

MINUTES

Ref no.2/1/4/4/2

Date distributed

SPECIAL COUNCIL MEETING OF THE BREEDE VALLEY MUNICIPALITY

2020-05-28 AT 10:00

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1. OPENING AND WELCOME

In terms of the Rules of Order for Internal Arrangement By-Law 2012 the chairperson must take the chair at the time stated in the notice of the meeting or as soon thereafter as is reasonably possible: provided that the meeting does not commence later than 30 (thirty) minutes after the time stated in the notice of the meeting and must proceed immediately with the business of the meeting.

The Speaker opened the meeting at 10:15 and welcomed everyone present. The Speaker ordered a moment of silence for prayer and meditation.

2. OFFICIAL NOTICES

2.1 DISCLOSURE OF INTERESTS

Item 5 of the Code of Conduct for councillors' states:

A councillor must –

- (a) disclose to the council, or any committee of which that councillor is a member, any direct or indirect personal or private business interest that that councillor or any spouse, partner or business associate of that councillor may have in any matter before the council or the committee; and
- (b) withdraw from the proceedings of the council or committee when that matter is considered by the council or committee, unless the council or committee decides that the councillors' direct or indirect interest in the matter is trivial or irrelevant.

2.2 APPLICATIONS FOR LEAVE OF ABSENCE

In terms of the Rules of Order for Internal Arrangement By-Law 2012;

- 2.2.1 Every Councillor attending a meeting of the Council must sign his or her name in the attendance register kept for such purpose.
- 2.2.2 A Councillor must attend each meeting except when –
 - (a) Leave of absence is granted in terms of Clause 10; or
 - (b) The Councillor is required to withdraw in terms of law.
- 2.2.3 The Attendance Registers will be available at the meeting.
- 2.2.4 A blank Application for Leave of Absence form is enclosed.

The Speaker received Applications for Leave from Cllrs S. Mkhiwane, M. Mangali, V.N. Mngcele, K. Benjamin and Ald. C. Ismail

3. CONSIDERATION OF AGENDA ITEMS

3.1. THIRD REVIEW OF THE 4th GENERATION INTEGRATED DEVELOPMENT PLAN (2017 - 2022) FOR THE PERIOD 2020 - 2021

File No./s: 10/3/8

Responsible Official: C. Malgas

Directorate: Strategic Support Services

Portfolio: IDP/PMS/SDBIP

1. PURPOSE

To table the Final Third Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2020 – 2021 (hereafter referred to as the Final 2020-2021 IDP), as prepared in line with the prioritised needs of the Breede Valley community, in accordance with the budgetary resources available.

2. BACKGROUND

Municipalities are required to, in terms of the Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA), review and/or amend its 5-year IDP on an annual basis. Section 34 of the MSA specifically states that a municipal council:

- a. must review its integrated development plan:
 - i annually in accordance with an assessment of its performance measurements in terms of section 41; and
 - ii to the extent that changing circumstances so demand; and
- b. may amend its integrated development plan in accordance with a prescribed process

Section 16(1) of the Municipal Systems Act, Act 32 of 2000 refers to the development of a culture of municipal governance that complements representative government with a system of participatory governance, thereby encouraging and creating conditions for the local community to participate in the affairs of the municipality, including:

- (i) The preparation, implementation and review of its integrated development plan; and
 - (ii) In execution of the above, Council endorsed a direct IDP/Budget information sharing with the public in all wards of the municipality.
-
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To give effect to these legislative requirements, the Draft 2020-2021 IDP and supporting correspondence has been published on the municipal website and applicable social media platforms, in order to grant all sectors of society an opportunity to submit representations thereon.

The complete copy of the Final 2020 – 2021 IDP is attached as Annexure “A”, coupled with a concise summary depicting the key changes (Annexure “B”).

Sectoral Plans:

- **Water Services Development Plan - IDP Water Sector Input Report**
Sections 12 and 13 of the Water Services Act (Act No. 108 of 1997) places an obligation on each Water Services Authority (WSA) to prepare and maintain a Water Services Development Plan (WSDP) - also known as a sector plan - every 5 years and update it annually (i.e. as part of- and aligned to the IDP process).

In addition to its legislative status, the WSDP enables WSA's to adequately plan and execute on its primary mandate within its jurisdictioned area, as it provides information on (amongst others) water sources and quality, water balances, water services infrastructure and institutional arrangements for water services. This in turn, underpins the development of realistic long-term water services investment plan(s) which:

- identifies shortfalls and gaps within current levels of water service provisions,
- prioritises the provision of optimal basic water services,
- encourages long-term affordability and sustainability,
- promotes economic development, and ultimately
- pursues the overarching municipal strategic objectives, particularly from a water services perspective.

On this premise, a copy of Breede Valley Municipality's WSDP is attached as Annexure “C”.

3. FINANCIAL IMPLICATIONS

The Medium-Term Revenue and Expenditure Framework (MTREF) will be aligned to the final reviewed and approved IDP.

4. APPLICABLE LEGISLATION

Municipal Systems Act, Act 32 of 2000

Municipal Finance Management Act, Act 56 of 2003

Local Government: Municipal Planning and Performance Management Regulations, 2001

5. COMMENT OF DIRECTORATES / DEPARTMENTS CONCERNED

Municipal Manager: Supported
Director: Strategic Support Services: Supported
Director: Financial Services: Supported
Director: Technical Services: Supported
Director: Community Services: Supported
Senior Legal Manager: Supported

RECOMMENDATION

That in respect of -

The Final Third Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2020 - 2021, tabled before Council at the Special Council meeting held on 28 May 2020:

1. That Council approves the Final 2020-2021 IDP and endorse that it be published in terms of section 21 of the MSA.
2. That Council adopts the Water Services Development Plan – IDP Water Sector Input Report for 2020/21.

PROPOSED: ALDERMAN A. STEYN
SECONDED: CLLR W.R. MEIRING

COUNTER PROPOSAL: CLLR N. NEL proposed that the recommendation not be approved and that the Covid19 impact reflect in the IDP document.
SECONDED: C.F. WILSKUT

VOTES IN FAVOUR OF CLLR N.NEL'S PROPOSAL: 4
AGAINST: 22
ABSTAIN: 10

VOTES IN FAVOUR OF ALDERMAN A. STEYN'S PROPOSAL: 22
AGAINST: 4
ABSTAIN: 10

RESOLVED

C27/2020

That in respect of -

The Final Third Review of the 4th Generation Integrated Development Plan (2017 - 2022) for the period 2020 - 2021, tabled before Council at the Special Council meeting held on 28 May 2020:

1. That Council approves the Final 2020-2021 IDP and endorse that it be published in terms of section 21 of the MSA.
2. That Council adopts the Water Services Development Plan – IDP Water Sector Input Report for 2020/21.

To Action

C. Malgas

CAUCUS FOR 10 MINUTES.

MEETING RECONVENED AT 13:06.

3.2 2020/21 BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

The Executive Mayor tabled the 2020/2021 Budget Medium Term Revenue and Expenditure Framework for approval by Council. A video recording by was utilized to support the documentation as submitted by the Mayor.

File No. /s: 3/2/2/20

Responsible Official: R Ontong

Directorate: Financial Services

Portfolio: Financial Services

Purpose

The purpose of this submission is to present the 2020/21 MTREF Final Budget.

Legal Framework

Section 16 of the Municipal Finance Management Act states:

“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”

Financial Implications

The financial implications of the 2020/21 MTREF final budget is captured in the Budget Report.

Annexures

Municipal Budget and Reporting Regulations Schedule-A Budget tables (**Annexure A**)

Quality Certificate (**Annexure B**)

Revised Budget Related Policies (**Annexure C**)

- Credit Control and Debt Collection Policy
 - Funding and Reserves Policy
 - Insurance Management Policy
 - Long Term Financial Plan Policy
 - Property Rates Policy
 - Tariff Policy
 - Write-off Policy
-

- Asset Management Policy
- Borrowing Policy
- Budget Implementation and Management Policy
- Budget Virement Policy
- Costing Policy
- Supply Chain Management Policy
- Infrastructure Investment and Capital Projects Policy

Municipal Tariffs (**Annexure D**)

Municipal Finance Management Act Budget Circulars (**Annexure E**)

Demand Management Plan (**Annexure F**)

FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021 – 2022/2023



BREDE VALLEY

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

28 MAY 2020

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-

Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations

NKPIs National Key Performance Indicators
OHS Occupational Health and Safety
OP Operational Plan
PBO Public Benefit Organisations
PHC Provincial Health Care
PMS Performance Management System
PPE Property Plant and Equipment
PPP Public Private Partnership
PTIS Public Transport Infrastructure System
RG Restructuring Grant
RSC Regional Services Council
SALGA South African Local Government Association
SAPS South African Police Service
SDBIP Service Delivery Budget Implementation Plan
SMME Small Micro and Medium Enterprises

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 and National Treasury.

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 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.

DORA – Division of Revenue Act. The annual piece of legislation that indicate 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.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

IDP – Integrated Development Plan. The main strategic planning document of a Municipality.

KPI – Key Performance Indicators. Measures of service output and/or outcome.

LM – Breede Valley Municipality.

MFMA - Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts

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.

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.

TMA – Total Municipal Account

SDBIP – Service Delivery 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.

Vote – One of the main segments into which a budget is divided, usually at department level.

PART 1 – Annual Budget

1. Mayor's Report

The Breede Valley Municipality remains committed to the cause of bringing respectable services to all households. We as a municipality acknowledge the fact that households are faced with numerous difficulties, ranging from social to economic challenges. We view our role as integral in addressing these challenges to improve quality of life and will therefore continue to play our part by creating a conducive environment for job creation and social development in our community. It should be understood that not all plans will be completed within the timeframes due to various unforeseen challenges, but Breede Valley Municipality is committed in ensuring that all projects commenced are completed.

This budget serves the purpose of outlining future service delivery objectives by reflecting on the past financial years in planning for anticipated future developments / realizations. The current reality that we are facing has to date had devastating effects on our communities and those in surrounding municipalities through the loss income, work and lives. This COVID 19 Pandemic changes the way in which we conduct our daily lives and how we interact with each other, posing new and unprecedented challenges to us demanding solutions in order for us to survive and progress to our vision of a '*A unique and caring Valley of service excellence, opportunity and growth*'.

Breede Valley municipality will continue to address service delivery backlogs and will prioritise where needed to ensure the most urgent matters are catered for. We will continue striving for improvement on all levels to ensure that this municipality better the quality of life for the people within Breede Valley municipal area.

2. Resolutions

It is recommended to council that in respect of the 2020/21 MTREF, and outer financial years that council approves the 2020/21 MTREF budget in terms of section 24 of the Municipal Finance Management Act.

3. Executive Summary

3.1 Legislative Background

Section 16 of the Municipal Finance Management Act states:

“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.

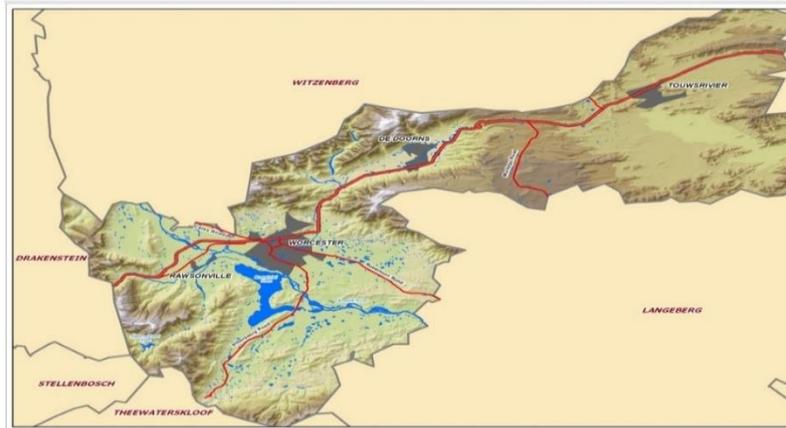
Contents of annual budgets and supporting documents

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 - (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”

3.2 Municipal General Overview

The map below outlines the geographical area of Breede Valley Municipality. As per the map Breede Valley Municipality serves the towns of De Doorns, Rawsonville, Touwsrivier and Worcester. Surrounding municipalities include Drakenstein Municipality, Langeberg Municipality, Laingsburg Municipality, Stellenbosch Municipality, Theewaterskloof and

Witzenberg Municipality. All the mentioned municipalities, including Breede Valley Municipality forms part of the Cape Winelands District Municipality.



Strategic Framework, Pillars and Objectives of the Municipality

'A unique and caring Valley of services excellence, opportunity and growth.'

'To be a South African care capital by providing sustainable and affordable basic services in a safe and healthy environment which promotes social and economic welfare through participative governance in a committed service orientated approach and appreciates committed staff as the organization's most valuable resource and key to services delivery.'

Strategic Pillars:
 Opportunity
 Caring
 Safety
 Inclusiveness
 Well-run Municipality

VISION/MISSION STATEMENT & STRATEGIC PILLARS

12

Breede Valley Municipality developed five strategic pillars that are underpinned by, which underpin six strategic objectives. The strategic objectives have been developed to address the challenges identified during the IDP development process and are linked to service areas and predetermined objectives.

STRATEGIC PILLARS	
OPPORTUNITY	Breede Valley Municipality strives to provide an opportunity for every resident to have access to all basic services and to live in a safe, caring and well-managed municipal environment.
SAFETY	Breede Valley Municipality aims to partner with the community, other government departments and community organisations to provide a safe environment in which communities, especially women and children, can thrive in pursuit of good community values.
CARING	Breede Valley Municipality will provide care to all vulnerable groups and encourage social investment with a focus on youth development and opportunities for the youth to play a meaningful role in developing a better and caring Breede Valley community.
INCLUSIVE	Breede Valley plans, in consultation with all residents and partners, to create and stimulate social cohesion, to restore hope and to break down social divisions.
WELL-RUN MUNICIPALITY	Breede Valley Municipality continues to build on being a well-run municipality, with strong and committed administration upholding the principles of good governance, maintaining a good credit rating, providing basic services to all and improving our solid productivity rating.

STRATEGIC OBJECTIVES

Section 24 of the Municipal Systems Act states:

- (1) The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of cooperative government contained in Section 41 of the Constitution.*
- (2) Municipalities must participate in national and provincial development programmes as required in Section 153(b) of the Constitution.”*

STRATEGIC OBJECTIVES	
SO 1	To provide and maintain basic services and ensure social upliftment of the Breede Valley community

SO 2	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism
SO 3	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
SO 4	To provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government
SO 5	To ensure a healthy and productive workforce and an effective and efficient work environment
SO 6	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

3.3 Budget Principles and Criteria

The 2020/21 MTREF was compiled based on the following principles and criteria taken into account the impact of Covid 19 as an pandemic and on the economy:

Credibility

- Planned Activities must be consistent with the IDP and vice versa.
- Financial viability of municipality should not jeopardise.
- Ensure Capacity to spend the budget.

Sustainability

- Financial sustainability/ overall financial health of Municipality.
- Revenue/ Expenditure budgeted must be realistic.

Responsiveness

- To the needs of the community / public.
- Alignment of IDP, LED Strategies with Budget to give effect to provincial and national priorities.
- Budget must be responsive to economic growth objectives and the socio-economic needs of the community.

Affordability

- Tariffs must not be increased unreasonably, and consumers must be able to afford tariffs.
-

The 2020/2021 budget is compiled in line with chapter 4 of the Municipal Finance Management Act, MFMA Budget Circulars and other relevant circulars and / or guidelines from National Treasury and Provincial Treasury. The budget strives to be consistent with the financial norms and ratios as per the MFMA Circular 71 to ensure sound and sustainable management of financial affairs of the municipality. The budget is also consistent with the Long-Term Financial Plan to ensure synergy between long term planning and implementation of planning. Other important principles include addressing the need of access to basic services and the efficient capacitation of the municipality, which is in many instances a challenge given limited financial resources.

The main challenges experienced with the compilation of the 2020/21 MTREF are as follow:

- COVID 19 Pandemic
- Amendments to mSCOA;
- Effect of water crisis and electricity supply (ESKOM) on the revenue generation
- Re-categorization of properties leading to decrease in property rates revenue
- Consumers exploring alternative energy sources and using less municipal electricity
- Direct effect of the current state of the economy on larger municipalities relying on progressive economic activity
- Vandalism to strategic infrastructure assets
- Ageing infrastructure and increasing service delivery backlogs
- Increasing cost of bulk purchases versus the electricity tariff increases, resulting in pressure to maintain a balance between sustainability, growth and affordability of services

Service charges and other revenue sources are prepared in accordance with planned activities / initiatives / developments and past performance trends to ensure that the budgeted amounts are realistic and do not negatively affect the credibility of the budget and the financial position of the municipality.

The operating expenditure budget compilation process was done in line with the MFMA budget circulars. In instances of inconsistencies, appropriate reasons for the corresponding deviations are provided.

MFMA circular 70 highlighted examples of non-priority spending that need to be addressed by municipalities. Breede Valley Municipality remains commitment to the elimination of these non-priority items from the 2015/16 MTREF and applying zero

percent increases on related items where elimination or a decrease in the 2019/20 MTREF budget is not possible.

Further, MFMA circular 82 on cost containment measures was also taken into consideration with the aim of promoting section 62(1)(a) of the MFMA through the effective, efficient and economical use of municipal resources.

The capital budget for 2020/21 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main source of funding remains conditional grant allocations from National and Provincial government departments, followed by either internal funding or external loans (when applicable). The 2020/21 MTREF is not funded by any external loan funding at this stage. External loan funding may however be rolled over from the current financial year in the event where projects funded from this funding source are not fully implemented and budgets fully spent by 30 June 2020.

3.4 Rebates

Rebates relating to Unemployed, Indigent and Pensioners (under and over 70 years of age) are displayed below:

3.4.1 Rebates: Unemployed and Indigent

Household Income	Rates	Sewer	Refuse	Rental
R0 - R4 500	50%	50%	50%	100%
Max. Valuation	R 150 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

3.4.2 Rebates: Pensioner

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older				
R0 - R4 500	100%	100%	100%	100%
Max Valuation	R 150 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

3.4.3 Rebates: Pensioner 70 years and older

Pensioners falling in this category are eligible for an additional R65 000.00 rebate on the calculation of their property rates bill. This overall rebate is capped at R150 000.00

3.4.4 Special Rating Area (SRA)

In terms of Section 22 of the Municipal Property Rates Act a municipality may by resolution of its Council determine an area within that Municipality as a Special Rating Area (SRA) and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area. The SRA must submit a budget to the Council annually in terms of the Special Rating Areas By-law.

3.5 Budget Overview

The budget overview provides insight pertaining to the operating and capital budgets over the MTREF

COVID 19 Pandemic – Impact on the Budget

The COVID 19 pandemic had a major influence on the planning and budgeting process for the Medium-Term Revenue and Expenditure Framework. The current reality brings high levels of uncertainty relating to projection of the anticipated financial performance and position of the municipality to ensure that the budget to be approved by Council adheres to the requirements of credibility and sustainability.

In order to continue delivering services in a sustainable manner significant amendment needed to be made to budget resulting in numerous projects being deferred to a later stage until there is an acceptable level of stability allowing the municipality to continue with the planned projects.

The pandemic also brought about a reduction in the collection rate which is largely contributed by the suspension of economic activity. Given the various levels of restrictions and activities allowed within each respective level, it is anticipated that there will be lasting effects on the households, businesses and other rate payers. This results in business closing and workers losing employment, having an adverse effect on the municipality's cash position and contributes to increases in the debt portfolio and indigent portfolio.

Municipal spending of discretionary nature is kept at a bare minimum in order to continue honouring non-discretionary commitments. The utilization of both financial and non-financial resources will be strictly monitored to promote the effective and efficient utilization of these resources. This requires the municipality to adapt and re-design where needed in order to continue implementing its constitutional mandate.

3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2020/21 MTREF.

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	120 571	126 476	137 472	139 998	139 998	139 998	139 998	146 998	155 818	166 726
Service charges - electricity revenue	2	360 075	351 233	389 167	418 573	418 573	418 573	418 573	452 478	476 007	518 373
Service charges - water revenue	2	58 432	56 725	70 217	72 274	72 274	72 274	72 274	75 888	80 441	86 072
Service charges - sanitation revenue	2	48 285	65 381	67 133	72 847	72 847	72 847	72 847	76 490	81 080	86 756
Service charges - refuse revenue	2	36 743	34 887	38 310	40 088	40 088	40 088	40 088	42 092	44 618	47 741
Rental of facilities and equipment		14 462	9 052	25 194	10 589	10 589	10 589	10 589	2 223	2 356	2 522
Interest earned - external investments		17 173	16 556	11 233	11 854	11 854	11 854	11 854	3 112	3 112	3 112
Interest earned - outstanding debtors		4 251	6 278	6 356	6 158	6 158	6 158	6 158	6 467	6 855	7 336
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		90 797	111 978	37 240	118 474	207 109	207 109	207 109	118 474	121 285	124 761
Licences and permits		3 176	3 108	2 952	3 616	3 616	3 616	3 616	3 797	4 025	4 307
Agency services		6 902	7 630	8 507	8 230	8 230	8 230	8 230	8 641	9 160	9 801
Transfers and subsidies		115 737	130 203	133 233	259 006	186 339	186 339	186 339	208 112	229 803	211 349
Other revenue	2	8 405	8 246	9 707	12 798	12 798	12 798	12 798	9 406	9 973	10 673
Gains on disposal of PPE		351	(95)	3 073	1 257	1 257	1 257	1 257	1 320	1 399	1 497
Total Revenue (excluding capital transfers and contributions)		885 360	927 659	939 793	1 175 760	1 191 728	1 191 728	1 191 728	1 155 495	1 225 930	1 281 023

Please refer to Annexure A

Based on the current economic climate within the Breede Valley municipal area, tariffs were kept in line with the guidelines as per MFMA budget circular. This inflation linked increase in tariffs aim to promote sustainability of the revenue, other than the counterproductive method of increasing tariffs to such an extent that the collection rate deteriorates.

The figures represented in this section are the accrued amounts and not actual cash receipts; in other words, the amounts billed for property rates; service charges and interest as it become due.

Property Rates: Budgeted revenue is based on the current performance realised during the 2019/20 financial year.

Service Charges: The 2019/20 performance on service charges are in line with projected estimations, which informs the 2020/21 final budget figures. The current years' performance anticipated growth in the within the municipal boundaries strongly suggests

a conservative approach in revenue generation. This is supported by the increase in income inequality and low GDP per capita as highlighted by the Socio-Economic Profile Report (2019).

Interest on External Investments: This 2020/21 budget is informed by the municipality's current investment portfolio, and the anticipated return on investments to be made during the 2020/21 financial year.

Fines: The municipality appointed a service provider in the current (2019/20) financial year which will have a positive effect on this revenue source. However, a more prudent approach has been adopted considering the new circumstances which lead to the decrease of this revenue source.

Transfers Recognised – Operational: This revenue item is based on the operational transfers (conditional and unconditional) as per the 2020/21 budget year allocations.

3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2020/21 MTREF.

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	249 882	252 675	278 623	336 104	315 738	315 738	315 738	317 416	336 474	356 965
Remuneration of councillors		15 615	16 891	17 675	18 780	18 780	18 780	18 780	18 780	19 909	21 304
Debt impairment	3	88 495	112 245	62 896	98 058	173 398	173 398	173 398	85 167	86 216	87 314
Depreciation & asset impairment	2	89 086	85 049	87 921	91 139	91 139	91 139	91 139	95 246	99 634	104 225
Finance charges		27 804	26 039	24 682	23 654	23 654	23 654	23 654	23 653	23 653	23 653
Bulk purchases	2	274 376	264 821	287 305	296 838	302 538	302 538	302 538	326 798	343 748	374 021
Other materials	8	65 100	13 348	27 296	24 425	24 739	24 739	24 739	19 332	19 928	20 554
Contracted services		11 013	97 988	72 243	82 705	83 042	83 042	83 042	64 602	61 294	63 871
Transfers and subsidies		310	12 807	16 317	125 484	52 739	52 739	52 739	65 605	82 752	52 456
Other expenditure	4, 5	109 568	72 219	71 659	71 229	65 244	65 244	65 244	54 773	54 901	56 105
Loss on disposal of PPE		2 251	-	109	3 489	3 489	3 489	3 489	3 504	3 504	3 504
Total Expenditure		933 499	954 082	946 727	1 171 905	1 154 499	1 154 499	1 154 499	1 074 875	1 132 012	1 163 971

Please refer to Annexure A.

The operational expenditure budget was adjusted in order to accommodate the projected operational revenue to be generated over the MTREF. These amendments were mainly

affected during the 2019/20 Adjustment Budget, which was used as basis for the 2020/21 MTREF.

Further, additional amendments to the draft budget were implemented due to the COVID 19 pandemic. These amendments are informed by the following principles:

- Freeze all vacancies unless essential
- No new positions
- No new temporary contracts
- EPWP workers to be used as alternative to counter staff shortages where needed
- Review of standby and overtime
- No travel and subsistence
- Efficient and effective utilization of internal staff apposed to using external contractors
- Hiring of plant and equipment limited to extreme cases

The principles underpin the renewed approach to service delivery in these unprecedented times. The municipality established various committees to explore creative and innovative ways to add value to the respective functional areas across the municipality. The committees will address issues pertaining to:

- Costing and expenditure control, including cost containment
- Revenue recovery enhancement
- Financial aspects with focus on Ratio's
- Supporting SCM and compliance
- Prioritization of expenditures to assure essential services and impact on revenue enhancement
- Local economic development,
- Spatial planning integration

Employee related cost: Employee related cost is based on the Salary and Wage Collective Agreement and amendments in terms of the staff structure.

The personnel budget is calculated for the full 12 months of the financial year, regardless of when the post is to be filled. The savings that arise from filling vacancies later than the start of the financial year, are then used during the adjustment budget to finance other priorities and as contributions to the CRR.

In the 2019/20 MTREF, the municipality reprioritised other operational expenditures to finance additional positions within the Technical Services directorate. These positions are

mainly service delivery related with the aim of improving the level of service to communities.

Debt Impairment: The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2020/21 adjustments budget if needed.

Depreciation and asset impairment: Depreciation is calculated based on the useful lives of assets, which are currently being reviewed. The commission date of the majority of capital projects are more to the end of the financial year (based on past trends), resulting in new additions not having a full year's depreciation, but only a part thereof.

Finance charges: No borrowings will be taken up in 2020/21. The finance charges are calculated based on the municipality's borrowing portfolio. It should also be noted that the interest portion of the repayment decreases over the term of the loan.

Bulk Purchases: This item comprises of electricity and water bulk purchases and is based on the current consumption patterns in terms of usage. The municipality also have boreholes that is making a significant contribution in terms of decreasing water bulk purchases.

Other materials and Contracted Services: The budget for other materials is also based on the 2019/20 Mid-year Adjustments Budget. The municipality placed significant emphasis on the funding of temporary workers that will be targeting high priority areas such as area cleaning and basic service delivery aspects where a temporary need exists. Further, maintenance of rental units / flats, relocation of outside toilets for the vulnerable, ward-based projects and maintenance of chemical toilets are projects to received high priority in terms of funding. The implementation of these projects will be closely monitored given the importance and impact it will have on the beneficiaries.

Other expenditure: The low percentage increase in other expenditure is due to the cost containment not being increased and also the decreased revenue as mentioned.

Please refer to SA1 for the detail.

3.5.3 Capital budget

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

WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council General		-	-	-	-	5	5	5	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	4 030	4 030	4 030	10	10	10
Vote 3 - Strategic Support Services		-	-	-	-	1 122	1 122	1 122	5	5	5
Vote 4 - Financial Services		-	-	-	-	1 450	1 450	1 450	-	-	-
Vote 5 - Community Services		-	-	-	8 480	2 765	2 765	2 765	5	5	5
Vote 6 - Technical Services		-	-	-	76 043	36 649	36 649	36 649	61 701	72 951	92 825
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		-	-	-	84 523	46 021	46 021	46 021	61 721	72 971	92 845
Single-year expenditure to be appropriated	2										
Vote 1 - Council General		5	1 702	-	5	-	-	-	-	-	-
Vote 2 - Municipal Manager		4 206	8 181	4 143	5 105	2 142	2 142	2 142	1 900	-	-
Vote 3 - Strategic Support Services		4 227	5 352	25 349	1 422	1 385	1 385	1 385	-	-	-
Vote 4 - Financial Services		722	795	1 426	2 255	825	825	825	1 005	805	805
Vote 5 - Community Services		7 414	3 770	10 232	7 986	2 459	2 459	2 459	700	-	-
Vote 6 - Technical Services		85 136	181 222	224 853	90 426	145 324	145 324	145 324	34 588	10 369	1 000
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		101 711	201 022	266 003	107 199	152 135	152 135	152 135	38 193	11 174	1 805
Total Capital Expenditure - Vote	3,7	101 711	201 022	266 003	191 723	198 156	198 156	198 156	99 914	84 145	94 650
Capital Expenditure - Functional											
Governance and administration		9 820	21 772	30 488	3 312	4 459	4 459	4 459	1 625	825	825
Executive and council		316	356	15	10	10	10	10	5	5	5
Finance and administration		725	21 416	30 473	3 302	4 449	4 449	4 449	1 620	820	820
Internal audit		8 778	-	-	-	-	-	-	-	-	-
Community and public safety		11 167	5 171	13 958	17 561	7 175	7 175	7 175	100	-	-
Community and social services		179	1 006	8 059	7 766	1 029	1 029	1 029	100	-	-
Sport and recreation		2 193	1 011	2 190	7 971	4 658	4 658	4 658	-	-	-
Public safety		8 795	3 153	3 709	1 824	1 488	1 488	1 488	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		9 078	41 317	40 510	27 560	58 797	58 797	58 797	19 546	2 173	38 986
Planning and development		-	-	-	5 100	6 167	6 167	6 167	1 900	-	-
Road transport		9 078	41 317	40 510	22 460	52 630	52 630	52 630	17 646	2 173	38 986
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		71 646	132 762	181 047	143 290	127 726	127 726	127 726	78 642	81 147	54 839
Energy sources		8 420	12 418	27 408	30 595	36 845	36 845	36 845	28 212	37 009	38 000
Water management		18 073	52 928	55 824	40 727	29 760	29 760	29 760	24 984	22 169	3 719
Waste water management		44 369	59 378	83 000	48 665	37 819	37 819	37 819	25 446	21 581	13 120
Waste management		783	8 039	14 816	23 303	23 303	23 303	23 303	-	388	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3,7	101 711	201 022	266 003	191 723	198 156	198 156	198 156	99 914	84 145	94 650
Funded by:											
National Government		35 782	41 783	37 488	44 502	44 452	44 452	44 452	56 337	73 981	76 986
Provincial Government		21 956	88 028	128 219	65 100	70 933	70 933	70 933	27 147	-	-
District Municipality		-	-	31	500	500	500	500	-	-	-
Other transfers and grants		-	1 843	-	-	185	185	185	-	-	-
Transfers recognised - capital	4	57 738	131 654	165 738	110 102	116 070	116 070	116 070	83 484	73 981	76 986
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	25 700	21 325	6 281	-	162	162	162	-	-	-
Internally generated funds		18 272	48 042	93 984	81 621	81 925	81 925	81 925	16 429	10 164	17 664
Total Capital Funding	7	101 711	201 022	266 003	191 723	198 156	198 156	198 156	99 914	84 145	94 650

Please refer to Annexure A

The majority of funding is allocated to trading services which will ultimately promote service delivery and revenue generation.

The municipality implemented quarterly budget engagements where performance of the capital budget & Grant funding is tracked. Grant funding is planned to be 100% implemented in the current financial year.

The capital budget for the MTREF reflect limited projects funded from own resources. Projects committed to by the municipality during the 2019/20 financial year are included as part of the 2020/21 budget whereas other capital projects are deferred to a later stage.

Technical Services Capital Projects

The list below represents the major / significant capital projects included in the Final MTREF

Description	Finance Source	Final Budget 2020/21	Final Budget 2021/22	Final Budget 2022/23
<u>Technical Services</u>				
<u>Not Allocated to Wards</u>				
<u>Worcester WwTW</u>				
<u>Rawsonville WwTW</u>				
Extension of WwTW (0,24 Ml/day)	8,0	0	7 473 685	0
<u>Klipvlakte/Transhex Residential Development (13 000 erven)</u>				
External Stormwater pipeline (MIG)	8,0	6 948 409	8 055 266	0
New Bus Route (Local Distributor Class 4) Transhex	8,0	11 646 365	0	0
Electrical Reticulation	8,2	22 097 000	37 000 000	38 000 000
New High Mast Lighting - Worcester: Zweletemba Housing Project (MIG number 207755)	8,0	7 871	0	0
<u>Reservoirs</u>				
Langerug	8,0	0	484 571	0
Pre-loads	8,0	12 053 101	12 940 864	0
<u>Resealing of Municipal Roads - Worcester</u>				
MIG	8,0	0	2 173 396	36 986 000

Resealing of Municipal Roads - De Doorns				
MIG	8,0	0	0	1 500 000
Resealing of Municipal Roads - Touws River				
Resealing of Municipal Roads - Touws River	8,0	0	0	500 000
<u>Networks</u>				
Replacement of Water Network (Roll-over)	3,0	1 000 000	1 000 000	1 000 000
<u>Electricity (8112)</u>				
Cherry Picker vehicles	3,0	3 860 114	0	0
<u>Refurbishment of electrical system (NERSA)</u>				
2) Quality of supply data loggers and monitoring equipment.	3,0	1 000 000	0	0
Area Lighting	11,0	1 147 275	0	0
<u>Ward 2</u>				
De Doorns: Transfer Station	8,0	0	388 269	0
New Retention Ponds - De Doorns: South of N1 (MIG Number 202347)	8,0	372 512	431 852	0
De Doorns Water Purification Works: Augmentation of DAF Unit (MIG funding)	8,0	3 211 741	5 023 972	0
<u>Erosion Protection of Hex River (Zweletemba)</u>				
Erosion Protection of Hex River: Phase 2 (300m @ R13,333.33/m)	<u>3,0</u>	1 500 000	4 500 000	12 000 000
<u>Ward 16</u>				
High mast (flood) lighting	8,0	0	9 125	0
<u>SERVICE CONNECTIONS (Depending on Public Contr)</u>				
Sewer Connections	3,3	1 120 000	1 120 000	1 120 000
Water Connections	3,3	2 719 200	2 719 200	2 719 200
<u>Others</u>				
Jet Vac trok	3,0	3 500 000	0	0
<u>Municipal Manager</u>				
<u>Project Management -0615</u>				
Play parks Touwsrivier	6,4	240 000	0	0
Upgrade of soccer pitch in Rawsonville	6,4	420 000	0	0
De Doorns tar-surfaced netball court	6,4	330 000	0	0

Upgrading of playparks in Avian Park, Riverview, Roodewal and Zwelethemba	6,4	260 000	0	0
Sewer connection for neighbourhood centre in Riverview	6,4	450 000	0	0
Upgrade of rugby field in Stofland	6,4	200 000	0	0
<u>Community Services</u>				
Youth Café	3,0	600 000	0	0
<u>HOUSING</u>				
<u>Unallocated DoRA projects - TRANSHEX</u>				
Water Reticulation	20,0	6 000 000	0	0
Sewer Reticulation	20,0	6 000 000	0	0
Roads	20,0	6 000 000	0	0
Stormwater	20,0	6 000 000	0	0
<u>WATERLOO LIBRARY – 4506</u>				
Upgrade library	6,1	100 000	0	0
<u>FINANCIAL SERVICES</u>				
<u>Financial Planning</u>				
Safeguarding of Assets	12,0	500 000	400 000	400 000
Insurance claims	12,0	500 000	400 000	400 000
<u>STRATEGIC SUPPORT SERVICES</u>				
<u>CIVIC CENTRE WORCESTER - 3903</u>				
Solar pannel – conversion	3,0	100 000	0	0

Kindly refer to SA36 for the detail capital budget.

4. Annual Budget Tables

The budget tables prepared in accordance with the Municipal Finance Management Act, and Municipal Budget and Reporting Regulations are listed in below:

- *Table A1 Budget Summary*
-

- **Table A2 Budgeted Financial Performance (Revenue and Expenditure by standard classification)**

WC025 Breede Valley - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Revenue - Functional										
Governance and administration		174 338	186 089	203 000	202 484	205 595	205 595	212 426	213 579	228 387
Executive and council		852	1 270	1 044	147	647	647	108	114	123
Finance and administration		173 326	184 645	201 912	202 337	204 948	204 948	212 318	213 465	228 264
Internal audit		160	174	44	-	-	-	-	-	-
Community and public safety		132 215	167 430	106 490	299 118	305 220	305 220	213 570	234 683	210 971
Community and social services		7 414	10 709	15 025	11 585	11 585	11 585	11 323	12 103	12 628
Sport and recreation		1 124	3 696	3 461	11 374	11 374	11 374	1 811	1 920	2 055
Public safety		100 306	120 663	47 478	130 797	207 427	207 427	118 761	120 283	124 609
Housing		23 371	32 362	40 526	145 363	74 835	74 835	81 675	100 378	71 679
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		11 675	35 274	33 837	24 646	37 718	37 718	24 568	14 176	15 157
Planning and development		5 485	8 990	5 464	6 823	7 890	7 890	3 209	1 253	1 341
Road transport		4 577	23 558	27 158	15 561	27 566	27 566	19 109	12 923	13 816
Environmental protection		1 612	2 725	1 215	2 262	2 262	2 262	2 250	-	-
Trading services		625 370	670 521	762 204	759 614	759 114	759 114	788 416	837 473	903 495
Energy sources		388 107	365 297	403 650	437 077	437 084	437 084	483 733	521 545	565 550
Water management		84 268	117 794	135 542	122 146	122 139	122 139	114 878	118 089	126 180
Waste water management		103 635	135 671	162 297	134 983	134 483	134 483	129 575	133 584	142 906
Waste management		49 360	51 759	60 716	65 408	65 408	65 408	60 230	64 255	68 860
Other	4	(65)	-	-	-	100	100	-	-	-
Total Revenue - Functional	2	943 533	1 059 314	1 105 531	1 285 862	1 307 748	1 307 748	1 238 979	1 299 911	1 358 009
Expenditure - Functional										
Governance and administration		155 444	180 012	192 127	226 021	226 141	226 141	212 835	220 689	231 226
Executive and council		31 863	35 702	37 040	35 162	36 677	36 677	34 332	35 744	38 031
Finance and administration		121 446	141 632	151 939	186 804	185 867	185 867	175 111	181 358	189 402
Internal audit		2 135	2 677	3 148	4 055	3 597	3 597	3 392	3 586	3 792
Community and public safety		192 102	209 318	161 424	341 297	312 349	312 349	231 844	253 099	229 744
Community and social services		18 283	20 256	22 041	24 705	23 258	23 258	22 611	24 023	25 214
Sport and recreation		25 010	26 074	27 592	29 926	29 469	29 469	24 623	25 956	27 386
Public safety		106 901	133 815	85 064	145 215	197 055	197 055	110 989	111 834	115 595
Housing		41 812	29 075	26 638	141 345	62 468	62 468	73 516	91 177	61 434
Health		96	97	89	106	100	100	105	110	115
Economic and environmental services		69 650	69 654	68 572	59 849	77 800	77 800	77 584	79 281	83 334
Planning and development		11 886	14 353	15 442	15 789	15 844	15 844	16 594	17 397	18 383
Road transport		52 938	52 221	51 475	40 402	59 154	59 154	58 304	60 789	63 794
Environmental protection		4 825	3 080	1 656	3 658	2 802	2 802	2 685	1 095	1 157
Trading services		515 525	494 094	523 107	543 855	534 269	534 269	550 593	576 885	617 568
Energy sources		339 409	325 777	350 328	373 300	367 523	367 523	387 435	406 808	439 755
Water management		54 090	57 694	64 010	61 945	61 306	61 306	58 613	61 379	64 324
Waste water management		61 579	61 247	64 772	61 754	58 674	58 674	58 922	61 335	63 906
Waste management		60 447	49 376	43 996	46 856	46 765	46 765	45 623	47 364	49 584
Other	4	778	1 005	1 497	882	3 940	3 940	2 019	2 059	2 101
Total Expenditure - Functional	3	933 499	954 082	946 727	1 171 905	1 154 499	1 154 499	1 074 875	1 132 012	1 163 971
Surplus/(Deficit) for the year		10 034	105 231	158 804	113 957	153 249	153 249	164 104	167 899	194 038

- **Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

WC025 Breede Valley - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - Council General		766	3 290	448	147	147	147	108	114	123
Vote 2 - Municipal Manager		4 493	8 608	4 770	7 103	8 170	8 170	14 734	2 940	3 104
Vote 3 - Strategic Support Services		(450)	477	2 508	1 896	2 261	2 261	1 110	511	547
Vote 4 - Financial Services		171 248	179 070	193 965	195 104	197 264	197 264	195 113	206 933	221 324
Vote 5 - Community Services		136 581	169 578	108 794	298 864	317 158	317 158	226 081	246 853	223 985
Vote 6 - Technical Services		630 894	698 291	795 046	782 748	782 748	782 748	801 832	842 560	908 927
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	943 533	1 059 314	1 105 531	1 285 862	1 307 748	1 307 748	1 238 979	1 299 911	1 358 009
Expenditure by Vote to be appropriated	1									
Vote 1 - Council General		29 850	32 119	33 471	31 992	31 945	31 945	30 588	32 310	34 396
Vote 2 - Municipal Manager		6 336	8 799	9 807	10 657	11 402	11 402	9 732	9 764	10 330
Vote 3 - Strategic Support Services		51 901	51 388	56 938	59 013	60 191	60 191	55 026	56 737	59 206
Vote 4 - Financial Services		56 743	61 792	59 175	89 078	89 235	89 235	88 279	91 756	95 848
Vote 5 - Community Services		197 001	216 078	168 618	334 757	329 630	329 630	244 134	265 538	242 840
Vote 6 - Technical Services		591 668	583 906	618 718	646 409	632 097	632 097	647 117	675 907	721 352
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	933 499	954 082	946 727	1 171 905	1 154 499	1 154 499	1 074 875	1 132 012	1 163 971
Surplus/(Deficit) for the year	2	10 034	105 231	158 804	113 957	153 249	153 249	164 104	167 899	194 038

• **Table A4 Budgeted Financial Performance (revenue and expenditure)**

WC025 Brede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Revenue By Source											
Property rates	2	120 571	126 476	137 472	139 998	139 998	139 998	139 998	146 998	155 818	166 726
Service charges - electricity revenue	2	360 075	351 233	389 167	418 573	418 573	418 573	418 573	452 478	476 007	518 373
Service charges - water revenue	2	58 432	56 725	70 217	72 274	72 274	72 274	72 274	75 888	80 441	86 072
Service charges - sanitation revenue	2	48 285	65 381	67 133	72 847	72 847	72 847	72 847	76 490	81 080	86 756
Service charges - refuse revenue	2	36 743	34 887	38 310	40 088	40 088	40 088	40 088	42 092	44 618	47 741
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		14 462	9 052	25 194	10 589	10 589	10 589	10 589	2 223	2 356	2 522
Interest earned - external investments		17 173	16 556	11 233	11 854	11 854	11 854	11 854	3 112	3 112	3 112
Interest earned - outstanding debtors		4 251	6 278	6 356	6 158	6 158	6 158	6 158	6 467	6 855	7 336
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		90 797	111 970	37 240	118 474	207 109	207 109	207 109	118 474	121 285	124 761
Licences and permits		3 176	3 108	2 952	3 616	3 616	3 616	3 616	3 797	4 025	4 307
Agency services		6 902	7 630	8 507	8 230	8 230	8 230	8 230	8 641	9 160	9 801
Transfers and subsidies		115 737	130 203	133 233	259 006	186 339	186 339	186 339	208 112	229 803	211 349
Other revenue	2	8 405	8 246	9 707	12 798	12 798	12 798	12 798	9 406	9 973	10 673
Gains on disposal of PPE		351	(95)	3 073	1 257	1 257	1 257	1 257	1 320	1 399	1 497
Total Revenue (excluding capital transfers and contributions)		885 360	927 659	939 793	1 175 760	1 191 728	1 191 728	1 191 728	1 155 495	1 225 930	1 281 023
Expenditure By Type											
Employee related costs	2	249 882	252 675	278 623	336 104	315 738	315 738	315 738	317 416	336 474	356 965
Remuneration of councillors		15 615	16 891	17 675	18 780	18 780	18 780	18 780	18 780	19 909	21 304
Debt impairment	3	88 495	112 245	62 896	98 058	173 398	173 398	173 398	85 167	86 216	87 314
Depreciation & asset impairment	2	89 086	85 049	87 921	91 139	91 139	91 139	91 139	95 246	99 634	104 225
Finance charges		27 804	26 039	24 682	23 654	23 654	23 654	23 654	23 653	23 653	23 653
Bulk purchases	2	274 376	264 821	287 305	296 838	302 538	302 538	302 538	326 798	343 748	374 021
Other materials	8	65 100	13 348	27 296	24 425	24 739	24 739	24 739	19 332	19 928	20 554
Contracted services		11 013	97 988	72 243	82 705	83 042	83 042	83 042	64 602	61 294	63 871
Transfers and subsidies		310	12 807	16 317	125 484	52 739	52 739	52 739	65 605	82 752	52 456
Other expenditure	4, 5	109 568	72 219	71 659	71 229	65 244	65 244	65 244	54 773	54 901	56 105
Loss on disposal of PPE		2 251	-	109	3 489	3 489	3 489	3 489	3 504	3 504	3 504
Total Expenditure		933 499	954 082	946 727	1 171 905	1 154 499	1 154 499	1 154 499	1 074 875	1 132 012	1 163 971
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(48 139)	(26 423)	(6 934)	3 855	37 230	37 230	37 230	80 619	93 918	117 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	58 173	131 654	165 738	110 102	115 835	115 835	115 835	83 484	73 981	76 986
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	185	185	185	-	-	-
Surplus/(Deficit) after capital transfers & contributions		10 034	105 231	158 804	113 957	153 249	153 249	153 249	164 104	167 899	194 038
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		10 034	105 231	158 804	113 957	153 249	153 249	153 249	164 104	167 899	194 038
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		10 034	105 231	158 804	113 957	153 249	153 249	153 249	164 104	167 899	194 038
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		10 034	105 231	158 804	113 957	153 249	153 249	153 249	164 104	167 899	194 038

- **Table A5** *Budgeted Capital Expenditure by vote, standard classification and funding*
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WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council General		-	-	-	-	5	5	5	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	4 030	4 030	4 030	10	10	10
Vote 3 - Strategic Support Services		-	-	-	-	1 122	1 122	1 122	5	5	5
Vote 4 - Financial Services		-	-	-	-	1 450	1 450	1 450	-	-	-
Vote 5 - Community Services		-	-	-	8 480	2 765	2 765	2 765	5	5	5
Vote 6 - Technical Services		-	-	-	76 043	36 649	36 649	36 649	61 701	72 951	92 825
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		-	-	-	84 523	46 021	46 021	46 021	61 721	72 971	92 845
Single-year expenditure to be appropriated	2										
Vote 1 - Council General		5	1 702	-	5	-	-	-	-	-	-
Vote 2 - Municipal Manager		4 206	8 181	4 143	5 105	2 142	2 142	2 142	1 900	-	-
Vote 3 - Strategic Support Services		4 227	5 352	25 349	1 422	1 385	1 385	1 385	-	-	-
Vote 4 - Financial Services		722	795	1 426	2 255	825	825	825	1 005	805	805
Vote 5 - Community Services		7 414	3 770	10 232	7 986	2 459	2 459	2 459	700	-	-
Vote 6 - Technical Services		85 136	181 222	224 853	90 426	145 324	145 324	145 324	34 588	10 369	1 000
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		101 711	201 022	266 003	107 199	152 135	152 135	152 135	38 193	11 174	1 805
Total Capital Expenditure - Vote	3.7	101 711	201 022	266 003	191 723	198 156	198 156	198 156	99 914	84 145	94 650
Capital Expenditure - Functional											
Governance and administration		9 820	21 772	30 488	3 312	4 459	4 459	4 459	1 625	825	825
Executive and council		316	356	15	10	10	10	10	5	5	5
Finance and administration		725	21 416	30 473	3 302	4 449	4 449	4 449	1 620	820	820
Internal audit		8 778	-	-	-	-	-	-	-	-	-
Community and public safety		11 167	5 171	13 958	17 561	7 175	7 175	7 175	100	-	-
Community and social services		179	1 006	8 059	7 766	1 029	1 029	1 029	100	-	-
Sport and recreation		2 193	1 011	2 190	7 971	4 658	4 658	4 658	-	-	-
Public safety		8 795	3 153	3 709	1 824	1 488	1 488	1 488	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		9 078	41 317	40 510	27 560	58 797	58 797	58 797	19 546	2 173	38 986
Planning and development		-	-	-	5 100	6 167	6 167	6 167	1 900	-	-
Road transport		9 078	41 317	40 510	22 460	52 630	52 630	52 630	17 646	2 173	38 986
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		71 646	132 762	181 047	143 290	127 726	127 726	127 726	78 642	81 147	54 839
Energy sources		8 420	12 418	27 408	30 595	36 845	36 845	36 845	28 212	37 009	38 000
Water management		18 073	52 928	55 824	40 727	29 760	29 760	29 760	24 984	22 169	3 719
Waste water management		44 369	59 378	83 000	48 665	37 819	37 819	37 819	25 446	21 581	13 120
Waste management		783	8 039	14 816	23 303	23 303	23 303	23 303	-	388	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3.7	101 711	201 022	266 003	191 723	198 156	198 156	198 156	99 914	84 145	94 650
Funded by:											
National Government		35 782	41 783	37 488	44 502	44 452	44 452	44 452	56 337	73 981	76 986
Provincial Government		21 956	88 028	128 219	65 100	70 933	70 933	70 933	27 147	-	-
District Municipality		-	-	31	500	500	500	500	-	-	-
Other transfers and grants		-	1 843	-	-	185	185	185	-	-	-
Transfers recognised - capital	4	57 738	131 654	165 738	110 102	116 070	116 070	116 070	83 484	73 981	76 986
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	25 700	21 325	6 281	-	162	162	162	-	-	-
Internally generated funds		18 272	48 042	93 984	81 621	81 925	81 925	81 925	16 429	10 164	17 664
Total Capital Funding	7	101 711	201 022	266 003	191 723	198 156	198 156	198 156	99 914	84 145	94 650

- **Table A6 Budgeted Financial Position**

WC025 Brede Valley - Table A6 Budgeted Financial Position

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Current assets											
Cash		92 578	105 451	94 867	74 388	71 414	71 414	71 414	13 325	9 379	47 083
Call investment deposits	1	90 000	45 925	15 221	40 000	40 000	40 000	40 000	10 000	15 000	25 000
Consumer debtors	1	115 399	90 178	110 444	150 394	150 394	150 394	150 394	215 871	275 584	317 600
Other debtors		10 035	71 238	25 461	66 081	79 376	79 376	79 376	26 734	28 071	29 475
Current portion of long-term receivables		1 549	551	1 763	524	524	524	524	1 675	1 591	1 511
Inventory	2	11 432	14 956	10 425	15 853	15 853	15 853	15 853	10 946	11 494	12 068
Total current assets		320 993	328 298	258 181	347 239	357 561	357 561	357 561	278 552	341 118	432 737
Non current assets											
Long-term receivables		5 406	4 313	1 923	3 882	3 882	3 882	3 882	1 827	1 736	1 649
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		21 018	21 786	43 750	21 786	21 786	21 786	21 786	43 750	43 750	43 750
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1 907 021	2 028 332	2 201 901	2 349 185	2 355 618	2 355 618	2 355 618	2 314 047	2 299 126	2 290 147
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		5 094	4 655	4 432	7 165	7 165	7 165	7 165	3 971	3 378	2 758
Other non-current assets		36 631	36 631	36 631	-	-	-	-	36 631	36 631	36 631
Total non current assets		1 975 170	2 095 716	2 288 637	2 382 017	2 388 451	2 388 451	2 388 451	2 400 226	2 384 621	2 374 935
TOTAL ASSETS		2 296 163	2 424 014	2 546 818	2 729 256	2 746 011	2 746 011	2 746 011	2 678 779	2 725 739	2 807 672
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	17 200	15 781	16 495	11 702	11 702	11 702	11 702	13 041	14 536	16 191
Consumer deposits		3 681	3 912	4 083	4 147	4 147	4 147	4 147	4 328	4 588	4 863
Trade and other payables	4	122 007	147 244	111 594	68 373	68 373	68 373	68 373	49 535	52 207	55 039
Provisions		30 726	34 897	38 458	36 642	36 642	36 642	36 642	40 765	43 211	45 804
Total current liabilities		173 614	201 833	170 630	120 863	120 863	120 863	120 863	107 669	114 542	121 898
Non current liabilities											
Borrowing		223 718	214 291	203 881	192 179	192 179	192 179	192 179	179 139	164 603	148 411
Provisions		229 677	232 278	238 651	236 411	236 411	236 411	236 411	245 335	252 270	259 469
Total non current liabilities		453 395	446 569	442 532	428 590	428 590	428 590	428 590	424 474	416 873	407 880
TOTAL LIABILITIES		627 009	648 402	613 162	549 453	549 453	549 453	549 453	532 143	531 415	529 778
NET ASSETS	5	1 669 154	1 775 611	1 933 657	2 179 803	2 196 558	2 196 558	2 196 558	2 146 636	2 194 324	2 277 894
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 669 154	1 775 611	1 933 657	2 179 803	2 196 558	2 196 558	2 196 558	2 146 636	2 194 324	2 277 894
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	1 669 154	1 775 611	1 933 657	2 179 803	2 196 558	2 196 558	2 196 558	2 146 636	2 194 324	2 277 894

• **Table A7 Budgeted Cash Flows**

WC025 Brede Valley - Table A7 Budgeted Cash Flows

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		88 481	90 609	106 902	132 998	134 608	134 608	134 608	96 634	110 223	134 611
Service charges		503 535	470 599	551 971	596 038	596 038	596 038	596 038	488 603	572 949	643 291
Other revenue		58 027	65 391	194 100	62 863	64 355	64 355	64 355	44 147	46 725	49 777
Government - operating	1	114 490	149 312	133 606	259 006	179 672	179 672	179 672	208 112	229 803	211 349
Government - capital	1	68 043	129 655	113 179	110 102	110 287	110 287	110 287	83 484	73 981	76 986
Interest		20 874	20 825	15 710	18 012	18 012	18 012	18 012	7 315	8 253	9 347
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(709 211)	(707 447)	(917 843)	(833 571)	(816 220)	(816 220)	(816 220)	(805 204)	(839 757)	(896 324)
Finance charges		(28 046)	(26 039)	(24 951)	(23 996)	(23 996)	(23 996)	(23 996)	(22 676)	(21 336)	(19 841)
Transfers and Grants	1	23 110	(12 807)	(4 915)	(125 484)	(52 739)	(52 739)	(52 739)	(65 605)	(82 752)	(52 456)
NET CASH FROM/(USED) OPERATING ACTIVITIES		139 303	180 097	167 760	195 970	210 018	210 018	210 018	34 810	98 089	156 740
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(198)	31	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debbrs		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		159	3 736	67	50	50	50	50	50	50	50
Decrease (increase) in non-current investments		(10 000)	45 000	-	-	-	-	-	-	-	-
Payments											
Capital assets		(101 115)	(199 022)	(210 403)	(191 723)	(198 161)	(198 161)	(198 161)	(99 914)	(84 145)	(94 650)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(111 154)	(150 256)	(210 336)	(191 673)	(198 111)	(198 111)	(198 111)	(99 864)	(84 095)	(94 600)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(366)	232	50	50	50	50	50	50	100	100
Payments											
Repayment of borrowing		(22 628)	(17 200)	(9 427)	(10 410)	(10 410)	(10 410)	(10 410)	(11 702)	(13 041)	(14 536)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(22 994)	(16 968)	(9 377)	(10 360)	(10 360)	(10 360)	(10 360)	(11 652)	(12 941)	(14 436)
NET INCREASE/ (DECREASE) IN CASH HELD		5 155	12 873	(51 953)	(6 062)	1 547	1 547	1 547	(76 705)	1 053	47 705
Cash/cash equivalents at the year begin:	2	87 423	92 578	150 451	120 450	109 867	109 867	109 867	100 031	23 325	24 379
Cash/cash equivalents at the year end:	2	92 578	105 451	98 498	114 388	111 414	111 414	111 414	23 325	24 379	72 083

• **Table A8 Cash Backed Reserves / Accumulated Surplus Reconciliation**

WC025 Breede Valley - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	92 578	105 451	98 498	114 388	111 414	111 414	111 414	23 325	24 379	72 083
Other current investments > 90 days		90 000	45 925	11 590	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		182 578	151 376	110 088	114 388	111 414	111 414	111 414	23 325	24 379	72 083
Application of cash and investments											
Unspent conditional transfers		19 350	47 472	21 301	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(10 196)	(33 194)	(58 098)	(128 470)	(122 562)	(122 562)	(122 562)	(118 614)	(177 581)	(220 959)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	37 239	-	-	53 865	53 865	53 865	53 865	53 865	53 865	53 865
Total Application of cash and investments:		46 392	14 279	(36 797)	(69 606)	(63 698)	(63 698)	(63 698)	(59 750)	(118 716)	(162 094)
Surplus(shortfall)		136 186	137 097	146 885	183 993	175 112	175 112	175 112	83 075	143 095	234 177

- **Table A9 Asset Management'**

Please refer to Annexure A

- **Table A10 Basic Service Delivery Measurement**

WC025 Brede Valley - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		16 701	16 701	19 372	19 372	19 372	19 372	19 372	19 372	19 372
Piped water inside yard (but not in dwelling)		3 803	3 803	3 879	3 879	3 879	3 879	3 879	3 879	3 879
Using public tap (at least min.service level)	2	4 989	4 989	6 949	6 949	6 949	6 949	6 949	6 949	6 949
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		25 493	25 493	30 200	30 200	30 200	30 200	30 200	30 200	30 200
Using public tap (< min.service level)	3	924	924	924	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		924	924	924	-	-	-	-	-	-
Total number of households	5	26 417	26 417	31 124	30 200	30 200	30 200	30 200	30 200	30 200
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		23 834	23 834	18 555	18 555	18 555	18 555	18 555	18 555	18 555
Flush toilet (with septic tank)		100	100	2 687	2 687	2 687	2 687	2 687	2 687	2 687
Chemical toilet		4 415	4 415	4 263	4 263	4 263	4 263	4 263	4 263	4 263
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		28 349	28 349	25 504	25 504	25 504	25 504	25 504	25 504	25 504
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		558	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		558	-	-	-	-	-	-	-	-
Total number of households	5	28 907	28 349	25 504	25 504	25 504	25 504	25 504	25 504	25 504
Energy:										
Electricity (at least min.service level)		4 451	4 674	2 977	2 977	2 977	2 977	2 977	2 977	2 977
Electricity - prepaid (min.service level)		20 706	20 929	21 137	21 150	21 150	21 150	21 150	21 150	21 150
<i>Minimum Service Level and Above sub-total</i>		25 157	25 603	24 114	24 127	24 127	24 127	24 127	24 127	24 127
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	25 157	25 603	24 114	24 127	24 127	24 127	24 127	24 127	24 127
Refuse:										
Removed at least once a week		34 804	34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995
<i>Minimum Service Level and Above sub-total</i>		34 804	34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995
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	34 804	34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		8 000	8 053	8 530	8 025	8 700	8 700	8 700	8 700	8 700
Sanitation (free minimum level service)		7 750	8 053	8 530	8 025	8 700	8 700	8 700	8 700	8 700
Electricity/other energy (50kwh per household per month)		8 000	8 053	8 530	8 025	8 700	8 700	10 500	10 500	10 500
Refuse (removed at least once a week)		8 000	8 053	8 530	8 025	8 700	8 700	8 700	8 700	8 700
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		10 163	6 265	9 641	8 936	8 936	8 936	9 383	9 946	10 642
Sanitation (free sanitation service to indigent households)		11 907	11 059	15 346	16 120	16 120	16 120	17 088	18 113	19 200
Electricity/other energy (50kwh per indigent household per month)		3 436	2 898	3 796	4 522	4 522	4 522	4 793	5 081	5 385
Refuse (removed once a week for indigent households)		6 241	8 533	9 867	8 891	8 891	8 891	9 425	9 990	10 590
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		8 404	-	-	9 567	9 567	9 567	-	-	-
Total cost of FBS provided		40 151	28 756	38 649	48 036	48 036	48 036	40 688	43 129	45 816
Highest level of free service provided per household										
Property rates (R value threshold)		100 000	100 000	150 000	150 000	150 000	150 000	150 000	150 000	150 000
Water (kilolitres per household per month)		10	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		205	246	261	261	261	261	296	313	332
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		2 500	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		23 796	14 179	18 831	31 981	31 981	31 981	20 633	21 871	23 402
Water (in excess of 6 kilolitres per indigent household per month)		(3 747)	-	-	1 340	1 340	1 340	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		3 981	-	-	2 418	2 418	2 418	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		255	-	-	678	678	678	-	-	-
Refuse (in excess of one removal a week for indigent households)		1 929	-	-	1 334	1 334	1 334	-	-	-
Municipal Housing - rental rebates		4 452	7 389	8 344	6 577	6 577	6 577	8 126	8 613	9 130
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	33 165	21 568	27 175	44 328	44 328	44 328	28 759	30 484	32 532

Kindly refer to Appendix A for the detailed Schedule A tables.

Brede Valley Municipality do not have any entities, therefore, no consolidation of budget information and tables are presented in the document and other supporting documentation.

PART 2 – Supporting Documentation

5. Overview of Annual Budget Process



Process Plan

	STEP	PROCESS
1.	Planning	Schedule key dates, establish consultation forums, review previous processes
2.	Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control, free basic services, etc and consult local, provincial, and national issues, previous years performance and current economic and demographic trends.
3.	Preparing	Prepare budget, revenue, expenditure projections, draft budget policies, consult and consider local, provincial and national priorities.
4.	Tabling	Table draft budget, IDP and budget related policies before the council, consult and consider formal local, provincial, and national inputs and responses.
5.	Approving	Council approves budget and related policies.
6.	Finalising/ Implementation	Publish and approve SDBIP and annual Performance agreements and indicators. Publish Budget in terms of sect.22 MFMA



DETAIL PROCESS FOLLOWED AND MSA AND IDP CREDIBILITY REQUIREMENTS

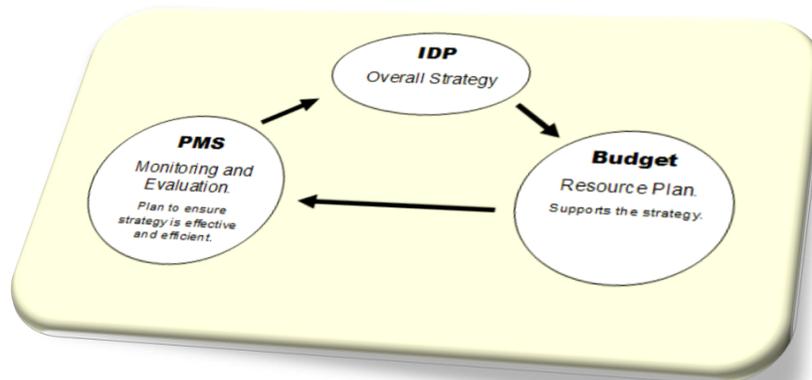
ISSUE	TIMEFRAME
IDP/Budget Process Plan/Timetable approved by council	August 2019
IDP Meetings – Inputs from Ward Councillors & Ward Committees	Oct - Nov 2019
First IDP/ Budget Steering Committee Meeting	Oct-November 2019
Departmental Inputs on Draft allocations	Nov & Dec 2019
Second Budget Steering Committee – Consider Adjustment budget	January 2019
IDP Rep Forum Consultation	November 2019 March 2020
Draft Budget Input captured and Budget balanced	March 2020
Draft IDP & Budget tabled in Council	March 2020
IDP & Budget workshop - Council	April 2020
Public Consultation	April 2020
LGMTEC 3	May 2020
Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2020
Consideration of Comments received	April 2020
Tabling of Final MTREF	End May 2020

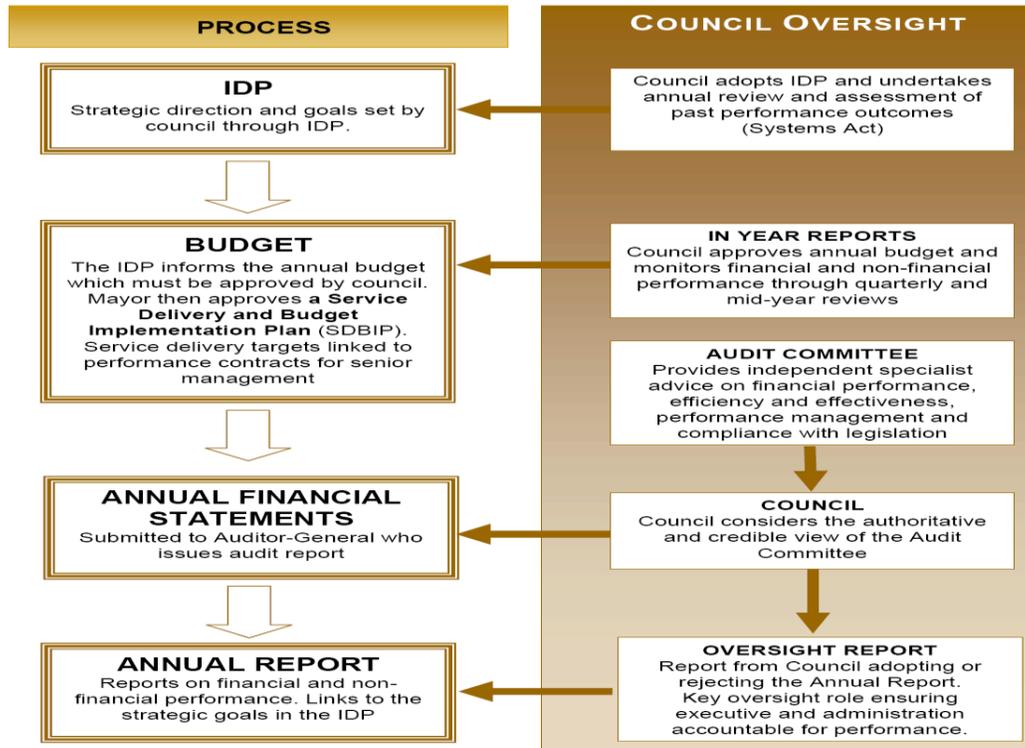
The IDP / Budget process plan was consulted with all relevant stakeholders, whom are:

- Council
- Executive Mayor and Mayoral Committee
- Accounting Officer
- Management
- Institutional Committees
- District Municipality (Cape Winelands District Municipality)
- Intergovernmental (National Treasury, Provincial Treasury and Department of Local Government)
- Ward councillors, ward committees and community in wards

6. Overview of alignment of annual budget with Integrated Development Plan

The below diagrams illustrates the link between the municipality's IDP and Budget





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

WC025 Breede Valley - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		641 996	730 782	838 915	869 289	869 884	869 884	894 403	946 887	984 630
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		2 184	2 811	1 342	133	2 395	2 395	2 377	-	-
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		114 520	124 479	50 962	197 426	220 925	220 925	132 411	134 171	139 469
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		25 185	18 919	19 510	40 060	18 402	18 402	14 059	11 798	12 456
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		1 293	384	838	157	237	237	616	123	131
Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices	Sound financial management, viability and risk management	6		158 355	181 940	193 965	158 797	195 904	195 904	195 113	206 933	221 324
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	943 533	1 059 314	1 105 531	1 285 862	1 307 748	1 307 748	1 238 979	1 299 911	1 358 009

Please refer to Annexure A

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

WC025 Breede Valley - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		647 985	626 820	662 074	678 464	710 984	710 984	730 777	779 588	795 750
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		5 555	7 497	5 364	3 609	8 941	8 941	7 242	5 693	5 931
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		136 756	160 457	113 825	290 563	231 999	231 999	145 542	148 034	153 537
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		74 340	85 538	91 734	121 421	99 966	99 966	90 158	93 970	99 306
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		11 188	10 699	13 192	12 686	12 886	12 886	11 477	11 494	12 039
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6		57 675	63 070	60 537	65 161	89 723	89 723	89 681	93 235	97 408
Allocations to other priorities												
Total Expenditure				933 499	954 082	946 727	1 171 905	1 154 499	1 154 499	1 074 875	1 132 012	1 163 971

Please refer to Annexure A

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

WC025 Breede Valley - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		87 334	183 185	230 426	124 008	186 048	186 048	96 289	83 320	93 825
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		-	-	-	-	-	-	-	-	-
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		5 112	2 492	798	64 023	1 493	1 493	605	5	5
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		8 543	14 550	31 908	1 492	8 340	8 340	2 015	15	15
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		-	-	1 950	-	-	-	-	-	-
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6		722	795	921	2 200	2 275	2 275	1 005	805	805
Allocations to other priorities												
Total Capital Expenditure				101 711	201 022	266 003	191 723	198 156	198 156	99 914	84 145	94 650

Please refer to Annexure A

7. Measurable performance objectives and indicators

SA7 provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Please refer to Annexure A

8. MBRR Table SA8 - Performance indicators and benchmarks

The following table sets out the municipality's main performance objectives and benchmarks for the 2019/20 MTREF.

WC025 Brede Valley - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Borrowing Management											
Credit Rating		Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	5,4%	4,5%	3,6%	2,9%	3,0%	3,0%	3,0%	3,3%	3,2%	3,3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6,6%	5,4%	4,2%	3,7%	3,4%	3,4%	3,4%	3,7%	3,7%	3,6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	140,6%	44,4%	6,7%	0,0%	0,2%	0,2%	0,2%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	1,8	1,6	1,5	2,9	3,0	3,0	3,0	2,6	3,0	3,5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,8	1,6	1,5	2,9	3,0	3,0	3,0	2,6	3,0	3,5
Liquidity Ratio	Monetary Assets/Current Liabilities	1,1	0,8	0,6	0,9	0,9	0,9	0,9	0,2	0,2	0,6
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		94,9%	89,0%	93,8%	98,0%	98,2%	98,2%	98,2%	73,7%	81,5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		94,9%	88,4%	93,8%	98,0%	98,2%	98,2%	98,2%	73,7%	81,5%	85,9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15,0%	17,9%	14,9%	18,8%	19,7%	19,7%	19,7%	21,3%	25,0%	27,3%
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%	0,0%	0,0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	98,0%	99,0%	98,0%	98,0%	98,0%	98,0%	98,0%	98,0%	98,0%	98,0%
Creditors to Cash and Investments		111,1%	94,6%	91,7%	56,5%	58,0%	58,0%	58,0%	190,9%	193,6%	69,4%
Other Indicators											
	Total Volume Losses (kW)	24 674 626	24 674 626	21 745 032	24 674 626	24 674 626	24 674 626	24 674 626	24 674 626	24 674 626	24 674 626
	Total Cost of Losses (Rand '000)	19 740	19 740	25 502	19 740	19 740	19 740	19 740	19 740	19 740	19 740
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	7,5%	5,8%	7,2%	7,5%	7,5%	7,5%	7,5%	7,5%	7,5%	7,5%
	Total Volume Losses (kℓ)	2 377 000	2 377 000	2 182 315	2 377 000	2 377 000	2 377 000	2 377 000	2 377 000	2 377 000	2 377 000
	Total Cost of Losses (Rand '000)	8 079	8 079	10 434	8 079	8 079	8 079	8 079	8 079	8 079	8 079
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	16,0%	14,2%	16,4%	16,0%	16,0%	16,0%	16,0%	16,0%	16,0%	16,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28,2%	27,2%	29,6%	28,6%	26,5%	26,5%	26,5%	27,5%	27,4%	27,9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30,0%	29,1%	31,5%	30,2%	28,1%	28,1%	28,1%	29,1%	29,1%	29,5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7,4%	6,7%	6,6%	5,0%	4,1%	4,1%	4,1%	2,8%	2,8%	2,8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13,2%	12,0%	12,0%	9,8%	9,6%	9,6%	9,6%	10,3%	10,1%	10,0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	20,2	31,7	28,4	32,3	35,4	35,4	35,4	44,5	41,7	44,8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19,9%	25,2%	18,9%	28,8%	30,5%	30,5%	30,5%	30,7%	36,3%	38,4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,6	1,6	1,5	1,4	1,3	1,3	1,3	0,3	0,3	0,9

Please refer to Annexure A

9. Overview of Budget Related Policies

The following budget related policies are in use:

- Asset Management Policy
- Borrowing Policy
- Budget Policy
- Budget Virement Policy
- Costing Policy
- Credit Control and Debt Collection Policy
- Funding and Reserves Policy
- Insurance Management Policy
- Long Term Financial Plan Policy
- Property Rates Policy
- Tariff Policy
- Write-off Policy
- Supply Chain Management Policy
- Cost Containment Policy

Please refer to annexure D for the budget related policies.

10. Overview of Budget Assumptions

The following budget assumptions were used as basis for compilation of the 2020/21 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
Electricity	As per NERSA guideline
Water	6% - 7%
Sewerage	6% - 7%
Refuse	6% - 7%
Rates	6% - 7%

***Kindly refer to Annexure E for the complete list of tariffs**

- CPIX = 4.5 percent (MFMA budget circular)

- Employee related cost is based on the Salary and Wage Collective Agreement.
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA guideline (8.1 per cent for 2020/21, 5.2 per cent 2021/22 and 8.9 per cent for 2022/23).
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated be in the region of 10 000 households (formal)
- Budgeted collection rate equals to 65 percent
- Conditional grant will be fully spent
- No borrowings to be undertaken over the MTREF
- Credit rating: Baa1.za

11. Overview of Budget Funding

Funding sources of operating expenditure budget.

This overview provides the funding for operating expenditure to be incurred in future financial years.

WC025 Brede Valley - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	120 571	126 476	137 472	139 998	139 998	139 998	139 998	146 998	155 818	166 726
Service charges	503 535	508 227	564 827	603 781	603 781	603 781	603 781	646 947	682 146	738 941
Investment revenue	17 173	16 556	11 233	11 854	11 854	11 854	11 854	3 112	3 112	3 112
Transfers recognised - operational	115 737	130 203	133 233	259 006	186 339	186 339	186 339	208 112	229 803	211 349
Other own revenue	128 344	146 197	93 029	161 121	249 756	249 756	249 756	150 326	155 052	160 896
Total Revenue (excluding capital transfers and contributions)	885 360	927 659	939 793	1 175 760	1 191 728	1 191 728	1 191 728	1 155 495	1 225 930	1 281 023
Employee costs	249 882	252 675	278 623	336 104	315 738	315 738	315 738	317 416	336 474	356 965
Remuneration of councillors	15 615	16 891	17 675	18 780	18 780	18 780	18 780	18 780	19 909	21 304
Depreciation & asset impairment	89 086	85 049	87 921	91 139	91 139	91 139	91 139	95 246	99 634	104 225
Finance charges	27 804	26 039	24 682	23 654	23 654	23 654	23 654	23 653	23 653	23 653
Materials and bulk purchases	339 476	278 170	314 601	321 263	327 276	327 276	327 276	346 130	363 676	394 575
Transfers and grants	310	12 807	16 317	125 484	52 739	52 739	52 739	65 605	82 752	52 456
Other expenditure	211 327	282 452	206 907	255 482	325 173	325 173	325 173	208 045	205 914	210 794
Total Expenditure	933 499	954 082	946 727	1 171 905	1 154 499	1 154 499	1 154 499	1 074 875	1 132 012	1 163 971
Surplus/(Deficit)	(48 139)	(26 423)	(6 934)	3 855	37 230	37 230	37 230	80 619	93 918	117 052
Transfers and subsidies - capital (monetary allocations)	58 173	131 654	165 738	110 102	115 835	115 835	115 835	83 484	73 981	76 986
Contributions recognised - capital & contributed assets	-	-	-	-	185	185	185	-	-	-
Surplus/(Deficit) after capital transfers & contributions	10 034	105 231	158 804	113 957	153 249	153 249	153 249	164 104	167 899	194 038
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	10 034	105 231	158 804	113 957	153 249	153 249	153 249	164 104	167 899	194 038
Capital expenditure & funds sources										
Capital expenditure	101 711	201 022	266 003	191 723	198 156	198 156	198 156	99 914	84 145	94 650
Transfers recognised - capital	57 738	131 654	165 738	110 102	116 070	116 070	116 070	83 484	73 981	76 986
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	25 700	21 325	6 281	-	162	162	162	-	-	-
Internally generated funds	18 272	48 042	93 984	81 621	81 925	81 925	81 925	16 429	10 164	17 664
Total sources of capital funds	101 711	201 022	266 003	191 723	198 156	198 156	198 156	99 914	84 145	94 650
Financial position										
Total current assets	320 993	328 298	258 181	347 239	357 561	357 561	357 561	278 552	341 118	432 737
Total non current assets	1 975 170	2 095 716	2 288 637	2 382 017	2 388 451	2 388 451	2 388 451	2 400 226	2 384 621	2 374 935
Total current liabilities	173 614	201 833	170 630	120 863	120 863	120 863	120 863	107 669	114 542	121 898
Total non current liabilities	453 395	446 569	442 532	428 590	428 590	428 590	428 590	424 474	416 873	407 880
Community wealth/Equity	1 669 154	1 775 611	1 933 657	2 179 803	2 196 558	2 196 558	2 196 558	2 146 636	2 194 324	2 277 894
Cash flows										
Net cash from (used) operating	139 303	180 097	167 760	195 970	210 018	210 018	210 018	34 810	98 089	156 740
Net cash from (used) investing	(111 154)	(150 256)	(210 336)	(191 673)	(198 111)	(198 111)	(198 111)	(99 864)	(84 095)	(94 600)
Net cash from (used) financing	(22 994)	(16 968)	(9 377)	(10 360)	(10 360)	(10 360)	(10 360)	(11 652)	(12 941)	(14 436)
Cash/cash equivalents at the year end	92 578	105 451	98 498	114 388	111 414	111 414	111 414	23 325	24 379	72 083
Cash backing/surplus reconciliation										
Cash and investments available	182 578	151 376	110 088	114 388	111 414	111 414	111 414	23 325	24 379	72 083
Application of cash and investments	46 392	14 279	(36 797)	(69 606)	(63 698)	(63 698)	(63 698)	(59 750)	(118 716)	(162 094)
Balance - surplus (shortfall)	136 186	137 097	146 885	183 993	175 112	175 112	175 112	83 075	143 095	234 177
Asset management										
Asset register summary (WDV)	1 933 133	2 054 772	2 250 083	2 378 135	2 384 569	2 384 569	2 384 569	2 361 769	2 346 254	2 336 655
Depreciation	89 086	85 049	87 921	91 139	91 139	91 139	91 139	95 246	99 634	104 225
Renewal of Existing Assets	26 147	42 303	25 695	18 653	71 506	71 506	71 506	3 000	8 073	52 386
Repairs and Maintenance	65 100	61 957	61 942	59 124	48 697	48 697	48 697	32 524	33 990	36 272
Free services										
Cost of Free Basic Services provided	40 151	28 756	38 649	48 036	48 036	48 036	48 036	40 688	43 129	45 816
Revenue cost of free services provided	33 165	21 568	27 175	44 328	44 328	44 328	44 328	28 759	30 484	32 532
Households below minimum service level										
Water:	924	924	924	-	-	-	-	-	-	-
Sanitation/sewerage:	558	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Please refer to table A1 of Annexure A

Funding sources of capital expenditure budget

Similar to the operating revenue, the capital funding indicates how the capital programme of the municipality will be financed in future years. Based on the above table, it is clear

that the municipality is largely grant dependant when external funding (loans) are not being taken up. However, it should be noted that significant progress was made with regards to the contribution of own resources to the capital programme in recent years. This principle will not be applied during the 2020/21 financial year given the effect of COVID 19 on anticipated revenue and expenditures. Critical capital projects commence with in terms of planning and financed via the Mid-year Adjustments Budget during February 2021.

Internal funding in the form of the Capital Replacement Reserve (CRR) is cash backed and sufficient to cover the related capital expenditure projects for the budget year. The municipality remains committed in growing the CRR by making contributions to this reserve to enable better service delivery in the form of capital expenditure. Projects funded from the CRR will be closely monitored to aid implementation and where adjustments are required due to implementation challenges, funds will be directed or reprioritised as per the prerogative of management, through the guidance of the IDP and / or the municipality's financial status.

12. Expenditure on allocations and grant programmes

MBRR SA19 - Expenditure on transfers and grant programmes

WC025 Breede Valley - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		91 095	101 740	114 043	122 712	122 712	122 712	132 217	139 749	150 248
Operational Revenue:General Revenue:Equitable Share		88 524	98 097	108 977	117 997	117 997	117 997	127 591	138 199	148 698
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1 291	2 093	3 003	3 215	3 215	3 215	3 076	-	-
Local Government Financial Management Grant [Schedule 5B]		1 280	1 550	2 063	1 500	1 500	1 500	1 550	1 550	1 550
Provincial Government:		21 671	23 184	14 571	134 032	61 214	61 214	72 525	90 054	61 101
Capacity Building		488	330	750	280	2 080	2 080	-	-	-
Capacity Building and Other		-	-	-	828	1 188	1 188	401	-	920
Housing		13 119	13 987	11 650	122 820	47 576	47 576	61 725	78 843	48 527
Libraries, Archives and Museums		7 632	8 427	-	9 738	9 738	9 738	10 125	10 787	11 380
Other		280	192	1 983	220	486	486	94	244	94
Public Transport		152	149	188	146	146	146	180	180	180
Sports and Recreation		-	100	-	-	-	-	-	-	-
District Municipality:		-	668	500	-	100	100	500	-	-
All Grants		-	668	500	-	100	100	500	-	-
Other Grant Providers:		2 560	3 178	1 018	2 262	2 262	2 262	2 870	-	-
Departmental Agencies and Accounts		2 560	3 128	1 018	2 262	2 262	2 262	2 250	-	-
Non-profit Institutions		-	-	-	-	-	-	620	-	-
Private Enterprises		-	50	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		115 326	128 771	130 132	259 006	186 289	186 289	208 112	229 803	211 349
Capital expenditure of Transfers and Grants										
National Government:		36 217	41 783	37 488	44 502	44 502	44 502	56 337	73 981	76 986
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	7 999	5 000	10 000	10 000	10 000	22 097	37 000	38 000
Municipal Infrastructure Grant [Schedule 5B]		32 885	33 784	32 488	34 452	34 452	34 452	34 240	36 981	38 986
Energy Efficiency and Demand Side Management Grant		3 332	-	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]		-	-	-	50	50	50	-	-	-
Provincial Government:		18 448	31 576	128 219	65 100	70 883	70 883	26 000	-	-
Capacity Building		44	-	-	-	-	-	-	-	-
Disaster and Emergency Services		-	-	1 497	-	-	-	-	-	-
Housing		15 209	27 537	117 977	60 000	64 715	64 715	24 000	-	-
Libraries, Archives and Museums		120	765	4 615	-	-	-	100	-	-
Other		3 074	3 274	4 130	5 100	6 167	6 167	1 900	-	-
District Municipality:		-	-	-	500	500	500	-	-	-
All Grants		-	-	-	500	500	500	-	-	-
Other Grant Providers:		-	-	93 220	-	185	185	1 147	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	1 147	-	-
Non-Profit Institutions		-	-	-	-	185	185	-	-	-
Transfer from Operational Revenue		-	-	93 220	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		54 664	73 360	258 927	110 102	116 070	116 070	83 484	73 981	76 986
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		169 990	202 130	389 059	369 108	302 358	302 358	291 596	303 784	288 335

Kindly refer to table SA19 of Annexure A.

13. Allocations or grants made by the municipality

MBRR SA21- Transfers and grants made by the municipality

WC025 Breede Valley - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Transfers to other municipalities											
Operational	1	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
Operational	2	-	-	-	-	-	-	-	14	15	16
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	14	15	16
Cash Transfers to other Organs of State											
Operational	3	-	-	-	-	-	-	-	61 725	78 843	48 527
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	61 725	78 843	48 527
Cash Transfers to Organisations											
Operational		310	12 807	16 317	1 193	1 193	1 193	1 193	1 737	1 737	1 737
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		310	12 807	16 317	1 193	1 193	1 193	1 193	1 737	1 737	1 737
Cash Transfers to Groups of Individuals											
Operational		-	-	-	123 901	51 116	51 116	51 116	1 710	1 738	1 757
Capital		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	123 901	51 116	51 116	51 116	1 710	1 738	1 757
TOTAL CASH TRANSFERS AND GRANTS	6	310	12 807	16 317	125 094	52 309	52 309	52 309	65 185	82 332	52 036
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 Grants to Organisations											
Operational	4	-	-	-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Groups of Individuals											
Operational	5	-	-	-	390	430	430	430	420	420	420
Capital		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	390	430	430	430	420	420	420
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	390	430	430	430	420	420	420
TOTAL TRANSFERS AND GRANTS	6	310	12 807	16 317	125 484	52 739	52 739	52 739	65 605	82 752	52 456

Kindly refer to table SA21 of Annexure A.

14. Councillors and board members allowances and employee benefits

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

Kindly refer to table SA23 of Annexure A.

15. Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

WC025 Breede Valley - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue By Source																	
Property rates		5 128	9 237	11 702	13 346	14 989	10 880	12 250	11 702	13 181	13 346	14 989	16 249	146 998	155 818	166 726	
Service charges - electricity revenue		18 099	29 411	36 198	40 723	45 248	33 936	37 706	36 198	40 271	40 723	45 248	48 717	452 478	476 007	518 373	
Service charges - water revenue		2 629	4 761	6 040	6 892	7 745	5 613	6 324	6 040	6 807	6 892	7 745	8 399	75 888	80 441	86 072	
Service charges - sanitation revenue		3 060	4 972	6 119	6 884	7 649	5 737	6 374	6 119	6 808	6 884	7 649	8 235	76 490	81 080	86 756	
Service charges - refuse revenue		1 684	2 736	3 367	3 788	4 209	3 157	3 508	3 367	3 746	3 788	4 209	4 532	42 092	44 618	47 741	
Rental of facilities and equipment		89	144	178	200	222	167	185	178	198	200	222	239	2 223	2 356	2 522	
Interest earned - external investments		259	259	259	259	259	259	259	259	259	259	259	259	3 112	3 112	3 112	
Interest earned - outstanding debtors		259	420	517	582	647	485	539	517	576	582	647	696	6 467	6 855	7 336	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		7 843	9 014	9 717	10 185	10 653	9 482	9 873	9 717	10 138	10 185	10 653	11 013	118 474	121 285	124 761	
Licences and permits		152	247	304	342	380	285	316	304	338	342	380	409	3 797	4 025	4 307	
Agency services		346	562	691	778	864	648	720	691	769	778	864	930	8 641	9 160	9 801	
Transfers and subsidies		8 330	13 529	16 649	18 729	20 809	15 609	17 343	16 649	18 521	18 729	20 809	22 404	208 112	229 803	211 349	
Other revenue		376	611	752	846	941	705	784	752	837	846	941	1 013	9 406	9 973	10 673	
Gains on disposal of PPE		53	86	106	119	132	99	110	106	117	119	132	142	1 320	1 399	1 497	
Total Revenue (excluding capital transfers and contributions)		48 305	75 989	92 600	103 674	114 748	87 063	96 291	92 600	102 566	103 674	114 748	123 237	1 155 495	1 225 930	1 281 023	
Expenditure By Type																	
Employee related costs		26 449	26 450	26 451	26 452	26 452	26 451	26 451	26 451	26 452	26 452	26 452	26 453	317 416	336 474	356 965	
Remuneration of councillors		1 565	1 565	1 565	1 565	1 565	1 565	1 565	1 565	1 565	1 565	1 565	1 565	18 780	19 909	21 304	
Debt impairment		6 109	6 679	7 021	7 249	7 477	6 907	7 097	7 021	7 226	7 249	7 477	7 652	85 167	86 216	87 314	
Depreciation & asset impairment		3 810	6 191	7 620	8 572	9 525	7 143	7 937	7 620	8 477	8 572	9 525	10 255	95 246	99 634	104 225	
Finance charges		946	1 537	1 892	2 129	2 365	1 774	1 971	1 892	2 105	2 129	2 365	2 547	23 653	23 653	23 653	
Bulk purchases		13 100	21 254	26 146	29 407	32 669	24 515	27 233	26 146	29 081	29 407	32 669	35 169	326 798	343 748	374 021	
Other materials		773	1 257	1 547	1 740	1 933	1 450	1 611	1 547	1 721	1 740	1 933	2 081	19 332	19 928	20 554	
Contracted services		2 931	4 346	5 195	5 761	6 327	4 912	5 383	5 195	5 704	5 761	6 327	6 761	64 602	61 294	63 871	
Transfers and subsidies		2 624	4 264	5 248	5 904	6 560	4 920	5 467	5 248	5 839	5 904	6 560	7 063	65 605	82 752	92 456	
Other expenditure		2 191	3 560	4 382	4 930	5 477	4 108	4 564	4 382	4 875	4 930	5 477	5 897	54 773	54 901	56 105	
Loss on disposal of PPE		140	228	280	315	350	263	292	280	312	315	350	377	3 504	3 504	3 504	
Total Expenditure		60 638	77 332	87 347	94 024	100 702	84 009	89 573	87 347	93 357	94 024	100 702	105 820	1 074 875	1 132 012	1 163 971	
Surplus/(Deficit)		(12 333)	(1 342)	5 253	9 649	14 046	3 054	6 718	5 253	9 210	9 649	14 046	17 417	80 619	93 918	117 052	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		3 339	5 426	6 679	7 514	8 348	6 261	6 957	6 679	7 430	7 514	8 348	8 988	83 484	73 981	76 986	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		(8 994)	4 084	11 932	17 163	22 394	9 316	13 675	11 932	16 640	17 163	22 394	26 406	164 104	167 899	194 038	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	(8 994)	4 084	11 932	17 163	22 394	9 316	13 675	11 932	16 640	17 163	22 394	26 406	164 104	167 899	194 038	

Please refer to table SA25 of annexure A.

16. Contracts having future budgetary implications**MBRR SA33 – Contracts having future budgetary implications**

Please refer to table SA33 of annexure A.

17. MBRR SA35 - Future financial implications of the capital budget

Please refer to table SA35 of annexure A.

18. Capital expenditure details**MBRR SA36 - Detailed capital budget per municipal vote**

Please refer to table SA36 of annexure A.

19. Legislation compliance status

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

- **In-year reporting:** Reporting to National Treasury and Provincial Treasuries are done in line with the legislated prescripts.
- **Internship programme:** This programme is fully functional within the municipality with 5 interns being employed under this programme. Four of the interns are currently rotating within the Finance Directorate, and one being developed in our Internal Audit section / unit.
- **Budget and Treasury Office:** The Budget and Treasury Office has been established in accordance with the MFMA.
- **Audit Committee:** An Audit Committee has been established and is fully functional.
- Service Delivery and Implementation Plan
- **Annual Report:** Annual report is compiled in terms of the MFMA and National Treasury requirements.
- MFMA Training
- Policies

20. Other supporting documents

Please refer to annexures E for MFMA budget circular

21. Annual budgets of municipal entities attached to the annual budget

No municipal entities.

COMMENTS BY OTHER DIRECTORATES

Municipal Manager – Recommendation supported

Director Strategic Services – Recommendation supported

Director Community Services – Recommendation supported

Director Technical Services – Recommendation supported

RECOMMENDATION

That in respect of

The 2020/21 Final Budget

Discussed by Council at the Special Council Meeting held on 28 May 2020:

1. Council approves the final annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves the Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.
3. Council approves the revised budget related policies as per Annexure C.
4. Council approves the final tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D

PROPOSED: ALDERMAN A. STEYN

SECONDED: CLLR W.R. MEIRING

Counter proposal: Cllr C. F. Wilskut proposed bullets 1 to 4 but amended to include poverty relief (food parcels); not cutting of electricity; more financial support to indigent households; free graves to Covid19 related deaths and support for LED and small businesses.

SECONDED: CLLR M.N. BUSHWANA

VOTES IN FAVOUR OF CLLR C.F. WILSKUT'S PROPOSAL: 14

AGAINST: 22

VOTES IN FAVOUR OF ALDERMAN A. STEYN'S PROPOSAL: 22

AGAINST: 14

RESOLVED

C28/2020

That in respect of

The 2020/21 Final Budget

Discussed by Council at the Special Council Meeting held on 28 May 2020:

1. Council approves the final annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves the Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.
3. Council approves the revised budget related policies as per Annexure C.
4. Council approves the final tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D

To Action

R. Ontong

3.3 DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF COUNCILLORS: 2019/20**File No./s:****Responsible Official:** R Ontong**Directorate:** Financial Services**Portfolio:** Financial Services

Purpose

To inform Council of the upper limits as received from the Department of Cooperative Governance and Traditional Affairs and to get a resolution for the concurrence and implementation of the increase with effect from 01 July 2019.

Background

In terms of the Remuneration for Public Office Bearers Act, Act 20 of 1998, the Minister for Cooperative Governance and Traditional Affairs, after consultation with the members of the executive council responsible for each province and also taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of the Act, proclaimed the remuneration of Councillors through publishing the upper limits annually or whenever the need arises.

The Minister of Cooperative Governance and Traditional Affairs, has on 24 April 2020, promulgated the amendments to the upper limits of the salaries, allowances and benefits of members of Municipal Councils in the Government Gazette No. 43246 (hereinafter referred to as the Upper Limits Notice). The Upper Limits Notice is attached hereto for ease of reference. The over-all inclusive increases are, retrospectively, with effect from 01 July 2019.

In terms of the grading of our Municipality, as per the notice, we score 58.33 points (25 for population and 33.33 for total municipal own income) which is equivalent to a Grade 4 Municipality.

Financial Implications

The total cost (expected spending) amounts to R18 461 266.00 for the 2019/20 financial year (excluding the provision for a Special Risk Insurance which is incorporated in the

municipality's insurance portfolio). This amount is sufficiently provided for in the budget for the 2019/20 financial year.

See the table below that indicates proposed remuneration, including cell phone allowance and mobile data card.

Office Bearer	No.	Total Remuneration and Cell Phone Packages (2019/2020 Budget)	Remuneration Package per Councillor	Cell Phone Allowance per Councillor (R3400.00 per month)	Data Card Allowance per Councillor (R300.00 per month)	Total Proposed Remuneration and Cell Phone Packages (Upper Limits Notice)
Executive Mayor	1	955 441.00	893 850.00	40 800.00	3 600.00	938 250.00
Speaker	1	773 231.00	715 078.00	40 800.00	3 600.00	759 478.00
Deputy Executive Mayor	1	773 231.00	715 078.00	40 800.00	3 600.00	759 478.00
Member of Mayoral Committee & Chief Whip	9	6 549 129.00	6 033 483.00	367 200.00	32 400.00	6 433 083.00
Chairperson of Section 79 Committee	1	413 363.00	363 017.00	40 800.00	3 600.00	407 417.00
Other Councillors	28	9 315 880.00	7 920 360.00	1 142 400.00	100 800.00	9 163 560.00
Total	41	18 780 275.00	16 640 866.00	1 672 800.00	147 600.00	18 461 266.00

The upper limits of the cell phone allowance for all Councillors remains at an amount not exceeding R3 400.00 per month, and the mobile data bundle allowance for all Councillors remains at R300.00 per month.

In terms of the Upper Limits Notice, if a municipal council makes available tools of trade, such a municipal council must take into account accessibility, affordability and cost control, equity, flexibility, simplicity, transparency, accountability and the value of tools of trade.

Summary

The 2019/20 councillor remuneration budget amounts to R18 780 275.00, which is sufficient to implement the proposed increases in the 2019/20 Upper Limits Notice as from 01 July 2019.

The upper limits of the cell phone and mobile data bundle allowances for all Councillors remains at an amount not exceeding R3 400.00 per month, and R300.00 per month respectively.

A municipal council may extend tools of trade to a councillor as stated in the 2019/20 Upper Limits Notice.

Applicable Legislation / Council Policy

Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
Municipal Finance Management Act, 2003 (Act No. 5 of 2003)

Comment of Directorates / Departments**Municipal Manager**

The recommendation is supported.

Director: Strategic Support Services

The recommendation is supported.

Director: Financial Services

The recommendation is supported.

Director: Technical Services

The recommendation is supported.

Director: Community Services

The recommendation is supported.

RECOMMENDATION

That in respect of -

**DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF COUNCILLORS: 2019/20**

Discussed by Council at the Special Council meeting held 28 May 2020:

1. All relevant Stakeholders be informed that the Breede Valley Municipal Council supports the upwards adjustment of councillor allowances and tool of trade as proposed from 01 July 2019;
2. It be noted that before the implementation of the notice by municipalities the concurrence of the relevant Member of the Executive Council (MEC) responsible for local government is required; and
3. The increase be implemented immediately after the concurrence has been received from the MEC for Local Government.

PROPOSED: CLLR W.R. MEIRING

SECONDED: ALDERMAN A. STEYN

RESOLVED (UNANIMOUSLY: 36 VOTES)

C29/2020

That in respect of -

**DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF COUNCILLORS: 2019/20**

Discussed by Council at the Special Council meeting held 28 May 2020:

1. All relevant Stakeholders be informed that the Breede Valley Municipal Council supports the upwards adjustment of councillor allowances and tool of trade as proposed from 01 July 2019;
2. It be noted that before the implementation of the notice by municipalities the concurrence of the relevant Member of the Executive Council (MEC) responsible for local government is required; and
3. The increase be implemented immediately after the concurrence has been received from the MEC for Local Government.

To Action:

R. Ontong

4. CLOSURE

The Speaker closed the meeting at 16:15.
