



Revised Budget Medium Term Revenue and Expenditure Forecasts
MFMA Section 16 Report

2021/2022

Govan Mbeki Municipality

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1. OVERVIEW

1.1 Purpose

The purpose of the report is to table the **revised** 2021/22 Medium-term Revenue and Expenditure Framework (MTREF) before Council in terms of Section 16(2) of the Local Government: Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003) prior to the community consultation process.

1.2 Background

The Provincial Treasury assessed the tabled budget in line with MFMA Circular 108 with clear recommendations and also re-assessed Govan Mbeki Municipality's budget which was adopted on the 27th of May 2021.

The 2021/22 MTREF reflects the reality of the current budgetary pressures. The letter dated 17 June 2021 received from Provincial Treasury directly informed the compilation of the revised budget;

2. EXECUTIVE SUMMARY

2.1 Executive Summary

The preparation of the 2021/2022 Budget and Medium-Term Revenue and Expenditure Framework (MTREF) is based on the guidelines contained in the MFMA **Circular No.107 and 108** issued by National Treasury.

The other fundamental principles underlying the preparation of this draft budget is the application of sound Financial Management to ensure Financial Viability, and that municipal services provide sustainable, economically and equitable to all communities.

The main challenges experienced during compilation of the 2021/22 MTREF can be summarized as follows:

- Significant increase in operating expenditure with limited increase in operating revenue resulting in huge deficits.
- Cash flow constraints
- The increased cost of bulk purchases (due to increase from Rand Water and Eskom).
- The need to re-prioritise expenditure within the existing resource given the cash flow realities and declining cash position.
- Unavailability of own-funding for capital budget; and
- Inability to raise capital/borrowing.

The following principles and guidelines will directly inform the 2021/2022 MTREF:

- The budget of 2021/2022 budget was used as baseline and was appropriate as upper limits.
- CPI guidelines from National Treasury except where specific sector increases are prescribed.
- Ensuring that drinking water meets the required quality standards at all times
- Identification of inefficiencies and elimination of no-priority spending
- Securing health of the assets by increasing the spending on repairs and maintenance
- Developing strategies in reducing water and electricity losses
- Developing tariffs that are cost reflective
- Maintaining a long financially sustainable environment
- Protect the poor from the worst impacts of the economic downturn at all times
- Job creation and poverty reduction

For the municipality to be able to deliver efficient and effective public services within the existing fiscal purse, tough decisions will have to be taken on the expenditure side. Priority ought to be given to the following areas:

- A performance culture where all the people are held accountable for their actions, accompanied by clear, measurable outcomes related to key developmental priorities.
- Limit outsourcing of work
- Procurement reforms
- Limit wastage and inefficient systems
- Strengthen the collection to reduce the debt book

The budget has been prepared with a vision of sustaining the financial capability of the municipality in the long term. A special effort was taken to improve the credibility of the budget. The tariffs have been set in line with tariff policy and the following factors were considered:

- The current collection rate
- The affordability of the community
- The social package
- The direct cost drivers

The tariffs for service charges have been increased as follows:

- Water 5.8%
- Electricity 14.5%
- Rates 4.1%
- Waste management
 - o Refuse removal 4.1%
- Sewer 5.8%
- Miscellaneous 4.1%

The social package is proposed as follows:

DESCRIPTION	2019/2020 VAT Inclusive	2020/2021 VAT Inclusive	2021/2022 VAT Inclusive
Free Electricity	58.12	59.04	67.65
Free Water	224.91	250.47	264.96
Equitable Share	253.63	263.00	273.78
TOTAL	536.66	572.51	606.39

The municipality is implementing the inclining block tariffs on electricity and water. The IBT for the electricity is in-line with the NERSA guidelines. The water tariffs are also designed using the inclining block model to promote conservative approach to the domestic consumers.

The municipality will still ensure that the poor are protected through the indigent support scheme as per the indigent policy and debt collection strategy. The threshold for increasing free basic services for a household will be reviewed. The increase on the package indicates the municipality's commitment to protect the poor and also to ensure that those who cannot afford to pay are not burden with the unpaid accounts.

The council is committed in creating employment and reducing poverty as part of National Initiative, through meaningful local economic developmental initiatives and labour intensive projects. Furthermore, the municipality will on the continuous basis engage with the service providers to ensure that labour intensive approaches are utilized. The municipality will also ensure that it implements the intern programs to provide the young people with on the job training.

A conservative approach in spending will be adopted to ensure financial sustainability. As a municipality we should also all pay serious attention to managing revenue and any cash streams effectively through revenue management processes and procedures.

2.2 Consolidated overview

The budget has been prepared in terms of guidelines as contained in Circular 107 and 108 of the MFMA. The contents and format of the budget are in line with the requirements of the Municipal Budget and Reporting Regulations and any applicable legislation.

The 2021/2022 draft budget comprises of R 2.4 billion for operating expenditure and R 264.3 million for capital investment programs. The total operating income budget is R2.5 billion resulting in an operating surplus of R 96.7 million.

Municipal revenues and cash flows are expected to remain under pressure as we still continue to have low income revenue growth with a continued increase in expenditure.

Table 1: Consolidated overview of the 2021/2022 Draft Budget

Description	Original Budget 2020/2021	Adjusted Budget 2020/2021	Budget 2021/2022	Revised Budget 2021/2022	Budget 2022/2023	Budget 2023/2024
Total Operating Revenue	2 432 912 000	2 432 912 000	2 534 606 727	2 589 361 545	2 646 291 061	2 765 598 559
Total Operating Expenditure	2 382 411 000	2 405 774 000	2 532 635 532	2 492 628 776	2 638 726 486	2 752 079 005
Surplus /(Deficit) for the year before capital grants	50 501 000	27 138 000	1 971 195	96 732 769	7 564 575	13 519 554
Grants revenue -Capital	172 422 000	181 872 000	124 693 000	124 693 000	130 179 492	136 037 569
Surplus /(Deficit)for the year	222 923 000	209 010 000	126 664 195	221 425 769	137 744 067	149 557 123
Total Capital Expenditure	253 274 900	309 111 710	256 380 325	264 380 325	273 930 314	313 842 060

Operating budget

The operating budget deals with day-to-day operations of the municipality to ensure that service delivery is sustained.

The operating budget has increased to R2.5 billion compared to the current adjusted budget of R2.4 billion with

The trend is that the operating expenditure has been increasing over the years driven by:

- salary increments
- the need to repair infrastructure
- the need to adequately budget for debt impairment and depreciation,
- Inflation

The budget has been revised to total operating revenue amounts of **R2,589 billion** and operating expenditure of **R2,492 billion** which then realised operating surplus of **R96.7million**.

CAPITAL BUDGET

- An amount of R264,3 million has been allocated for the capital investment program for 2021/2022 financial year. This is a decrease from the draft budget which was amounting to R296.5
- The main reason for the capital budget is purchase capital items that will assist the service delivery challenges.
- Capital items budgeted from internal funds amounts to R 127 million and extra ordinary efforts should be put in place to collect outstanding debtors and reduce the water and electricity losses which will subsequently reduce the bulk purchases expenditure.

DETAILED OVERVIEW OF BUDGET

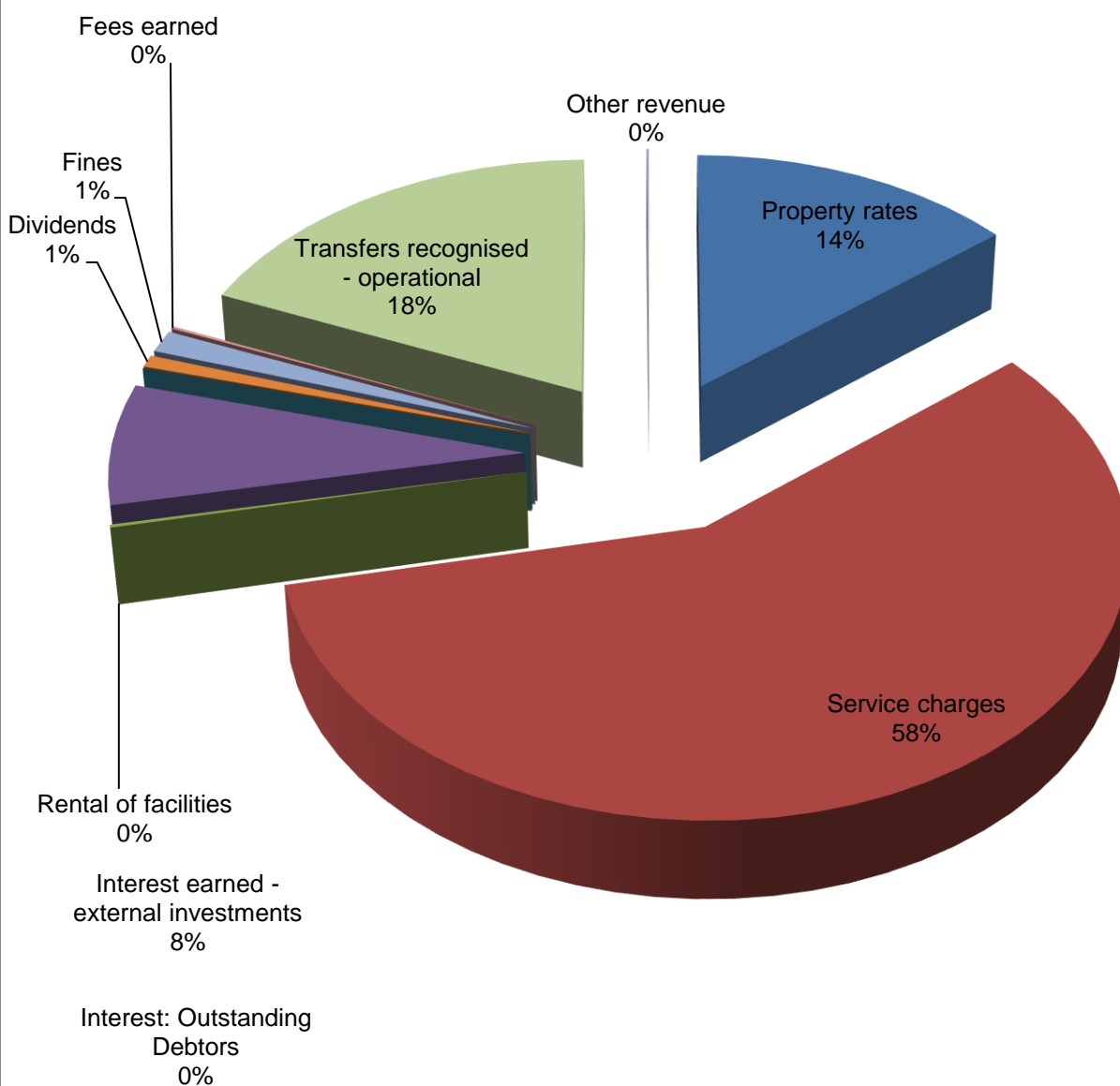
2.3 Total Revenue

REVENUE	Adjusted Budget 2020/21	Budget 2021/22	Amendments	Budget 2021/22 revised	Budget 2022/23	Budget 2023/24
Exchange Revenue	1 647 426 792	1 744 237 215		1 798 992 033	1 820 983 619	1 902 927 882
Interest Dividend and Rent on Land	191 223 144	199 063 293		199 063 293	207 822 078	217 174 071
Operational Revenue	2 590 872	2 837 098	8 000 000	10 837 098	2 961 930	3 095 217
Rental from Fixed Assets	4 728 216	4 922 073		4 922 073	5 138 644	5 369 883
Sales of Goods and Rendering of Services	3 721 008	4 093 753		4 093 753	4 273 878	4 466 203
Service Charges	1 445 163 552	1 533 320 998	46 754 818	1 580 075 816	1 600 787 089	1 672 822 508
Non exchange Revenue	785 485 288	790 369 513		790 369 512	825 145 771	862 277 331
Fines Penalties and Forfeits	34 646 220	36 076 715		36 076 715	37 664 090	39 358 975
Interest Dividend and Rent on Land	18 878 688	19 652 714		19 652 714	20 517 434	21 440 718
Property Rates	346 777 380	371 135 083		371 135 083	387 465 027	404 900 953
Transfers and Subsidies_operational	385 183 000	363 505 000		363 505 000	379 499 220	396 576 685
Total Operational revenue budget	2 432 912 080	2 534 606 727		2 589 361 545	2 646 129 390	2 765 205 213
Transfers and Subsidies_Capital	172 422 004	124 693 000		124 693 000	130 179 492	136 037 569
Total Revenue Budget	2 605 334 084	2 659 299 727	54 754 818	2 714 054 545	2 776 308 882	2 901 242 782

2.4 Revenue

Revenue 2021-2022

- Property rates
- Rental of facilities
- Interest: Outstanding Debtors
- Fines
- Transfers recognised - operational
- Service charges
- Interest earned - external investments
- Dividends
- Fees earned
- Other revenue



Comments on Operating Revenue

The property rates

The property rates amount to R 371.1 million for the 2021/2022 financial year. This revenue stream has been increased by 4.19%. An amount of R 28 million is budgeted for the income forgone in terms of rebates and discounts that are offered by the municipality for the indigents, pensioners and the areas where the municipality is not providing services. This revenue stream contributes 14% of the total revenue.

Service charges

Service charges include electricity, refuse, sewer and water. The service charges for 2021/2022 amount to R 1 580.075 billion, 2022/2023 R 1 600.7 billion and 2023/2024 amounts to R 1 672.8 billion. The R 1 580 billion is made up of the following, water R 577.5 million, Refuse R 155.5 million, Sewerage R 147.7 million and electricity R699.1million. The service charges contribute 58% of the operating revenue.

Included in the revenue is free basic services for electricity, water, refuse and sewerage services to the value of R 61million

Rental income

The rental income amounts to R4.9 million. The stream contributes 0.2% of the total revenue.

Fines

The revenue estimates for the fines have been increased from R 34.6 million to R 36 million, this was done to make a provision as required by iGRAP1.

Grants and Subsidies – operating

The grants subsidies refer to the Division of Revenue Act allocations in the 2021/22 financial year, the operational grants allocations are as follows:

DESCRIPTION	Budget 2021/22	Budget 2022/23	Budget 2023/24
Energy Efficiency and Demand Side Management Grant	4 200 000	4 384 800	4 582 116
Equitable Share	331 028 000	345 593 232	361 144 927
Expanded Public Works Programme Integrated Grant	1 677 000	1 750 788	1 829 573
Financial Management Grant	2 100 000	2 192 400	2 291 058
Infrastructure Skills Development Grant	24 500 000	25 578 000	26 729 010
TOTAL	363 505 000	379 499 220	396 576 684

Grants and Subsidies – capital

The grants subsidies refer to the Division of Revenue Act allocations in the 2021/22 financial year, the capital grants allocations are as follows. The grants are allocated to serve specific purpose to the community which is improvement and/or construction of infrastructure.

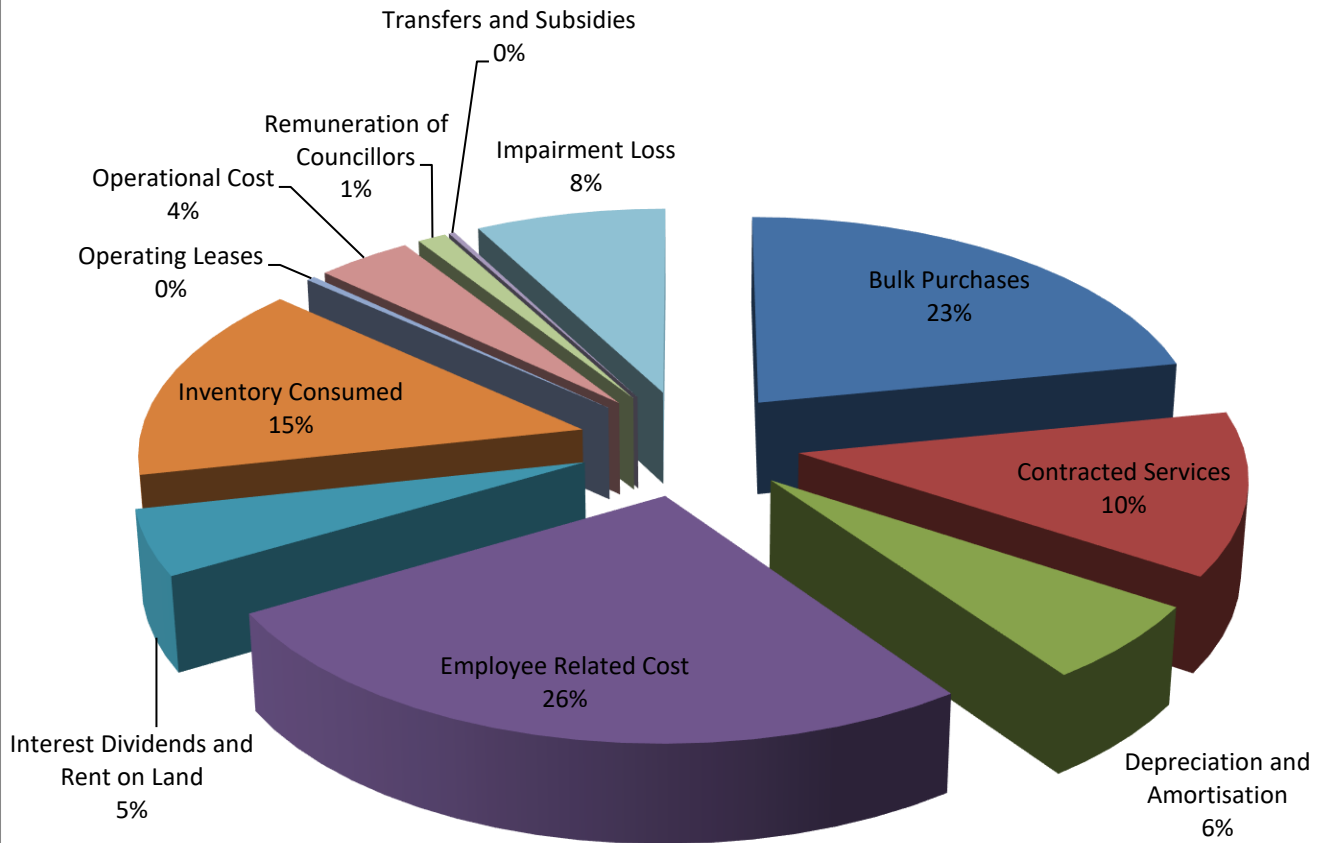
DESCRIPTION	Budget 2021/22	Budget 2022/23	Budget 2023/24
National Government: Water Services Infrastructure Grant	16 000 000	16 704 000	17 455 680
National Government: Regional Bulk Infrastructure Grant	40 000 000	41 760 000	43 639 200
National Government: Municipal Infrastructure Grant	61 043 000	63 728 892	66 596 692
National Government: Integrated National Electrification Programme Grant	7 650 000	7 986 600	8 345 997
TOTAL	124 693 000	130 179 492	136 037 569

2.5 Operating Expenditure

Description	Adjusted budget 2021/21	Budget 2021/22	Amendments	Budget 2021/22 revised	Budget 2022/23	Budget 2023/24
						-
Bulk Purchases	862 200 132	570 080 515		570 080 515	593 453 816	617 785 422
Contracted Services	260 897 798	256 875 108		256 875 108	267 464 880	278 511 527
Depreciation and Amortisation	148 449 084	154 535 496		154 535 496	161 335 058	168 595 136
Employee Related Cost	629 364 972	689 558 967	-40 006 758	649 552 209	719 876 393	752 238 673
Interest Dividends and Rent on Land	123 974 904	129 057 875		129 057 875	134 736 422	140 799 561
Inventory Consumed	61 243 285	389 386 905		389 386 905	405 375 128	422 028 026
Operating Leases	5 361 856	8 861 692		8 861 692	9 227 741	9 609 863
Operational Cost	82 687 851	95 259 549		95 259 549	97 739 497	101 790 952
Remuneration of Councillors	29 385 756	30 590 572		30 590 572	31 936 557	33 373 702
Impairment	194 222 640	202 185 768		202 185 768	211 081 942	220 580 629
Transfers and Subsidies	7 371 200	6 243 085		6 243 085	6 499 052	6 765 513
Total expenditure	2 405 159 478	2 532 635 532	-40 006 758	2 492 628 774	2 638 726 486	2 752 079 005

EXPENDITURE 2021-2022

- Bulk Purchases
- Depreciation and Amortisation
- Interest Dividends and Rent on Land
- Operating Leases
- Remuneration of Councillors
- Impairment Loss
- Contracted Services
- Employee Related Cost
- Inventory Consumed
- Operational Cost
- Transfers and Subsidies



Comments on Operating Expenditure:

Employee related costs

The employee related costs and remuneration of councillors indicate a percentage of 26% of the total operating budget. The average salary increase 4%. The overtime will have to be controlled and filling of vacant positions will have to be fast tracked.

General expenditure

In a bid to cut cost and ensure the funding of the overall budget was increased to R101.4 million. The transport cost still needs to be controlled. General expenditure takes 4% of the total operating expenditure.

Bulk purchases: Electricity

The bulk purchases for electricity amounts to R 570.0 million, which contributes 23% of the operating budget. The Eskom will increase the bulk purchases to the municipality by 14.59%

Repairs and maintenance

The repairs and maintenance plan for the departments must be aligned with their budget and monthly reports should indicate how the departments are progressing. The repairs and maintenance contributes 4.63% of the operating budget. The revenue generating assets should be to an adequate level ensuring that quality services are sustained.

Depreciation

Depreciation constitutes 6% of the budget. The budget increase was informed by historical trends as well as budgeted and forecasted additions.

Inventory Consumed

Inventory consumed is inclusive of Bulk purchases for water which amounts to R327.4, Rand water will increase bulk purchases to municipality by 5.8%

Contracted services and Repairs and Maintenance

In a bid to cut cost and ensure the funding of the overall budget, contracted services budget was budgeted at 256million. Contracted services constitute 10% of total operating expenditure. Increase in contracted services is also related to increase of contract values and new services that are required by the institution.

Main increase in contracted are on security services, meter services, sewerage services, services for distribution network on and prepaid vending. Over and above the increase is on new contracts in relation to Vetting of Qualifications, Designs of Transfer stations at Landfill sites, VAT recovery services, Relocation costs, Township Establishment

Included in the R 256million of contracted services is repairs and maintenance amounting to R98 million and outsourced services amounting to R 166million.The contract management will have to be improved for the contracted services. The outsourcing of work will need to be controlled to ensure skill transfer.

CONTRACTED SERVICES

Function	Item description	Draft Budget 2022	Budget Amend 13.05.2021	Final Budget 2022	Final Budget 2023	Final Budget 2024
Security Services:Security and Compliance (Dept 0410)	Expenditure:Contracted Services:Outsourced Services:Security Services	35 728 711.67		35 728 711.67	37 193 588.85	38 718 525.99
Human Resources:Development and Transformation (Dept 0202)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Human Resources	25 218 225.00	-	25 218 225.00	26 252 172.23	27 328 511.29
Sewerage:Sewerage (Dept 0608)	Expenditure:Contracted Services:Outsourced Services:Sewerage Services	17 037 519.82		17 037 519.82	17 736 058.14	18 463 236.52
Electricity:Energy Operations (Dept 0609)	Expenditure:Contracted Services:Contractors:Prepaid Electricity Vendors	15 244 399.84	- 2 000 000.00	13 244 399.84	13 787 420.23	14 352 704.46
Legal Services:Legal (Dept 0204)	Expenditure:Contracted Services:Consultants and Professional Services:Legal Cost:Legal Advice and Litigation	12 054 103.55	-	12 054 103.55	12 548 321.79	13 062 802.99
Asset Management:Asset Management (Dept 0508)	Expenditure:Contracted Services:Outsourced Services:Business and Advisory:Accounting and Auditing	7 063 509.79		7 063 509.79	7 353 113.69	7 654 591.35
Human Resources:Development and Transformation (Dept 0202)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	6 840 995.84	-	6 840 995.84	7 121 476.67	7 413 457.21
Finance:Financial Services Administration (Dept 0501)	Expenditure:Contracted Services:Outsourced Services:Meter Management	22 035 563.21	- 17 000 000.00	5 035 563.21	5 242 021.30	5 456 944.17
Electricity:Energy Operations (Dept 0609)	Contractors:Electrical	4 200 000.00		4 200 000.00	4 372 200.00	4 551 460.20
Electricity:Energy Operations (Dept 0609)	Expenditure:Contracted Services:Contractors:Electrical	3 100 760.08		3 100 760.08	3 227 891.24	3 360 234.78
Town Planning Building Regulations and Enforcement and City Engineer:Building Control (Dept 0307)	Expenditure:Contracted Services:Consultants and Professional Services:Infrastructure and Planning:Town Planner	5 082 465.00	- 2 000 000.00	3 082 465.00	3 208 846.07	3 340 408.75
Finance:Financial Services Administration (Dept 0501)	Expenditure:Contracted Services:Outsourced Services:Security Services	2 841 925.84		2 841 925.84	2 966 970.57	3 100 484.25
Property Services:Property Services (Dept 0306)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Valuer and Assessors	5 651 584.84	- 3 000 000.00	2 651 584.84	2 760 299.81	2 873 472.11

Finance:Revenue Services Billing and Cash (Dept 0507)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Business and Financial Management	2 082 000.00		2 082 000.00	2 173 608.00	2 271 420.36
Waste Water Treatment:Waste Water Treatment (Dept 0603)	Expenditure:Contracted Services:Outsourced Services:Cleaning Services	3 507 481.34	- 1 500 000.00	2 007 481.34	2 089 788.07	2 175 469.39
Human Resources:Development and Transformation (Dept 0202)	Expenditure:Operational Cost:Advertising Publicity and Marketing:Staff Recruitment	3 000 000.00	- 1 000 000.00	2 000 000.00	2 082 000.00	2 167 362.00
Administrative and Corporate Support:OHS and IR (Dept 0206)	Expenditure:Contracted Services:Consultants and Professional Services:Legal Cost:Legal Advice and Litigation	2 000 000.00	-	2 000 000.00	2 082 000.00	2 167 362.00
Finance:Financial Services Administration (Dept 0501)	Business and Advisory:Accounting and Auditing	2 000 000.00		2 000 000.00	2 088 000.00	2 181 960.00
Town Planning Building Regulations and Enforcement and City Engineer:Building Control (Dept 0307)	Expenditure:Contracted Services:Consultants and Professional Services:Infrastructure and Planning:Town Planner	1 699 536.26		1 699 536.26	1 769 217.24	1 841 755.15
Human Resources:Development and Transformation (Dept 0202)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	3 000 000.00	- 1 500 000.00	1 500 000.00	1 561 500.00	1 625 521.50
Housing:Human Settlement (Dept 0305)	Outsourced Services:Professional Staff	3 000 000.00	- 1 500 000.00	1 500 000.00	1 561 500.00	1 625 521.50
Finance:Credit Control (Dept 0506)	Expenditure:Contracted Services:Outsourced Services:Connection/Dis-connection:Electricity	1 354 553.36		1 354 553.36	1 414 153.71	1 477 790.63
Finance:Credit Control (Dept 0506)	Expenditure:Contracted Services:Consultants and Professional Services:Legal Cost:Issue of Summons	1 051 022.75		1 051 022.75	1 097 267.75	1 146 644.80
Roads:Technical Services Administration (Dept 0601)	Expenditure:Contracted Services:Outsourced Services:Personnel and Labour	1 008 641.56		1 008 641.56	1 049 995.86	1 093 045.69
	Outsourced Services:Professional Staff	1 000 000.00		1 000 000.00	1 041 000.00	1 083 681.00
Administrative and Corporate Support:OHS and IR (Dept 0206)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Medical Examinations	1 019 574.51	- 300 000.00	719 574.51	749 077.06	779 789.22
Finance:Budget and Treasury Office (Dept 0505)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Business and Financial Management	675 000.00		675 000.00	704 700.00	736 411.50
Town Planning Building Regulations and Enforcement and City Engineer:Building Control (Dept 0307)	Expenditure:Contracted Services:Consultants and Professional Services:Infrastructure and Planning:Town Planner	624 600.00		624 600.00	650 208.60	676 867.15
Finance:Credit Control (Dept 0506)	Expenditure:Contracted Services:Consultants and Professional Services:Legal Cost:Collection	582 764.29		582 764.29	608 405.92	635 784.19
Finance:Financial Services Administration (Dept 0501)	Expenditure:Contracted Services:Outsourced Services:Administrative and Support Staff	563 164.34		563 164.34	587 943.58	614 401.04
Finance:Budget and Treasury Office (Dept 0505)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	535 526.73		535 526.73	559 089.91	584 248.95
Solid Waste Disposal (Landfill Sites):Waste Disposal Landfill Sites (Dept 0409)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Accounting and Auditing	520 504.16		520 504.16	541 844.83	564 060.47
Waste Water Treatment:Waste Water Treatment (Dept 0603)	Outsourced Services:Professional Staff	500 000.00		500 000.00	522 000.00	545 490.00
Housing:Human Settlement (Dept 0305)	Outsourced Services:Professional Staff	500 000.00		500 000.00	520 500.00	541 840.50
Finance:Budget and Treasury Office (Dept 0505)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	497 181.60		497 181.60	519 057.59	542 415.18

Sports Grounds and Stadiums:Sports Grounds and Facilities (Dept 0408)	Expenditure:Contracted Services:Contractors:Sports and Recreation	453 573.00		453 573.00	472 169.49	491 528.44
Security Services:Security and Compliance (Dept 0410)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	413 972.39		413 972.39	430 945.26	448 614.01
Cemeteries Funeral Parlours and Crematoriums:Cemeteries (Dept 0407)	Expenditure:Contracted Services:Outsourced Services:Burial Services	261 225.66		261 225.66	271 935.92	283 085.29
Finance:Budget and Treasury Office (Dept 0505)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	260 245.84		260 245.84	271 696.65	283 923.00
Community Parks (including Nurseries):Parks (Dept 0408)	Expenditure:Contracted Services:Outsourced Services:Alien Vegetation Control	229 540.50		229 540.50	238 951.66	248 748.68
Governance Function:Internal Audit (Dept 0110)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Audit Committee	226 631.95		226 631.95	236 603.75	247 250.92
Town Planning Building Regulations and Enforcement and City Engineer:Building Control (Dept 0307)	Expenditure:Contracted Services:Consultants and Professional Services:Infrastructure and Planning:Land and Quantity Surveyors	201 755.36		201 755.36	210 027.33	218 638.45
Governance Function:Internal Audit (Dept 0110)	Outsourced Services:Professional Staff	160 000.00		160 000.00	167 040.00	174 556.80
Street Cleaning:Street Cleaning (Dept 0409)	Expenditure:Contracted Services:Outsourced Services:Litter Picking and Street Cleaning	115 655.10		115 655.10	120 396.96	125 333.23
Street Cleaning:Street Cleaning (Dept 0409)	Expenditure:Contracted Services:Outsourced Services:Litter Picking and Street Cleaning	115 655.10		115 655.10	120 396.96	125 333.23
Solid Waste Disposal (Landfill Sites):Waste Disposal Landfill Sites (Dept 0409)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Valuer and Assessors	114 764.00		114 764.00	119 469.33	124 367.57
Community Parks (including Nurseries):Parks (Dept 0408)	Expenditure:Contracted Services:Outsourced Services:Clearing and Grass Cutting Services	112 636.00		112 636.00	117 254.08	122 061.49
Risk Management:Risk Management(0111)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Commissions and Committees	101 230.00		101 230.00	105 684.12	110 439.91
Solid Waste Disposal (Landfill Sites):Waste Disposal Landfill Sites (Dept 0409)	Expenditure:Contracted Services:Consultants and Professional Services:Business and Advisory:Business and Financial Management	94 102.24		94 102.24	98 242.73	102 663.66
Street Cleaning:Street Cleaning (Dept 0409)	Expenditure:Contracted Services:Outsourced Services:Litter Picking and Street Cleaning	72 870.00		72 870.00	76 076.28	79 499.71
Cultural Matters:Special Projects Unit (Dept 0102)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	63 496.84		63 496.84	66 290.70	69 273.78
Governance Function:Internal Audit (Dept 0110)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	52 045.84		52 045.84	54 335.85	56 780.97
Town Planning Building Regulations and Enforcement and City Engineer:GIS (Dept 0308)	Outsourced Services:Professional Staff	50 000.00		50 000.00	52 050.00	54 184.05
Community Parks (including Nurseries):Parks (Dept 0408)	Expenditure:Contracted Services:Contractors:Pest Control and Fumigation	28 681.63		28 681.63	29 943.62	31 291.09
Risk Management:Risk Management(0111)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	15 000.00		15 000.00	15 660.00	16 364.70
Solid Waste Disposal (Landfill Sites):Waste Disposal Landfill Sites (Dept 0409)	Expenditure:Contracted Services:Contractors:Removal of Hazardous Waste	12 079.76		12 079.76	12 611.27	13 178.78
Water Distribution:Water Distribution (Dept 0604)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	3 123 000.00	- 3 123 000.00	-	-	-
Human Resources:Development and Transformation (Dept 0202)	Expenditure:Contracted Services:Outsourced Services:Professional Staff	1 040 995.84	- 1 040 995.84	0.00	0.00	0.00
		200 140 472.40	- 33 963 995.84	166 176 476.56	173 031 020.67	180 182 794.05

REPAIRS AND MAINTANANCE BUDGET 2021/22

ProjectLongDesc	Function	Draft Budget 2022	Budget Amend 13.05.2021	Final Budget 2022	Final Budget 2023	Final Budget 2024
Operational:Maintenance:Infrastructure:Preventative Maintenance:Condition Based:Solid Waste Disposal:Landfill Sites:Land:Landfill Site Maintenance Contract (landfill)	Solid Waste Disposal (Landfill Sites):Waste Disposal Landfill Sites (Dept 0409)	15 573 995.84	- 4 000 000.00	11 573 995.84	12 048 529.67	12 542 519.38
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Roads Infrastructure:Roads:Pavements:Roads Patching and Resealing (Roads)	Roads:Roads (Dept 0608)	2 146 429.57	4 000 000.00	6 146 429.57	6 398 433.18	6 660 768.95
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:MV Networks:MV Transformers:MV Transformers Repairs and Maintenance: Materials (Energy Operations)	Electricity:Energy Operations (Dept 0609)	7 893 157.64	- 2 350 000.00	5 543 157.64	5 770 427.11	6 007 014.62
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:MV Networks:MV Mini-substations:MV Networks Mini-Substations Repairs and Maintenance (Energy Operations)	Electricity:Energy Operations (Dept 0609)	7 626 653.32	- 2 350 000.00	5 276 653.32	5 492 996.10	5 718 208.94
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Roads Infrastructure:Roads:Earthworks:Roads Maintenance (Roads)	Roads:Roads (Dept 0608)	6 135 504.16	- 1 000 000.00	5 135 504.16	5 346 059.83	5 565 248.29
Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Sanitation Infrastructure:Pump Station:Mechanical Equipment:Maintenance of Pump Station Mechanical Equipment (Sewerage)	Sewerage:Sewerage (Dept 0608)	4 848 416.26		4 848 416.26	5 047 201.32	5 254 136.58
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:MV Networks:MV Transformers:MV Networks Transformers Repairs (Energy Operations)	Electricity:Energy Operations (Dept 0609)	7 286 995.84	- 3 000 000.00	4 286 995.84	4 462 762.67	4 645 735.93
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Transport Assets:Vehicles Maintenance (Community Services Administration)	Community Halls and Facilities:Community Services Administration (Dept 0401)	3 880 115.53		3 880 115.53	4 039 200.27	4 204 807.48
Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Condition Based:Community Assets:Community Facilities:Halls:Mechanical Equipment:Maintenance of Halls Mechanical Equipment (Community Halls)	Community Halls and Facilities:Facilities (Dept 0403)	3 754 380.02		3 754 380.02	3 908 309.60	4 068 550.29
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Sanitation Infrastructure:Reticulation:Pipe Work:Hiring of Septic Tank Trucks (Sewerage)	Sewerage:Sewerage (Dept 0608)	6 427 883.52	- 3 000 000.00	3 427 883.52	3 568 426.74	3 714 732.24
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:MV Networks:MV Network Equipment:MV Networks Equipment Repairs and Maintenance: Materials (Energy Operations)	Electricity:Energy Operations (Dept 0609)	6 258 929.22	- 3 000 000.00	3 258 929.22	3 392 545.32	3 531 639.68
Operational:Maintenance:Infrastructure:Preventative Maintenance:Condition Based:Storm water Infrastructure:Drainage Collection:Drainage:Strom Water Drainange Maintenance (Storm Water Management)	Storm Water Management:Storm Water Management (Dept 0608)	3 123 000.00		3 123 000.00	3 251 043.00	3 384 335.76
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Transport Assets:Vehicles Maintenance (Technical Services Administration)	Roads:Technical Services Administration (Dept 0601)	3 081 357.49		3 081 357.49	3 207 693.15	3 339 208.56

Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Sanitation Infrastructure:Reticulation:Pipe Work:Repairs of Damaged Newtwork System (Sewerage)	Sewerage:Sewerage (Dept 0608)	3 003 724.42		3 003 724.42	3 126 877.12	3 255 079.08
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:MV Networks:MV Network Equipment:MV Networks Equipment: Materials (Energy Operations)	Electricity:Energy Operations (Dept 0609)	4 846 896.00	- 2 800 000.00	2 046 896.00	2 130 818.74	2 218 182.30
Operational:Maintenance:Infrastructure:Preventative Maintenance:Condition Based:Roads Infrastructure:Roads:Pavements:Roads Speed Humps Maintenance (Roads)	Roads:Roads (Dept 0608)	10 000 000.00	- 8 000 000.00	2 000 000.00	2 082 000.00	2 167 362.00
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:LV Networks:Public Lighting:Highmast lights Maintanance	Electricity:Energy Operations (Dept 0609)	2 414 728.58	- 1 000 000.00	1 414 728.58	1 472 732.45	1 533 114.48
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Water Supply Infrastructure:Pump Station:Mechanical Equipment:Mechanical Equipment Maintenance (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	1 500 068.51	- 100 000.00	1 400 068.51	1 457 471.32	1 517 227.64
Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Sanitation Infrastructure:Waste Water Treatment:Pipe Work:Repairs (Waste Water Treatment)	Waste Water Treatment:Waste Water Treatment (Dept 0603)	1 451 786.93	- 100 000.00	1 351 786.93	1 407 210.19	1 464 905.81
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:MV Substations:MV Substation Equipment:MV Substations Maintenance of Equipment - Materials (Energy Operations)	Electricity:Energy Operations (Dept 0609)	1 210 837.07		1 210 837.07	1 260 481.39	1 312 161.12
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Water Supply Infrastructure:PRV Stations:Pipe Work:PVR Stations Maintenance (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	1 254 380.02	- 100 000.00	1 154 380.02	1 201 709.60	1 250 979.69
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:MV Networks:MV Conductors:MV Networks Conductors Materials (Energy Operations)	Electricity:Energy Operations (Dept 0609)	1 051 414.16		1 051 414.16	1 094 522.14	1 139 397.55
Operational:Maintenance:Infrastructure:Preventative Maintenance:Condition Based:Water Supply Infrastructure:Water Treatment:Buildings:Water Treatment Plant Building Maintenance (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	1 143 022.16	- 100 000.00	1 043 022.16	1 085 786.07	1 130 303.30
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:LV Networks:Public Lighting:Lights - Materials (Energy Operations)	Electricity:Energy Operations (Dept 0609)	3 018 416.98	- 2 000 000.00	1 018 416.98	1 060 172.07	1 103 639.13
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Electrical Infrastructure:MV Networks:MV Mini-substations:MV Networks Mini-Substations Repairs and Maintenance: Materials (Energy Operations)	Electricity:Energy Operations (Dept 0609)	2 006 889.77	- 1 000 000.00	1 006 889.77	1 048 172.25	1 091 147.31
Operational:Maintenance:Infrastructure:Preventative Maintenance:Condition Based:Electrical Infrastructure:LV Networks:Public Lighting:Repairs and Maintenance of Traffic Lights (Public Signals and Lighting)	Police Forces Traffic and Street Parking Control:Traffic (Dept 0405)	1 003 280.00		1 003 280.00	1 044 414.48	1 087 235.47
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Water Supply Infrastructure:Water Treatment:Land:Water Treatment Plant Maintenance Hiring of Plant (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	1 000 321.88	- 70 000.00	930 321.88	968 465.08	1 008 172.15
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Other Assets:Operational Buildings:Municipal Offices:Electrical Equipment:Maintenance of Electrical Equipment at the Offices (Facilities Maintenance)	Community Halls and Facilities:Facilities Maintenance (0602)	916 395.84		916 395.84	956 717.25	999 769.53
Operational:Typical Work Streams:Electrification:Electrical Assistance Programme	Electricity:Energy Operations (Dept 0609)	791 160.00		791 160.00	825 971.04	863 139.74

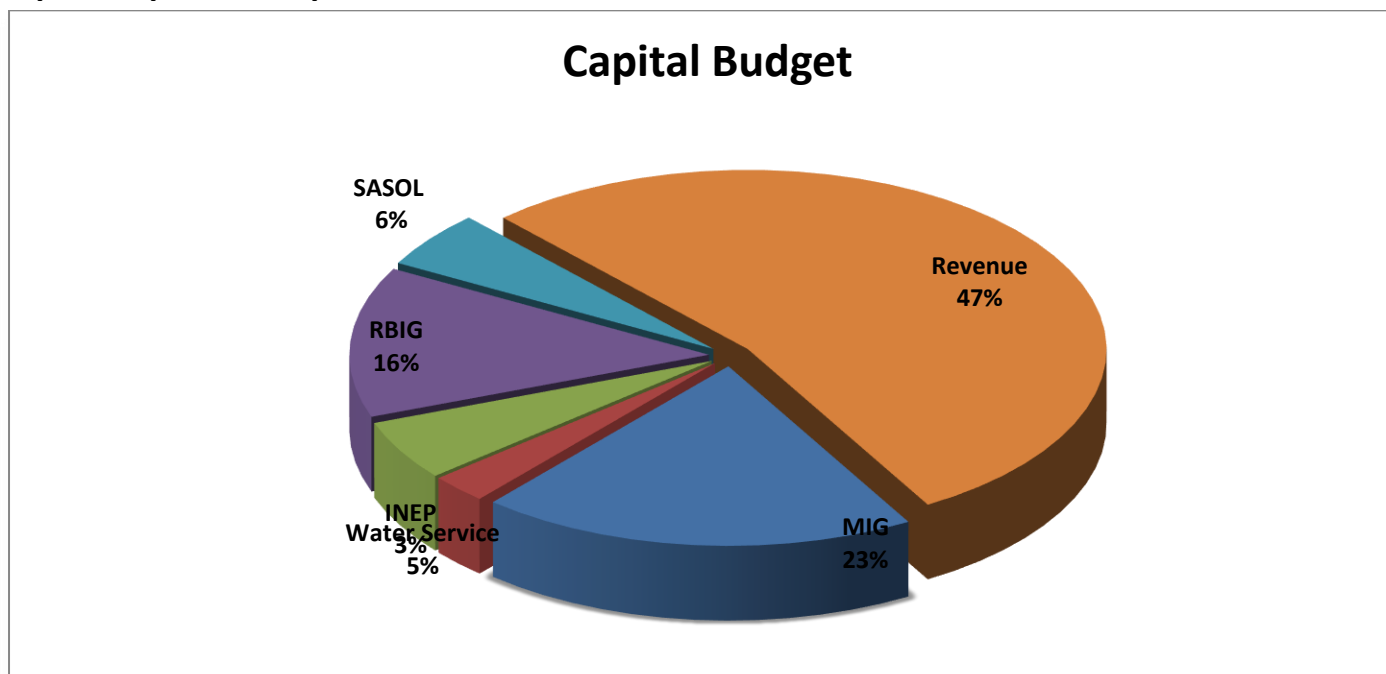
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Water Supply Infrastructure:Reservoirs:Mechanical Equipment:Mechanical Equipment Maintenance Reservoirs (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	642 688.42		642 688.42	670 966.71	701 160.21
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Furniture and Office Equipment:Repairs & Maintenance of Office Furniture and Equipment (Corporate Services Administration)	Administrative and Corporate Support:Administrative Services (Dept 0203)	620 710.82		620 710.82	646 159.97	672 652.53
JAWS OF LIFE	Fire Fighting and Protection:Fire Fighting (Dept 0404)	600 762.09		600 762.09	625 393.34	651 034.46
Operational:Maintenance:Infrastructure:Preventative Maintenance:Condition Based:Sanitation Infrastructure:Reticulation:Pipe Work:Pipe Work Materials (Sewerage)	Sewerage:Sewerage (Dept 0608)	587 744.66		587 744.66	613 605.43	641 217.67
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Emergency:Computer Equipment:Repairing Computers & Computer Equipment (ICT)	Information Technology:ICT (Dept 0205)	516 452.59		516 452.59	537 627.15	559 669.86
Operational:Municipal Running Cost	Community Halls and Facilities:Facilities Maintenance (0602)	400 000.00		400 000.00	417 600.00	436 392.00
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Distribution Points:Communal Standpipes:Communia Standpoint Maintenance (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	368 235.01		368 235.01	384 437.35	401 737.03
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Sanitation Infrastructure:Reticulation:Civil Structures:Maintenance of Civil Sewerage Equipment (Sewerage)	Sewerage:Sewerage (Dept 0608)	328 589.57		328 589.57	343 047.51	358 484.65
Operational:Maintenance:Infrastructure:Preventative Maintenance:Condition Based:Sanitation Infrastructure:Reticulation:Municipal Service Connection:Repairing of Service Points (Sewerage)	Sewerage:Sewerage (Dept 0608)	296 206.14		296 206.14	309 239.21	323 154.97
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Electrical Infrastructure:MV Substations:DC Systems:DC Systems Maintenance Region 1 (Energy Operations	Electricity:Energy Operations (Dept 0609)	241 470.36		241 470.36	252 095.06	263 439.33
Operational:Maintenance: Radio Communication Equipment	Fire Fighting and Protection:Fire Fighting (Dept 0404)	200 000.00		200 000.00	208 200.00	216 736.20
Operational:Maintenance:Fire Extinguishers	Fire Fighting and Protection:Fire Fighting (Dept 0404)	200 000.00		200 000.00	208 200.00	216 736.20
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Water Supply Infrastructure:Reservoirs:Mechanical Equipment:Resouviors Maintenance (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	142 862.68		142 862.68	149 148.63	155 860.32
Operational:Maintenance:Infrastructure:Corrective Maintenance:Emergency:Water Supply Infrastructure:Pump Station:Pipe Work:Pump Station System Maintenance (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	120 735.18		120 735.18	126 047.53	131 719.67
Operational:Typical Work Streams:Expanded Public Works Programme:Project:Plumber Assistance Phase II (EPWP)	Water Distribution:Water Distribution (Dept 0604)	115 655.10		115 655.10	120 743.92	126 177.40

Operational:Typical Work Streams:Expanded Public Works Programme:Project:Waste Water operations (EPWP)	Storm Water Management:Storm Water Management (Dept 0608)	115 655.10		115 655.10	120 743.92	126 177.40
Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Sanitation Infrastructure:Pump Station:Buildings:Sewerage Buildings Maintenance (Sewerage)	Sewerage:Sewerage (Dept 0608)	104 095.84		104 095.84	108 676.05	113 566.48
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Community Assets:Sport and Recreation Facilities:Indoor Facilities:Buildings:Theatre Museum Sports and Recreation Programmes_Maintenance	Recreational Facilities:Sports Recreation Arts and Culture(0406)	100 000.00		100 000.00	104 400.00	109 098.00
Operational:Municipal Running Cost	Storm Water Management:Storm Water Management (Dept 0608)	80 157.00		80 157.00	83 683.91	87 449.68
Operational:Maintenance:Infrastructure:Corrective Maintenance:Planned:Storm water Infrastructure:Drainage Collection:Drainage:Plumber Assistance Phase II	Water Distribution:Water Distribution (Dept 0604)	62 460.00		62 460.00	65 208.24	68 142.61
Operational:Maintenance:Non-infrastructure:Preventative Maintenance:Interval Based:Other Assets:Operational Buildings:Municipal Offices:Mechanical Equipment:Lifting Equipment Inspection & Maintenance (Corporate)	Administrative and Corporate Support:Corporate Services Administration (Dept 0201)	60 124.00		60 124.00	62 589.08	65 155.23
Operational:Maintenance:Infrastructure:Preventative Maintenance:Interval Based:Water Supply Infrastructure:Reservoirs:Civil Structure:Civil Structure Maintenance Reservoirs (Water Distribution)	Water Distribution:Water Distribution (Dept 0604)	42 664.34		42 664.34	44 541.58	46 545.95
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Transport Assets:Vehicles Maintenance (Planning and Development Administration)	Development Facilitation:Planning and Development Administration (Dept 0301)	24 321.92		24 321.92	25 392.09	26 534.73
Operational:Municipal Running Cost	Mayor and Council:Council Administration (Dept 0101)	20 137.10		20 137.10	21 023.14	21 969.18
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Transport Assets:Vehicles Maintenance (Financial Administration)	Finance:Financial Services Administration (Dept 0501)	13 428.90		13 428.90	14 019.77	14 650.66
Operational:Maintenance:Non-infrastructure:Corrective Maintenance:Planned:Transport Assets:Vehicles Maintenance (Corporate Services Administration)	Administrative and Corporate Support:Corporate Services Administration (Dept 0201)	13 328.96		13 328.96	13 915.44	14 541.63
		120 668 626.50	-29 970 000.00	90 698 626.50	94 433 854.17	98 328 727.08

Capital Expenditure per source

Description	2020/21 Adjustment Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
Equitable Share	40 670 364	-	-	-
Gert Sibande District Municipality	20 000	-	-	-
INEP	25 000 000	7 650 000	19 000 000	22000000-
MIG	56 850 900	57 990 850	62 385 390	67 376 221
Revenue	89 420 000	127 623 000	122 544 924	149 672 839
RBIG	60 000 000	40 000 000	70 000 000	96 793 000
Water Service Infrastructure	37 150 446	16 000 000	-	-
Sasol	-	15 116 475	-	-
Grand Total	309 111 710	264 380 325	273 930 314.00	313 842 060

Capital Expenditure per source



Included in the capital projects are the following budgeted expenditures for 2022

Description	Quantity	Funding	Department	Section	Draft Capital budget 2022	Budget Amend 13.05.2021	Final Capital Budget	Final Capital budget 2023	Final Capital budget 2024
Insurance Assets Replacement		Revenue	Finance	Assets Management	2 000 000	8 000 000	10 000 000	2 084 000	2 171 528
Compactor Trucks	3	Revenue	Community	Waste Management	12 500 000	- 5 000 000	7 500 000	7 815 000	8 143 230
Fire Engines	1	Revenue	Community	Fire Fighting and Protection:Fire Fighting	11 000 000	- 5 000 000	6 000 000	6 252 000	6 514 584
D6 Dozer	1	Revenue	Community	Waste Management	9 000 000	- 4 500 000	4 500 000	4 689 000	4 885 938
Fencing of Cemeteries and Guard Houses @Secunda, New Bethal and Trichardt	3	Revenue	Community	Biodiversity	5 000 000	- 3 000 000	2 000 000	2 084 000	2 171 528
Refurbishment of Secunda Fire Station	1	Revenue	Community	Fire Fighting and Protection:Fire Fighting	5 000 000	- 4 800 000	200 000	208 400	217 153
Fencing of Municipal Properties		Revenue	Community	Municipal Facilities	5 000 000	- 5 000 000	-	-	-
Skip Loader Trucks	2	Revenue	Community	Waste Management	4 000 000		4 000 000	4 168 000	4 343 056
Fencing of Leandra Landfill sirte		Revenue	Community	Waste Management	3 000 000	- 3 000 000	-	-	-
Bakkies x 4	4	Revenue	Planning	Building Control	2 000 000		2 000 000	2 084 000	2 171 528
Bakkies - CrewCab	2	Revenue		Building Maintanace and Facilities	900 000		900 000	937 800	977 188
Tractors 4x4	4	Revenue	Community	Biodiversity	2 800 000		2 800 000	2 917 600	3 040 139
Combi's for Transporting of Shift Workers	5	Revenue	Community	Waste Management	2 350 000	- 1 400 000	950 000	989 900	1 031 476
Impounding Yard (Vehicles and Goods)		Revenue	Community	BY-Laws & Law Enforcement	2 000 000	- 1 800 000	200 000	208 400	217 153
Fencing of Kinross Landfill sirte		Revenue	Community	Waste Management	2 000 000	- 2 000 000	-	-	-
Cherry Picker	1	Revenue	Community	Biodiversity	1 500 000		1 500 000	1 563 000	1 628 646
Vehicles		Revenue	Corporate	Corporate Services	1 000 000	- 100 000	900 000	937 800	977 188
Electrification of houses Embalenhle Ext 22		INEP	Technical	Energy	7 650 000		7 650 000	19 000 000	22 000 000
Embalenhle Electrification (Substation)		Sasol	Technical	Energy	15 116 475		15 116 475	-	-
TLB (Tractor Loader Backhole)	2	Revenue	Technical	Energy	3 000 000		3 000 000	3 126 000	3 257 292
Cherry pickers	2	Revenue	Technical	Energy	3 000 000		3 000 000	3 126 000	3 257 292
Double Cab - 3tons trucks	3	Revenue	Technical	Energy	2 520 000		2 520 000	2 625 840	2 736 125
Electrical Boxes Enclosures		Revenue	Technical	Energy	5 000 000		5 000 000	5 210 000	5 428 820
Electrical Network Restructuring (As per attcahed plan)		Revenue	Technical	Energy	20 000 000		20 000 000	20 840 000	21 715 280
Office chairs	5	Revenue	Finance	Expenditure	30 000		30 000	31 260	32 573
4x4 _Single Cab Bakkies with tow-bars	2	Revenue	Community	Fire Fighting and Protection:Fire Fighting	1 500 000		1 500 000	1 563 000	1 628 646

Jaw of Life	2	Revenue	Community	Fire Fighting and Protection:Fire Fighting	1 500 000		1 500 000	1 563 000	1 628 646
LDV Bakkies with Canopies & TowBars	3	Revenue	Community	Waste Management	1 050 000		1 050 000	1 094 100	1 140 052
Library software system		Revenue	Community	Library	1 000 000	- 1 000 000	-	-	-
Refurbishment of Johannes Stegman Theatre - Roofing and Ceiling		Revenue	Community	Sports and Recreation	1 000 000		1 000 000	1 040 000	1 081 600
Combi	2	Revenue	Community	Traffic	1 000 000		1 000 000	1 040 000	1 081 600
Trucks - 2 Ton Trucks	2	Revenue	Technical	Fleet	1 400 000		1 400 000	1 456 000	1 514 240
Chairs	4	Revenue	Technical	Fleet	6 000		6 000	6 240	6 490
Server (Back Up -Server)		Revenue	Planning	GIS	200 000		200 000	208 000	216 320
Internal Auditing Management System	1	Revenue	Municipal Manager	Governance	550 000		550 000	572 000	594 880
Bakkies - Normal cabs	3	Revenue	Planning	Housing(0305)	750 000		750 000	780 000	811 200
Time Management System		Revenue	Corporate	Human Resources	1 200 000	-	1 200 000	1 248 000	1 297 920
PMS Reporting System		Revenue	Planning	IDP/PMS	2 000 000		2 000 000	2 080 000	2 163 200
Office chairs		Revenue	Planning	IDP/PMS	15 000		15 000	15 600	16 224
Disastery Recovery Site		Revenue	Corporate	IT	2 000 000	- 1 000 000	1 000 000	1 040 000	1 081 600
office furniture		Revenue	Corporate	Corporate Services		100 000	100 000	104 200	108 576
Computer budget _municipal officials		Revenue	Corporate	IT	2 800 000		2 800 000	2 917 600	3 040 139
Bakkie with CANOPY and TowBar	2	Revenue	Community	BY-Laws & Law Enforcement	800 000	- 400 000	400 000	416 800	434 306
Purchasing of Sound and Light Equipment		Revenue	Community	Sports and Recreation	800 000		800 000	833 600	868 611
Public Parcticipation Truck		Revenue	Executive and Council	Mayor and Council:Speaker's Office (Dept 0106)	2 500 000	- 500 000	2 000 000	2 084 000	2 171 528
4X4 Bakkies	2	Revenue	Executive and Council	Mayor and Council:Speaker's Office (Dept 0106)	1 000 000	- 500 000	500 000	521 000	542 882
Hailing system	2	Revenue	Executive and Council	Mayor and Council:Speaker's Office (Dept 0106)	350 000	175 000	525 000	547 050	570 026
Renovation of Chamber		Revenue	Executive and Council	Mayor and Council:Speaker's Office (Dept 0106)	2 000 000	-	2 000 000	2 084 000	2 171 528
Councillors tools of trade/laptops	63	Revenue	Executive and Council	Mayor and Council:Speaker's Office (Dept 0106)	1 960 000	- 460 000	1 500 000	1 563 000	1 628 646
Airconditioners at facilities		Revenue	Community	Community Services: Facilities and Community Halls	600 000		600 000	625 200	651 458

Rehabilitation of Tarred roads in Embalenhle		MIG	PMU	PMU	15 000 000		15 000 000		
Construction of WWTW in Charl Cilliers.		MIG	PMU	PMU	5 000 000		5 000 000		
Refurbishment of 3 waste water pump stations in Trichardt	a	MIG	PMU	PMU	4 194 925		4 194 925		
Trichardt Waste Water Treatment Works	a	MIG	PMU	PMU	3 989 855		3 989 855		
Construction of Bulk line and reticulation to Charl Cilliers		MIG	PMU	PMU	10 000 000		10 000 000		
Installation of Sewer Reticulation, Pump Station and Rising Main in Eendracht	a	MIG	PMU	PMU	19 806 070		19 806 070		
Municipal Infrastructure Grants _Projects			PMU	PMU			-	62 385 390	67 376 221
Roller compactor - 12 tons	3	Revenue	Technical	Roads	4 500 000		4 500 000	4 689 000	4 885 938
TLB (Tractor Loader Backhole)	2	Revenue	Technical	Roads	3 000 000		3 000 000	3 126 000	3 257 292
Jet Patcher Trucker	1	Revenue	Technical	Roads	3 500 000		3 500 000	3 647 000	3 800 174
Double Cab - 3tons trucks	2	Revenue	Technical	Roads	1 680 000		1 680 000	1 750 560	1 824 084
Avanza	3	Revenue	Finance	Revenue		750 000	750 000	781 500	814 323
Bakkies	2	Revenue	Finance	Revenue		600 000	600 000	625 200	651 458
Office chairs	3	Revenue	Finance	SCM	10 000		10 000	10 420	10 858
Office desk	2	Revenue	Finance	SCM	7 000		7 000	7 294	7 600
Speed Camera	3	Revenue	Community	Traffic	505 000		505 000	526 210	548 311
Breathing Equipment	42	Revenue	Community	Fire Fighting and Protection:Fire Fighting	500 000		500 000	521 000	542 882
Purchase of Radio Communication Equipment		Revenue	Community	Fire Fighting and Protection:Fire Fighting	500 000		500 000	521 000	542 882
Bakkie with CANOPY and TowBar		Revenue	Community	Traffic	500 000		500 000	521 000	542 882
Skip Containers	25	Revenue	Community	Waste Management	500 000	- 500 000	-	-	-
Slashers for the tractors	6	Revenue	Community	Biodiversity	300 000		300 000	312 600	325 729
Alarm System	1	Revenue	Community	Security	300 000		300 000	312 600	325 729
Sports field Line Marking Machines	3	Revenue	Community	Community Services: Facilities and Community Halls	250 000	- 150 000	100 000	104 200	108 576
Bullet Proof Vests	60	Revenue	Community	Security	240 000	- 140 000	100 000	104 200	108 576
Firearms	15	Revenue	Community	Security	225 000	- 125 000	100 000	104 200	108 576
Traffic Blue Lights	40	Revenue	Community	Traffic	180 000		180 000	187 560	195 438
Sercurity Guard houses	10	Revenue	Community	Security	150 000		150 000	156 300	162 865
Water Cart	1	Revenue	Community	Biodiversity	100 000		100 000	104 200	108 576

Poison Spray Tank	1	Revenue	Community	Biodiversity	100 000		100 000	104 200	108 576
Industrial Washing and Dryer Machines		Revenue	Community	Community Services: Facilities and Community Halls	100 000	- 50 000	50 000	52 100	54 288
Airconditioners at facilities	3	Revenue	Community	Library	100 000	- 100 000	-	-	-
Chain Saws	7	Revenue	Community	Biodiversity	70 000		70 000	72 940	76 003
ablution facilities for Security Guard Houses	10	Revenue	Community	Security	50 000		50 000	52 100	54 288
Pole pruner	5	Revenue	Community	Biodiversity	25 000		25 000	26 050	27 144
Card Printing Machine	1	Revenue	Community	Security	20 000		20 000	20 840	21 715
Upgrade of Embalenhle Bulk Sewer Pipeline and Pumpstation (Ext 5)		WSIG	PMU	Waste Water	16 000 000		16 000 000		
Upgrade of Embalenhle Bulk Sewer Pipeline and Pumpstation (Ext 24)		RBIG	PMU	Waste Water	40 000 000		40 000 000	70 000 000	96 793 000
Installation of Boreholes @ WWTW	2	Revenue	Technical	Waste Water Treatment Works	900 000	-	900 000	937 800	977 188
Testing equipment @Charl cilliers WWTW		Revenue	Technical	Waste Water Treatment Works	500 000		500 000	521 000	542 882
Furniture @ CharlCilliers WWTW		Revenue	Technical	Waste Water Treatment Works	200 000		200 000	208 400	217 153
Double Cab - 3tons trucks	2	Revenue	Technical	waste Water Treatment Works	1 680 000		1 680 000	1 750 560	1 824 084
Construction of Security Guard House	9	Revenue	Technical	Waste Water Treatment Works	1 000 000		1 000 000	1 042 000	1 085 764
Grass cutter	6	Revenue	Technical	Waste Water Treatment Works	120 000		120 000	125 040	130 292
Jack Hammer	3	Revenue	Technical	Waste Water Treatment Works	250 000		250 000	260 500	271 441
Installation of Boreholes@Farms	8	Revenue	Technical	Water	3 500 000	- 500 000	3 000 000	3 126 000	3 257 292
Double Cab - 3tons trucks	2	Revenue	Technical	Water	1 680 000	- 800 000	880 000	916 960	955 472
Total capital budget					294 580 325	- 32 200 000	264 380 325	273 930 314	313 842 060

3. BUDGET CASH-FLOW STATUS

Based on the estimated cashflow calculation, cash flow status is not favourable and it also means that the budget is unfunded.

Budget 2022 cannot be unfunded budgets,

- Cash Flow (A7) should have positive cash flows - the cashflow status is negative as a result the expenditure.
- A budget plan has been developed n to turnaround the situation furthermore , the municipality already have a plan (Financial Recovery Plan) in place to support the unfunded status.

4. CONSULTATION PROCESS

Section 22 of the Municipal Finance Management Act requires that after tabling of the Draft Budget, the municipality must make the budget available to the public and conduct community participation. Council to advice on how the community will be consulted in the midst of the pandemic.

The following are the key deadlines to be achieved through this process:

Detail	Date
Approval of Draft Budget	30 March 2021
Budget Workshop	Held successfully on virtual
Public Consultation	Public Consulted in April and May 2021
Approval of Budget	31 May 2021

5. OVERVIEW OF BUDGET ASSUMPTIONS

The budget assumptions are determined before the budget process, guided by the economic outlook, movements in terms of the markets and by the national treasury guidelines.

The assumptions are devised in such a way that they support the short and long term finances and strategy of the municipality.

5.1 Key Financial indicators

The growth parameters set by National treasury are set between 3 and 6 percent which are also target range for the inflation rate. All steps have been taken to be in line with these National Treasury guidelines however the following factors affect the municipal operations and the budget accordingly:

- Anticipated high fuel prices
- Higher salaries
- Increase by Eskom and Rand water
- Job creation and protecting the poor

The 2021/2022 budget has been guided by the following inflation forecast:

Fiscal Year	2020 Actual	2021 Estimate	2022 Forecast	2023 Forecast	2024 Forecast
Real GDP Growth	0.5%	3.3%	1.7%	1.5%	2.1%
CPI Inflation	4.1%	3.3%	3.9%	4.2%	4.4%

5.2 Credit Rating

The municipality has not had a credit rating and with National Treasury support, the municipality will have to undertake it.

5.3 Borrowing and Investment of funds

The MFMA permits the borrowing for long term if it is for the acquisition of capital goods such plant and equipment and infrastructure. The municipality will consider the unsecured loan in the medium term, as this is backed up by the acknowledgement from the lender, that the municipality is showing sound financial management and an ability to meet short term obligations.

The municipality has a total amount of R 606 thousand external loans. The short-term loan was fully paid up in March 2021.

The investments amount to R293.6 million, R606 thousands of these investments are securities for the DBSA loans and due to negative cash flow the municipality is unable to build more reserves.

5.4 Rates, tariffs, charges and timing of revenue collection

Accounts for rates, refuse, electricity, water and sanitation are issued on a monthly basis and are due and payable before the 7th of the month. Recovery procedures for non-payment may be commenced within 7 days of payment default. The electricity supply is cut and water supply is restricted when a client defaults. The municipality is committed in ensuring that collection levels are improved and that credit control will be enforced on those who can afford and not honouring their municipal accounts.

5.5 Collection rates for each revenue source

The collection rate for all the services is expected to be 87% average throughout; this is due to credit control actions that are taken against the defaulters. Where Eskom is a service delivery agent, consumers who are not paying will be restricted water.

5.6 Price movements on specifics

The cost of bulk purchases amounts to R897.5 million for both electricity and water. The projections are informed by the increases from the Rand water and Eskom. Eskom has advised there will be an increase across the board of 14.59% on the bulk purchases of electricity.

The increase on both electricity and water tariff has been pegged at 14.59% and 5.8% respectively per NERSA and Rand Water.

5.7 Average salary increases

Circular issued by National Treasury was taken into account in budgeting for employee related costs it recommends an increase of average CPI + 1%

5.8 Changing Demand characteristics

The demand for services is increasing yearly as the municipality is expected to deliver services to the indigent and pressure to reduce poverty.

5.9 Ability to the municipality to spend and deliver on programs

The 2021/2022 operating budget will be spent in line with the cost curtailment policy and all expenditures will be in line with the service delivery projects and deliverables. The challenges are still there in terms of maintaining the infrastructure and managing the breakaways of vehicles especially revenue generating.

6. ALIGNMENT OF BUDGET TO THE INTEGRATED DEVELOPMENT PLAN

6.1 IDP Review and stakeholder participation

The IDP has been prepared for the medium term to 2021/22. In the current financial year the IDP has /undergone the review as required by the Municipal Systems Act and MFMA. Community needs and inputs were sought and the stake holders were consulted.

The IDP takes cognizance of the National, provincial and district priorities. The key focus and IDP priorities are:

- To provide , improve and sustain infrastructure
- To promote socio economic development in rural and urban areas
- To enable and speed up institutional transformation
- To strengthen democracy and good governance
- To improve and sustain financial management

6.2 IDP link to the budget

In compliance with Systems Act of 2000 and the Municipal Finance Management Act the budget is informed and aligned to the IDP priorities.

The revised budget will be fully aligned to the IDP.