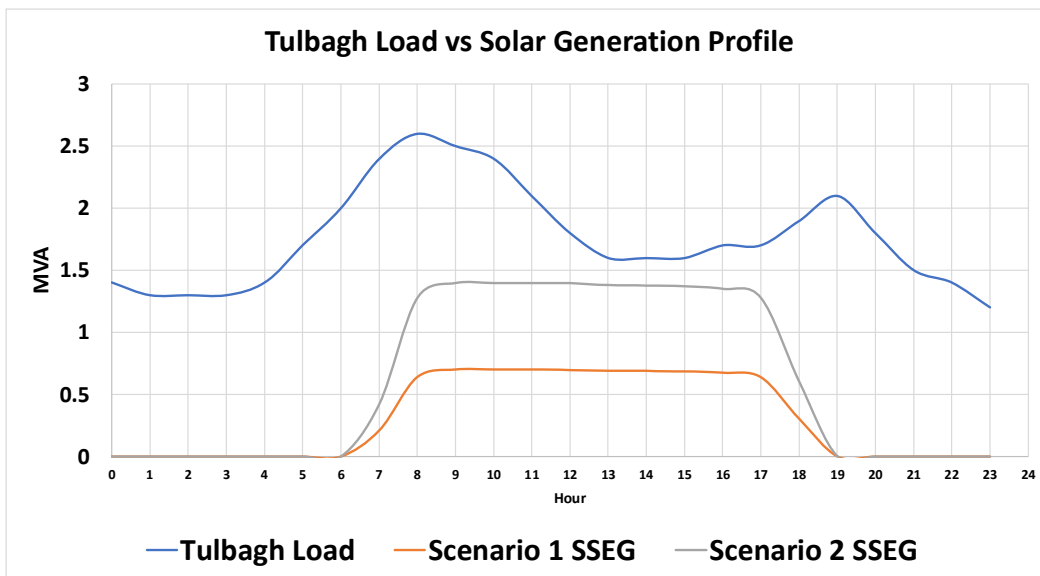


Figure 10: Tulbagh Load vs PV Generation Profile

Conclusions and Recommendations

The study results show the technical impacts of varying levels of SSEG on the voltage regulation, fault levels and chance of reverse power flow into intake substations in the Witzenberg distribution network. The study highlighted the impact of increasing the installed capacity of SSEG beyond the 15% of NMD by analysing two network scenarios with different levels of installed capacity of SSEG.

Scenario 1: installed capacity of SSEG is **15% of the peak load** (NMD) at each of the supply areas

Scenario 2: installed capacity of SSEG is **30% of the peak load** (NMD) at each of the supply areas

1. Voltage rise in the network

The study results show that in Ceres, voltage rise on the MV and LV busbars were limited to 1% for Scenario 1 and 2% in Scenario 2. In Wolseley and Tulbagh, voltage rise caused by Scenario 1 and Scenario 2 SSEG limits were below 1%.

2. Thermal loading

Thermal overloading of lines and transformers were not observed in this study. A few transformers were observed to overload at points of connection where lumped, hypothetical PV systems were modelled. These overloads will not occur in reality as generation will rarely exceed the load at a given connection point and PV systems will be sized to minimize the magnitude of this exceedance.

3. Network Losses

The study results show a decrease in network losses for both Scenario 1 and Scenario 2.

4. Fault level contribution

The impact on fault levels in the system were calculated for Scenario 1 and Scenario 2. Although fault levels were higher in Scenario 2, the fault level increase calculated in this study is will not require reconfiguration of existing protection relays.

5. Reverse power flow

Reverse power flow into the intake points were not observed for any of the any of the three network Scenarios in the load flow simulation study. When considering the study area minimum loads, there is a high probability of reverse power flow in Scenario 2 and a lower probability in Scenario 1.

6. Witzenberg SSEG Capacity

Voltage rise results from the load flow study show a significant number of busbars, further away from the intake points, that violate the 1% voltage rise criteria limit from in Scenario 2 (30% SSEG). It should be noted that the approach used in this study for Scenario 2 was to double the installed capacity of each SSEG installations in Scenario 1 to assess the impact on the network. The effect of voltage rise on the network is greater when the generation output from a PV system exceeds the associated load which was indeed the (unrealistic) case in most of the PV systems in Scenario 2. In order to make reasonable conclusions about the effect of increased levels of SSEG penetration levels on the distribution network, the study should be conducted with realistic sizes of SSEG modelled instead if the hypothetical generators modelled in this study.

The study shows that during low load conditions and Scenario 2 (30% SSEG), there is significant chance of reverse power flow into MV intake point sources. Reverse power flow into the intake substations represents conditions in which no power is drawn from the grid and the area is supplied completely from embedded generation. This scenario should be avoided as it generally requires isolation from the grid supply (intake points). Table 15 summarises the potential risk of reverse power flow into the intake substations for each supply area and for Scenario 1 and Scenario 2.

Table 15: Risk of Reverse Power Flow into Intake Substations

Supply Area	Limiting Criteria	Scenario 1 (15% SSEG)	Scenario 2 (30% SSEG)
Ceres	Reverse Power flow into intake substations	No problem	High Risk
Wolseley		Medium Risk	High Risk
Tulbagh		No problem	High Risk

Based on the results from this study, SSEG capacity limits shown in Table 16 below are proposed in each supply area. The limits are calculated based on the current policy of Witzenberg which limits the total installed capacity of SSEG to 15% of Witzenberg municipalities NMD for each supply area. For Ceres, the planned NMD is used in the calculation of the SSEG limit. At the proposed limits in Table 16, reverse power flow into the intake substations and any of the other negative technical impacts mentioned in this report are low, except for reverse power flow in Wolseley for the 15% limit.

Table 16: SSEG limits per Supply Area

Supply Area	SSEG limit (MVA)
Ceres	6.225
Wolseley	0.78
Tulbagh	0.675

7. Future SSEG technical impact studies

Future SSEG technical impact studies should include the following:

- Studies at minimum and maximum loading conditions
- Studies with transformer tap changer parameters and settings
- Studies with PV systems operating at different power factors
- Studies to determine possible network upgrades that reduce the effect of voltage rise on the network caused by SSEG
- Studies on the LV feeders
- Fault level studies on the LV network
- PV systems modelled with actual equipment parameters instead of generic parameters used in this study
- Generation output meter data of existing PV systems in the study area
- PV systems modelled at the correct locations, at the correct voltage level instead of the lumped hypothetical systems modelled in this study
- PV generation profiles should be modelled and assessed based on actual solar irradiance levels of the study area to better understand the impact on the network load profiles
- Other forms of embedded generation in the network such as diesel generators and battery storage systems

Estimated Solar PV Energy Output

The estimated energy generated per annum of the existing and anticipated penetration levels of SSEG in the network is shown in Table 17 and was calculated based on the following assumptions:

- All existing and future SSEG installations are Solar PV type

- Global Horizontal Irradiation (GHI) data for the three supply areas are (Solargis data):
 - Ceres: 1796 kWh / sqm
 - Tulbagh: 1984 kWh / sqm
 - Wolseley: 1979 kWh / sqm
- Gain from tilt in solar panels = 7%
- Performance ratio (including all system losses) = 82 %
- Anticipated penetration levels are based on the current policy at Witzenberg which limits the total installed capacity of SSEG to 15% of the NMD for each supply area

Table 17: Current and Anticipated SSEG Installation Capacity and Energy Generated per annum

Supply Area	Installed capacity (kWp)		Estimated Generated Energy (kWh per annum)	
	Current Installations	Anticipated Penetration (15% SSEG)	Current Installations	Anticipated Penetration (15% SSEG)
Ceres	4124	6225	6,498,343	9,809,420
Wolseley	200	780	348,152	1,357,794
Tulbagh	5	675	7,987	1,172,053
Total	4328	7680	6,854,482	12,339,267

SSEG Plant and Energy Storage

An investigation into the feasibility of a municipality owned solar PV plant with the primary goal to reduce the impact of financial penalties incurred for exceeding the NMD was conducted. Bon Chretien substation intake point in Ceres is currently affected the most by the NMD exceedances and it was therefore decided to limit the investigation to the Ceres area. Table 18 below summarises the NMD exceedance over the last three years in Ceres.

Table 18: NMD and Actual MD in Ceres

Year	Ceres		Bon Chretien		Kragstasie	
	NMD	Actual MD	NMD	Actual MD	NMD	Actual MD
2019		36.4		24.2		14.0
2020	36.5	39.4	22.0	25.7	14.5	15.0
2021		37.0		31.0		14.6

NMD exceedance was observed typically during the evening when Solar PV generation is low. Figure 11 shows a typical daily load profile of Ceres for a high demand day. In the figure, the NMD is shown with a horizontal orange line. As shown in Figure 11, the NMD is exceeded by 2.2 MVA (38.7 - 36.5 MVA).

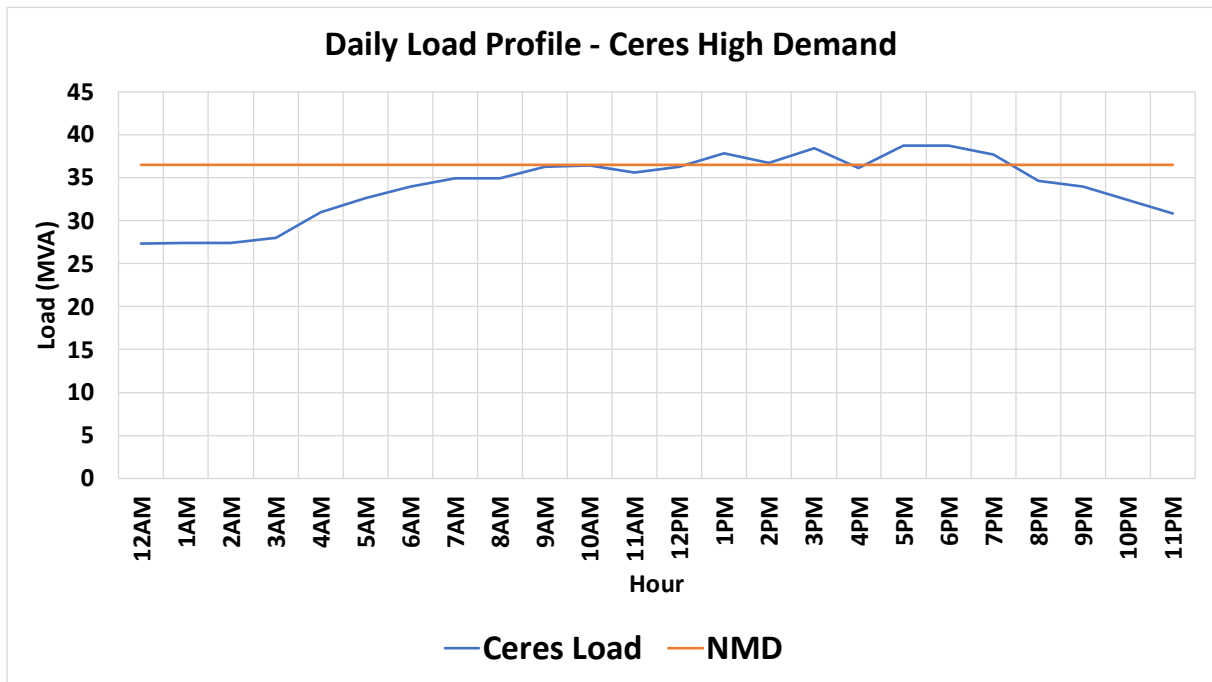


Figure 11: Ceres High Demand Daily Load Profile

A high-level approach was used in determining the system size requirements for the Solar PV plant and Battery Energy Storage System (BESS). The rated power capacity of the battery system should be large enough to reduce the evening peak demand when Solar PV generation is zero. Based on the values in Table 18 and Figure 11, a storage system between 2 MVA and 5MVA is sufficient to reduce the evening peak below the NMD. High level estimates of the capital costs, land requirements and technical requirements associated with the evacuation of generated power into the existing network were considered in determining the size of the Solar PV plant. Table 19 lists two design options that were considered in the investigation and the associated system sizing:

Table 19: Solar PV Plant and BESS Options

Solar PV Plant and BESS	Size
Option 1	10 MVA Solar PV with 2.5 MVA 7.5 MVAh BESS
Option2	15 MVA Solar PV with 3.5 MVA 10.5 MVAh BESS

Figure 12 and Figure 13 show the resultant load profile for the high demand day for Option 1 and Option 2 of the proposed Solar PV plant and BESS. The new demand seen at the intake substations is shown by the green line. As seen in the figures, solar energy from plant is used to charge the battery during the day. In the evening, the battery discharges to reduce the demand. Both options show that the demand can be reduced to below the NMD for Ceres. The solar PV generation profiles in the figures represent generic curves of typical generation output. Generation profiles vary on a daily and seasonal basis depending on the variation in solar radiation. Rainy or cloudy days are also expected with no solar PV generation. To prevent NMD exceedances on such days, other forms of generator and storage technologies such as diesel or gas generators may be considered.

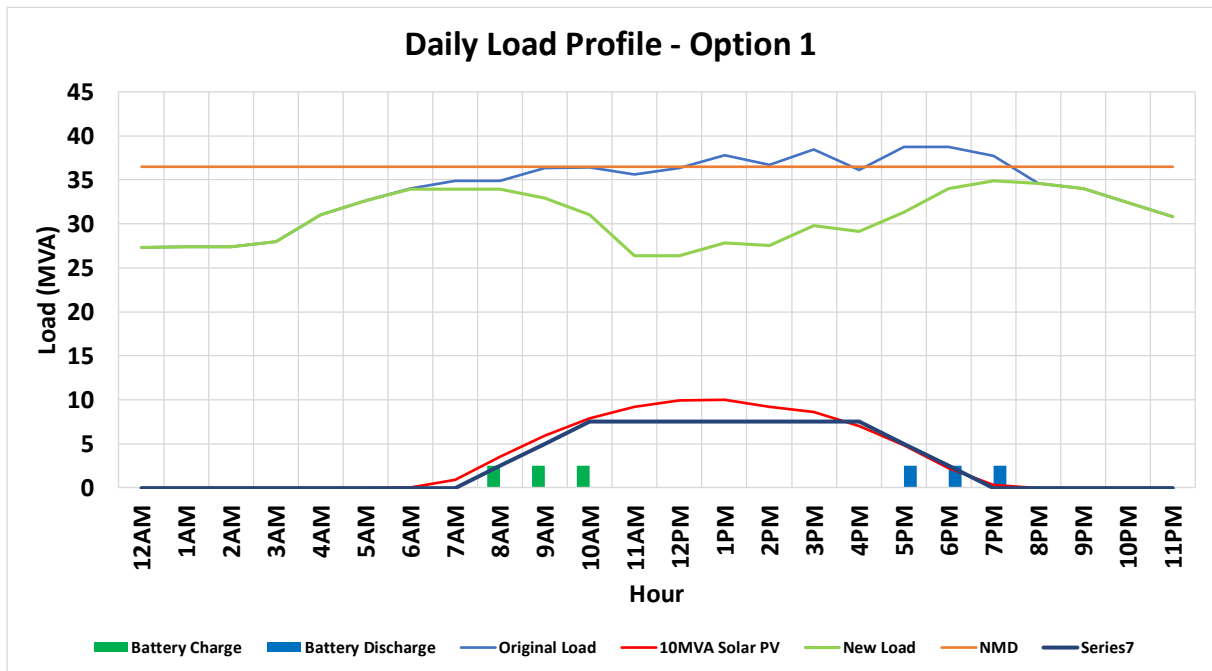


Figure 12: Ceres High Demand Daily Load Profile – Option 1

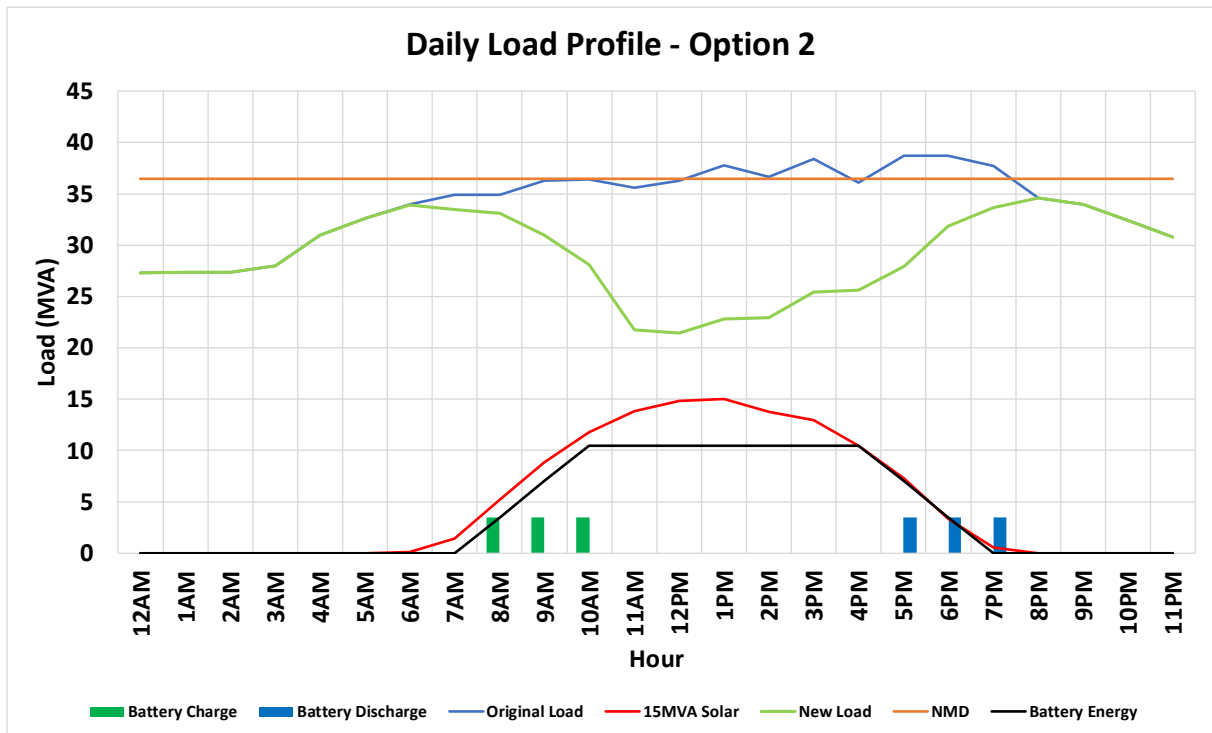


Figure 13: Ceres High Demand Daily Load Profile - Option 2

Financial review of Required Revenue

Introduction

Although rapid small-scale embedded generation (SSEG) adoption has the potential to benefit municipalities by lowering electricity costs and reducing technical losses, many municipalities have legitimate concerns about how these systems will affect their networks/technical operations, as well as electricity-related revenue. To address and mitigate any adverse impacts caused by SSEG installations appropriate regulations and tariffs are required. Understanding the cost of supply provides a foundation for determining tariffs and should be the starting point of assessing the short medium- and long-term requirements for municipal revenue.

As Witzenberg Local Municipality has not compiled a cost of supply study, this report only focusses on the potential impact of SSEG installation on the revenue requirement and not the cost or structure of existing tariffs. As such it is recommended that a formal cost of supply and tariff setting study is performed to refine the results in this report as well as the proposed tariffs Interim SSEG tariff and implication assessment report (Aurecon, 2020).

The purpose of this section is to:

- Describe the effects of renewable energy installations on Municipal sustainability.
- Assess the sustainability of providing energy over a 10-year period.
- Discuss the effect on revenue considering the SSEG tariff vs. doing nothing.
- Review the proposed REFIT tariff; and
- Discuss any possible revenue loss/gain.

Methodology

Structure of SSEG tariffs

South African electricity pricing policy indicates that economic efficiency/cost reflectivity should be the foundation of rate setting. Electricity tariffs need to cover the costs of supplying the related energy and should be constructed by considering the underlying costs. The typical cost structure for South African municipalities is determined by NERSA, depicted in Figure 14, and is compiled from a survey performed on the annual D-Forms.

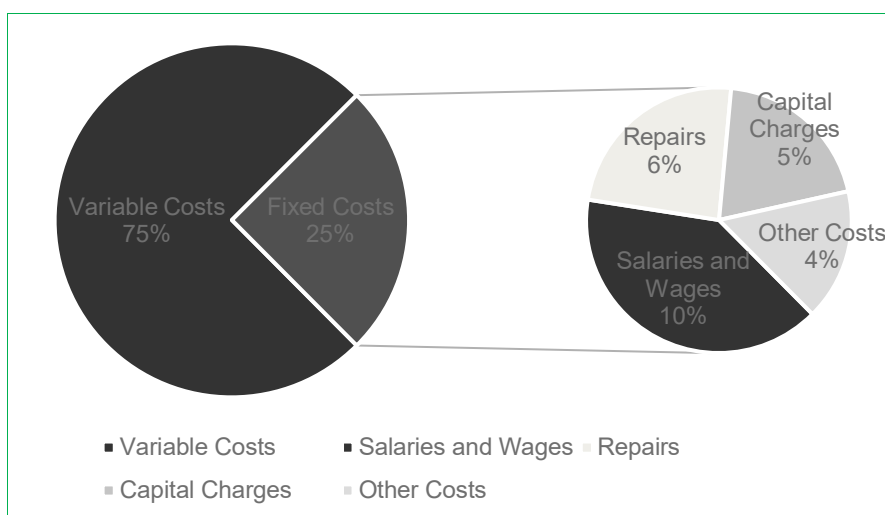


Figure 14: Average municipal cost structure

The cost structure includes a variable portion (mostly related to energy and vary with the quantity of energy sold) and a fixed portion (stable monthly or annual costs).

SSEG tariffs typically have three components: a fixed charge, an import tariff and an export tariff:

- The fixed charge covers the demand- and customer-based costs of providing a grid connection to the SSEG customer. Because most SSEG customers remain connected to the grid and continue to draw electricity from the grid at certain times of day, the grid must still be operated and maintained. It is thus important that SSEG customers pay a fixed charge to cover the costs of operating and maintaining the grid. GreenCape (2016) recommend that the fixed charges for a SSEG customer are the same as for non-SSEG customers. The inclusion of a fixed charge in an electricity tariff is vitally important in an environment where SSEG uptake is growing as this ensures that a municipality continues to generate revenue to operate and maintain the grid.
- The import tariff is the consumption-based tariff that a SSEG customer pays to the municipality for the electricity that it draws from the grid. This can be at the same level as the consumption-based charge for non-SSEG customers.
- The export tariff is sometimes referred to as a Feed In Tariff (FIT). This is the tariff that the municipality pays to the customer for electricity that the customer feeds back into the grid from its SSEG system.

When revenue recovery is based on a single volumetric charge (excluding a fixed cost), SSEG customers tend to contribute disproportionately compared to customers with a conventional connection. A fixed charge is typically introduced in the SSEG tariff structure to ensure the required contribution is adequate.

The Interim SSEG tariff and implication assessment report (Aurecon, 2020) considered the following:

- An average tariff (for peak, standard and off-peak energy charges) was used to estimate the total customer charge;
- A flat Feed-In-Tariff of R0.50 / kWh (including VAT) across customers was assumed, as per the recommended NERSA guidelines.
- A fixed charge based on customer type (R 1200 per month for TOU or bulk users, R 600 for commercial customers and R 50 for residential customers).

SSEG installations can affect a municipality's revenue in a number of ways. Figure 15, below, shows the basic architecture of the revenue impact of the model. Revenue is reduced in two ways: reduced sales volume to SSEG customers and compensating these customers for the electricity that is fed onto the grid. At the same time the municipality's costs decrease because of (i) a reduction in bulk power purchases from Eskom, (ii) a reduction in technical losses from these purchases, and (iii) cheaper electricity from SSEG customers can be on-sold to other customers with a slightly higher profit margin than from the bulk purchases.

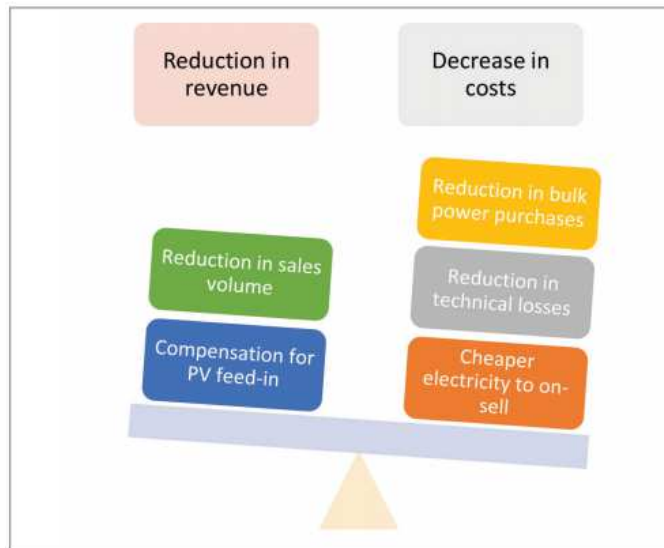


Figure 15: Factors affecting municipal revenue with the installation of solar PV

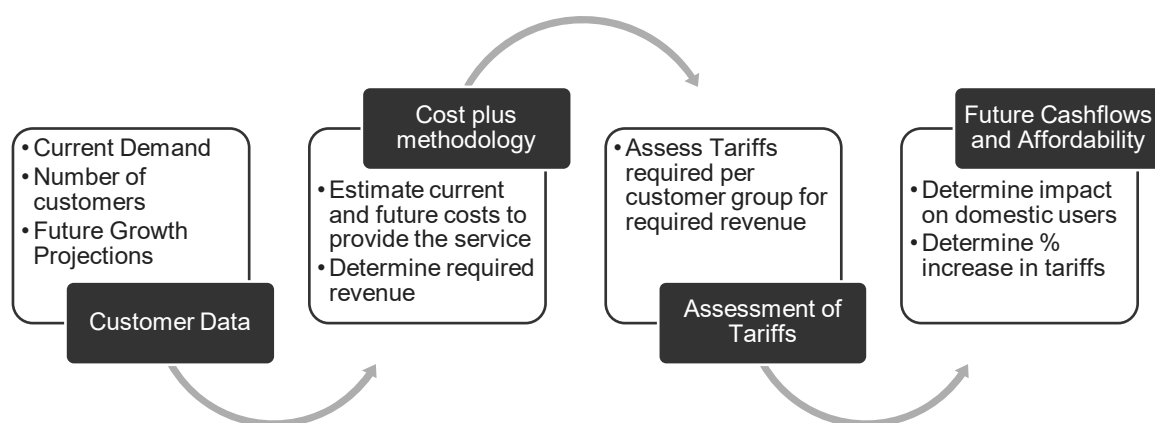
Source: SALGA / GIZ SSEG Impact Model Guidelines

When setting tariffs, it is important to balance cost recovery for services and utility sustainability with fair grid access and affordable tariffs. These are key objectives of South Africa’s energy sector, as highlighted in the White Paper on Energy Policy (1998) and the Electricity Pricing Policy (2008). Therefore, it is vital to understand the impact of SSEG tariffs on a customer’s electricity bill.

Experience suggests that if the tariffs are too unattractive, frustrated customers will be driven to invest in off-grid solutions or connect their SSEG installations illegally. To consider the customer’s perspective, the Interim SSEG tariff and implication assessment report (Aurecon, 2020) indicates how favourable the customer’s business case is to install solar PV under the proposed SSEG tariffs by calculating the payback period of the solar PV installation – i.e., the time it takes the savings on the customer’s monthly electricity bill to recover the initial cost of the installation.

To develop a view on the impact on municipal revenue the approach adopted in this section has been segmented into an assessment of:

- 1) Customer information, sourced from Witzenberg Local Municipality, used as the baseline information for the assessment, including demand per customer group, number of customers per group, growth/decline in demand as per historic trends etc.
- 2) The required revenue per annum, based on the cost-plus methodology and used to determine the required revenue (adjusted for an appropriate surplus) as per the National Energy Regulator of South Africa’s (NERSA) Cost of Supply Framework;
- 3) The required tariffs, and annual increases, per customer group to address the revenue requirement; and
- 4) The impact on affordability by assessing a typical monthly electricity bill and assessment of the impact on tariff increases versus the anticipated baseline increase in energy costs.



Customer Data

The monthly energy statistics including customer type, number of customers and total consumption were provided by Witzenberg Local Municipality. A summary of the customer information is provided in Table 20.

Table 20 Customer Information

Customer Number	Customer Category	Customer Name	Descriptor	Number of Customers	Demand (kWh)
C1	Commercial	1 Phase	150A	2	236 993
C2	Commercial	1 Phase	20A	6	72 582
C3	Commercial	1 Phase	40A	34	701 235
C4	Commercial	1 Phase	60A	8	375 192
C5	Commercial	1 Phase	80A	8	179 823
C6	Commercial	3 Phase	100A	55	3 427 989
C7	Commercial	3 Phase	150A	63	3 952 313
C8	Commercial	3 Phase	200A	20	1 245 562
C9	Commercial	3 Phase	20A	2	122 295
C10	Commercial	3 Phase	250A	30	1 957 094
C11	Commercial	3 Phase	30A	1	11 594
C12	Commercial	3 Phase	40A	5	257 696
C13	Commercial	3 Phase	60A	33	1 971 066
C14	Commercial	3 Phase	80A	33	2 021 050
C15	district	(blank)	< 1000	30	1 401 989
C16	district	(blank)	> 1000	127	5 984 485
C17	Domestic	1 Phase		1 372	10 118 181
C18	Domestic	3 Phase		83	2 454 414
C19	Normaal < 1 MVA Hoogspanning	Normaal < 1 MVA Hoogspanning		6	7 819 230
C20	Normaal Laagspanning	Normaal Laagspanning		39	12 453 669
C21	Sport	sport		8	62 087
C22	streetlight	streetlight		84	2 471 495
C23	Tyd - Laagspanning	Tyd - Laagspanning		2	1 927 989

Customer Number	Customer Category	Customer Name	Descriptor	Number of Customers	Demand (kWh)
C24	Tyd < 1 MVA Hoogspanning	Tyd < 1 MVA Hoogspanning		6	8 826 746
C25	Tyd > 1 MVA Hoogspanning	Tyd > 1 MVA Hoogspanning		6	74 144 219
C26	Prepaid	Prepaid		10 624	33 499 225
	Total			12 687	177 696 212

Cost plus methodology to determine required revenue

The Cost Plus methodology determines the revenue requirement by allowing the municipality to recover the total cost to supply electricity, including a reasonable margin that is represented by a percentage surplus. The methodology is depicted in Table 21, and considers:

- purchases [this includes purchases from Eskom, Independent Power Producers (IPPs), own generation and other sources];
- operating costs;
- repairs and maintenance;
- depreciation/amortisation of refurbishment and capital costs;
- interest on loans; and
- shared costs.

The cost plus methodology is summarised in Table 21, with detail pertaining to the subsections listed below.

Table 21: Approach to the Cost Plus Methodology

Total Required Purchases (kWh)				
(a) Sales forecast (Expected sales to customers)				X
(b) Electricity purchased for own use				
(c) Street lighting				X
				X
(d) = (a) + (b) + (c) Total sales forecast				X
(e) Allowable loss factor (Represents a percentage energy loss of 10%) ²				1.10
(f) = (d) x (e) Required purchases				xx
Sources of Electricity Purchases	(g) Volume (kWh)	(h) Weight (%)	(i) = (j) / (g) Average Purchase Price(c/kWh)	(j) = (g) X (i) Total Cost (R)
Purchases from Eskom				X
Purchases from IPPs				X
Own Generation				X
Purchases - Other options				X
Total		100%		xx
Add other costs				
Operating expenditure				X
Shared costs				

Depreciation/amortisation of refurbishment and capital costs	X
Interest on loans	X
	X
(k) Total costs before Repairs and Maintenance (R&M) costs	xx
(l) = (k) x 6% Repairs and Maintenance costs at 6% of total costs before R&M	X
(m) = (k) + (l) Total costs before surplus	xx
(n) = (m) + 15% Add surplus allowable	15%
(o) = (m) + (n) Total Allowable Revenue	xxx
(p) = (o) / (f) Average selling price	X
(q) Previous year price	X
(w) = (p) / (q) - 1 x 100 Average percentage price increase	X %

Purchases

This takes into account purchases from Eskom, IPPs, other sources and own generation. The forecast purchases include street lighting electricity, own use electricity and the allowable loss factor. The allowable loss factor is defined as 10% of total anticipated purchases (refer to Table 21 above). This represents a 10% energy loss as per current NERSA benchmarks. The tolerable range for energy losses is 5-12%.

The forecast purchases are weighed against the percentage contribution of each source of electricity to arrive at the average purchase price (APP) and consequently, the total purchase cost of a licensee.

Operational expenditure

Allowable expenses relate to all expenses that are incurred in the production and supply of electricity. These costs include normal operating expenditures such as manpower or labour costs and overheads (centrally administrative and general expenses allocated) that are normally recovered within one financial year but excludes refurbishment costs that must be capitalised.

The anticipated operational requirement has been based on the Interim SSEG tariff and implication assessment (Aurecon, 2020).

Depreciation

- Depreciation shall be based on the straight-line method of depreciation and on the expected useful life of the assets.

Repairs and maintenance

A minimum of 6% of total cost (before profit margin) is allowed for repairs and maintenance.

Margin

After total costs have been ascertained, the revenue requirement will be determined by adding a profit margin. The margin is represented by the surplus to be earned by the licensee. The surplus is determined by the Energy Regulator after taking into account the peculiar circumstances of each licensee. Currently, the Energy Regulator uses a tolerable range of 10-20% and a target of 15% on the percentage surplus.

Benchmarks

NERSA has a series of financial benchmarks that suggests municipalities should operate within to maintain a sustainable and efficient energy business. The financial benchmarks shown in Table 22 formed the basis to determine the financial sustainability of Witzenberg’s electrical services.

Table 22: NERSA financial benchmarks for municipalities

	Benchmark ¹	Acceptable Range
Percentage Power Cost	75%	58% – 78%
Percentage Surplus	15%	10% – 20%
System Losses	10%	10% – 12%
Average Sales Price to Average Purchase Price Ratio	1:1.58	1:1.58 – 1.62
Repairs & Maintenance	Minimum of 6%	
Debt Collection Rate	95%	85% – 100%
Gross Profit Margin	58%	58% – 62%
Net Profit Margin	15%	10% – 20%

Assessment of tariff increases

The methodology and accompanying tool outline a simple process for calculating municipal tariffs, which comprises the following key steps:

1. Determine a basic cost of supply for each service as a whole
2. Determine the revenue requirement for each service as whole
3. Assess the customer mix and allow for growth in number of customers and volumes sold
4. Determine the average unit cost per customer category
5. Determine the revenue requirement per customer category
6. Select a tariff structures and calculate the tariffs

Determine the cost per customer group

In this methodology, determining the cost per customer group is a simple process of allocating direct and indirect costs to different customers based on consumption.

Determine the revenue requirement

After determining the basic cost per customer group, the required revenue was determined using the cost plus methodology.

The Municipal Fiscal Powers and Functions Act Number 12 of 2007 allows municipalities to levy a surcharge on tariffs in appropriate circumstances. This is a “charge in excess of the municipal base tariff that the municipality may impose on fees for a service provided by or on behalf of the municipality”. Consequently, the municipality would generate a surplus on its budget. For electricity, the NERSA tariff guidelines and benchmarks recommends a surplus of 15% (NERSA, 2019: 15).

Assess the customer mix and allow for growth

There are three types of data that may be important in setting tariffs for customers. These are data on:

- the volumes of service sold to each customer category,
- the demand for services by each customer category, and
- the total number of customers in each category.

Tariffs are set for a financial budget year but data on volumes sold, demand and number of customers will be actual data based on a current or previous financial year. Therefore, the sales volumes,

¹ Adapted from municipal tariff guideline increase, benchmarks and proposed timelines for municipal tariff approval process

number of customers, and demand for services data were adjusted upwards to reflect anticipated sales volumes, customer numbers and demand for the forecast period.

Determine the average unit cost per customer category

After the total cost was calculated and the customer mix assessed, the average unit cost per customer category was determined.

Variable costs were allocated between customer categories based on the volume of a service sold to that category. This was based on the kWh sold per respective customer category.

For this assessment the total volume of energy sales in kWhs for different customer categories was used to allocate fixed costs.

Calculating the average unit cost per customer category

Unit costs are calculated in order to provide a basis for comparing tariffs levied to unit costs.

The average fixed cost of a single unit per customer category is calculated by dividing the total fixed cost per customer category by the total number of customers in each category. Average variable costs per customer category are calculated by dividing total variable costs per category by total volumes sold to each category.

Determine the revenue requirement per customer category

The revenue requirement per customer category is calculated by allocating non-tariff revenue sources, deficits and surpluses between customer categories to determine the revenue required per customer category.

Although there is a need to allocate non-tariff revenue sources between customer categories, the effect of non-tariff related revenues have been omitted for this study. Recall that non-tariff revenue sources include operating grants and subsidies, property rates, other income sources, and non-tariff service charges and have been kept constant to assess the impact of the tariff alone.

Operating grants and subsidies are typically allocated to any customer category that has been defined as indigent or lifeline. This will reduce the revenue required from that customer category and thus lower the tariff. No allowance has been made for lifeline or indigent customers as the electrical statistics received did not delineate between residential customers and indigents.

Select a tariff structure and calculate the tariffs per customer group

Fixed charges are unrelated to the amount of service sold to the customer. Fixed charges may be levied on various bases, for example per customer or per demand. Fixed charges are the simplest tariff structure. They are a mechanism for recovering the fixed costs of providing a service (customer or demand costs) but not very effective at recovering variable costs.

In the current environment, with sales of electricity declining, including a fixed charge in a tariff structure to cover at least a portion of the fixed costs of providing the service is increasingly regarded as best practice. Ideally, the fixed charge should cover 100% of the fixed costs. However, this may result in a fixed charge that is unaffordable to poor households. As a result, there may be a need to reduce the fixed charge in order to manage the potential regressive impacts on poor households. The energy demand has been used in this study to assign costs to a specific customer group.

Consumption-based tariffs are levied per unit that the customer consumes. Consumption-based tariffs are considered equitable because a customer who uses more of a service will pay more for the service.

The current tariff structure (including fixed and variable charges) has been used as the starting point of this assessment.

Table 23 Average Cost Tariff Applied per Customer Group

ID	Tariff Group	Tariff Name	Descriptor	Basic Charge Per Month (R/month)	Block 1 (R/kWh)	Block 2 (R/kWh)
C1	Commercial	1 Phase	150A	1 393.44	2.11	
C2	Commercial	1 Phase	20A	442.55	2.11	
C3	Commercial	1 Phase	40A	809.38	2.11	
C4	Commercial	1 Phase	60A	976.51	2.11	
C5	Commercial	1 Phase	80A	977.86	2.11	
C6	Commercial	3 Phase	100A	2 205.37	1.87	
C7	Commercial	3 Phase	150A	2 705.85	1.87	
C8	Commercial	3 Phase	200A	3 233.08	1.87	
C9	Commercial	3 Phase	20A	1 421.25	1.87	
C10	Commercial	3 Phase	250A	3 304.35	1.87	
C11	Commercial	3 Phase	30A	1 594.19	1.87	
C12	Commercial	3 Phase	40A	1 594.19	1.87	
C13	Commercial	3 Phase	60A	1 703.41	1.87	
C14	Commercial	3 Phase	80A	1 822.23	1.87	
C15	district	(blank)	< 1000	693.41	1.84	
C16	district	(blank)	> 1000	1371.12	1.84	
C17	Domestic	1 Phase		0	1.85	3.10
C18	Domestic	3 Phase		0	1.05	1.51
C19	Normaal < 1 MVA Hoogspanning	Normaal < 1 MVA Hoogspanning		11257.72	1.17	
C20	Normaal Laagspanning	Normaal Laagspanning		9158.15	1.27	
C21	Sport	sport		0	2.47	
C22	streetlight	streetlight		0	2.07	
C23	Tyd - Laagspanning	Tyd - Laagspanning		9008.99	1.48	
C24	Tyd < 1 MVA Hoogspanning	Tyd < 1 MVA Hoogspanning		9918	1.47	
C25	Tyd > 1 MVA Hoogspanning	Tyd > 1 MVA Hoogspanning		16567.06	1.39	
C26	Prepaid	Prepaid		0	1.62	2.80

Affordability

It is widely accepted that affordability stands out as one of the fundamental requirements of electricity pricing in developing countries. Electricity has the potential to improve quality of life by bringing convenience and dignity to the ordinary household, while unlocking the potential for a wider array of business activities. However, affordability does not necessarily mean a very low price of electricity.

The process of generating, transporting and delivering electricity has associated costs and these need to reflect in the price of the product to send the correct consumption signals to customers. In order for the electricity supply industry to be sustainable, average tariff levels must reflect the cost of supply and should, as far as possible, exclude inefficiencies. Affordability may, nonetheless, necessitate clearly identified subsidies or cross-subsidies targeted towards specific consumers.

The issue of affordability is complex and there is an extensive literature on the subject. Accurate assessments of affordability can only really be obtained through willingness to pay surveys. However, rules of thumb related to the size of the monthly household bill as a percentage of household income can be a useful rough assessment of affordability. Since municipalities seldom have accurate information on the level of income of their customers, calculating the bill as a percentage of income is likely to require some assumptions about household incomes.

Assumptions

Time related assumptions

The base year for the study is the 2019/20 financial year (last full financial year). Table 24 indicates the escalation factors applied in the revenue forecasts.

Table 24 Escalation factors applied

Increase in costs	Percentage increase in Electricity (Nersa Megaflex average increase)	Percentage Increase in employee related costs (CPI + X%)	Total Increase in employee related costs	Percentage increase in general costs (CPI)
2019/2020	15.63%	1.50%	6.70%	5.20%
2020/2021	8.76%	0.20%	4.40%	4.20%
2021/2022	17.80%	0.50%	5.00%	4.50%
2022/2023	8.00%	0.75%	5.45%	4.70%
2023/2024	5.00%	1.00%	5.70%	4.70%
2024/2025	5.00%	1.50%	6.20%	4.70%
2025/2026	5.00%	1.50%	6.20%	4.70%
2026/2027	5.00%	1.50%	6.20%	4.70%
2027/2028	5.00%	1.50%	6.20%	4.70%
2028/2029	5.00%	1.50%	6.20%	4.70%
2029/2030	5.00%	1.50%	6.20%	4.70%
2030/2031	5.00%	1.50%	6.20%	4.70%

Growth assumptions

The provincial growth rate of 1% has been applied to the growth in customer numbers for future annual periods with an additional allowance of 1% for growth in energy demand per year.

Anticipated Expenditures

The anticipated costs for the base year, depicted in Table 25, was based on the current tariff levels and NERSA cost benchmarks.

Table 25 Anticipated fixed and Variable Costs for the base year

Calculation	Description			2019/2020
(a)	Sales Forecast (Expected Sales To Customers)			177 696 212
(b)	Electricity Purchased for own use			
(c)	Street lighting			
(d) = (a) + (b) + (c)	Total Sales Forecast			177 696 212
(e)	Allowable Loss Factor			109.1%
(f) = (d) x (e)	Required Purchases			193 866 568
	Cost		(g)	191 584 305
	Average Purchase Cost	Eskom	(h)	0.99
	Average Purchase Cost	SSEG		-
				(i) = (g) x (h)
	Sources of electricity Purchases			Total Cost
	Purchases from Eskom			193 866 568
	Purchases from IPP's			-
	Purchase Costs - Eskom			191 584 305
	Purchase Costs - SSEG			-
(j)	Total			191 584 305

Calculation	Description			2019/2020
	General Expenses (please specify below) (Group into 6-main categories)	Percentage of Total Cost	Percentage of Purchase Cost	
	1. Depreciation and Amortisation	1.17%	1.50%	2 873 765
	2. Operational Costs	4.67%	6.00%	11 495 058
	3. Consumables	0.08%	0.10%	191 584
	4. Outsourced services	0.78%	1.00%	1 915 843
	5. Impairment Gain/Loss on Receivables	1.56%	2.00%	3 831 686
	6. Staff Costs	7.78%	10.00%	19 158 431
(k)	Total Costs before repairs and maintenance costs			39 466 367
(l)	Repairs and maintenance costs (Excluding Staff)	1.56%	2.00%	3 831 686
	Repairs and maintenance costs (Staff)	4.67%	6.00%	11 495 058
(m) = (k) + (l) + (j)	total costs before surplus			246 377 417
(n) = (m) + 15%	Add surplus allowable		15%	36 956 612.50

Cost Allocation to Customer Groups

Costs have been allocated to customer groups based on annual energy demand (kWh).

Modelling assumptions

- The estimated total SSEG capacity is aligned to Table 9 of this report, it is assumed that approximately 6 854 482 kWh of the total anticipated limit of 12 339 267 kWh has been allocated to customers in the past. It is therefore assumed that any further demand loss includes the original export of approximately 6 854 482. A difference of 5 484 785 kWh is thus assumed to be available to future SSEG export.
- All further demand losses are modelled to occur instantaneously in a specific year (2021/22) to act as a demand shock to the municipal supply. The demand shock indicates outcomes where the total SSEG limit is consumed and provides insight to potential long term effects on the electricity department's revenue without modelling excessively long periods.
- The model only considers the total loss in demand (kWh) as a whole, including export purchases and fixed cost charges and does not attribute this to any particular customer group.

Results

Effect on revenue considering the SSEG tariff vs. doing nothing

The effect of implementing a REFIT tariff versus doing nothing for varying percentages of demand loss (% PV penetration for a forecast period of 10 years) is indicated in Figure 16 and Figure 17. The impact of a further loss in demand is tested in both figures (in excess of historic demand loss).

The three scenarios considered in these figures include:

- Baseline – Assuming no loss to the system due to customers moving to alternative energy sources. This case is highly unlikely to persist in future due to increasing energy costs and past observed trends in consumer behaviour. The scenario does however provide a reference point for future forecast periods.
- SSEG – the impact of applying the recommended SSEG tariff and fixed cost (Aurecon, 2020) for different levels of demand loss from the municipal supply (% PV penetration).
- Excluding SSEG – the impact of losing demand with no SSEG applied representing a dead-loss to the municipality.

Figure 16 reflects the average annual surplus for a 10 year period. As the total demand for grid energy decreases, the allowed revenue (and total surplus) reduces. The SSEG tariff contains a fixed charge to allow for an equitable contribution between SSEG and non-SSEG customers to network fixed costs and assists with maintaining a neutral revenue.

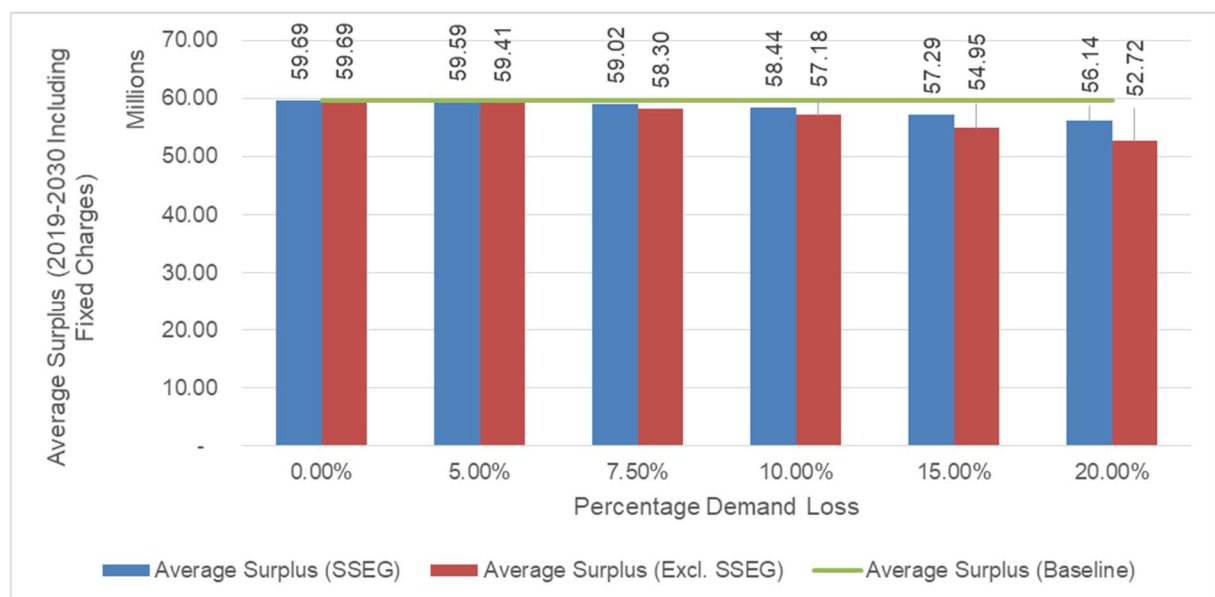


Figure 16: Effect of applying a REFIT tariff compared to Do Nothing (Dead loss)

Figure 17 indicates the average cost price per kilowatt. The implementation of an SSEG export tariff allows the municipality to purchase a percentage of the bulk energy at a reduced cost, the variable component of the total cost. As the total demand loss increases a larger portion of the fixed cost contributes to the average tariff. The steady increase in the SSEG scenario indicates that the fixed cost contribution may not be sufficient at levels exceeding 10% additional loss to the municipal demand and may need to be reconsidered closer to these levels. The effect of not applying an SSEG tariff is both a reduction in the total revenue and a higher monthly electrical bill to the end-user to maintain the required revenue.

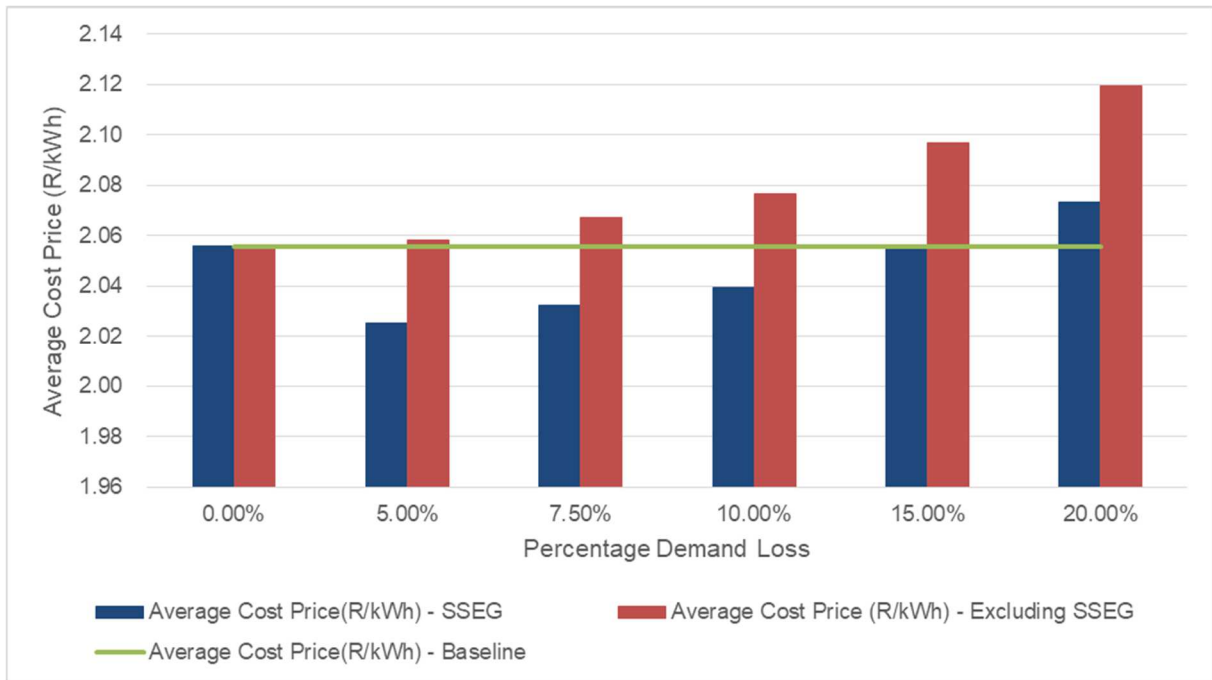


Figure 17: Average cost price of REFIT tariff compared to Do Nothing (Dead loss)

SSEG Limit

Figure 18 indicates the % SSEG export required per % PV penetration to reach the additional SSEG supply of 5 484 785 kWh (refer to Section modelling assumptions). It is important to note that the export is limited by the total installed capacity of SSEG (15% of the NMD for each supply area) and not necessarily the kWh supplied per annum. Figure 18 therefore represents an estimate of the percentage of PV penetration that is recovered through the export process (SSEG supply to municipal bulk requirement) to meet the 5 484 785 kWh SSEG supply.

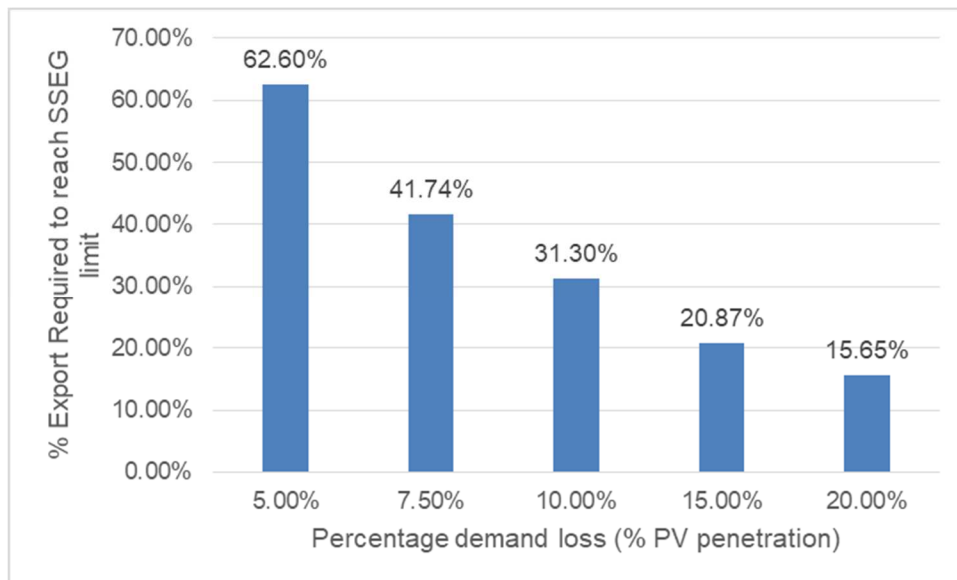


Figure 18 % export required from SSEG customers vs. % PV penetration to reach SSEG limit

Review of the Required Revenue

Figure 19 and Figure 21 depicts the balance between the quantity of total demand lost (5% and 20% of export between Figure 19 and Figure 21 respectively).

The SSEG tariff as proposed in the Interim SSEG tariff and implication assessment report (Aurecon, 2020) provides a neutral impact (almost net-zero) on the required revenue for a demand loss up to an additional 7.5% of the total municipal demand (in excess of historic demand losses).

Figure 20 and Figure 22 summarise the reduction in cost price due to the SSEG exports and Impact on the end-user. Appendix A and B contain sensitivities at various export percentages.

In excess of 7.5% demand loss, a further reduction in the number of customers concentrates the fixed costs on the remaining non-SSEG customers increasing the average cost price per unit of electricity sold. This impacts the selling price, final end-user tariff and higher average monthly bill. If a net neutral revenue is desired beyond a 7.5% loss of the total municipal demand the fixed costs will need to be recovered at a higher rate. Table 26 indicates the percentage increase required to return a net neutral revenue. Any increase in the fixed cost portion of the SSEG tariff needs to be considered from both the revenue retention perspective (municipal interest to protect revenue) and the business case to the SSEG customer (as contemplated in the Interim SSEG tariff and implication assessment report (Aurecon, 2020)).

Table 26 Increase required in fixed costs to deliver a net-zero revenue.

Percentage of Municipal Demand lost	5.00%	7.50%	10.00%	15.00%	20.00%
Factor increase required in fixed costs	1.0885	1.39.54	1.5489	1.7023	1.7790%
Total shortfall	1 240 007.63	2 384 422.83	3 528 838.04	5 817 668.45	8 106 498.86
Additional monthly requirement	103 333.97	198 701.90	294 069.84	484 805.70	675 541.57

The reduction in revenue, as the demand decreases, is a result of the cost plus method utilised in NRS058 to determine the required revenue. As the amount of energy sold decreases, due to a loss of demand, the cost of service delivery’s variable cost component decreases as well. The allowed surplus (assumed as 15%) is based on the total cost of service delivery and considers both the fixed and variable cost components. A reduction in the variable costs therefore reduces the total cost of supply and therefore the quantity of the allowed surplus per annum. Figure 19 and Figure 21 considers the average annual surplus generated for a 10 year period at various levels of PV penetration.

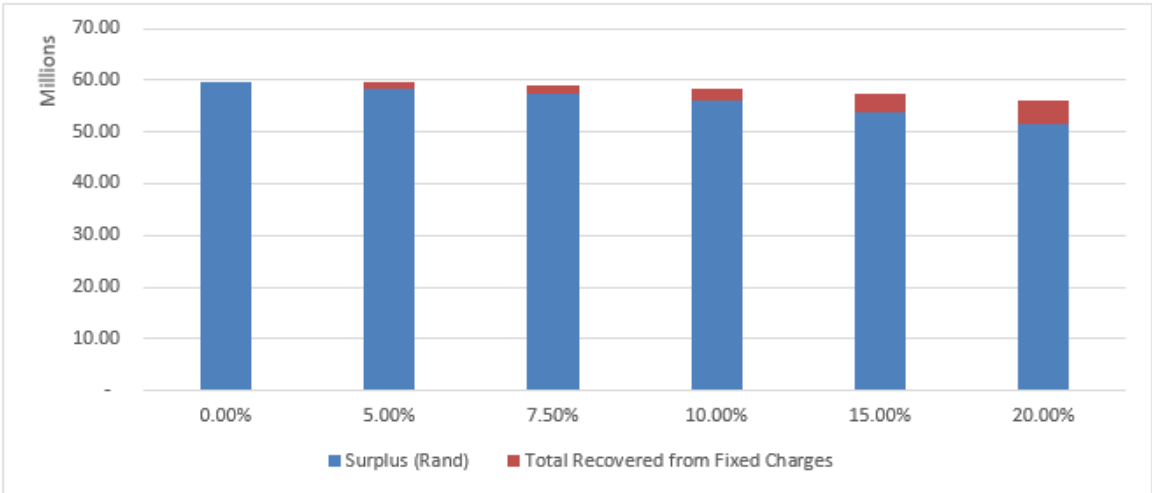


Figure 19 Impact on future revenue (average annual surplus 2019-2030) vs. percent PV penetration (5% export from SSEG)



Figure 20 Average cost price vs. Average selling price for different levels of PV penetration (2019-2030) (5% export from SSEG)

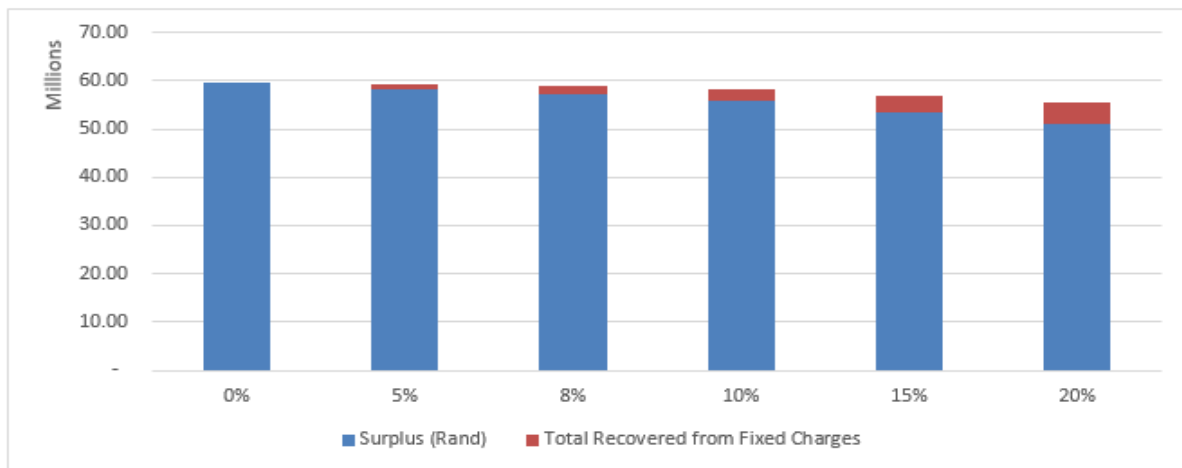


Figure 21 Impact on future revenue (average annual surplus 2019-2030) vs. percent PV penetration (20% export from SSEG)

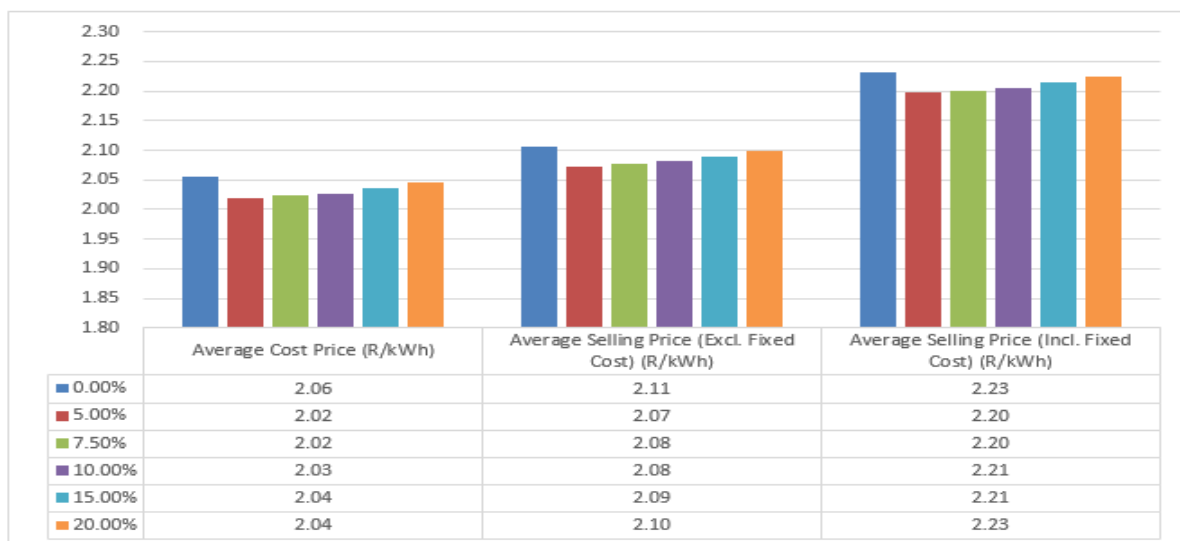


Figure 22 Average cost price vs. Average selling price for different levels of PV penetration (2019-2030) (20% export from SSEG)

Proposed Witzenberg Levy Model

The interim levy model proposed by Witzenberg Local Municipality assesses the required fixed contribution from potential SSEG customers as a function of the installed plant size. In this scenario the REFIT fixed charge is not applicable, however a levy is raised in its place based on the total energy generated (kWh) and a fixed charge (R/kWh) per customer. The levy is based on the Municipal Loss and this loss is raised as a levy.

The following example used by WLM has been sourced from the Energy Plan - Small Scale Embedded Generation (SSEG) presentation dated March 2021:

- A typical 100 kW solar system can generate 168 882 kWh per year in Ceres
- Thus the customer must pay the municipality $R0.272 \times 168\,882 = R45\,950$ per year. (R3830/m)
- Current average cost of energy from Eskom, for municipality, during the time when solar can generate electricity is R0.961 per kWh Excl VAT.
- During the same time period the average selling price of electricity to time of use > 1MW customers is R1.233 per kWh excl VAT CFO verify figures
- Thus for every 1 kWh of energy sold to the customer Witzenberg generates R0.272 of markup or put differently the municipality loses R0.272 per kWh when this customer generates his own electricity with solar.

WLM requirements under the levy model:

- Customer may generate own energy with solar.
- Customer must go onto time of use tariff and must have a 4-quadrant digital meter. Customer must install another 4-quadrant digital energy meter at the solar generator. Customer's cost
- TOU not supported for everybody. No tariff changes.
- Customer must pay the municipality the equivalent of the markup per kWh that the municipality would have generated for every kWh produced by the solar.

The estimated levy of R0.272 has been applied to the SSEG revenue assessment to determine the impact of the proposed levy on future municipal revenue. Similar to the assumptions used to assess the SSEG impact (Summarised under the modelling assumptions), the demand loss (% PV penetration) is assumed to occur instantaneously in 2021/22 as a demand shock. Figure 23 and Figure 24 indicate the impact on the average municipal surplus generated per annum for a 10 year period to compare the impact of the WLM levy model as compared to the normal REFIT tariff fixed charges. Figure 23 and Figure 24 considers a 5% and 20% export from SSEG customers respectively.

In both export cases the WLM levy model produces a more revenue neutral outcome to the municipality when the fixed charge is based on the plant size of the SSEG customer and not a flat rate. Consideration needs to be given to the following if the levy model is to be considered:

- The business case for prospective customers is dependent on the payback period and potential returns generated to compensate for capital expenses incurred with the installation of the off-grid solution. As the levy is based on the SSEG plant size larger plant sizes will increase the revenue from fixed charges from the Municipality's perspective. From the customer's perspective, if larger plant sizes are required to accommodate a target export percentage the reduction in returns per additional kW capacity installed may demotivate customers if the charge is excessive.
- The intent of the fixed cost portion of the REFIT tariff is to recover a correspondingly fair fixed cost when compared to on-grid customers.
- From an allowed revenue perspective the cost plus methodology used by NERSA regulates the returns based on the cost of supply and not a target revenue. This assessment is beyond the scope of this study, but may need to be accounted for when formally assessing the cost of supply and subsequent tariff setting.

Table 27 Witzenberg levy model vs. REFIT fixed charges at various PV penetration levels

Percentage PV penetration	5%	8%	10%	15%	20%
Total Recovered from Fixed Charges (5% export) - WLM levy model	2 085 174.14	3 127 761.21	4 170 348.28	6 255 522.42	8 340 696.56
Total Recovered from Fixed Charges (20% export) - WLM levy model	2 383 056.16	3 574 584.24	4 766 112.32	7 149 168.48	9 532 224.64
Total Recovered from Fixed Charges (5% and 20% export) – Normal REFIT	1 139 175.09	1 708 762.64	2 278 350.18	3 417 525.27	4 556 700.36

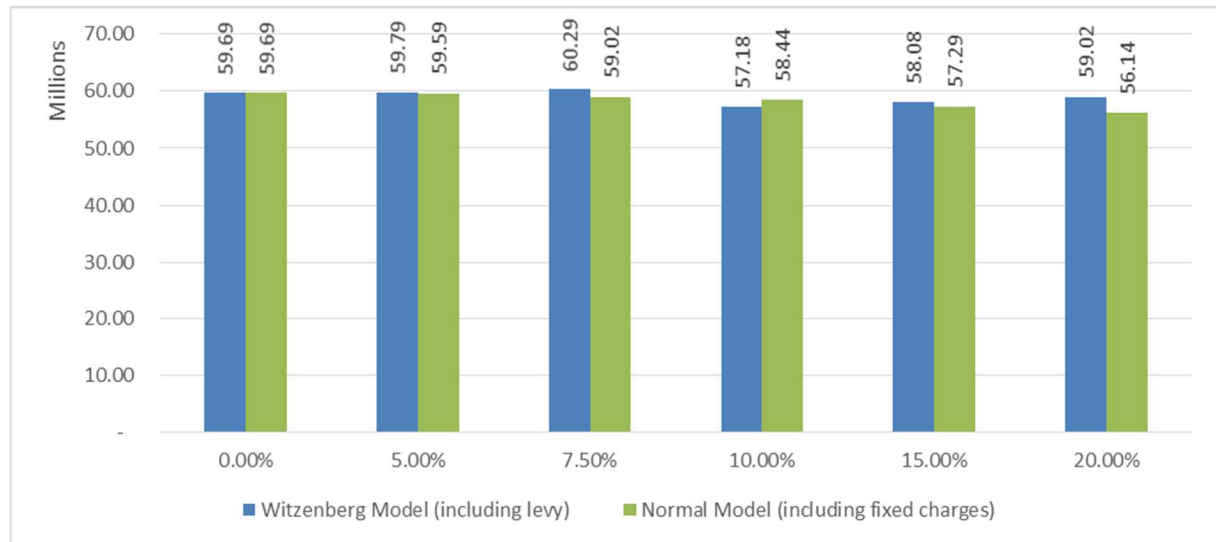


Figure 23 Average Annual Surplus Generated: Witzenberg proposed levy model (5% export at various PV penetration percentages 2019-2030)

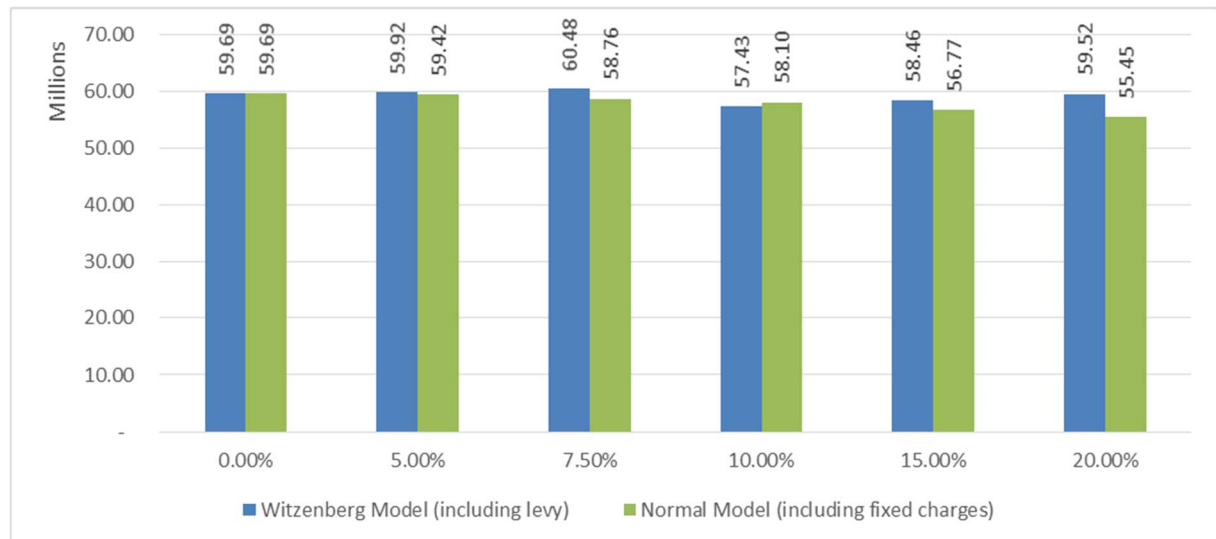


Figure 24 Average Annual Surplus Generated: Witzenberg proposed levy model (20% export at various PV penetration percentages 2019-2030)

Conclusion

Energy security concerns, rising electricity prices, the emergence of low-cost renewable energy technologies and the growth of distributed generators have resulted in a range of challenges for utilities, including for municipal distributors. In light of these dynamics, municipalities are compelled to re-define their role in the electricity value chain and adapt their funding and operating models.

South Africa's electricity sector has been historically monopolistic and has created environments for lack of transparency and accountability, corruption and maladministration. Social, political and economic complexities in the sector are often underplayed. The system is shaped by and interacts with differentiated patterns of domestic and industrial consumption; socio economic equality and uneven access to services; processes of spatial development, land tenure regulations; municipal level governance and the strong influencing role that vested interests can have in electricity policy and planning.

Traditional business models of electricity utilities are based on selling as much energy as possible at fixed rates. Many utilities are seeing the need to re-examine this model and apply a decoupling mechanism due to the impacts of SSEG, Energy Efficiency Demand Side Management (EEDSM) and decarbonization. As the technology costs of solar PV continue to decline, South Africa's electricity rates go up and Eskom's crisis escalates, the installation of grid-tied SSEG has become an increasingly attractive option for businesses and high-income residential household customers.

The costs incurred by utilities do not decrease in proportion to the decrease in electricity consumed. There is still need to finance the expenditure of grid infrastructure that are not related to kWh consumed but to kW capacity invested.

There are opportunities for utilities to make the transition to a more decentralized, decarbonized and digitized energy industry work in their favor while forming better relationships with their customers and embracing competition market. This transition should be implemented in a controlled manner with awareness of the regulatory environment, financial and technical risks.

Electricity demand is still expected to increase in the future with new customer connections and more industries such as electric vehicles shifting away from fossil fuels. Additionally, SSEG and energy storage is expected to become cheaper, cleaner and more reliable for everyone. Consumers or "prosumers" providing energy and services to the grid could be a viable new business model.

Small-scale embedded generation has the potential to benefit Witzenberg Local Municipality by reducing the average cost price of energy through blending SSEG and Eskom supply sources. To achieve this an effective tariff is required, calculated from a sound understanding of the total cost of supply. It is therefore recommended that the Municipality conduct a Cost of Supply study according to the NRS:058 requirements.

The tariffs applied need to be cost reflective. The municipality is not a generator of electricity however a transporter of electricity. Hence ideally, the energy costs and "transportation costs" should be split. Historically this was not promoted mainly due to cheap electricity prices. This principle ensures that that the municipal cost recovery is not affected by the direction of electricity flow as is currently the case. As such the following is recommended in terms of the tariff structure (including charges for fixed costs):

- Costs incurred by municipality are separated and charged as a fixed charge (R/month) and a volumetric charge (c/kWh).
- It is advisable to utilise an unbundled tariff structure for SSEG customers to ensure that they pay their fair share of fixed costs.
- A central principle in tariff setting is cost reflectivity, and all municipal electricity tariffs, including SSEG tariffs, should work towards this.
- Both current and future demand and changes in customer behaviour needs to be considered.



As the cost plus methodology adopted in NRS:058 determines the allowed revenue, changes in the demand for services or the supply cost elements are ultimately governed by the regulated allowable surplus. Embedded generation (with an export tariff) affect both demand and supply and a balance needs to be found to secure both the interests of the municipality and customer. Municipal revenue can be protected whilst ensuring a reasonable business case for SSEG customers.

The proposed REFIT tariff as per the Interim SSEG tariff and implication assessment (Aurecon, 2020) returns a net neutral revenue when the total demand lost is less than 7.5% of the total municipal supply. Following the 7.5% demand threshold the fixed charges for SSEG will need to be reconsidered.

Summary

Current status:

- The municipality is currently running at 6.26% demand loss and an additional total of 7.5% is the limit in order to be revenue neutral and beneficial to utilise the proposed REFIT tariff and fixed costs up to this limit.
- Refit tariffs (both export and fixed components) proposed in the Interim SSEG tariff and implication assessment (Aurecon, 2020) provide a business case for both the municipality and prospective SSEG customers.
- The outcomes of the assessment indicate that if the REFIT export tariff and fixed charges are implemented for the approved PV installations it would have a beneficial impact on the long term revenue of the electrical department.

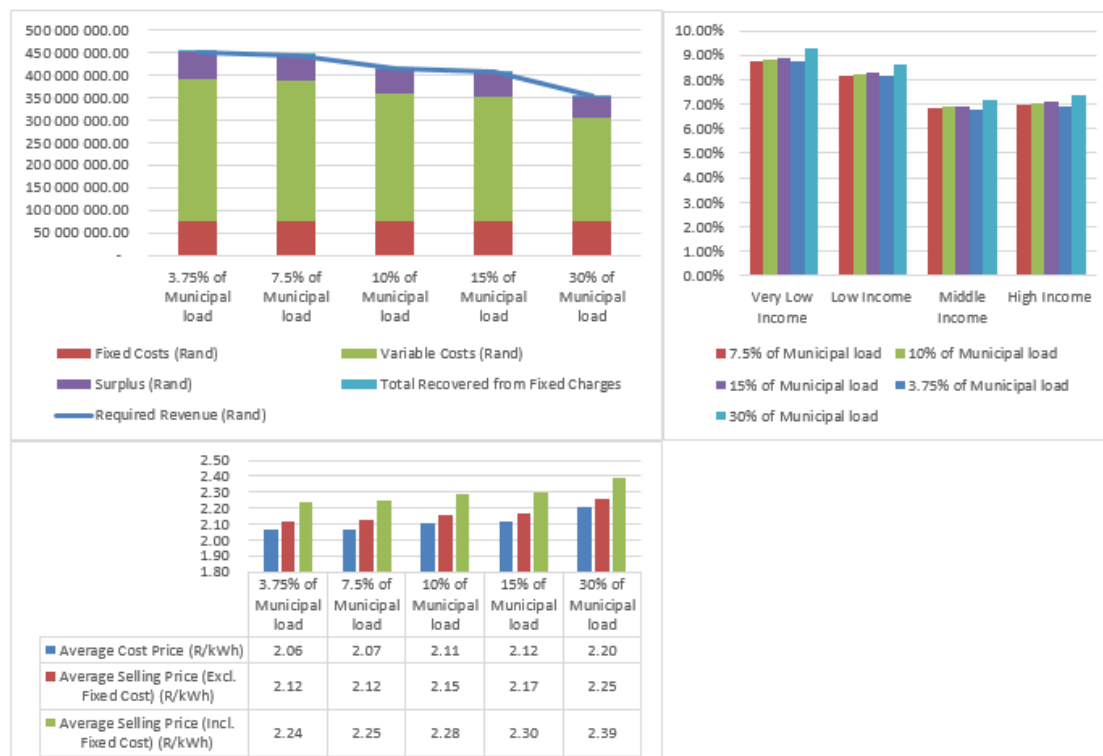
Future Investigation:

- For the Witzenberg levy model, the REFIT fixed charge is replaced with a levy dependant on the SSEG customer's plant size.
- SSEG tariff structures be re-evaluated once a formal cost of supply study is conducted.

Appendix A: Sensitivity: Revenue Requirement

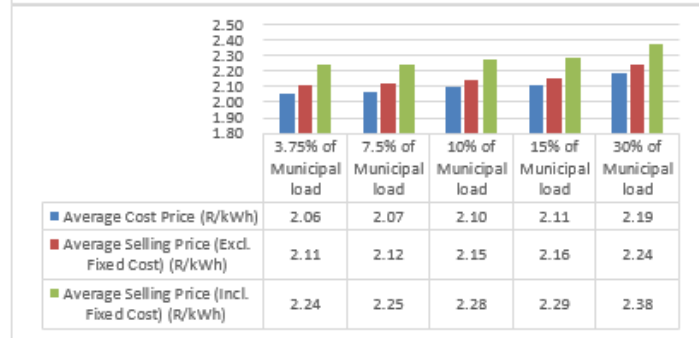
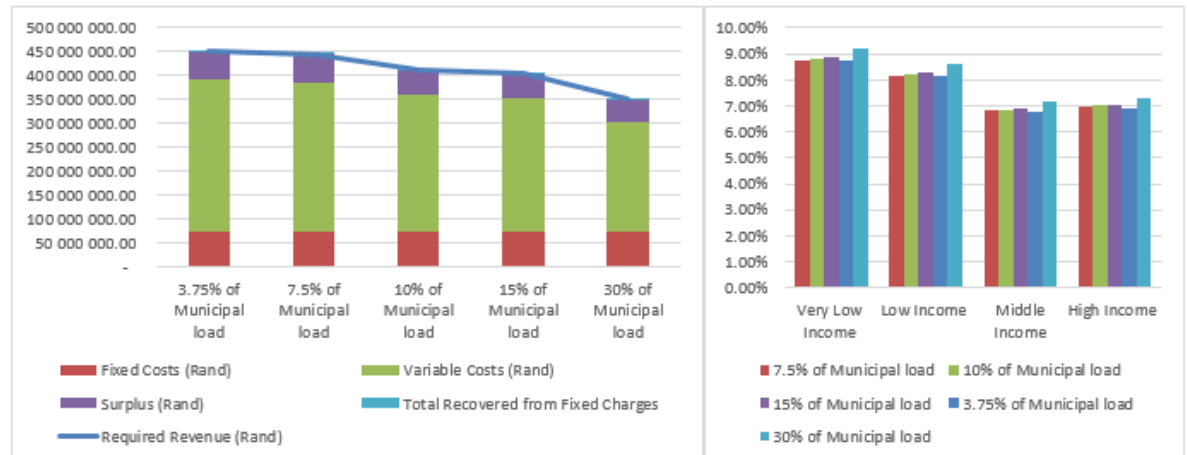
	3.75% of Municipal load	7.5% of Municipal load	10% of Municipal load	15% of Municipal load	30% of Municipal load
SSEG Tariff (R/kWh)	0.43	0.43	0.43	0.43	0.43
% Export	1.00%	1.00%	1.00%	1.00%	1.00%
Average Annual SSEG Import (kWh)	65 709.27	131 418.54	197 127.81	262 837.08	525 674.15

Description	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Required Revenue (Rand)	451 342 379.61	444 696 138.65	412 639 931.21	405 328 530.22	351 774 970.11
Fixed Costs (Rand)	73 818 849.32	73 818 849.32	73 818 849.32	73 818 849.32	73 818 849.32
Variable Costs (Rand)	318 652 785.12	312 873 445.16	284 998 482.17	278 640 742.17	232 072 429.03
Surplus (Rand)	58 870 745.17	58 003 844.17	53 822 599.72	52 868 938.72	45 883 691.75
Total Recovered from Fixed Charges	311 013.50	622 027.01	933 040.51	1 244 054.01	2 488 108.02
Average Revenue (including fixed Charges)	59 181 758.67	58 625 871.18	54 755 640.23	54 112 992.73	48 371 799.77
% Energy Cost to total Cost	80.91%	80.64%	79.29%	78.93%	75.86%
% SSEG Purchases to total Purchases	0.03%	0.05%	0.09%	0.12%	0.30%
	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Anticipated Increase In Eskom Supply Cost (%)	7.52%	7.52%	7.52%	7.52%	7.52%
Average Tariff Increase for required revenue (%)	6.23%	6.30%	6.38%	6.48%	6.96%
Energy Sold Per Annum (kWh)	188 762 777.09	185 507 285.18	170 201 843.83	166 646 739.13	140 851 518.28
Average Cost Price (R/kWh)	2.06	2.07	2.11	2.12	2.20
Average Selling Price (Excl. Fixed Cost) (R/kWh)	2.12	2.12	2.15	2.17	2.25
Average Selling Price (Incl. Fixed Cost) (R/kWh)	2.24	2.25	2.28	2.30	2.39
Percent of Monthly Income	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Very Low Income	8.72%	8.77%	8.84%	8.91%	9.25%
Low Income	8.14%	8.19%	8.25%	8.31%	8.64%
Middle Income	6.79%	6.82%	6.88%	6.93%	7.20%
High Income	6.93%	6.97%	7.02%	7.07%	7.35%



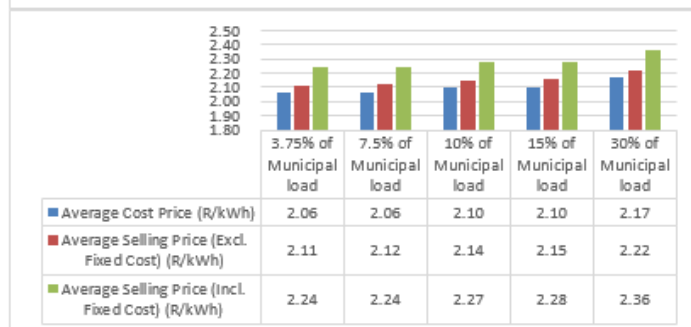
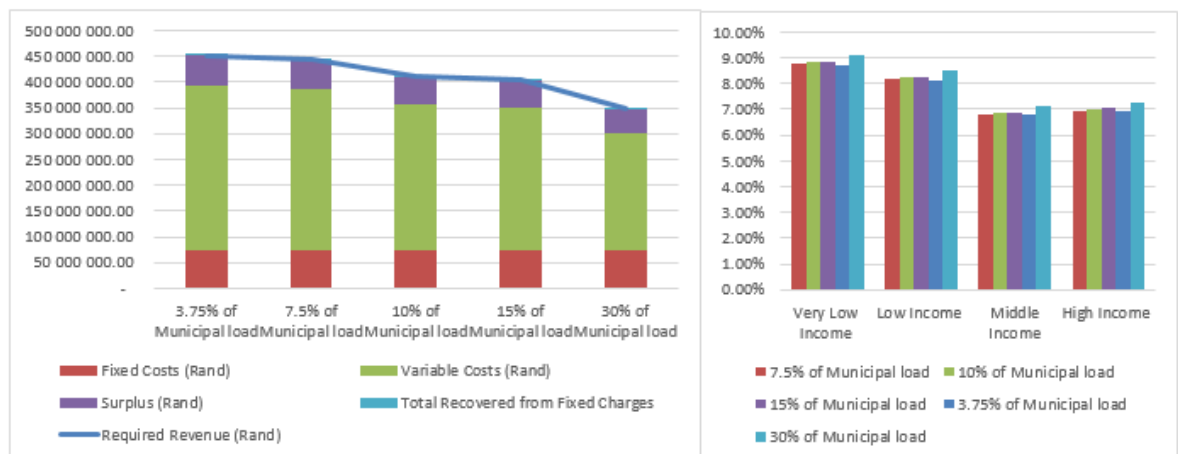
	3.75% of Municipal load	7.5% of Municipal load	10% of Municipal load	15% of Municipal load	30% of Municipal load
SSEG Tariff (R/kWh)	0.43	0.43	0.43	0.43	0.43
% Export	5.00%	5.00%	5.00%	5.00%	5.00%
Average Annual SSEG Import (kWh)	328 546.35	657 092.69	985 639.04	1 314 185.38	2 628 370.76

Description	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Required Revenue (Rand)	451 076 983.41	444 165 346.27	411 843 742.63	404 266 945.45	349 651 800.56
Fixed Costs (Rand)	73 818 849.32	73 818 849.32	73 818 849.32	73 818 849.32	73 818 849.32
Variable Costs (Rand)	318 422 005.82	312 411 886.56	284 306 144.27	277 717 624.98	230 226 194.65
Surplus (Rand)	58 836 128.27	57 934 610.38	53 718 749.04	52 730 471.15	45 606 756.60
Total Recovered from Fixed Charges	311 013.50	622 027.01	933 040.51	1 244 054.01	2 488 108.02
Average Revenue (including fixed Charges)	59 147 141.77	58 556 637.39	54 651 789.55	53 974 525.16	48 094 864.62
% Energy Cost to total Cost	80.90%	80.62%	79.25%	78.88%	75.72%
% SSEG Purchases to total Purchases	0.13%	0.27%	0.45%	0.61%	1.51%
	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Anticipated Increase In Eskom Supply Cost (%)	7.52%	7.52%	7.52%	7.52%	7.52%
Average Tariff Increase for required revenue (%)	6.22%	6.28%	6.36%	6.45%	6.89%
Energy Sold Per Annum (kWh)	188 762 777.09	185 507 285.18	170 201 843.83	166 646 739.13	140 851 518.28
Average Cost Price (R/kWh)	2.06	2.07	2.10	2.11	2.19
Average Selling Price (Excl. Fixed Cost) (R/kWh)	2.11	2.12	2.15	2.16	2.24
Average Selling Price (Incl. Fixed Cost) (R/kWh)	2.24	2.25	2.28	2.29	2.38
Percent of Monthly Income	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Very Low Income	8.72%	8.76%	8.82%	8.89%	9.20%
Low Income	8.14%	8.18%	8.24%	8.29%	8.58%
Middle Income	6.78%	6.82%	6.86%	6.91%	7.15%
High Income	6.93%	6.96%	7.01%	7.06%	7.30%



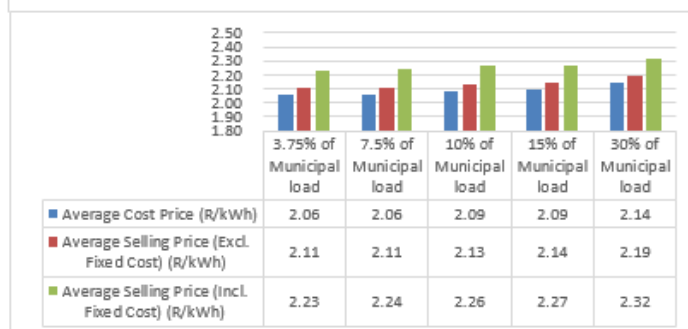
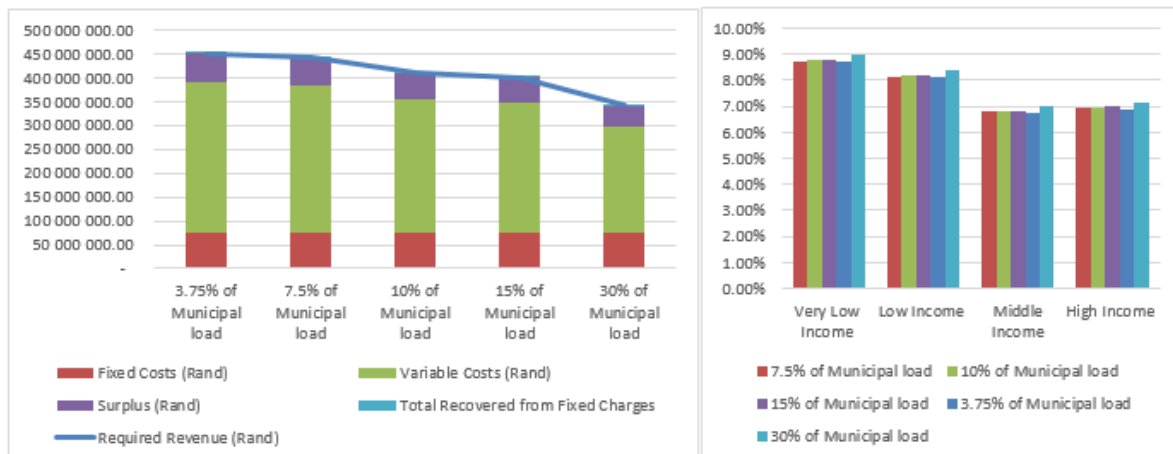
	3.75% of Municipal load	7.5% of Municipal load	10% of Municipal load	15% of Municipal load	30% of Municipal load
SSEG Tariff (R/kWh)	0.43	0.43	0.43	0.43	0.43
% Export	10.00%	10.00%	10.00%	10.00%	10.00%
Average Annual SSEG Import (kWh)	657 092.69	1 314 185.38	1 971 278.07	2 628 370.76	5 256 741.53

Description	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Required Revenue (Rand)	450 745 238.17	443 501 855.78	410 848 506.91	402 939 964.49	346 997 838.63
Fixed Costs (Rand)	73 818 849.32	73 818 849.32	73 818 849.32	73 818 849.32	73 818 849.32
Variable Costs (Rand)	318 133 531.70	311 834 938.32	283 440 721.90	276 563 728.49	227 918 401.66
Surplus (Rand)	58 792 857.15	57 848 068.15	53 588 935.68	52 557 386.67	45 260 587.65
Total Recovered from Fixed Charges	311 013.50	622 027.01	933 040.51	1 244 054.01	2 488 108.02
Average Revenue (including fixed Charges)	59 103 870.66	58 470 095.15	54 521 976.19	53 801 440.68	47 748 695.67
% Energy Cost to total Cost	80.89%	80.60%	79.20%	78.81%	75.53%
% SSEG Purchases to total Purchases	0.26%	0.54%	0.90%	1.22%	3.02%
	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Anticipated Increase In Eskom Supply Cost (%)	7.52%	7.52%	7.52%	7.52%	7.52%
Average Tariff Increase for required revenue (%)	6.21%	6.27%	6.33%	6.41%	6.79%
Energy Sold Per Annum (kWh)	188 762 777.09	185 507 285.18	170 201 843.83	166 646 739.13	140 851 518.28
Average Cost Price (R/kWh)	2.06	2.06	2.10	2.10	2.17
Average Selling Price (Excl. Fixed Cost) (R/kWh)	2.11	2.12	2.14	2.15	2.22
Average Selling Price (Incl. Fixed Cost) (R/kWh)	2.24	2.24	2.27	2.28	2.36
Percent of Monthly Income	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Very Low Income	8.71%	8.75%	8.80%	8.86%	9.13%
Low Income	8.13%	8.17%	8.22%	8.27%	8.52%
Middle Income	6.78%	6.81%	6.85%	6.89%	7.10%
High Income	6.92%	6.95%	6.99%	7.03%	7.25%



	3.75% of Municipal load	7.5% of Municipal load	10% of Municipal load	15% of Municipal load	30% of Municipal load
SSEG Tariff (R/kWh)	0.43	0.43	0.43	0.43	0.43
% Export	20.00%	20.00%	20.00%	20.00%	20.00%
Average Annual SSEG Import (kWh)	1 314 185.38	2 628 370.76	3 942 556.15	5 256 741.53	10 513 483.06

Description	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Required Revenue (Rand)	450 081 747.69	442 174 874.82	408 858 035.47	400 286 002.56	341 689 914.78
Fixed Costs (Rand)	73 818 849.32	73 818 849.32	73 818 849.32	73 818 849.32	73 818 849.32
Variable Costs (Rand)	317 556 583.45	310 681 041.82	281 709 877.17	274 255 935.51	223 302 815.70
Surplus (Rand)	58 706 314.92	57 674 983.67	53 329 308.97	52 211 217.72	44 568 249.75
Total Recovered from Fixed Charges	311 013.50	622 027.01	933 040.51	1 244 054.01	2 488 108.02
Average Revenue (including fixed Charges)	59 017 328.42	58 297 010.68	54 262 349.48	53 455 271.73	47 056 357.77
% Energy Cost to total Cost	80.86%	80.54%	79.11%	78.68%	75.15%
% SSEG Purchases to total Purchases	0.53%	1.08%	1.79%	2.45%	6.03%
	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Anticipated Increase In Eskom Supply Cost (%)	7.52%	7.52%	7.52%	7.52%	7.52%
Average Tariff Increase for required revenue (%)	6.20%	6.23%	6.28%	6.34%	6.60%
Energy Sold Per Annum (kWh)	188 762 777.09	185 507 285.18	170 201 843.83	166 646 739.13	140 851 518.28
Average Cost Price (R/kWh)	2.06	2.06	2.09	2.09	2.14
Average Selling Price (Excl. Fixed Cost) (R/kWh)	2.11	2.11	2.13	2.14	2.19
Average Selling Price (Incl. Fixed Cost) (R/kWh)	2.23	2.24	2.26	2.27	2.32
Percent of Monthly Income	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)	Average (FY 2019-2030)
Very Low Income	8.70%	8.73%	8.76%	8.80%	8.98%
Low Income	8.12%	8.14%	8.18%	8.21%	8.39%
Middle Income	6.77%	6.79%	6.81%	6.84%	6.99%
High Income	6.91%	6.93%	6.96%	6.99%	7.14%



Appendix B: Sensitivity: Annual Forecasts

SSEG Tariff (R/kWh)	0
% Export	0.00%
Average Annual SSEG Import (kWh)	-
Percentage of Customers	0.00%

Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Required Revenue (Rand)	283 334 029.15	311 256 038.11	363 435 429.83	396 643 569.15	423 395 715.94	452 085 430.35	482 972 235.82	515 989 810.71	551 286 198.72	589 019 783.19	629 360 012.09	672 488 173.84
Fixed Costs (Rand)	54 793 111.32	58 102 155.45	60 607 860.52	63 505 946.21	66 759 628.52	70 275 408.46	74 177 794.36	78 300 757.80	82 656 970.15	87 259 841.24	92 123 562.87	97 263 154.98
Variable Costs (Rand)	191 584 305.33	212 555 269.00	255 422 948.03	281 401 505.22	301 410 559.25	322 842 357.07	345 798 062.87	370 386 034.13	396 722 333.09	424 931 274.58	455 146 012.86	487 509 170.10
Surplus (Rand)	36 956 612.50	40 598 613.67	47 404 621.28	51 736 117.71	55 225 528.17	58 967 664.83	62 996 378.58	67 303 018.79	71 906 895.49	76 828 667.37	82 090 436.36	87 715 848.76
Total Recovered from Fixed Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (including fixed Charges)	36 956 612.50	40 598 613.67	47 404 621.28	51 736 117.71	55 225 528.17	58 967 664.83	62 996 378.58	67 303 018.79	71 906 895.49	76 828 667.37	82 090 436.36	87 715 848.76
% Energy Cost to total Cost	78%	79%	81%	82%	82%	82%	82%	83%	83%	83%	83%	83%
% SSEG Purchases to total Purchases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Anticipated Increase In Eskom Supply Cost (%)	15.63%	8.76%	17.80%	8.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Average Tariff Increase for required revenue (%)		7.75%	14.53%	7.05%	4.70%	4.73%	4.78%	4.79%	4.79%	4.79%	4.80%	4.80%
		< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed
Demand lost to SSEG (kWh)	-	-	-	-	-	-	-	-	-	-	-	-
Energy Purchased from SSEG (kWh)	-	-	-	-	-	-	-	-	-	-	-	-
Energy Sold Per Annum (kWh)	177 696 212.30	181 267 906.17	184 911 391.08	188 628 110.04	192 419 535.05	196 287 167.71	200 232 539.78	204 257 213.83	208 362 783.83	212 550 875.78	216 823 148.38	221 181 293.67
Average Cost Price (R/kWh)	1.39	1.49	1.71	1.83	1.91	2.00	2.10	2.20	2.30	2.41	2.52	2.64
Average Selling Price (Excl. Fixed Cost) (R/kWh)	1.42	1.53	1.75	1.87	1.96	2.05	2.15	2.26	2.36	2.48	2.60	2.72
Average Selling Price (Incl. Fixed Cost) (R/kWh)	1.51	1.62	1.86	1.99	2.08	2.18	2.28	2.39	2.50	2.62	2.75	2.88
Percent of Monthly Income												
Very Low Income	7.39%	7.66%	8.44%	8.68%	8.74%	8.80%	8.87%	8.94%	9.00%	9.07%	9.14%	9.21%
Low Income	6.90%	7.15%	7.87%	8.10%	8.16%	8.22%	8.28%	8.34%	8.40%	8.47%	8.53%	8.60%
Middle Income	5.75%	5.96%	6.56%	6.75%	6.80%	6.85%	6.90%	6.95%	7.00%	7.06%	7.11%	7.16%
High Income	5.87%	6.08%	6.70%	6.90%	6.94%	6.99%	7.04%	7.10%	7.15%	7.21%	7.26%	7.32%

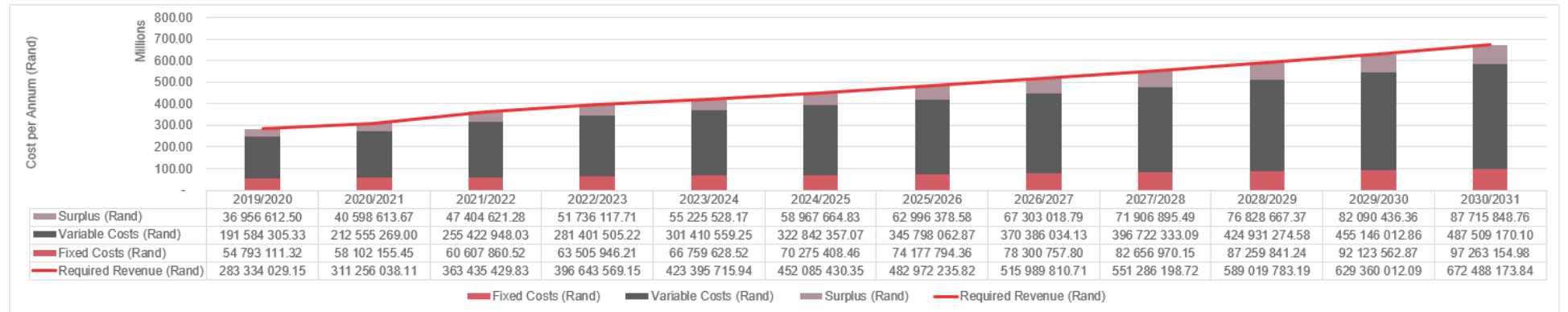


Figure 25 – Annual forecast: Baseline (No SSEG)

SSEG Tariff (R/kWh)		0										
% Export		0.00%										
Average Annual SSEG Import (kWh)		-										
Percentage of Customers		5.00%										
Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Required Revenue (Rand)	283 334 029.15	311 256 038.11	349 037 998.68	380 781 804.07	406 406 100.06	433 887 767.84	463 480 628.51	495 112 252.67	528 924 141.91	565 067 672.33	603 704 786.38	645 008 733.32
Fixed Costs (Rand)	54 793 111.32	58 102 155.45	60 607 860.52	63 505 946.21	66 759 628.52	70 275 408.46	74 177 794.36	78 300 757.80	82 656 970.15	87 259 841.24	92 123 562.87	97 263 154.98
Variable Costs (Rand)	191 584 305.33	212 555 269.00	242 903 442.68	267 608 666.03	286 636 980.23	307 018 302.71	328 848 839.12	352 231 635.83	377 277 066.29	404 103 352.09	432 837 120.94	463 614 004.43
Surplus (Rand)	36 956 612.50	40 598 613.67	45 526 695.48	49 667 191.84	53 009 491.31	56 594 056.67	60 453 995.02	64 579 859.04	68 990 105.47	73 704 479.00	78 744 102.57	84 131 573.91
Total Recovered from Fixed Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (including fixed Charges)	36 956 612.50	40 598 613.67	45 526 695.48	49 667 191.84	53 009 491.31	56 594 056.67	60 453 995.02	64 579 859.04	68 990 105.47	73 704 479.00	78 744 102.57	84 131 573.91
% Energy Cost to total Cost	78%	79%	80%	81%	81%	81%	82%	82%	82%	82%	82%	83%
% SSEG Purchases to total Purchases	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Anticipated Increase In Eskom Supply Cost (%)	15.63%	8.76%	17.80%	8.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Average Tariff Increase for required revenue (%)		7.75%	15.66%	7.00%	4.68%	4.72%	4.77%	4.78%	4.78%	4.78%	4.79%	4.79%
		< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed
Demand lost to SSEG (kWh)	-	-	9 063 395.31	9 245 569.55	9 431 405.50	9 620 976.75	9 814 358.39	10 011 626.99	10 212 860.69	10 418 139.19	10 627 543.79	10 841 157.42
Energy Purchased from SSEG (kWh)	-	-	-	-	-	-	-	-	-	-	-	-
Energy Sold Per Annum (kWh)	177 696 212.30	181 267 906.17	175 847 995.77	179 382 540.49	182 988 129.55	186 666 190.96	190 418 181.39	194 245 586.84	198 149 923.14	202 132 736.59	206 195 604.60	210 340 136.25
Average Cost Price (R/kWh)	1.39	1.49	1.73	1.85	1.93	2.02	2.12	2.22	2.32	2.43	2.55	2.67
Average Selling Price (Excl. Fixed Cost) (R/kWh)	1.42	1.53	1.77	1.89	1.98	2.07	2.17	2.28	2.39	2.50	2.62	2.74
Average Selling Price (Incl. Fixed Cost) (R/kWh)	1.51	1.62	1.88	2.01	2.10	2.20	2.30	2.41	2.53	2.64	2.77	2.90
Percent of Monthly Income	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Very Low Income	7.39%	7.66%	8.52%	8.76%	8.82%	8.88%	8.95%	9.02%	9.08%	9.15%	9.22%	9.29%
Low Income	6.90%	7.15%	7.95%	8.18%	8.23%	8.29%	8.35%	8.41%	8.48%	8.54%	8.61%	8.67%
Middle Income	5.75%	5.96%	6.63%	6.82%	6.86%	6.91%	6.96%	7.01%	7.06%	7.12%	7.17%	7.23%
High Income	5.87%	6.08%	6.77%	6.96%	7.01%	7.06%	7.11%	7.16%	7.21%	7.27%	7.32%	7.38%

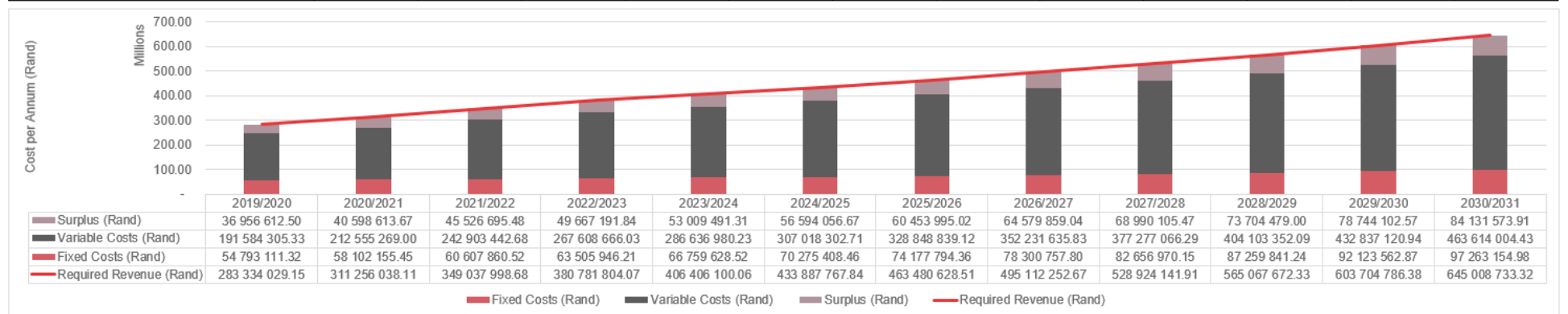


Figure 26 – Annual forecast: No SSEG (5% PV penetration)

SSEG Tariff (R/kWh)	0											
% Export	0.00%											
Average Annual SSEG Import (kWh)	-											
Percentage of Customers	20.00%											
Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Required Revenue (Rand)	283 334 029.15	311 256 038.11	305 845 705.25	333 196 508.86	355 437 252.43	379 294 780.29	405 005 806.59	432 479 578.53	461 837 971.48	493 211 339.75	526 739 109.28	562 570 411.74
Fixed Costs (Rand)	54 793 111.32	58 102 155.45	60 607 860.52	63 505 946.21	66 759 628.52	70 275 408.46	74 177 794.36	78 300 757.80	82 656 970.15	87 259 841.24	92 123 562.87	97 263 154.98
Variable Costs (Rand)	191 584 305.33	212 555 269.00	205 344 926.65	226 230 148.45	242 316 243.16	259 546 139.63	278 001 167.88	297 768 440.93	318 941 265.92	341 619 584.63	365 910 445.20	391 928 507.40
Surplus (Rand)	36 956 612.50	40 598 613.67	39 892 918.08	43 460 414.20	46 361 380.75	49 473 232.21	52 826 844.34	56 410 379.81	60 239 735.41	64 331 913.88	68 705 101.21	73 378 749.36
Total Recovered from Fixed Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (including fixed fixed Charges)	36 956 612.50	40 598 613.67	39 892 918.08	43 460 414.20	46 361 380.75	49 473 232.21	52 826 844.34	56 410 379.81	60 239 735.41	64 331 913.88	68 705 101.21	73 378 749.36
% Energy Cost to total Cost	78%	79%	77%	78%	78%	79%	79%	79%	79%	80%	80%	80%
% SSEG Purchases to total Purchases	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Anticipated Increase In Eskom Supply Cost (%)	15.63%	8.76%	17.80%	8.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Average Tariff Increase for required revenue (%)		7.75%	19.88%	6.85%	4.63%	4.67%	4.73%	4.73%	4.74%	4.74%	4.75%	4.75%
		< Allowed	> Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed
Demand lost to SSEG (kWh)	-	-	36 253 581.23	36 982 278.22	37 725 622.01	38 483 907.01	39 257 433.54	40 046 507.96	40 851 442.77	41 672 556.77	42 510 175.16	43 364 629.68
Energy Purchased from SSEG (kWh)	-	-	-	-	-	-	-	-	-	-	-	-
Energy Sold Per Annum (kWh)	177 696 212.30	181 267 906.17	148 657 809.85	151 645 831.83	154 693 913.05	157 803 260.70	160 975 106.24	164 210 705.87	167 511 341.06	170 878 319.02	174 312 973.23	177 816 663.99
Average Cost Price (R/kWh)	1.39	1.49	1.79	1.91	2.00	2.09	2.19	2.29	2.40	2.51	2.63	2.75
Average Selling Price (Excl. Fixed Cost) (R/kWh)	1.42	1.53	1.83	1.96	2.05	2.14	2.25	2.35	2.46	2.58	2.70	2.83
Average Selling Price (Incl. Fixed Cost) (R/kWh)	1.51	1.62	1.95	2.08	2.17	2.27	2.38	2.49	2.61	2.73	2.86	2.99
Percent of Monthly Income	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Very Low Income	7.39%	7.66%	8.83%	9.07%	9.13%	9.19%	9.25%	9.32%	9.38%	9.45%	9.52%	9.59%
Low Income	6.90%	7.15%	8.24%	8.47%	8.52%	8.57%	8.63%	8.69%	8.76%	8.82%	8.88%	8.95%
Middle Income	5.75%	5.96%	6.87%	7.06%	7.10%	7.14%	7.19%	7.25%	7.30%	7.35%	7.40%	7.46%
High Income	5.87%	6.08%	7.01%	7.21%	7.25%	7.30%	7.35%	7.40%	7.45%	7.50%	7.56%	7.61%

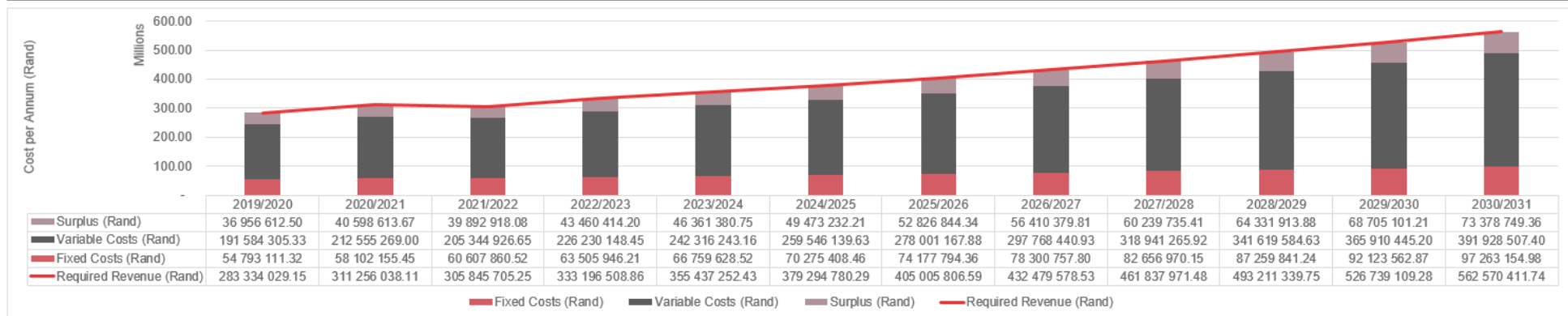


Figure 27 – Annual forecast: No SSEG (20% PV penetration)

SSEG Tariff (R/kWh)	0.43
% Export	10.00%
Average Annual SSEG Import (kWh)	876 123.59

Percentage of Customers 5.00%

Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Required Revenue (Rand)	283 334 029.15	311 256 038.11	341 944 622.36	372 983 592.12	398 204 902.81	425 262 821.51	454 410 102.26	485 573 193.87	518 892 418.64	554 517 912.93	592 610 315.89	633 341 506.69
Fixed Costs (Rand)	54 793 111.32	58 102 155.45	60 607 860.52	63 505 946.21	66 759 628.52	70 275 408.46	74 177 794.36	78 300 757.80	82 656 970.15	87 259 841.24	92 123 562.87	97 263 154.98
Variable Costs (Rand)	191 584 305.33	212 555 269.00	236 735 289.36	260 827 612.16	279 505 504.36	299 518 349.38	320 961 424.99	343 936 802.09	368 553 828.67	394 929 648.26	423 189 755.30	453 468 589.97
Surplus (Rand)	36 956 612.50	40 598 613.67	44 601 472.48	48 650 033.75	51 939 769.93	55 469 063.68	59 270 882.90	63 335 633.98	67 681 619.82	72 328 423.43	77 296 997.72	82 609 761.74
Total Recovered from Fixed Charges	-	-	1 367 010.11	1 367 010.11	1 367 010.11	1 367 010.11	1 367 010.11	1 367 010.11	1 367 010.11	1 367 010.11	1 367 010.11	1 367 010.11
Total Revenue (including fixed Charges)	36 956 612.50	40 598 613.67	45 968 482.59	50 017 043.86	53 306 780.04	56 836 073.78	60 637 893.01	64 702 644.09	69 048 629.93	73 695 433.53	78 664 007.83	83 976 771.85
% Energy Cost to total Cost	78%	79%	80%	80%	81%	81%	81%	81%	82%	82%	82%	82%
% SSEG Purchases to total Purchases	0.000%	0.000%	4.030%	3.950%	3.872%	3.796%	3.721%	3.648%	3.576%	3.506%	3.436%	3.369%
Anticipated Increase In Eskom Supply Cost (%)	15.63%	8.76%	17.80%	8.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Average Tariff Increase for required revenue (%)		7.75%	13.31%	6.99%	4.72%	4.75%	4.80%	4.81%	4.81%	4.81%	4.82%	4.82%
		< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed
Demand lost to SSEG (kWh)	-	-	9 063 395.31	9 245 569.55	9 431 405.50	9 620 976.75	9 814 358.39	10 011 626.99	10 212 860.69	10 418 139.19	10 627 543.79	10 841 157.42
Energy Purchased from SSEG (kWh)	-	-	7 730 605.59	7 730 605.59	7 730 605.59	7 730 605.59	7 730 605.59	7 730 605.59	7 730 605.59	7 730 605.59	7 730 605.59	7 730 605.59
Energy Sold Per Annum (kWh)	177 696 212.30	181 267 906.17	175 847 995.77	179 382 540.49	182 988 129.55	186 666 190.96	190 418 181.39	194 245 586.84	198 149 923.14	202 132 736.59	206 195 604.60	210 340 136.25
Average Cost Price (R/kWh)	1.39	1.49	1.69	1.81	1.89	1.98	2.08	2.17	2.28	2.39	2.50	2.62
Average Selling Price (Excl. Fixed Cost) (R/kWh)	1.42	1.53	1.73	1.85	1.94	2.03	2.13	2.23	2.34	2.45	2.57	2.69
Average Selling Price (Incl. Fixed Cost) (R/kWh)	1.51	1.62	1.84	1.97	2.06	2.16	2.26	2.37	2.48	2.60	2.72	2.85
Percent of Monthly Income												
Very Low Income	7.39%	7.66%	8.35%	8.59%	8.64%	8.71%	8.77%	8.84%	8.91%	8.98%	9.05%	9.12%
Low Income	6.90%	7.15%	7.79%	8.01%	8.07%	8.13%	8.19%	8.25%	8.32%	8.38%	8.45%	8.51%
Middle Income	5.75%	5.96%	6.49%	6.68%	6.72%	6.77%	6.82%	6.88%	6.93%	6.99%	7.04%	7.10%
High Income	5.87%	6.08%	6.63%	6.82%	6.87%	6.91%	6.97%	7.02%	7.08%	7.13%	7.19%	7.25%

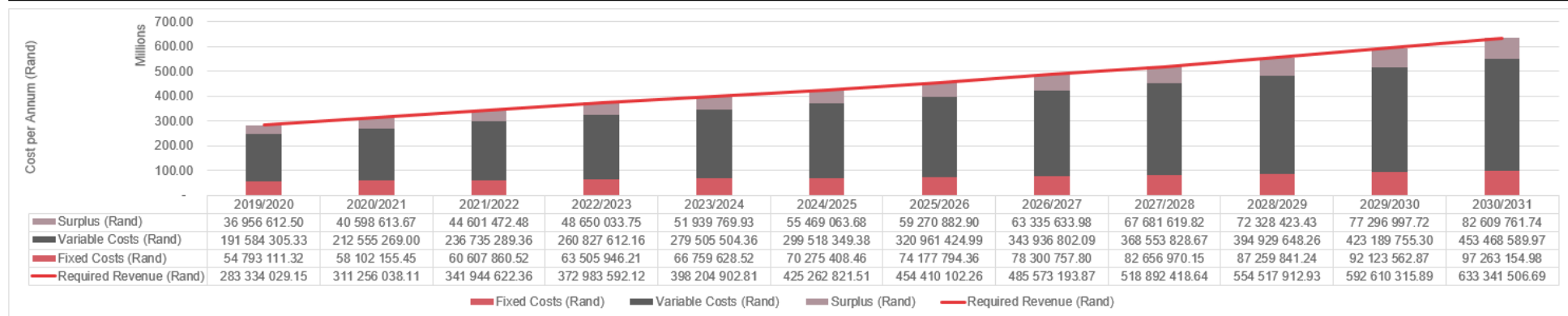


Figure 28 – Annual forecast: SSEG (5% PV penetration – 10% export)

SSEG Tariff (R/kWh)	0.43
% Export	10.00%
Average Annual SSEG Import (kWh)	3 504 494.35

Percentage of Customers 20.00%

Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Required Revenue (Rand)	283 334 029.15	311 256 038.11	296 340 613.22	322 746 940.28	344 447 685.38	367 737 391.42	392 851 342.64	419 697 283.10	448 395 507.89	479 074 710.10	511 872 569.24	546 936 381.09
Fixed Costs (Rand)	54 793 111.32	58 102 155.45	60 607 860.52	63 505 946.21	66 759 628.52	70 275 408.46	74 177 794.36	78 300 757.80	82 656 970.15	87 259 841.24	92 123 562.87	97 263 154.98
Variable Costs (Rand)	191 584 305.33	212 555 269.00	197 079 629.23	217 143 567.08	232 760 097.90	249 496 236.25	267 432 068.80	286 653 401.42	307 252 167.15	329 326 863.20	352 983 019.08	378 333 698.14
Surplus (Rand)	36 956 612.50	40 598 613.67	38 653 123.46	42 097 426.99	44 927 958.96	47 965 746.71	51 241 479.47	54 743 123.88	58 486 370.59	62 488 005.67	66 765 987.29	71 339 527.97
Total Recovered from Fixed Charges	-	-	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43
Total Revenue (including fixed Charges)	36 956 612.50	40 598 613.67	44 121 163.90	47 565 467.43	50 395 999.40	53 433 787.14	56 709 519.91	60 211 164.32	63 954 411.03	67 956 046.10	72 234 027.73	76 807 568.40
% Energy Cost to total Cost	78%	79%	76%	77%	78%	78%	78%	79%	79%	79%	79%	80%
% SSEG Purchases to total Purchases	0.000%	0.000%	6.387%	6.261%	6.138%	6.017%	5.898%	5.782%	5.668%	5.557%	5.447%	5.340%
Anticipated Increase In Eskom Supply Cost (%)	15.63%	8.76%	17.80%	8.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Average Tariff Increase for required revenue (%)		7.75%	16.16%	6.82%	4.68%	4.71%	4.78%	4.78%	4.79%	4.79%	4.79%	4.80%
		< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed
Demand lost to SSEG (kWh)	-	-	36 253 581.23	36 982 278.22	37 725 622.01	38 483 907.01	39 257 433.54	40 046 507.96	40 851 442.77	41 672 556.77	42 510 175.16	43 364 629.68
Energy Purchased from SSEG (kWh)	-	-	10 358 976.35	10 358 976.35	10 358 976.35	10 358 976.35	10 358 976.35	10 358 976.35	10 358 976.35	10 358 976.35	10 358 976.35	10 358 976.35
Energy Sold Per Annum (kWh)	177 696 212.30	181 267 906.17	148 657 809.85	151 645 831.83	154 693 913.05	157 803 260.70	160 975 106.24	164 210 705.87	167 511 341.06	170 878 319.02	174 312 973.23	177 816 663.99
Average Cost Price (R/kWh)	1.39	1.49	1.73	1.85	1.94	2.03	2.12	2.22	2.33	2.44	2.55	2.67
Average Selling Price (Excl. Fixed Cost) (R/kWh)	1.42	1.53	1.78	1.90	1.99	2.08	2.18	2.28	2.39	2.51	2.63	2.75
Average Selling Price (Incl. Fixed Cost) (R/kWh)	1.51	1.62	1.89	2.01	2.11	2.20	2.31	2.42	2.53	2.65	2.78	2.91
Percent of Monthly Income												
Very Low Income	7.39%	7.66%	8.56%	8.79%	8.85%	8.91%	8.97%	9.04%	9.11%	9.18%	9.25%	9.32%
Low Income	6.90%	7.15%	7.99%	8.20%	8.26%	8.31%	8.37%	8.44%	8.50%	8.57%	8.63%	8.70%
Middle Income	5.75%	5.96%	6.65%	6.84%	6.88%	6.93%	6.98%	7.03%	7.08%	7.14%	7.19%	7.25%
High Income	5.87%	6.08%	6.80%	6.98%	7.03%	7.07%	7.13%	7.18%	7.23%	7.29%	7.35%	7.40%

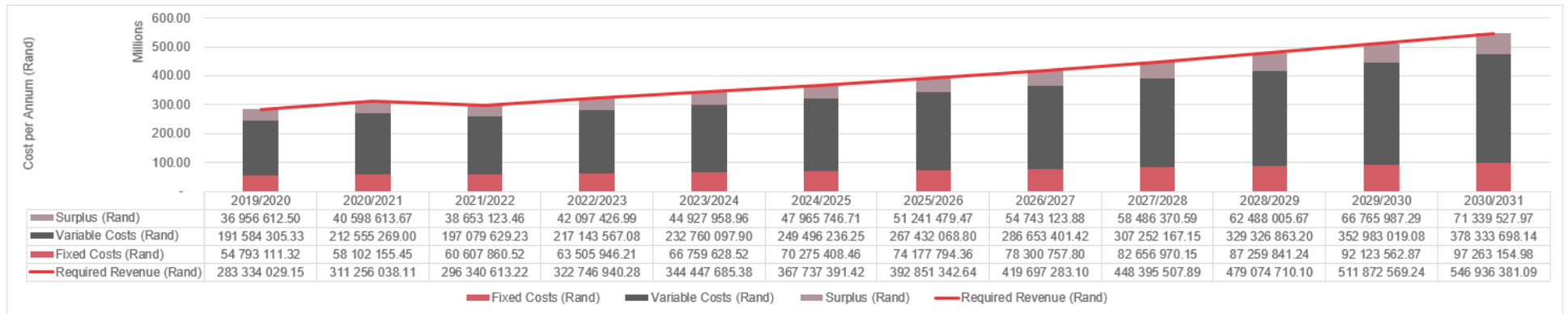


Figure 29 – Annual forecast: SSEG (20% PV penetration – 10% export)

SSEG Tariff (R/kWh)	0.43											
% Export	15.00%											
Average Annual SSEG Import (kWh)	5 256 741.53											
Percentage of Customers	20.00%											
Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Required Revenue (Rand)	283 334 029.15	311 256 038.11	294 732 802.74	320 979 369.20	342 588 772.19	365 782 429.72	390 795 384.17	417 535 125.34	446 121 681.02	476 683 463.27	509 357 856.21	544 291 845.07
Fixed Costs (Rand)	54 793 111.32	58 102 155.45	60 607 860.52	63 505 946.21	66 759 628.52	70 275 408.46	74 177 794.36	78 300 757.80	82 656 970.15	87 259 841.24	92 123 562.87	97 263 154.98
Variable Costs (Rand)	191 584 305.33	212 555 269.00	195 681 533.17	215 606 548.75	231 143 651.64	247 796 269.56	265 644 278.83	284 773 264.24	305 274 926.39	327 247 518.12	350 796 312.10	376 034 101.60
Surplus (Rand)	36 956 612.50	40 598 613.67	38 443 409.05	41 866 874.24	44 685 492.02	47 710 751.70	50 973 310.98	54 461 103.31	58 189 784.48	62 176 103.90	66 437 981.24	70 994 588.49
Total Recovered from Fixed Charges	-	-	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43	5 468 040.43
Total Revenue (including fixed Charges)	36 956 612.50	40 598 613.67	43 911 449.49	47 334 914.68	50 153 532.46	53 178 792.14	56 441 351.41	59 929 143.74	63 657 824.91	67 644 144.34	71 906 021.68	76 462 628.92
% Energy Cost to total Cost	78%	79%	76%	77%	78%	78%	78%	78%	79%	79%	79%	79%
% SSEG Purchases to total Purchases	0.000%	0.000%	7.468%	7.320%	7.176%	7.035%	6.896%	6.760%	6.627%	6.496%	6.368%	6.243%
Anticipated Increase In Eskom Supply Cost (%)	15.63%	8.76%	17.80%	8.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Average Tariff Increase for required revenue (%)		7.75%	15.53%	6.82%	4.69%	4.72%	4.79%	4.79%	4.80%	4.80%	4.80%	4.81%
		< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed
Demand lost to SSEG (kWh)	-	-	36 253 581.23	36 982 278.22	37 725 622.01	38 483 907.01	39 257 433.54	40 046 507.96	40 851 442.77	41 672 556.77	42 510 175.16	43 364 629.68
Energy Purchased from SSEG (kWh)	-	-	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53
Energy Sold Per Annum (kWh)	177 696 212.30	181 267 906.17	148 657 809.85	151 645 831.83	154 693 913.05	157 803 260.70	160 975 106.24	164 210 705.87	167 511 341.06	170 878 319.02	174 312 973.23	177 816 663.99
Average Cost Price (R/kWh)	1.39	1.49	1.72	1.84	1.93	2.02	2.11	2.21	2.32	2.43	2.54	2.66
Average Selling Price (Excl. Fixed Cost) (R/kWh)	1.42	1.53	1.77	1.89	1.97	2.07	2.17	2.27	2.38	2.49	2.61	2.74
Average Selling Price (Incl. Fixed Cost) (R/kWh)	1.51	1.62	1.88	2.00	2.10	2.19	2.30	2.41	2.52	2.64	2.76	2.90
Percent of Monthly Income	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Very Low Income	7.39%	7.66%	8.51%	8.74%	8.80%	8.86%	8.93%	8.99%	9.06%	9.13%	9.20%	9.27%
Low Income	6.90%	7.15%	7.94%	8.16%	8.21%	8.27%	8.33%	8.39%	8.46%	8.52%	8.59%	8.66%
Middle Income	5.75%	5.96%	6.62%	6.80%	6.84%	6.89%	6.94%	7.00%	7.05%	7.10%	7.16%	7.21%
High Income	5.87%	6.08%	6.76%	6.94%	6.99%	7.04%	7.09%	7.14%	7.20%	7.25%	7.31%	7.37%

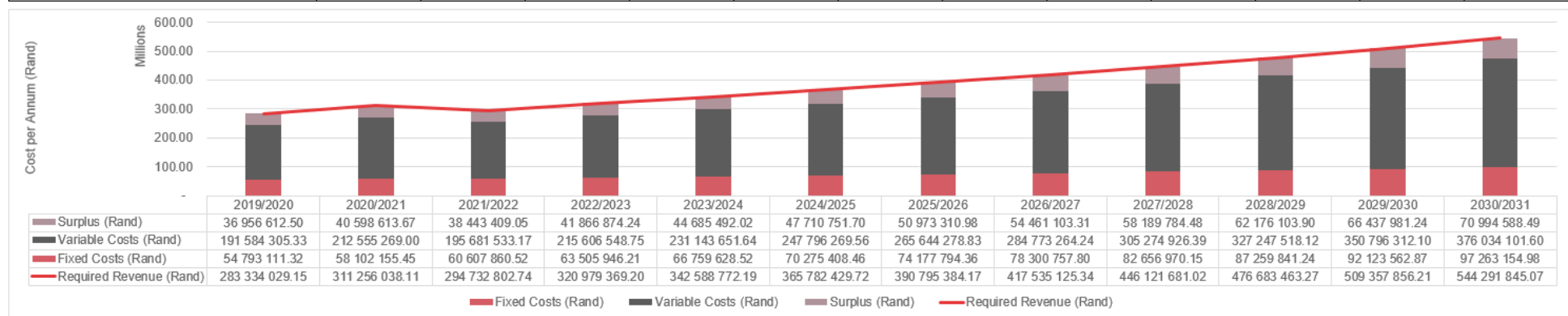


Figure 30 – Annual forecast: SSEG (20% PV penetration – 15% export – Most probable case)

SSEG Tariff (R/kWh)	0.43
% Export	20.00%
Average Annual SSEG Import (kWh)	5 256 741.53

Description	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Required Revenue (Rand)	283 334 029.15	309 746 554.96	303 703 078.39	329 155 907.15	349 533 046.94	371 292 417.87	394 647 426.60	419 481 923.75	445 907 607.84	474 009 343.66	503 893 965.75	535 675 142.65
Fixed Costs (Rand)	54 793 111.32	58 102 155.45	60 607 860.52	63 505 946.21	66 759 628.52	70 275 408.46	74 177 794.36	78 300 757.80	82 656 970.15	87 259 841.24	92 123 562.87	97 263 154.98
Variable Costs (Rand)	191 584 305.33	211 242 674.95	203 481 772.86	222 716 581.75	237 182 151.43	252 587 563.60	268 993 880.94	286 466 132.42	305 088 775.80	324 922 196.73	346 045 103.00	368 541 316.89
Surplus (Rand)	36 956 612.50	40 401 724.56	39 613 445.01	42 933 379.19	45 591 266.99	48 429 445.81	51 475 751.30	54 715 033.53	58 161 861.89	61 827 305.69	65 725 299.88	69 870 670.78
Total Recovered from Fixed Charges	-	-	8 579 002.17	8 579 002.17	8 579 002.17	8 579 002.17	8 579 002.17	8 579 002.17	8 579 002.17	8 579 002.17	8 579 002.17	8 579 002.17
Total Revenue (including fixed Charges)	36 956 612.50	40 401 724.56	48 192 447.18	51 512 381.37	54 170 269.17	57 008 447.98	60 054 753.47	63 294 035.71	66 740 864.07	70 406 307.87	74 304 302.05	78 449 672.95
% Energy Cost to total Cost	78%	78%	77%	78%	78%	78%	78%	79%	79%	79%	79%	79%
% SSEG Purchases to total Purchases	0.000%	0.000%	7.194%	7.097%	7.002%	6.907%	6.814%	6.722%	6.631%	6.541%	6.452%	6.365%
Anticipated Increase In Eskom Supply Cost (%)	15.63%	8.76%	17.80%	8.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Average Tariff Increase for required revenue (%)		7.81%	14.19%	6.90%	4.74%	4.77%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%
		< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed	< Allowed
Demand lost to SSEG (kWh)	-	-	28 330 592.48	28 745 289.85	29 165 448.11	29 594 449.01	30 029 113.38	30 477 418.34	30 923 700.68	31 375 860.92	31 833 972.00	32 298 107.71
Energy Purchased from SSEG (kWh)	-	-	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53	12 111 223.53
Energy Sold Per Annum (kWh)	177 696 212.30	180 148 521.19	154 304 730.70	156 411 805.22	158 548 871.96	160 716 352.85	162 914 675.63	165 144 273.84	167 413 572.80	169 715 191.87	172 049 585.03	174 417 212.41
Average Cost Price (R/kWh)	1.39	1.50	1.71	1.83	1.92	2.01	2.11	2.21	2.32	2.43	2.55	2.67
Average Selling Price (Excl. Fixed Cost) (R/kWh)	1.42	1.53	1.75	1.87	1.96	2.06	2.16	2.26	2.37	2.49	2.61	2.74
Average Selling Price (Incl. Fixed Cost) (R/kWh)	1.51	1.63	1.86	1.99	2.08	2.18	2.29	2.40	2.51	2.63	2.76	2.89
Percent of Monthly Income												
Very Low Income	7.39%	7.66%	8.41%	8.65%	8.71%	8.78%	8.85%	8.92%	8.99%	9.06%	9.14%	9.21%
Low Income	6.90%	7.15%	7.85%	8.07%	8.13%	8.19%	8.26%	8.32%	8.39%	8.46%	8.53%	8.60%
Middle Income	5.75%	5.96%	6.54%	6.73%	6.78%	6.83%	6.88%	6.94%	6.99%	7.05%	7.11%	7.16%
High Income	5.87%	6.09%	6.68%	6.87%	6.92%	6.97%	7.03%	7.08%	7.14%	7.20%	7.26%	7.32%

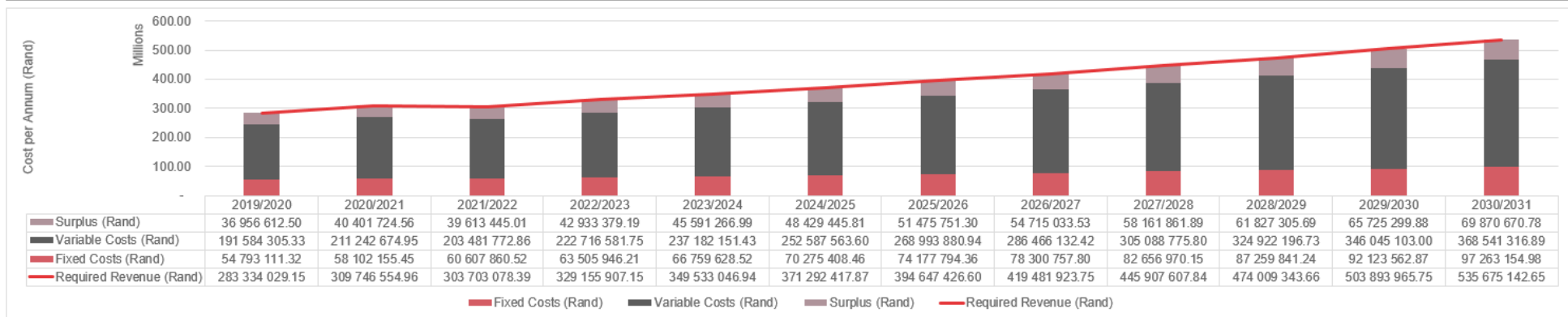


Figure 31 – Annual forecast: Witzenberg levy Model (20% PV penetration – 15% export – Most probable case)

Appendix C: Load Flow Ceres, Tulbagh, Wolsey

In diversity there is beauty and there is strength.

MAYA ANGELOU

Document prepared by:

Aurecon South Africa (Pty) Ltd

Reg No 1977/003711/07

Aurecon Centre
1 Century City Drive
Waterford Precinct
Century City
7441

PO Box 494
Cape Town
8000
Docex: DX 204

T +27 21 526 9400
F +27 21 526 9500
E capetown@zutari.com
W Zutari.com



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