

Siyathemba Municipality



Draft Annual Budget Report

2012-2013

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Adjustment Budgets	Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.
Allocations	Money received from Provincial and National Treasury.
Budget	The financial plan of a municipality
Budget Related Policy	Policy of a municipality affecting or affected by the budget. Examples include tariff policy, rates policy and credit control and debt policy.
Budget Steering Committee	Committee established to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.
Capital Expenditure	Spending on Municipal Assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.
Cash Flow Statement	A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.
CPI	Headline Consumer Price Index
DMTN	Domestic Medium Term Note
DORA	Division of Revenue Act. Annual legislation which shows the allocations from national to local government.
DORB	Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.
Executive Management Team	A team consisting of the Municipal Manager and the Executive Directors and Chief Audit Executive reporting to the Municipal Manager.
Equitable Share	A general grant paid to municipalities. It is predominantly targeted to assist municipalities with the costs of free basic services.
GDFI	Gross Domestic Fixed Investment

GFS	Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.
IDP	Integrated Development Plan. The main strategic planning document of a municipality.
KPI	Key Performance Indicators. Measures of output and/or outcome.
MAYCO	Mayoral committee
MFMA	Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.
MTREF	Medium Term Revenue and Expenditure Framework as prescribed by the MFMA set out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level thereof. It effectively represents a municipality's medium term financial plan.
MYPD	Multi Year Price Determination
NT	National Treasury
Operating Expenditure	Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.
Portfolio Committee	Section 79 of the Structures Act dictates that a municipal council may (a) establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and (b) appoint the members of such a committee from among its members. Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. This oversight function is further enhanced by the Portfolio Committee's responsibility of assessing and monitoring the performance of services delivery which inter alia includes ensuring that the annual budgets of the municipality's departments are spent wisely and that there is no wastage or corruption.
PT	Provincial Treasury
Rates	Local Government tax based on assessed valuation of a property.
TMA	Total Municipal Account

SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
SFA	Strategic Focus Areas: The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these strategic focus areas.
Sub councils	The municipal area governed by the Siyathemba Municipality is divided into sub councils, each of which is made up of a number of wards. There are a total of wards, each of which is represented by a councilor. A ward is in turn made up of a number of suburbs.
Vote	One of the main segments into which a budget is divided, usually at directorate level.

2012-2013 BUDGET RESOLUTIONS

1. Recommended that the annual budget of the municipality for the financial year 2011/2012; and indicative allocations for the two projected outer years 2012/2013 and 2013/2014 and related policies be noted, as set out in the following schedules and Annexure A to this report:
 - a. Operating revenue by source reflected in Table 36.
 - b. Operating expenditure by vote reflected in Table 3.
 - c. Operating expenditure by GFS classification reflected in Table 2.
 - d. Multi-year capital appropriations by vote reflected in Table 35 and Annexure 1.
 - e. Capital expenditure by GFS classification reflected in Table 5.
 - f. Cash funding by source reflected in Table 5.
 - g. Cash Flow statement as reflected in Table 7.
 - h. Salaries and Benefits of Political Office Bearers, Councilors and Senior Officials as reflected in Table 27 and Table 28.
 - i. Grants, Subsidies and Contributions to external entities in 2010/2011 as set out in Annexure 18.
 - j. Income Performance Indicators for 2012/2013 as set out in Table 12.
 - k. Assessment (property) rates as set out in Annexure 3.
 - l. Special Rating Areas/Municipality Improvement District Levies and Budgets for 2010/2011 as set out in Annexure 4.
 - m. Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Services, Water Services and Waste Management Services as set out in Annexure 5
 - n. Tariffs, Fees and Charges Book incorporating miscellaneous tariffs, charges, rates and levies for 2012-2013 as set out in Annexure 6
 - o. Integrated Development Plan as set out in Annexure 7
 - p. Budgets for Municipal Entities reflected in Table 30 to Table 33.
 - q. Budgeted Financial Performance (revenue and expenditure) per directorate and department as per Annexure 19.
 - r. Operating and Capital ward allocation projects approved by Sub councils as set out in Annexure 20.
2. Service Delivery Plans/Business Plans with measurable targets is approved by the Mayor in May 2011 following approval of the Budget.
3. Unspent conditional grant allocations (National) as at the end of the 2012/2013 financial year and appropriated or voted to 2012/2013 and future years not be committed to expenditure until approval thereof is obtained from National Treasury, per directive of Budget Circular 58 (2012) and Circular 59 (2012).

2. ANNUAL BUDGET TABLES

The Budget schedules to be approved by resolution of Council: Table A1 – Budget Summary

Table 1: Budget Summary (Table A1)

NC077 Siyathemba - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands										
Financial Performance										
Property rates	4 547	6 624	4 810	8 426	5 705	5 705	5 705	9 008	9 510	10 013
Service charges	15 509	19 201	22 003	25 173	21 007	21 007	21 007	21 009	24 665	27 659
Investment revenue	165	90	80	95	115	115	115	145	180	215
Transfers recognised - operational	11 233	14 667	34 306	32 384	21 076	21 076	21 076	24 097	25 137	26 996
Other own revenue	2 007	3 100	3 468	4 045	5 565	5 565	5 565	9 841	10 108	10 735
Total Revenue (excluding capital transfers and contributions)	33 460	43 682	64 666	70 122	53 468	53 468	53 468	64 100	69 600	75 618
Employee costs	15 070	18 439	19 152	23 248	27 104	27 104	27 104	30 461	33 054	36 566
Remuneration of councillors	1 514	1 001	1 750	1 902	1 967	1 967	1 967	2 069	2 243	2 427
Depreciation & asset impairment	145	150	150	150	150	150	150	150	150	150
Finance charges	1 587	295	–	–	256	256	256	780	769	757
Materials and bulk purchases	3 708	4 925	7 800	9 436	14 489	14 489	14 489	16 130	18 462	20 908
Transfers and grants	–	–	–	–	–	–	–	3 989	3 402	3 516
Other expenditure	–	–	1 240	1 240	9 502	9 502	9 502	10 520	11 520	11 293
Total Expenditure	22 024	24 811	30 092	35 977	53 468	53 468	53 468	64 100	69 600	75 618
Surplus/(Deficit)	11 436	18 871	34 574	34 146	(0)	(0)	(0)	(0)	0	(0)
Transfers recognised - capital	–	–	–	–	16 205	16 205	16 205	15 799	15 981	13 869
Contributions recognised - capital & contributed assets	–	–	–	–	(16 205)	(16 205)	(16 205)	(15 799)	(15 981)	(13 869)
Surplus/(Deficit) after capital transfers & contributions	11 436	18 871	34 574	34 146	(0)	(0)	(0)	(0)	0	(0)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	11 436	18 871	34 574	34 146	(0)	(0)	(0)	(0)	0	(0)
Capital expenditure & funds sources										
Capital expenditure	3 673	6 387	7 325	8 812	16 823	16 823	16 823	16 378	19 352	13 870
Transfers recognised - capital	3 673	6 387	7 195	8 812	16 205	16 205	16 205	15 799	15 981	13 869
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	618	618	618	579	–	–
Total sources of capital funds	3 673	6 387	7 195	8 812	16 823	16 823	16 823	16 378	15 981	13 869
Financial position										
Total current assets	4 697	4 167	5 854	8 233	7 500	7 500	7 500	3 170	3 424	3 697
Total non current assets	121 625	126 897	140 131	140 385	–	–	–	257 709	278 326	300 592
Total current liabilities	12 155	9 363	10 575	8 375	–	–	–	18 750	20 250	21 870
Total non current liabilities	1 090	1 001	–	652	–	–	–	322	348	376
Community wealth/Equity	116 744	113 048	115 000	115 000	–	–	–	241 127	–	–
Cash flows										
Net cash from (used) operating	4 385	2 973	6 187	(130)	(3 592)	(3 592)	(3 592)	9 222	9 959	10 756
Net cash from (used) investing	(4 131)	3 134	(5 346)	(6 442)	584	584	584	12	13	14
Net cash from (used) financing	(1 090)	(961)	(50)	(600)	(600)	(600)	(600)	(5)	(5)	(5)
Cash/cash equivalents at the year end	(2 712)	2 434	3 225	(2 717)	(6 320)	(9 928)	(6 320)	9 549	19 517	30 281
Cash backing/surplus reconciliation										
Cash and investments available	2 322	1 013	(498)	500	500	500	500	(586)	(633)	(684)
Application of cash and investments	1 177	2 387	1 245	(922)	(3 446)	(3 446)	(3 446)	12 519	13 597	14 707
Balance - surplus (shortfall)	1 145	(1 374)	(1 743)	1 422	3 946	3 946	3 946	(13 105)	(14 230)	(15 391)
Asset management										
Asset register summary (WDV)	88 396	215 676	219 151	197 473	–	197 473	178 228	178 228	175 064	171 956
Depreciation & asset impairment	145	150	150	150	150	150	150	150	150	150
Renewal of Existing Assets	118 973	126 772	122 819	122 837	122 837	122 837	122 837	–	–	–
Repairs and Maintenance	21 652	30 145	25 853	26 414	26 414	26 414	–	–	–	–
Free services										
Cost of Free Basic Services provided	3 543	9 790	5 476	6 600	6 600	6 600	9 511	9 511	9 511	9 511
Revenue cost of free services provided	3 543	9 790	5 476	6 600	6 600	6 600	9 511	9 511	9 511	9 511
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	0	1	–	–	–	–	–	–	–	–
Energy:	0	0	–	–	–	–	–	–	–	–
Refuse:	5	5	5	5	5	5	5	5	5	5

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

Table2: Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table2)

NC077 Siyathemba - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard									
<i>Governance and administration</i>	410	507	604	673	21 498	21 498	27 160	29 433	31 282
Executive and council	410	507	604	673	661	661	725	795	818
Budget and treasury office	-	-	-	-	20 585	20 585	26 149	28 324	30 122
Corporate services	-	-	-	-	252	252	286	314	343
<i>Community and public safety</i>	1 173	2 175	292	588	1 118	1 118	1 680	1 253	1 327
Community and social services	380	582	292	588	1 073	1 073	1 630	1 198	1 267
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	761	1 558	-	-	-	-	-	-	-
Housing	32	35	-	-	45	45	50	55	60
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	22	55	29 680	14 076	15 984	15 984	15 070	15 037	16 133
Planning and development	22	55	21 821	11 718	13 573	13 573	13 514	13 206	13 974
Road transport	-	-	7 859	2 358	2 412	2 412	1 556	1 831	2 159
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	20 602	22 603	22 108	32 858	37 280	37 280	43 322	46 492	47 379
Electricity	6 558	7 961	7 701	12 353	14 783	14 783	18 172	19 546	21 462
Water	5 940	6 654	6 963	9 557	12 180	12 180	13 078	13 851	11 776
Waste water management	-	-	-	-	7 318	7 318	8 614	9 401	10 202
Waste management	8 104	7 988	7 444	10 948	2 998	2 998	3 459	3 694	3 938
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	22 207	25 340	52 684	48 195	75 880	75 880	87 232	92 215	96 121
Expenditure - Standard									
<i>Governance and administration</i>	10 905	18 446	13 049	18 378	19 882	19 882	21 360	22 805	23 852
Executive and council	2 285	2 561	4 744	9 445	10 388	10 388	10 988	11 675	12 367
Budget and treasury office	8 620	15 885	8 305	8 933	9 439	9 439	10 307	11 057	11 404
Corporate services	-	-	-	-	55	55	65	73	80
<i>Community and public safety</i>	2 675	3 256	1 667	3 228	3 109	3 109	3 455	3 852	4 176
Community and social services	649	987	758	1 781	1 798	1 798	2 006	2 214	2 383
Sport and recreation	869	757	801	1 351	1 295	1 295	1 428	1 613	1 762
Public safety	1 157	1 494	73	62	6	6	6	6	6
Housing	-	-	-	-	-	-	-	-	-
Health	-	18	34	35	10	10	15	20	25
<i>Economic and environmental services</i>	4 883	4 309	32 792	19 407	21 338	21 338	22 792	23 538	25 306
Planning and development	4 883	4 309	25 600	18 214	18 618	18 618	21 247	21 878	23 540
Road transport	-	-	7 192	1 193	2 720	2 720	1 545	1 661	1 766
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	14 997	17 899	17 157	27 759	31 550	31 550	39 626	42 019	42 787
Electricity	5 513	6 782	7 393	11 696	12 900	12 900	17 515	18 626	20 960
Water	3 446	4 498	4 862	6 282	8 946	8 946	10 295	10 874	8 637
Waste water management	-	-	-	-	5 925	5 925	7 164	7 564	7 934
Waste management	6 038	6 619	4 902	9 781	3 778	3 778	4 652	4 955	5 256
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	33 460	43 910	64 665	68 773	75 880	75 880	87 232	92 215	96 121
Surplus/(Deficit) for the year	(11 253)	(18 570)	(11 981)	(20 577)	0	0	0	0	0

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

Table 3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table A3)

NC077 Siyathemba - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote									
Vote 1 - Executive & Council	410	507	604	673	661	661	725	795	818
Vote 2 - Budget & Treasury Office	11 253	18 570	11 981	21 927	20 585	20 585	26 149	28 324	30 122
Vote 3 - Corporate Services	-	-	-	-	282	282	326	359	393
Vote 4 - Planning and Development	22	55	21 821	11 718	13 573	13 573	13 514	13 206	13 974
Vote 5 - Health	-	-	-	-	-	-	-	-	-
Vote 6 - Community & Social Services	360	486	289	568	1 043	1 043	1 590	1 153	1 217
Vote 7 - Housing	32	35	-	-	45	45	50	55	60
Vote 8 - Public Safety	761	1 558	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation	20	96	4	20	-	-	-	-	-
Vote 10 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management	8 104	7 988	7 444	10 948	2 998	2 998	3 459	3 694	3 938
Vote 12 - Waste Water Management	-	-	-	-	7 319	7 319	8 614	9 401	10 202
Vote 13 - Road Transport	-	-	7 859	2 358	2 412	2 412	1 556	1 831	2 159
Vote 14 - Water	5 940	6 654	6 963	9 557	12 180	12 180	13 078	13 851	11 776
Vote 15 - Electricity	6 558	7 961	7 701	12 353	14 782	14 782	18 172	19 546	21 462
Total Revenue by Vote	33 460	43 910	64 665	70 122	75 880	75 880	87 232	92 215	96 121
Expenditure by Vote to be appropriated									
Vote 1 - Executive & Council	2 285	2 561	4 744	9 445	10 388	10 388	10 988	11 675	12 367
Vote 2 - Budget & Treasury Office	8 620	15 885	8 305	8 933	9 439	9 439	10 307	11 057	11 404
Vote 3 - Corporate Services	-	-	-	-	1 353	1 353	1 500	1 696	1 855
Vote 4 - Planning and Development	4 883	4 309	25 600	18 214	18 618	18 618	21 247	21 878	23 540
Vote 5 - Health	-	18	34	35	10	10	15	20	25
Vote 6 - Community & Social Services	649	987	758	1 781	1 795	1 795	1 999	2 203	2 370
Vote 7 - Housing	-	-	-	-	-	-	-	-	-
Vote 8 - Public Safety	1 157	1 494	73	62	6	6	6	6	6
Vote 9 - Sport and Recreation	869	757	801	1 351	-	-	-	-	-
Vote 10 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management	6 038	6 619	4 902	9 781	3 778	3 778	4 652	4 955	5 256
Vote 12 - Waste Water Management	-	-	-	-	5 925	5 925	7 164	7 564	7 934
Vote 13 - Road Transport	-	-	7 192	1 193	2 720	2 720	1 545	1 661	1 766
Vote 14 - Water	3 446	4 498	4 862	6 282	8 946	8 946	10 295	10 874	8 637
Vote 15 - Electricity	5 513	6 782	7 393	11 696	12 900	12 900	17 515	18 626	20 960
Total Expenditure by Vote	33 460	43 910	64 665	68 773	75 880	75 880	87 232	92 215	96 121
Surplus/(Deficit) for the year	(0)	-	(0)	1 350	-	-	0	0	0

Table A4 – Budgeted Financial Performance (revenue and expenditure)

Table 4: Budgeted Financial Performance (Revenue and Expenditure) (Table A4)

NC077 Siyathemba - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source									
Property rates	4 547	6 624	4 808	6 812	5 700	5 700	6 000	6 500	7 000
Property rates - penalties & collection charges	-	-	2	1 613	5	5	3 008	3 010	3 013
Service charges - electricity revenue	5 602	7 448	8 695	10 619	12 395	12 395	13 157	15 571	17 318
Service charges - water revenue	4 398	5 675	6 782	7 413	5 393	5 393	5 291	5 857	6 429
Service charges - sanitation revenue	3 780	4 004	4 525	4 891	2 620	2 620	2 460	3 035	3 610
Service charges - refuse revenue	1 633	1 935	2 000	2 250	600	600	102	202	302
Service charges - other	96	139	-	-	-	-	-	-	-
Rental of facilities and equipment	472	472	517	625	855	855	803	840	878
Interest earned - external investments	165	90	80	95	115	115	145	180	215
Interest earned - outstanding debtors	550	595	625	650	1 500	1 500	1 750	2 000	2 250
Dividends received	-	-	-	-	-	-	-	-	-
Fines	75	84	24	597	92	92	274	353	494
Licences and permits	1	3	15	48	16	16	20	31	34
Agency services	685	1 620	1 920	1 730	1 086	1 086	1 265	1 450	1 635
Transfers recognised - operational	11 233	14 667	34 306	32 384	21 076	21 076	24 097	25 137	26 996
Other revenue	224	327	367	395	2 015	2 015	5 230	5 434	5 446
Gains on disposal of PPE	-	-	-	-	-	-	500	-	-
Total Revenue (excluding capital transfers and contributions)	33 460	43 682	64 666	70 122	53 468	53 468	64 100	69 600	75 618
Expenditure By Type									
Employee related costs	15 070	18 439	19 152	23 248	27 104	27 104	30 461	33 054	36 566
Remuneration of councillors	1 514	1 001	1 750	1 902	1 967	1 967	2 069	2 243	2 427
Debt impairment	-	-	1 240	1 240	800	800	800	800	800
Depreciation & asset impairment	145	150	150	150	150	150	150	150	150
Finance charges	1 587	295	-	-	256	256	780	769	757
Bulk purchases	3 708	4 925	7 800	9 436	11 073	11 073	13 318	15 726	18 184
Other materials	-	-	-	-	3 416	3 416	2 813	2 736	2 725
Contracted services	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	3 989	3 402	3 516
Other expenditure	-	-	-	-	8 702	8 702	9 720	10 720	10 493
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	22 024	24 811	30 092	35 977	53 468	53 468	64 100	69 600	75 618
Surplus/(Deficit)	11 436	18 871	34 574	34 146	(0)	(0)	(0)	0	(0)
Transfers recognised - capital	-	-	-	-	16 205	16 205	15 799	15 981	13 869
Contributions recognised - capital	-	-	-	-	(16 205)	(16 205)	(15 799)	(15 981)	(13 869)
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	11 436	18 871	34 574	34 146	(0)	(0)	(0)	0	(0)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	11 436	18 871	34 574	34 146	(0)	(0)	(0)	0	(0)
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	11 436	18 871	34 574	34 146	(0)	(0)	(0)	0	(0)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	11 436	18 871	34 574	34 146	(0)	(0)	(0)	0	(0)

Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding
Table 5: Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)

NC077 Siyathemba - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development	-	-	-	-	-	-	-	-	-
Vote 5 - Health	-	-	-	-	-	-	-	-	-
Vote 6 - Community & Social Services	-	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-
Vote 8 - Public Safety	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 10 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Water Management	-	-	-	-	-	-	-	-	-
Vote 13 - Road Transport	-	-	-	-	-	-	-	-	-
Vote 14 - Water	-	-	-	-	-	-	-	-	-
Vote 15 - Electricity	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development	-	-	2 594	2 438	3 846	-	2 136	-	-
Vote 5 - Health	-	-	-	-	-	-	-	-	-
Vote 6 - Community & Social Services	-	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	169	-	-	-	-	-	-
Vote 8 - Public Safety	-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 10 - Environmental Protection	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management	-	-	2 212	1 863	194	-	3 990	-	-
Vote 12 - Waste Water Management	2 300	-	-	-	-	-	-	6 556	6 935
Vote 13 - Road Transport	1 373	4 329	-	4 510	1 876	-	-	6 556	6 935
Vote 14 - Water	-	-	2 350	-	6 777	6 777	10 252	2 870	-
Vote 15 - Electricity	-	2 058	-	-	2 912	-	-	-	-
Capital single-year expenditure sub-total	3 673	6 387	7 325	8 812	15 606	6 777	16 378	15 981	13 869
Total Capital Expenditure - Vote	3 673	6 387	7 325	8 812	15 606	6 777	16 378	15 981	13 869
Capital Expenditure - Standard									
Governance and administration	-	-	-	-	-	-	-	-	-
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	169	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	169	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	1 373	4 329	2 594	6 949	6 941	6 941	2 136	6 556	6 935
Planning and development	-	-	2 594	2 438	3 846	3 846	2 136	-	-
Road transport	1 373	4 329	-	4 510	3 095	3 095	-	6 556	6 935
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	2 300	2 058	4 562	1 863	9 883	9 883	14 242	12 796	6 935
Electricity	-	2 058	-	-	2 912	2 912	-	-	-
Water	-	-	2 350	-	6 777	6 777	10 252	2 870	-
Waste water management	2 300	-	-	-	-	-	-	9 926	6 935
Waste management	-	-	2 212	1 863	194	194	3 990	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3 673	6 387	7 325	8 812	16 823	16 823	16 378	19 352	13 870
Funded by:									
National Government	3 673	6 387	7 026	8 812	10 246	10 246	12 429	13 111	13 869
Provincial Government	-	-	169	-	1 219	1 219	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	4 741	4 741	3 370	2 870	-
Transfers recognised - capital	3 673	6 387	7 195	8 812	16 205	16 205	15 799	15 981	13 869
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	618	618	579	-	-
Total Capital Funding	3 673	6 387	7 195	8 812	16 823	16 823	16 378	15 981	13 869

Table A6 – Budgeted Financial Position

Table 6: Budgeted Financial Position (Table A6)

NC077 Siyathemba - Table A6 Budgeted Financial Position

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
ASSETS									
Current assets									
Cash	1	1 013	2						
Call investment deposits	2 517	-	-	500	500	500	-	-	-
Consumer debtors	1 416	2 340	5 000	7 000	7 000	7 000	2 873	3 103	3 352
Other debtors	577	633	665	700					
Current portion of long-term receivables	10	11	12	15					
Inventry	177	172	175	18			296	320	346
Total current assets	4 697	4 167	5 854	8 233	7 500	7 500	3 170	3 424	3 697
Non current assets									
Long-term receivables	135	125	130	135			90	97	105
Investments	2 517	-	1	250					
Investment property	-	-	-	-					
Investment in Associate	-	-	-	-					
Property, plant and equipment	118 973	126 772	140 000	140 000	-	-	257 619	278 228	300 486
Agricultural	-	-	-	-					
Biological	-	-	-	-					
Intangible	-	-	-	-					
Other non-current assets	-	-	-	-					
Total non current assets	121 625	126 897	140 131	140 385	-	-	257 709	278 326	300 592
TOTAL ASSETS	126 323	131 064	145 985	148 618	7 500	7 500	260 879	281 749	304 289
LIABILITIES									
Current liabilities									
Bank overdraft	2 713	-	500	250			586	633	684
Borrowing	4 902	1 566	1 700	2 250	-	-	63	68	73
Consumer deposits	300	340	350	350			302	326	352
Trade and other payables	4 240	7 438	8 000	5 500	-	-	15 034	16 237	17 536
Provisions	-	20	25	25			2 765	2 986	3 225
Total current liabilities	12 155	9 363	10 575	8 375	-	-	18 750	20 250	21 870
Non current liabilities									
Borrowing	1 090	1 001	-	652	-	-	303	327	353
Provisions	-	-	-	-	-	-	20	21	23
Total non current liabilities	1 090	1 001	-	652	-	-	322	348	376
TOTAL LIABILITIES	13 245	10 364	10 575	9 027	-	-	19 072	20 598	22 246
NET ASSETS	113 078	120 700	135 410	139 591	7 500	7 500	241 807	261 151	282 043
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	116 744	113 048	115 000	115 000			241 127		
Reserves	-	-	-	-	-	-	-	-	-
Minorities' interests	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	116 744	113 048	115 000	115 000	-	-	241 127	-	-

Table A7 – Budgeted Cash Flows

Table 7: Budgeted Cash Flows (Table A7)

NC077 Siyathemba - Table A7 Budgeted Cash Flows

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratpayers and other	31 755	33 756	27 457	28 451	15 891	15 891	23 064	24 909	26 902
Government - operating	-	-	15 759	19 439	19 439	19 439	21 122	22 812	24 637
Government - capital	-	-	6 387	7 026	7 026	7 026	16 575	17 901	19 333
Interest	498	642	685	690	639	639	815	880	950
Dividends					-	-	-	-	-
Payments									
Suppliers and employees	(27 465)	(30 953)	(38 010)	(47 450)	(38 446)	(38 446)	(41 106)	(44 394)	(47 946)
Finance charges	(403)	(471)	(200)	(260)	(115)	(115)	(1)	(1)	(2)
Transfers and Grants	-	-	(5 891)	(8 026)	(8 026)	(8 026)	(11 246)	(12 146)	(13 117)
NET CASH FROM/(USED) OPERATING ACTIVITIES	4 385	2 973	6 187	(130)	(3 592)	(3 592)	9 222	9 959	10 756
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	350	-	-	-	-	-	-
Decrease (increase) in non-current debtors	436	715	691	584	584	584	12	13	14
Decrease (increase) other non-current receivables	62	10	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(236)	2 517	-	-	-	-	-	-	-
Payments									
Capital assets	(4 393)	(108)	(6 387)	(7 026)					
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 131)	3 134	(5 346)	(6 442)	584	584	12	13	14
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	40	45	50	50	50	43	46	50
Payments									
Repayment of borrowing	(1 090)	(1 001)	(95)	(650)	(650)	(650)	(47)	(51)	(55)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 090)	(961)	(50)	(600)	(600)	(600)	(5)	(5)	(5)
NET INCREASE/ (DECREASE) IN CASH HELD	(836)	5 146	791	(7 172)	(3 608)	(3 608)	9 229	9 967	10 764
Cash/cash equivalents at the year begin:	(1 875)	(2 712)	2 434	4 455	(2 712)	(6 320)	321	9 549	19 517
Cash/cash equivalents at the year end:	(2 712)	2 434	3 225	(2 717)	(6 320)	(9 928)	9 549	19 517	30 281

Table A8 – Cash backed reserves/accumulated surplus reconciliation

Table 8: Cash backed reserves/accumulated surplus reconciliation (Table A8)

NC077 Siyathemba - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available									
Cash/cash equivalents at the year end	(2 712)	2 434	3 225	(2 717)	(6 320)	(9 928)	9 549	19 517	30 281
Other current investments > 90 days	2 517	(1 421)	(3 723)	2 967	6 820	10 428	(10 136)	(20 150)	(30 965)
Non current assets - Investments	2 517	-	1	250	-	-	-	-	-
Cash and investments available:	2 322	1 013	(498)	500	500	500	(586)	(633)	(684)
Application of cash and investments									
Unspent conditional transfers	243	57	-	-	-	-	800	864	933
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements									
Other working capital requirements	934	2 330	1 245	(922)	(3 446)	(3 446)	11 720	12 733	13 775
Other provisions									
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments									
Total Application of cash and investments:	1 177	2 387	1 245	(922)	(3 446)	(3 446)	12 519	13 597	14 707
Surplus(shortfall)	1 145	(1 374)	(1 743)	1 422	3 946	3 946	(13 105)	(14 230)	(15 391)

Table A9 – Asset Management

Table 9: Asset Management (Table A9)

NC077 Siyathemba - Table A9 Asset Management

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	–	–	–	8 811	15 605	6 777	16 378	15 982	13 870
Infrastructure - Road transport	–	–	–	4 510	1 876	–	–	6 556	6 935
Infrastructure - Electricity	–	–	–	–	2 912	–	–	–	–
Infrastructure - Water	–	–	–	–	6 777	6 777	10 252	2 870	–
Infrastructure - Sanitation	–	–	–	–	–	–	–	6 556	6 935
Infrastructure - Other	–	–	–	1 863	194	–	3 990	–	–
Infrastructure	–	–	–	6 373	11 759	6 777	14 242	15 982	13 870
Community	–	–	–	2 438	3 846	–	2 136	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	118 973	126 772	122 819	122 837	122 837	122 837	–	–	–
Infrastructure - Road transport	30 971	30 451	32 155	32 155	32 155	32 155	–	–	–
Infrastructure - Electricity	7 071	6 951	7 210	7 210	7 210	7 210	–	–	–
Infrastructure - Water	33 721	33 251	34 375	34 375	34 375	34 375	10 252	2 870	–
Infrastructure - Sanitation	4 963	4 764	3 523	3 523	3 523	3 523	–	6 556	6 935
Infrastructure - Other	21 581	22 623	22 447	22 447	22 447	22 447	–	–	–
Infrastructure	98 307	98 040	99 710	99 710	99 710	99 710	–	–	–
Community	4 304	4 051	4 280	4 298	4 298	4 298	–	–	–
Heritage assets	16 288	24 581	18 749	18 749	18 749	18 749	2 136	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	75	100	80	80	80	80	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	30 971	30 451	32 155	36 665	34 031	32 155	–	6 556	6 935
Infrastructure - Road transport	7 071	6 951	7 210	7 210	10 122	7 210	–	–	–
Infrastructure - Electricity	33 721	33 251	34 375	34 375	41 152	41 152	10 252	2 870	–
Infrastructure - Water	4 963	4 764	3 523	3 523	3 523	3 523	–	6 556	6 935
Infrastructure - Sanitation	21 581	22 623	22 447	24 310	22 641	22 447	3 990	–	–
Infrastructure - Other	98 307	98 040	99 710	106 083	111 469	106 487	14 242	15 982	13 870
Infrastructure	4 304	4 051	4 280	6 736	8 144	4 298	–	–	–
Community	16 288	24 581	18 749	18 749	18 749	18 749	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	75	100	80	80	80	80	–	–	–
Other assets	–	–	–	–	–	–	–	–	–
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	118 973	126 772	122 819	131 648	138 442	129 614	16 378	15 982	13 870
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	34 522	91 728	91 368	78 426	–	78 426	67 318	66 123	64 949
Infrastructure - Electricity	15 104	17 221	16 834	15 808	–	15 808	14 844	14 581	14 322
Infrastructure - Water	38 736	58 771	64 188	59 618	–	59 618	55 373	54 390	53 424
Infrastructure - Sanitation	27	47 953	46 759	43 620	–	43 620	40 692	39 969	39 260
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Infrastructure	88 389	215 673	219 149	197 472	–	197 472	178 227	175 063	171 955
Community	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	7	2	2	2	–	2	1	1	1
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	88 396	215 676	219 151	197 473	–	197 473	178 228	175 064	171 956
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	145	150	150	150	150	150	150	150	150
Repairs and Maintenance by Asset Class	21 652	30 145	25 853	26 414	26 414	26 414	–	–	–
Infrastructure - Road transport	–	–	–	–	–	–	–	–	–
Infrastructure - Electricity	3 529	3 928	5 070	5 206	5 206	5 206	–	–	–
Infrastructure - Water	415	345	697	517	517	517	–	–	–
Infrastructure - Sanitation	436	340	211	387	387	387	–	–	–
Infrastructure - Other	549	563	611	747	747	747	–	–	–
Infrastructure	4 929	5 176	6 589	6 857	6 857	6 857	–	–	–
Community	361	288	435	728	728	728	–	–	–
Heritage assets	16 288	24 581	18 749	18 749	18 749	18 749	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	75	100	80	80	80	80	–	–	–
TOTAL EXPENDITURE OTHER ITEMS	21 797	30 295	26 003	26 564	26 564	26 564	150	150	150
Renewal of Existing Assets as % of total capex	100.0%	100.0%	100.0%	93.3%	88.7%	94.8%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn	82050.4%	84514.5%	81879.4%	81891.1%	81891.1%	81891.1%	0.0%	0.0%	0.0%
R&M as a % of PPE	18.2%	23.8%	18.5%	18.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE	159.0%	73.0%	68.0%	76.0%	0.0%	76.0%	0.0%	0.0%	0.0%

Table A10 – Basic service delivery measurement

**Table 10 Basic Service Delivery Measurement (Table
NC077 Siyathemba - Table A10 Basic service delivery measurement**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets									
Water:									
Piped water inside dwelling	3	3	3	3	3 150	3 150	3 150	3 150	3 150
Piped water inside yard (but not in dwelling)	2	2	2	2	2 200	2 200	2 200	2 200	2 200
Using public tap (at least min.service level)	0	0	-	-	-	-	-	-	-
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	4 916	4 917	4 983	5 350	5 350	5 350	5 350	5 350	5 350
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	4 916	4 917	4 983	5 350	5 350	5 350	5 350	5 350	5 350
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	4	4	4	4	4 100	4 100	4 100	4 100	4 100
Flush toilet (with septic tank)	-	1	1	1	1 350	1 350	1 350	1 350	1 350
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	1	1	1	1	776	776	776	776	776
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	4 618	5 916	6 081	6 226	6 226	6 226	6 226	6 226	6 226
Bucket toilet	0	0	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	0	0	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	455	540	-	-	-	-	-	-	-
Total number of households	5 073	6 456	6 081	6 226	6 226	6 226	6 226	6 226	6 226
Energy:									
Electricity (at least min.service level)	4	4	4	4	4 349	4 349	4 349	4 349	4 349
Electricity - prepaid (min.service level)	0	0	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	4 746	4 749	4 349	4 349	4 349	4 349	4 349	4 349	4 349
Electricity (< min.service level)	0	0	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	120	233	-	-	-	-	-	-	-
Total number of households	4 866	4 982	4 349	4 349	4 349	4 349	4 349	4 349	4 349
Refuse:									
Removed at least once a week	5	5	5	5	5 000	5 000	5 000	5 000	5 000
<i>Minimum Service Level and Above sub-total</i>	5 069	5 069	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	5	5	5	5	5 069	5 069	5 069	5 069	5 069
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069	5 069
Total number of households	10 138	10 138	10 069	10 069	10 069	10 069	10 069	10 069	10 069
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)									
Sanitation (free minimum level service)									
Electricity/other energy (50kwh per household per month)									
Refuse (removed at least once a week)									
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	1 034	1 523	1 540	1 800	1 800	1 800	2 467	2 467	2 467
Sanitation (free sanitation service)	1 143	1 523	1 635	1 950	1 950	1 950	3 540	3 540	3 540
Electricity/other energy (50kwh per household per month)	583	5 602	1 182	1 500	1 500	1 500	1 806	1 806	1 806
Refuse (removed once a week)	784	1 142	1 119	1 350	1 350	1 350	1 698	1 698	1 698
Total cost of FBS provided (minimum social package)	3 543	9 790	5 476	6 600	6 600	6 600	9 511	9 511	9 511
Highest level of free service provided									
Property rates (R value threshold)	-	-	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	102	115	121	133	133	133	165	165	165
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	37	42	44	47	47	47	47	47	47
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)									
Water	1 034	1 523	1 540	1 800	1 800	1 800	2 467	2 467	2 467
Sanitation	1 143	1 523	1 635	1 950	1 950	1 950	3 540	3 540	3 540
Electricity/other energy	583	5 602	1 182	1 500	1 500	1 500	1 806	1 806	1 806
Refuse	784	1 142	1 119	1 350	1 350	1 350	1 698	1 698	1 698
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	3 543	9 790	5 476	6 600	6 600	6 600	9 511	9 511	9 511

A10)

3. OVERVIEWS OF ANNUAL BUDGET PROCESS

a. Budget Process Overview (including consultation process and outcomes)

In terms of Section 24 of the MFMA, Council must at least 30 days before the start of the financial year consider approval of the annual budget. Section 53, requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazette on 17 April 2009, states that the mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

Comments from the above process will be submitted to the Budget Steering Committee before Council considers the Budget for adoption in May 2012.

b. Process used to integrate the review of the IDP and preparation of the Budget

The Municipality's IDP is its principal strategic planning instrument, which guides and informs its ongoing planning, management and development actions. The IDP represents the Municipality's commitment to the exercise of its executive authority (except in cases where it is in conflict with national or provincial legislation, in which case such legislation prevails) and is effectively the local government's blueprint by which it strives to realize its vision for Siyathemba over the short-medium- and long term.

The municipality's visionary framework is rolled out into objectives, key performance indicators (KPI's) and targets for implementation. These are then broken into Service Delivery and Budget Implementation Plans (SDBIP's) that reflect the detailed projects. Each of these projects is allocated budgetary and other resources.

The IDP also informs the Municipality's performance management system, as the KPI's are monitored and must be reported on every quarter.

c. **Schedule of Key Deadlines relation to budget process [MFMA s 21(1)(b)]**

The IDP and Budget time schedule of the 2010/2011 budget cycle was approved by Council on 15 May 2011. The table below reflects the IDP and budget time schedule.

**Special Council Meeting:
Budget and IDP Key deadlines**

By 30 November 2011	Revise the IDP Workshop with heads of department Ask inputs from the community
By 31 January 2012	Budget for salaries and wages Identify capital projects from the IDP
By 28 February 2012	Compile draft budget Set preliminary tariffs Review budget related policies Compile draft IDP Make cash flow projections Prepare and send Treasury questionnaires
By 31 March 2012	Table the draft budget Table the draft IDP
By 30 April 2012	Finalize the community participation process Consider Treasury and other input/ objections Finalize the PMS (Measurable Performance Objectives) Compile the SDBIP
By 31 May 2012	Table the budget for adoption Table the SDBIP to be noted by council Adopt the budget Adopt the IDP Adopt amendments to budget related policies Mayor approved SDBIP
By 30 June 2012	All performance management contracts completed and signed Prepare and send Treasury questionnaires

Community participation

Through:

- Advertisements in the local newsletter
- Community meetings after council meetings in all three towns
- Community budget meetings in all three towns
- Ward committee meetings through the year
- Open door policy

Table 11: IDP and Budget Time Schedule

4. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

a. The Vision of Siyathemba Municipality

The Municipality's long term vision and mission:

Vision

Siyathemba undertakes to improve the standard of living of its entire community by delivering visible and affordable services.

Mission

To be a developmental municipality, which has the interest of its communities at the centre of all its activities.

This will be done through:

- an optimal distribution of resources
- economic development through job creation and a poverty reduction strategies
- effective and efficient service delivery through optimal distribution and human resources development; and
- effective and efficient maintenance of equipment and buildings

b. The 5-Year IDP and Strategic Focus Areas

On 1 July 2007, the Municipality implemented a new five-year Integrated Development Plan (IDP) for the period July 2007 to June 2012 to inform and guide the current elected public representatives' in their term of office. The annually reviewed IDP outlines the intent of the Municipality in terms of the eight strategic focus areas, which it has agreed are required to overcome the challenges it is facing, achieve its vision, and implement its other strategic considerations.

These eight strategic focus areas form the framework of the five-year IDP and function as internal strategic levers to facilitate shared growth and development and enhance urban efficiency and institutional effectiveness. The way in which the Municipality's vision is supported by the eight strategic focus areas is shown in the figure below:

VISIONARY GOALS:

- a) A prosperous municipality
- b) Effective and equitable service delivery
- c) A well-governed and efficiently run administration



5. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

a. Key financial indicators and ratios

Table 12: Performance Indicators (Support Table A8)

NC077 Siyathemba - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	12.2%	5.2%	0.3%	1.8%	1.7%	1.7%	1.3%	1.2%	1.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	12.0%	4.5%	0.3%	1.7%	2.8%	2.8%	2.1%	1.8%	1.7%
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%
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%
Liquidity										
Current Ratio	Current assets/current liabilities	0.4	0.4	0.6	1.0	-	-	0.2	0.2	0.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.4	0.6	1.0	-	-	0.2	0.2	0.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.1	0.0	0.1	-	-	-	-	-
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		146.2%	119.2%	93.0%	77.1%	51.0%	51.0%	58.6%	56.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			143.9%	116.7%	90.7%	75.6%	49.2%	49.2%	58.6%	56.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.4%	7.1%	9.0%	11.2%	13.1%	13.1%	4.6%	4.6%	4.6%
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		-147.4%	244.3%	201.6%	-184.0%	0.0%	0.0%	140.9%	74.5%	51.8%
Other Indicators										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source									
Employee costs	Employee costs/(Total Revenue - capital revenue)	45.0%	42.2%	29.6%	33.2%	50.7%	50.7%	47.5%	47.5%	48.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	8.2%	7.2%	4.6%	4.8%	9.1%	9.1%	8.2%	8.2%	8.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	64.7%	69.0%	40.0%	37.7%	49.4%	49.4%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.2%	1.0%	0.2%	0.2%	0.8%	0.8%	1.5%	1.3%	1.2%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	13.5	37.2	22.7	29.3	29.3	29.3	43.0	44.2	48.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	9.8%	11.3%	20.8%	22.5%	25.4%	25.4%	9.3%	8.9%	8.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(1.6)	1.2	1.3	(0.9)	(1.7)	(2.6)	2.2	4.0	5.7

b. Measurable performance objectives and indicators

The Municipality's visionary framework is unpacked into objectives, Key Performance Indicators (KPIs) and targets for implementation. These are then broken up into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects, which are then allocated a budget. This concept also includes the Municipality's performance management system, as the KPIs that are contained in the SDBIPs are monitored and reported on quarterly.

The municipality's measurable performance objectives as reflected in Support Table SA7 are attached as annexure 2.

6. OVERVIEW OF BUDGET-RELATED POLICIES

Revenue Framework

Section 18 of the MFMA states that the budget can only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.

In addition, NT Circular 42 stipulates that the budget is to be managed in a full accrual manner, reflecting a transparent budget and accounting system approach.

The MFMA requires the municipality to adopt and implement a tariff policy. Council has approved such policies for all major tariff-funded services provided by the municipality, which are attached as annexures to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirement of the MFMA (Chapter 4, s17 (1)(a) & (3) (b)).

1. Revenue Related Policies

General Tariff Policy

The Municipal Systems Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy.

The General Tariff Policy and subsequent Water and Sanitation, Electricity and Waste Management Tariff Policies are attached as Annexure 8.

Credit Control and Debt Collection Policy

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

The Policy also includes the Indigent Policy as per Annexure 9.

2. Budget related policies

The following budget related policies have been approved by Council, or have been reviewed / amended and / or are currently being reviewed / amended, in line with National Guidelines and Legislation.

Asset Management Policy

The objective of the Asset Management Policy is to prescribe the accounting and administrative policies and procedures relating to Property, Plant & Equipment (Fixed assets).

The Asset Control policy is attached as Annexure 10.

Virement Policy

The 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 Siyathemba's system of Delegations. While no limits were placed on the amount of the virement per se, certain limitations are placed in terms of the Municipality's System of Delegation. It furthermore provides for budgetary flexibility to be effected, per motivation and sundry technical and financial stipulations, within votes.

The virement policy is attached as Annexure 11.

Funding and Reserves Policy

The Funding and Reserves Policy is currently being finalized and an initial draft version is attached as Annexure 12.

7. OVERVIEW OF BUDGET ASSUMPTIONS

The MTREF model, which enables economic forecasts and the eventual medium term fiscal framework, was compiled under harsh external economic conditions. Budgetary constraints and economic challenges meant that the Municipality had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure an affordable, credible and sustainable budget over the 2010/2011 MTREF.

The biggest challenge this year more so than previous years, is that the Municipality needs to do more within its existing resource envelope. This was reiterated in the NT Budget Circular 51 for the 2010/2011 MTREF.

The Municipality faced the following challenges in preparing the 2010/2011 MTREF:

1. Lower interest earnings due to lower investment balances and lower interest rates on interest earned. Lower interest rates resulted in reduced interest earning on investments (lower than projected interest rate levels and cash balances versus fixed debt servicing obligations.)

The above reductions were applied in a differentiated manner to services, thereby giving effect to the Budget Prioritisation Model and in acknowledgement of the relative contributions of services to Council's core strategies of the IDP and other informants to formulating medium term operations and programmes.

The Budget Steering Committee further placed particular emphasis on the following aspects to influence the outcome of the financial/MTREF scenario's presented to it:

- Further specific considerations to inform budgetary amendments or allocations were (factors to impact positively on budget allocations):
 - Services which promote external service delivery;
 - Services responsible for improvement to citizens' quality of living environment;
 - Services responsible for hard infrastructure – based economic growth;
 - Services responsible for revenue collection.

Financial modeling

In addition to the above, further principles applied to the MTREF in determining the affordability envelope included:

- Higher than headline CPI revenue increases to the extent that they affect and support council's operational activities of relevant services.
- A 100% capital expenditure implementation rate was assumed, based on current spending patterns.
- Credible collection rates, based on collection achievements to date, incorporating improved success anticipated on selected revenue items.

Key Financial Indicators in the MTREF

Headline Consumer Price Index (CPI) – Inflation Outlook

Headline CPI projected over the MTREF is an average of CPI forecasts from various financial Institutions and the Bureau of Economic Research (BER).

The CPI increase for 2009/2010 budget was set at 6%; therefore tariffs were adjusted with the same percentage. CPI projection over the 2010 MTREF is 5.6% for 2010/2011 and 5.8% for the two outer years, thereby remaining within the boundaries of the inflation target range of 3% - 6%, but below the National Treasury's forecasted CPI of 5.7%, 6.2% and 5.9% for 2010/2011, 2012/2013 and 2012/2013 respectively.

EXPENDITURE FRAMEWORK

Salaries, wages and related staff costs

The promulgation of the Salary and Wage Collective Agreement by the South African Local Government Bargaining Council (SALGGC) provided the general salary adjustment guidelines for the period 2009/2010 to 2011/2012. In 2009/2010 a salary increase of 13% (10.5% increase + 2.5% non-pensionable allowance) was affected as per the regulation. The average salary increase over the MTREF was calculated using the methodology as prescribed in the regulation. The salary increase for 2010/2011 was based on the average CPI for the period 1 February 2009 to 31 January 2010, projected figures were used for the months where CPI figures were not yet available, plus 1.5%. The average percentage increase for 2012/2013 was calculated on the same bases except that 2% was added to the average projected CPI figures. In the absence of a formal agreement for 2012/2013 the same methodology was applied as for 2011/2012.

General expenses

Items within the general expenses category were increased in proportion to the projected CPI increases over the MTREF.

Repairs and maintenance

The national Treasury Municipal Budget Circular 51 for the 2010/2011 MTREF stated, amongst other, that municipalities must "secure the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance". The Siyathemba Municipality has identified this as an important budget requirement and has over the last three financial years consistently increased the investment in repairs and maintenance above CPI.

REVENUE FRAMEWORK

Service Growth

The current unstable economic climate prohibited prospects for any major service growth. Electricity service growth remained stagnant at 0% over the 2011 MTREF, which resulted from energy saving plans.

Revenue growth parameters: Rates and trading services

To ensure an effective, efficient and well-run town, tariff increases are inevitable. The individual tariff increase proposals will be considered against the backdrop of the overall 'package of tariffs' approach adopted in compiling and evaluating the affordability of the tariffs and charges that make up the total municipal account.

The current financial predicament further impacted on the combination of revenue parameter increases required to ensure an affordable, balanced and sustainable budget over the 2010/2011 MTREF. After considering various scenario outcomes, the following revenue parameter increases were factored into the MTREF model for 2010/2011:

- *Rates:* With the backdrop of the current economic climate and other cost pressures negatively impacting the budget, the rates revenue was increased and the implementation of property rates for farmers. The implementation, although delayed last year, will be implemented fully for the next 3 financial years.
- *Electricity:* The initial Electricity revenue parameter was based on the draft Eskom Multi Year Price Determination (MYPD) that proposed an annual 35% increase over the period 2010/2011 – 2012/2013. To ensure affordability to the Siyathemba Municipality customers the municipality's parameter increase were set at 29%, 6% lower than the Eskom proposed increase. As a consequence the utility will not be able to fund all infrastructure needs in 2010/2011 and a number of projects will therefore be postponed to future years.
Subsequent to the approval of the MTREF parameters by Mayco. The Electricity service's revenue estimations were amended based on the NERSA statement on Eskom's proposed tariff increases; i.e. 24.8%, 25.1% and 25.9% for the financial years respectively. The Municipality subsequently amended its revenue parameter to 24.6% for 2010/2011.
- *Refuse Removal:* This revenue parameter increase was modeled at 9.7%; the increase is as a result of the impact of the higher disposal tariff and to ensure adequate service delivery levels in future.
- *Water and Sanitation:* The revenue parameter adjustment for both water and sanitation was modeled at 9.7% for 2010/2011. Even though the revenue parameter increase is higher than CPI, the Siyathemba Municipality had to increase these tariffs to justify/break even with the tariff imposed by Eskom.

Collection rate

In accordance with relevant legislation and national directives, the Siyathemba Municipality's projected revenue recovery rates are based on realistic and sustainable trends. The municipality is in the process of appointing debt collectors to ensure that old debt is recovered, thereby increasing revenue.

National Grants

Equitable Share

The Constitution provides that each sphere of government is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it. The equitable division of revenue takes into account the functions assigned to each sphere under the Constitution and the capacity of each government to pay for these functions through own receipts and revenues.

The local government equitable share allocations supplement municipalities' own revenue sources for the provision of basic services to poor households within their areas of jurisdiction. The equitable share per municipality is calculated using the equation as set out below.

Grant = BS + D + I – R +/- C
Where
BS is the basic services component
D is the development component
I is the institutional support component
R is the revenue raising capacity correction
C is a correction and stabilization factor

Table 1: Equitable Share Equation

8. OVERVIEW OF BUDGET FUNDING

Fiscal Overview

1. 2012/2013 and 2013/2014 to 2014/2015 projected financial performance

1.1 Operating Budget

The operating budget increased from R53 468 0000 in 2011/2012 to R64 100 000 in 2012/2013, The growth is mainly attributable to:

- Repairs and Maintenance (Primary) of Infrastructure
- Operating Costs for the Integrated Rapid Transport (i.e. an additional Town function)
- Indigent Relief – additional allocations on free basic services to the Informal Settlement areas
- Higher than inflation increases to major expenditure components, such as the staff budget (salary level increases) and a rising interest payable commitment.
- Increase in Government Grants and Subsidies.

1.2 Capital Budget

The capital budget increased from R16 823 000.00 in 2011/2012 to R16 378 000.00 in 2012/2013.

2. Medium Term Outlook: 2012/2013 to 2014/2015

Operating Budget

The ensuing table reflects the increases in the operating budget in the medium term:

	2012-2013 R'000	2013-2014 R'000	2014-2015 R'000
Operating Budget	87 232	92 215	96 121

Table 18: Medium Term Operating Budget

Capital Budget

The ensuing table reflects the capital budget as well as the funding sources in the medium term:

	2012-2013 R'000	2013-2014 R'000	2014-2015 R'000
Capital Budget	16 378	19 352	13 870
Funded as follows:			
National Grant Funding	12 429	13 111	13 869
Provincial Grant Funding			
Other Grant Funding	3 370	2 870	
Borrowings			
Other Municipality Funding	579		

Table 19: Medium Term Capital Budget and Funding Sources

The funding sources listed below are appropriated towards the following major projects on the capital budget:

National Grant funded

- Planning and Development – Cemeteries
- Water – Water Reticulation
- Waste Water – Refuse Site

3. Sources of funding

Rates, tariffs and other charges

Property Tax Rates

The proposed property rates are to be levied in accordance with existing Council policies unless otherwise indicated and both the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

A Draft Rates Policy was reviewed by die Budget Steering Committee during May and June 2010.

This Committee was established to inter alia; oversee the Total Municipal Account Modeling process, whereby the impact of all Council charges on a household is assessed for affordability. The proposed average rates increase is 5.7% for residential and other.

Farms/Plots decreased by 90.80%. This tariff was negotiated by representatives of both Agri-Prieska and Siyathemba Municipality.

Property tax rates are based on values indicated in the General Valuation Roll 2009/2010 (GV). The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through supplemental Valuation Rolls. All values are as at the date of the GV, being July 2009 – 30 June 2012.

Rebates and concessions are granted to certain categories of property usage and/or property owner. The definitions and listing of categories are reflected in the Draft Rates Policy attached as Annexure 7.

Water and Sanitation

The proposed Water and Sanitation Tariffs for 2011/2012 are consistent with National Policy on the provision of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent relief measures, Rates and Tariff Policies and Equitable Service Framework. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service. The multi-year programme for the eradication of bucket toilets (150) still in service in the informal settlements as well as the provision of an acceptable basic level of sanitation service to these settlements is still on track for achieving by 2013/2014.

The progressive nature of the existing domestic stepped tariff structure both for water and sanitation is pro-poor and allows for the needs of the indigent.

In total the proposed Tariffs and Rates are cost-reflective and will provide the income to cover the costs of Water and Sanitation during the 2010/2011 financial year.

The consumptive tariff details are reflected in Annexure 5.

Electricity

The proposed revisions to the tariffs have been formulated in accordance with the Municipality of Siyathemba Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act (MSA) as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

The Electricity Regulation Act requires that proposed revisions to the electricity consumption based tariffs be submitted to the Regulator for approval prior to implementation. Provisional approval will therefore be requested with the express proviso that any alterations required by Council will be submitted to the Regulator as soon as possible.

Guidelines for the municipal electricity tariff increase were used as stipulated in Circular 51 issued by National Treasury.

Solid Waste Management

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include collection fees, disposal fees, compost sales, clearance of illegal dumping on private

properties and other ad hoc services. It is proposed that the Collections Tariffs (Consumptive and Sundry) increase by 5.70%.

In addition, the following New/Changed Tariffs and amendments to the existing Tariff Policy are proposed:

Tariffs List/and Other Charges

Council is permitted to levy rates, tariffs, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance management Act, No. 56 of 2003, 17 (a)(ii).

The Tariff List is attached as Annexure 6 and contains all levies, rates and service charges determined for all functions or services performed by the municipality for which a charge is made.

A growth parameter of 5.7% was applied to all the miscellaneous tariffs. Any substantial deviations were motivated in the reports to the tariff schedules as considered by Budget Steering Committee.

All Levies, Rates and Service Charges are determined in compliance with:

Local Government Municipal Property Rates Act 2004

Municipal Finance Management Act 56 of 2003

Local Government Municipal Systems Act 32 of 2000

4. Investments

Monetary investments by type

Table 20: Monetary investments by type (Support Table A15)

NC077 Siyathemba - Supporting Table SA15 Investment particulars by type

Investment type	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	-	-	-	-	-	-	-	-	-
Entities									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	-	-	-	-	-	-	-	-	-

Monetary investments by maturity date

Table21: Monetary investments by maturity date (Support Table A16)

NC077 Siyathemba - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
	Yrs/Months								Rand thousand	
<u>Parent municipality</u>										
Municipality sub-total									-	-
<u>Entities</u>										
Entities sub-total									-	-
TOTAL INVESTMENTS AND INTEREST									-	-

5. Long – Term investments and loans

The budget assumes the following new long-term borrowings:

YEAR	EXPECTED DATE OF ISSUE	AMOUNT
2009/2010		
2010/2011		
2011/2012		
2012/2013		

6. Cash backed accumulated surplus

Council is in the process to look into cash backed accumulated surpluses/reserves.

7. Grant allocations

National Allocations

The table below reflects the grant allocations in terms of the 2010 Division of Revenue Bill that have been included in this medium term budget:

Table 23: National Allocations

9. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

Table 25: Expenditure on Allocations and grant programmes(Support Table A19)

NC077 Siyathemba - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	10 487	12 606	17 391	20 069	20 534	20 534	23 408	24 385	-
Local Government Equitable Share	9 253	11 006	15 441	17 829	16 914	16 914	20 108	21 735	
	500	750	1 200	1 450	1 450	1 450	1 500	1 750	
	734	850	750	790	790	790	800	900	
EPWP					1 380	1 380	1 000		
Provincial Government:	335	507	519	1 991	542	542	689	752	-
	335	507	350	542	542	542	689	752	
			169						
EPWP				1 449					
District Municipality: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants	10 822	13 113	17 910	22 060	21 076	21 076	24 097	25 137	-
Capital expenditure of Transfers and Grants									
National Government:	3 673	6 387	7 026	10 246	10 246	10 246	15 799	15 981	-
Municipal Infrastructure Grant (MIG)	3 673	6 387	7 026	10 246	10 246	10 246	12 429	13 111	
							3 370	2 870	
Other capital transfers/grants <i>[insert desc]</i>									
Provincial Government: Other capital transfers/grants <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
District Municipality: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Other grant providers: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	3 673	6 387	7 026	10 246	10 246	10 246	15 799	15 981	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	14 495	19 500	24 936	32 306	31 322	31 322	39 896	41 118	-

10. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Siyathemba Municipality does not make allocations and grants to other institutions.

11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table 26: Monthly targets for revenue and cash flow (Support table A30)

NC077 Siyathemba - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source				6 000										1		
Property rates					334	334	334	334	334	334	334	334	334	6 000	6 500	7 000
Property rates - penalties & collection charges														3 008	3 010	3 013
Service charges - electricity revenue	1 096	1 096	1 096	1 096	800	800	800	800	1 200	1 200	1 200	1 971	13 157	15 571	17 318	
Service charges - water revenue	350	350	350	450	450	600	700	641	350	350	350	350	5 291	5 857	6 429	
Service charges - sanitation revenue	205	205	205	205	205	205	205	205	205	205	205	205	2 460	3 035	3 610	
Service charges - refuse revenue	8	8	8	8	8	8	8	8	8	8	8	8	102	202	302	
Service charges - other																
Rental of facilities and equipment	67	67	67	67	67	67	67	67	67	67	67	66	803	840	878	
Interest earned - external investments	12	12	12	12	12	12	12	12	12	12	12	12	145	180	215	
Interest earned - outstanding debtors	146	146	146	146	146	146	146	146	146	146	146	146	1 750	2 000	2 250	
Dividends received																
Fines	23	23	23	23	23	23	23	23	23	23	23	22	274	353	494	
Licences and permits	2	2	2	2	2	2	2	2	2	2	2	2	20	31	34	
Agency services	105	105	105	105	105	105	105	105	105	105	105	105	1 265	1 450	1 635	
Transfer receipts - operational	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	2 008	24 097	25 137	26 996	
Other revenue	436	436	436	436	436	436	436	436	436	436	436	436	5 230	5 434	5 446	
Cash Receipts by Source	4 459	4 459	4 459	4 893	4 596	4 746	4 846	4 787	4 896	4 896	4 896	5 666	63 600	69 600	75 618	
Other Cash Flows by Source																
Transfer receipts - capital	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	1 317	15 799	15 981	13 869	
Contributions recognised - capital & Contributed assets	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(15 799)	(15 981)	(13 869)	
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits																
Decrease (Increase) in non-current debtors																
Decrease (increase) other non-current receivables																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source	4 459	4 459	4 459	4 893	4 596	4 746	4 846	4 787	4 896	4 896	4 896	5 666	63 600	69 600	75 618	
Cash Payments by Type																
Employee related costs	2 538	2 538	2 538	2 538	2 538	2 538	2 538	2 538	2 538	2 538	2 538	2 539	30 461	33 054	36 566	
Remuneration of councillors	172	172	172	172	172	172	172	172	172	172	172	173	2 069	2 243	2 427	
Finance charges													800	800	800	
Bulk purchases - Electricity													150	150	150	
Bulk purchases - Water & Sewer	65	65	65	65	65	65	65	65	65	65	65	65	780	769	757	
Other materials	234	234	234	234	234	234	234	234	234	234	234	234	2 813	2 736	2 725	
Contracted services																
Transfers and grants - other municipalities																
Transfers and grants - other	332	332	332	332	332	332	332	332	332	332	332	332	3 989	3 402	3 516	
Other expenditure	810	810	810	810	810	810	810	810	810	810	810	810	9 720	10 720	10 493	
Cash Payments by Type	4 153	4 153	4 153	4 153	4 153	4 153	4 153	4 153	4 153	4 153	4 153	5 103	50 782	53 874	57 434	
Other Cash Flows/Payments by Type																
Capital assets	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(1 317)	(15 799)	(15 981)	(13 869)	
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	3 786	34 983	37 893	43 565	
NET INCREASE/(DECREASE) IN CASH HELD	1 622	1 622	7 622	2 057	1 760	1 910	2 010	1 951	2 060	2 060	2 060	1 879	28 617	31 707	32 053	
Cash/cash equivalents at the monthly year begin:		1 622	3 245	10 867	12 924	14 684	16 595	18 605	20 556	22 617	24 677	26 737	-	28 617	60 324	
Cash/cash equivalents at the monthly year end:	1 622	3 245	10 867	12 924	14 684	16 595	18 605	20 556	22 617	24 677	26 737	28 617	28 617	60 324	92 376	

12. COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

Table 27: Salaries, allowances & benefits (political office bearers/councilors/senior managers)(Supprt Table A23)

Table 28: Councillor and board member allowances and employee benefits (Support Table A22)

NC077 Siyathemba - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome A	Audited Outcome B	Audited Outcome C	Original Budget D	Adjusted Budget E	Full Year Forecast F	Budget Year 2012/13 G	Budget Year +1 2013/14 H	Budget Year +2 2014/15 I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	737	1 112	1 195	1 282	1 282	1 282	1 806	1 987	2 185
Pension and UIF Contributions									
Medical Aid Contributions									
Motor Vehicle Allowance	246	371	371	396	396	396			
Cellphone Allowance	86	92	92	96	96	96	106	117	128
Housing Allowances									
Other benefits and allowances									
Sub Total - Councillors	1 069	1 574	1 658	1 774	1 774	1 774	1 912	2 103	2 313
% increase		47.3%	5.3%	7.0%	-	-	7.8%	10.0%	10.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	988	1 162	1 249	1 397	2 189	2 189	2 364	2 553	2 757
Pension and UIF Contributions	199	216			243	243	263	284	306
Medical Aid Contributions	135	135			208	208	225	243	262
Overtime	318	22	22						
Performance Bonus	9	9	9						
Motor Vehicle Allowance	21	22	22	22	403	403	436	470	508
Cellphone Allowance				126	23	23	24	26	28
Housing Allowances				27	22	22	24	26	28
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Municipality	1 669	1 566	1 303	1 571	3 088	3 088	3 335	3 602	3 890
% increase		(6.2%)	(16.8%)	20.6%	96.6%	-	8.0%	8.0%	8.0%
Other Municipal Staff									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Other Municipal Staff	-	-	-	-	-	-	-	-	-
% increase									
Total Parent Municipality	2 738	3 140	2 961	3 345	4 862	4 862	5 247	5 705	6 204
% increase		14.7%	(5.7%)	13.0%	45.4%	-	7.9%	8.7%	8.7%
Board Members of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Board Fees									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Board Members of Entities	-	-	-	-	-	-	-	-	-
% increase									
Senior Managers of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Entities	-	-	-	-	-	-	-	-	-
% increase									
Other Staff of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Other Staff of Entities	-	-	-	-	-	-	-	-	-
% increase									
Total Municipal Entities	-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS	2 738	3 140	2 961	3 345	4 862	4 862	5 247	5 705	6 204
% increase		14.7%	(5.7%)	13.0%	45.4%	-	7.9%	8.7%	8.7%
TOTAL MANAGERS AND STAFF	1 669	1 566	1 303	1 571	3 088	3 088	3 335	3 602	3 890

13. ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

In terms of Section 53 (1) (c) (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following –

- (a) Projections for each month of
 - Revenue to be collected, by source; and
 - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and
- (c) Other matters prescribed.

The Executive Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the budget. In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the budget of the municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2011 to 30 June 2012 (the Municipality's financial year). It includes the service delivery targets and performance indicators for each quarter which should be linked to the performance agreements of senior management. It therefore facilitates oversight over financial and non-financial performance of the municipality and allows the Municipal Manager to monitor the performance of the Executive Directors, the Mayor/Council to monitor the performance of the Municipal manager, and the Community to monitor the performance of the Municipality Government.

The SDBIP for the 2012/2013 financial year will be approved by the Mayor on the 28th May 2012 following approval of the Budget.

14. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Table 29: Contracts having future budgetary implications (Support Table A33)

NC077 Siyathemba - Supporting Table SA33 Contracts having future budgetary implications

Description	Preceding Years	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework			Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Total Contract Value
	Total	Original Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Parent Municipality:													
Revenue Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:													
Revenue Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Operating Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract													
Contract 1													-
Contract 2													-
Contract 3 etc													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-

15. ANNUAL BUDGETS AND SERVICE DELIVERY AGREEMENTS (SDA) – MUNICIPAL ENTITIES

None.

16. RECONCILIATION OF IDP STRATEGIC OBJECTIVES AND CAPITAL BUDGET

Table 34: Reconciliation of IDP strategic objectives and budget (capital expenditure) (Support Table A6)

NC077 Siyathemba - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand												
Basic delivery	Waste Management	A	-	-	-	2 212	194		3 990			
Basic delivery	Planning and development	B	-	-	-	2 594	3 846		2 136			
Basic delivery	Housing	C	1 806									
Basic delivery	Sport and recreation	D	2 873									
Basic delivery	Waste Water Management	E	3 441	2 300						6 556	6 935	
Basic delivery	Road transport	F	-	1 373	4 329		3 095		-	6 556	6 935	
Basic delivery	Electricity	G	-	-	2 058		2 912					
Basic delivery	Water	H	-	-	-	2 350	6 777		10 252	2 870		
Basic delivery	Road transport	I	-	1 373	4 329							
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Total Capital Expenditure			8 120	5 046	10 716	7 156	16 825	-	16 378	15 981	13 869	

17. LEGISLATION COMPLIANCE STATUS

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

- **Budget and Treasury Office**
A budget office and Treasury office has been established in accordance with the MFMA.
- **Budgeting**
The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- **Financial Reporting**
100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- **Annual Report**
The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Municipal Entities**
No municipal entities.
- **Internship Programme**
Siyathemba is participating in the Municipal Financial Management Internship Programme and has employed four interns undergoing training

Key issues addressed in National Treasury Circular 58: Municipal Budget Circular for the 2012 MTREF – refer Annexure 21

1. Municipalities' role in employment creation

Underemployment, precarious employment (in the informal sector) and unemployment will continue to grow, putting further pressure on wage levels that are under stress, given cost of living increases and inflation generally. Hence, the percentage of the population living in poverty will continue to increase faster than the population finding employment at a living wage.

A major challenge has been to facilitate and encourage semi and unskilled labour absorptive growth. Expanded Public Works Programme (EPWP):

The creation of short term job opportunities through the EPWP is identified as one of the top 20 Strategic Priorities (indicator 1A.4) in the Siyathemba Municipality's Integrated Development Plan (IDP).

A corporate job opportunity target is set for the medium term cycle and revised annually. This target is proportionately distributed through implementing line departments to ensure service delivery and capital projects create EPWP jobs wherever appropriate.

The maximization of labour intensive methods is driven through the SCM processes within the Municipality. Job creation targets are specified in tender documents where possible to regulate the use of temporary labour.

2. Procurement reforms and fighting corruption

Corruption

Siyathemba has a centralized procurement department which operates in accordance its Supply Chain Management (SCM) policies. With regard to the procurement of goods and services up to a value of R 200 000, the buyers are placed in commodities and are rotated on an annual basis.

Compliance

The Municipality's SCM policy is drafted in accordance with legislation. The supply chain processes are linked to this policy and each process is followed and monitored through regular internal, external and ISO audits. The SCM department does not specify nor dictate to the requisitioning line department as to what the specifications of any product are. The SCM function is an independent enabler in the process to ensure fairness and transparency.

3. Eskom bulk tariff increases

The proposed revisions to the tariffs have been formulated in accordance with the Municipality of Siyathemba Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act (MSA) as well as the recommendations of the National Energy Regulator of South Africa (NERSA). The Electricity Regulation Act requires that proposed revisions to the electricity consumption based tariffs be submitted to the Regulator for approval prior to implementation. Provisional approval will therefore be requested with the express proviso that any alterations required by Council will be submitted to the Regulator as soon as possible.

4. Water tariffs must be cost reflective

The municipality's water tariffs are cost reflective to the extent that the current cost of water is covered by current revenue (taking due cognizance of the cross-subsidization from sanitation at the moment). The water tariffs do not, however, allow for the cost of future infrastructure, as no or minimal provision is made for reserves to fund future projects. Changes to the pricing strategy approach, i.e. to spread the impact on consumers over a period of time, will be dependent on the overall approach of the

The water tariffs are already structured to protect basic levels of service and to encourage efficient and sustainable consumption.

5. Implementation of the Municipal Property Rates Act

The ratios prescribed in the regulations have been complied with.

6. Providing clean water and managing waste water

The Municipality of Siyathemba performs the roles of both the Water Service Authority and Water Service Provider i.e. actually manages the provision of drinking water and treatment of wastewater. Blue Drop Status

The Municipality participates in the blue drop status and the compliance thereof. The Municipality is in the process of submitting repairs and maintenance plans in addition to the above. In most instances the Municipality is complying with the water quality standards.

Green Drop Status

This is not yet applicable to our Municipality.

Brief outline of the problems

In both instances the biggest problem relates to inadequate asset management, i.e. the refurbishment of aging infrastructure and maintenance of existing infrastructure. The problem is further exacerbated by the expanding developments which are placing further pressure on the existing infrastructure. Both asset management and manpower capacity are impacted upon by budgetary constraints.

7. Mayor's discretionary funds and similar discretionary budget allocations

A budgetary provision of R815 770 for Mayoral Projects is provided on the 2010/2011 operating budget for the allocation to projects identified by the mayor and Internal Departments. The provision is within the Governance/Administration Department, which falls within the ambit of the Municipal Manager.

Identification of projects

- The Mayor may identify project(s) on condition that it is a local government competency and can be executed within the legal and financial framework applicable to local government.
- A line department may identify a worthy project for which they have not budget and submit a report to the Mayor for consideration, also on the basis of fully compliance as per above.

The internal administrative procedures in allocation of funds

- A written report or memorandum setting out the project scope and required funding is submitted to the Executive Mayor for approval.
- Where the mayor identifies a feasible project, his written approval must be obtained to allocate funding and proceed with the project which is submitted by die Manager: Executive & Legislative Support.

- Once approved, an operating project is created and funds are allocated to the approved project (s) for recording and monitoring purposes.
- Requests for release of funds are received electronically as the projects progress.
- Funds are released by the Chief Financial Officer and Municipal Manager. The Legislative Support in terms of the Council's approved systems of delegation, provided there is full compliance to the Supply Chain Management policy and procedures.
- Progress reports are submitted on regular basis.

8. Unallocated ward allocations

None.

9. New office buildings

The municipality has no new office buildings on its capital budget for the MTREF period.

10. Phasing in of formats and tables – Repairs and Maintenance

NT Circular 48 stipulated that repairs and maintenance 'must be broken-up into component expenditure types for the 2010/2011 budget' and not reported on as a subjective category. This was further emphasized in Circular 51, section 6.3.3.

In order for the municipality to be compliant, a rework of the repairs and maintenance subjective category had to be undertaken. A new allocation structure was created to allocate the budgetary provision by cost element or 'component expenditure' for the 2010/2011 budget process.

19. CAPITAL EXPENDITURE DETAILS

Table 35: Capital budget detail (Support Table A36)

Note: Refer to Annexure 1 for detail of all 2012/2013 capital projects.

NC077 Siyathemba - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
									Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand			2	6	3	3	5								
Parent municipality:															
<i>List all capital projects grouped by Municipal Vote</i>															
Planning & Development	Cemeteries														
Waste Management	Dumping site								-	2 594	-	-		1,2,3&4	New
Water	Water reticulation								-	2 212	4 225	5 138		3	New
									-	2 350				3	New
Road Transport	Tarring of roads								4 329	-	4 225	5 138		1,2,3&4	New
Electricity	High mast lighting								2 058	-	-	-		1,2,3&4	New
Parent Capital expenditure											8 450	10 276	-		
Entities:															
<i>List all capital projects grouped by Entity</i>															
Entity A	Water project A														
Entity B	Electricity project B														
Entity Capital expenditure									-	-	-	-	-		
Total Capital expenditure									6 387	7 156	8 450	10 276	-		

20. OTHER SUPPORTING DOCUMENTS

Table 36: Financial Performance Budget (Revenue source/expenditure type & dept.) (Support Table A2)
NC077 Siyathemba - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Vote 1 - Executive & Council	Vote 2 - Budget & Treasury Office	Vote 3 - Corporate Services	Vote 4 - Planning and Development	Vote 5 - Health	Vote 6 - Community & Social Services	Vote 7 - Housing	Vote 8 - Public Safety	Vote 9 - Sport and Recreation	Vote 10 - Environmental Protection	Vote 11 - Waste Management	Vote 12 - Waste Water Management	Vote 13 - Road Transport	Vote 14 - Water	Vote 15 - Electricity	Total
R thousand																
Revenue By Source																
Property rates		6 000														6 000
Property rates - penalties & collection charges		3 008														3 008
Service charges - electricity revenue															15 083	15 083
Service charges - water revenue													7 758			7 758
Service charges - sanitation revenue												6 000				6 000
Service charges - refuse revenue											1 800					1 800
Service charges - other																-
Rental of facilities and equipment			283	70		400	50									803
Interest earned - external investments		145														145
Interest earned - outstanding debtors		1 750														1 750
Dividends received																-
Fines		2														274
Licences and permits														20		20
Agency services													1 265			1 265
Other revenue	122	4 885	43	15							50			37	79	5 230
Transfers recognised - operational	603	13 359		1 000		689					1 609	2 614		2 413	1 810	24 097
Gains on disposal of PPE						500										500
Total Revenue (excluding capital transfers and contributions)	725	29 148	326	1 085	-	1 590	50	-	-	-	3 459	8 614	1 556	10 208	16 972	73 732
Expenditure By Type																
Employee related costs	4 158	5 062	5 135	5 466							2 489	2 910	1 336	2 464	1 443	30 461
Remuneration of councillors	2 069															2 069
Debt impairment											200	200		200	200	800
Depreciation & asset impairment		150														150
Finance charges	-	40		522											218	780
Bulk purchases														1 050	12 268	13 318
Other materials	322	115	107	750				6			250	330	131	425	378	2 813
Contracted services		1 000														1 000
Transfers and grants	-	2 300									1 698	3 540		2 467	3 137	13 142
Other expenditure	4 365	1 640	83	2 080	15						15	185	78	729	10	9 200
Loss on disposal of PPE																-
Total Expenditure	10 913	10 307	5 325	8 818	15	-	-	6	-	-	4 652	7 164	1 545	7 335	17 653	73 732
Surplus/(Deficit)	(10 188)	18 842	(5 000)	(7 733)	(15)	1 590	50	(6)	-	-	(1 194)	1 450	11	2 873	(681)	(0)
Transfers recognised - capital				2 136							3 990			10 252		16 378
Contributions recognised - capital				(2 136)							(3 990)			(10 252)		(16 378)
Contributed assets																-
Surplus/(Deficit) after capital transfers & contributions	(10 188)	18 842	(5 000)	(7 733)	(15)	1 590	50	(6)	-	-	(1 194)	1 450	11	2 873	(681)	(0)