



EXECUTIVE SUMMARY

IDP 2020/2021

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Foreword by the Mayor

The year 2021 is the Local Government Voting year where multitudes of the people will go to the polls to once more confirm their choice of government to take their needs forward. The democratic gains we enjoy is what the struggle stalwarts fought for hence at the grassroots where we are, we must guard against anything that is at loggerheads with what people require.

As the council of Emalahleni we are committed to clean governance and administration, Infrastructure development and maintenance, Local Economic Development and its Sustainability, Financial Viability as well as community services for the betterment of the lives of our people.

Working together with the people we will be able to develop the Emalahleni we want where all our needs are fulfilled with the little that we have. The Corona virus pandemic pose a new series of challenge which require us to look for the new ways of doings things. In the past we would have our meetings under one roof but now we are compelled to hold the meetings using the technology. The pandemic rushed us to acknowledge the advancements of the technology as well as the opportunities thereof.

One would say COVID 19 is a health challenge although the reality is that it affects all what the mankind is used to do daily. From the socio-economic, political, religious and many more activities we are used to perform.

The reality is that to be able to live now we need to adapt to a new way of doings things coupled by a behavioural change on a variety of aspects. This is not our challenge alone, but the World is affected by this pandemic.

It is our interest to improve on public consultations so that our communities can get to understand the direction the municipality is taking as well as the developmental plans. At this point in time we will have regular updates bi-weekly to inform our communities on radio, print media, social media platforms and other mechanisms.

The municipality is stable as much as it is still stable there are some areas that we can improve on such as the crime in our communities and the overwhelming access to drugs in the respective communities. Gender Based Violence is so prevalent in our communities, women and children are raped and killed by community members, family members and people known to them and trusted as siblings. We appeal to men to play their part in the fight against GBV, community structure and law enforcement to guard against this heartless behaviour that is spoiling our society.

Water and sanitation are also still a huge problem which needs our intervention as the Emalahleni Municipality as well as Chris Hani District Municipality. We will continue with the Community Works Programme (CWP) and Expanded Public Works Programme (EPWP) that are community programmes to employ and capacitate people in our communities. Contractors working in our projects have got a responsibility to hire subcontractors which means Small Medium Macro Enterprises (SMME's) in the Emalahleni area are given a chance to develop and advance as small businesses.

We do that in trying to build the capacity of Sub-contractors to emerge as well-established businesses. For that idea to be fulfilled we need the cooperation of business community as it necessitates commitment by all in ensuring that while working as sub-contractors they provide quality services, building their profiles and collect all the required skills for the levels to compete on huge projects.

On youth development and other youth programmes this financial year we are hoping to accelerate the rate in which we render services to this majority of our population through engaging seta's, government departments and all sectors relevant to the course of young people. Our Special Programmes and Skills Development will now have to refocus looking into the new skills needs based on the advancements in technology as well as the smart way of doing things responding to the changing world around us.

While we were working towards getting ready to respond to the COVID 19 we appreciate what government departments, role players, stakeholders and community-based structures does in their respective areas. At the same time we have identified the need to strength our working relation to serve better our communities as the reality of the matter is that people see government when looking at us not having any consideration of what department is actually mandated to offer a particular service. It is therefore paramount for government departments to fully participate at the IGR Forum so that there is a clear information flow that is not interrupted.

Working with the department of roads we hope that our roads infrastructure will improve as we have concluded the memorandum of understanding where the plant machinery of the department is given to us to construct and maintain access roads using the inhouse teams. To attend to the roads which belongs to the department. We are very happy to find out during the process of sealing the deal between ourselves and the department that our operators are competent to constructed roads.

The Thuma mina call is one that is directed at all that are a part of our communities and not just merely the public servants. Public servants do have the responsibility to cater to their communities as efficient as possible in ways that are necessary for the people. Simultaneously people in the community who have the means to cater to the needs of others (such as employment/community development) must also do so working hand in hand with us.

Unity in development as our slogan is the central point for us all to daily look into what we can do to develop the Emalahleni, Chris Hani, Eastern Cape, South Africa and the world we want free from all social ills, our people suffer every day. The world we can all be proud to see the contribution we have made for better life for all that will save nature and everything else for the generations to come.

COUNCILLOR NONTOMBIZANELE KONI
HONOURABLE MAYOR

MUNICIPAL OVERVIEW

In 2016, Local Government Elections were held and Emalahleni Local Municipality is in the process of developing a five year credible strategic planning tool commonly known as Integrated Development Plan (IDP) with a cash-back budget premised on a medium-term revenue and expenditure framework. The IDP is in terms of Local Government: Municipal Systems Act 2000 (Act 32 2000) as amended. The needs and priorities of communities are derived from Public Participation and Mayoral Outreach Programmes, which were also conducted as per the requirements of the act. It should be noted that IDP and Budget are living documents and their implementation is assessed in terms of service delivery and budget implementation plan which confirms the relevance of programmes and projects of Council.

IDP and Budget are designed in such a way that they fulfil the constitutional mandate of local government that of institutional development and transformation, service delivery, local economic development, job creation, spatial planning as well as financial viability and financial management. In Addition to this, Emalahleni Local Council developed and approved a business process re-engineering to inform its macro institutional organogram as an attempt to give effect to the five key priority areas.

We honestly request that Councillors, Traditional Leadership, Communities, Key Stakeholders and Sector Departments continue to support our endeavours of accelerating service delivery to all communities.

“Emalahleni is indeed moving forward -Siyaqhuba” with the execution of Back to Basics mandate.

Mr. V.C. Makedama
MUNICIPAL MANAGER

1. STRATEGIC OVERVIEW OF THE MUNICIPALITY

1.1 Introduction

The document represents the outcomes of the third draft reviewed Integrated Development Plan (IDP), which is the third review on the current term of Office of the Emalahleni Municipal Council.

The IDP has been reviewed for the 2019 to 2020 financial years in compliance with Section 34 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000 as amended).

1.2 Legislative Framework

1.2.1 Local Government: Municipal System Act (MSA), 2000 (Act 32 of 2000 as amended) compels municipalities to draw up the IDP's as a singular inclusive and strategic development plan. In terms of Section 26 of the MSA, a municipality produces an IDP every five years (reviewed yearly), comprising of the following components:

- (i) A municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- (ii) An assessment of the existing level of development in Emalahleni, which must include an identification of communities which do not have access to basic municipal service;
- (iii) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs.
- (iv) The council's development strategies which must be aligned with any national, provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- (v) A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- (vi) The council's operational strategies;
- (vii) Applicable disaster management plans;
- (viii) A financial plan, which must include a budget projection for at least the next three years; and
- (ix) The key performance indicators and performing targets.

1.2.2 Regulations 2 (1) and (2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 set out the following further requirements for the IDP:

- 1)
 - (a) The institutional Framework, which must include an organogram, required for the
 - (i) The implementation of the IDP; and
 - (ii) Addressing the municipality's internal transformation needs, as informed by the strategies and programmes set out in the IDP;
 - (b) Any investment initiatives in the municipality
 - (c) Any development initiatives in the municipality, including infrastructure, physical, social and institutional development

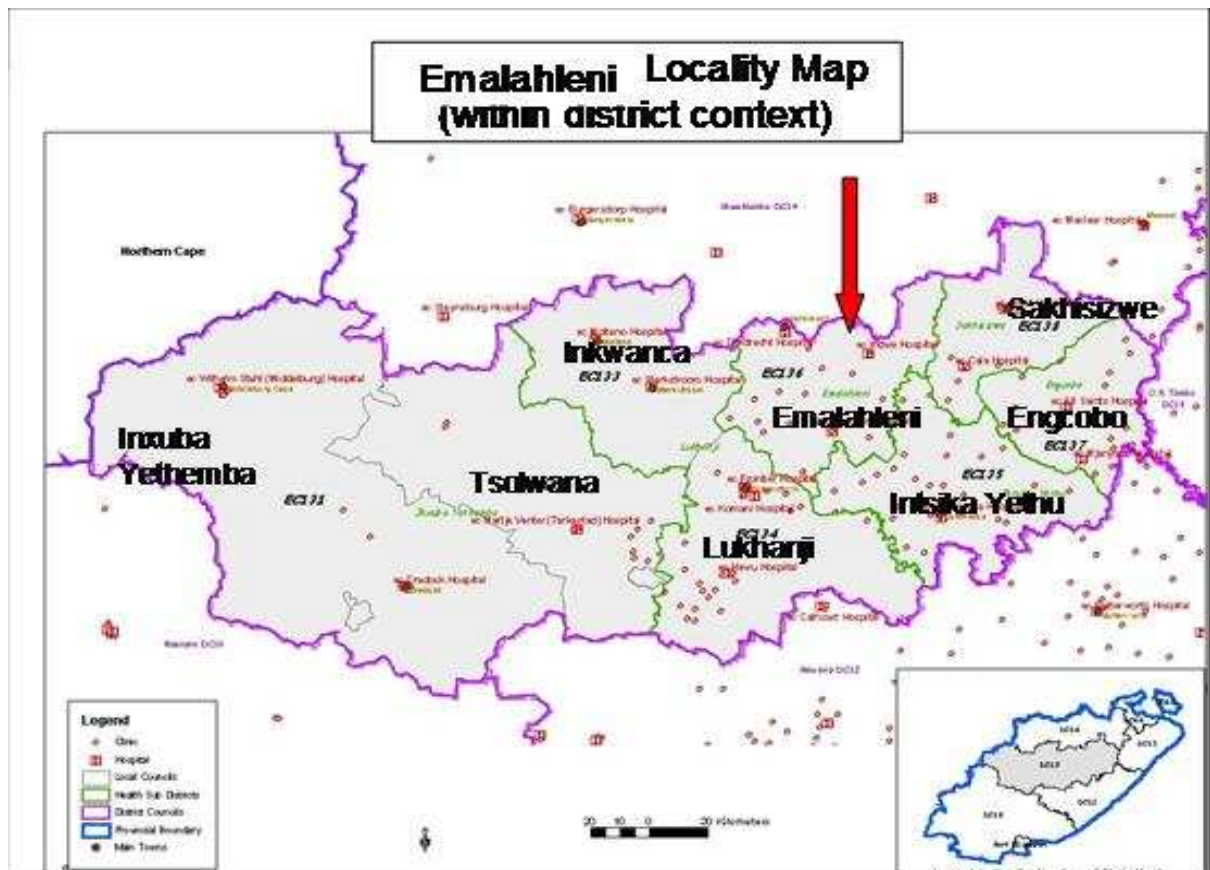
- (d) All known projects, plans and programmes to be implemented within the municipality by any organ of state; and
 - (e) The key performance indicators set by the municipality.
- 2) An integrated development plan may –
 - (a) have attached to it maps, statistics and other appropriate documents; or
 - (b) Refer to maps, statistics and other appropriate documents that are not attached, provided they are open for public inspection at the offices of the municipality in question.
 - 3) A financial plan reflected in a municipality's integrated development plan must at least-
 - a) include the budget projection required by section 26 (*h*) of the Act;
 - b) indicate the financial resources that are available for capital project developments and operational expenditure; and
 - c) include a financial strategy that defines sound financial management and expenditure control, as well as ways and means of increasing revenues and external funding for the municipality and its development priorities and objectives, which strategy may address the following:
 - (i) Revenue raising strategies;
 - (ii) asset management strategies;
 - (iii) financial management strategies;
 - (iv) capital financing strategies;
 - (v) operational financing strategies; and
 - (vi) Strategies that would enhance cost-effectiveness
 - 4) A spatial development framework reflected in a municipality's integrated development plan must-
 - a) give effect to the principles contained in Chapter 1 of the Development Facilitation Act, 1995 (Act 67 of 1995);
 - b) set out objectives that reflect the desired spatial form of the municipality;
 - c) contain strategies and policies regarding the manner in which to achieve the objectives referred to in paragraph (*b*), which strategies and policies must-
 - (i) indicate desired patterns of land use within the municipality;
 - (ii) address the spatial reconstruction of the municipality; and
 - (iii) provide strategic guidance in respect of the location and nature of development within the municipality;
 - d) set out basic guidelines for a land use management system in the municipality;
 - e) set out a capital investment framework for the municipality's development programs;
 - f) contain a strategic assessment of the environmental impact of the spatial development framework;
 - g) identify programs and projects for the development of land within the municipality;
 - h) be aligned with the spatial development frameworks reflected in the integrated development plans of neighbouring municipalities; and
 - i) provide a visual representation of the desired spatial form of the municipality, which representation-
 - (i) must indicate where public and private land development and infrastructure investment should take place;

- (ii) must indicate desired or undesired utilisation of space in a particular area;
- (iii) may delineate the urban edge;
- (iv) must identify areas where strategic intervention is required; and
- (v) must indicate areas where priority spending is required.

1.2.3 **Section 21 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)** provides for closer alignment between the annual budget and the compilation of the IDP. It requires that the mayor of a municipality must co-ordinates the processes of preparing the annual budget and the IDP to ensure that both the budget and IDP are mutually consistent and credible.

1.3 Profile of the Municipality

Emalahleni is a category B municipality situated within the Chris Hani District (see figure below) of the Eastern Cape Province. It consists of the three main urban nodes being the towns of Lady Frere, Indwe and Dordrecht surrounded by a large rural settlement s and many surrounding villages.



Provincial Assessment Outcomes

The MEC for CoGTA has a legislative authority to assess the municipal IDP and provide outcomes on the assessment of each Key Priority Area; below are the outcomes the municipality has acquired in the last few years per KPA:

KEY PERFORMANCE AREA (s)	RATING 2017/2022 IDP	RATING 2018/2019 IDP REVIEW	RATING 2019/2020 IDP REVIEW
Basic Service Delivery	HIGH	HIGH	HIGH
Financial Planning and Budgets	HIGH	HIGH	HIGH
Local Economic Development	HIGH	HIGH	HIGH
Good Governance and Public Participation	HIGH	HIGH	HIGH
Institutional Arrangements	HIGH	HIGH	HIGH
OVERALL RATING	HIGH	HIGH	HIGH

CHAPTER 2 - Situation Analysis

Introduction

Local Government laws and regulations require municipalities on an annual basis to test the level of development in the municipal area so as to ensure that; plans and resource allocation respond directly to the needs of the communities. This is done through environmental scanning in all areas in the municipality

Reflection on the Municipal Area

Emalahleni Local Municipality is a category B municipality situated within the Chris Hani District Municipality of the Eastern Cape Province. It has 17 Wards which service the three main towns - Cacadu, Indwe and Dordrecht and surrounding villages.

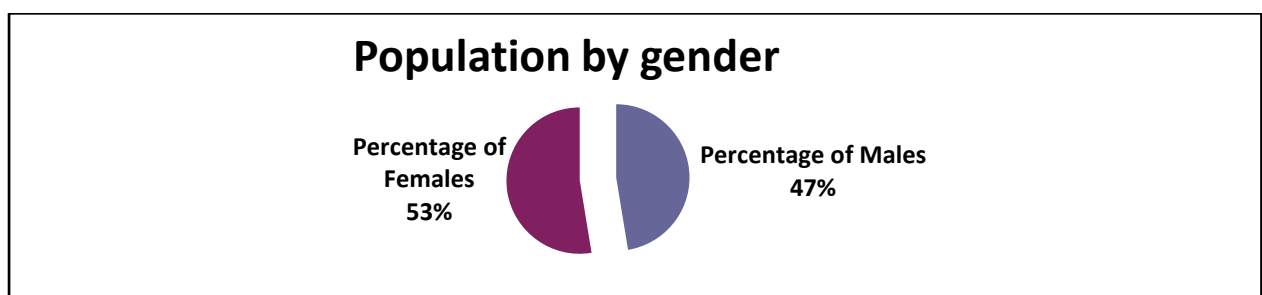
Demographic Analysis of the Area

Population

Statistics SA, 2011 indicated that Emalahleni had the fourth largest population with a total of 119,460 (15% of the district population) in the Chris Hani district which extended over an area of approximately 3 840 square kilometers, including more than 200 rural villages and comprising seventeen (17) wards. In 2016, Statistics SA conducted a survey which revealed that Emalahleni population had increased to 122 700. This is an increase of 2.71% in the total population of the municipal area in a space of 5 years. The head office of the Emalahleni Local Municipality is situated in Cacadu and has satellite offices in Dordrecht and Indwe. Growth trend analysis shows that Emalahleni population had a marginal growth of between 2% to 5% over the last 5 years. The marginal growth could be attributed to a variety of factors such as death, poverty, HIV/AIDS and/or family planning.

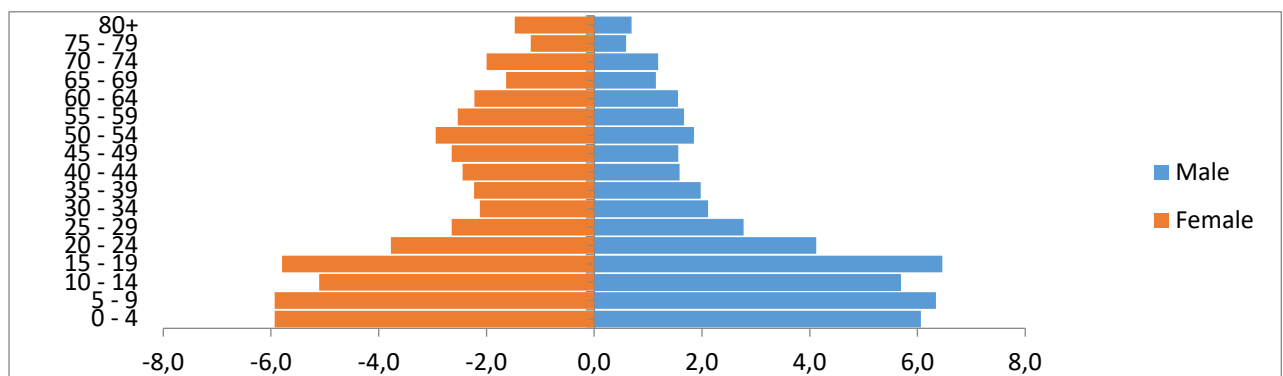
The following tables and graphs reflect the population of Emalahleni by various categories. The Black Africans and Black African females in particular are the largest group of the population at 51% (and 53% including all races) of the total population. The high representation of females in the population represents an opportunity for the municipality to develop and implement programs for women empowerment.

	Black African	Coloured	Indian or Asian	White	Other	Grand Total
Male	55 614	350	135	322	199	56620
Female	62 058	341	39	340	61	62839
Grand Total	117672	691	174	663	260	119459



Statistics South Africa: Web page: www.statssa.gov.za, 2011

Population Pyramid



The above pupation pyramid reflects a perfect planning informant for the municipality. From this age distribution above, the following observations can be eluded:

The 0-19yrs comprised of 47% of the total population

Ages 20-59yrs of the economically active population, show a fairly distributive population

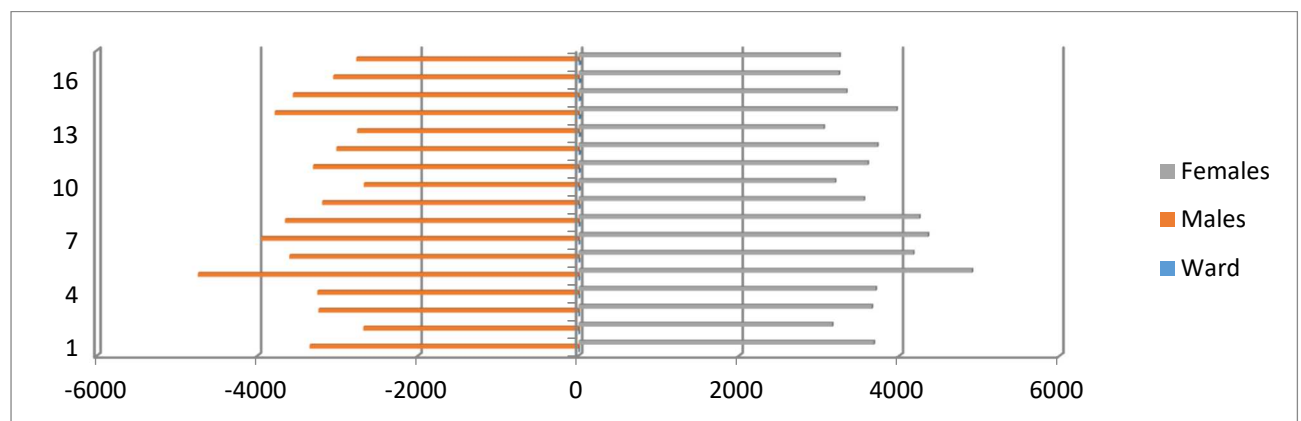
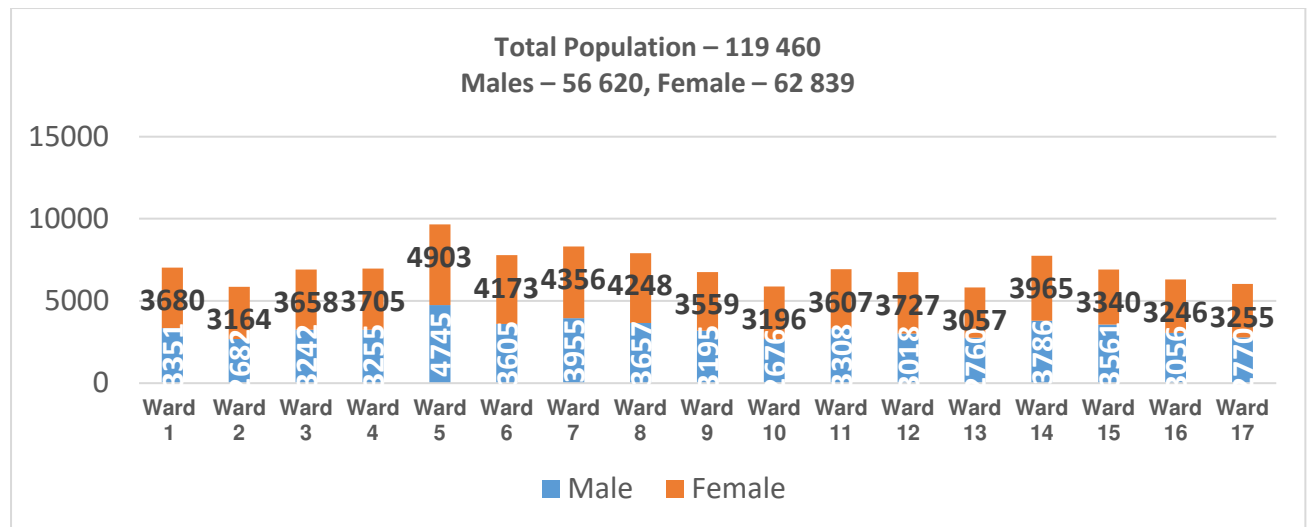
Ages 60 upwards represent 13% of the population

The municipal population has a large representation of the youth (comprising of 47%) of the total population. The retired age group of age 60 and above represents 13 percent of the population. These two above point also pose a great challenge for the Emalahleni municipality. This challenge being that the 60 percent of the population is both under 19years and above 60years and thus most

likely economically in active and reliant on social grants. The resultant of this compels the municipality to increase its commitment to Special Programs

According to statistics released by ECSECC, about 47% of the population earns just under R3500.00 and 13% of the population lives under the bread line and would therefore not be able to afford housing or other services and rely on state subsidies. Emalahleni thus can be classified as a low wage economy which is a factor of low or negative growth. This fact will be dealt with throughout the document.

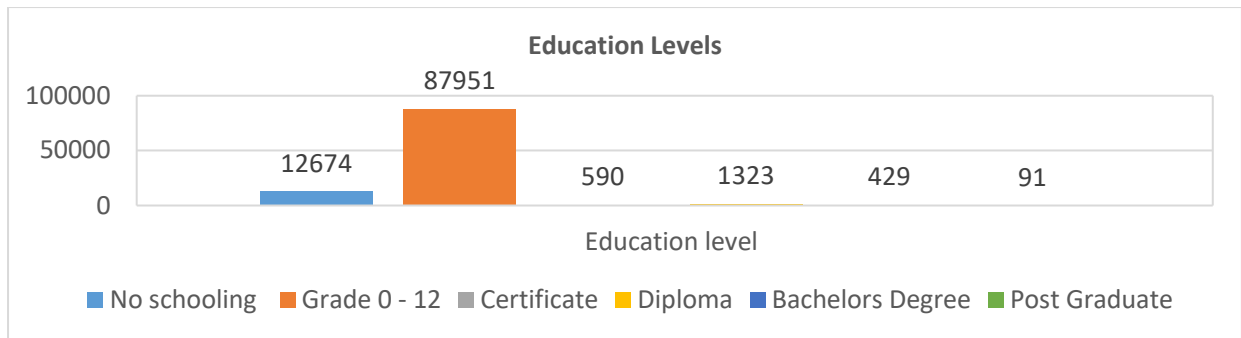
The following table represents the spread of the population according to the 17 wards in the municipal area:



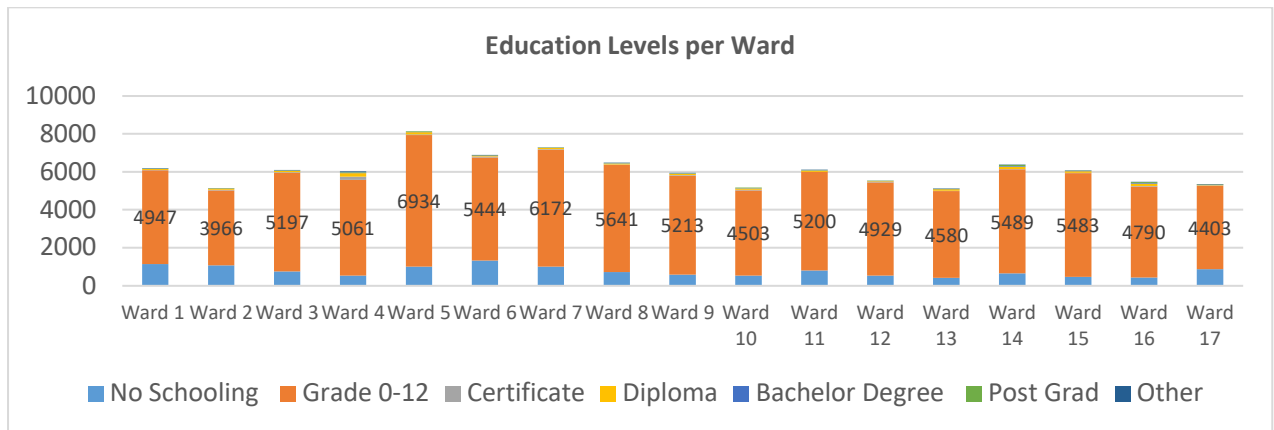
Statistics South Africa: Web page: www.statssa.gov.za, 2011

Education and Skills

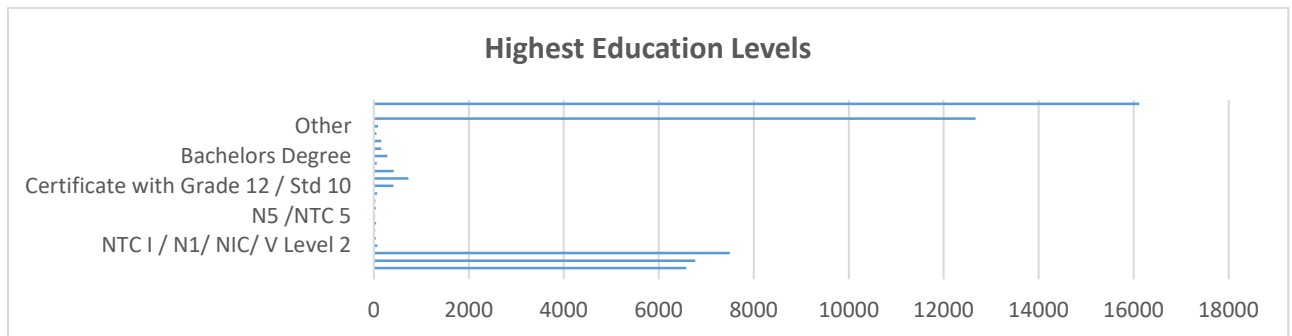
About 35% of the entire population has no schooling whilst only 5% of the population has a matric (Grade 12) qualification. As indicated in graph below, the levels of educational attainment are very low. This situation presents a major challenge for future economic growth because essential skills for growing the economy are limited and will be further reduced by this situation in which 37% of population has no schooling at all.



Source: Statistics SA 2011



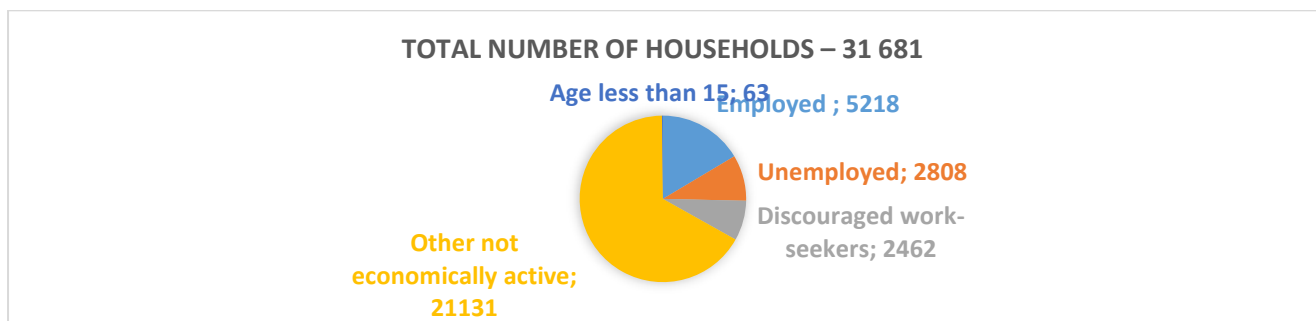
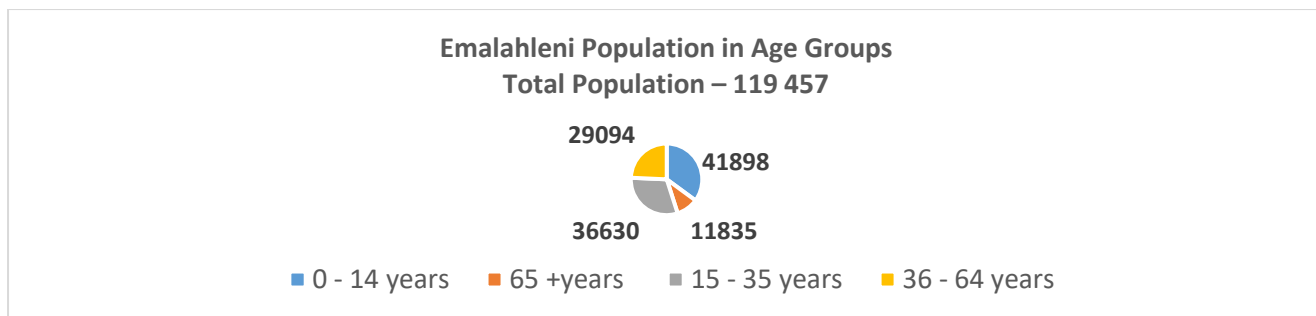
Source: Statistics SA 2011



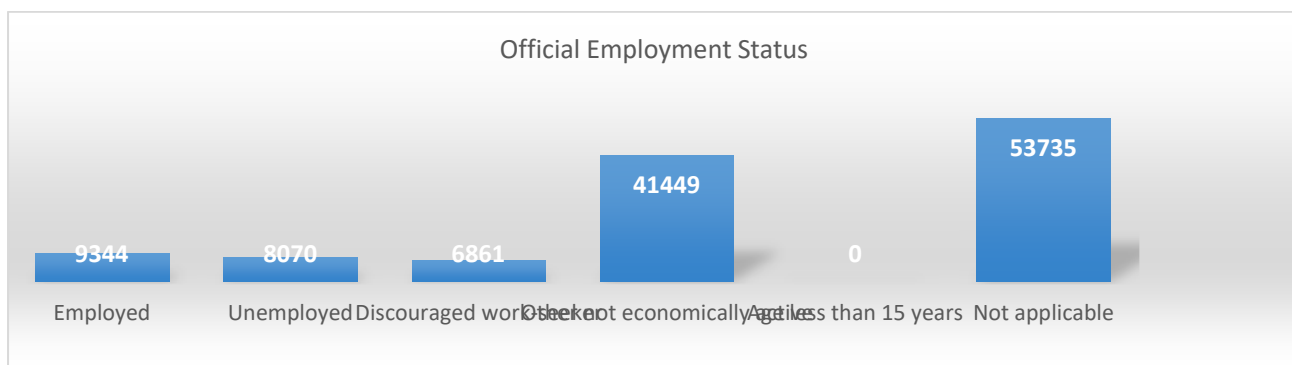
Source: Statistics SA 2011

Labour

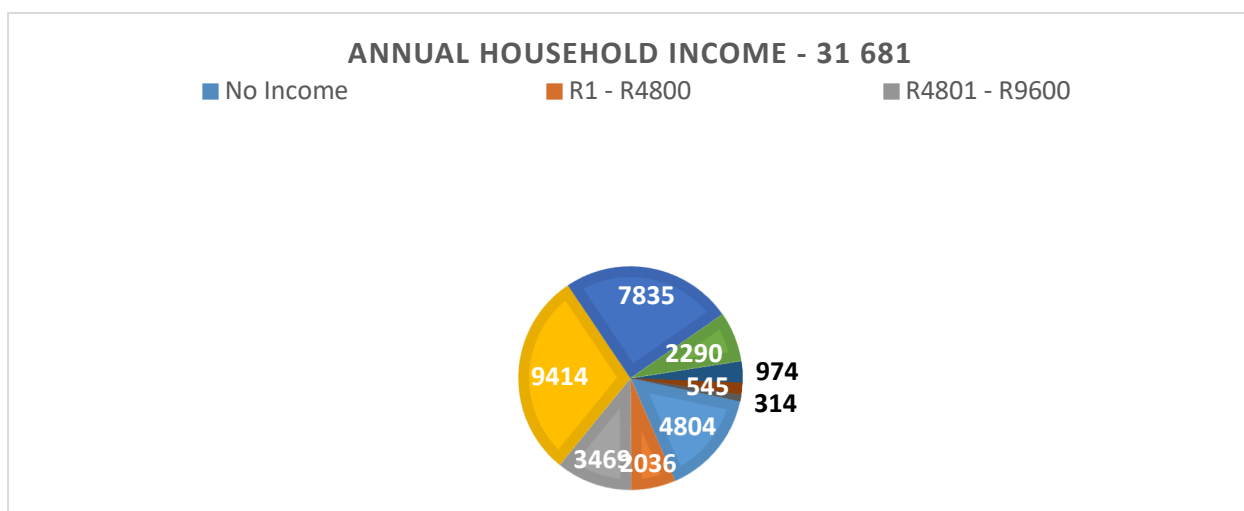
Formal Employment



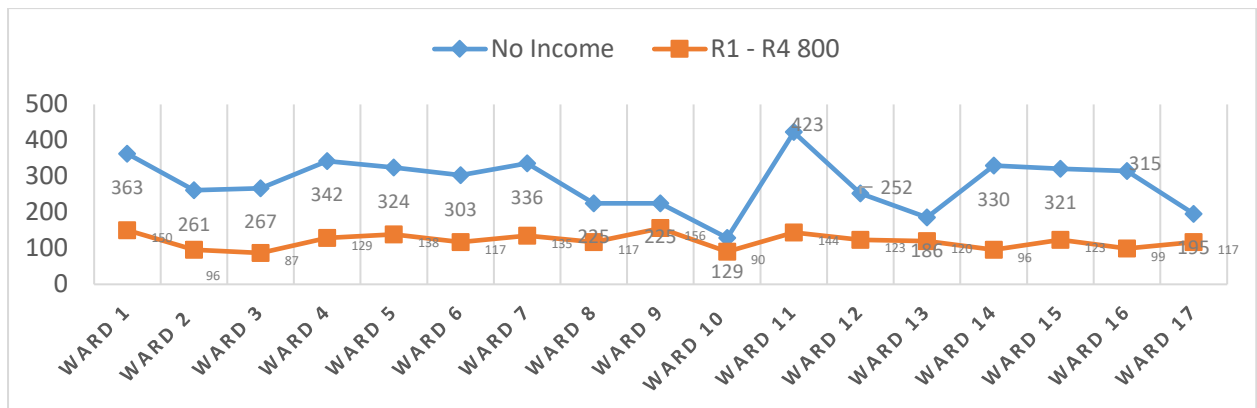
Sources: Statistics SA, 2011



Sources: Statistics SA, 2011



Sources: Statistics SA, 2011

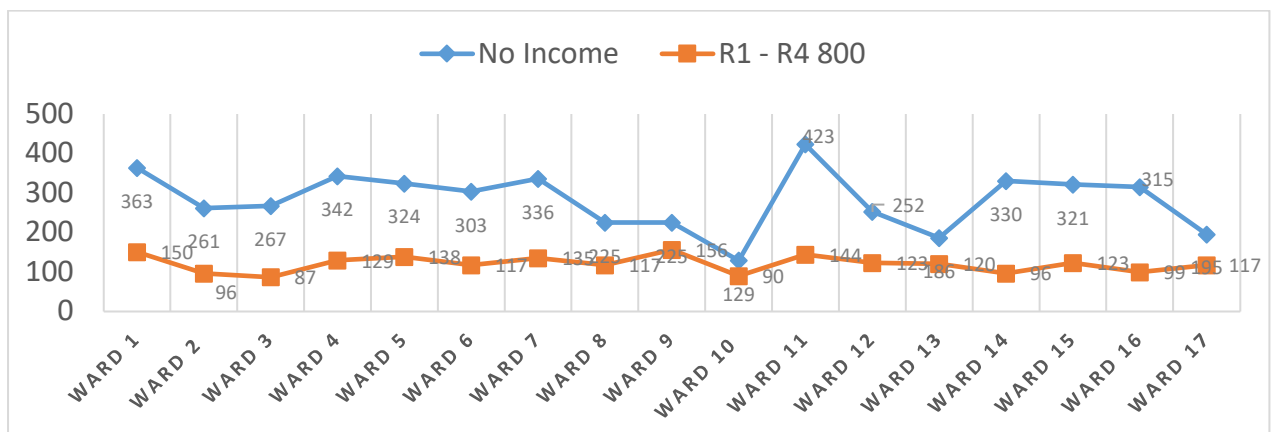


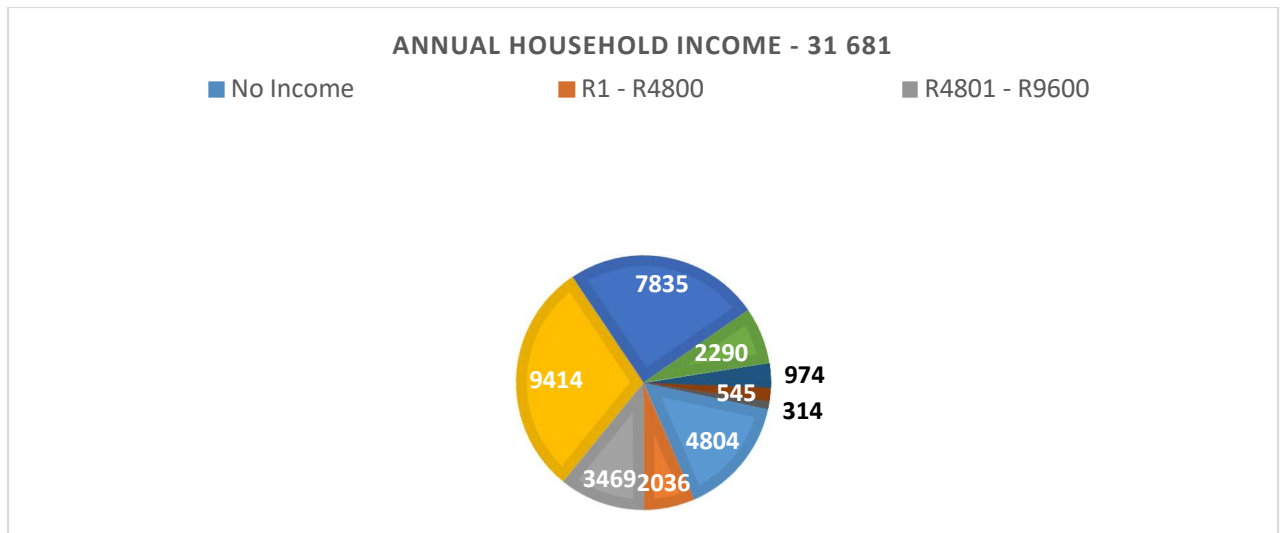
Sources: Statistics SA, 2011

Informal Sector:

Unemployment rate

Poverty



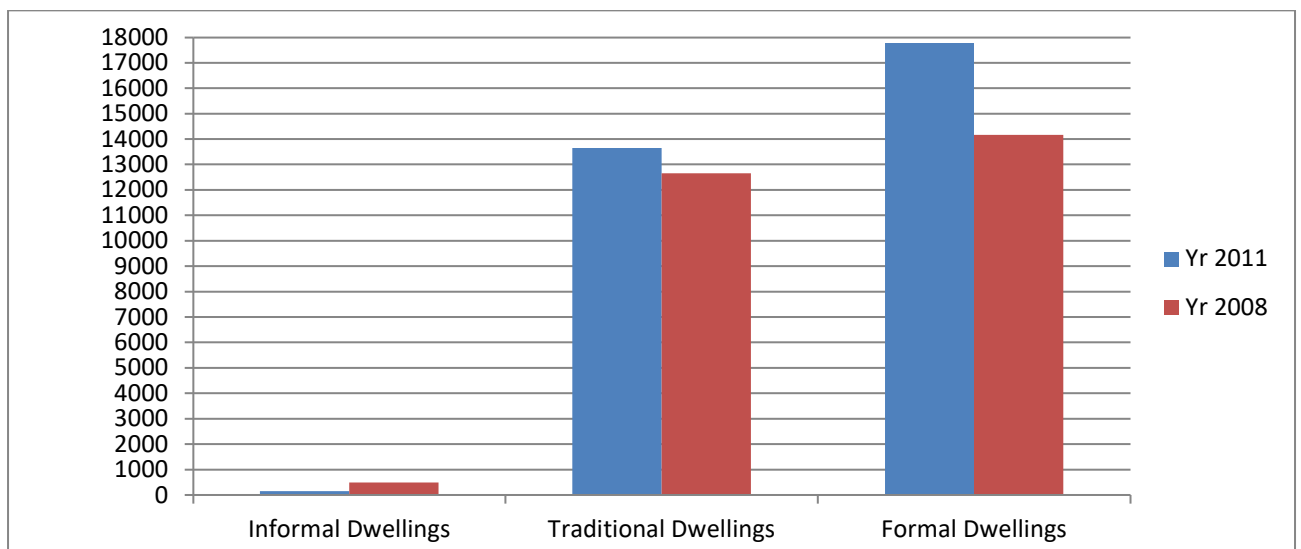


Sources: Statistics SA, 2011

Poverty Rate (2008 – 2010)

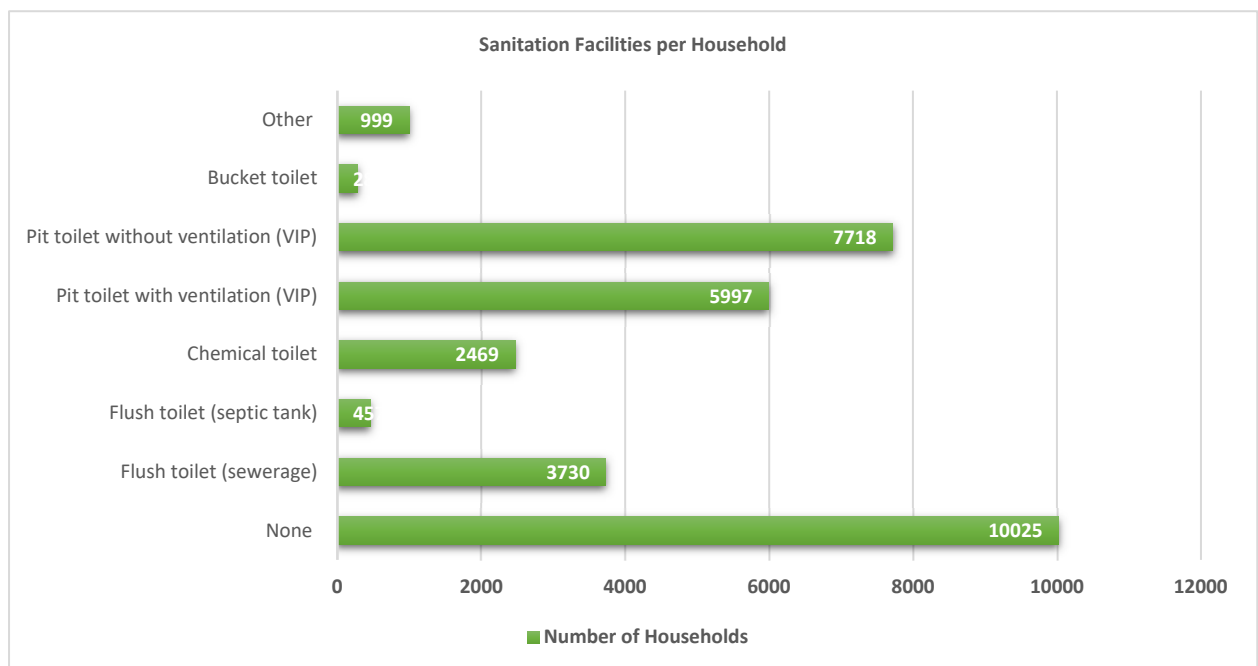
Human Settlements

The graph below shows that most of the houses in the municipality are those made of bricks and traditional houses, it also shows a slow increase from 2008 of brick and traditional houses. There is a very minimum number of informal settlements and the numbers are showing a slow decline since 2008 and this can be attributed to the increase in brick and traditional structures.



Access to Services

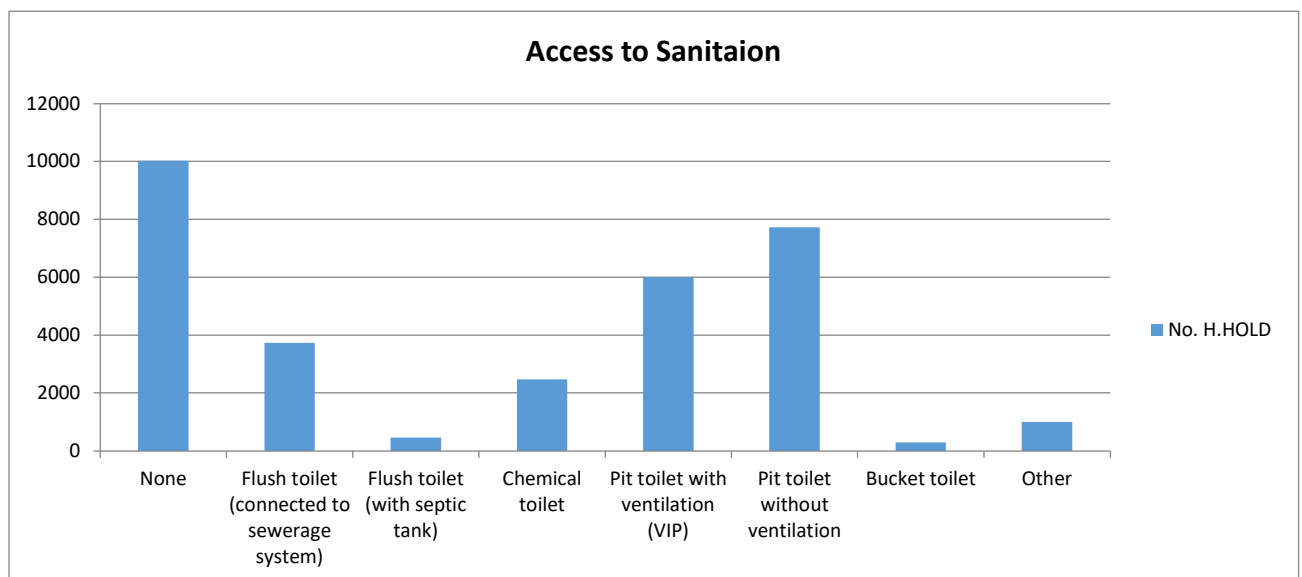
Access to Sanitation: National Perspective



Sources: Statistics SA, 2011

The picture is even worse when it comes to Emalahleni Local Municipality, in which there is no improvement at all.

Access to sanitation: Local perspective



This graph presents a picture of Emalahleni local municipality in as far as it relates to the provision of sanitation (Flush or chemical toilets; Pit latrine; and Bucket latrine).

Refuse removal for Household

	2008	2009	2010	2011	2018
Unspecified / other	52	49	47	1303	1303
Removed by local authority at least once a week	3 026	3 085	3 144	2637	7 999
Removed by local authority less often	217	211	206	165	165
Communal refuse dump	562	587	612	528	528
Own refuse dump	13 363	13 518	13 674	20165	20165
No rubbish disposal	-	-	-	6883	6883

Formal waste collection service is provided to urban and township areas of Lady Frere, Indwe and Dordrecht. Households in the rural areas are encouraged to conduct on site management of their waste.

Situation Analysis per KPA available on the full document

Municipal Vision, Mission and Values

(1) Municipal Vision

A municipality that delivers appropriate, sustainable and affordable services towards socio-economic growth for the development of its community.

(2) Municipal Mission

Emalahleni Municipality promotes quality and excellent services that are valued by its customers through effective partnerships and active community participation as it plans for the future.

(3) Municipal Values

- **Responsiveness:** we will put in place systems to promptly respond to the needs, complaints and enquiries of our communities.
- **Cultural Diversity:** we will promote and enhance all cultures in our municipality.
- **Commitment:** we commit ourselves to clean governance and accountability.
- **Dignity:** we will treat every client with dignity, respect and disciplined manner.
- **Honesty:** we will discharge our mandate with honesty.
- **Innovation:** to encourage alternative and innovative systems to discharge service delivery.
- Adhered practice to Batho Pele Principles

3.2 Context of Emalahleni Strategy

(1) Legal Context

- Constitution of the Republic of South Africa, 1996
- Development Facilitation Act, 1995 (Act 67 of 1995)
- Local Government: Demarcation Act, 1998 (Act No 27 of 1998).
- White Paper on Local Government of 1998.
- Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998).
- Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).
- Powers and Functions allocated by the Minister for Provincial and Local Government and MEC for Local Government in terms Sections 83 and 85 of the Municipal Structures Act, 1998 respectively.
- Intergovernmental Relations Framework Act, 2005 (Act No 13 of 2005).
- Municipal Property Rates Act 6 of 2004.
- Supply Chain Regularities.
- Performance Management Policy.

(2) National Context

Nationally, the Emalahleni strategy takes into cognisance and is aligned with national strategies and policies. These include the Reconstruction and Development Programme (RDP), the National Development Strategy (NDS), Spatial Development Framework (National Spatial Development Perspective) and the Accelerated and Shared Growth Initiative for South Africa (ASGISA). The national strategies emphasise the need to take advantage of the opportunities that exist in the area of tourism, forestry, bio fuels, development corridors, Joint Initiative on Skills on Priority Skills Acquisition (JIPSA), etc.

(3) Provincial Context

Provincially, the Growth and Development Programme (PGDP), whose objectives includes the development of human capital, infrastructural development and systematic eradication of poverty, emphasises the following:

- Diversification of Manufacturing Sector.
- Agrarian Transformation.
- Strengthening of food security.
- Pro-poor programming.

The Emalahleni Local Municipality considers the above and other policies and programmes that the provincial government comes up with in addressing the challenge of providing better life for all.

(4) Regional Context

Regionally, the Emalahleni Municipal Strategy considers the programmes of the district including its Integrated Development Plan, the District Growth and Development Strategy as well as the advantages that are brought about by Chris Hani District Municipality to the area's development.

OBJECTIVES, STRATEGIES AND INDICATORS

1Introduction

The municipality is required to develop and include in the IDP, objectives and strategies that will be employed to realise and improve the situation that currently prevails in the area.

It is also required to realise the objects of local government as set out in Section 152 of the Constitution of the Republic of South Africa, 1996

Chapter 5 and 6 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000 as amended) requires municipalities to consult with its communities in identifying and developing the indicators that will serve as yardsticks for communities to monitor implementation of the plans to help improve the service standards and improve the lives of the people

Below is a list of strategic focus with strategies, indicators:

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2020/2021
KPA 1 - BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT									
Community Safety Programmes	To provide, improve and maintain provision of basic services to local communities and/or households by June 2022	Monitor functionality of 3 Registration and Licensing Authorities	Number of Registration and Licensing Authorities Functional	3 Registration and Licensing Authorities Functional	Functional Licensing Authorities	R 0	Opex	1_1_1.3_P003	3 Registration and Licensing Authorities Functional (Cacadu, Indwe, and Dordrecht) by 30 June 2021
		Process Learners and Driver’s License Applications received	Number of Driving License Testing Centre functional	12 Driving License Testing Centre Reports	Functional Licensing Authorities	R 0	Opex	1_1_1.4_P004	1 Driving License Testing Centre functional in Ward 4 by 30 June 2021
Waste and Environmental Management		Collect Refuse in urban and township areas	Number of urban and township areas with access to refuse removal services	3 Urban areas and 10 townships with access to refuse removal service	Improved, safe and healthy environment	R300,000	Opex	1_2_2.3_P008	Refuse removal services conducted in 3 Urban areas and 10 townships by 30 June 2021
		Construction of facilities	Planning for the development of the landfill site		Development plan for the construction of a land fill site	R500 000	MIG		Development plan completed for the construction of a land fill site by June 2021.
Environmental Management		Implement Environmental Management Framework (EMF)	Number of Environmental Management Framework Programs implemented	3 Environmental Management Programmes implemented in 1 Lady Frere, 1 Dordrecht and 1 Indwe	Improved, safe and healthy environment	R70,000	Opex	1_2_2.11_PO16	3 Environmental Management Framework Programmes implemented by 30 June 2021
Roads and Storm	To provide	Implement,							

Priority Area	Strategic Objective	Strategy	Key Performance Indicator	Baseline Indicator	Outcome Indicator	Budget Allocation	Funding Source	Indicator Code	Annual Target 2020/2021
Water	maintained basic infrastructure service for local communities by June 2022	monitor and report on the approved Roads Infrastructure Plan	Number of km of Access Road Gravelled	Planning phase for construction of Access Road in Ward 17 (Jinginja Access Road) Approved Road Designs	Improved access roads	R 7 400 000	MIG		7km of access road gravelled in Ward 17 (Jinginja Access Road) by 30 June 2021
			Number of km of Access Road Gravelled	Planning phase for construction of Access Road in Ward 17 (Tsolokazi Access Road) Approved Road Designs	Improved access roads	R 6 800 000	MIG		6.7km of access road graveled in Ward 1 (Tsolokazi Access Road) by 30 June 2021
			Number of Km of gravel road maintained	9 km of gravel road in Ward 3, 9,10,12 and 5 maintained	Improved access roads	R 1,155,000.00	Opex	1_10_10.3_P033	9 km of gravel road maintained in Ward.... by 30 June 2021
Infrastructure Development		Implement, monitor and report on the approved Roads Infrastructure Plan	Number of meters of streets paved	200m of Cacadu internal streets in ward 4 paved (VTS)	Improved roads infrastructure	R 1,072,000.00	EPWP	1_10_10.2_PO32	100m paved in Cacadu (Ward 4) Street..... by 30 June 2021
			Number of meters of streets paved at Indwe (Ward 16)	200m of Indwe Internal Streets paved	Improved roads Infrastructure	R 2,000,000.00	EPWP	1_10_10.2_PO31	100 meters paved in (Indwe) Street..... Ward 16 by 30 June 2021

			Number of km of roads paved	400m of roads paved	Improved roads infrastructure	R 6,708,851.00	MIG	1_10_10.2_PO 31.2	2km of roads - paved in Zakhele Location in Cacadu Town in Ward 1 (Zakhele St, Silingela St 0; N Tyingwa 0.; S. Hlanganyana ; S. Hlanganyana ;N. Xezu (Hlanganyana by 30 June 2021
		Implement, monitor and report on the approved Roads Infrastructure Plan	Number of km- of roads paved	1.3km of internal roads paved	Improv ed roads infrastr ucture	R5,755,04 1.42	MIG		2,6km of internal streets paved in Mavuya in Indwe (Ward 15) by 30 June 2021
Infrastructure Development	To provide, improve and maintain provision of basic services to local communities and/or households by June 2022	Implement, monitor and report on the approved Roads Infrastructure Plan	Number km of roads paved	400m of roads paved in Sinakho location DDX	Improv ed roads infrastr ucture	R 6,708,851	MIG	1_10_10.2_PO30.1	2km of roads paved in Sinako Location in Dordrecht in Ward 11 & 14 by 30 June 2021
Building/Facilities / Amenities and Recreational Facilities		Construct a sportfield	Dordrecht sportfield constructe d	Dordrecht Sportsfield	Upgrad ed Sportfie ld	R 4,596,942	MIG	1_12_12.5_P136	Dordrecht Sportsfield constructed in (Ward 14) 30 June 2021
		Construction of Facilities	Number of sportsfield upgraded	Indwe Sportsfield		R2,100,00 0	MIG		1 Sportsfield upgraded in Ward 16 in June 2021

Agricultural Infrastructure		Construct agricultural facilities for agricultural development in the municipal area	Number of dipping tanks constructed	3 Dipping tanks constructed in the municipal area during 2017/2018	Improved agricultural infrastructure	R240,000	CHDM		1 Dipping tank constructed in Nqiningana (Ward 1) by 30 June 2021
			Number of feedlots constructed	Approved Feedlot Designs		R300,000	CHDM		1 Feedlot constructed in Indwe (ward 15) by 30 June 2021
Land Use Management		Implement Spatial Planning and Land Use Management (SPLUMA)	Percentage of compliant land use applications received and processed for approval by AO or CHDM Tribunal	100% compliant land use applications received and processed for approval by AO or CHDM	Compliance with SPLUMA	R180 000	Opex	1_20_20.1_P047	100% compliant land use applications received and processed for approval by AO or CHDM by 30 June 2021.
Illumination		Erect solar streetlights	Number of solar streetlights erected	100 Solar streetlights in Cacadu (66) and Indwe (34) by June 2018	Improved illumination in ELM	R 5,900,000.00	MIG		150 Solar streetlights in Cacadu (50), Dordrecht (50) and Indwe (50) by 30 June 2021
		Electrify households	Number of households electrified	324 households electrified in ward 1, 5, 6 and 13 June 2017 financial year		R 10 224 000	INEP		622 households electrified in Ward 1,5,6,7,8,9 and 17 by 30 June 2021
Indigent Support	To maintain and improve financial viability of the	Review and update of the Indigent	Number of households receiving	3900 households receiving free basic service (Electricity)	Improved Service	R7 348 000	Opex	1_21_21.1_P048	3900 households receiving free basic service (Electricity) by

	municipality by June 2022	Register	free basic service (electricity)		Delivery				30 June 2021
KPA 2: LOCAL ECONOMIC DEVELOPMENT									
Small Medium and Micro Enterprise Development	To promote, facilitate and improve sustainable local economic development through identification and implementation of local economic development programmes by June 2022	Support emergent businesses to build more economic capacity	Number of SMME's supported	3 SMMEs supported (Mphothulo Youth Project & 2 sub-contractors)	Sustainable SMMEs	R 30,000	Opex		5 SMMEs supported (Mphothulo Youth Project) in Ward 1 and 4 sub-contractors in ELM by 30 June 2021
		Formalize businesses	Number of business licenses issued	20 Businesses and Hawkers licensed (6 Indwe, 8 Cacadu. and 6 Dordrecht	Compliance and Revenue generation	R 0	Opex	2_22_22.3_P051	20 Business licenses issued by 30 June 2021
Agricultural Development (Livestock)		Provide agricultural development services	Number of agricultural development services (branding & 2 advisory services) facilitated	3 Advisory sessions and 1 farmer's day conducted	Sustainable and capacitated farmers			2_23_23.1_P052	2 agricultural development services provided (1000 livestock branded & 2 advisory sessions facilitated) by 30 June 2021
Tourism Development and Heritage Management		Conduct Exhibition Shows	Number of Art Centre Exhibitions Shows conducted	4 Tourism Roadshows conducted, 1 heritage event and 3 heritage awareness programs conducted, 4 Tourism capacity building	Tourism Promotion	R 45,000	Opex	2_27_27.4_P134	4 Art Centre Exhibitions Shows conducted by 30 June 2021

				sessions for Tourism Establishments facilitated					
Job Creation	To improve economic development within ELM by June 2021	Compile reports on job creation	Number of jobs created through, Expanded Public Works.	220 Local People employed in Projects and Reported on EPWP MIS System by 30 June 2020	Improved livelihood	R2 091 000	EPWP		240 Local People employed in Projects and Reported on EPWP MIS System by 30 June 2021
KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
Communication	to ensure development and implementation of improved system of communication, customer care, public participation and good governance in line with applicable laws and regulations to achieve clean administration by June 2022	Implement Communication Strategy programmes	Number of Communication Strategy programmes implemented	Approved Communication Strategy	Informed Citizenry	R 350 000	Opex	3_31_31.1_P069	4 Communication Strategy programmes implemented by 30 June 2021
Customer Care		Implement Customer Care Strategy programmes	Number of Customer Care Strategy programmes Implemented	Approved Customer Care Strategy	Improved Customer Care Service	R 5,000	Opex	3_32_32.1_P070	2 Customer Care Strategy Programmes Implemented (Resolution of complaints and Petitions Management) by 30 June 2021
Internal Audit		Review municipal internal controls through execution of the Internal Audit Plan	Risk based Internal Audit Plan submitted to Audit Committee for approval	2018/2019 Risk based Internal Audit Plan	Functional Internal Audit	R0	Opex	3_35_35.2_P076	2019/2020 Risk based Internal Audit Plan submitted to Audit Committee by 31 July 2020
		Monitor the	Number of AOIP follow up	3 AOIP Follow up reports	Improved Audit			1_35_35.4_P137	3 follow up reports on the implementation of

		implement ation of the audit outcome improvement plan	reports submitted to the AC.	submitted to AC	Outcomes				the AOIP by 30 June 2021
Risk Management		Implement Risk Managem ent Strategy and Operation al Plan	Risk Management Strategy and Operational Plan Implemented	Risk Management Strategy and Risk Management Committee	Acceptable risk levels	R 0	Opex	3_36_36.1_P079	Risk Management Strategy and Operational Plan implemented by 30 June 2021
Fraud Management		Implement Fraud and Anti- Corruption prevention plan	Fraud and Anti- Corruption Prevention Plans Implemented	Fraud Prevention Plan		R 0	Opex	3_37_37.1_P081	Fraud and Anti - Corruption Prevention Plan implemented by 30 June 2021
KPA 4: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT									
Human Resources	To ensure a developmentally orientated planning institution in compliance with legislative prescripts, laws and regulations applicable to local government	Implement the HRD Strategy	Number of HRD Strategy Programmes implemented	4 HRD strategy programmes implemented	Skilled and capable workforce	R50 000 – Bursaries	Opex	4_40_40.1_P084	3 HRD Strategy programmes implemented (Workplace Skills Programme, Inservice Training & Learnership) by 30 June 2021
						R20 000 – Training of Staff			
						R620 000 - Learnership			
Individual Performance Management System		Implement PMS Framework Policy and Procedure	Number of Performance and Accountability Agreements signed and implemented	Accountability Agreements for Managers	Improved Culture of Performance	R0	Opex	4_41_41.1_P085	6 Performance and 12 Accountability Agreements signed and implemented by 30 June 2021

		Manual							
Human Resources (check if the Plan content covers current challenges, if not ,review is suggested)		Implement the Human Resources Plan	Human Resources Plan implemented	Approved Human Resources Plan	Improved Service Delivery	R 0	Opex	4_43_43.1_P087	Human Resources Plan Implemented (Implementation of Person to Post Plan) by 30 June 2021
To provide an integrated ICT System that will ensure safety of information		Implementation of ICT Projects	Number of ICT infrastructure Developed	2 ICT PROJECTS IMPLEMENTED	Wide Area Network Connection IMPROVED NETWORK CONNECTIVITY	R1 200 000	OPEX		1 Wide Area Network Connected at ELM
Occupational Health and Safety		Implement OHS Strategy Programmes	Number of OHS Strategy Programmes Implemented	05 OHS Strategy Programmes implemented	Healthy and Safe environment	R 450,000	Opex	4_44_44.1_P088	4 OHS Strategy Programmes implemented (Protective Clothing, Medical Examinations, Workman's Compensation for Injuries and diseases, OHS Inspections) by 30 June 2021
		Implement OHS Strategy programmes	Number of OHS Strategy Programme implemented	Four OHS Programmes implemented	Healthy and Safety Environment	R1 000 000	OPEX		Four OHS Programmes implemented

Special Programmes		Implement the approved Special Programmes Strategy	Number of SPU strategy programs implemented	Approved SPU Strategy	Social Cohesion	R824, 000	Opex	4_52_52.1_P100	5 SPU strategy programs Implemented (Field band Support, , Nelson Mandela Day, Women's Day, Disability Day, Youth Day) by 30 June 2021
Employee Wellness		Implement Employee Wellness Programs	Number of employee wellness programs implemented	4 Employee Wellness programs implemented	Improved Institutional Performance	R 60,000	Opex	4_52_52.1_P102	3 Wellness programs implemented (Change Management, Team building programme, Wellness Day) by 30 June 2021
		Develop and implement a responsive institutional plan	Number of IDP documents developed and submitted to Council structures for approval	2017/2022 IDP developed – 2019/2020 reviewed IDP	Development Planning	R 0	Opex	4_54_54.2_P106	1 IDP reviewed and submitted to Council structures for approval by 30 June 2021
Institutional Performance Management		Implement and review the Performance Management Framework, policies and procedures	Number of Annual reports developed, approved by Council	Annual Report 2018/2019 developed and approved	Improved service Delivery	R 0	Opex	4_55_55.1_P107	1 Annual Report for 2019/2020 developed, submitted to Council for approval by 30 June 2021
			Implementation of Performance Management Framework, Policy and Procedure Manual	Reviewed Performance Management Framework, Policy and Procedure Manual	Improved service Delivery	R 0	Opex	4_55_55.2_P108	Reviewed Performance Management Framework, Policy and Procedure Manual implemented by 30 June 2021

KPA 5: FINANCIAL VIABILITY AND MANAGEMENT									
Supply Chain Management	To maintain and improve financial viability of the municipality by June 2022	One procurement plan developed and implemented	2019/2020 procurement plan	2020/2021 Approved procurement plan	Improved compliance with SCM legislation	R 0	Opex	5_56_56.1_P109	Supplier Database Updated; One procurement plan developed, implemented and Approved by the Accounting Officer; and 4 SCM Quarterly Reports submitted to Council for noting) by 30 June 2021
Budget and Reporting		Implement SCM Policy	Percentage of procurement awarded to suppliers within the province	30% of procurement awarded to suppliers within the province	Compliance and alignment with government policy	R 0	Opex	5_56_56.1_P125	30% of procurement awarded to suppliers within the province by 30 June 2021
		Develop a comprehensive audit file to support GRAP Compliant Annual Financial Statements	2018/2019 GRAP Compliant Annual Financial Statements developed and submitted to AG by 31 st August 2019	2019/20 GRAP compliant Annual Financial Statements	Improved compliance with MFMA legislation	R 2 000 000	Opex	5_57_57.1_P112	2019/2020 GRAP compliant Annual Financial Statements developed and submitted to AG by 31 August 2020
		Respond to all request for information by Auditor-General Compile	Percentage of submission of information requested by AG for 2018/2019 and 2019/2020 audit	2019/2020 RFI Register	Clean Administration	R 2 000 000	Opex	5_57_57.2_P113	100% submission of Information requested by AG for 2019/2020 audit by 30 June 2021

		and maintain a GRAP compliant fixed assets register	GRAP compliant fixed asset register for 2020/2021 compiled and maintained	GRAP & mSCOA 2019/2020 Fixed Assets Register compiled and maintained	Clean Administration	R 1 000 000	Opex	5_57_57.3_P114	GRAP & mSCOA compliant fixed assets register for 2020/2021 developed and maintained by 30 June 2021
		Implement the budget and reporting regulation	adjustment budget for the 2020/2021 financial year compiled and submitted to Council for approval	2020/2021 mSCOA Compliant Adjusted Budget	Improved compliance with the MFMA and Budget and reporting regulations	R 500 000	Opex	5_57_57.4_P115	mSCOA Compliant Adjustment Budget for the 2020/2021 financial year compiled and submitted to Council for approval by 28 February 2021
			2021/2022 Budget compiled and submitted to Council for approval	2020/2021 mSCOA Compliant Budget approved by council by 31 May 2021		R 500 000	Opex	5_57_57.1_P116	2021/2022 mSCOA Compliant Budget compiled and submitted to Council for approval by 31 May 2021
Expenditure Management	To implement proper expenditure management in compliance with legislation by June 2020	Prepare MFMA reports as required by the MFMA legislation Perform reconciliation of payroll	Number of MFMA required reports submitted to Treasury for compliance Number of payroll reconciliations performed.	2020/2021 MFMA/ mSCOA reports 12 mSCOA compliant Payroll reconciliations (2020/2021)	Clean Administration	R 1 000 000 R 250 000	Opex Opex	5_57_57.6_P117 5_58_58.1_P118	8 Monthly, 1 half year and 4 Quarterly MFMA/ mSCOA reports developed and submitted Treasury for compliance by 30 June 2021 12 mSCOA compliant payroll reconciliations prepared and balanced to the general ledger by 30 June 2021
		Pay creditors within 30	100% payment of creditors within 30 days	12 Creditors Age Analysis and Unpaid creditors	Improved Compliance with MFMA	R 0	Opex	5_58_58.2_P119	100% payment of creditors within 30 days as per legislated

		days		reports for 2020/2021	Legislation and Expenditure				framework by 30 June 2021
Revenue Management		Compile 2019/2020 Supplementary Valuation roll.	2019/20 Supplementary Valuation roll compiled and certified by Valuer, and approved by Council	2020/2021 Supplementary Valuation Roll	Improved correctness of debtor's information on the billing system	R 200 000	Opex	5_59_59.1_P120	2020/21 Supplementary valuation roll compiled and certified by Valuer and approved by Council by 30 June 2021
		Implement credit control and debt collection policy	%(Percentage) Improvement in the revenue collection rate	95% Collection rate	Improve the financial viability of the Municipality.	R 250 000	Opex	5_59_59.2_P121	95% revenue collection rate achieved by 30 June 2021
		Develop revenue streams registers	Number of revenue streams registers that are balanced to general ledger developed	2020/2021 Registers	Completeness of Revenue	R 0	Opex	5_59_59.3_P122	4 revenue streams registers that are balanced to general ledger developed (Prepaid electricity, Property Rates, Enatis and Property Rentals) by 30 June 2021
Cash Management		Perform Cost coverage calculation in line with legislation	Cost Coverage ratio exceeding 2	2020/2021 cost coverage ratio	A sound working capital ratio	R 0	Opex	5_60_60.1_P123	Cost -coverage ratio exceeding 2 Cost by 30 June 2021
		Develop Investment register that balances to the	Investment register that balances to the general ledger and bank statements	2020/2021 Investment register	Improved internal controls	R 0	Opex	5_60_60.2_P124	Investment register that balances to general ledger and bank statement developed and maintained by 30 June 2021

		general ledger and bank statements	developed and maintained						
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4 - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (FINANCIAL PLAN)

DISCUSSION

Budget Circular 99 clearly highlights the difficult economic and fiscal choices confronting government over the next several years. Therefore, Municipalities therefore need to exercise caution when they prepare their 2020/21 MTREF budgets to ensure synergy with national economic and fiscal prudence.

The declining economic growth which might be impacted on further by the Corona virus pandemic and international companies closing down as a result, the deteriorating state of the finances for state-owned entities, continued high unemployment and water and electricity shortages will put pressure on the ability of municipalities to raise revenue. Municipalities are therefore advised to follow a conservative approach when projecting their revenue and to eliminate any waste and unnecessary expenditure. Importantly, municipalities should ensure that they adopt realistic and funded 2020/21 MTREF budgets, collect the debts owed to them and pay their creditors within 30 days of receipt of invoice.

The Circular further requires all municipalities to consider the following when preparing the 2020/21 budget:

- Local government grants and municipal revenue strength
- Changes to local government allocations
- Response to the Finance and Fiscal Commission (FFC)'s recommendations
- Building capacity for infrastructure delivery
- Development charges reforms

Budget Circular 93 states that municipalities are now required to *justify all increases in excess of the 6 per cent* projected inflation target in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups.

Budget Circular 99 gives guidance on the Eskom Bulk Tariffs increases, subsequently to the issue of the Circular, NERSA has pronounced on the recommended tariff increase for 2020/21.

Maximising the revenue generation of the municipal revenue base.

Municipalities must comply with Section 18 of the MFMA and ensure that they fund their 2020/2021 MTREF budgets from realistically anticipated revenues to be collected. Subsequently, municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this has been identified as a fundamental reason for municipalities in financial distress.

In cases where municipalities have tabled an unfunded budget, they will be required to correct the budget to ensure that a funded budget is adopted and implemented

Given the scarce financial resources and intention of having a funded budget for the 2020/2021 financial year, the BTO had to take its tune from these stipulations and base its revenue budget only on realistically anticipated revenue sources and as at the current moment the unlimited expenditure budget far exceeds the available income budget.

The Total realistically anticipated Operating Revenue budget forecasted amounts to

R 51.964 million excluding transfers recognised. This amount is slightly lower when compared with the 2019/2020 Adjusted budget currently been implemented that amounted to R 52.643 million.

Grants

Operating Grant Income is R148.749 million which constitutes 74% of the total operating revenue budget whilst own revenue constitutes only 26% of the final budget.

Own Revenue

The Municipality has budgeted all its revenue based on realistically anticipated estimates keeping the requirements of Circular 93 in mind.

EXPENDITURE

An exercise to cut the total expenditure budget in line with the revenue budget has been undertaken and is currently estimated at R 200.714 million resulting in an R 1,8m surplus before capital transfers .

Employee related costs including Councillor allowances now represent 54% of operational expenditure for 2020/2021, it further goes up to 55% in 2021/22 and to 56% in 2021/22 which is above NT maximum threshold of 40%.

General expenditure: An approach to either cut expenditure or keep it in line with prior year budget has been taken, however no further cuts could be made without crippling the municipalities ability to operate and being able to deliver services to the community. The project expenditure has been aligned to the SDBIP for 2020/21 in line with the mSCOA regulations, therefore where previous projects have been concluded / reprioritized, there has been no budget allocated.

Below is a Summary of the 2020/21 Budget as contained in A1 of the Budget.

EC136 Emalahleni (Ec) - Table A1 Budget Summary										
Description	2016/17 Audited Outcome	2017/18 Audited Outcome	2018/19 Audited Outcome	Current Year 2019/20			Pre-audit outcome	2020/21 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	–	–	4 527	3 749	6 554	6 554	–	9 167	9 616	10 097
Service charges	–	–	22 229	23 342	27 943	27 943	–	26 687	27 994	29 394
Investment revenue	–	–	870	1 147	1 443	1 443	–	1 488	1 561	1 639
Transfers recognised - operational	–	–	121 566	–	–	–	–	148 749	154 102	157 351
Other own revenue	–	–	10 914	12 568	16 703	16 703	–	14 719	15 440	16 212
Total Revenue (excluding capital transfers and contributions)	–	–	160 097	40 806	52 643	52 643	–	200 810	208 714	214 693
Employee costs	–	–	80 446	96 117	78 625	78 625	–	93 824	94 002	103 272
Remuneration of councillors	–	–	13 003	14 070	13 931	13 931	–	14 749	16 077	17 684
Depreciation & asset impairment	–	–	24 223	24 256	24 256	24 256	–	19 384	18 790	19 730
Finance charges	–	–	1 586	271	271	271	–	280	294	308
Materials and bulk purchases	–	–	11 692	18 837	16 374	16 374	–	18 651	17 132	17 159
Transfers and grants	–	–	10 946	230	195	195	–	–	–	–
Other expenditure	–	–	68 118	23 126	30 466	30 466	–	52 022	32 937	34 092
Total Expenditure	–	–	210 014	176 907	164 118	164 118	–	198 910	179 232	192 246
Surplus/(Deficit)	–	–	(49 917)	(136 101)	(111 475)	(111 475)	–	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	42 557	31 848	31 848	31 848	–	31 653	35 564	35 564
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	–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Capital expenditure & funds sources										
Capital expenditure	–	–	43 940	34 913	34 808	34 808	–	33 553	35 564	18 361
Transfers recognised - capital	–	–	39 790	32 198	32 738	32 738	–	31 653	34 174	17 710
Borrowing	–	–	167	–	–	–	–	–	–	–
Internally generated funds	–	–	3 764	2 716	2 070	2 070	–	1 900	1 390	651
Total sources of capital funds	–	–	43 721	34 913	34 808	34 808	–	33 553	35 564	18 361
Financial position										
Total current assets	–	–	44 664	162 963	11 883	11 883	–	45 383	65 628	65 628
Total non current assets	–	–	441 872	490 549	452 211	452 211	–	459 387	468 439	451 236
Total current liabilities	–	–	47 532	86 755	42 860	42 860	–	40 249	40 249	40 249
Total non current liabilities	–	–	13 726	14 800	17 751	17 751	–	17 751	17 751	17 751
Community wealth/Equity	–	–	–	0	0	0	–	0	0	0
Cash flows										
Net cash from (used) operating	–	–	(164 185)	34 716	60 198	60 198	–	35 576	67 717	55 897
Net cash from (used) investing	–	–	–	–	22 000	22 000	–	–	–	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	–	–	(164 185)	34 716	82 198	82 198	–	35 576	103 294	159 191
Cash backing/surplus reconciliation										
Cash and investments available	–	–	4 145	88 321	3 527	3 527	–	38 169	58 338	58 338
Application of cash and investments	–	–	25 525	10 925	10 010	10 010	–	10 978	10 575	10 850
Balance - surplus (shortfall)	–	–	(21 381)	77 396	(6 483)	(6 483)	–	27 192	47 763	47 488
Asset management										
Asset register summary (WDV)	–	–	441 872	489 476	451 222	451 222	451 222	459 387	468 439	451 236
Depreciation	–	–	24 223	24 256	24 256	24 256	24 256	19 384	18 790	19 730
Renewal and Upgrading of Existing Assets	–	–	22 283	22 602	23 951	23 951	23 951	31 153	34 174	17 710
Repairs and Maintenance	–	–	3 431	5 597	4 081	4 081	4 081	2 920	3 566	3 739
Free services										
Cost of Free Basic Services provided	–	–	191	4 900	4 900	4 900	5 390	5 390	5 654	5 937
Revenue cost of free services provided	–	–	2	1 050	1 780	1 780	1 958	1 958	2 054	2 156
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Capital expenditure budget

The Capital expenditure budget is currently R33.053 million. The MIG budget allocated is

R 31.263 million. The internally funded capital budget for acquisition of property, plant & equipment is set at R 1.789 million. The internal capital budget is for the acquisition of moveable assets like computer equipment and motor vehicles.

Below is the revised capital expenditure.

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 - Executive and council		-	-	3 637	2 000	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	243	-	-	-	-	190	350	100
Vote 4 - PEDTA		-	-	1 049	-	-	-	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	27 540	13 708	10 174	10 174	-	3 422	4 875	30
Vote 6 - Infrastructure Development and Human Settlement		-	-	11 715	18 490	22 533	22 533	-	28 341	29 729	17 710
Capital multi-year expenditure sub-total	7	-	-	44 183	34 198	32 707	32 707	-	31 953	34 954	17 840
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	716	763	763	-	200	210	221
Vote 3 - Budget and Treasury		-	-	-	-	1 283	1 283	-	1 400	400	300
Vote 4 - PEDTA		-	-	-	-	31	31	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development and Human Settlement		-	-	-	-	24	24	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	716	2 101	2 101	-	1 600	610	521
Total Capital Expenditure - Vote		-	-	44 183	34 913	34 808	34 808	-	33 553	35 564	18 361
Capital Expenditure - Functional											
Governance and administration		-	-	3 637	2 716	2 046	2 046	-	1 790	1 360	621
Executive and council		-	-	3 637	2 000	-	-	-	-	-	-
Finance and administration		-	-	-	716	2 046	2 046	-	1 790	1 360	621
Community and public safety		-	-	23 183	13 358	9 523	9 523	-	2 922	4 475	30
Community and social services		-	-	8 969	5 294	2 351	2 351	-	-	-	-
Sport and recreation		-	-	14 214	8 064	7 173	7 173	-	2 922	4 475	30
Economic and environmental services		-	-	11 420	12 887	16 954	16 954	-	17 531	28 829	17 710
Planning and development		-	-	-	-	24	24	-	-	-	-
Road transport		-	-	11 420	12 887	16 930	16 930	-	17 531	28 829	17 710
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	513	5 953	5 953	5 953	-	11 310	900	-
Energy sources		-	-	295	-	-	-	-	5 000	900	-
Waste water management		-	-	-	5 603	5 603	5 603	-	5 810	-	-
Waste management		-	-	219	350	350	350	-	500	-	-
Other		-	-	5 187	0	332	332	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	43 940	34 913	34 808	34 808	-	33 553	35 564	18 361
Funded by:											
National Government		-	-	39 790	31 848	32 388	32 388	-	31 653	34 174	17 710
Provincial Government		-	-	-	350	350	350	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	39 790	32 198	32 738	32 738	-	31 653	34 174	17 710
Borrowing	6	-	-	167	-	-	-	-	-	-	-
Internally generated funds		-	-	3 764	2 716	2 070	2 070	-	1 900	1 390	651
Total Capital Funding	7	-	-	43 721	34 913	34 808	34 808	-	33 553	35 564	18 361

Funded status of the Budget and new budget requests.

The Cash backed reserves/accumulated surplus reconciliations (A8) after all these changes reflects a Net Surplus of R 27 192 million for 2020/21, R 47 763 million and R 47 488 million for the two outer years, which then reflects a funded budget. The other provisions included in the table below consists of reasonable expected outflows in relation to these provisions over the MTREF.

EC136 Emalahleni (Ec) - 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	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191
Other current investments > 90 days		-	-	168 329	53 605	(78 671)	(78 671)	-	2 593	(44 966)	(100 853)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	4 145	88 321	3 527	3 527	-	38 169	58 338	58 338
Application of cash and investments											
Unspent conditional transfers		-	-	-	1	788	788	-	0	0	0
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	25 525	10 924	9 221	9 221	-	10 977	10 575	10 850
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	-	25 525	10 925	10 010	10 010	-	10 978	10 575	10 850
Surplus(shortfall)		-	-	(21 381)	77 396	(6 483)	(6 483)	-	27 192	47 763	47 488

FACTORS THAT WERE CONSIDERED IN FINALISING PREPARATION OF THE 2020/21 BUDGET

The below are the assumptions used on the cash flow:

- Collection rates used:
- Rates and Refuse: 58%
- Rentals: 95%
- Electricity: 58%
- Interest on Debtors: 58%
- Expenditure items are projected at 100% spend.
- The Debtors we used an average of 58% collection and provided for the impairment provision.
- Increased the provision for Creditors by the same percentage as the increase on total expenditure year on year (2020 5%, 2021 6%, 2022 7%).
- The provisions included in Table B8 are based on calculated reasonable expected cash outflows over the MTREF. Employee benefits are based on the average pay-out over the last 5 audited years and Rehabilitation of Landfill site is expected on the actual outflows expected in the current year and outer years have been recorded in full.
- There are developments being undertaken within the municipality's three towns which will result in more billings and also new tariffs as the developments are business in nature.
- Proper Implementation of credit control policy.

1.1 EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The Municipal Budget and Reporting Regulations, as well as various circulars issued by National Treasury, provides the guidance for budget preparation by local government.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. In addition, the municipality during February 2020 proactively embarked on a strategic long-term financial sustainability exercise in order to ensure that this budget, as well as future budgets, is compiled to ensure that services to the community remains at high levels without overburdening the consumers of municipal services with excessive tariffs.

The main items identified by the strategic planning exercise can be summarised as follows:

- Improved service delivery;
- Underdeveloped areas;
- Impoverished communities;
- Co-operative governance;
- Unfunded mandates, core functions service delivery agents;
- Land availability for e.g. economic development;
- Land availability for establishing tip-sites;
- Alternative service delivery options;
- Obtaining a "clean audit" inclusive of performance management;
- Delegation- and procedure manuals;
- Risk management;
- Improved planning and beyond 5 years;
- High crime rate;
- Service delivery backlogs;
- Improved maintenance programs;
- Local economic development facilitation;
- Adequacy of municipal reserves and financial sustainability;
- Curtail electricity losses;
- Tourism initiatives; and
- Improved public participation.

For each of these risk areas the municipality is compiling business plans in order to prioritise expenditure according to the risk ratings. These business plans will all be implemented over the MTREF period according to available funding.

The Municipality has also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The municipality, however, acknowledges that there can never be too much information and involvement in its interaction with the public at large, and for that reason it is still identified as a major risk area.

National Treasury's MFMA Circulars No. 71, 82, 93, 94 and 99 as well as the Strategic Workshops and IDP consultation processes, were mainly used to guide the compilation of the 2020/21 MTREF. Some of the key challenges faced by the municipality when compiling the budget were:

- The ongoing difficulties in the national and local economy;

- Effects of the COVID-19 pandemic on the municipal finances;
- Aging roads and electricity infrastructure;
- The need to prioritise projects and expenditure within the existing resource envelope;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects and the resultant operational costs associated with new infrastructure projects; and

The municipality is not in a healthy financial position, it therefore needs to at least stabilise and further strive to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality. The municipality is striving to establishing a Capital Replacing Reserve to fund future capital projects to help mitigate the over dependence on grants for funding capital projects.

The following budget principles and guidelines directly informed the compilation of the 2020/21 MTREF:

- The 2019/20 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2020/21 annual budget;
- 2018/19 Audited Annual Financial Statements amounts as published in the Annual Report.
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should consider the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The budget must be spent in full, and all grants should be utilised in full;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

Choose name from list - 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	-	-	4,527	3,749	6,554	6,554	-	9,167	9,625	10,107
Service charges	-	-	22,229	23,342	27,943	27,943	-	26,687	28,021	29,422
Investment revenue	-	-	870	1,147	1,443	1,443	-	1,792	1,881	1,975
Transfers recognised - operational	-	-	121,556	138,711	138,711	138,711	-	148,749	154,102	157,351
Other own revenue	-	-	10,914	12,568	16,703	16,703	-	14,320	15,035	15,787
Total Revenue (excluding capital transfers and contributions)	-	-	160,097	179,517	191,355	191,355	-	200,714	208,665	214,642
Employee costs	-	-	80,446	96,117	78,625	78,625	-	93,824	98,515	103,533
Remuneration of councillors	-	-	13,003	14,070	13,931	13,931	-	14,749	15,487	16,261
Depreciation & asset impairment	-	-	24,223	24,256	24,256	24,256	-	19,384	20,353	21,371
Finance charges	-	-	1,586	271	271	271	-	280	294	309
Materials and bulk purchases	-	-	11,692	18,837	16,374	16,374	-	18,721	18,051	18,879
Transfers and grants	-	-	10,946	230	195	195	-	-	-	-
Other expenditure	-	-	68,118	43,137	51,714	51,714	-	53,755	55,964	54,290
Total Expenditure	-	-	210,014	196,918	185,366	185,366	-	200,714	208,665	214,642
Surplus/(Deficit)	-	-	(49,917)	(17,400)	5,989	5,989	-	-	(0)	0
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	42,557	31,848	31,848	31,848	-	-	-	-
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	-	-	(7,360)	14,447	37,837	37,837	-	-	(0)	0
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	(7,360)	14,447	37,837	37,837	-	-	(0)	0
Capital expenditure & funds sources										
Capital expenditure	-	-	43,940	34,913	34,808	34,808	-	33,553	35,564	18,361
Transfers recognised - capital	-	-	39,790	32,198	32,738	32,738	-	31,653	34,174	17,710
Borrowing	-	-	167	-	-	-	-	-	-	-
Internally generated funds	-	-	3,764	2,716	2,070	2,070	-	1,900	1,390	651
Total sources of capital funds	-	-	43,721	34,913	34,808	34,808	-	33,553	35,564	18,361
Financial position										
Total current assets	-	-	25,525	163,563	11,982	11,982	-	49,815	75,435	75,435
Total non current assets	-	-	441,872	490,549	452,211	452,211	-	459,387	468,439	451,236
Total current liabilities	-	-	47,532	86,755	42,860	42,860	-	40,249	39,129	39,129
Total non current liabilities	-	-	13,726	14,800	17,751	17,751	-	17,751	17,751	17,751
Community wealth/Equity	-	-	-	343,991	463,225	463,225	-	451,434	481,059	481,059
Cash flows										
Net cash from (used) operating	-	-	(164,185)	34,716	60,198	60,198	-	38,374	44,595	39,890
Net cash from (used) investing	-	-	-	-	22,000	22,000	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	(164,185)	34,716	82,198	82,198	-	38,374	82,969	122,859
Cash backing/surplus reconciliation										
Cash and investments available	-	-	4,145	88,321	3,527	3,527	-	38,169	58,338	58,338
Application of cash and investments	-	-	25,525	10,513	9,938	9,938	-	7,446	1,577	2,228
Balance - surplus (shortfall)	-	-	(21,381)	77,808	(6,411)	(6,411)	-	30,724	56,761	56,110
Asset management										
Asset register summary (WDV)	-	-	441,872	489,476	451,222	451,222	451,222	459,387	468,439	451,236
Depreciation	-	-	24,223	24,256	24,256	24,256	24,256	19,384	20,353	21,371
Renewal and Upgrading of Existing Assets	-	-	22,283	22,602	23,951	23,951	23,951	31,153	34,174	17,710
Repairs and Maintenance	-	-	3,431	5,597	4,081	4,081	4,081	5,024	7,758	7,698
Free services										
Cost of Free Basic Services provided	-	-	191	4,900	4,900	4,900	5,390	5,390	5,654	5,937
Revenue cost of free services provided	-	-	2	1,050	1,780	1,780	1,958	1,958	2,054	2,156
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Total operating revenue has increased by 5 per cent for the 2020/21 budget when compared to the 2019/20 Adjusted Budget. For the two outer years, operational revenue will increase by 4%

and 3 percent respectively. The main reason for the increase in revenue is an increase in Property rates, services charges and other revenue. This increase has been linked to an inflation and negative economic outlook as guided by Circular 99 of the MFMA.

Total operating expenditure for the 2020/21 financial year has been budgeted at R198 909 million and translates into a budgeted surplus of R 1.8 million before capital transfers. The surplus before capital grant transfers, for the two outer year's increases is NIL for the 2021/2022 financial year and remains at NIL for the 2021/2022 financial year. The main reason for the conservative zero budget is the municipality's commitment to cutting of expenditure and to build cash backed reserves to improve financial health and sustainability of the institution, it can also be attributed to the negative economic outlook due to COVID-19 pandemic.

The capital budget of R 33 553 million for 2020/21 shows a decrease when compared to the 2019/20 Adjusted Budget of R 34 808. This is due to the conditional grant budget from the National Revenue Fund being reduced as per Circular 99. The capital budget for outer years is R35 564 million in the 2021/22 financial year and then in 2022/23 increases to R38 566 million.

The municipality has budgeted for internally funded capital projects at a minimum, 1,900 million for 2020/21, 1,300 million and 651 000 for the outer years as it currently has limited internal funds available for the financing of capital projects. The municipality is still well within the limits of its borrowing capacity but will raise very limited loans in the near future in order to curtail possible rising debt servicing costs.

1.2 OPERATING REVENUE FRAMEWORK

For Emalahleni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality will also have to look to revamp its revenue enhancement strategy. The latter will assist the municipality to identify areas to improve their revenue collection. In the absence of a revenue enhancement strategy, the following information were used to help the municipality's revenue management

- National Treasury's guidelines and macroeconomic policy;
- Limited growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure an improve percentage increase in annual collection rate for property rates and other key service charges. This percentage is low compared to past history, but is being calculated conservatively due to the signs of financial stress currently being experienced;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The inflation forecasts for the MTREF period is on average 5.4 % per annum. The municipality's aim is to not exceed inflation in its annual tariff adjustments but external factors such as the Eskom increases and which are beyond the control of the municipality hampers this goal.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Choose name from list - 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	1										
Revenue By Source											
Property rates	2	–	–	4,527	3,749	6,554	6,554	–	9,167	9,625	10,107
Service charges - electricity revenue	2	–	–	14,097	16,355	19,093	19,093	–	18,391	19,311	20,276
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	8,133	6,987	8,850	8,850	–	8,295	8,710	9,146
Rental of facilities and equipment		–	–	894	1,468	1,468	1,468	–	949	996	1,046
Interest earned - external investments		–	–	870	1,147	1,443	1,443	–	1,792	1,881	1,975
Interest earned - outstanding debtors		–	–	5,284	6,127	6,889	6,889	–	5,435	5,706	5,992
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	9	115	399	399	–	202	212	222
Licences and permits		–	–	1,745	1,514	2,062	2,062	–	4,429	4,651	4,883
Agency services		–	–	800	1,384	1,384	1,384	–	1,457	1,529	1,606
Transfers and subsidies		–	–	121,556	138,711	138,711	138,711	–	148,749	154,102	157,351
Other revenue	2	–	–	2,703	1,960	4,501	4,501	–	1,849	1,941	2,038
Gains		–	–	(521)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	–	160,097	179,517	191,355	191,355	–	200,714	208,665	214,642
Expenditure By Type											
Employee related costs	2	–	–	80,446	96,117	78,625	78,625	–	93,824	98,515	103,533
Remuneration of councillors		–	–	13,003	14,070	13,931	13,931	–	14,749	15,487	16,261
Debt impairment	3	–	–	12,044	6,000	6,000	6,000	–	4,000	4,200	4,410
Depreciation & asset impairment	2	–	–	24,223	24,256	24,256	24,256	–	19,384	20,353	21,371
Finance charges		–	–	1,586	271	271	271	–	280	294	309
Bulk purchases	2	–	–	9,625	16,070	13,892	13,892	–	14,300	15,015	15,766
Other materials	8	–	–	2,067	2,767	2,482	2,482	–	4,421	3,036	3,113
Contracted services		–	–	20,488	17,126	16,466	16,466	–	35,835	37,176	34,738
Transfers and subsidies		–	–	10,946	230	195	195	–	–	–	–
Other expenditure	4, 5	–	–	26,036	20,011	21,247	21,247	–	13,920	14,588	15,142
Losses		–	–	9,550	–	8,000	8,000	–	–	–	–
Total Expenditure		–	–	210,014	196,918	185,366	185,366	–	200,714	208,665	214,642
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	(49,917)	(17,400)	5,989	5,989	–	–	(0)	0
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	42,557	31,848	31,848	31,848	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	–	(7,360)	14,447	37,837	37,837	–	–	(0)	0
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		–	–	(7,360)	14,447	37,837	37,837	–	–	(0)	0
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		–	–	(7,360)	14,447	37,837	37,837	–	–	(0)	0
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		–	–	(7,360)	14,447	37,837	37,837	–	–	(0)	0

The percentage revenue from own sources increases during the budget year. In the two outer years of the MTREF the increases in revenue is fairly consistent. The growth in revenue contributions are indicated above (Excluding Capital Transfers). In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are

excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality, but operating grants forms the major funding source.

This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

The above table excludes (Net of) revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. **Details in this regard are contained below:**

Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
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 ITEMS:											
Property rates	6										
Total Property Rates				4,529	4,799	8,334	8,334		11,125	11,679	12,263
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	2	1,050	1,780	1,780	-	1,958	2,054	2,156
Net Property Rates		-	-	4,527	3,749	6,554	6,554	-	9,167	9,625	10,107
Service charges - electricity revenue	6										
Total Service charges - electricity revenue				15,797	19,255	21,993	21,993		21,581	22,657	23,790
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	1,700	2,900	2,900	2,900		3,190	3,346	3,514
Net Service charges - electricity revenue		-	-	14,097	16,355	19,093	19,093	-	18,391	19,311	20,276
Service charges - water revenue	6										
Total Service charges - water revenue											
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-		-	-	-
Net Service charges - water revenue		-	-	-	-	-	-		-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-		-	-	-		-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-		-	-	-
Service charges - refuse revenue	6										
Total refuse removal revenue		-	-	6,623	8,987	10,850	10,850	-	10,495	11,018	11,569
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-		-	-	-
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	(1,509)	2,000	2,000	2,000		2,200	2,308	2,423
Net Service charges - refuse revenue		-	-	8,133	6,987	8,850	8,850	-	8,295	8,710	9,146
Other Revenue by source											
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Other Revenue		-	-	2,703	1,960	4,501	4,501		1,849	1,941	2,038
Total 'Other' Revenue	1	-	-	2,703	1,960	4,501	4,501	-	1,849	1,941	2,038
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	-	-	60,900	67,878	57,014	57,014	-	66,235	68,737	71,415
Pension and UIF Contributions		-	-	5,592	9,542	7,967	7,967	-	9,587	10,275	11,028
Medical Aid Contributions		-	-	3,304	2,900	2,769	2,769	-	3,526	3,879	4,266
Overtime		-	-	-	1,695	1,348	1,348	-	-	-	-
Performance Bonus		-	-	4,295	5,535	3,348	3,348	-	6,814	7,383	7,996
Motor Vehicle Allowance		-	-	4,409	4,335	2,716	2,716	-	4,548	4,793	5,265
Cellphone Allowance		-	-	674	680	968	968	-	529	575	629
Housing Allowances		-	-	943	249	169	169	-	168	185	203
Other benefits and allowances		-	-	1,408	467	400	400	-	2,418	2,689	2,730
Payments in lieu of leave		-	-	650	273	273	273	-	-	-	-
Long service awards		-	-	591	436	66	66	-	-	-	-
Post-retirement benefit obligations		-	-	(12)	649	109	109	-	-	-	-
sub-total	5	-	-	82,754	94,637	77,145	77,145	-	93,824	98,515	103,533
Less: Employees costs capitalised to PPE		-	-	2,308	(1,480)	(1,480)	(1,480)	-	-	-	-
Total Employee related costs	1	-	-	80,446	96,117	78,625	78,625	-	93,824	98,515	103,533
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		-	-	24,168	24,256	24,256	24,256	-	19,284	20,253	21,271
Lease amortisation		-	-	55	-	-	-	-	100	100	100
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	-	-	24,223	24,256	24,256	24,256	-	19,384	20,353	21,371
Bulk purchases											
Electricity Bulk Purchases		-	-	9,625	16,070	13,892	13,892	-	14,300	15,015	15,766
Water Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Total Bulk Purchases	1	-	-	9,625	16,070	13,892	13,892	-	14,300	15,015	15,766
Transfers and grants											
Cash transfers and grants		-	-	10,933	100	180	180	-	-	-	-
Non-cash transfers and grants		-	-	12	130	15	15	-	-	-	-
Total transfers and grants	1	-	-	10,946	230	195	195	-	-	-	-
Contracted services											
Outsourced Services		-	-	10,993	5,084	3,939	3,939	-	20,344	21,159	18,596
Consultants and Professional Services		-	-	5,582	3,010	9,861	9,861	-	9,990	7,870	8,050
Contractors		-	-	3,914	9,032	2,666	2,666	-	5,501	8,146	8,092
Total contracted services		-	-	20,488	17,126	16,466	16,466	-	35,835	37,176	34,738
Other Expenditure By Type											
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Audit fees		-	-	5,182	3,000	3,335	3,335	-	-	-	-
General expenses		-	-	20,854	17,011	17,912	17,912	-	13,920	14,588	15,142
Total 'Other' Expenditure	1	-	-	26,036	20,011	21,247	21,247	-	13,920	14,588	15,142
Repairs and Maintenance	8										
Employee related costs		-	-	6	1,813	1,492	1,492	-	-	-	-
Other materials		-	-	220	265	245	245	-	70	255	255
Contracted Services		-	-	3,120	3,339	2,114	2,114	-	4,954	7,503	7,443
Other Expenditure		-	-	85	180	230	230	-	-	-	-
Total Repairs and Maintenance Expenditure	9	-	-	3,431	5,597	4,081	4,081	-	5,024	7,758	7,698

Tariffs for indigent households are set out below:

1	Rates free of charge to the value based on market value of his property to the maximum of R80 000
2	50 kWh free electricity per month
3	Free refuse x 4 removal per month

Operating grants and transfers totals R148 749 million for the 2020/21 budget which is an increase of R 7 066 million than the 2019/20 budget amount of R141 683. Operating grants usually fluctuates upwards or downwards from year-to-year, as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependant on the funding available from the other spheres of Government. The unconditional Equitable Share Grant, however, is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis. The contribution for Councillors Allowances also increased significantly for the budget year. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

EC136 Emalahleni (Ec) - Supporting Table SA18 Transfers and grant receipts

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										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	121,856	138,378	138,378	138,378	147,799	153,152	156,401
Local Government Equitable Share				115,774	131,561	131,561	131,561	130,818	138,633	144,805
Finance Management				2,415	2,880	2,880	2,880	3,000	3,200	3,300
Integrated National Electrification Programme								10,224	9,520	6,400
EPWP Incentive				2,022	2,261	2,261	2,261	2,091		
MIG Operational Grant - PMU				1,645	1,676	1,676	1,676	1,666	1,799	1,896
Provincial Government:		-	-	3,350	952	950	950	950	950	950
Sport and Recreation				900	952	950	950	950	950	950
DEDEAT				2,450						
District Municipality:		-	-	1,130	-	-	-	-	-	-
Chris Hani DM				1,130						
Other grant providers:		-	-	-	2,355	2,355	2,355	-	-	-
[insert description]					2,355	2,355	2,355			
Total Operating Transfers and Grants	5	-	-	126,336	141,685	141,683	141,683	148,749	154,102	157,351
Capital Transfers and Grants										
National Government:		-	-	42,257	31,848	31,848	31,848	31,653	34,174	36,019
Municipal Infrastructure Grant (MIG)				42,257	31,848	31,848	31,848	31,653	34,174	36,019
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	550	-	-	-	-	-	-
Department of Economic Development, Tourism and Agriculture				550						
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	-	-	42,807	31,848	31,848	31,848	31,653	34,174	36,019
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	169,143	173,533	173,531	173,531	180,402	188,276	193,370

Revenue from capital transfers remained equal to the amount of R31 653 million which is a decrease of R 195 000 from the 2019/20 budget of R 31 848 million.

Total revenue per municipal vote, including capital transfers, is listed below:

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table A5 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		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote		1									
Vote 1 - Executive and council			-	-	-	7,254	7,254	7,254	7,254	7,554	7,867
Vote 2 - Corporate Services			-	-	(538)	1,005	1,005	1,005	-	-	-
Vote 3 - Budget and Treasury			-	-	128,049	131,026	138,529	138,529	143,722	152,289	159,148
Vote 4 - PEDTA			-	-	2	(1,044)	(1,768)	(1,768)	(1,954)	(2,049)	(2,152)
Vote 5 - Community Services and Social Services			-	-	13,819	16,847	19,674	19,674	18,474	19,355	20,275
Vote 6 - Infrastructure Development and Human Settlements			-	-	61,322	57,328	60,289	60,289	33,217	31,516	29,503
Vote 7 - COMMUNITY & SOCIAL SERVICES			-	-	-	-	-	-	-	-	-
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	-	-	202,654	212,415	224,982	224,982	200,714	208,665	214,642

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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.9 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by an external agency, the impact it has on the municipality's electricity tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. The tariff increase for electricity is 6.22% that is in line with the NERSA guideline.

The 2020/21 Budget is based on the Assumption of an average collection rate at about 42%. We will also endeavour to collect at least about R 10 million from the arear debtors book to cover for this low collection rate.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently but there are always situations where there are defaults on payment. The contribution for bad debt is maintained at R4 million in 2020/2021 financial year.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.2.1 Property Rates

Property rates revenue is projected based on an actual calculation of the number of billable properties multiplied by the proposed tariff per property category. The proposed property rates tariff increase is 10%. This increase would see the current adjusted budget figure increase by this percentage from R 8.334 million to R 9.167 million.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of 80 000;
- The limit for indigent households is twice the amount of government social pensions.

The municipality investigates a tariff structure consistent with operational requirements but also to ensure that the ratepayers are not over-burdened.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2020/21 financial year based on a general 10 per cent increase from 1 July 2021.

1.2.2 Sale of Electricity and Impact of Tariff Increases

Electricity has been adjusted to be increased by an average of 6.22% from 10% in the draft budget in line with NERSA guidelines. These tariffs are subject to approval by NERSA.

Considering the Eskom increases, the consumer tariff had to be increased by 6.22% per cent to offset the additional bulk purchase cost from 1 July 2021. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge.

ELECTRICITY TARIFFS & CHARGES

Standard interest + 1.00% would be charged on all late payments.

Implementation subject to NERSA approval.

Tariffs are applicable throughout Emalahleni Municipality unless indicated otherwise.

This revenue source is driven by consumer demand. The municipality has observed a slight reduction in the demand as tariffs increases and electricity losses persist which has caused a slight reduction in the electricity revenue collected. There is also an indication that the adjusted budget figures had been over projected and this draft budget seeks to realign this projection to more realistically collectable levels. This has resulted in the budget figures not necessarily reflecting the proposed tariff increases.

Electricity is regarded as a trading account which should make a profit, although NERSA monitors and limits this profit to about 6.22% if possible. The municipality does not make a profit on electricity and must implement ways of achieving a profit, without overburdening the consumers with exorbitant tariffs.

Electricity line losses should be continuously monitored as it can represent a significant financial loss for the municipality. In general electricity line losses of 6.4% are being regarded as “acceptable” in the industry and Emalahleni Municipality is well above that norm.

Comparison between current electricity charges and increases

It should further be noted that NERSA has advised that a stepped tariff structure must be used. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality should comply with this requirement.

1.2.3 Waste Removal and Impact of Tariff Increases

The refuse revenue projections have been based on the number of billable debtor accounts as per category. This number of debtors are affected by the data cleansing exercises that the municipality is constantly engaging in that can cause a reduction or an increase in number of debtors to be billed

The Municipality should implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main cost drivers for this section are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. In addition, the cost of new landfill sites, the effect of depreciation and rehabilitation on these landfill sites all plays an important role as cost drivers. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation should be incorporated into the next planning cycle.

Due to this deficit the Municipality did a benchmarking exercise with similar municipalities of the same size and magnitude and identified all services that were under charged and those that were over charged and aligned its own tariffs to these tariffs in order to attempt to at least reduce the loss/deficit currently endured from offering these services.

The following table compares current and proposed amounts payable from 1 July 2020.

Comparison between current waste removal fees and increases

<u>Waste management tariffs</u>								
<i>Domestic</i>								
Street cleaning charge								
Basic charge/fixed fee					107.65	120.57	132.63	145.89
80l bin - once a week								
250l bin - once a week								

1.2.4 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on different households.

Note that in all instances the overall impact of the tariff increases on household's bills has a net average effect of about 10%.

1.3 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2020/2021 budget and MTREF is informed by the following:

- Guidance provided by National Treasury in Circulars 71, 82, 93, 94, 98 and 99
- Balanced budget constraint (operating expenditure should not exceed operating Revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit; Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Limitation on tariff increases.

The following table is a high-level summary of the 2020/2021 budget and MTREF (classified per main type of operating expenditure):

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Choose name from list - 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		
R thousand	1	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	-	-	80,446	96,117	78,625	78,625	-	93,824	98,515	103,533
Remuneration of councillors		-	-	13,003	14,070	13,931	13,931	-	14,749	15,487	16,261
Debt impairment	3	-	-	12,044	6,000	6,000	6,000	-	4,000	4,200	4,410
Depreciation & asset impairment	2	-	-	24,223	24,256	24,256	24,256	-	19,384	20,353	21,371
Finance charges		-	-	1,586	271	271	271	-	280	294	309
Bulk purchases	2	-	-	9,625	16,070	13,892	13,892	-	14,300	15,015	15,766
Other materials	8	-	-	2,067	2,767	2,482	2,482	-	4,421	3,036	3,113
Contracted services		-	-	20,488	17,126	16,466	16,466	-	35,835	37,176	34,738
Transfers and subsidies		-	-	10,946	230	195	195	-	-	-	-
Other expenditure	4, 5	-	-	26,036	20,011	21,247	21,247	-	13,920	14,588	15,142
Losses		-	-	9,550	-	8,000	8,000	-	-	-	-
Total Expenditure		-	-	210,014	196,918	185,366	185,366	-	200,714	208,665	214,642

The budgeted allocation for employee related costs for the 2020/2021 financial year totals R108.573 million, which equals 54 % of the total operating expenditure. This percentage increases to 55% in 2021/2022 and 56% in 2022/2023. Based on the guidance provided by National Treasury in Circular 93 and 94 and The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 30 June 2021 dated 15 August 2018 through the South African Local Government Bargaining Council Circular No. 6 of 2018, salary increases have been factored into

this budget at a percentage increase slightly higher than the Agreement to include the notch increases of 2.5 % for the 2020/2021 financial year for municipal officials . Due to some of the mSCOA projects having a labour component and also Repairs and Maintenance having a labour component, those labour costs also pull to this line item resulting in a higher percentage increase than it would have been had it only been the direct municipal official employee related costs.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 42 per cent and the Debt Write-off Policy of the Municipality. For the 2020/2021 financial year, this amount equates to R4 million, R4.196 million and R4.406 million for the outer years. the amount has been conservatively estimated and there has been no write-offs in the current year, however the economy is on a downhill owing to high fuel prices and high food prices and is well known that consumers do not prioritise the paying of their municipal accounts and therefore these economic conditions will most probably be felt by the municipality and hence the increased provision for doubtful debts. While this expenditure is a non-cash flow item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total R19.384 million for the 2020/2021 financial year, R 20.353 million and R21.371 million for the outer years and equates to 9.7 per cent of the total operating expenditure and slightly increases to 9.8% and 9.10% in 2021/2022 and 2022/2023 respectively. In order to measure it against other municipalities, if electricity bulk purchases are eliminated, it represents 10.4 %, 10.5 % and 10.7% respectively of the expenditure. The average for local municipalities in recent research is 13,76 per cent, and this small difference indicating that expected useful lives and depreciation rates are realistic.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. Electricity bulk purchases represent 7.1 % of total expenditure and increases slightly to 7.2% and 7.3%. If depreciation is excluded, the percentage is 7.9 %, 8.0% and 8.2% for the MTREF.

National Treasury has introduced a new Chart of Accounts in the form of and additional expenditure line-items in the budget. One of these line-items is "Other materials". Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. This group of expenditure has been identified in order to measure sustainability of the Municipality's infrastructure. The municipality's financial systems are however, not yet ready to implement this change and will be addressed in future budgets.

Main operational expenditure categories for the 2019/20 financial year

1.3.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2020/2021 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset management policy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs

and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, National Treasury requires municipalities to adapt their costing systems to reflect these costs as Repairs and Maintenance. R5.014 million, R7.788 million, R7.728 million has been budgeted for repairs and maintenance in the MTREF which represents 2.5%, 3.7% and 3.6% respectively.

During the compilation of the 2020/2021 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. The table below provides a breakdown of the repairs and maintenance in relation to asset class:

EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class								2020/21 Medium Term Revenue & Expenditure Framework		
Description	Ref	2016/17 Audited Outcome	2017/18 Audited Outcome	2018/19 Audited Outcome	Current Year 2019/20			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1				Original Budget	Adjusted Budget	Full Year Forecast			
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	818	2 613	2 278	2 278	440	406	426
Roads Infrastructure		–	–	528	636	200	200	–	–	–
Roads		–	–	528	636	200	200	–	–	–
Storm water Infrastructure		–	–	34	1 517	1 507	1 507	–	–	–
Storm water Conveyance		–	–	34	1 517	1 507	1 507	–	–	–
Electrical Infrastructure		–	–	257	460	570	570	440	406	426
MV Substations		–	–	55	93	92	92	85	89	94
MV Networks		–	–	49	175	291	291	200	155	163
LV Networks		–	–	153	193	188	188	155	162	170
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Community Assets		–	–	1 175	974	474	474	640	66	67
Community Facilities		–	–	1 312	914	454	454	640	66	67
Halls		–	–	964	514	359	359	535	–	–
Cemeteries/Crematoria		–	–	25	130	30	30	35	5	5
Parks		–	–	130	190	52	52	30	41	42
Public Open Space		–	–	193	80	13	13	40	20	20
Sport and Recreation Facilities		–	–	(137)	60	20	20	–	–	–
Outdoor Facilities		–	–	(137)	60	20	20	–	–	–
		1	1	1	1	1	1	1	1	1
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	540	654	300	300	300	–	–
Operational Buildings		–	–	540	654	300	300	300	–	–
Municipal Offices		–	–	540	654	300	300	300	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	85	130	200	200	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	85	130	200	200	–	–	–
Computer Software and Applications		–	–	85	130	200	200	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	–	–	3 431	5 597	4 081	4 081	2 920	3 566	3 739
R&M as a % of PPE		0,0%	0,0%	0,8%	1,2%	0,9%	0,9%	0,0%	0,8%	0,8%
R&M as % Operating Expenditure		0,0%	0,0%	1,6%	3,2%	2,5%	2,5%	0,0%	1,8%	2,1%

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register all indigent households during the 2020/2021 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained below.

The cost of the social package of the registered indigent households is financed by the municipality largely by utilising the municipality's unconditional equitable share, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act. The Transfer of grants for the purpose of free basic services totals R7.348 million compromising of R3.190 million for electricity, R1.958 million for property rates and R2.200 million for refuse for the 2020/2021 financial year and increases to R7.708 million and R8.093 million in 2021/2022 and 2022/2023 respectively.

2021/2022 and 2022/2023 respectively.

EC136 Emalahleni (Ec) - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'												
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 ITEMS:												
Property rates	6											
Total Property Rates				4 529	4 799	8 334	8 334		11 125	11 670	12 254	
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		–	–	2	1 050	1 780	1 780	–	1 958	2 054	2 156	
Net Property Rates		–	–	4 527	3 749	6 554	6 554	–	9 167	9 616	10 097	
Service charges - electricity revenue	6											
Total Service charges - electricity revenue				15 797	19 255	21 993	21 993		21 581	22 639	23 771	
less Revenue Foregone (in excess of 50 kwh per indigent household per month)												
less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	1 700	2 900	2 900	2 900		3 190	3 346	3 514	
Net Service charges - electricity revenue		–	–	14 097	16 355	19 093	19 093	–	18 391	19 293	20 257	
Service charges - water revenue	6											
Total Service charges - water revenue												
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)												
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–		–	–	–	
Net Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	
Service charges - sanitation revenue												
Total Service charges - sanitation revenue												
less Revenue Foregone (in excess of free sanitation service to indigent households)												
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–	
Net Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	
Service charges - refuse revenue	6											
Total refuse removal revenue		–	–	6 623	8 987	10 850	10 850	–	10 495	11 010	11 560	
Total landfill revenue		–	–	–	–	–	–	–	–	–	–	
less Revenue Foregone (in excess of one removal a week to indigent households)		–	–	–	–	–	–	–	–	–	–	
less Cost of Free Basis Services (removed once a week to indigent households)		–	–	(1 509)	2 000	2 000	2 000		2 200	2 308	2 423	
Net Service charges - refuse revenue		–	–	8 133	6 987	8 850	8 850	–	8 295	8 702	9 137	
Other Revenue by source												
Fuel Levy		–	–	–	–	–	–	–	–	–	–	
Other Revenue		–	–	2 703	1 960	4 501	4 501	–	1 651	1 732	1 818	
Total 'Other' Revenue	1	–	–	2 703	1 960	4 501	4 501	–	1 651	1 732	1 818	

1.4 CAPITAL EXPENDITURE

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

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 - Executive and council		–	–	3 637	2 000	–	–	–	–	–	–
Vote 2 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget and Treasury		–	–	243	–	–	–	–	190	350	100
Vote 4 - PEDTA		–	–	1 049	–	–	–	–	–	–	–
Vote 5 - Community Services and Social Services		–	–	27 540	13 708	10 174	10 174	–	3 422	4 875	30
Vote 6 - Infrastructure Development and Human Settlement		–	–	11 715	18 490	22 533	22 533	–	28 341	29 729	17 710
Capital multi-year expenditure sub-total	7	–	–	44 183	34 198	32 707	32 707	–	31 953	34 954	17 840
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		–	–	–	716	763	763	–	200	210	221
Vote 3 - Budget and Treasury		–	–	–	–	1 283	1 283	–	1 400	400	300
Vote 4 - PEDTA		–	–	–	–	31	31	–	–	–	–
Vote 5 - Community Services and Social Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Infrastructure Development and Human Settlement		–	–	–	–	24	24	–	–	–	–
Capital single-year expenditure sub-total		–	–	–	716	2 101	2 101	–	1 600	610	521
Total Capital Expenditure - Vote		–	–	44 183	34 913	34 808	34 808	–	33 553	35 564	18 361
Capital Expenditure - Functional											
Governance and administration		–	–	3 637	2 716	2 046	2 046	–	1 790	1 360	621
Executive and council		–	–	3 637	2 000	–	–	–	–	–	–
Finance and administration		–	–	–	716	2 046	2 046	–	1 790	1 360	621
Community and public safety		–	–	23 183	13 358	9 523	9 523	–	2 922	4 475	30
Community and social services		–	–	8 969	5 294	2 351	2 351	–	–	–	–
Sport and recreation		–	–	14 214	8 064	7 173	7 173	–	2 922	4 475	30
Economic and environmental services		–	–	11 420	12 887	16 954	16 954	–	17 531	28 829	17 710
Planning and development		–	–	–	–	24	24	–	–	–	–
Road transport		–	–	11 420	12 887	16 930	16 930	–	17 531	28 829	17 710
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		–	–	513	5 953	5 953	5 953	–	11 310	900	–
Energy sources		–	–	295	–	–	–	–	5 000	900	–
Waste water management		–	–	–	5 603	5 603	5 603	–	5 810	–	–
Waste management		–	–	219	350	350	350	–	500	–	–
Other		–	–	5 187	0	332	332	–	–	–	–
Total Capital Expenditure - Functional	3	–	–	43 940	34 913	34 808	34 808	–	33 553	35 564	18 361
Funded by:											
National Government		–	–	39 790	31 848	32 388	32 388	–	31 653	34 174	17 710
Provincial Government		–	–	–	350	350	350	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	–	–	39 790	32 198	32 738	32 738	–	31 653	34 174	17 710
Borrowing	6	–	–	167	–	–	–	–	–	–	–
Internally generated funds		–	–	3 764	2 716	2 070	2 070	–	1 900	1 390	651
Total Capital Funding	7	–	–	43 721	34 913	34 808	34 808	–	33 553	35 564	18 361

The following tables provides more information on the breakdown of the capital budget and the related maintenance of assets.

EC136 Emalahleni (Ec) - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	3 662	1 729	3 504	3 504	500	-	-
Roads Infrastructure		-	-	3 367	1 729	3 504	3 504	-	-	-
Roads		-	-	3 367	1 729	3 504	3 504	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	295	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	295	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	500	-	-
Landfill Sites		-	-	-	-	-	-	500	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Community Assets		-	-	13 263	7 867	5 252	5 252	-	-	-
Community Facilities		-	-	13 263	7 867	5 252	5 252	-	-	-
Centres		-	-	7 920	3 032	-	-	-	-	-
Testing Stations		-	-	5 187	0	332	332	-	-	-
Cemeteries/Crematoria		-	-	-	2 262	2 320	2 320	-	-	-
Public Open Space		-	-	156	2 572	2 600	2 600	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	3 637	2 000	-	-	-	400	-
Operational Buildings		-	-	3 637	2 000	-	-	-	400	-
Municipal Offices		-	-	3 637	2 000	-	-	-	-	-
Stores		-	-	-	-	-	-	-	400	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	24	24	190	350	100
Computer Equipment		-	-	-	-	24	24	190	350	100
Furniture and Office Equipment		-	-	-	716	1 113	1 113	200	210	221
Furniture and Office Equipment		-	-	-	716	1 113	1 113	200	210	221
Machinery and Equipment		-	-	48	-	-	-	110	30	30
Machinery and Equipment		-	-	48	-	-	-	110	30	30
Transport Assets		-	-	-	-	933	933	1 400	400	300
Transport Assets		-	-	-	-	933	933	1 400	400	300
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	1 049	-	31	31	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	1 049	-	31	31	-	-	-
Total Capital Expenditure on new assets	1	-	-	21 658	12 311	10 856	10 856	2 400	1 390	651

EC136 Emalahleni (Ec) - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	171	350	2 350	2 350	13 866	24 542	15 310
Roads Infrastructure		-	-	-	-	2 000	2 000	8 866	23 642	15 310
Roads		-	-	-	-	2 000	2 000	8 866	23 642	15 310
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	5 000	900	-
LV Networks		-	-	-	-	-	-	5 000	900	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	171	350	350	350	-	-	-
Waste Processing Facilities		-	-	171	350	350	350	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Community Assets		-	-	3 737	0	533	533	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	3 737	0	533	533	-	-	-
Outdoor Facilities		-	-	3 737	0	533	533	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal	1	-	-	3 908	350	2 883	2 883	13 866	24 542	15 310
Renewal of Existing Assets as % of total cape		0,0%	0,0%	8,9%	1,0%	8,3%	8,3%	41,3%	69,0%	83,4%
Renewal of Existing Assets as % of deprecn"		0,0%	0,0%	16,1%	1,4%	11,9%	11,9%	71,5%	130,6%	77,6%

EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class								2020/21 Medium Term Revenue & Expenditure Framework		
Description	Ref	2016/17 Audited Outcome	2017/18 Audited Outcome	2018/19 Audited Outcome	Current Year 2019/20			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1				Original Budget	Adjusted Budget	Full Year Forecast			
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	818	2 613	2 278	2 278	440	406	426
Roads Infrastructure		–	–	528	636	200	200	–	–	–
Roads		–	–	528	636	200	200	–	–	–
Storm water Infrastructure		–	–	34	1 517	1 507	1 507	–	–	–
Storm water Conveyance		–	–	34	1 517	1 507	1 507	–	–	–
Electrical Infrastructure		–	–	257	460	570	570	440	406	426
MV Substations		–	–	55	93	92	92	85	89	94
MV Networks		–	–	49	175	291	291	200	155	163
LV Networks		–	–	153	193	188	188	155	162	170
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Community Assets		–	–	1 175	974	474	474	640	66	67
Community Facilities		–	–	1 312	914	454	454	640	66	67
Halls		–	–	964	514	359	359	535	–	–
Cemeteries/Crematoria		–	–	25	130	30	30	35	5	5
Parks		–	–	130	190	52	52	30	41	42
Public Open Space		–	–	193	80	13	13	40	20	20
Sport and Recreation Facilities		–	–	(137)	60	20	20	–	–	–
Outdoor Facilities		–	–	(137)	60	20	20	–	–	–
		1	1	1	1	1	1	1	1	1
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	540	654	300	300	300	–	–
Operational Buildings		–	–	540	654	300	300	300	–	–
Municipal Offices		–	–	540	654	300	300	300	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	85	130	200	200	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	85	130	200	200	–	–	–
Computer Software and Applications		–	–	85	130	200	200	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance	1	–	–	3 431	5 597	4 081	4 081	2 920	3 566	3 739
R&M as a % of PPE		0,0%	0,0%	0,8%	1,2%	0,9%	0,9%	0,0%	0,8%	0,8%
R&M as % Operating Expenditure		0,0%	0,0%	1,6%	3,2%	2,5%	2,5%	0,0%	1,8%	2,1%

EC136 Emalahleni (Ec) - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	8 053	16 761	17 029	17 029	14 474	5 187	2 400
Roads Infrastructure		-	-	8 053	11 158	11 425	11 425	8 664	5 187	2 400
Roads		-	-	-	1 072	988	988	-	-	-
Road Structures		-	-	8 053	10 085	10 437	10 437	8 664	5 187	2 400
Storm water Infrastructure		-	-	-	5 603	5 603	5 603	5 810	-	-
Storm water Conveyance		-	-	-	5 603	5 603	5 603	5 810	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Community Assets		-	-	10 321	5 491	4 040	4 040	2 812	4 445	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	10 321	5 491	4 040	4 040	2 812	4 445	-
Outdoor Facilities		-	-	10 321	5 491	4 040	4 040	2 812	4 445	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading	1	-	-	18 374	22 252	21 069	21 069	17 287	9 632	2 400
Upgrading of Existing Assets as % of total capital expenditure		0,0%	0,0%	41,8%	63,7%	60,5%	60,5%	51,5%	27,1%	13,1%
Upgrading of Existing Assets as % of depreciation		0,0%	0,0%	75,9%	91,7%	86,9%	86,9%	89,2%	51,3%	12,2%

1.4.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 6 MBRR SA35. This table shows that future operational costs associated with the capital programme totals R31.653 million in 2020/2021 and R35.564 million in 2021/2022 and R18.361 million in 2022/2023. It needs to be noted that as part of the 2020/2021 MTREF, this expenditure has been factored into the two outer years of the operational budget.

EC136 Emalahleni (Ec) - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
Capital expenditure	1							
Vote 1 - Executive and council		–	–	–				
Vote 2 - Corporate Services		200	210	221				
Vote 3 - Budget and Treasury		1 590	750	400				
Vote 4 - PEDTA		–	–	–				
Vote 5 - Community Services and Social Services		3 422	4 875	30				
Vote 6 - Infrastructure Development and Human Settlement		28 341	29 729	17 710				
Total Capital Expenditure		33 553	35 564	18 361	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Executive and council								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates								
Rental of facilities and equipment								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		33 553	35 564	18 361	–	–	–	–

1.5 ANNUAL BUDGET TABLES

(The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/2021 budget and MTREF to be approved by the Council. Each table is accompanied by explanatory notes on the facing page.)

EC136 Emalahleni (Ec) - 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	–	–	4 527	3 749	6 554	6 554	–	9 167	9 616	10 097
Service charges	–	–	22 229	23 342	27 943	27 943	–	26 687	27 994	29 394
Investment revenue	–	–	870	1 147	1 443	1 443	–	1 488	1 561	1 639
Transfers recognised - operational	–	–	121 556	–	–	–	–	148 749	154 102	157 351
Other own revenue	–	–	10 914	12 568	16 703	16 703	–	14 719	15 440	16 212
Total Revenue (excluding capital transfers and contributions)	–	–	160 097	40 806	52 643	52 643	–	200 810	208 714	214 693
Employee costs	–	–	80 446	96 117	78 625	78 625	–	93 824	94 002	103 272
Remuneration of councillors	–	–	13 003	14 070	13 931	13 931	–	14 749	16 077	17 684
Depreciation & asset impairment	–	–	24 223	24 256	24 256	24 256	–	19 384	18 790	19 730
Finance charges	–	–	1 586	271	271	271	–	280	294	308
Materials and bulk purchases	–	–	11 692	18 837	16 374	16 374	–	18 651	17 132	17 159
Transfers and grants	–	–	10 946	230	195	195	–	–	–	–
Other expenditure	–	–	68 118	23 126	30 466	30 466	–	52 022	32 937	34 092
Total Expenditure	–	–	210 014	176 907	164 118	164 118	–	198 910	179 232	192 246
Surplus/(Deficit)	–	–	(49 917)	(136 101)	(111 475)	(111 475)	–	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	42 557	31 848	31 848	31 848	–	31 653	35 564	35 564
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	–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Capital expenditure & funds sources										
Capital expenditure	–	–	43 940	34 913	34 808	34 808	–	33 553	35 564	18 361
Transfers recognised - capital	–	–	39 790	32 198	32 738	32 738	–	31 653	34 174	17 710
Borrowing	–	–	167	–	–	–	–	–	–	–
Internally generated funds	–	–	3 764	2 716	2 070	2 070	–	1 900	1 390	651
Total sources of capital funds	–	–	43 721	34 913	34 808	34 808	–	33 553	35 564	18 361
Financial position										
Total current assets	–	–	44 664	162 963	11 883	11 883	–	45 383	65 628	65 628
Total non current assets	–	–	441 872	490 549	452 211	452 211	–	459 387	468 439	451 236
Total current liabilities	–	–	47 532	86 755	42 860	42 860	–	40 249	40 249	40 249
Total non current liabilities	–	–	13 726	14 800	17 751	17 751	–	17 751	17 751	17 751
Community wealth/Equity	–	–	–	0	0	0	–	0	0	0
Cash flows										
Net cash from (used) operating	–	–	(164 185)	34 716	60 198	60 198	–	35 576	67 717	55 897
Net cash from (used) investing	–	–	–	–	22 000	22 000	–	–	–	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	–	–	(164 185)	34 716	82 198	82 198	–	35 576	103 294	159 191
Cash backing/surplus reconciliation										
Cash and investments available	–	–	4 145	88 321	3 527	3 527	–	38 169	58 338	58 338
Application of cash and investments	–	–	25 525	10 925	10 010	10 010	–	10 978	10 575	10 850
Balance - surplus (shortfall)	–	–	(21 381)	77 396	(6 483)	(6 483)	–	27 192	47 763	47 488
Asset management										
Asset register summary (WDV)	–	–	441 872	489 476	451 222	451 222	451 222	459 387	468 439	451 236
Depreciation	–	–	24 223	24 256	24 256	24 256	24 256	19 384	18 790	19 730
Renewal and Upgrading of Existing Assets	–	–	22 283	22 602	23 951	23 951	23 951	31 153	34 174	17 710
Repairs and Maintenance	–	–	3 431	5 597	4 081	4 081	4 081	2 920	3 566	3 739
Free services										
Cost of Free Basic Services provided	–	–	191	4 900	4 900	4 900	5 390	5 390	5 654	5 937
Revenue cost of free services provided	–	–	2	1 050	1 780	1 780	1 958	1 958	2 054	2 156
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

The Total realistically anticipated Operating Revenue budget forecasted amounts to R 51.964 million excluding transfers recognised. This amount is slightly lower when compared with the 2019/2020 Adjusted budget currently been implemented that amounted to R 52.643 million.

Grants

Operating Grant Income is R148.749 million which constitutes 74% of the total operating revenue budget whilst own revenue constitutes only 26% of the final budget.

Own Revenue

The Municipality has budgeted all its revenue based on realistically anticipated estimates keeping the requirements of Circular 93 & 99 in mind.

EXPENDITURE

An exercise to cut the total expenditure budget in line with the revenue budget has been undertaken and is currently estimated at R 200.714 million resulting in an R1.8 million surplus before capital transfers .

Employee related costs including Councillor allowances now represent 54% of operating expenditure for 2020/2021, it further goes up to 55% in 2021/22 and to 56% in 2021/22 which is above NT maximum threshold of 40%.

General expenditure: An approach to either cut expenditure or keep it in line with prior year budget has been taken, however no further cuts could be made without crippling the municipalities ability to operate and being able to deliver services to the community.

Capital expenditure budget

The Capital expenditure budget is currently R33.053 million. The MIG budget allocated is R 31.263 million. The internally funded capital budget for acquisition of property, plant & equipment is set at R 1.789 million. The internal capital budget is for the acquisition of moveable assets like computer equipment and motor vehicles.

EC136 Emalahleni (Ec) - 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		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		–	–	127 914	137 307	143 916	143 916	147 762	156 460	163 464
Executive and council		–	–	–	7 254	7 254	7 254	7 254	7 554	7 867
Finance and administration		–	–	127 914	130 053	136 662	136 662	140 508	148 906	155 597
Community and public safety		–	–	723	2 812	2 997	2 997	2 332	2 399	2 472
Community and social services		–	–	273	1 630	1 679	1 679	1 233	1 246	1 261
Sport and recreation		–	–	5	12	3	3	3	3	3
Public safety		–	–	–	1 140	1 305	1 305	1 093	1 146	1 204
Housing		–	–	445	30	10	10	3	4	4
Economic and environmental services		–	–	46 114	35 838	35 838	35 838	35 523	37 481	37 584
Planning and development		–	–	46 114	35 838	35 838	35 838	35 523	37 481	37 584
Trading services		–	–	25 710	33 609	38 552	38 552	40 864	41 661	40 148
Energy sources		–	–	14 766	21 461	24 440	24 440	29 344	29 577	27 460
Waste management		–	–	10 944	12 148	14 112	14 112	11 519	12 084	12 688
Other	4	–	–	1 237	2 850	3 679	3 679	5 983	6 276	6 590
Total Revenue - Functional	2	–	–	201 698	212 415	224 982	224 982	232 463	244 278	250 257
Expenditure - Functional										
Governance and administration		–	–	140 836	90 120	96 276	96 276	95 787	90 012	97 189
Executive and council		–	–	30 049	31 646	29 107	29 107	28 252	28 981	31 718
Finance and administration		–	–	110 167	56 110	66 228	66 228	65 411	60 479	64 892
Internal audit		–	–	619	2 364	941	941	2 124	552	579
Community and public safety		–	–	9 627	19 240	14 189	14 189	16 785	17 360	18 898
Community and social services		–	–	6 867	11 026	7 179	7 179	11 261	11 275	12 274
Sport and recreation		–	–	1 282	2 265	2 326	2 326	2 027	2 216	2 390
Public safety		–	–	–	3 079	2 161	2 161	1 724	1 851	2 030
Housing		–	–	1 478	2 870	2 523	2 523	1 773	2 018	2 204
Economic and environmental services		–	–	22 904	43 789	41 394	41 394	43 109	37 659	40 189
Planning and development		–	–	21 536	39 906	36 207	36 207	40 373	36 949	39 408
Road transport		–	–	1 368	3 883	5 187	5 187	2 736	710	781
Trading services		–	–	33 023	40 088	31 854	31 854	39 977	31 010	32 485
Energy sources		–	–	12 530	25 531	19 348	19 348	30 586	21 617	22 201
Waste water management		–	–	(27)	1 527	1 518	1 518	–	–	–
Waste management		–	–	20 520	13 030	10 988	10 988	9 391	9 393	10 285
Other	4	–	–	1 935	3 682	1 653	1 653	3 252	3 191	3 485
Total Expenditure - Functional	3	–	–	208 323	196 918	185 366	185 366	198 910	179 232	192 246
Surplus/(Deficit) for the year		–	–	(6 625)	15 497	39 617	39 617	33 553	65 046	58 011

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for any of the trading services. As already noted above, the municipality will be undertaking a detailed study of these functions to explore ways of improving efficiencies and provide a basis for re-evaluating these functions' tariff structures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

EC136 Emalahleni (Ec) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)								2020/21 Medium Term Revenue & Expenditure Framework		
Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast			
Revenue by Vote	1									
Vote 1 - Executive and council		-	-	-	7 254	7 254	7 254	7 254	7 554	7 867
Vote 2 - Corporate Services		-	-	(538)	1 005	1 005	1 005	0	0	0
Vote 3 - Budget and Treasury		-	-	128 049	131 026	138 529	138 529	143 421	151 962	158 805
Vote 4 - PEDTA		-	-	2	(1 044)	(1 768)	(1 768)	(1 954)	(2 049)	(2 152)
Vote 5 - Community Services and Social Services		-	-	13 819	16 847	19 674	19 674	18 871	19 749	20 689
Vote 6 - Infrastructure Development and Human Settlement		-	-	61 322	57 328	60 289	60 289	64 870	67 062	65 048
Total Revenue by Vote	2	-	-	202 654	212 415	224 982	224 982	232 463	244 278	250 257
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and council		-	-	30 346	34 512	30 168	30 168	30 492	29 606	32 374
Vote 2 - Corporate Services		-	-	64 792	18 825	21 770	21 770	27 128	22 983	24 811
Vote 3 - Budget and Treasury		-	-	35 331	29 393	38 001	38 001	31 507	29 635	31 690
Vote 4 - PEDTA		-	-	9 632	9 600	7 426	7 426	7 873	1 905	1 997
Vote 5 - Community Services and Social Services		-	-	41 349	38 116	31 527	31 527	33 991	35 446	38 501
Vote 6 - Infrastructure Development and Human Settlement		-	-	28 563	66 471	56 473	56 473	67 919	59 656	62 874
Total Expenditure by Vote	2	-	-	210 014	196 918	185 366	185 366	198 910	179 232	192 246
Surplus/(Deficit) for the year	2	-	-	(7 360)	15 497	39 617	39 617	33 553	65 046	58 011

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. This table is the main driver of management- responsibility and performance in terms of the operating budget and also the benchmark against which any unauthorised expenditure will be measured.

EC136 Emalahleni (Ec) - 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		
R thousand	1	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	–	–	4 527	3 749	6 554	6 554	–	9 167	9 616	10 097
Service charges - electricity revenue	2	–	–	14 097	16 355	19 093	19 093	–	18 391	19 293	20 257
Service charges - refuse revenue	2	–	–	8 133	6 987	8 850	8 850	–	8 295	8 702	9 137
Rental of facilities and equipment		–	–	894	1 468	1 468	1 468	–	949	995	1 045
Interest earned - external investments		–	–	870	1 147	1 443	1 443	–	1 488	1 561	1 639
Interest earned - outstanding debtors		–	–	5 284	6 127	6 889	6 889	–	6 032	6 327	6 644
Fines, penalties and forfeits		–	–	9	115	399	399	–	202	211	222
Licences and permits		–	–	1 745	1 514	2 062	2 062	–	4 429	4 646	4 878
Agency services		–	–	800	1 384	1 384	1 384	–	1 457	1 528	1 604
Transfers and subsidies		–	–	121 556	–	–	–	–	148 749	154 102	157 351
Other revenue	2	–	–	2 703	1 960	4 501	4 501	–	1 651	1 732	1 818
Gains		–	–	(521)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	–	160 097	40 806	52 643	52 643	–	200 810	208 714	214 693
Expenditure By Type											
Employee related costs	2	–	–	80 446	96 117	78 625	78 625	–	93 824	94 002	103 272
Remuneration of councillors		–	–	13 003	14 070	13 931	13 931	–	14 749	16 077	17 684
Debt impairment	3	–	–	12 044	6 000	6 000	6 000	–	4 000	4 196	4 406
Depreciation & asset impairment	2	–	–	24 223	24 256	24 256	24 256	–	19 384	18 790	19 730
Finance charges		–	–	1 586	271	271	271	–	280	294	308
Bulk purchases	2	–	–	9 625	16 070	13 892	13 892	–	14 300	15 000	15 000
Other materials	8	–	–	2 067	2 767	2 482	2 482	–	4 351	2 132	2 159
Contracted services		–	–	20 488	17 126	16 466	16 466	–	33 851	19 351	19 971
Transfers and subsidies		–	–	10 946	230	195	195	–	–	–	–
Other expenditure	4, 5	–	–	26 036	–	–	–	–	14 170	9 390	9 715
Losses		–	–	9 550	–	8 000	8 000	–	–	–	–
Total Expenditure		–	–	210 014	176 907	164 118	164 118	–	198 910	179 232	192 246
Surplus/(Deficit)		–	–	(49 917)	(136 101)	(111 475)	(111 475)	–	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	42 557	31 848	31 848	31 848	–	31 653	35 564	35 564
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		–	–	(7 360)	(104 253)	(79 627)	(79 627)	–	33 553	65 046	58 011

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

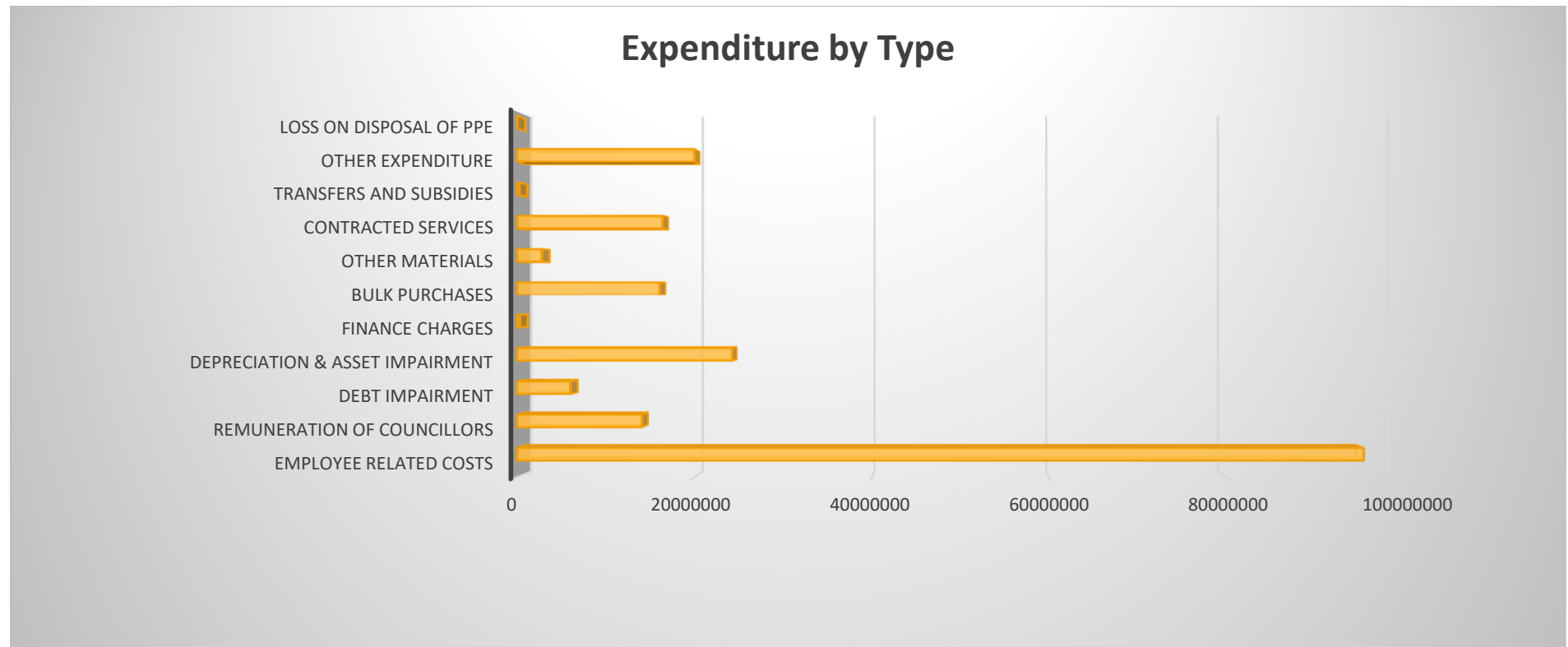
1. Total revenue, excluding capital transfers, is estimated at R200.714 million for 2020/2021 and increases to R208.665 million in 2021/2022 and R214.642 million in 2022/2023. This represents a year-on-year increase of 7.5% between 2019/2020 and 2020/2021, 3.96 % between 2020/2021 and 2021/2022 and 2.86% between 2021/2022 and 2022/2023.
2. Revenue to be generated from property rates is R9.167 million in the 2020/2021 financial year and increases to R9.616 million by 2021/22 and R10.097 million which represents only 4.6 % over the MTREF of the operating revenue base (excluding capital transfers) of the municipality and therefore does not represent a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 10% for each of the respective financial years of the MTREF.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R26.686 million for the 2020/2021 financial year and increasing to R27.995 million by 2021/22 and

R29.394 million. For the 2020/2021 financial year services charges amount to 13.29 % of the total revenue base, increases to 13.41 % and 13.69 % over the MTREF period.

4. Transfers recognised – Amount to a total of R148.749 million in 2020/2021, R154.102 million and R157.351 million over the MTREF. This represents a consistent 74% , 74% and 73% of the total revenue over the MTREF . This simply means that the municipality is highly dependent on grant funding and the municipality's revenue base is very low , this will pose serious challenges in the MTREF due to the severe impact on the economy of the Corona virus pandemic , the number of consumers who are able to pay will decrease and the indigent consumers will grow as a result of job losses .

Operating grants include the local government equitable share which is not a conditional grant and other operating grants that are conditional grants from national and provincial government. Transfers are fluctuating according to grants provided for by the respective governments. Due to the corona virus pandemic the government has announced that it will be shifting funds meant for provincial, district and local municipalities to the Health department in particular and therefore there will be foreseeable changes to the National budgeted transfers and grants that will affect the amounts transferred to municipalities.

5. The following graph illustrates the major expenditure items per type.



Expenditure by major type

6. Bulk purchases have significantly increased from the 2019/2020 Adjusted budget of R13.892 million to R14.300 million R15.015 million and R15.765 million over the outer years of the MTREF. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs, depreciation, contracted services, other operating expenditure and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
8. Employee related costs including Councillor allowances now represent 54% of operating expenditure for 2020/2021, it further goes up to 55% in 2021/22 and to 56% in 2021/22 which is above NT maximum threshold of 40%.
9. Depreciation amounts to R19.384 million for the 2020/2021 financial year, R 20.353 million and R21.371 million for the outer years and equates to 9.7 per cent of the total operating expenditure and slightly increases to 9.8% and 9.10% in 2021/2022 and 2022/2023 respectively.

Contracted services constitute R 35.835 million, R37.176 million and R34.738 million. The contracted services represent 17.85 % , 17.81% and 16.18% respectively over the MTREF.

10. The contracted services is made up of the following :

- 1) INEP = R10.224 million
- 2) Legal fees (with a 5 million court awarded pay-out =R6.500 million ,
- 3) Security services= R4.200 million ,
- 4) Finance Management Grant = R3 million,
- 5) EMS financial system licence fees and mSCOA running costs =R2.500 million and
- 6) Audit fees = R2 million

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

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 - Executive and council		-	-	3 637	2 000	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	243	-	-	-	-	190	350	100
Vote 4 - PEDTA		-	-	1 049	-	-	-	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	27 540	13 708	10 174	10 174	-	3 422	4 875	30
Vote 6 - Infrastructure Development and Human Settlement		-	-	11 715	18 490	22 533	22 533	-	28 341	29 729	17 710
Capital multi-year expenditure sub-total	7	-	-	44 183	34 198	32 707	32 707	-	31 953	34 954	17 840
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	716	763	763	-	200	210	221
Vote 3 - Budget and Treasury		-	-	-	-	1 283	1 283	-	1 400	400	300
Vote 4 - PEDTA		-	-	-	-	31	31	-	-	-	-
Vote 5 - Community Services and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development and Human Settlement		-	-	-	-	24	24	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	716	2 101	2 101	-	1 600	610	521
Total Capital Expenditure - Vote		-	-	44 183	34 913	34 808	34 808	-	33 553	35 564	18 361
Capital Expenditure - Functional											
Governance and administration		-	-	3 637	2 716	2 046	2 046	-	1 790	1 360	621
Executive and council		-	-	3 637	2 000	-	-	-	-	-	-
Finance and administration		-	-	-	716	2 046	2 046	-	1 790	1 360	621
Community and public safety		-	-	23 183	13 358	9 523	9 523	-	2 922	4 475	30
Community and social services		-	-	8 969	5 294	2 351	2 351	-	-	-	-
Sport and recreation		-	-	14 214	8 064	7 173	7 173	-	2 922	4 475	30
Economic and environmental services		-	-	11 420	12 887	16 954	16 954	-	17 531	28 829	17 710
Planning and development		-	-	-	-	24	24	-	-	-	-
Road transport		-	-	11 420	12 887	16 930	16 930	-	17 531	28 829	17 710
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	513	5 953	5 953	5 953	-	11 310	900	-
Energy sources		-	-	295	-	-	-	-	5 000	900	-
Waste water management		-	-	-	5 603	5 603	5 603	-	5 810	-	-
Waste management		-	-	219	350	350	350	-	500	-	-
Other		-	-	5 187	0	332	332	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	43 940	34 913	34 808	34 808	-	33 553	35 564	18 361
Funded by:											
National Government		-	-	39 790	31 848	32 388	32 388	-	31 653	34 174	17 710
Provincial Government		-	-	-	350	350	350	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	39 790	32 198	32 738	32 738	-	31 653	34 174	17 710
Borrowing	6	-	-	167	-	-	-	-	-	-	-
Internally generated funds		-	-	3 764	2 716	2 070	2 070	-	1 900	1 390	651
Total Capital Funding	7	-	-	43 721	34 913	34 808	34 808	-	33 553	35 564	18 361

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
3. The capital program is funded from national grants and transfers and internally generated funds from current and prior year surpluses and is listed above.

MBRR Table A6 -Budgeted Financial Position

EC136 Emalahleni (Ec) - Table A6 Budgeted Financial Position

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
ASSETS													
Current assets													
Cash			–	–	51 293	88 321	3 527	3 527	–	13 633	21 737	21 737	
Call investment deposits	1		–	–	(47 148)	–	–	–	–	24 536	36 601	36 601	
Consumer debtors	1		–	–	34 429	46 419	8 318	8 318	–	7 185	7 270	7 270	
Other debtors			–	–	6 090	26 923	38	38	–	28	21	21	
Current portion of long-term receivables			–	–	–	–	–	–	–	–	–	–	
Inventory	2		–	–	–	1 301	0	0	–	0	0	0	
Total current assets			–	–	44 664	162 963	11 883	11 883	–	45 383	65 628	65 628	
Non current assets													
Long-term receivables			–	–	–	–	–	–	–	–	–	–	
Investments			–	–	–	–	–	–	–	–	–	–	
Investment property			–	–	4 149	4 543	4 149	4 149	–	4 149	4 149	4 149	
Investment in Associate			–	–	–	–	–	–	–	–	–	–	
Property, plant and equipment	3		–	–	437 139	485 268	447 478	447 478	–	454 654	463 706	446 503	
Biological			–	–	–	–	–	–	–	–	–	–	
Intangible			–	–	401	556	401	401	–	401	401	401	
Other non-current assets			–	–	183	183	183	183	–	183	183	183	
Total non current assets			–	–	441 872	490 549	452 211	452 211	–	459 387	468 439	451 236	
TOTAL ASSETS			–	–	486 536	653 512	464 093	464 093	–	504 769	534 067	516 864	
LIABILITIES													
Current liabilities													
Bank overdraft	1		–	–	–	–	–	–	–	–	–	–	
Borrowing	4		–	–	–	–	–	–	–	–	–	–	
Consumer deposits			–	–	64	46	0	0	–	0	0	0	
Trade and other payables	4		–	–	26 874	70 656	20 983	20 983	–	18 372	18 372	18 372	
Provisions			–	–	20 594	16 053	21 877	21 877	–	21 877	21 877	21 877	
Total current liabilities			–	–	47 532	86 755	42 860	42 860	–	40 249	40 249	40 249	
Non current liabilities													
Borrowing			–	–	779	1 407	373	373	–	373	373	373	
Provisions			–	–	12 947	13 394	17 378	17 378	–	17 378	17 378	17 378	
Total non current liabilities			–	–	13 726	14 800	17 751	17 751	–	17 751	17 751	17 751	
TOTAL LIABILITIES			–	–	61 258	101 556	60 611	60 611	–	58 000	58 000	58 000	
NET ASSETS			5	–	–	425 278	551 957	403 482	403 482	–	446 770	476 068	458 865
COMMUNITY WEALTH/EQUITY													
Accumulated Surplus/(Deficit)			–	–	425 278	551 957	403 482	403 482	–	446 770	476 068	458 865	
Reserves	4		–	–	–	–	–	–	–	–	–	–	
TOTAL COMMUNITY WEALTH/EQUITY			5	–	–	425 278	551 957	403 482	403 482	–	446 770	476 068	458 865

- **Call investments deposits**

The statement of financial position reflects a positive cash position of R13.633 million as well as call investments amounting to R24.536 million for the 2020/2021 financial year.

- **Consumer debtors of R7.213 million for 2020/2021 financial year**
- **Property, plant and equipment is reflecting a healthy asset base of R454.654 million for 2020/2021, R463.706 million and R446.503 million for the outer years**

- Trade and other payables reflects R13.372 million for the 2020/2021 financial year
- Provisions non-current are estimated at R17.378 million for the 2020/2021 financial year
- The Statement of Financial Position reflects a healthy accumulated surplus of R446.770 million, R476.068 million and R458.865 million for the outer years.

MBRR Table A7 - Budgeted Cash Flow Statement

EC136 Emalaheni (Ec) - Table A7 Budgeted Cash Flows

EC 130 - Emlaňem (EC) - Table A1 - 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
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	4 050	5 084	5 084	–	5 439	5 240	5 240
Service charges		–	–	–	18 294	20 289	20 289	–	21 995	23 836	23 836
Other revenue		–	–	–	4 903	11 878	11 878	–	12 048	13 021	13 021
Transfers and Subsidies - Operational	1	–	–	–	133 306	135 976	135 976	–	136 525	144 379	144 379
Transfers and Subsidies - Capital	1	–	–	–	31 848	32 738	32 738	–	33 484	35 837	35 837
Interest		–	–	–	8 747	1 147	1 147	–	1 200	1 202	1 202
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		–	–	(151 665)	(166 161)	(146 644)	(146 644)	–	(174 835)	(155 504)	(167 310)
Finance charges		–	–	(1 586)	(271)	(271)	(271)	–	(280)	(294)	(308)
Transfers and Grants	1	–	–	(10 933)	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	(164 185)	34 716	60 198	60 198	–	35 576	67 717	55 897
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	22 000	22 000	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	22 000	22 000	–	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		–	–	(164 185)	34 716	82 198	82 198	–	35 576	67 717	55 897
Cash/cash equivalents at the year begin:	2	–	–	–	–	–	–	–	–	35 576	103 294
Cash/cash equivalents at the year end:	2	–	–	(164 185)	34 716	82 198	82 198	–	35 576	103 294	159 191

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2020/2021 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents were estimated to total R82.198 million in 2019/2020 financial year and decreases to R35.576 million as at the end of the 2020/2021 financial year.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC136 Emalahleni (Ec) - 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
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191
Other current investments > 90 days		-	-	168 329	53 605	(78 671)	(78 671)	-	2 593	(44 956)	(100 853)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	4 145	88 321	3 527	3 527	-	38 169	58 338	58 338
Application of cash and investments											
Unspent conditional transfers		-	-	-	1	788	788	-	0	0	0
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	25 525	10 924	9 221	9 221	-	10 977	10 575	10 850
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	-	25 525	10 925	10 010	10 010	-	10 978	10 575	10 850
Surplus(shortfall)		-	-	(21 381)	77 396	(6 483)	(6 483)	-	27 192	47 763	47 488

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
2. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded". The municipality's budget is cash-funded and thus in compliance with the requirements of the MFMA.
3. As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA.

MBRR Table A9 - Asset Management

EC136 Emalahleni (EC) - Table A9 Asset Management

R thousand	Description	Ref	2016/17 Audited Outcome	2017/18 Audited Outcome	2018/19 Audited Outcome	Current Year 2019/20 Original Budget	Adjusted Budget	Full Year Forecast	2020/21 Medium Term Revenue & Expenditure Budget Year 2020/21	+1 2021/22	+2 2022/23
CAPITAL EXPENDITURE											
	Total New Assets	1	—	—	21 658	12 311	10 856	10 856	2 400	1 390	651
	Roads Infrastructure		—	—	3 367	1 729	3 504	3 504	—	—	—
	Storm water Infrastructure		—	—	—	—	—	—	—	—	—
	Electrical Infrastructure		—	—	295	—	—	—	—	—	—
	Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
	Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
	Solid Waste Infrastructure		—	—	—	—	—	—	500	—	—
	Rail Infrastructure		—	—	—	—	—	—	—	—	—
	Coastal Infrastructure		—	—	—	—	—	—	—	—	—
	Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
	Infrastructure		—	—	3 662	1 729	3 504	3 504	500	—	—
	Community Facilities		—	—	13 263	7 867	5 252	5 252	—	—	—
	Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
	Community Assets		—	—	13 263	7 867	5 252	5 252	—	—	—
	Heritage Assets		—	—	—	—	—	—	—	—	—
	Revenue Generating		—	—	—	—	—	—	—	—	—
	Non-revenue Generating		—	—	—	—	—	—	—	—	—
	Investment properties		—	—	—	—	—	—	—	—	—
	Operational Buildings		—	—	3 637	2 000	—	—	—	400	—
	Housing		—	—	—	—	—	—	—	—	—
	Other Assets		—	—	3 637	2 000	—	—	—	400	—
	Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
	Services		—	—	—	—	—	—	—	—	—
	Licences and Rights		—	—	—	—	—	—	—	—	—
	Intangible Assets		—	—	—	—	—	—	—	—	—
	Computer Equipment		—	—	—	—	24	24	190	350	100
	Furniture and Office Equipment		—	—	—	716	1 113	1 113	200	210	221
	Machinery and Equipment		—	—	48	—	—	—	110	30	30
	Transport Assets		—	—	—	—	933	933	1 400	400	300
	Land		—	—	—	—	—	—	—	—	—
	Zoo's, Marine and Non-biological Animals		—	—	1 049	—	31	31	—	—	—
	Total Renewal of Existing Assets	2	—	—	3 908	350	2 883	2 883	13 866	24 542	15 310
	Roads Infrastructure		—	—	—	—	2 000	2 000	8 866	23 642	15 310
	Storm water Infrastructure		—	—	—	—	—	—	—	—	—
	Electrical Infrastructure		—	—	—	—	—	—	5 000	900	—
	Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
	Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
	Solid Waste Infrastructure		—	—	171	350	350	350	—	—	—
	Rail Infrastructure		—	—	—	—	—	—	—	—	—
	Coastal Infrastructure		—	—	—	—	—	—	—	—	—
	Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
	Infrastructure		—	—	171	350	2 350	2 350	13 866	24 542	15 310
	Community Facilities		—	—	—	—	—	—	—	—	—
	Sport and Recreation Facilities		—	—	3 737	0	533	533	—	—	—
	Community Assets		—	—	3 737	0	533	533	—	—	—
	Heritage Assets		—	—	—	—	—	—	—	—	—
	Revenue Generating		—	—	—	—	—	—	—	—	—
	Non-revenue Generating		—	—	—	—	—	—	—	—	—
	Investment properties		—	—	—	—	—	—	—	—	—
	Operational Buildings		—	—	—	—	—	—	—	—	—
	Housing		—	—	—	—	—	—	—	—	—
	Other Assets		—	—	—	—	—	—	—	—	—
	Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
	Services		—	—	—	—	—	—	—	—	—
	Licences and Rights		—	—	—	—	—	—	—	—	—
	Intangible Assets		—	—	—	—	—	—	—	—	—
	Computer Equipment		—	—	—	—	—	—	—	—	—
	Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
	Machinery and Equipment		—	—	—	—	—	—	—	—	—
	Transport Assets		—	—	—	—	—	—	—	—	—
	Land		—	—	—	—	—	—	—	—	—
	Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
	Total Upgrading of Existing Assets	6	—	—	18 374	22 252	21 069	21 069	17 287	9 632	2 400
	Roads Infrastructure		—	—	8 053	11 158	11 425	11 425	8 664	5 187	2 400
	Storm water Infrastructure		—	—	—	5 603	5 603	5 603	—	—	—
	Electrical Infrastructure		—	—	—	—	—	—	—	—	—
	Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
	Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
	Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
	Rail Infrastructure		—	—	171	350	350	350	—	—	—
	Coastal Infrastructure		—	—	—	—	—	—	—	—	—
	Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
	Infrastructure		—	—	8 053	16 761	17 029	17 029	14 474	5 187	2 400
	Community Facilities		—	—	—	—	—	—	—	—	—
	Sport and Recreation Facilities		—	—	10 321	5 491	4 040	4 040	2 812	4 445	—
	Community Assets		—	—	10 321	5 491	4 040	4 040	2 812	4 445	—
	Heritage Assets		—	—	—	—	—	—	—	—	—
	Revenue Generating		—	—	—	—	—	—	—	—	—
	Non-revenue Generating		—	—	—	—	—	—	—	—	—
	Investment properties		—	—	—	—	—	—	—	—	—
	Operational Buildings		—	—	—	—	—	—	—	—	—
	Housing		—	—	—	—	—	—	—	—	—
	Other Assets		—	—	—	—	—	—	—	—	—
	Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
	Services		—	—	—	—	—	—	—	—	—
	Licences and Rights		—	—	—	—	—	—	—	—	—
	Intangible Assets		—	—	—	—	—	—	—	—	—
	Computer Equipment		—	—	—	—	—	—	—	—	—
	Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
	Machinery and Equipment		—	—	—	—	—	—	—	—	—
	Transport Assets		—	—	—	—	—	—	—	—	—
	Land		—	—	—	—	—	—	—	—	—
	Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
	Total Capital Expenditure	4	—	—	43 940	34 913	34 808	34 808	33 553	35 564	16 361
	Roads Infrastructure		—	—	11 420	12 887	16 930	16 930	17 531	28 829	17 710
	Storm water Infrastructure		—	—	—	5 603	5 603	5 603	—	—	—
	Electrical Infrastructure		—	—	295	—	—	—	5 000	900	—
	Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
	Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
	Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
	Rail Infrastructure		—	—	171	350	350	350	500	—	—
	Coastal Infrastructure		—	—	—	—	—	—	—	—	—
	Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
	Infrastructure		—	—	11 886	18 540	22 883	22 883	28 841	29 729	17 710
	Community Facilities		—	—	13 263	7 867	5 252	5 252	—	—	—
	Sport and Recreation Facilities		—	—	14 058	5 491	4 573	4 573	2 812	4 445	—
	Community Assets		—	—	27 321	13 358	9 824	9 824	2 812	4 445	—
	Heritage Assets		—	—	—	—	—	—	—	—	—
	Revenue Generating		—	—	—	—	—	—	—	—	—
	Non-revenue Generating		—	—	—	—	—	—	—	—	—
	Investment properties		—	—	—	—	—	—	—	—	—
	Operational Buildings		—	—	3 637	2 000	—	—	—	400	—
	Housing		—	—	—	—	—	—	—	—	—
	Other Assets		—	—	3 637	2 000	—	—	—	400	—
	Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
	Services		—	—	—	—	—	—	—	—	—
	Licences and Rights		—	—	—	—	—	—	—	—	—
	Intangible Assets		—	—	—	—	—	—	—	—	—
	Computer Equipment		—	—	—	—	24	24	190	350	100
	Furniture and Office Equipment		—	—	—	716	1 113	1 113	200	210	221
	Machinery and Equipment		—	—	48	—	—	—	110	30	30
	Transport Assets		—	—	—	—	933	933	1 400	400	300
	Land		—	—	—	—	—	—	—	—	—
	Zoo's, Marine and Non-biological Animals		—	—	1 049	—	31	31	—	—	—
	TOTAL CAPITAL EXPENDITURE - Asset class		—	—	43 940	34 913	34 808	34 808	33 553	35 564	16 361
	ASSET REGISTER SUMMARY - PPE (WDOV)	5	—	—	441 872	489 476	451 222	451 222	459 387	468 439	451 236
	Roads Infrastructure		—	—	11 420	12 887	16 930	16 930	17 531	28 829	17 710
	Storm water Infrastructure		—	—	—	5 603	5 603	5 603	—	—	—
	Electrical Infrastructure		—	—	295	—	—	—	5 000	900	—
	Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
	Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
	Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
	Infrastructure		—	—	11 886	39 364	41 807	41 807	49 595	52 339	40 320
	Community Assets		—	—	22 134	14 339	10 397	10 397	3 778	5 472	1 027
	Heritage Assets		—	—	183	183	183	183	183	183	183
	Investment properties		—	—	4 149	4 543	4 149	4 149	4 149	4 149	4 149
	Other Assets		—	—	8 983	2 066	392	392	675	499	99
	Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
	Intangible Assets		—	—	401	556	401	401	401	401	401
	Computer Equipment		—	—	—	182	204	204	222	364	134
	Furniture and Office Equipment		—	—	—	1 234	1 234	1 234			

Explanatory notes to Table A9 - Asset Management

- 1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.*
- 2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet both these recommendations.*
- 3. An analysis between depreciation and operational repairs and maintenance over the MTREF is not yet possible until there is a way or accounting reform that allows the municipality to include all maintenance costs, also those incurred internally, to the maintenance votes. When implemented it will highlight the Municipality's maintenance backlog. The implementation of mSCOA and the costing segment will assist in this regard but for now as the costing segment is not yet fully implemented it is still difficult to align all repairs and maintenance expenditure to that cost driver.*

4. MBRR Table A10—Basic Service Delivery Measurement

EC136 Emalahleni (Ec) - 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		--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)		--	--	--	--	--	--	--	--	--
Using public tap (at least min.service level)	2	--	--	--	--	--	--	--	--	--
Other water supply (at least min.service level)	4	--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total		--	--	--	--	--	--	--	--	--
Using public tap (< min.service level)	3	--	--	--	--	--	--	--	--	--
Other water supply (< min.service level)	4	--	--	--	--	--	--	--	--	--
No water supply		--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		--	--	--	--	--	--	--	--	--
Flush toilet (with septic tank)		--	--	--	--	--	--	--	--	--
Chemical toilet		--	--	--	--	--	--	--	--	--
Pit toilet (ventilated)		--	--	--	--	--	--	--	--	--
Other toilet provisions (> min.service level)		--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total		--	--	--	--	--	--	--	--	--
Bucket toilet		--	--	--	--	--	--	--	--	--
Other toilet provisions (< min.service level)		--	--	--	--	--	--	--	--	--
No toilet provisions		--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Energy:										
Electricity (at least min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (min.service level)		--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total		--	--	--	--	--	--	--	--	--
Electricity (< min.service level)		--	--	--	--	--	--	--	--	--
Electricity - prepaid (< min. service level)		--	--	--	--	--	--	--	--	--
Other energy sources		--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Refuse:										
Removed at least once a week		--	--	--	--	--	--	--	--	--
Minimum Service Level and Above sub-total		--	--	--	--	--	--	--	--	--
Removed less frequently than once a week		--	--	--	--	--	--	--	--	--
Using communal refuse dump		--	--	--	--	--	--	--	--	--
Using own refuse dump		--	--	--	--	--	--	--	--	--
Other rubbish disposal		--	--	--	--	--	--	--	--	--
No rubbish disposal		--	--	--	--	--	--	--	--	--
Below Minimum Service Level sub-total		--	--	--	--	--	--	--	--	--
Total number of households	5	--	--	--	--	--	--	--	--	--
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free minimum level service)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per household per month)		--	--	--	--	--	--	--	--	--
Refuse (removed at least once a week)		--	--	--	--	--	--	--	--	--
Cost of Free Basic Services provided - Formal Settlement	8									
Water (6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (50kwh per indigent household per month)		--	--	1 700	2 900	2 900	2 900	3 190	3 346	3 514
Refuse (removed once a week for indigent households)		--	--	(1 509)	2 000	2 000	2 000	2 200	2 308	2 423
Cost of Free Basic Services provided - Informal Formal Settlements		--	--	--	--	--	--	--	--	--
Total cost of FBS provided		--	--	191	4 900	4 900	4 900	5 390	5 654	5 937
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		--	--	2	1 050	1 780	1 780	1 958	2 054	2 156
Water (in excess of 6 kilolitres per indigent household per month)		--	--	--	--	--	--	--	--	--
Sanitation (in excess of free sanitation service to indigent households)		--	--	--	--	--	--	--	--	--
Electricity/other energy (in excess of 50 kwh per indigent household)		--	--	--	--	--	--	--	--	--
Refuse (in excess of one removal a week for indigent households)		--	--	--	--	--	--	--	--	--
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		--	--	2	1 050	1 780	1 780	1 958	2 054	2 156

Part 2 – Supporting Documentation

1.6 OVERVIEW OF THE ANNUAL BUDGET PROCESS

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head Councillor of Financial Services/Mayor.

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

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.6.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule by 31 August 2019.

1.6.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and

- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2019/20 MTREF, based on the approved 2018/19 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2019/20 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2018/19 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

1.6.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2019/20 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2019/20 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2018/19 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 93 and 94 has been taken into consideration in the planning and prioritisation process.

1.7 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions

towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2018/19 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

2018/19 Financial Year	2019/20 MTREF
1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)	1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)
2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)	2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)
3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.)	3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.)
4. To have a transparent and performance driven organisation (KPA Good	4. To have a transparent and performance driven organisation (KPA Good governance

governance and public participation)	and public participation)
5. To implement good financial management (KPA Financial management and viability)	5. To implement good financial management (KPA Financial management and viability)

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. To have a transparent and performance driven organisation
2. To ensure that cost effective, appropriate and efficient services are delivered
3. To ensure that conditions are created which stimulate the growth of the local economy
4. To implement good financial management
5. To have an effective and efficient administration

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

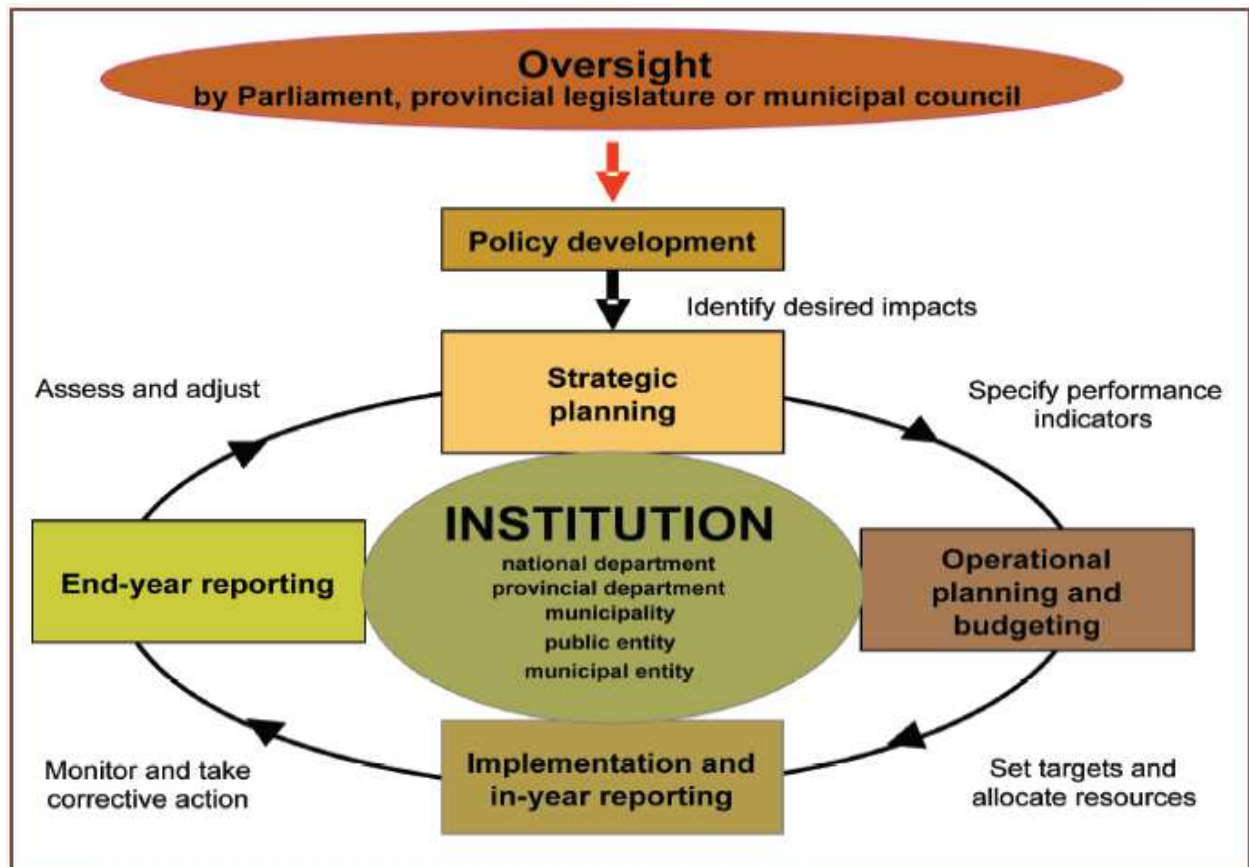
Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the new IDP.

The 2019/20 MTREF has therefore been directly informed by the IDP revision process.

1.8 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

1.8.1 Performance indicators and benchmarks

1.8.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Emalahleni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2019/20 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ratio is by far below the borrowing capacity of the municipality, but it needs to be noted that capital grants and transfers has contributed significantly to the municipality's capital expenditure programs, thus limiting the need for borrowing.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steady 1.7 percent throughout the MTREF period. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality should limit external interest charges to the minimum.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality does not intend borrowing in the 2019/20 and no other borrowings are planned over the MTREF period.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2019/20 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.8.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. This ratio is well below the norm, indicating a strong financial position.
- *The gearing ratio* is a measure of the total long-term borrowings over funds and reserves.

1.8.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of more than 2 which is a general benchmark,

hence at no point in time should this ratio be less than 2. For the 2019/20 MTREF the current ratio is 1,1 and 1.6 and 2.0 respectively for the two outer years of the MTREF, this is lower than the set limit. Going forward it will be good financial practices if these levels can be improved.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2019/20 financial year the ratio was 0.5 and it increases to 0.8 and 1.2% for the outer years of the MTREF which is an indication of a financially distressed Municipality, management has dramatically cut on expenditure and non-obligatory commitments and by the end of MTREF the municipality shows an improved cashflow and financial health of the municipality.

1.8.1.4 Revenue Management

- As part of the financial sustainability, an aggressive revenue management framework should be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days. The intention of the framework should be to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. The collection rates in this indicator is based on all cash receipts, also for direct income. The collection rate used for the calculation of debtors' payments was average of 30 per cent and should increase if the municipality wants to be financial stable as a going concern conservative approach in order to cater for the current negative economic climate.

1.8.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

1.8.1.6 Other Indicators

- The municipality needs to know what causes high electricity losses. The municipality has then to developed mechanism to determine what is an acceptable distribution loss and what should be contributed to theft.
- Employee costs as a percentage of operating revenue is constantly growing over the MTREF. This is primarily owing to the high employee costs which are growing on an annual basis, the municipality has taken an approach to either cut expenditure or keep it in line with prior year budget, however employee costs cannot be cut, the increases in revenue are therefore consumed by the growing employee costs, hence the employee costs percent against revenue has remained constant.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also fairly constant owing directly to cost drivers such as bulk purchases increasing far above inflation. The expenditure on repairs and maintenance is well below

acceptable levels, but the actual cost will only be determined when a costing system is implemented.

1.8.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the MTREF 3900 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 50 kwh of electricity, free sanitation and free waste removal equivalent once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained elsewhere in this report.

1.9 OVERVIEW OF BUDGET RELATED-POLICIES

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

There was a policy review workshop during the month of May 2019 so as to make sure all users of it understand it. The following is a broad framework of all the policies the council have:

1.9.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council annually is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. In addition, emphasis was placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services.

The 2019/20 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 55 per cent on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

1.9.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

1.9.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

1.9.4 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed presented to Council in May 2019. Any amendments policy to the policy will be considered by Council when it arises of which the amendments will be extensively consulted on.

1.9.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The amended policy to accommodate the requirements of mSCOA was workshopped and presented to Council in May 2019 and is expected to be adopted before the end of the financial year to be implemented in the 2019/20 financial year.

1.9.6 Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

1.9.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the website and at the main municipal building, as well as the following budget related policies:

- Property Rates Policy;

- Funding and Reserves Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

1.10 OVERVIEW OF BUDGET ASSUMPTIONS

1.10.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2019 will be minimal with a slightly better growth in the outer years.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

1.10.2 General inflation outlook and its impact on the municipal activities

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

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

1.10.3 Credit rating outlook

The Municipality did not perform a credit rating outlook.

1.10.4 Interest rates for borrowing and investment of funds

The municipality expected that interest rates will be adjusted slightly upwards during the MTREF period and it has been budget for as such.

1.10.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as an averaged percentage (55.6 per cent) of annual billings. Cash flow is assumed to be on average 55.6 per cent of billings. The performance

of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.10.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

1.10.7 Salary increases

An 8% increase have been provided for Councillors, a provision of 9% increase has been made for employee related costs and a 10% increase has been provided for Directors remuneration increase. Employee related costs including Councillor allowances now represent 54% of Total expenditure which is above NT maximum of 40%. The municipality will continue to improve its revenue enhancement and delay filling of non- crucial posts to ensure the percentage is brought down and maintained under control.

1.10.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

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

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2019/20 MTREF of which performance has been factored into the cash flow budget.

1.11 OVERVIEW OF BUDGET FUNDING

1.11.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

EC136 Emalahleni (Ec) - Table B1 Adjustments Budget Summary - 28022020												
Description	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22	
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
	A	A1	B	C	D	E	F	G	H			
R thousands	A	A1	B	C	D	E	F	G	H			
Financial Performance												
Property rates	4 799	–	–	–	–	–	3 534	3 534	8 334	8 917	9 541	
Service charges	23 342	–	–	–	–	–	4 602	4 602	27 943	29 715	32 277	
Investment revenue	1 147	–	–	–	–	–	296	296	1 443	1 200	1 202	
Transfers recognised - operational	138 711	–	–	–	–	–	–	–	138 711	141 127	149 122	
Other own revenue	12 568	–	–	–	–	–	4 135	4 135	16 703	18 543	19 976	
Total Revenue (excluding capital transfers and contributions)	180 567	–	–	–	–	–	12 567	12 567	193 134	199 503	212 119	

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

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

1.11.2 Cash Flow Management

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

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

MBRR Table A7 - Budget cash flow statement

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		4 050	–	–	–	–	–	1 034	1 034	5 084	5 439	5 240
Service charges		18 294	–	–	–	–	–	1 994	1 994	20 289	21 995	23 836
Other revenue		4 903	–	–	–	–	–	6 976	6 976	11 878	12 048	13 021
Government - operating	1	133 306	–	–	–	–	–	2 670	2 670	135 976	141 127	149 122
Government - capital	1	31 848	–	–	–	–	–	890	890	32 738	33 484	35 837
Interest		8 747	–	–	–	–	–	(7 600)	(7 600)	1 147	1 200	1 202
Dividends		–	–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees		(166 161)	–	–	–	–	–	10 640	10 640	(155 521)	(494 108)	(513 323)
Finance charges		(271)	–	–	–	–	–	(0)	(0)	(271)	(812)	(893)
Transfers and Grants	1	(100)	–	–	–	–	–	(80)	(80)	(180)	(315)	(331)
NET CASH FROM/(USED) OPERATING ACTIVITIES		34 616	–	–	–	–	–	16 525	16 525	51 141	(279 941)	(286 288)
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		–	–	–	–	–	–	22 000	22 000	22 000	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–
Payments												
Capital assets		(34 913)	–	–	–	–	–	136	136	(34 777)	(101 351)	(108 561)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(34 913)	–	–	–	–	–	22 136	22 136	(12 777)	(101 351)	(108 561)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–	–
Payments												
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(297)	–	–	–	–	60	38 661	38 661	38 364	(381 292)	(394 848)
Cash/cash equivalents at the year begin:	2	–	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end:	2	(297)	–	–	–	–	–	38 661	38 661	38 364	(381 292)	(394 848)

1.11.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

MBRR Table B8 - Cash backed reserves/accumulated surplus reconciliation

EC136 Emalahleni (Ec) - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28022020

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	(297)	-	-	-	-	-	38 661	38 661	38 364	(381 292)	(394 848)
Other current investments > 90 days		91 222	-	-	-	-	-	(109 508)	(109 508)	(18 286)	419 462	453 186
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		90 925	-	-	-	-	-	(70 847)	(70 847)	20 078	38 169	58 338
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	8 265	-					4 538	4 538	12 802	10 330	10 430
Other provisions												
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		-	-					-	-	-	-	-
Total Application of cash and investments:		8 265	-	-	-	-	-	4 538	4 538	12 802	10 330	10 430
Surplus(shortfall)		82 660	-	-	-	-	-	(75 385)	(75 385)	7 276	27 839	47 908

From the above table it can be seen that the cash and investments available total positive R 38 364 million in the 2019/20 financial year and progressively decreases to -R 394 848 million by 2021/22, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.

- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the Capital Replacement Reserve, Employee Benefits Reserves and the Rehabilitation of landfill sites and quarries.

1.11.4 Funding compliance measurement

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

MBRR SB6 – Funding compliance measurement

EC136 Emalahleni (Ec) - Supporting Table SB6 Adjustments Budget - funding measurement - 28022020

Description	Ref	MFMA section	2016/17	2017/18	2018/19	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b				(297)	–	38 364	(381 292)	(394 848)
Cash + investments at the yr end less applications - R'000	2	18(1)b				82 660	–	7 276	27 839	47 908
Cash year end/monthly employee/supplier payments	3	18(1)b				–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				15 497	–	39 617	36 132	40 928
Service charge rev % change - macro CPI target exclusive	5	18(1)a,(2)				0.0%	0.0%	0.0%	0.5%	2.2%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	66.9%	0.0%	70.3%	69.1%	68.1%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				20.3%	0.0%	15.9%	17.9%	19.9%
Capital payments % of capital expenditure	8	18(1)c;19				100.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							0.1%	0.1%
Long term receivables % change - incr(decr)	12	18(1)a							0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				1.1%	0.0%	1.2%	1.1%	1.1%
Asset renewal % of capital budget	14	20(1)(vi)				1.0%	0.0%	8.5%	15.8%	82.4%

1.11.4.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of

non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

1.11.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. the reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.11.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

1.11.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2019/20 MTREF and outer years the municipality has no deficits.

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

1.11.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 percent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth is higher than forecasted CPIX for the respective financial year of the 2019/20 MTREF which is mainly due to higher electricity tariff increase. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

1.11.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 55 per cent for 2019/20 and the outer financial years. Given that the assumed collection rate was

based on an average of 55 per cent performance target, the cash flow statement has been conservatively determined. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

1.11.4.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated between 30 and 28 per cent over the MTREF.

1.11.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

1.11.4.9 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

1.11.4.10 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

1.11.4.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

1.11.4.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

1.12 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS

MBRR SA19 - Expenditure on transfers and grant programmes

EC136 Emalahleni (Ec) - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 28022020

Description	Ref	Budget Year 2019/20							Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			2	3	4	5	6	7		
R thousands		A	A1	B	C	D	E	F		
EXPENDITURE	1									
Operating expenditure of Transfers and Grants										
National Government:		130 556	-	-	-	-	-	130 556	137 646	145 720
Local Government Equitab		123 739				-	-	123 739	130 898	138 730
Finance Management		2 880				-	-	2 880	3 312	3 312
EPWP Incentive		2 261				-	-	2 261	1 762	1 886
0							-	-		
0							-	-		
MIG - Operating Grant		1 676				-	-	1 676	1 674	1 792
Provincial Government:		3 307	-	-	-	(2)	(2)	3 305	952	958
Sport and Recreation		952				(2)	(2)	950	952	958
0							-	-		
Other transfers and grants		1 005				-	-	1 005		
Other transfers and grants		1 350				-	-	1 350		
District Municipality:		450	-	-	-	-	-	450	-	-
CHDM		450				-	-	450		
0							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
0							-	-		
Total operating expenditure		134 313	-	-	-	(2)	(2)	134 311	138 598	146 678
Capital expenditure of Transfers and Grants										
National Government:		31 848	-	-	-	-	-	31 848	33 484	35 837
Municipal Infrastructure Gra		31 848					-	31 848	33 484	35 837
Other capital transfers [insert description]							-	-		
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]							-	-		
0							-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
0							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]							-	-		
0							-	-		
Total capital expenditure of		31 848	-	-	-	-	-	31 848	33 484	35 837
Total capital expenditure of		166 161	-	-	-	(2)	(2)	166 159	172 082	182 515

MBRR SB9 - Reconciliation between of transfers, grant receipts and unspent funds

EC136 Emalahleni (Ec) - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 28022020										
Description	Ref	Budget Year 2019/20							Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2	3	4	5	6	7		
R thousands		A	A1	B	C	D	E	F		
Operating transfers and grants:										
National Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Provincial Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
District Municipality:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:										
National Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Provincial Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
District Municipality:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

1.13 COUNCILLOR AND EMPLOYEE BENEFITS

MBRR SB11 - Summary of councillor and staff benefits

EC136 Emalahleni (Ec) - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 28022020											
Summary of remuneration	Ref	Budget Year 2019/20									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	A1	B	C	D	E	F	G	H	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		11 695	-			-		(69)	(69)	11 626	-0.6%
Pension and UIF Contributions		-	-			-		-	-	-	
Medical Aid Contributions		-	-			-		-	-	-	
Motor Vehicle Allowance		-	-			-		-	-	-	
Cellphone Allowance		1 669	-			-		(70)	(70)	1 599	
Housing Allowances		-	-			-		-	-	-	
Other benefits and allowances		706	-			-		-	-	706	
Sub Total - Councillors		14 070	-			-		(139)	(139)	13 931	-1.0%
% increase			(0)							(0)	
Senior Managers of the Municipality											
Basic Salaries and Wages		9 613	-	-		-		(1 866)	(1 866)	7 746	-19.4%
Pension and UIF Contributions		12	-	-		-		(2)	(2)	10	-16.7%
Medical Aid Contributions		-	-	-		-		-	-	-	
Overtime		-	-	-		-		-	-	-	
Performance Bonus		1 336	-	-		-		(1 135)	(1 135)	200	
Motor Vehicle Allowance		-	-	-		-		-	-	-	
Cellphone Allowance		-	-	-		-		-	-	-	
Housing Allowances		-	-	-		-		-	-	-	
Other benefits and allowances		56	-	-		-		(56)	(56)	0	
Payments in lieu of leave		-	-	-		-		-	-	-	
Long service awards		-	-	-		-		-	-	-	
Post-retirement benefit obligations	5	649	-	-		-		(540)	(540)	109	-83.2%
Sub Total - Senior Managers of Municipality		11 665	-	-		-		(3 599)	(3 599)	8 066	-30.9%
% increase			(0)							(0)	
Other Municipal Staff											
Basic Salaries and Wages		56 785	-	-	-	-	-	(8 797)	(8 797)	47 987	-15.5%
Pension and UIF Contributions		9 531	-	-	-	-	-	(1 574)	(1 574)	7 957	-16.5%
Medical Aid Contributions		2 900	-	-	-	-	-	(131)	(131)	2 769	-4.5%
Overtime		1 695	-	-	-	-	-	(347)	(347)	1 348	-20.5%
Performance Bonus		4 199	-	-	-	-	-	(1 052)	(1 052)	3 147	
Motor Vehicle Allowance		4 335	-	-	-	-	-	(1 619)	(1 619)	2 716	-37.4%
Cellphone Allowance		680	-	-	-	-	-	289	289	968	42.4%
Housing Allowances		249	-	-	-	-	-	(80)	(80)	169	
Other benefits and allowances		411	-	-	-	-	-	(211)	(211)	199	
Payments in lieu of leave		273	-	-	-	-	-	-	-	273	0.0%
Long service awards		436	-	-	-	-	-	(370)	(370)	66	-84.9%
Post-retirement benefit obligations	5	-	-	-	-	-	-	-	-	-	
Sub Total - Other Municipal Staff		81 492	-	-	-	-	-	(13 893)	(13 893)	67 599	-17.0%
% increase											
Total Parent Municipality		107 227	-	-	-	-	-	(17 631)	(17 631)	89 596	-16.4%

EC136 Emalahleni (Ec) - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 28022020

Summary of remuneration	Ref	Budget Year 2019/20									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	A1	B	C	D	E	F	G	H	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		11 695	-			-		(69)	(69)	11 626	-0.6%
Pension and UIF Contributions		-	-			-		-	-	-	
Medical Aid Contributions		-	-			-		-	-	-	
Motor Vehicle Allowance		-	-			-		-	-	-	
Cellphone Allowance		1 669	-			-		(70)	(70)	1 599	
Housing Allowances		-	-			-		-	-	-	
Other benefits and allowances		706	-			-		-	-	706	
Sub Total - Councillors		14 070	-			-		(139)	(139)	13 931	-1.0%
% increase			(0)							(0)	
Senior Managers of the Municipality											
Basic Salaries and Wages		9 613	-	-		-		(1 866)	(1 866)	7 746	-19.4%
Pension and UIF Contributions		12	-	-		-		(2)	(2)	10	-16.7%
Medical Aid Contributions		-	-	-		-		-	-	-	
Overtime		-	-	-		-		-	-	-	
Performance Bonus		1 336	-	-		-		(1 135)	(1 135)	200	
Motor Vehicle Allowance		-	-	-		-		-	-	-	
Cellphone Allowance		-	-	-		-		-	-	-	
Housing Allowances		-	-	-		-		-	-	-	
Other benefits and allowances		56	-	-		-		(56)	(56)	0	
Payments in lieu of leave		-	-	-		-		-	-	-	
Long service awards		-	-	-		-		-	-	-	
Post-retirement benefit obligations	5	649	-	-		-		(540)	(540)	109	-83.2%
Sub Total - Senior Managers of Municipality		11 665	-	-		-		(3 599)	(3 599)	8 066	-30.9%
% increase			(0)							(0)	
Other Municipal Staff											
Basic Salaries and Wages		56 785	-	-	-	-	-	(8 797)	(8 797)	47 987	-15.5%
Pension and UIF Contributions		9 531	-	-	-	-	-	(1 574)	(1 574)	7 957	-16.5%
Medical Aid Contributions		2 900	-	-	-	-	-	(131)	(131)	2 769	-4.5%
Overtime		1 695	-	-	-	-	-	(347)	(347)	1 348	-20.5%
Performance Bonus		4 199	-	-	-	-	-	(1 052)	(1 052)	3 147	
Motor Vehicle Allowance		4 335	-	-	-	-	-	(1 619)	(1 619)	2 716	-37.4%
Cellphone Allowance		680	-	-	-	-	-	289	289	968	42.4%
Housing Allowances		249	-	-	-	-	-	(80)	(80)	169	
Other benefits and allowances		411	-	-	-	-	-	(211)	(211)	199	
Payments in lieu of leave		273	-	-	-	-	-	-	-	273	0.0%
Long service awards		436	-	-	-	-	-	(370)	(370)	66	-84.9%
Post-retirement benefit obligations	5	-	-	-	-	-	-	-	-	-	
Sub Total - Other Municipal Staff		81 492	-	-	-	-	-	(13 893)	(13 893)	67 599	-17.0%
% increase											
Total Parent Municipality		107 227	-	-	-	-	-	(17 631)	(17 631)	89 596	-16.4%

EC136 Emalahleni (Ec) - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2017/18			Current Year 2018/19			Budget Year 2019/20		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			34		34	34		34			
Board Members of municipal entities		4	–	–	–	–	–	–			
Municipal employees											
Municipal Manager and Senior Managers		5									
Other Managers		3	7	–	6	7	–	6			
Professionals		7	14	12	1	14	12	1			
Finance			40	38	2	41	39	2	–	–	–
Spatial/town planning			11	11	–	11	11	–			
Information Technology			1	1	–	1	1	–			
Roads			1	1	–	1	1	–			
Electricity			5	3	2	5	3	2			
Water			1	1	–	1	1	–			
Sanitation			–	–	–	–	–	–			
Refuse			–	–	–	–	–	–			
Other			1	1	–	1	1	–			
Technicians			20	20	–	21	21	–			
Finance			1	1	–	1	1	–	–	–	–
Spatial/town planning											
Information Technology											
Roads			1	1	–	1	1	–			
Electricity											
Water											
Sanitation											
Refuse											
Other											
Clerks (Clerical and administrative)			26	25	–	26	26	–			
Service and sales workers			2	2	–	2	2	–			
Skilled agricultural and fishery workers			–	–	–	–	–	–			
Craft and related trades			–	–	–	–	–	–			
Plant and Machine Operators			–	–	–	–	–	–			
Elementary Occupations			19	19	–	19	18	1			
			77	77	–	77	77	–			
TOTAL PERSONNEL NUMBERS		9	220	174	43	221	175	44	–	–	–

1.14 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MBRR SB14 - Budgeted monthly revenue and expenditure

EC136 Emalahleni (Ec) - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure - 28022020

Description	Ref	Budget Year 2019/20												Full year budget	Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Revenue By Source																	
Property rates		32	32	3 229	522	565	565	565	565	565	565	565	565	8 334	8 334	8 917	9 541
Service charges - electricity revenue		1 181	834	1 267	1 779	1 779	1 779	1 779	1 779	1 779	1 779	1 779	1 579	19 093	19 093	20 962	22 771
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		572	410	415	739	739	739	739	739	739	739	739	1 539	8 850	8 850	8 754	9 506
Rental of facilities and equipment		84	84	84	84	84	84	84	84	84	84	84	545	1 468	1 468	1 561	1 616
Interest earned - external investments		120	120	120	120	120	120	120	120	120	120	120	120	1 443	1 443	1 200	1 202
Interest earned - outstanding debtors		574	574	574	574	574	574	574	574	574	574	574	574	6 890	6 890	6 557	7 014
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		33	33	33	33	33	33	33	33	33	33	33	33	399	399	118	123
Licences and permits		172	172	172	172	172	172	172	172	172	172	172	172	2 062	2 062	6 738	7 403
Agency services		65	65	65	65	65	65	65	65	65	65	65	668	1 384	1 384	2 402	2 647
Transfers and subsidies		11 331	11 331	11 331	11 331	11 331	11 331	11 331	11 331	11 331	11 331	11 331	14 066	138 711	138 711	141 127	149 122
Other revenue		158	158	158	158	158	158	158	158	158	158	158	2 761	4 500	4 500	1 167	1 174
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue		14 323	13 814	17 449	15 578	15 621	15 621	15 621	15 621	15 621	15 621	15 621	22 623	193 134	193 134	199 503	212 119
Expenditure By Type																	
Employee related costs		6 408	6 407	6 407	6 407	6 407	6 407	6 407	6 407	6 407	6 407	6 407	8 142	78 625	78 625	96 680	105 099
Remuneration of councillors		1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	13 931	13 931	14 816	16 001
Debt impairment		250	250	250	250	625	625	625	625	625	625	625	625	6 000	6 000	7 200	8 640
Depreciation & asset impairment		2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	24 256	24 256	25 469	26 743
Finance charges		23	23	23	23	23	23	23	23	23	23	23	23	271	271	271	298
Bulk purchases		1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 066	13 892	13 892	15 513	16 994
Other materials		197	197	197	197	197	197	197	197	197	197	197	313	2 482	2 482	1 163	1 170
Contracted services		2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 177	2 177	2 177	2 177	(6 377)	16 466	16 466	17 306	13 633
Grants and subsidies		16	16	16	16	16	16	16	16	16	16	16	16	195	195	235	240
Other expenditure		1 712	1 754	1 904	1 776	1 782	1 782	1 782	1 782	1 782	1 782	1 782	1 628	21 247	21 247	18 202	18 211
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	8 000	8 000	8 000	-	-
Total Expenditure		14 974	15 015	15 165	15 037	15 418	15 418	15 418	15 576	15 576	15 576	15 576	16 618	185 366	185 366	196 854	207 028
Surplus/(Deficit)		(651)	(1 200)	2 284	541	204	203	203	45	45	45	45	6 004	7 769	7 769	2 648	5 091
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654		31 848	33 484	35 837
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Surplus/(Deficit) after capital transfers & contributions		2 003	1 454	4 938	3 195	2 858	2 857	2 857	2 699	2 699	2 699	2 699	8 658	7 769	39 617	36 132	40 928

MBRR SB13 - Budgeted monthly revenue and expenditure (standard classification)

EC136 Emalaheni (Ec) - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) - 28022020

- Standard cl	Ref	Budget Year 2019/20												Full year budget	Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Revenue - Functional																	
Governance and administration		11 174	11 174	14 372	11 664	11 708	11 708	11 708	11 708	11 708	11 708	11 708	11 708	142 046	142 046	148 364	156 924
Executive and council		605	605	605	605	605	605	605	605	605	605	605	605	7 254	7 254	7 597	7 959
Finance and administration		10 570	10 570	13 767	11 060	11 103	11 103	11 103	11 103	11 103	11 103	11 103	11 103	134 792	134 792	140 767	148 965
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public services		211	211	211	211	211	211	211	211	211	211	211	211	2 535	2 535	2 918	3 016
Community and social services		114	114	114	114	114	114	114	114	114	114	114	114	1 371	1 371	1 681	1 775
Sport and recreation		0	0	0	0	0	0	0	0	0	0	0	0	3	3	13	14
Public safety		96	96	96	96	96	96	96	96	96	96	96	96	1 151	1 151	1 192	1 192
Housing		1	1	1	1	1	1	1	1	1	1	1	1	10	10	32	35
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental management		2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	35 878	35 878	35 301	37 781
Planning and development		2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	2 990	35 878	35 878	35 301	37 781
Road transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		2 345	1 836	2 274	3 110	3 110	3 110	3 110	3 110	3 110	3 110	3 110	3 110	34 446	34 446	37 315	40 237
Energy sources		1 260	913	1 346	1 858	1 858	1 858	1 858	1 858	1 858	1 858	1 858	1 858	20 240	20 240	24 931	26 810
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		1 085	923	928	1 252	1 252	1 252	1 252	1 252	1 252	1 252	1 252	1 252	14 206	14 206	12 384	13 427
Other		256	256	256	256	256	256	256	256	256	256	256	256	3 076	3 076	9 087	9 998
Total Revenue - Functional		16 977	16 468	20 103	18 232	18 275	18 275	18 275	18 275	18 275	18 275	18 275	18 275	217 981	217 981	232 986	247 956
Expenditure - Functional																	
Governance and administration		7 623	7 644	7 795	7 630	8 007	8 008	8 008	8 008	8 008	8 008	8 008	8 008	94 752	94 752	99 171	101 745
Executive and council		2 480	2 483	2 507	2 417	2 419	2 420	2 420	2 420	2 420	2 420	2 420	2 420	29 247	29 247	32 687	34 915
Finance and administration		5 051	5 068	5 195	5 120	5 495	5 495	5 495	5 495	5 495	5 495	5 495	5 495	64 393	64 393	63 981	64 136
Internal audit		93	93	93	93	93	93	93	93	93	93	93	93	1 112	1 112	2 503	2 693
Community and public services		1 217	1 217	1 217	1 240	1 240	1 240	1 240	1 397	1 397	1 397	1 397	1 397	15 596	15 596	18 484	19 663
Community and social services		619	619	619	635	635	635	635	793	793	793	793	793	8 361	8 361	9 785	10 543
Sport and recreation		207	207	207	207	207	207	207	207	207	207	207	207	2 484	2 484	2 372	2 533
Public safety		186	186	186	186	186	186	186	186	186	186	186	186	2 228	2 228	3 293	3 293
Housing		206	205	205	212	212	212	212	212	212	212	212	212	2 523	2 523	3 035	3 295
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental management		3 405	3 405	3 405	3 412	3 414	3 414	3 414	3 514	3 514	3 514	3 514	3 514	—	41 442	41 748	44 370
Planning and development		3 017	3 017	3 017	3 020	3 023	3 023	3 023	3 023	3 023	3 023	3 023	3 023	—	36 255	40 718	43 304
Road transport		388	388	388	391	391	391	391	491	491	491	491	491	—	5 187	1 030	1 066
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		2 669	2 691	2 690	2 698	2 698	2 698	2 698	2 698	2 698	2 698	2 698	3 138	32 769	32 769	34 549	37 022
Energy sources		1 648	1 648	1 648	1 648	1 648	1 648	1 648	1 648	1 648	1 648	1 648	1 648	19 771	19 771	21 089	22 662
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		137	137	137	137	137	137	137	137	137	137	137	137	—	1 643	1 652	1 787
Waste management		885	906	905	913	913	913	913	913	913	913	913	1 353	—	11 356	11 808	12 573
Other		140	140	140	140	140	140	140	140	140	140	140	140	—	1 684	3 924	4 228
Total Expenditure - Functional		15 055	15 096	15 247	15 119	15 499	15 500	15 500	15 757	15 757	15 757	15 757	16 197	143 117	186 243	197 877	207 028
Surplus/ (Deficit) 1.		1 921	1 372	4 857	3 113	2 776	2 775	2 775	2 518	2 518	2 518	2 518	2 078	74 863	31 738	35 109	40 928

MBRR SB12 - Budgeted monthly revenue and expenditure (municipal vote)

EC136 Emalahleni (Ec) - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) - 28022020

Description	Ref	Budget Year 2019/20													Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Full year budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Revenue by Vote																	
Vote 1 - Executive and council		605	605	605	605	605	605	605	605	605	605	605	605	7 254	7 254	7 597	7 959
Vote 2 - Corporate Services		84	84	84	84	84	84	84	84	84	84	84	84	1 005	1 005	1 005	1 005
Vote 3 - Budget and Treasury		10 565	10 565	13 762	11 253	11 296	11 296	11 296	11 296	11 296	11 296	11 296	11 296	136 510	136 510	142 635	150 960
Vote 4 - PEDTA		1	1	1	(197)	(197)	(197)	(197)	(197)	(197)	(197)	(197)	(197)	(1 768)	(1 768)	(1 899)	(2 032)
Vote 5 - Community Services and Social Services		1 472	1 311	1 315	1 639	1 639	1 639	1 639	1 639	1 639	1 639	1 639	1 639	18 852	18 852	23 383	25 438
Vote 6 - Infrastructure Development and Human Settlement		4 250	3 904	4 337	4 849	4 849	4 849	4 849	4 849	4 849	4 849	4 849	4 849	56 128	56 128	60 265	64 626
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		16 977	16 468	20 103	18 232	18 275	18 275	18 275	18 275	18 275	18 275	18 275	18 275	217 981	217 981	232 986	247 956
Expenditure by Vote																	
Vote 1 - Ex ecutive and council		2 582	2 585	2 609	2 522	2 522	2 523	2 523	2 523	2 523	2 523	2 523	2 523	30 479	30 479	35 549	38 187
Vote 2 - Corporate Services		1 832	1 841	1 956	1 898	1 898	1 898	1 898	1 898	1 898	1 898	1 898	1 898	22 715	22 715	24 680	21 531
Vote 3 - Budget and Treasury		4 350	4 359	4 371	4 352	4 727	4 727	4 727	4 727	4 727	4 727	4 727	4 742	55 262	55 262	64 037	72 677
Vote 4 - PEDTA		598	598	598	598	603	603	603	761	761	761	761	761	8 005	8 005	9 330	9 818
Vote 5 - Community Services and Social Services		2 790	2 811	2 810	2 840	2 840	2 840	2 840	2 840	2 840	2 840	2 840	3 265	34 393	34 393	39 457	41 635
Vote 6 - Infrastructure Development and Human Settlement		4 567	4 567	4 567	4 574	4 574	4 574	4 574	4 474	4 474	4 474	4 474	7 434	57 323	57 323	59 935	64 109
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		16 720	16 761	16 911	16 783	17 164	17 164	17 164	17 222	17 222	17 222	17 222	20 622	208 176	208 176	232 988	247 957
Surplus/ (Deficit)		257	(293)	3 192	1 448	1 111	1 111	1 111	1 053	1 053	1 053	1 053	(2 347)	9 804	9 804	(1)	(1)

MBRR SB16 - Budgeted monthly capital expenditure (municipal vote)

EC136 Emalahleni (Ec) - Supporting Table SB16 Adjustments Budget - monthly capital expenditure (municipal vote) - 28022020																	
Description - Municipal Vote	Ref	Budget Year 2019/20													Medium Term	Revenue and	Expenditure
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Full year budget	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget
Multi-year expenditure appropriation	1																
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PEDTA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services and Social Services		513	513	513	959	959	959	959	959	959	959	959	959	959	10 174	11 595	3 828
Vote 6 - Infrastructure Development and Human Settlement		1 711	1 711	1 711	1 933	1 933	1 933	1 933	1 933	1 933	1 933	1 933	1 933	1 933	22 533	21 889	32 009
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-tot	3	2 224	2 224	2 224	2 893	2 893	2 893	2 893	2 893	2 893	2 893	2 893	2 893	-	32 707	33 484	35 837
Single-year expenditure appropriation																	
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		60	60	60	60	60	60	60	69	69	69	69	69	69	763	300	350
Vote 3 - Budget and Treasury		-	-	-	119	119	119	119	161	161	161	161	161	(771)	350	-	-
Vote 4 - PEDTA		3	3	3	3	3	3	3	3	3	3	3	3	3	31	-	-
Vote 5 - Community Services and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Development and Human Settlement		-	-	-	-	-	-	-	5	5	5	5	5	5	24	-	-
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-tc	3	62	62	62	181	181	181	181	238	238	238	238	(695)	-	1 168	300	350
Total Capital Expenditure	2	2 287	2 287	2 287	3 074	3 074	3 074	3 074	3 131	3 131	3 131	3 131	2 198	-	33 875	33 784	36 187

MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

EC136 Emalahleni (Ec) - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) - 28022020																
Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital Expenditure - Functional																
Governance and administration		33	33	33	152	152	152	152	204	204	204	204	(410)	1 113	300	350
Executive and council		(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	67	–	–	–
Finance and administration		39	39	39	158	158	158	158	210	210	210	210	(477)	1 113	300	350
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		451	451	451	860	860	860	860	860	860	860	860	1 286	9 523	11 595	3 828
Community and social services		190	190	190	190	190	190	190	190	190	190	190	260	2 351	8 866	3 828
Sport and recreation		264	264	264	673	673	673	673	673	673	673	673	997	7 173	2 728	–
Public safety		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	29	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		1 231	1 231	1 231	1 454	1 454	1 454	1 454	1 458	1 458	1 458	1 458	1 611	16 954	11 079	32 009
Planning and development		–	–	–	–	–	–	–	5	5	5	5	5	24	–	–
Road transport		1 231	1 231	1 231	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 454	1 606	16 930	11 079	32 009
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		488	488	488	488	488	488	488	488	488	488	488	583	5 953	10 810	–
Energy sources		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	7	–	5 000	–
Water management		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	9	–	–	–
Waste water management		467	467	467	467	467	467	467	467	467	467	467	467	5 603	5 810	–
Waste management		23	23	23	23	23	23	23	23	23	23	23	100	350	–	–
Other		(2)	(2)	(2)	35	35	35	35	35	35	35	35	56	332	–	–
Total Capital Expenditure - Functional		2 202	2 202	2 202	2 989	2 989	2 989	2 989	3 046	3 046	3 046	3 046	3 125	33 875	33 784	36 187

MBRR SB14 - Budgeted monthly cash

EC136 Emalahleni (Ec) - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure - 28022020

Description	Ref	Budget Year 2019/20												Full year budget	Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June		Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Revenue By Source																	
Property rates		32	32	3 229	522	565	565	565	565	565	565	565	565	8 334	8 334	8 917	9 541
Service charges - electricity revenue		1 181	834	1 267	1 779	1 779	1 779	1 779	1 779	1 779	1 779	1 779	1 579	19 093	19 093	20 962	22 771
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		572	410	415	739	739	739	739	739	739	739	739	1 539	8 850	8 850	8 754	9 506
Rental of facilities and equipment		84	84	84	84	84	84	84	84	84	84	84	545	1 468	1 468	1 561	1 616
Interest earned - external investments		120	120	120	120	120	120	120	120	120	120	120	120	1 443	1 443	1 200	1 202
Interest earned - outstanding debtors		574	574	574	574	574	574	574	574	574	574	574	574	6 890	6 890	6 557	7 014
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		33	33	33	33	33	33	33	33	33	33	33	33	399	399	118	123
Licences and permits		172	172	172	172	172	172	172	172	172	172	172	172	2 062	2 062	6 738	7 403
Agency services		65	65	65	65	65	65	65	65	65	65	65	668	1 384	1 384	2 402	2 647
Transfers and subsidies		11 331	11 331	11 331	11 331	11 331	11 331	11 331	11 331	11 331	11 331	11 331	14 066	138 711	138 711	141 127	149 122
Other revenue		158	158	158	158	158	158	158	158	158	158	158	2 761	4 500	4 500	1 167	1 174
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue		14 323	13 814	17 449	15 578	15 621	15 621	15 621	15 621	15 621	15 621	15 621	22 623	193 134	193 134	199 503	212 119
Expenditure By Type																	
Employee related costs		6 408	6 407	6 407	6 407	6 407	6 407	6 407	6 407	6 407	6 407	6 407	8 142	78 625	78 625	96 680	105 099
Remuneration of councillors		1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	1 161	13 931	13 931	14 816	16 001
Debt impairment		250	250	250	250	625	625	625	625	625	625	625	625	6 000	6 000	7 200	8 640
Depreciation & asset impairment		2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	24 256	24 256	25 469	26 743
Finance charges		23	23	23	23	23	23	23	23	23	23	23	23	271	271	271	298
Bulk purchases		1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 166	1 066	13 892	13 892	15 513	16 994
Other materials		197	197	197	197	197	197	197	197	197	197	197	313	2 482	2 482	1 163	1 170
Contracted services		2 019	2 019	2 019	2 019	2 019	2 019	2 019	2 177	2 177	2 177	2 177	(6 377)	16 466	16 466	17 306	13 633
Grants and subsidies		16	16	16	16	16	16	16	16	16	16	16	16	195	195	235	240
Other expenditure		1 712	1 754	1 904	1 776	1 782	1 782	1 782	1 782	1 782	1 782	1 782	1 628	21 247	21 247	18 202	18 211
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	8 000	8 000	8 000	-	-
Total Expenditure		14 974	15 015	15 165	15 037	15 418	15 418	15 418	15 576	15 576	15 576	15 576	16 618	185 366	185 366	196 854	207 028
Surplus/(Deficit)		(651)	(1 200)	2 284	541	204	203	203	45	45	45	45	6 004	7 769	7 769	2 648	5 091
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654	2 654		31 848	33 484	35 837
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private)		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Surplus/(Deficit) after capital transfers & contributions		2 003	1 454	4 938	3 195	2 858	2 857	2 857	2 699	2 699	2 699	2 699	8 658	7 769	39 617	36 132	40 928

SB19 - Detailed capital budget per municipal vote

[illegible]

1.16 LEGISLATION COMPLIANCE STATUS

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed six interns undergoing training in various divisions of the Financial Services Department. Of the five interns two have already been appointed permanently.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2019/20 MTREF in May 2019 directly aligned and informed by the 2019/20 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

BRR Table SB2 – Matrix financial performance budget (revenue source/expenditure type and department)

EC136 Emalahleni (Ec) - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' -

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget A	Prior Adjusted 6 A1	Accum. Funds 7 B	Multi-year capital 8 C	Unfore. Unavoid. 9 D	Nat. or Prov. Govt 10 E	Other Adjusts. 11 F	Total Adjusts. 12 G	Adjusted Budget 13 H	Adjusted Budget	Adjusted Budget
R thousands												
REVENUE ITEMS												
Property rates												
Total Property Rates <i>less Revenue Budget Exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		5,849	–	–	–	–	–	4,264	4,264	10,114	10,822	11,579
Net Property Rates		1,050	–	–	–	–	–	730	730	1,780	1,904	2,038
		4,799	–	–	–	–	–	3,534	3,534	8,334	8,917	9,541
Service charges - electricity revenue												
Total Service charges - electricity revenue <i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		19,255	–	–	–	–	–	2,939	2,939	22,193	23,962	25,871
Net Service charges - electricity revenue		2,900	–	–	–	–	–	–	–	2,900	3,000	3,100
		16,355	–	–	–	–	–	2,939	2,939	19,293	20,962	22,771
Service charges - water revenue												
Net Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue												
Net Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue												
Total refuse removal revenue <i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		8,987	–	–	–	–	–	1,063	1,063	10,050	10,754	11,506
Net Service charges - refuse revenue		2,000	–	–	–	–	–	–	–	2,000	2,000	2,000
		6,987	–	–	–	–	–	1,063	1,063	8,050	8,754	9,506
Other Revenue By Source												
List other revenue by source												
Fuel Levy		0	0	0	0	0	0	0	–	–	0	0
Other Revenue		1959740	0	0	0	0	0	0	–	1,960	1166921	1173819
Total 'Other' Revenue	1	1,960	–	–	–	–	–	–	–	1,960	1,167	1,174
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages		68,154	–	–	–	–	–	(4,685)	(4,685)	63,469	67,981	73,849
Pension and UIF Contributions		9,542	–	–	–	–	–	–	–	9,542	10,333	11,213
Medical Aid Contributions		2,900	–	–	–	–	–	–	–	2,900	3,108	3,375
Overtime		–	–	–	–	–	–	–	–	–	–	–
Performance Bonus		5,535	–	–	–	–	–	(335)	(335)	5,200	5,961	6,476
Motor Vehicle Allowance		4,335	–	–	–	–	–	–	–	4,335	4,682	5,188
Cellphone Allowance		680	–	–	–	–	–	–	–	680	729	793
Housing Allowances		249	–	–	–	–	–	–	–	249	267	290
Other benefits and allowances		1,886	–	–	–	–	–	–	–	1,886	2,275	2,449
Payments in lieu of leave		273	–	–	–	–	–	–	–	273	250	273
Long service awards		436	–	–	–	–	–	–	–	436	400	436
Post-retirement benefit obligations		649	–	–	–	–	–	–	–	649	694	756
sub-total	4	94,637	–	–	–	–	–	(5,020)	(5,020)	89,618	96,680	105,099
Less: Employees costs capitalised to PPE		(1,480)	–	–	–	–	–	–	–	(1,480)	–	–
Total Employee related costs	1	96,117	–	–	–	–	–	(5,020)	(5,020)	88,138	96,680	105,099
Contributions recognised - capital												
Total Contributions recognised - capital		–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment		24,156	–	–	–	–	–	–	–	24,156	25,364	26,632
Lease amortisation		100	–	–	–	–	–	–	–	100	105	110
Total Depreciation & asset impairment	1	24,256	–	–	–	–	–	–	–	24,256	25,469	26,743
Bulk purchases												
Electricity Bulk Purchases		16,070	–	–	–	–	–	(1,500)	(1,500)	14,570	15,736	16,994
Water Bulk Purchases		–	–	–	–	–	–	–	–	–	–	–
Total bulk purchases	1	16,070	–	–	–	–	–	(1,500)	(1,500)	14,570	15,736	16,994
Transfers and grants												
Cash transfers and grants		100	–	–	–	–	–	–	–	100	105	110
Non-cash transfers and grants		130	–	–	–	–	–	–	–	130	130	130
Total transfers and grants		230	–	–	–	–	–	–	–	230	235	240
Contracted services												
List services provided by contract												
Outsourced Services		5,084	–	–	–	–	–	2,135	2,135	7,219	7,101	7,117
Consultants and Professional Services		3,010	–	–	–	–	–	6,500	6,500	9,510	7,291	2,792
Contractors		9,032	–	–	–	–	–	(3,965)	(3,965)	5,067	3,714	3,724
sub-total	1	17,126	–	–	–	–	–	4,670	4,670	21,796	18,106	13,633
Allocations to organs of state:												
Total contracted services??		17,126	–	–	–	–	–	4,670	4,670	21,796	18,106	13,633
Other Expenditure By Type												
Audit fees		3,000	–	–	–	–	–	–	–	3,000	3,000	3,000
General expenses	3,5	17,011	–	–	–	–	–	(1,988)	(1,988)	15,023	15,202	15,211
List Other Expenditure by Type												
Total Other Expenditure	1	20,011	–	–	–	–	–	(1,988)	(1,988)	18,023	18,202	18,211
Repairs and Maintenance	14											
Employee related costs		1,813	–	–	–	–	–	–	–	1,813	1,901	2,036
Other materials		265	–	–	–	–	–	–	–	265	265	265
Contracted Services		3,339	–	–	–	–	–	–	–	3,339	2,611	2,621
Other Expenditure		180	–	–	–	–	–	(20)	(20)	160	160	160
Total Repairs and Maintenance Expenditure	15	5,597	–	–	–	–	–	(20)	(20)	5,577	4,937	5,082

EC136 Emalahleni (Ec) - Supporting Table SB2 Supporting detail to 'Financial Position Budget' -

		Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
Description	Ref	Original Budget	Prior Adjusted 4	Accum. Funds 5	Multi-year capital 6	Unfore. Unavoid. 7	Nat. or Prov. Govt 8	Other Adjusts. 9	Total Adjusts. 10	Adjusted Budget 11	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Call investment deposits												
Call deposits		2,604	-	-	-	-	-	13,947	13,947	16,551	24,536	36,601
Other current investments		-	-	-	-	-	-	-	-	-	-	-
Total Call investment deposits	1	2,604	-	-	-	-	-	13,947	13,947	16,551	24,536	36,601
Consumer debtors												
Consumer debtors		66,295	-	-	-	-	-	(54,698)	(54,698)	11,598	11,618	11,637
Less: provision for debt impairment		-	-	-	-	-	-	-	-	-	-	-
Total Consumer debtors	1	66,295	-	-	-	-	-	(54,698)	(54,698)	11,598	11,618	11,637
Debt impairment provision												
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-	-	-
Contributions to the provision		-	-	-	-	-	-	-	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-	-
Balance at end of year		-	-	-	-	-	-	-	-	-	-	-
Property, plant & equipment												
PPE at cost/valuation (excl. finance leases)	2	485,268	-	-	-	-	-	(38,698)	(38,698)	446,570	454,884	464,329
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	-	-	-	-	-	-	-	-	-	-
Total Property, plant & equipment	1	485,268	-	-	-	-	-	(38,698)	(38,698)	446,570	454,884	464,329
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-	-	-
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-	-
Trade and other payables												
Trade Payables	12	70,656	-	-	-	-	-	(50,461)	(50,461)	20,195	18,372	18,372
Other creditors		-	-	-	-	-	-	-	-	-	-	-
Unspent conditional grants and receipts		-	-	-	-	-	-	-	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	1	70,656	-	-	-	-	-	(50,461)	(50,461)	20,195	18,372	18,372
Non current liabilities - Borrowing												
Borrowing	3	1,407	-	-	-	-	-	(1,034)	(1,034)	373	373	373
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		1,407	-	-	-	-	-	(1,034)	(1,034)	373	373	373
Provisions - non current												
Retirement benefits		-	-	-	-	-	-	-	-	-	-	-
List other major items		-	-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-	-
Other		13,394	-	-	-	-	-	3,984	3,984	17,378	17,378	17,378
Total Provisions - non current		13,394	-	-	-	-	-	3,984	3,984	17,378	17,378	17,378
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		329,543	-	-	-	-	-	95,845	95,845	425,388	451,434	481,059
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	329,543	-	-	-	-	-	95,845	95,845	425,388	451,434	481,059
Reserves												
Housing Development Fund		-	-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-	-
Other reserves (list)		-	-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	329,543	-	-	-	-	-	95,845	95,845	425,388	451,434	481,059
Total capital expenditure includes expenditure on nationally significant priorities:												
Provision of basic services		-	-	-	-	-	-	-	-	-	-	-
2010 World Cup		-	-	-	-	-	-	-	-	-	-	-

MBRR Table SA9 – Social, economic and demographic statistics and assumptions

EC136 Emalahleni (Ec) - Supporting Table SA9 Social, economic and demographic statistics and assumptions

C136 Enlalameni (EC) - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2015/16	2016/17	2017/18	Current Year 2018/19	2019/20 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			122,000		119,000	119,000	119,000	119,000	119,000	119,000		
Females aged 5 - 14			19,000		13,000	13,000	13,000	13,000	13,000	13,000		
Males aged 5 - 14			19,000		14,000	14,000	14,000	14,000	14,000	14,000		
Females aged 15 - 34			19,000		14,000	14,000	14,000	14,000	14,000	14,000		
Males aged 15 - 34			18,000		18,000	18,000	18,000	18,000	18,000	18,000		
Unemployment			21,000		18,000	18,000	18,000	18,000	18,000	18,000		
Monthly household income (no. of households)	1, 12											
No income			4,136		4,804	4,804	4,804	4,804	4,804	4,804		
R1 - R1 600			12,847		14,919	14,919	14,919	14,919	14,919	14,919		
R1 601 - R3 200			6,746		7,835	7,835	7,835	7,835	7,835	7,835		
R3 201 - R6 400			1,972		2,290	2,290	2,290	2,290	2,290	2,290		
R6 401 - R12 800			839		974	974	974	974	974	974		
R12 801 - R25 600			470		545	545	545	545	545	545		
R25 601 - R51 200			199		232	232	232	232	232	232		
R52 201 - R102 400			35		41	41	41	41	41	41		
R102 401 - R204 800			16		18	18	18	18	18	18		
R204 801 - R409 600			20		23	23	23	23	23	23		
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13		23,729		27,557	27,557	27,557	27,557	27,557	27,557		
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			121,822		119,460	119,460	119,460	119,460	119,460	119,460		
Number of poor people in municipal area			83,204		63,680	63,680	63,680	63,680	63,680	63,680		
Number of households in municipal area			27,280		31,681	31,681	31,681	31,681	31,681	31,681		
Number of poor households in municipal area			23,729		27,557	27,557	27,557	27,557	27,557	27,557		
Definition of poor household (R per month)			3,200		3,200	3,200	3,200	3,200	3,200	3,200		
Housing statistics	3											
Formal			14,804		14,804	14,804	14,804	14,804	14,804	14,804		
Informal			17,777		17,777	17,777	17,777	17,777	17,777	17,777		
Total number of households			32,581	-	32,581	32,581	32,581	32,581	32,581	32,581	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

1.17 OVERVIEW OF THE ANNUAL BUDGET PROCESS

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head Councillor of Financial Services/Mayor.

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

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.17.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule by 31 August 2019.

1.17.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2020/2021 MTREF, based on the approved 2019/20 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/21 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

1.17.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/2021 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/2021 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2019/20 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 93 and 94 has been taken into consideration in the planning and prioritisation process.

1.18 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2020/21 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

2019/20 Financial Year	2020/21 MTREF
1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)	1. To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)
2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)	2. To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)
3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.)	3. To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.)
4. To have a transparent and performance driven organisation (KPA Good governance and public participation)	4. To have a transparent and performance driven organisation (KPA Good governance and public participation)
5. To implement good financial management (KPA Financial management and viability)	6. To implement good financial management (KPA Financial management and viability)

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. To have a transparent and performance driven organisation

2. To ensure that cost effective, appropriate and efficient services are delivered
3. To ensure that conditions are created which stimulate the growth of the local economy
4. To implement good financial management
5. To have an effective and efficient administration

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

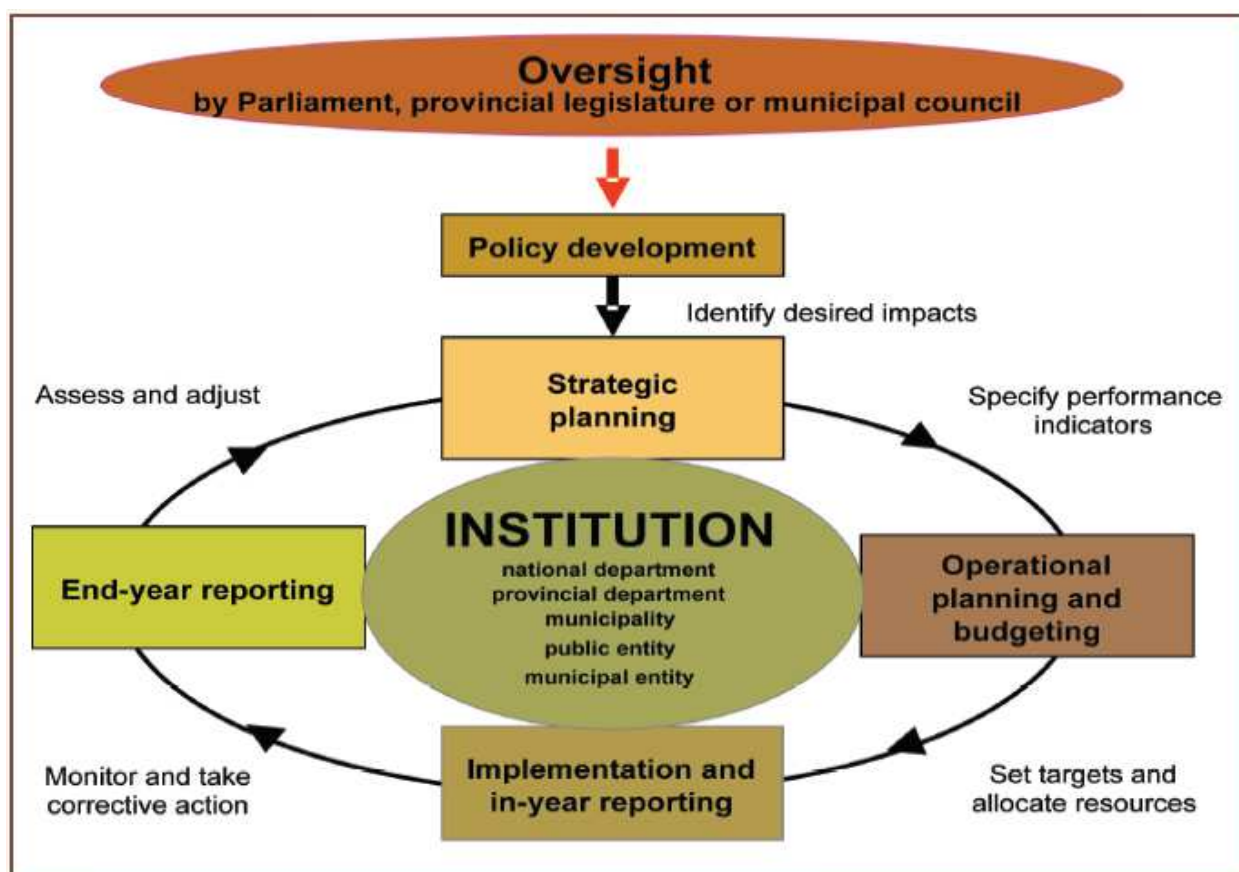
Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the new IDP.

The 2020/21 MTREF has therefore been directly informed by the IDP revision process and the following tables provide reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

1.19 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

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

MBRR Table SA8 - Performance indicators and benchmark

EC136 Emalahleni (Ec) - Supporting Table SA8 Performance indicators and benchmarks

EO 156 Enactment (EC) - Supporting Table CAC 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											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,0%	0,0%	0,8%	0,2%	0,2%	0,2%	0,0%	0,1%	0,2%	0,2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,0%	0,0%	4,1%	0,7%	0,5%	0,5%	0,0%	0,5%	0,5%	0,5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	–	–	0,9	1,9	0,3	0,3	–	1,1	1,6	1,6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	–	0,9	1,9	0,3	0,3	–	1,1	1,6	1,6
Liquidity Ratio	Monetary Assets/Current Liabilities	–	–	0,1	1,0	0,1	0,1	–	0,9	1,4	1,4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	0,0%	82,5%	73,5%	73,5%	0,0%	76,5%	77,3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	0,0%	0,0%	82,5%	73,5%	73,5%	0,0%	76,5%	77,3%	73,6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0,0%	0,0%	25,3%	179,7%	15,9%	15,9%	0,0%	3,6%	3,5%	3,4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0,0%	0,0%	-15,5%	176,6%	18,6%	18,6%	0,0%	46,7%	15,8%	10,3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0,0%	0,0%	50,2%	235,5%	149,4%	149,4%	0,0%	46,7%	45,0%	48,1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0,0%	0,0%	61,1%	262,8%	170,2%	170,2%		53,9%	52,5%	56,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0,0%	0,0%	2,1%	13,7%	7,8%	7,8%		1,5%	1,7%	1,7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0,0%	0,0%	16,1%	60,1%	46,6%	46,6%	0,0%	9,8%	9,1%	9,3%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	4,4	35,6	35,6	35,6	–	43,3	45,4	47,7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0,0%	0,0%	146,5%	256,8%	23,2%	23,2%	0,0%	19,6%	18,9%	18,0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	–	–	(12,4)	2,8	7,6	7,6	–	2,5	8,1	11,6

1.19.1 Performance indicators and benchmarks

1.19.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Emalahleni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2020/21 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. This ratio is by far below the borrowing capacity of the municipality, but it needs to be noted that capital grants and transfers has contributed significantly to the municipality's capital expenditure programs, thus limiting the need for borrowing.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing is steady 0.1 percent increasing to 0.2 percent throughout the MTREF period. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the Municipality should limit external interest charges to the minimum.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality does not intend borrowing in the 2020/21 and no other borrowings are planned over the MTREF period.

The Municipality's debt profile provides some interesting insights on the Municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2020/21 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

1.19.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. This ratio is 0.0 % well below the norm, indicating a strong financial position.
- *The gearing ratio* is a measure of the total long-term borrowings over funds and reserves.

1.19.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of more than 2 which is a general benchmark, hence at no point in time should this ratio be less than 2. For the 2020/21 MTREF the

current ratio is 1.1, this is lower than the set limit. Going forward it will be good financial practices if these levels can be improved.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2020/21 financial year the ratio was 0.9 and it increases to 1.4 and 1.4 percent for the outer years of the MTREF which is an indication of a financially distressed Municipality, management will need to dramatically cut on expenditure and non-obligatory commitments in order to be able to improve the cashflow and financial health of the municipality.

1.19.1.4 Revenue Management

- As part of the financial sustainability, an aggressive revenue management framework should be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears more than 90 days.

1.19.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

1.19.1.6 Other Indicators

- The municipality needs to know what causes high electricity losses. The municipality has then to developed mechanism to determine what is an acceptable distribution loss and what should be contributed to theft.
- Employee costs as a percentage of operating revenue is constantly growing over the MTREF. This is primarily owing to the high employee costs which are growing on an annual basis, the municipality has taken an approach to either cut expenditure or keep it in line with prior year budget, however employee costs cannot be cut, the increases in revenue are therefore consumed by the growing employee costs, hence the employee costs percent against revenue has remained constant.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also fairly constant owing directly to cost drivers such as bulk purchases increasing far above inflation. The expenditure on repairs and maintenance is well below acceptable levels, but the actual cost will only be determined when a costing system is implemented.

1.19.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the MTREF 3900 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 50 kwh of electricity, free

sanitation and free waste removal equivalent once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained elsewhere in this report.

1.20 OVERVIEW OF BUDGET RELATED-POLICIES

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

1.20.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council annually is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. In addition, emphasis was placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services.

The 2020/21 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 60 per cent on current billings. In addition, the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels.

1.20.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

1.20.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

1.20.4 Supply Chain Management Policy

The Supply Chain Management Policy was reviewed presented to Council in May 2019. Any amendments policy to the policy will be considered by Council when it arises of which the amendments will be extensively consulted on.

1.20.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The amended policy to accommodate the requirements of mSCOA was workshopped and presented to Council in May 2019 and is expected to be adopted before the end of the financial year to be implemented in the 2020/2021 financial year.

1.20.6 Cash Management and Investment Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

1.20.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the website and at the main municipal building, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

1.21 OVERVIEW OF BUDGET ASSUMPTIONS

1.21.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank fast and millions of people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven and that growth for 2020 will be minimal with a slightly better growth in the outer years.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

1.21.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/2021 MTREF:

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

1.21.3 Credit rating outlook

The Municipality did not perform a credit rating outlook.

1.21.4 Interest rates for borrowing and investment of funds

The municipality expected that interest rates will be adjusted slightly upwards during the MTREF period and it has been budget for as such.

1.21.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as an averaged percentage (42 per cent) of annual billings. Cash flow is assumed to be on average 42 per cent of billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.21.6 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

1.21.7 Salary increases

A 6% increase has been provided for Councillors, a provision of 6.25% increase for all staff has been made for employee related costs in line with the SALBC Multi Year Wage Collective.

Employee related costs including councillor allowances now represent 55% of operating expenditure which is above NT maximum of 40%. The municipality will continue to improve its revenue enhancement and delay filling of non- crucial posts to ensure the percentage is brought down and maintained under control.

1.21.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

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

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2020/21 MTREF of which performance has been factored into the cash flow budget.

1.22 OVERVIEW OF BUDGET FUNDING

1.22.1 Medium-term outlook: operating revenue

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

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

1.22.2 Cash Flow Management

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

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

MBRR Table A7 - Budget cash flow statement

EC136 Emalahleni (Ec) - Table A7 Budgeted Cash Flows

Notes to the Financial Statements (2020/21 Budgeted Cash Flow)											
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											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	4 050	5 084	5 084	–	5 439	5 240	5 240
Service charges		–	–	–	18 294	20 289	20 289	–	21 995	23 836	23 836
Other revenue		–	–	–	4 903	11 878	11 878	–	12 048	13 021	13 021
Transfers and Subsidies - Operational	1	–	–	–	133 306	135 976	135 976	–	136 525	144 379	144 379
Transfers and Subsidies - Capital	1	–	–	–	31 848	32 738	32 738	–	33 484	35 837	35 837
Interest		–	–	–	8 747	1 147	1 147	–	1 200	1 202	1 202
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		–	–	(151 665)	(166 161)	(146 644)	(146 644)	–	(174 835)	(155 504)	(167 310)
Finance charges		–	–	(1 586)	(271)	(271)	(271)	–	(280)	(294)	(308)
Transfers and Grants	1	–	–	(10 933)	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	–	(164 185)	34 716	60 198	60 198	–	35 576	67 717	55 897
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	22 000	22 000	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	–	–	–	22 000	22 000	–	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		–	–	(164 185)	34 716	82 198	82 198	–	35 576	67 717	55 897
Cash/cash equivalents at the year begin:	2	–	–	–	–	–	–	–	–	35 576	103 294
Cash/cash equivalents at the year end:	2	–	–	(164 185)	34 716	82 198	82 198	–	35 576	103 294	159 191

1.22.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

EC136 Emalahleni (Ec) - 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
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191
Other current investments > 90 days		-	-	168 329	53 605	(78 671)	(78 671)	-	2 593	(44 956)	(100 853)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	4 145	88 321	3 527	3 527	-	38 169	58 338	58 338
Application of cash and investments											
Unspent conditional transfers		-	-	-	1	788	788	-	0	0	0
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	25 525	10 924	9 221	9 221	-	10 977	10 575	10 850
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	-	25 525	10 925	10 010	10 010	-	10 978	10 575	10 850
Surplus(shortfall)		-	-	(21 381)	77 396	(6 483)	(6 483)	-	27 192	47 763	47 488

From the above table it can be seen that the cash and investments available total positive R38.169 million in the 2020/21 financial year and progressively increase to R58.338 million by 2021/22 and R58.338 million over the MTREF including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the Capital Replacement Reserve, Employee Benefits Reserves and the Rehabilitation of landfill sites and quarries.

1.22.4 Funding compliance measurement

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

MBRR SA10 – Funding compliance measurement

EC136 Emalahleni (Ec) Supporting Table SA10 Funding measurement

Description	MFMA section	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
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	-	(164 185)	34 716	82 198	82 198	-	35 576	103 294	159 191
Cash + investments at the yr end less applications - R'000	18(1)b	2	-	-	(21 381)	77 396	(6 483)	(6 483)	-	27 192	47 763	47 488
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	(12,4)	2,8	7,6	7,6	-	2,5	8,1	11,6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	(7 360)	(104 253)	(79 627)	(79 627)	-	33 553	65 046	58 011
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6,0%)	(6,0%)	(4,7%)	21,3%	(6,0%)	(106,0%)	(2,1%)	(1,1%)	(1,0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0,0%	0,0%	0,0%	68,7%	72,8%	72,8%	0,0%	78,1%	79,4%	75,6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0,0%	0,0%	45,0%	22,1%	17,4%	17,4%	0,0%	11,2%	11,2%	11,2%
Capital payments % of capital expenditure	18(1)c;19	8	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0,0%	0,0%	81,0%	(88,6%)	0,0%	(100,0%)	(13,7%)	1,1%	0,0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0,0%	0,0%	0,8%	1,2%	0,9%	0,9%	0,0%	0,6%	0,8%	0,8%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	8,8%	1,0%	8,3%	8,3%	0,0%	41,3%	69,0%	83,4%

1.23 COUNCILLOR AND EMPLOYEE BENEFITS :MBRR SA22 - SUMMARY OF COUNCILLOR AND STAFF BENEFITS

EC136 Emalaheni (Ec) - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		—	—	12 266	11 695	11 626	11 626	13 070	14 247	15 671
Cellphone Allowance		—	—	549	1 669	1 599	1 599	1 268	1 383	1 521
Other benefits and allowances		—	—	—	706	706	706	—	—	—
Sub Total - Councillors		—	—	12 814	14 070	13 931	13 931	14 339	15 629	17 192
% increase	4			—	9,8%	(1,0%)	—	2,9%	9,0%	10,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		—	—	7 463	9 613	7 746	7 746	10 694	9 862	10 848
Pension and UIF Contributions		—	—	117	12	10	10	11	10	11
Performance Bonus		—	—	(1 094)	1 336	200	200	1 442	1 574	1 719
Cellphone Allowance	3	—	—	33	—	—	—	—	—	—
Other benefits and allowances	3	—	—	339	56	0	0	1	1	1
Post-retirement benefit obligations	6	—	—	(9)	649	109	109	—	—	—
Sub Total - Senior Managers of Municipality		—	—	6 849	11 665	8 066	8 066	12 147	11 446	12 578
% increase	4			—	70,3%	(30,9%)	—	50,6%	(5,8%)	9,9%
Other Municipal Staff										
Basic Salaries and Wages		—	—	54 653	56 785	47 787	47 787	54 940	55 501	60 969
Pension and UIF Contributions		—	—	5 475	9 531	7 957	7 957	9 576	9 669	10 632
Medical Aid Contributions		—	—	3 304	2 900	2 769	2 769	3 526	3 575	3 933
Overtime		—	—	1 390	1 695	1 348	1 348	2 250	2 475	2 723
Performance Bonus		—	—	5 389	4 199	3 147	3 147	5 372	5 889	6 458
Motor Vehicle Allowance	3	—	—	4 409	4 335	2 716	2 716	4 548	3 954	4 350
Cellphone Allowance	3	—	—	641	680	968	968	529	487	535
Housing Allowances	3	—	—	943	249	169	169	168	171	188
Other benefits and allowances	3	—	—	771	411	399	399	768	833	906
Payments in lieu of leave		—	—	650	273	273	273	—	—	—
Long service awards		—	—	501	436	66	66	—	—	—
Post-retirement benefit obligations	6	—	—	88	—	—	—	—	—	—
Sub Total - Other Municipal Staff		—	—	78 214	81 492	67 599	67 599	81 677	82 556	90 694
% increase	4			—	4,2%	(17,0%)	—	20,8%	1,1%	9,9%
Total Parent Municipality		—	—	97 877	107 227	89 596	89 596	108 163	109 632	120 464
				—	9,6%	(16,4%)	—	20,7%	1,4%	9,9%
Board Members of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Sub Total - Board Members of Entities		—	—	—	—	—	—	—	—	—
% increase	4			—	—	—	—	—	—	—
Senior Managers of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities		—	—	—	—	—	—	—	—	—
% increase	4			—	—	—	—	—	—	—
Other Staff of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Sub Total - Other Staff of Entities		—	—	—	—	—	—	—	—	—
% increase	4			—	—	—	—	—	—	—
Total Municipal Entities		—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS		—	—	97 877	107 227	89 596	89 596	108 163	109 632	120 464
% increase	4			—	9,6%	(16,4%)	—	20,7%	1,4%	9,9%
TOTAL MANAGERS AND STAFF	5,7	—	—	85 063	93 157	75 665	75 665	93 824	94 002	103 272

1.24 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

MBRR SA25 - Budgeted monthly revenue and expenditure

EC136 Emalahleni (Ec) - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand			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			764	764	764	764	764	764	764	764	764	764	764	764	9 167	9 616	10 097
Service charges - electricity revenue			1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	1 533	18 391	19 293	20 257
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue			691	691	691	691	691	691	691	691	691	691	691	691	8 295	8 702	9 137
Rental of facilities and equipment			79	79	79	79	79	79	79	79	79	79	79	79	949	995	1 045
Interest earned - external investments			124	124	124	124	124	124	124	124	124	124	124	124	1 488	1 561	1 639
Interest earned - outstanding debtors			503	503	503	503	503	503	503	503	503	503	503	503	6 032	6 327	6 644
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			17	17	17	17	17	17	17	17	17	17	17	17	202	211	222
Licences and permits			369	369	369	369	369	369	369	369	369	369	369	369	4 429	4 646	4 878
Agency services			121	121	121	121	121	121	121	121	121	121	121	121	1 457	1 528	1 604
Transfers and subsidies			12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	12 396	148 749	154 102	157 351
Other revenue			138	138	138	138	138	138	138	138	138	138	138	138	1 651	1 732	1 818
Gains			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)			16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	16 734	200 810	208 714	214 693
Expenditure By Type																	
Employee related costs			7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	93 824	94 002	103 272
Remuneration of councillors			1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	1 229	14 749	16 077	17 684
Debt impairment			333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 196	4 406
Depreciation & asset impairment			1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	1 615	19 384	18 790	19 730
Finance charges			23	23	23	23	23	23	23	23	23	23	23	23	280	294	308
Bulk purchases			1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	15 000	15 000
Other materials			363	363	363	363	363	363	363	363	363	363	363	363	4 351	2 132	2 159
Contracted services			2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	33 851	19 351	19 971
Transfers and subsidies			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure			1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	14 170	9 390	9 715
Losses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	198 910	179 232	192 246
Surplus/(Deficit)			158	158	158	158	158	158	158	158	158	158	158	158	1 900	29 482	22 447
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	31 653	35 564	35 564
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			2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			1	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011

MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

EC136 Emalahleni (Ec) - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

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
R thousand																
Revenue - Functional																
<i>Governance and administration</i>		12 313	12 313	12 313	12 313	12 313	12 314	12 313	12 313	12 313	12 313	12 313	12 313	147 762	156 460	163 464
Executive and council		605	605	605	605	605	605	605	605	605	605	605	605	7 254	7 554	7 867
Finance and administration		11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	11 709	140 508	148 906	155 597
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		194	194	194	194	194	194	194	194	194	194	194	194	2 332	2 399	2 472
Community and social services		103	103	103	103	103	103	103	103	103	103	103	103	1 233	1 246	1 261
Sport and recreation		0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Public safety		91	91	91	91	91	91	91	91	91	91	91	91	1 093	1 146	1 204
Housing		0	0	0	0	0	0	0	0	0	0	0	0	3	4	4
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	35 523	37 481	37 584
Planning and development		2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	2 960	35 523	37 481	37 584
Road transport		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	3 405	40 864	41 661	40 148
Energy sources		2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	2 445	29 344	29 577	27 460
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		960	960	960	960	960	960	960	960	960	960	960	960	11 519	12 084	12 688
<i>Other</i>		499	499	499	499	499	499	499	499	499	499	499	499	5 983	6 276	6 590
Total Revenue - Functional		19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	232 463	244 278	250 257
Expenditure - Functional																
<i>Governance and administration</i>		7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	7 982	95 787	90 012	97 189
Executive and council		2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	28 252	28 981	31 718
Finance and administration		5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	5 451	65 411	60 479	64 892
Internal audit		177	177	177	177	177	177	177	177	177	177	177	177	2 124	552	579
<i>Community and public safety</i>		1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	16 785	17 360	18 898
Community and social services		938	938	938	938	938	938	938	938	938	938	938	938	11 261	11 275	12 274
Sport and recreation		169	169	169	169	169	169	169	169	169	169	169	169	2 027	2 216	2 390
Public safety		144	144	144	144	144	144	144	144	144	144	144	144	1 724	1 851	2 030
Housing		148	148	148	148	148	148	148	148	148	148	148	148	1 773	2 018	2 204
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	3 592	43 109	37 659	40 189
Planning and development		3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	3 364	40 373	36 949	39 408
Road transport		228	228	228	228	228	228	228	228	228	228	228	228	2 736	710	781
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	3 331	39 977	31 010	32 485
Energy sources		2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	2 549	30 586	21 617	22 201
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		783	783	783	783	783	783	783	783	783	783	783	783	9 391	9 393	10 285
<i>Other</i>		271	271	271	271	271	271	271	271	271	271	271	271	3 252	3 191	3 485
Total Expenditure - Functional		16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	198 910	179 232	192 246
Surplus/(Deficit) before assoc.		2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011

MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

EC136 Emalahleni (Ec) - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

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 Vote																
Vote 1 - Executive and council		605	605	605	605	605	605	605	605	605	605	605	605	7 254	7 554	7 867
Vote 2 - Corporate Services		—	—	—	—	—	0	—	—	—	—	—	—	0	0	0
Vote 3 - Budget and Treasury		11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	11 952	143 421	151 962	158 805
Vote 4 - PEDTA		(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(163)	(1 954)	(2 049)	(2 152)
Vote 5 - Community Services and Social Services		1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	1 573	18 871	19 749	20 689
Vote 6 - Infrastructure Development and Human Settlement		5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	5 406	64 870	67 062	65 048
Vote 7 - COMMUNITY & SOCIAL SERVICES		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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		19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372	232 463	244 278	250 257
Expenditure by Vote to be appropriated																
Vote 1 - Executive and council		2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	2 541	30 492	29 606	32 374
Vote 2 - Corporate Services		2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	2 261	27 128	22 983	24 811
Vote 3 - Budget and Treasury		2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	31 507	29 635	31 690
Vote 4 - PEDTA		656	656	656	656	656	656	656	656	656	656	656	656	7 873	1 905	1 997
Vote 5 - Community Services and Social Services		2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	33 991	35 446	38 501
Vote 6 - Infrastructure Development and Human Settlement		5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	5 660	67 919	59 656	62 874
Vote 7 - COMMUNITY & SOCIAL SERVICES		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
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		16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	16 576	198 910	179 232	192 246
Surplus/(Deficit) before assoc.		2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011
Taxation														—	—	—
Attributable to minorities														—	—	—
Share of surplus/ (deficit) of associate														—	—	—
Surplus/(Deficit)	1	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	65 046	58 011

MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

EC136 Emalahleni (Ec) - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																										
Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework												
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23										
Multi-year expenditure to be appropriated	1																									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Vote 3 - Budget and Treasury		16	16	16	16	16	16	16	16	16	16	16	16	190	350	100										
Vote 4 - PEDTA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Vote 5 - Community Services and Social Services		285	285	285	285	285	285	285	285	285	285	285	285	3 422	4 875	30										
Vote 6 - Infrastructure Development and Human Settlement		2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	2 362	28 341	29 729	17 710										
Vote 7 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Capital multi-year expenditure sub-total	2	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	2 663	31 953	34 954	17 840										
Single-year expenditure to be appropriated																										
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-										
Vote 2 - Corporate Services		17	17	17	17	17	17	17	17	17	17	17	17	200	210	221										
Vote 3 - Budget and Treasury		117	117	117	117	117	117	117	117	117	117	117	117	1 400	400	300										
Capital single-year expenditure sub-total	2	133	133	133	133	133	133	133	133	133	133	133	133	1 600	610	521										
Total Capital Expenditure	2	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	35 564	18 361										

*MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

EC136 Emalahleni (Ec) - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		149	149	149	149	149	149	149	149	149	149	149	149	1 790	1 360	621
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		149	149	149	149	149	149	149	149	149	149	149	149	1 790	1 360	621
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		244	244	244	244	244	244	244	244	244	244	244	244	2 922	4 475	30
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sport and recreation		244	244	244	244	244	244	244	244	244	244	244	244	2 922	4 475	30
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	17 531	28 829	17 710
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Road transport		1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	1 461	17 531	28 829	17 710
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		943	943	943	943	943	943	943	943	943	943	943	943	11 310	900	–
Energy sources		417	417	417	417	417	417	417	417	417	417	417	417	5 000	900	–
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		484	484	484	484	484	484	484	484	484	484	484	484	5 810	–	–
Waste management		42	42	42	42	42	42	42	42	42	42	42	42	500	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	35 564	18 361
Funded by:																
National Government		2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	31 653	34 174	17 710
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	2 638	31 653	34 174	17 710
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		158	158	158	158	158	158	158	158	158	158	158	158	1 900	1 390	651
Total Capital Funding		2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 553	35 564	18 361

MBRR SA30 - Budgeted monthly cash

EC136 Emalahleni (Ec) - Supporting Table SA30 Budgeted monthly cash flow													Medium Term Revenue and Expenditure Framework		
MONTHLY CASH FLOWS	Budget Year 2020/21												Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	1		
Cash Receipts By Source															
Property rates	453	453	453	453	453	453	453	453	453	453	453	453	5 439	5 240	5 240
Service charges - electricity revenue	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	1 405	16 858	18 170	18 170
Service charges - refuse revenue	428	428	428	428	428	428	428	428	428	428	428	428	5 137	5 666	5 666
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned - external investments	100	100	100	100	100	100	100	100	100	100	100	100	1 200	1 202	1 202
Fines, penalties and forfeits	23	23	23	23	23	23	23	23	23	23	23	23	277	297	297
Licences and permits	311	311	311	311	311	311	311	311	311	311	311	311	3 736	4 075	4 075
Agency services	291	291	291	291	291	291	291	291	291	291	291	291	3 491	3 881	3 881
Transfers and Subsidies - Operational	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	11 377	136 525	144 379	144 379
Other revenue	379	379	379	379	379	379	379	379	379	379	379	379	4 545	4 768	4 768
Cash Receipts by Source	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	14 767	177 208	187 679	187 679
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	2 790	33 484	35 837	35 837
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on Disposal of Fixed and Intangible Assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Source	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	17 558	210 691	223 515	223 515
Cash Payments by Type															
Employee related costs	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	7 819	93 824	94 002	103 272
Remuneration of councillors	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	1 195	14 339	15 629	17 192
Finance charges	23	23	23	23	23	23	23	23	23	23	23	23	280	294	308
Bulk purchases - Electricity	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 300	15 000	15 000
Other materials	363	363	363	363	363	363	363	363	363	363	363	363	4 351	2 132	2 159
Contracted services	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	2 821	33 851	19 351	19 971
Other expenditure	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	1 181	14 170	9 390	9 715
Cash Payments by Type	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	175 115	155 798	167 618
Other Cash Flows/Payments by Type															
Capital assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Payments by Type	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	14 593	175 115	155 798	167 618
NET INCREASE/(DECREASE) IN CASH HELD	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	2 965	35 576	67 717	55 897
Cash/cash equivalents at the month/year begin:		2 965	5 929	8 894	11 859	14 823	17 788	20 753	23 717	26 682	29 647	32 611	—	35 576	103 294
Cash/cash equivalents at the month/year end:	2 965	5 929	8 894	11 859	14 823	17 788	20 753	23 717	26 682	29 647	32 611	35 576	35 576	103 294	159 191

MBRR SA33 - Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

1.25 CAPITAL EXPENDITURE DETAILS

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

EC136 Emalahleni (Ec) - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		—	—	3 662	1 729	3 504	3 504	500	—	—
Roads Infrastructure		—	—	3 367	1 729	3 504	3 504	—	—	—
Roads		—	—	3 367	1 729	3 504	3 504	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Drainage Collection		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	295	—	—	—	—	—	—
Power Plants		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	295	—	—	—	—	—	—
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Dams and Weirs		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Pump Station		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	500	—	—
Landfill Sites		—	—	—	—	—	—	500	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Rail Lines		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Sand Pumps		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Data Centres		—	—	—	—	—	—	—	—	—
Community Assets		—	—	13 263	7 867	5 252	5 252	—	—	—
Community Facilities		—	—	13 263	7 867	5 252	5 252	—	—	—
Centres		—	—	7 920	3 032	—	—	—	—	—
Testing Stations		—	—	5 187	0	332	332	—	—	—
Cemeteries/Crematoria		—	—	—	2 262	2 320	2 320	—	—	—
Public Open Space		—	—	156	2 572	2 600	2 600	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Indoor Facilities		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Monuments		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Other assets		—	—	3 637	2 000	—	—	—	400	—
Operational Buildings		—	—	3 637	2 000	—	—	—	400	—
Municipal Offices		—	—	3 637	2 000	—	—	—	—	—
Stores		—	—	—	—	—	—	—	400	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Water Rights		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	24	24	190	350	100
Computer Equipment		—	—	—	—	24	24	190	350	100
Furniture and Office Equipment		—	—	—	716	1 113	1 113	200	210	221
Furniture and Office Equipment		—	—	—	716	1 113	1 113	200	210	221
Machinery and Equipment		—	—	48	—	—	—	110	30	30
Machinery and Equipment		—	—	48	—	—	—	110	30	30
Transport Assets		—	—	—	—	933	933	1 400	400	300
Transport Assets		—	—	—	—	933	933	1 400	400	300
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	1 049	—	31	31	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	1 049	—	31	31	—	—	—
Total Capital Expenditure on new assets	1	—	—	21 658	12 311	10 856	10 856	2 400	1 390	651

EC136 Emalahleni (Ec) - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
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									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	171	350	2 350	2 350	13 866	24 542	15 310
Roads Infrastructure		-	-	-	-	2 000	2 000	8 866	23 642	15 310
Roads		-	-	-	-	2 000	2 000	8 866	23 642	15 310
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	5 000	900	-
LV Networks		-	-	-	-	-	-	5 000	900	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	171	350	350	350	-	-	-
Waste Processing Facilities		-	-	171	350	350	350	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Community Assets		-	-	3 737	0	533	533	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	3 737	0	533	533	-	-	-
Outdoor Facilities		-	-	3 737	0	533	533	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal	1	-	-	3 908	350	2 883	2 883	13 866	24 542	15 310
Renewal of Existing Assets as % of total capex		0,0%	0,0%	8,9%	1,0%	8,3%	8,3%	41,3%	69,0%	83,4%
Renewal of Existing Assets as % of deprecn		0,0%	0,0%	16,1%	1,4%	11,9%	11,9%	71,5%	130,6%	77,6%

EC136 Emalahleni (Ec) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

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															
Repairs and maintenance expenditure by Asset Class/Sub-class																
Infrastructure		–	–	818	2 613	2 278	2 278	440	406	426						
Roads Infrastructure		–	–	528	636	200	200	–	–	–						
Roads		–	–	528	636	200	200	–	–	–						
Storm water Infrastructure		–	–	34	1 517	1 507	1 507	–	–	–						
Storm water Conveyance		–	–	34	1 517	1 507	1 507	–	–	–						
Electrical Infrastructure		–	–	257	460	570	570	440	406	426						
MV Substations		–	–	55	93	92	92	85	89	94						
MV Networks		–	–	49	175	291	291	200	155	163						
LV Networks		–	–	153	193	188	188	155	162	170						
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–						
Capital Spares		–	–	–	–	–	–	–	–	–						
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–						
Capital Spares		–	–	–	–	–	–	–	–	–						
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–						
Capital Spares		–	–	–	–	–	–	–	–	–						
Rail Infrastructure		–	–	–	–	–	–	–	–	–						
Rail Lines		–	–	–	–	–	–	–	–	–						
Coastal Infrastructure		–	–	–	–	–	–	–	–	–						
Sand Pumps		–	–	–	–	–	–	–	–	–						
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–						
Data Centres		–	–	–	–	–	–	–	–	–						
Community Assets		–	–	1 175	974	474	474	640	66	67						
Community Facilities		–	–	1 312	914	454	454	640	66	67						
Halls		–	–	964	514	359	359	535	–	–						
Cemeteries/Crematoria		–	–	25	130	30	30	35	5	5						
Parks		–	–	130	190	52	52	30	41	42						
Public Open Space		–	–	193	80	13	13	40	20	20						
Sport and Recreation Facilities		–	–	(137)	60	20	20	–	–	–						
Outdoor Facilities		–	–	(137)	60	20	20	–	–	–						
		1	1	1	1	1	1	1	1	1						
Heritage assets		–	–	–	–	–	–	–	–	–						
Monuments		–	–	–	–	–	–	–	–	–						
Investment properties		–	–	–	–	–	–	–	–	–						
Revenue Generating		–	–	–	–	–	–	–	–	–						
Improved Property		–	–	–	–	–	–	–	–	–						
Non-revenue Generating		–	–	–	–	–	–	–	–	–						
Improved Property		–	–	–	–	–	–	–	–	–						
Other assets		–	–	540	654	300	300	300	–	–						
Operational Buildings		–	–	540	654	300	300	300	–	–						
Municipal Offices		–	–	540	654	300	300	300	–	–						
Housing		–	–	–	–	–	–	–	–	–						
Staff Housing		–	–	–	–	–	–	–	–	–						
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–						
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–						
Intangible Assets		–	–	85	130	200	200	–	–	–						
Servitudes		–	–	–	–	–	–	–	–	–						
Licences and Rights		–	–	85	130	200	200	–	–	–						
Computer Software and Applications		–	–	85	130	200	200	–	–	–						
Computer Equipment		–	–	–	–	–	–	–	–	–						
Computer Equipment		–	–	–	–	–	–	–	–	–						
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–						
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–						
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650						
Machinery and Equipment		–	–	187	246	67	67	345	1 650	1 650						
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596						
Transport Assets		–	–	625	980	762	762	1 195	1 444	1 596						
Land		–	–	–	–	–	–	–	–	–						
Land		–	–	–	–	–	–	–	–	–						
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–						
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–						
Total Repairs and Maintenance	1	–	–	3 431	5 597	4 081	4 081	2 920	3 566	3 739						
R&M as a % of PPE		0,0%	0,0%	0,8%	1,2%	0,9%	0,9%	0,0%	0,8%	0,8%						
R&M as % Operating Expenditure		0,0%	0,0%	1,6%	3,2%	2,5%	2,5%	0,0%	1,8%	2,1%						

1.18 LEGISLATION COMPLIANCE STATUS

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

7. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.
 8. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department and one in the Internal Audit Department,
 9. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
 10. Audit Committee
An Audit Committee has been established and is fully functional.
 11. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2020/21 MTREF in May 2020.
 12. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
 9. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
 10. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010.
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EC136 Emalahleni (Ec) - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and council	Vote 2 - Corporate Services	Vote 3 - Budget and Treasury	Vote 4 - PEDTA	Vote 5 - Community Services and Social Services	Vote 6 - Infrastructure Development and Human Settlement	Vote 7 - COMMUNITY & SOCIAL SERVICES	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
R thousand	1																
Revenue By Source																	
Property rates	-	0	11 125	(1 958)	-	-	-	-	-	-	-	-	-	-	-	-	9 167
Service charges - electricity revenue	-	-	-	-	-	-	18 391	-	-	-	-	-	-	-	-	-	18 391
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	8 295	-	-	-	-	-	-	-	-	-	-	8 295
Rental of facilities and equipment	-	-	724	-	224	-	-	-	-	-	-	-	-	-	-	-	949
Interest earned - external investments	-	-	1 446	-	42	-	-	-	-	-	-	-	-	-	-	-	1 488
Interest earned - outstanding debtors	-	-	2 079	-	3 224	729	-	-	-	-	-	-	-	-	-	-	6 032
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	202	-	-	-	-	-	-	-	-	-	-	-	202
Licences and permits	-	-	10	-	4 419	-	-	-	-	-	-	-	-	-	-	-	4 429
Agency services	-	-	-	-	1 457	-	-	-	-	-	-	-	-	-	-	-	1 457
Other revenue	-	-	1 473	4	57	116	-	-	-	-	-	-	-	-	-	-	1 651
Transfers and subsidies	7 254	-	126 564	-	950	13 981	-	-	-	-	-	-	-	-	-	-	148 749
Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)	7 254	0	143 421	(1 954)	18 871	33 217	-	-	-	-	-	-	-	-	-	-	200 810
Expenditure By Type																	
Employee related costs	790	1 118	1 237	508	1 908	1 043	-	-	-	-	-	-	-	-	-	-	6 603
Remuneration of councillors	14 749	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14 749
Debt impairment	-	-	4 000	-	-	-	-	-	-	-	-	-	-	-	-	-	4 000
Depreciation & asset impairment	76	294	1 276	32	981	16 724	-	-	-	-	-	-	-	-	-	-	19 384
Finance charges	-	280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	280
Bulk purchases	-	-	-	-	-	14 300	-	-	-	-	-	-	-	-	-	-	14 300
Other materials	260	130	20	180	1 595	2 166	-	-	-	-	-	-	-	-	-	-	4 351
Contracted services	1 088	7 150	7 700	230	5 840	11 843	-	-	-	-	-	-	-	-	-	-	33 851
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	3 000	5 150	3 236	892	750	1 142	-	-	-	-	-	-	-	-	-	-	14 170
Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	19 963	14 122	17 469	1 842	11 074	47 218	-	-	-	-	-	-	-	-	-	-	111 688
Surplus/(Deficit)	(12 709)	(14 122)	125 952	(3 796)	7 797	(14 000)	-	-	-	-	-	-	-	-	-	-	89 121
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	31 653	-	-	-	-	-	-	-	-	-	-	31 653
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	(12 709)	(14 122)	125 952	(3 796)	7 797	17 653	-	-	-	-	-	-	-	-	-	-	120 774

MBRR Table SA3 – Supporting detail to Statement of Financial Position

EC136 Emalahleni (Ec) - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

EC136 Emalaheni (Ec) - Supporting Table SA3 Supporting detail to "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											
Consumer debtors		—	—	86 686	86 147	14 873	14 873	—	12 710	12 713	12 713
Less: Provision for debt impairment		—	—	(52 257)	(39 728)	(6 555)	(6 555)	—	(5 524)	(5 443)	(5 443)
Total Consumer debtors	2	—	—	34 429	46 419	8 318	8 318	—	7 185	7 270	7 270
Debt impairment provision											
Balance at the beginning of the year		—	—	58 863	25 851	4 265	4 265	—	3 595	3 542	3 542
Contributions to the provision		—	—	12 520	(6 000)	(990)	(990)	—	(2 503)	(2 466)	(2 466)
Bad debts written off		—	—	12	—	—	—	—	0	0	0
Balance at end of year		—	—	71 395	19 851	3 275	3 275	—	1 092	1 076	1 076
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		—	—	714 432	714 775	659 089	659 089	—	668 652	679 331	662 128
Leases recognised as PPE		—	—	—	—	—	—	—	—	—	—
Less: Accumulated depreciation		—	—	277 293	229 507	211 611	211 611	—	213 998	215 625	215 625
Total Property, plant and equipment (PPE)	2	—	—	437 139	485 268	447 478	447 478	—	454 654	463 706	446 503
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		—	—	—	—	—	—	—	—	—	—
Current portion of long-term liabilities		—	—	—	—	—	—	—	—	—	—
Total Current liabilities - Borrowing		—	—	—	—	—	—	—	—	—	—
Trade and other payables											
Trade Payables	5	—	—	25 525	61 312	15 300	15 300	—	16 609	16 360	16 360
Other creditors		—	—	—	—	—	—	—	—	—	—
Unspent conditional transfers		—	—	—	1	788	788	—	0	0	0
VAT		—	—	1 349	9 343	4 894	4 894	—	1 762	2 012	2 012
Total Trade and other payables	2	—	—	26 874	70 656	20 983	20 983	—	18 372	18 372	18 372
Non current liabilities - Borrowing											
Borrowing	4	—	—	—	1	1	1	—	1	1	1
Finance leases (including PPP asset element)		—	—	779	1 405	371	371	—	371	371	371
Total Non current liabilities - Borrowing		—	—	779	1 407	373	373	—	373	373	373
Provisions - non-current											
Retirement benefits		—	—	—	—	—	—	—	—	—	—
Refuse landfill site rehabilitation		—	—	12 812	12 207	15 838	15 838	—	15 838	15 838	15 838
Other		—	—	135	1 187	1 540	1 540	—	1 540	1 540	1 540
Total Provisions - non-current		—	—	12 947	13 394	17 378	17 378	—	17 378	17 378	17 378
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		—	—	408 406	408 406	527 188	527 188	—	577 658	652 754	652 754
GRAP adjustments		—	—	—	0	0	0	—	0	0	0
Restated balance		—	—	408 406	408 406	527 188	527 188	—	577 658	652 754	652 754
Surplus/(Deficit)		—	—	(7 360)	(104 253)	(79 627)	(79 627)	—	33 553	65 046	58 011
Transfers to/from Reserves		—	—	—	(78 863)	(101 799)	(101 799)	—	(126 225)	(171 696)	(171 696)
Depreciation offsets		—	—	—	0	0	0	—	0	0	0
Other adjustments		—	—	(440)	0	0	0	—	0	0	0
Accumulated Surplus/(Deficit)	1	—	—	400 606	225 291	345 761	345 761	—	484 987	546 104	539 070
Reserves											
Housing Development Fund		—	—	—	—	—	—	—	—	—	—
Capital replacement		—	—	—	—	—	—	—	—	—	—
Selfinsurance		—	—	—	—	—	—	—	—	—	—
Other reserves		—	—	—	—	—	—	—	—	—	—
Revaluation		—	—	—	—	—	—	—	—	—	—
Total Reserves	2	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	—	—	400 606	225 291	345 761	345 761	—	484 987	546 104	539 070

EC136 Emalahleni (Ec) - 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		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	1 700	2 900	2 900	2 900	3 190	3 346	3 514
Refuse (removed once a week for indigent households)		-	-	(1 509)	2 000	2 000	2 000	2 200	2 308	2 423
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	191	4 900	4 900	4 900	5 390	5 654	5 937
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates, exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	2	1 050	1 780	1 780	1 958	2 054	2 156
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	-	-	2	1 050	1 780	1 780	1 958	2 054	2 156



1.26 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I Mr V.C. Makhedama, Municipal Manager of Emalahleni Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name MR V.C. MAKHEDAMA

Municipal Manager of Emalahleni Municipality

Signature

Date **31 MAY 2020**

5 CHAPTER 11 - PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

1. PREAMBLE

Performance management, aside from having legislative requirements to justify its existence, is also a necessity when it comes to ensuring that performance objectives and targets are met in the manner required, so that the desired service delivery objectives can be met and achieved by all.

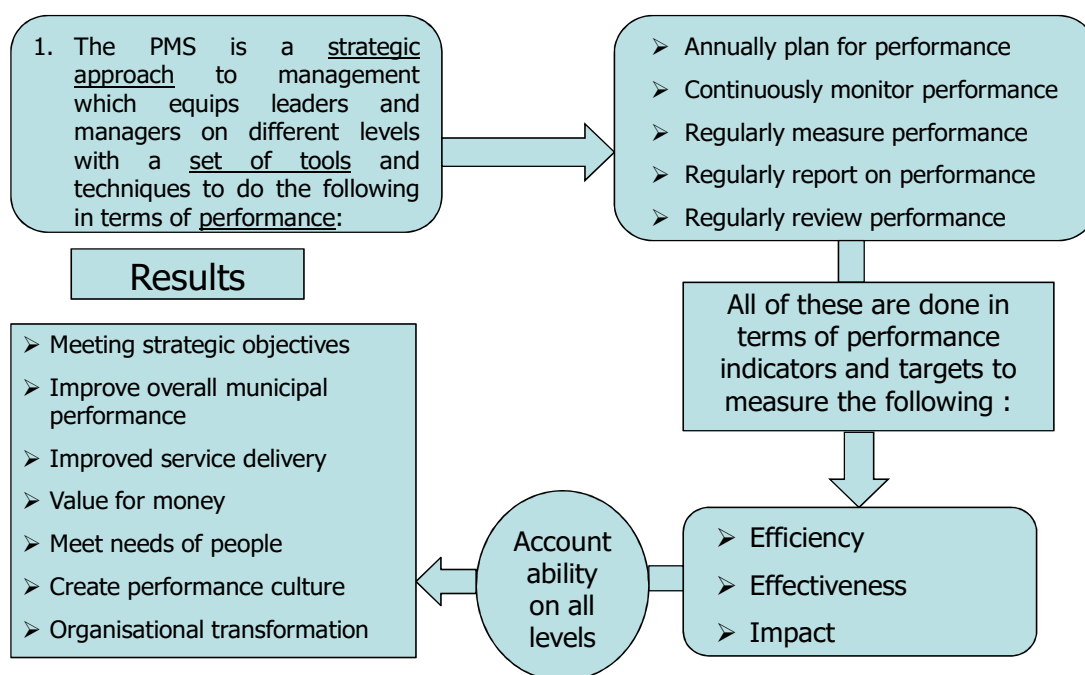
The intention of a performance management system and model is to provide the organisation with the framework and tools necessary in order to ensure that a culture of performance management is developed throughout the organisation and managed in a formal and accountable manner. In this way, performance management becomes a management tool which enables the achievement of strategic objectives, which link closely to the IDP and Institutional Scorecard – enabling effective and efficient service delivery.

2. PURPOSE

The purpose of this policy and procedure is as follows:

1. To ensure the implementation of a Performance Management System within Emalahleni Municipality;
 2. To ensure that all employees become acutely aware and comfortable with the practical application of the Performance Management System within this Municipality.
 3. To create the boundaries required that will ensure that all employees and the political leadership contribute towards the achievement of goals as well as the KPA's and KPI's at both personal and organisational levels.
 4. To ensure all parties have a clear and thorough understanding of their role and function within this process.
-

2. What is Performance Management System?



Department of Local Government & Traditional Affairs

3. POLICY OBJECTIVES

The objectives of the Performance Management System may be defined as follows:

- 3.1. To capacitate the employees to manage their own performance;
- 3.2. To set clear objectives and goals to all parties and attainment is easily measured and verified;
- 3.3. To develop and capacitate employees in order to ensure that performance targets are met;
- 3.4. To recognized and/or rewarded in instances where performance exceeds the output criteria;
- 3.5. To assist employees in instances where performance falls short of the required standards;
- 3.6. To ensure a culture of performance optimization that must be institutionalized throughout the Municipality.

4. DEFINITIONS OF CONCEPTS/ ACRONYMS/ ABBREVIATIONS

CONCEPT	DEFINITION
Performance Management System (PMS)	<p>A strategic approach which provides a set of tools and techniques to plan regularly, monitor measure and review performance of the organisation and individuals.</p> <p>Performance management is a system that is used to make sure that all parts of the municipality work together to achieve the goals and targets that are set.</p>
Organizational Performance Management	Concerned with the overall performance of the Municipality/ Organization in relation to giving effect to the IDP (Macro Dynamics).
Individual Performance Management	Linked to the Organizational Performance Management System are the individuals who contribute to the success or failure of the Municipality/ Organization. Each individual will have performance objectives, targets and standards that are linked to objectives of his/her Division, Department and Municipality.
Integrated Development Plan (IDP)	<p>Clearly defining 5-year Strategic Plan of a Municipality.</p> <p>IDP should be reviewed annually or as required.</p>
Key Performance Area (KPA)	Key areas of responsibility.
Objective	Statement about what outcomes do we want to achieve.
Key Performance Indicators (KPI)	Measures (qualitative or quantitative) that tell us whether we are making progress towards achieving our objectives.
Input Indicators	Indicator that measures resources economy and efficiency.
Output Indicators	Indicator that measures whether a set of activities yields the desired results or products/service.
Formal Assessment	Is where the s56 manager submits the portfolio of evidence to the assessor to substantiate his/her performance based on the performance agreement
Informal Assessment	Is where the s56 manager attest verbally his/her performance but can be requested to submit the portfolio of evidence to the assessor to substantiate his/her performance based on the performance agreement
Outcome Indicators	Measures the broader results achieved through the provision of goods and services (impact).
Target	The level of performance (or desired state of progress) of the indicator that is intended to be achieved by a specified time period.

5. LEGISLATIVE FRAMEWORK

The requirement for the development and implementation of a Performance Management System provided for in legislation, which makes it peremptory for municipalities to comply. The Auditor General is required to audit municipalities for compliance with legislation, and non-compliance will result in adverse consequences.

The following pieces of legislation will inform and shape the content and prescripts of the Performance Management Policy:

Constitution 1996 (Section 152)	Mandates Local Government to: <ul style="list-style-type: none">• Provide democratic and accountable government for local communities;• Ensure the provision of services to communities in sustainable manner;• Promote social and economic development;• Promote a safe and healthy environment;• Encourage the involvement of communities and community organisations in the matters of local government.
Municipal System Act Act 32 of 2000 (Chapter 6)	A Municipality must: <ul style="list-style-type: none">• Establish a Performance Management System.• Promote a performance culture.• Administer its affairs in an economical, effective, efficient and accountable manner. It further outlines the core components of a performance management system as follows: <ul style="list-style-type: none">• Set KPI's as a yardstick for measuring performance.• Set measurable performance targets with regard to each of those development priorities and objectives.• Monitor measure and review performance once per year.• Take steps to improve performance.• Report on performance to relevant stakeholders

<p>THE WHITE PAPER ON LOCAL GOVERNMENT (1998)</p>	<p>The White Paper on Local Government (1998) suggested that local government should introduce the idea/concept of <i>performance management systems</i>.</p> <p>The white paper acknowledges that, "involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query, others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced" (The White Paper on Local Government, 1998).</p>
<p>BATHO PELE (1998)</p>	<p>The White Paper on Transforming Public Service Delivery (Batho Pele) puts forward eight principles for good public service. Our municipality is duty bound to uphold these principles:</p> <ul style="list-style-type: none"> ✓ Consultation: Communities should be consulted about the level and quality of public service they receive, and, where possible, should be given a choice about the services which are provided. ✓ Service standards: Communities should know what standard of service to expect. ✓ Access: All communities should have equal access to the services to which they are entitled. ✓ Courtesy: Communities should be treated with courtesy and consideration. ✓ Information: Communities should be given full and accurate information about the public services they are entitled to receive. ✓ Openness and transparency: Communities should know how directorates are run, how resources are spent, and who is in charge of particular services. ✓ Redress: If the promised standard of service is not delivered, communities should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made communities should receive a sympathetic, positive response. ✓ Value-for-money: Public services should be provided economically and efficiently in order to give communities the best possible value-for-money. <p>Importantly, the Batho Pele White Paper notes that the development of a service-oriented culture requires the active participation of the wider community. Municipalities need constant feedback from service-users if they are to improve their operations. Local partners can be mobilized to assist in building a service culture. "For example, local businesses or non-governmental organizations may assist with funding a helpline, providing information about specific services, identifying service gaps or conducting a customer survey" - The White Paper on Local Government (1998).</p>

MUNICIPAL STRUCTURES ACT (1998)	The Municipal Structures Act Section 19 (2)(a) mandates the council of the municipality to conduct annual reviews of the municipality's overall performance in achieving its set objectives.
THE MUNICIPAL SYSTEMS ACT (2000)	<p>The Municipal Systems Act (2000) enforces the idea/concept of local government PMS and requires all municipalities to:</p> <ul style="list-style-type: none"> • Develop a performance management system • Set <i>targets</i>, monitor and <i>review performance</i> based on indicators linked to their IDP • Publish an <i>annual report</i> on performance of the councillors, staff, the public and other spheres of government • Incorporate and report on a set of <i>general indicators</i> prescribed nationally by the minister responsible for local government • Conduct an <i>internal audit</i> on performance. • Have their annual performance report audited by the Auditor-General • <i>Involve the community</i> in setting indicators and targets and reviewing municipal performance <p>The Department of Provincial and Local Government has published national guidelines on performance management systems</p>
MUNICIPAL PLANNING AND PERFORMANCE MANAGEMENT REGULATIONS (2001)	The Municipal Planning and Performance Management Regulations set out in detail requirements for municipal PM systems. However the regulations do not sufficiently constitute a framework that fully proposes how the system will work. Each component of the proposed framework in this document is strongly informed by the regulations.
MUNICIPAL FINANCE MANAGEMENT ACT (2003)	The Municipal Finance Management Act states requirements for a municipality to include its annual municipal performance report with its financial statements and other requirements in constituting its annual report. This must be dealt with by the municipal council within 9 months of the end of the municipal financial year.
MUNICIPAL PERFORMANCE MANAGEMENT REGULATIONS (2006)	The Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers (Government Gazette No.29089, 1 August 2006), sets out how the performance of Section 57 staff will be uniformly directed, monitored and improved. The regulations address both the employment contract and performance agreement of municipal managers and managers directly accountable to municipal managers. It further provides a methodology for the performance management system as well as criteria for performance bonus payments. The regulations also provide an approach for addressing under-performance, should this occur. The regulations will be discussed in greater detail in a later section of this framework document.

6. PERFORMANCE MANAGEMENT SYSTEM FRAMEWORK

The statutory requirements for the framework of a Performance Management System are set out in the Local Government: Municipal Planning and Performance Management Regulations, 2001.

It requires a system that:

- 6.1 Complies with all the requirements of the Act;
- 6.2 Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- 6.3 Clarifies the roles and responsibilities of each role-player, including the local community, in the functioning of the system;
- 6.4 Clarifies the processes of implementing the system within the framework of the integrated development planning process;
- 6.5 Determines the frequency of reporting and the lines of accountability for performance;
- 6.6 Demonstrates how it relates to the Municipality's employee performance management processes; and
- 6.7 Provides the procedure by which the system is linked to the Municipality's integrated development planning processes (IDP).
- 6.8 Due consideration was given to these requirements in the development of the proposed Performance Management System which is detailed further within this document, which also includes the procedures and practical application of this system.

7. POLICY PRINCIPLES

- 7.1 The Performance Management System and Framework will be guided by the following broad principles:
 - (1) Open communication in order to ensure that all parties understand the expectations and challenges facing them, whilst being able to discuss performance difficulties/challenges and issues freely;
 - (2) The alignment of departmental and individual performance objectives with the strategic objectives of Emalahleni Municipality (as relating to the IDP/ Municipal Budget and Service Delivery and Budget Implementation Plan)
 - (3) Commitment to the application of Performance Management within the prescripts of the framework and policy;
 - (4) Recognition and awarding of performance which meet or exceeds the required standards;
 - (5) Coaching and development in areas where performance does not meet the required standards; and Providing developmental feedback in order to ensure that performance optimisation is fostered.

8. APPLICABILITY

This policy will be applicable to the following employees:

- a. All S.54A Managers and S56 Manager duly defined as per the Municipal Systems Amendment Act No 32 of 2000.
- b. All other Managers and staff who have negotiated fixed-term contracts;
- c. The policy upon consultation and approval will be applicable to all the employees of the Emalahleni municipality.

9. GOVERNANCE ISSUES

This policy and framework will be guided by the following governance and supporting structures:

- 1.1 Council (required to adopt this policy);
- 1.2 The Municipal Manager who facilitates the review and amendment of this policy;
- 1.3 The Corporate Services Director/Municipal Manager who assumes responsibility for the management and administration of performance management application; and
- 1.4 The Audit Committee and in their absence the Performance Audit Committee.

10. IMPLEMENTATION CAPACITY

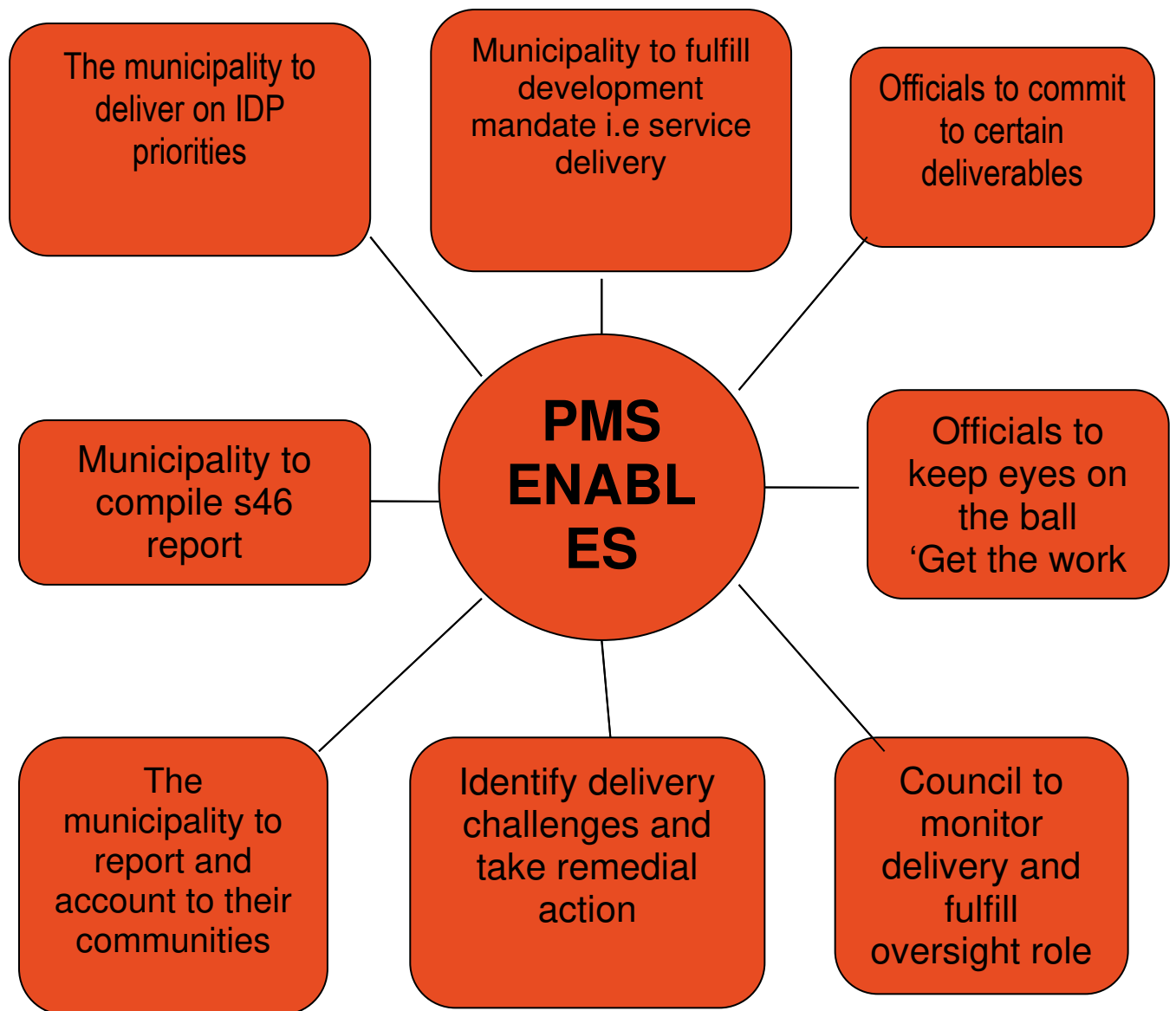
In order to ensure the successful application of this policy, it is critical that the necessary “buy in” and commitment to this process is obtained from all relevant role-players. Additionally, it is critically important to ensure that all staff are adequately trained and work shopped to administer and implement the terms and conditions applicable to this process.

In this regard, the following development will be required:

- 10.1 All staff, at every level (as applicable in terms of the roll-out), will be required to attend training on the practical application of this process and will leave this training with a thorough knowledge and understanding of processes involved, including performance planning, performance reviews, coaching and mentoring.
 - 10.2 All Corporate Services staff who would deal directly with Performance Management Administration will be required to be trained on the required administrative processes and will be required to be provided with all the necessary resources required for this responsibility and administrative function.
-

Labour will be work shopped in terms of the process itself so as to facilitate understanding, commitment and buy in to this process.

7. The Value of Institutionalizing PMS in a



OBLIGATIONS TO ENSURE COLLECTIVE PERFORMANCE

COUNCIL	EMPLOYEE
<ul style="list-style-type: none"> • Enables environment to facilitate effective performance • Clarifies development objectives and performance expectations (IDP) • Regularly review employee performance and provide feedback on performance – oversight • Works collaboratively with employee to solve problems that may negatively impact on performance • Delegates powers required by employee to enable to meet performance objectives • Make available necessary resources required to enable employee to perform. 	<ul style="list-style-type: none"> • Understands the strategic intent (development mandate – IDP) • Buys into and participates in the Performance Management System • Works collaboratively with employer to solve problems that may impact on performance • Commits to fulfilling their part in enabling the institution to deliver on mandate • Focus on fulfils commitment in terms of performance agreement

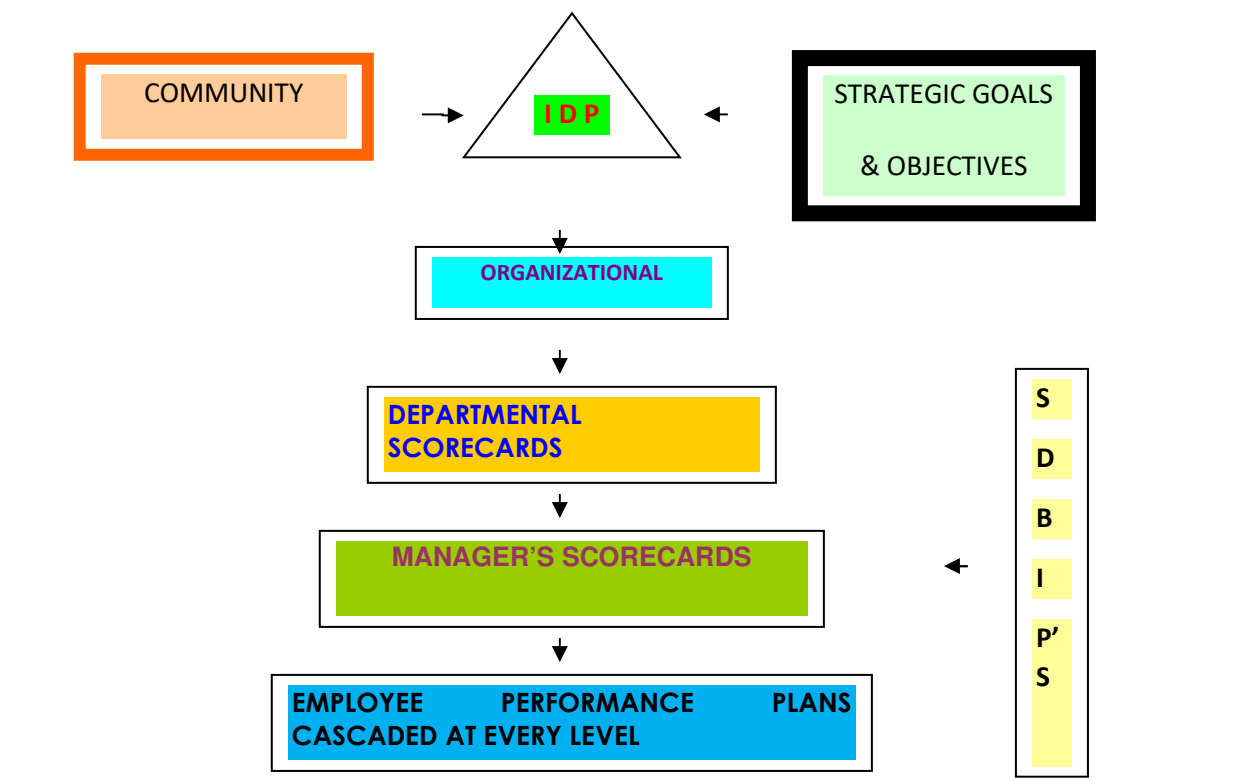
PRACTICAL APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM

PHASES WITHIN THE PERFORMANCE MANAGEMENT CYCLE

The Performance Management Cycle is an annual cycle, which extends from 1 July to 30 June, during which time performance is measured against performance targets. Through the process of planning, steps are taken to “plan” and set performance targets for the period under review. These targets will be ultimately linked to the achievement of the IDP objectives, which represent the targets of the Municipality as a whole.

These targets in turn, are reflected within the Municipal Scorecard (as high-level strategic objectives) which is further translated into departmental objectives (as reflected also within the SDBIP's or Service Delivery Budget and Implementation Plans /Strategic Plan/ IDP and Budget. These, in turn, are translated into plans, which become increasingly operational, as they cascade from the senior Managers down to the lower levels. Each “subordinates” scorecard (depicting performance objectives and performance indicators) are drawn from the Manager's scorecard immediately.

The process flow is indicated more clearly in the diagram, as follows:



The Performance Management Cycle involves the following four phases:

PLANNING, MONITOR/ MEASURE, REVIEW, AND REPORTING AND RECOGNITION

These may be unpacked further as follows:

PHASE 1: PLANNING

The institutional performance is informed by the IDP, Municipal Budget and SDBIP. The employee's are expected on annual basis to commit themselves in achieving the objectives outlined in the above documents. These commitments are reflected in the employees score cards and performance plans.

The employee score cards, performance plans must be completed and signed off as per Regulation and/ or legislation.

PHASE2: MONITOR/MEASURE

Monitoring of performance will be an ongoing process throughout the year and will run parallel to the implementation of the IDP. It will be conducted within each department.

Evidence of performance will be gathered, stored by each department and presented to substantiate claims of meeting (or not meeting) performance targets and standards. The files gathered from this information will be regarded as Portfolio of Evidence (POE) and must be kept for purposes of performance measurement, performance reviews and audit in other phases.

PHASE 3: REVIEW

Performance review is a process where the municipality, after measuring its own performance as detailed in the previous phase, assesses whether its performance is giving effect to the IDP.

This phase involves jointly assessing actual performance against set targets, which takes place on a quarterly basis in the form of formal and informal reviews.

PHASE 4: REPORTING AND RECOGNITION

Reporting requires that the municipality take its KPA's, KPI's, objectives, targets, measurements and analysis and present this information in an agreed institutional reporting format on a monthly/quarterly/half-yearly and annual basis.

This phase establishes the link between performance and reward. It aims to direct and reinforce effective work behaviours by determining and allocating equitable and appropriate rewards to employees where such has been identified.

During these sessions it is required that the incumbent and line management meet, in order to discuss progress and to develop action plans in areas where appropriate interventions are required.

Records are required to be maintained of all discussions and action plans, which are developed as a result.

11. MEASURING EMPLOYEE PERFORMANCE (Directors)

The criteria to measure an employee performance (Directors) will be reflected on the scorecard as outputs (or agreed upon objectives, i.e. targets). This describes exactly what was required to be achieved during the year.

Performance Indicators for each output will be provided and will detail the evidence that will be required to assess whether or not the employee has achieved the required objective.

Actual performance will be evaluated on evidence provision and a Portfolio of Evidence will be required to be presented for each performance indicator in order to substantiate the achievement or non-achievement of required performance in all areas highlighted within the scorecard.

The respective s.54A and 56 Manager/Employee will be required to give a verbal account on specific achievements/non achievements and the reasons for any deviations. Formal documentary evidence (evidence portfolio) must be provided to validate performance. Documentary evidence (evidence portfolio's may also be used to substantiate performance or to settle disputes and such evidence will be requested.

A column entitled "Reason for Deviation" will be completed to indicate reasons for over or under achievement, so that ratings may be made within context.

12. WEIGHTINGS AND INDICATORS (Technical, CMC's and CCR's)

Indicators will be weighted according to the impact within each Key Performance Area on the scorecard.

As a standard rule and to ensure a balanced scorecard-type approach performance management, 80% of the final score will be made up of the Technical Key Performance Areas for the position in question.

CCR's (cross-cutting results) or Core Management Competencies (CMC's) will account for 20% of the final score.

As in the case of all indicators, evidence is required in order to measure actual performance achieved against the desired objectives.

13. THE FINAL ASSESSMENT (January)

The final assessment for the Performance Cycle occurs during January (after the adoption of the draft annual report of the previous financial year), however no ratification and payment of bonuses may be concluded until the Annual Report for the same period under review has been submitted to and ratified by Council.

14. THE PERFORMANCE REVIEW PANEL (FINAL REVIEW)

The constitution of the Performance Management System Evaluation Committee will be as follows:

15.1 Municipal Manager:

- (1) Mayor ;
- (2) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- (3) Member of the executive committee; (Portfolio Head: Corporate Services)
- (4) Mayor or Municipal Manager from another municipality; and
- (5) Member of a ward committee as nominated by the Mayor.

15.2 Directors:

- (1) Municipal Manager;
- (2) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- (3) Member of the executive committee ; and
- (4) Municipal manager from another municipality

15. PERFORMANCE INFORMATION

Managers will be required to provide reports with evidence to support any formal evaluation of performance and will prepare for assessment meetings accordingly. It is critical to ensure that documentary evidence to support performance achieved, is obtained and filed in a folder termed a *Portfolio of Evidence*. This document is made available to the Performance Review Panel, so that assessment results are able to be justified. SDBIP's must be used as the basis for measuring actual performance against planned targets.

Portfolios of Evidence files shall be required for purposes of monthly, quarterly, mid-year and annual performance reports.

The documentary evidence (POE) may also be used to substantiate performance or to settle disputes and such evidence will be requested.

16. SCORING PROCESS AND PROCEDURE

1. The process of scoring Directors should be in terms of the municipal performance management regulations.
- 1.1 Evaluation and/or scoring of these Managers are required to be undertaken on a quarterly basis. The most critically important reason for doing this quarterly is to ensure that issues are addressed “sooner rather than later”, should deficiencies in performance exist.

Appropriate action in the “best interests of Council” would be enabled, thereby ensuring that Council is most likely to achieve its performance targets.

1.2 In the case of final evaluations and more specifically within the process of scoring, it is required that scores be made by each contributing member of the panel on a separate Score sheet. All scores from all parties are then averaged and a single consolidated score is written on the final scorecard (representing the average scores). The calculation of the average scores is done by the members of panel only, taking into account the score of the assessee.

- 1.3 The role of the Chairperson will be to lead the Evaluation Panel through the process of Performance Evaluation and to ensure that this occurs systematically and fairly as per system requirements.

- 1.4 The following procedure will be undertaken in this process of Performance Measurement and will be facilitated by the Chairperson:

- 1.4.1 During each evaluation, the Chairperson will lead the process by outlining each area on the populated scorecard.
- 1.4.2 Each member of the panel will rate the Manager under discussion.
- 1.4.3 The respective Directors will then be required to give formal documentary evidence to validate performance.
- 1.4.4 SDBIP's/documentary evidence and evidence portfolios must be used to substantiate performance or to settle disputes as and when required.
- 1.4.5 The chosen areas for the CMC's are clearly defined as per Municipal Performance Regulations and this must be used when scoring, so as to ensure consistency of application.
- 1.4.6 SDBIP's must be made available up front, so that easy reference can be made and evidence obtained
- 1.4.7 Measures or scores from 1 – 5 will be used to rate each area under review and the guidelines and definitions for these ratings will appear for ease of reference on the score sheets.

17. RATING SCALE 1 TO 5

1	Performance Unacceptable
2	Performance Not Fully Effective
3	Performance Fully Effective
4	Performance Significantly above expectations considering the circumstances: <u>More than half (50%)</u> of the Performance criteria and indicators specified in the Scorecard were met
5	Performance Outstanding considering the circumstances

- (1) Finally, all scores (as indicated on separate panel members' score sheets) will be added together (including scores by the assesse, which are meant to guide the panel) and divided by the number of panel member's present (who scored). An average or consolidated score will then be obtained for each area under review.
- (2) A column that reads "*Reason for Deviations*" will be completed for all scored areas and scores in order to offer insight where deviations have occurred.
- (3) A report indicating all consolidated scores will be submitted to the Mayor within 2 weeks.
- (4) Every effort must be made to evaluate performance objectively, realistically and accurately.
18. Failure to do so (resulting in over- or under-stating performance) can only be detrimental – both to the organization and to the individual.
19. **RECOGNITION AND QUALIFICATION FOR BONUSES (Directors)**

The Municipal performance regulations for s.56 Managers promulgated in August 2006 in respect of the management of performance evaluation outcomes indicate that a performance bonus ranging between 5% and 14% of all-inclusive remuneration package may be paid in order to recognize **outstanding** performance.

In determining the performance bonus, it must be noted that the relevant percentages will be required to be based on the overall rating calculated by using the applicable assessment rating calculator.

Accordingly:

A score of 130% to 149% is awarded a performance bonus ranging from 5 – 9% and

150 and above is awarded a performance bonus ranging from 10-14%.

The electronic calculator will be used to calculate the scores and ultimately the performance bonus a manager qualifies for.

Score	% Bonus
130	5
134	6
138	7
142	8
146	9
150	10
154	11
158	12
162	13
166+	14

The KPA's must constitute 80% of the final score and the CCR's must constitute 20% of the final score.

20. PERFORMANCE REVIEWS

Performance Reviews shall be as follows:

Performance Reporting Period		Date
1 st Quarter	Informal	07 th October
Mid-Year	Formal	07 th January
3 rd Quarter	Informal	07 th April
Annual Performance	Formal	07 th July

In the event that the above mentioned dates fall on a weekend, a Friday before shall serve as the submission date

Performance reviews, formal and informal shall be coordinated by the office of the municipal manager; prior to performance information being presented to the IDP and PMS Office in the Office of the Municipal Manager

On submission of the performance information, covering report will be prepared by the IDP and PMS Manager and submitted to the internal audit unit for final verification and confirmation

21. MANAGEMENT OF POOR PERFORMANCE

Poor performance will be required to be managed through ongoing coaching, however, formal coaching is required to be conducted during the September and March reviews.

Failing the required improvement in performance, the employees will be managed as per the terms of their performance contracts and agreements (as per s.54A and 56 fixed-term contract positions)

whilst other employees will have performance managed as per the Disciplinary and Grievance Procedure and Code.

In the event of blatant poor performance when all avenues are explored it will then be the prerogative of the employer to do further recourse taking into account the Municipal Performance Regulations

22. STAKEHOLDER ANALYSIS AND THEIR ROLES

STAKEHOLDERS	INVOLVEMENT WITH: IDP, ORGANISATIONAL PM , INDIVIDUAL PM	BENEFITS
COUNCILORS: <ul style="list-style-type: none"> • Mayor • Executive Committee • Standing / Portfolio Committee • Council 	<ul style="list-style-type: none"> • Facilitate development of long term Vision, IDP and PMS. • Provide strategic direction and manage development of IDP. Manage the implementation of strategy. • Review and monitor the implementation of IDP. • Adapt PM framework and approve the IDP. • Monitor Performance. 	<ul style="list-style-type: none"> • Optimum and equitable service delivery. • Promotes public awareness and satisfactions. • Facilitates a process of benchmarking and collaboration with other municipalities. • Provides a mechanism for the monitoring, implementation and review of the IDP.

23. DISPUTE RESOLUTION

Directors that have negotiated Fixed-Term Contracts:

- (1) In the event that the section 54A and 56 Manager is dissatisfied with any decision or action of the panel in terms of the Performance assessment, or where a dispute or difference arises as to the extent to which the Manager has achieved the performance objectives and targets established in terms of the Agreement, the dissatisfied Manager may meet with the chairperson with a view to resolving the issue. All detail must be duly documented.
- (2) In the event that the Manager remains dissatisfied with the outcome of that meeting, she/he may raise the issue in writing to the next higher level of institution (Council) requesting that the issue be heard.
- (3) The Council will discuss the matter and take a resolution upon the dispute.

CHAPTER 12 – OTHER SECTOR PLANS

Introduction

Strategy/ Policy	Legislation	Period	Status	IDP Annexure
HRD Strategy				ANNEXURE A
Communication strategy				ANNEXURE B
Customer Care Strategy & Petitions				ANNEXURE C
HIV & Aids Strategy				ANNEXURE D
ICT Strategy				ANNEXURE E
Occupational Health and Safety				ANNEXURE F
Public Participation Strategy				ANNEXURE G
Risk and Fraud				ANNEXURE H
IGR Terms of Reference				ANNEXURE I
Waste and Environment				ANNEXURE J
Forestry Management Plan				ANNEXURE K
SMME Strategy				ANNEXURE L
Tourism Marketing Plan				ANNEXURE M
LED Strategy				ANNEXURE N
SDF				ANNEXURE O
Housing Sector Plan				ANNEXURE P
Performance Management Framework				ANNEXURE Q
Audit Unit Plans				ANNEXURE R
PMU Implementation Plan				ANNEXURE S
SPU Strategy				ANNEXURE T
Ward Based Planning				ANNEXURE U

CHAPTER 13: PROJECTS FROM SECTOR DEPARTMENT

CHAPTER 13

Projects from other Sector Departments

In response to intergovernmental relations (IGR), engagements were made with IGR stakeholders in a form of meetings, correspondence mainly during the Covid19 pandemic and through telephone engagements. Below are the projects, programs and activities that will be rendered by sector departments in the Emalahleni Municipal area.

13.1 Department of Human Settlements

PROJECT NAME	LOCATION / WARD	Planned units and Services 2020/21 FY				PROJECT BUDGET		PERIOD		COMMENTS
		Sites	Units	Rectification	Transfers	Budget	Expenditure	Start	Finish	
Zwartwater 1000 ePHP	9	35	35	-	-	R8 880 000,00	R0.00	08 September 2015	30 June 2020	Contractor is not on site due to COVID- 19 which resulted to a national lockdown.
Dordrecht 1001 (269 units) phase 1	11	-	-	50	-	R6 458 950,00	R0.00	18 July 2014	30 March 2019	The Contractors contract expired, and Notices of performance issued already to confirm Lapse of contract due to non-performance. The project will be referred to Procurement for the replacement contractor, furthermore this Project reduced by 769 units due to untraceable beneficiaries, altered houses & National directives to limit rectification to only 10% allocation of regional budget.
Dordrecht 1001 (420 units) phase 2		-	-	0	-			28 July 2014	28 March 2018	
Ladyfrere 715 (Rectification Post 1994	4	-	-	0	-	R500 000,00	R0.00	11 August 2015	30 March 2019	Contractor terminated due to poor performance. There is continuous engagement of beneficiary through PSC as to avoid any Social issues. Fastrack procurement process of replacement contractor through selection of contractor from panel of contractor database approach.

Sinakho Zwelethemba 289	11	-	32	-	-	R 9 888 000.00	R0.00	21 January 2019	21 January 2021	Turnkey contractor appointed for phase 1-(150 units) within current commitments due to budgetary constraints. Phase 1 is complete, And the contractor is currently busy with Fur and close out.
Mavuya Phase 1&2 462- Top Structure	15	-	15	-	-	R4 095 850,00	R0.00	10 May 2018	10 May 2021	Construction activities are on hold due to COVID-19 which resulted into a National lockdown, but Non-performance letter has been issued to the contractor by the department. Contractor to submit recovery plan which is in line with completion date. Failure to keep up with the programme as per the recovery plan will result on enforcement of contract.
GRAND TOTAL		35	82	50	-	R 29 822,800.00	R0.00	-	-	

Table 2-PROJECT ON PLANNINING

Indwe 500 Rectification	15					R0.00	R0.00	Not yet appointed	Not started	NHBRC has done and completed assessments reports. Project on hold & affected by National Directive for its implementation as rectification has been limited to 10% of regional budget
Indwe West Gateway 160-Planning & Services	15					R0.00	R0.00	Not yet appointed	Not started	Feasibility (lack of bulk and land issues) and Municipality is dealing with this through Chris Hani D.M.
Cacadu Extension 3&4 Mixed dev. 800	5					R0.00	R0.00	Not yet appointed	Not started	No formal application with Beneficiary lists and council resolutions received yet from Municipality. Projects do not have bulk infrastructure and will be on hold till plan is in place. Municipality intends to be developer and implement
Dordrecht (Mixed Development) 800	11					R0.00	R0.00	Not yet appointed	Not started	
Indwe 800 (Mixed Development)	16					R0.00	R0.00	Not yet appointed	Not started	

										these 03 projects with own private developer and will be forwarding application. Projects are on hold due to budget over commitment of the region.
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13.2 Department of Social Development

EARLY CHILDHOOD DEVELOPMENT CENTRES

NO.	NAME OF ORGANISATION	FACILITY NO.	SUB PROG	NATURE	NO.OF BEN	ALLOCATION AMOUNT	WARD NO	LOCATION	CONCILIATOR
1.	Noncedo Day Care Centre	3488	Early Childhood Development	Services to children 0-4 years	9	R35 640	16	Guba Hoek, Indwe	M. Makatesi
2.	Unathi Day Care Centre	3755	Early Childhood Development	Services to children 0-4 years	25	R99 000	1	Nqiningane	T. Mrwebi
3.	Khulile Day Care Centre	3581	Early Childhood Development	Services to children 0-4 years	25	R99 000	17	Ntsinga, Maqhashe	C. Bobotyana
4.	Gadlume Pre School	3814	Early Childhood Development	Services to children 0-4 years	25	R99 000	13	Gadlume, Machubeni	N. Kraqa
5.	Lady Frere DCC	3446	Early Childhood Development	Services to children 0-4 years	44	R174 240	4	Lady Frere Town	N. Tyhulu
6.	Nobantu DCC	3767	Early Childhood Development	Services to children 0-4 years	20	R79 200	2	Lanti	N. Kama
7.	Mzamomhle DCC	3750	Early Childhood Development	Services to children 0-4 years	30	R118 800	7	Bozwanana	S. Zama
8.	St Catherine's DCC	3140	Early Childhood Development	Services to children 0-4 years	45	R178 200	15	Mavuya, Indwe	M. Makatesi
9.	Zwelixolile DCC	NEW	Early Childhood Development	Services to children 0-4 years	20	R79 200	5	Mtsheko, Lady Frere	S. Bongo
10.	Vuyani DCC	3766	Early Childhood Development	Services to children 0-4 years	25	R99 000	13	Mbolompeni, Machubeni	N. Kraqa
11.	Isiseko Pre-	3600	Early	Services	25	R99 000	2	Quthube	N Kama

	School		Childhood Development	to children 0-4 years				ni, Bengu	
12.	Bakaneni Day Care Centre	3576	Early Childhood Development	Services to children 0-4 years	20	R79 200	4	Cacadu	N. Tyhulu
13.	Nomzamo Pre-School	3773	Early Childhood Development	Services to children 0-4 years	25	R99 000	7	Qoqodal a	S. Zama
14	Nomzamo Day Care Centre	3279	Early Childhood Development	Services to children 0-4 years	25	R99 000	1	Khundul u	T. Mrwebi
15.	Mzamomhle Pre-School	3787	Early Childhood Development	Services to children 0-4 years	30	R118 800	4	Zakhele, Lady Frere Location	N. Tyhulu
16.	Qumbu DCC	4575	Early Childhood Development	Services to children 0-4 years	25	R99 000	9	Zwartwater	L. Fatyela
17.	Qoboshane DCC	3436	Early Childhood Development	Services to children 0-4 years	25	R99 000	13	Qoboshane, Machubeni	N. Kraqa
18.	Sizamele Pre-School	3570	Early Childhood Development	Services to children 0-4 years	25	R99 000	14	Emthini, Machubeni	M. Qomoyi
19.	Sivuyisiwe Pre-School	3797	Early Childhood Development	Services to children 0-4 years	25	R99 000	9	Zwartwater	L. Fatyela
20.	Mkhaphusi Pre-School	12973	Early Childhood Development	Services to children 0-4 years	25	R99 000	12	Mkhaphusi	T. Ndlela
21.	Mzamomhle Day Care Centre	3280	Early Childhood Development	Services to children 0-4 years	30	R118 800	1	Xonxa	T. Mrwebi
22.	Vuselela Day Care Centre	3145	Early Childhood Development	Services to children 0-4 years	25	R99 000	16	Indwe Town, Indwe	M. Makatesi

23.	Nokulunga Day Care Centre	3762	Early Childhood Development	Services to children 0-4 years	20	R79 200	3	Hala1	X. Njadu
24.	Nomveliso Pre-School	3355	Early Childhood Development	Services to children 0-4 years	35	R138 600	14	Kalfonte in-Umhlanga	M. Qomoyi
25.	Nompumelo Pre-School	3775	Early Childhood Development	Services to children 0-4 years	25	R99 000	10	Tsembe yi	Z. Moshani
26.	Makukhanye Day Care Centre	3539	Early Childhood Development	Services to children 0-4 years	20	R79 200	4	Trust	N. Tyhulu
27.	Masakhane Pre-School	3401	Early Childhood Development	Services to children 0-4 years	14	R55 440	16	Guba-Hoek	M. Makatesi
28.	Khanyisa Pre-School	3778	Early Childhood Development	Services to children 0-4 years	25	R99 000	05	De-Hoop, Mtsheko	S. Bongo
29.	Kuyasa Day Care Centre	3765	Early Childhood Development	Services to children 0-4 years	17	R67 320	2	Lanti	N. Kama
30.	Sibanesethu Pre-School	NEW	Early Childhood Development	Services to children 0-4 years	20	R79 200	12	Ngqanda, Lady Frere	T. Ndlela
31.	Gqebenya DCC	3771	Early Childhood Development	Services to children 0-4 years	30	R118 800	6	Gqebenya	N. James
32.	Buyani Pre-School	3361	Early Childhood Development	Services to children 0-4 years	35	R138 600	16	Indwe Town	M. Makatesi
33.	Emzi DCC	3758	Early Childhood Development	Services to children 0-4 years	25	R99 000	5	Mckysnek	S. Bongo
34.	Lanti Bush DCC	3817	Early Childhood Development	Services to children 0-4	25	R99 000	2	Lanti	N. Kama

				years					
35.	Boomplaas DCC	3595	Early Childhood Development	Services to children 0-4 years	25	R99 000	13	Boomplaas	N. Kraqa
36.	Lanti Poort DCC	3768	Early Childhood Development	Services to children 0-4 years	16	R63 360	2	Lanti	N. Kama
37.	Little Fire DCC	3462	Early Childhood Development	Services to children 0-4 years	20	R79 200	12	Ngqanda	T. Ndlela
38.	Noluvuyo DCC	3760	Early Childhood Development	Services to children 0-4 years	20	R79 200	2	Bengu	N. Kama
39.	Vusisizwe Pre-School	3770	Early Childhood Development	Services to children 0-4 years	25	R99 000	1	Tshatshu	T. Mrwebi
40.	Nalisango DCC	3424	Early Childhood Development	Services to children 0-4 years	25	R99 000	13	Helushe, Machubeni	N. Kraqa
41.	Nompumelo DCC	3780	Early Childhood Development	Services to children 0-4 years	25	R99 000	10	Dubeni	Z. Moshani
42.	Nompumelo DCC	3143	Early Childhood Development	Services to children 0-4 years	25	R99 000	16	Jenethe, Guba-Hoek	M. Makatesi
43.	Matyantya DCC	3305	Early Childhood Development	Services to children 0-4 years	25	R99 000	6	Matyantya	N. James
44.	Masithembu DCC	3455	Early Childhood Development	Services to children 0-4 years	30	R118 000	3	Greyspan	X. Njadu
45.	Tafeni Pre-School	NEW	Early Childhood Development	Services to children 0-4 years	20	R79 200	2	Bengu, Lady Frere	N. Kama
46.	Buffalo Thorns DCC	3777	Early Childhood Development	Services to children	15	R59 400	8	Vaalbank	N. Ngono

			ent	0-4 years					
47.	Mt Arthur DCC	3722	Early Childhood Developm ent	Services to children 0-4 years	20	R79 200	12	Mt Arthur	T. Ndlela
48.	Small Farm Pre-School	3671	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	6	Gqeben ya	N. James
49.	Vukani DCC	3514	Early Childhood Developm ent	Services to children 0-4 years	26	R102 960	16	Upper Mgwala na	M. Makates i
50.	Thaleni DCC	3851	Early Childhood Developm ent	Services to children 0-4 years	20	R79 200	13	Thaleni, Machub eni	N. Kraqa
51.	St Cyprians Pre-School	3689	Early Childhood Developm ent	Services to children 0-4 years	20	R79 200	13	Tshama zimba	N. Kraqa
52.	Yimpucuko DCC	3571	Early Childhood Developm ent	Services to children 0-4 years	30	R118 800	11	Zweleth emba, Dordrec ht	T. Mondile
53.	Vulindlela Pre-School	3636	Early Childhood Developm ent	Services to children 0-4 years	30	R118 800	6	Mckysn ek	N. James
54.	Siyakhula DCC	NEW	Early Childhood Developm ent	Services to children 0-4 years	20	R79 200	2	Agnes Rest	N. Kama
55.	Zamokuhle DCC	3613	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	7	Bowden	S. Zama
56.	Zubasdale DCC	3713	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	12	Mt Arthur	T. Ndlela
57.	Zikulise DCC	3625	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	7	Qoqodal a	S. Zama
58.	Ngqanda DCC	3714	Early Childhood	Services to	20	R79 200	12	Ngqand a	T. Ndlela

			Developm ent	children 0-4 years					
59.	Nonkunzi DCC	3791	Early Childhood Developm ent	Services to children 0-4 years	40	R158 400	4	Cacadu	N. Tyhulu
60.	Njongozeth u Pre- School	3962	Early Childhood Developm ent	Services to children 0-4 years	15	R59 400	2	Lanti, Lady Frere	N. Kama
61.	Nonkuthaz o Pre- School	3961	Early Childhood Developm ent	Services to children 0-4 years	15	R59 400	13	Machub eni, Lady Frere	N. Kraqa
62.	Sinethemb a DCC	3789	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	3	Ndonga	X. Njadu
63.	Nolukhanyo Pre-School	3890	Early Childhood Developm ent	Services to children 0-4 years	18	R71 280	13	Gxojeni, Machub eni	N. Kama
64.	Thembelihl e Pre- School	3912	Early Childhood Developm ent	Services to children 0-4 years	15	R59 400	13	Upper Gxojeni, Machub eni	N. Kraqa
65.	Elangeni DCC	3774	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	5	Kavara	S. Bongo
66.	Bhadi Pre- School	NEW	Early Childhood Developm ent	Services to children 0-4 years	20	R79 200	7	Ngonya ma	S. Zama
67.	Sifunulwazi DCC	3850	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	9	Zwartwa ter	L. Fatyela
68.	Mikhaya DCC	3291	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	1	Xonxa	T. Mrwebi
69.	Emadwalen i Pre- School	3580	Early Childhood Developm ent	Services to children 0-4 years	25	R99 000	3	Hala 2	X. Njadu
70.	Masizakhe	3891	Early	Services	25	R99 000	17	Percy	C.

	Day Care Centre		Childhood Development	to children 0-4 years					Bobotyana
71.	Khulangolwazi Pre-School	NEW	Early Childhood Development	Services to children 0-4 years	25	R99 000	13	Helushe, Machubeni	N. Kraqa
72.	Ngcuka DCC	3785	Early Childhood Development	Services to children 0-4 years	25	R99 000	17	Ngcuka	C. Bobotyana
73.	Harry Gwala Pre-School	3751	Early Childhood Development	Services to children 0-4 years	25	R99 000	11	Harry Gwala, Dordrecht	T. Mondile
74.	Nosiseko Pre-School	3763	Early Childhood Development	Services to children 0-4 years	25	R99 000	14	Zwelitsha, Umhlanga	M. Qomoyi
75.	Chumani DCC	3538	Early Childhood Development	Services to children 0-4 years	20	R79 200	3	Eqaqeni, Ndonga	X. Njadu
76.	Umhlanga Pre-School	3761	Early Childhood Development	Services to children 0-4 years	24	R95 040	14	Kalfonte in-Umhlanga	M. Qomoyi
77.	Ikhwezi Pre-School	3146	Early Childhood Development	Services to children 0-4 years	20	R79 200	14	Nkenkulu, Umhlanga	M. Qomoyi
78.	Nompumelo DCC	3784	Early Childhood Development	Services to children 0-4 years	30	R118 800	5	Mtsheko	S. Bongo
79.	Sivumile Pre-School	3796	Early Childhood Development	Services to children 0-4 years	20	R79 200	3	Maqhubela	X. Njadu
80.	Noncedo Pre-School	3798	Early Childhood Development	Services to children 0-4 years	25	R99 000	17	Ngqoko	C. Bootyana
81.	Mzamomhle Pre-School	3926	Early Childhood Development	Services to children 0-4 years	14	R55 440	3	Maqhubela	X. Njadu

82.	Pakamani Pre-School	3533	Early Childhood Development	Services to children 0-4 years	20	R79 200	3	Greyspan	X. Njadu
83.	Bongani Pre-School	3516	Early Childhood Development	Services to children 0-4 years	23	R91 080	5	Mckysnek	S. Bongo
84.	Masakhane DCC	3927	Early Childhood Development	Services to children 0-4 years	20	R79 200	9	Zwaartwater	L. Fatyela
85.	Sokhula DCC	3922	Early Childhood Development	Services to children 0-4 years	20	R79 200	9	Zwaartwater	L. Fatyela
86.	Masibambane Pre-School	3924	Early Childhood Development	Services to children 0-4 years	14	R55 440	13	Machubeni	N. Kraqa
87.	Siyazama Pre-School	3400	Early Childhood Development	Services to children 0-4 years	2	R99 000	16	Mzamo mhle, Indwe	M. Makatesi
88.	Sikhulile Pre-School	3141	Early Childhood Development	Services to children 0-4 years	17	R67 320	16	Lower Mgwala na, Indwe	M. Makatesi

SPECIAL DAY CARE CENTRE

1.	Emadlweni Special Day Care Centre	11905	Special Needs	Services to children with special needs from 0-18 years	14	R73 920	16	Indwe	M. Makatesi
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SERVICE CENTRES (OLDER PERSONS)

1.	Hlalanathi Service Centre	9546	Older persons	Services to Older Persons	40	R111 175	05	Cumakala	S. Bongo
2.	Noncedo Service Centre	9539	Older persons	Services to Older Persons	50	R135 175	06	Khundulu	N. James
3.	Sosebenza Youth Project	9377	Older persons	Services to Older Persons	50	R135 175	16	Indwe	M. Makatesi
4.	Masakhe Intergeneration	9374	Older persons	Services to Older Persons	60	R169 164	17	Maqhashu	C. Bobotyana
5.	Xonxa Service Centre	10733	Older persons	Services to Older Persons	45	R123 175	06	Xonxa	N. James
6.	Luxolo Service	9726	Older	Services to	32	R91 975	10	Tsembeyi	Z.

	Centre		Persons	Older Persons					Mosha ni
7.	Soyi Service Centre	9661	Older persons	Services to Older Persons	40	R111 175	10	Tsembeyi	Z. Mosha ni
8.	Masonwabe Service Centre	9793	Older persons	Services to Older Persons	20	R63 175	08	Vaalbank	N. Nqono
9.	Thembaletu Service Centre	9789	Older persons	Services to Older Persons	30	R87 175	04	Cacadu	N. Tyhulu
10.	Masonwabe Service Centre	9799	Older persons	Services to Older Persons	30	R87 175	03	Hala 1	X. Njadu
11.	Sikhulile Service Centre	11358	Older persons	Services to Older Persons	30	R87 175	01	Tshatshu	T. Mrweb i
12.	Lady Frere Service Centre	10729	Older persons	Services to Older Persons	25	R85 164	04	Lady FrereTown	N. Tyhulu
13.	Siyavuya Service Centre	10741	Older persons	Services to Older Persons	40	R111 175	12	Mkhaphusi	T. Ndlela
14.	Vukutye Service Centre	10727	Older persons	Services to older persons	20	R63 175	03	Greyspan	X. Njadu
15.	Ayabulela Service Centre	11359	Older persons	Services to Older Persons	30	R87 175	03	Eqaqeni	X. Njadu
16.	Khanyisa Service Centre	10739	Older persons	Services to older persons	20	R63 175	01	Rodana	T. Mrweb i
17.	Sondelani Service Centre	11899	Older persons	Services to Older Persons	40	R111 175	03	Hala 2	X. Njadu
18.	Siyalinga Service Centre	11360	Older persons	Services to Older Persons	20	R63 175	17	Ngcuka	C. Boboty ana
19.	Sakhekile Service Centre	NEW	Older persons	Services to Older Persons	20	R73 164	5	Lady Frere Location	S. Bongo
20.	Siyazama Service Centre	NEW	Older persons	Services to Older Persons	20	R73 164	17	Ngqoko, Lady Frere	C. Boboty ana

OLD AGE HOME

1.	Nerinahof Old Age	222	Older Persons	Residential services to Older Persons	43	R960 000	11	Dordrecht	T. Mondile
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CPO (CHILD CARE AND PROTECTION)

1.	ACVV Dordrecht	151	Child Care and Protection	Services to Children		R257 029	11	Dordrecht	T. Mondile
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HIV/AIDS

1.	Masibambane HCBC	10806	HIV/AIDS	Home Community Based Care Service	N/A	R287 015	04	Lady Frere Town	P. N. Tyhulu
2.	Sakhingomso HCBC	11490	HIV/AIDS	Home Community Based Care Service	N/A	R287 015	16	Indwe	M. Makatesi

FAMILIES

1.	Indwe Family Resource Centre	10907	Families	Services to families	N/A	R145 000	16	Indwe	M. Makatesi
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VICTIM EMPOWERMENT PROGRAMME

1.	Dordrecht White Door Centre of Hope	11277	Victim Empowerment Programme	Services to Victims of Domestic Violence and Crime	N/A	R194 000	11	Dordrecht	T. Mondile
2.	Lavelilanga Gender Empowerment	10905	Victim Empowerment Programme	Services to Victims of Domestic Violence and Crime	N/A	R200 000	16	Indwe	M. Makatesi
3.	Khuseleka support centre	10906	Victim Empowerment Programme	Services to Victims of Domestic Violence and Crime	N/A	R300 000	05	Mckeynek	S. Bongo
4.	Sakhisizwe White Door Centre	12980	Victim Empowerment Programme	Services to Victims of Domestic Violence and Crime	N/A	R193 250	10	Tsembe yi	Z. Moshani

DISABILITY

1.	Kamvalethu Community Based Rehabilitation	11903	Disability	Community Based Care and Rehabilitation	N/A	R100 000	16	Indwe	M. Makatesi
2.	Siyathemba Protective Workshop	11900	Disability	Skills Development	25	R60 000	11	Dordrecht	T. Mondile

SUBSTANCE ABUSE

1.	TADA Emalahleni	10809	Substance Abuse	Prevention Services to in School	N/A	R185 000	All Wards	Emalahleni Municipality	
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				and out of School youth					
2.	Njongozethu Project	3450	Substance Abuse Prevention	Prevention	200	R156 998	16	Indwe	M. Makatesi

COMMUNITY DEVELOPMENT

N O	NAME OF APPLICANT	SUB-PROGRAM ME	ACTIVITY	LOCATION	WARD NO.	FUNDING ALLOCATION	NO OF BENEFICIARIES	STATUS
1.	Ilifa Lezulu Project	Women Development	Communal Garden	Ngonyama village	08	R100.00	08	New
2.	Equmbu CNDC	Sustainable Livelihood	CNDC	Equmbu village	09	R497 729.00	120	Old

SUMMARY

EARLY CHILDHOOD DEVELOPMENT CENTRES	: 88
SPECIAL DAY CARE CENTRE	: 01
SERVICE CENTRES (OLDER PERSONS)	: 20
OLD AGE HOME	: 01
NGO (CHILD CARE AND PROTECTION)	: 01
HIV/AIDS	: 02
FAMILIES	: 01
VICTIM EMPOWERMENT PROGRAMME	: 04
DISABILITY	: 02
SUBSTANCE ABUSE	: 02
COMMUNITY DEVELOPMENT	: 02

13.3 Department of Rural Development and Agrarian Reform

Emalahleni local municipality will be focussing on the following programs during the 2020/21 financial year and they include Food Security program (Households and Cropping), Infrastructure, Land Care, Livestock improvement

2020/2021 Households

Sub program	Number of households	Budget	Items to be procured
Household	583HH	R600/HH=R350 000	Production Inputs

2020/2021 Cropping

Sub program	Enterprise	Ha allocated	Items to be procured
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Cropping	Maize	104HA	Production inputs
	Fodder	161HA	Production inputs

2020/2021 Infrastructure

Sub program	Type of project	Budget	Items to be procured
Infrastructure	Dipping tank material	R100 000.00	Payment of casual labour for Renovation of existing dip tank in Lanti
	Dipping tank material	R100 000.00	Payment of casual labour for Renovation of existing dip tank in Maqhasu

2020/2021 Infrastructure

Infrastructure	Fencing material	R100 000.00	Payment of casual labour for Renovation of Fencing in Mcwangele
	Fencing material	R100 000.00	Payment of casual labour for Renovation of Fencing in Xonxe

2020/2021 Infrastructure

Sub program	Type of project	Budget	Items to be procured
Infrastructure	Destilling and upgrading small earth dam in Emalahleni (Qoqodala,)	R120 000.00	Dam scooping
	Destilling and upgrading small earth dam in Emalahleni (Sidon,)	R120 000.00	Dam scooping
	Destilling and upgrading (10) small earth dams in Emalahleni (Percy,)	R120 000.00	Dam scooping

Infrastructure	Distilling and upgrading small earth dam in Emalahleni (Grey span,)	R120 000.00	Dam scooping
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2020/2021 Livestock Improvement

FARM NAME	Type of project	Budget	Items to be procured
Sibeko CPA	Livestock		Livestock
Khulisazulu Coop	Livestock		Livestock
Mbaymbayi family	Livestock		Livestock
Mqwoolgrowersgukhwebe	Livestock		Livestock

2020/2021 Land Care

FARM NAME	Type of project	Budget	Items to be procured
HALA	Planning – 2020 Business plan - 2021 Implementation 2021		Water run off control
Machubeni	Planning – 2020 Business plan - 2021 Implementation 2021		Soil conservation

2020/2021 Land Care

FARM NAME	Type of project	Budget	Items to be procured
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MHLANGA	Planning - 2020 Business plan - 2021 Implementation 2021		Soil conservation
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13.4 Department of Home Affairs

Home Affairs have birth registration within 30 days. Late registration of birth (LRB). Mobile School visit program where the department visit schools to assist learners who want to apply for IDs.

13.5 South African Social Security Agency (SASSA)

Grant Administration Report

	Annual Performance Target 2020/2021
Number of new Social Grant applications processed	3469
SRD FOOD PARCELS	Performance Indicators
SRD SCHOOL UNIFORMS	208

MONTHLY STATISTICS AND EXPENDITURE

Local Office	Grant Type	No of Beneficiaries	No of Children	Economic Investment
INDWE	Care Dependency	91	92	R 155 480
	Child Support (Total 0-18)	5 749	10 758	R 4 303 200
	Foster Care	265	342	R 328 320
	Grant in Aid	85		R 34 000
	Old Age	2 742		R 4 615 976
	Old Age (75 Years & Over)	933		R 1 591 191
	Permanent Disability	772		R 1 303 246
	Temporary Disability	14		R 23 660

INDWE Total		10 651	11 192	R 12 355 073
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Local Office	Grant Type	No of Beneficiaries	No of Children	Economic Investment
LADY FRERE	Care Dependency	172	174	R 294 060
	Child Support (Total 0-18)	14 512	25 985	R10 394 000
	Foster Care	651	844	R 810 240
	Grant in Aid	132		R 52 800
	Old Age	7 570		R12 744 102
	Old Age (75 Years & Over)	990 3		R 6 818 158
	Permanent Disability	710 2		R 4 577 995
	Temporary Disability	77		R 130 130
LADY FRERE Total		29 814	27 003	R 35 821 485
EMALAHLENI TOTAL		40 465	38 195	R48 176 558

SUMMARY OF STATISTICS AND EXPENDITURE

- 38% of the Social Security Budget is shared amongst the Elderly.
- 53% of the Social Security Budget is shared amongst the Children
- 9% of the Social Security Budget is shared amongst the Disabled people

2020/2021 SDR UDGET ALLOCATION

Local Office	Normal SRD Budget Allocation	School Uniform Budget Allocation	2020/2021 Budget
INDWE	R 265,348	R 113,720	R 379,068
LADY FRERE	R 706,427	R 302,754	R 1,009,181
TOTAL	R 971 775	R 416 474	R 1 388 249

In summary:

- **Covid-19:** These targets will be revised by Head Office in the second quarter due to the impact of Covet-19 Lock down.
- **Budget :** The above Budget has already been used for SRD for Coved-19, the office is waiting for additional funding from Provincial Office.
- **Social Grant for Unemployed:** this is the National Project Local Office has no role to play at the moment.
- **Counter Services,** the Agency is going to service points and we encourage the leadership to invite us when the is a need for our services
- **Paid after Death,** these are people who draw money after the beneficiary has passed away and we raise debt for them to repay the money.
- **Pay Point Monitoring:** the Office has 26 approved pay points and two Post Offices utilized as pay points including utilizing Cacadu Town Hall and Mavuya Hall.

13.6 Department of Transport Infrastructure

LIST OF ROADS AND AVAILABLE BUDGET:

Name of Project	Nature or description of the project	Ward/Locality	Project Budget	Comment
Bilatye Bailey Bridge	Construction of Fini Bailey Bridge	Tsembeyi	R11 441 614.59 excl Local Labour costs	SANDF already on Site
Regravelling of DR08564	Regravelling of DR08564 using Plant Hire	R396 to R392	R10 333 000.00	Most of the Budget will focus on Structures/Stormwater, the remainder on Gravelling
Maintenance of Dodrecht Route	Patching of Pothole, Guardrail repairs, Grass cutting and Edge break reapears	R392	R250 000.00	Procurement Process to commence once staff is back on office
Regravelling of DR08570 & DR08569	Regravelling of DR08570 & DR08569	R396 to Xonxa	Budget will be determaind by Assessment	Procurement Process to commence once staff is back in the office
Regravelling of DR08579	Regravelling of DR08579	Zingquthu	R7 000 000.00	Procurement Process to commence once staff is back in the office
			R29 024 614,59	

Kindly note that there is an MOU between the Municipality and the Department of Transport, which will assist in covering some of the Priorities. There is a plan that the Department and Municipality have agreed on and will work accordingly for the duration of the MOU.

13.7 Department of Education

CACADU CMC INFRASTRUCTURE PROJECTS

PROJECT NAME	PROJECT NUMBER	IMPLEMENTING AGENT	PROGRAMME	PROJECT STATUS	PROJECT COST
VES REST SPS	DPW16ECAR010	IDT	ASIDI NDPW SCHOOLS CONSTRUCTION	PRACTICAL COMPLETION	R39 051 916,53
UBIZWE SPS	TMT/DBE/04A/17/H3	TMT	SANITATION	ONHOLD	R528 290,00
SEMANTLE BOY'S HIGH	CDC/924/16	COEGA	CDC FENCING II	FINAL COMPLETION	R1 560 479,86
BENYA JPS	P9004970	COEGA	CDC ECD III	FINAL COMPLETION	R7 370 135,34



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CACADU CMC INFRASTRUCTURE PROJECTS

PROJECT NAME	PROJECT NUMBER	IMPLEMENTING AGENT	PROGRAMME	PROJECT STATUS	PROJECT COST
NDWE METH PRIMARY	TMT/DBE/04A/17/H2	TMT	SANITATION	FINAL COMPLETION	R521 801,01
KWAMHLONTLO SSS	RFP108/2017	DBSA	DBSA RE-ALIGNMENT II- DECANING	UNDERCONSTRUCTION	R9 535 304,62
KWAMHLONTLO SSS	CDC/925/16	COEGA	CDC FENCING II	99%	R947 473,26
LUKHANYO SSS	CDC/926/16	COEGA	CDC FENCING II	FINAL COMPLETION	R961 524,46
MASIZAKHE JPS	SCMU5-17/18-0012CHR	DRPW	DPW COMBINED PRIORITY	UNDERCONSTRUCTION	R49 870 388,81



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CACADU CMC INFRASTRUCTURE PROJECTS

PROJECT NAME	PROJECT NUMBER	IMPLEMENTING AGENT	PROGRAMME	PROJECT STATUS	PROJECT COST
NICALUKENI JPS	0384-NICALUKENI JPS	IDT	ASIDI NDPW SCHOOLS CONSTRUCTION	PRACTICAL COMPLETION	R24 053 922,10
NONKQUBELA SSS	RFP108/2017	DBSA	DBSA RE-ALIGNMENT II-DECANTING	UNDERCONSTRUCTION 99%	R8 420 967,16
NTSONKOTHA SSS	P9004821	IDT	IDT EIRH (HOSTELS)	TERMINATED	R171 021 467,68
PHAKAMISA JPS	DPW16ECAR011	IDT	ASIDI NDPW SCHOOLS CONSTRUCTION	ELECTRICAL CONNECTION UNDERCONSTRUCTION	R7 761 473,40



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CACADU CMC INFRASTRUCTURE PROJECTS

PROJECT NAME	PROJECT NUMBER	IMPLEMENTING AGENT	PROGRAMME	PROJECT STATUS	PROJECT COST
RWANTSANA JPS	DOEEC/07/2017	IDT	ASIDI NDPW SCHOOLS CONSTRUCTION	FINAL COMPLETION	R29 381 112,91
STONY CROFT JPS	SCMU6E-17/18-024	DOE/ECDC	DISASTER	FINAL COMPLETION	R4 422 494,06
MOUNT ARTHUR GIRL'S HIGH	CDC/928/16	COEGA	CDC FENCING II	FINAL COMPLETION	R1 175 239,82
TAMBEKILE SSS	RFP108/2017	DBSA	DBSA RE-ALIGNMENT II-DECANTING	UNDERCONSTRUCTION 99%	R9 280 057,48
GRAND TOTAL					R365048,50 864



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13.8 Department of Sports, Recreation, Arts and Culture

The Department could not provide the information as the office is currently on lock down.

13.9 Department of Land Affairs

The Department will write a formal correspondence to Emalahleni Local Municipality on the budget adjustments planned due to COVID19 pandemic (Contact Person Mr. Majavu)

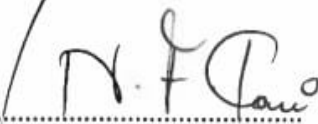
APPROVAL OF THE FIRST DRAFT IDP: 2020/2021

The first draft IDP tabled in Council for approval on the 29 MAY 2020
Council Resolution of Adoption: VSCM 732/05/2020

Signatures:


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MR V.C. MAKEDAMA
MUNICIPAL MANAGER

29 MAY 2020
DATE


.....
CLLR N KONI
HONORABLE MAYOR

29 MAY 2020
DATE
