

OVERBERG DISTRICT MUNICIPALITY



Medium Term Revenue and Expenditure Framework (MTREF)

MTREF BUDGET: 2022/2023 – 2024/2025

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET • POSTAL BAG X22
BREDASBURG 7280



30 MAY 2022

TEL: 023 425 4157 • FAX: 023 425 1014
info@odm.org.za • www.odm.org.za

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26 LONG STREET 3 / PRIVATE BAG 823
BREDASBURG 7201

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TEL: 029 425 1457 • FAX: 029 425 1014
info@om.org.za • www.om.org.za

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26 LONG STREET / PRIVATE BAG X22
BRIDGESIDE 7260



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TEL: 029 435 1007 • FAX: 029 425 1014
info@odm.org.za • www.odm.org.za

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SECTION A - PART 1

1. Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short-term investments. Cash receipts and payments do not always coincide with budgeted revenue 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.

DORA – Division of Revenue Act. The annual piece of legislation that indicate the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.

GDFI - Gross Domestic Fixed Investment

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26 LONG STREET
BHEKASIKHOLE
30 MAY 2022
TEL: 028 428 1014
info@mm.gov.za

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

ICT – Information Communication Technology

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

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

MBBR - Municipal Budget Reporting Regulations

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

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

ODM – Overberg District Municipality

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property.

TMA – Total Municipal Account

SDBIP – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

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

2. Mayors Report

As the new financial year is on the horizon, it is my pleasure as Mayor, to hereby table the Medium-Term Revenue & Expenditure Framework (MTREF) budget for 2022/2023.

In terms of the Municipal Financial Management Act 56 of 2003 (MFMA), the municipality must table a draft budget to the public for consideration and comment before a final budget can be submitted to Council for approval. Due processes were followed to obtain inputs and comments on the budget, whereafter all suggestions and contributions were assessed and incorporated, while compiling and amending the final budget.

Honourable Speaker and Overberg District Municipality Councillors, the tabling of the MTREF budget occurs within the context of an unprecedented challenging fiscal and economic environment. As Executive Mayor, my great concern is the diminishing revenue resources of Council, in conjunction with the significant rise in costs and expenditure which may negatively impact service delivery, hence impacting on the effectiveness and efficiency of fulfilling ODM's mandated functions. ODM's leadership will therefore urgently engage with Provincial and National Government, to review the statistics and formula that determines Overberg District Municipality's equitable share against the cost to continue in executing effective and adequate core services such as Fire and Health Services. A revenue revival financial strategy will also be required to ensure future revenue streams, and the financial sustainability of the municipality for future generations.

Although the compilation of the 2022/2023 budget was challenging and not without its complexities regarding prioritisation and decision-making, the Integrated Development Plan and the municipal Long-term Financial Plan provides direction. It is vital that the expenditure spending of funds from the 2022/2023 budget must be aligned to the National Development Plan and Provincial strategic goals. We as a District municipality need to endeavour strategically and proactively manage future sustainability to survive.

The budget is limited and will have to be managed economically, effectively, and efficiently. Innovative plans and synergy formulation will have to be executed to ensure adequate service delivery. Therefore, like the previous year, a zero-based approach was

followed by management when compiling the budget and attention was given to cut on cost containment items, recalculating the costs of rendering services (costing) and identifying new revenue streams.

The following main considerations have been considered, in compiling the budget:

- As a grant dependant municipality, the reduced increase of the equitable share
- Allocating gains received from the selling of municipal property to necessary long overdue maintenance and acquisitions of Council assets
- Reviewing the salary and wage cost of the municipality, identifying filling of critical vacancies only
- Align tariffs to the actual cost of rendering services
- Identifying alternative revenue streams for the municipality

Allow me to place emphasise on the important aspects of this budget:

As a coordinator for the Overberg region, the municipality partnered with various Inter-governmental spheres of Government to implement, promotes and facilitate development within Overberg District Municipality Region. I am proud to confirm that the successful establishment of the Overberg District Safety Forum (ODSF), which still made huge progress to manage incidents of unrest and crime over the year. This demonstrated several significant successes, mainly due to a "collective approach".

We as ODM look forward to more partnerships with the private sector and Provincial Treasury to continue contributing towards a better Fire and Disaster Service in the region as previous years.

Various funding initiatives for projects were initiated and some already implemented from the JDMA (Joint District and Metro Approach) initiative, which the entire district's community are uplifted with much needed facilities and basic services.

During and after the Covid pandemic, the municipality was able to provide various temporarily job opportunities in ensuring our offices and staff are safe. This initiative also

assisted in providing income for the communities still recovering from the impact of the Covid pandemic.

The regional landfill site at Karwyderskraal is still functioning to its capacity and remains a best practice model for the Western Cape. Alternative projects and initiatives are compiled to spend the remaining loan availability funding, while adhering to new environmental legislation and increasing revenue opportunities.

A “way-forward” strategic approach for the resorts is critical to ensure the resort’s effectiveness, while contributing value to the tourism and economical potential for the region. The current revenue stream is much needed for its continuation. Additional funding in the prior year assisted in the long overdue maintenance and upgrading, which will again extend the lifespan of our assets that generate revenue.

The total operating revenue budget for 2022/23 amounts to R253 440 054 while the capital budget amounts to R10 273 000.

The capital budget highlights the following projects:

Organic Waste Diversion Plant	R 4 500 000
Fire Service Vehicle Replacement	R 2 000 000
Sanitation sewerage (Honeysucker) -Resorts	R 1 000 000
Generator installations at offices	R 500 000

I am honoured to have exceptional officials and the commitment of councillors who enabled Overberg District Municipality to reach the goal set, in obtaining an unqualified (clean) audit report from the Auditor General.

I would like to take this opportunity to thank the leadership of the administration and Budget Team, for the compilation of the 2022/23 budget.

Therefor this 2022/23 budget is presented for final approval and implementation.

I thank you,

Executive Mayor
Alderman AE Franken

3. Resolutions

MTREF BUDGET 2022/2023

The resolution tabled at Council for consideration upon approval of the adjustment budget is:

RECOMMENDATION:

That Council approves the following:

- 1) That the consolidated Operating budget of R253 440 054, consisting of an Operating expenditure budget of R253 345 851, resulting in a surplus R 94 203 (after tariff increases) and a Capital budget of R10 273 000, with aligned budgeted cash flows, as set out in the Municipal Budget, be adopted;
- 2) That this constitutes the Budget of the Overberg District Municipality for the 2022/2023 financial year as well as the medium term (indicative) budgets for the 2023/2024 and 2024/2025 financial years.
- 3) That the Integrated Development Plan and related documents and any amendments thereto, be approved;
- 4) That the Spatial Development Framework and any amendments thereto, be approved;
- 5) That the proposed tariffs as per tariff list (Section B (3) be approved;
- 6) That all other matters, prescribed in sections 17(1) (a-e); 17(2) and 17(3) (a-m) of the Municipal Finance Management Act included in or that accompanied the budget document, be approved.
- 7) That the measurable performance objectives for 2022/2023 for operating revenue by source and by vote be approved;

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRINCE SAUNDERS
BREDASDORP 7200
30 MAY 2022
TEL: 028 425 1457 • FAX: 028 425 1014
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8) That the following budget related policies (as workshopped) be approved:

- Asset Management Policy **(as amended)**
- Credit Control and Debt Collection Policy **(as amended)**
- Cash Management and Investment Policy **(as amended)**
- Tariff Policy **(as amended)**
- Supply Chain Management Policy **(as amended)**
- Virement Policy **(as amended)**
- Borrowing Policy **(as amended)**
- Funding and Reserves Policy **(as amended)**
- Budget Policy **(as amended)**
- Customer Care Policy **(as amended)**
- Demand Management Policy **(as amended)**
- Infrastructure and delivery Management Policy **(Repealed)**
- Infrastructure investment and Capital projects Policy **(as amended)**
- Liquidity Policy **(as amended)**
- Long term Financial Planning Policy **(as amended)**
- Management and Admin of Immovable Assets Policy **(as amended)**
- Payroll Management and Administration Policy **(as amended)**
- Preferential Procurement Policy **(Repealed)**
- Travelling and Subsistence Policy **(as amended)**
- Cost containment Policy **(as amended)**

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, LOMBAKE BAG X22
BREDASBURG 7250



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TEL: 029 425 1157 • FAX: 029 425 1014
info@odm.org.za • www.odm.org.za

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4. Executive Summary

The Municipality's 2022/2023 total budget amounts to R253 440 054, represented by a Capital Budget of R10 273 000 and an Operating Budget of R253 345 851, resulting in a surplus R 94 203 (after tariff increases).

Primary Operating Budget revenue- and expenditure categories reflect the following year-on-year budget value increases (estimated 2022/23 vs. adjusted 2021/2022 budget):

Performance of services

FUNCTIONAL DEPARTMENT	ADJUSTED BUDGET 2021/22	BUDGET 2022/23	% FINAL VS ADJUSTED
COM SERV & SOC DEV	2328654	3078876	32%
CORPORATE SERVICES	11873467	10176507	-14%
COUNCIL GENERAL	-15837910	-6642138	-58%
ENVIRONMENTAL HEALTH	3069593	3138103	2%
FINANCE	-59910048	-62582916	4%
FIRE AND EMERG SERV	29538004	30317811	3%
HEALTH SERVICES	16775753	16640855	-1%
RESORTS	253592	-1650862	-751%
IDP, PERF RISK	2561883	2716106	6%
IT SYSTEMS	3624161	3298439	-9%
KWK WASTE LANDFILL SITE	-2938825	-2863365	-3%
MM & AUDIT	5129169	4278381	-17%
ROADS	0	0	
TOTAL INCOME/EXPENDITURE	-3532507	-94203	

As per requirements, municipalities must strive to budget for a surplus, as a deficit is indicative as one of the signs of an unfunded budget. Thus, the budget result is complying to the above and the final budget is reflected as funded according to Schedule A8 and SA10. Provincial Treasury also confirmed that the Draft budget tabled was funded.

Below is a departmental summary budgets per division, that illustrates a more detailed image of funding received and allocated towards each department/division in the municipality.

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BUDGET 2022/2023			
DETAILED DEPARTMENTAL ALLOCATIONS	Expenditure	Income	Balance
COMM. SERV: EXECUTIVE	R 1 253 562		R 1 253 562
COMMITTEE, RECORDS & COUNCILLOR SUPPORT	R 3 392 781		R 3 392 781
COMMUNITY SERVICES SUPPORT	R 1 825 314		R 1 825 314
COMPREHENSIVE HEALTH	R 181 800	-R 181 800	R -
CORPORATE SERVICES : EXECUTIVE	R 1 404 553		R 1 404 553
CORPORATE SUPPORT	R 2 028 026	-R 30 200	R 1 997 826
COUNCIL EXPENDITURE	R 7 708 949	-R 14 351 087	-R 6 642 138
EMERGENCY SERVICES	R 36 167 528	-R 5 849 717	R 30 317 811
ENVIROMENTAL MANAGEMENT	R 3 252 103	-R 114 000	R 3 138 103
EXPENDITURE	R 4 220 683		R 4 220 683
FINANCE: EXECUTIVE	R 1 384 118		R 1 384 118
FINANCIAL SERVICES	R 17 902 938	-R 89 690 000	-R 71 787 062
FINANCIAL SUPPORT	R 395 553		R 395 553
HUMAN RESOURCES	R 3 381 347		R 3 381 347
IDP & COMMUNICATION	R 1 390 787		R 1 390 787
INFORMATION SERVICES	R 3 298 439		R 3 298 439
INTERNAL AUDIT	R 1 880 432		R 1 880 432
LED, TOURISM, RESORTS & EPWP	R 16 622 638	-R 18 273 500	-R 1 650 862
MM: EXECUTIVE SUPPORT	R 734 819		R 734 819
MUN MANAGER: EXECUTIVE	R 1 963 130	-R 300 000	R 1 663 130
MUNICIPAL HEALTH	R 20 590 855	-R 3 950 000	R 16 640 855
PERFORMANCE & RISK MANAGEMENT	R 1 325 319		R 1 325 319
REVENUE	R 55 700	-R 18 500	R 37 200
ROADS	R 108 781 250	-R 108 781 250	R -
SOLID WASTE	R 9 036 635	-R 11 900 000	-R 2 863 365
SUPPLY CHAIN MANAGEMENT	R 3 166 592		R 3 166 592
Grand Total	R 253 345 851	-R 253 440 054	-R 94 203

Both functional departments of Solid Waste and LED, Tourism, Resorts & EPWP are also making a surplus which mean that their tariffs are cost reflective. The Emergency and Health Services shortfall is around R47 million in total of which the majority are "unfunded" due to insufficient equitable share allocation and any other revenue sources for rendering these core functions.

Revenue Increases

Total operating revenue in respect of ODM decreased with 3%.

Breakdown of main revenue increases:

- Equitable Share allocation: 5.3%
- Agency fee for Road function: -2%
- Karwyderskraal (Landfill Site): -1%
- Resorts: 10% (Revenue normalized after Covid-19 lockdown reductions)
- Reduction in Council Revenue due to selling less property than prior year

OVERBERG DISTRICT MUNICIPALITY
 221 LONG STREET / PRIVATE BAG X22
 BREDASBURG 7280
 30 MAY 2022
 TEL: 029 425 4187 • FAX: 029 425 1014
 info@odm.org.za • www.odm.org.za

- Drastic increase in Health Service (cost adjustment tariffs, amendments to by-laws and billing of Provincial Health Department for services rendered)

FUNCTIONAL DEPARTMENT	ADJUSTED BUDGET 2021/22	BUDGET 2022/23	% FINAL VS
COM SERV & SOC DEV	0	0	0%
CORPORATE SERVICES	-29200	-30200	3%
COUNCIL GENERAL	-24995896	-14351086.96	-43%
ENVIRONMENTAL HEALTH	-135200	-114000	-16%
FINANCE	-89778845	-89890300	0%
FIRE AND EMERG SERV	-4060432	-5849717	44%
HEALTH SERVICES	-166400	-3950000	2274%
RESORTS	-16686502	-18273500	10%
IDP, PERF RISK	-773844	0	-100%
IT SYSTEMS	0	0	0%
KWK WASTE LANDFILL SITE	-11977534	-11900000	-1%
MM & AUDIT	-800000	-300000	-63%
ODM OWN REVENUE	-149403853	-144658804	-3%
ROADS	-110839206	-108781250	-2%
TOTAL INCOME/EXPENDITURE	-260243059	-253440054	-3%

Cost reflective tariff adjustments were necessary on most of the services and facilities that the municipality renders or avail to the public. Tariffs had been proposed and considered into the revenue projections. Some are out of the 3 to 6% inflation guidelines provided by National Treasury since it was recommended by NT to do ensure cost-reflective tariffs.

Cost reflective Increases are proposed on all ODM tariffs except for the following:

- KWK Landfill site where tariffs are determined according to cost tariff module to which the respective Local Municipalities's agreed to
- Fire service contributions of Theewaterskloof LM, Cape Agulhas LM and Swellendam LM escalating according to signed agreements.
- Roads Agency fee determined according to Memorandum of Agreement with the Provincial Transport and Public Works department.

A synopsis on the proposed tariff increases include:

1. Firefighting = 50%
2. Additional = 6%
3. Environmental = 8%

OVERBERG DISTRICT MUNICIPALITY
21-23 KING STREET / PHARMACY BUILDING
LIMESBURG 7260
30 MAY 2022
TEL: 029 425 1157 • FAX: 029 425 1014
info@odm.org.za • www.odm.org.za

4. Municipal Health – 44% (except for certain tariffs set by NT requirements, as well as increase due to Cost reflective adjustments)
5. Roads = 7%
6. Building plan inspections – to be reintroduce and based on % per building plan cost
7. Solid Waste at KWK = 5%
8. Uilenskraalsmond resort = 10% (new tariff for sewerage availability added)
9. Die Dam resort = 10% (new tariff for Sewer pumping service added)

Additional revenue streams have been investigated/identified and will form part of the new tariff structures. See the proposed tariff structures tabled for approval..

Following is a table reflecting the type of revenue sources comparing to the previous financial year:

REVENUE SOURCES	ADJUSTED BUDGET 2021/22	BUDGET 2022/23	% FINAL VS ADJUSTED
Equitable Share	-R 77 375 000	-R 81 486 000	5%
Conditional Grants	-R 9 023 091	-R 6 925 800	-23%
Total Grants - Operating	-R 86 398 091	-R 88 411 800	2%
Environmental Health	-R 135 200	-R 114 000	-16%
Fire Service	-R 4 060 432	-R 5 849 717	44%
KWK Landfill Site Service charges - refuse revenue	-R 11 977 534	-R 11 900 000	-1%
Resort Rentals and Service Charges	-R 15 403 502	-R 16 950 500	10%
Interest earned - external investments	-R 2 143 500	-R 2 000 000	-7%
Shared Services	-R 773 844	R -	-100%
Roads Agency services	-R 11 510 646	-R 11 351 087	-1%
Health Services	-R 166 400	-R 3 950 000	2274%
Gains on Land Sales and rental	-R 13 485 250	-R 3 000 000	-78%
Sundry Other revenue	-R 3 349 454	-R 1 131 700	-66%
ODM OWN REVENUE	-R 63 005 762	-R 56 247 004	-11%
ODM GRANT AND OWN REVENUE	-R 149 403 853	-R 144 658 804	-3%
ROADS SUBSIDY	-R 110 839 206	-R 108 781 250	-2%
TOTAL REVENUE	-R 260 243 059	-R 253 440 054	-3%

The amount of R3 000 000 reflecting as gains and rental from property is based on actual R2 500 000 sale of land and R500 000 rental income. Revenue was also recorded against the previous year's provision.

Equitable Share

The equitable share allocation will increase as follows over the medium term

OVER THE MEDIUM TERM
26 LONG ST. BLOEMFONTEIN 9800
ENCLOSURE 1 OF 2
30 MAY 2022
TEL: 020 425 1057 FAX: 020 425 1014
info@odm.org.za • www.odm.org.za

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Equitable Share				
Fin Year	21/22	22/23	23/24	24/25
Allocation	-R77 375 000.00	-R81 486 000.00	-R84 267 000.00	-R87 234 000.00
Increase		5.31%	3.41%	3.52%

Due to the revenue adjustment factor, based on the previously received RSC levy, Overberg District Municipality does not receive its full equitable share. ODM still reflects "Unfunded mandate shortfall of equitable share revenue on Municipal Health and Fire Services

As discussed at the TIME and SIME meetings again this financial year, a review must be performed based on the latest populations statistics to establish what the impact it will have on the equitable share when applied in the current formula. Continuous discussions and engagements on various platforms should address this unbalanced calculation, realistic costing to render services and inequity being applied between some districts.

Currently some local municipalities within the region are contributing nominally towards Fire Service, hence provision in the budget was made for additional funding to be recovered from the Provincial Emergency/Disaster/Safety Department and also from the Health Department for the Services rendered by District Municipalities.

In this regard, ODM raised the Health Service funding issues at the Cabinet and Municipalities "Meet & Greet Sessions" on 22 April 2022 and ODM was advised to approach Provincial Treasury to make a submission to National Treasury. This was to motivate sufficient funding through an Equitable Share formula review for District Municipalities which would provide a framework for funding of Municipal Health Workers in line with required norms and standards. Currently ODM reflects a deficit of EHP's based on population figures (1 EHP/10 000). An item was placed on the next CFO Forum for 10 June 2022 to discuss this issue with District CFO's.

Expenditure Departmental and Category increases

The MTREF Operational Expenditure over the next three years are projected as follows using the CPI Inflation indicators provided by National Treasury, expect where specificity contract agreements exist with escalation clauses.

▶ CPI Inflation forecast

- ▶ 2022/23 4.8%
- ▶ 2023/24 4.4%
- ▶ 2024/25 4.5%

OVERBERG DISTRICT MUNICIPALITY
 26 LONG STREET, BLOEMFONTEIN 9401
 2001
 30 MAY 2022
 TEL: 020 425 1014 • FAX: 020 425 1014
 info@odm.org.za • www.odm.org.za

Expenditure just in respect of ODM's own expenditure decreased with 2%, hence the result of cost cutting. Following is the expenditure as reflected per functional department, comparing to the previous financial year.

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FUNCTIONAL DEPARTMENT	ADJUSTED BUDGET 2021/22	BUDGET 2022/23	% FINAL VS
COM SERV & SOC DEV	R 2 328 654	R 3 078 876	32%
CORPORATE SERVICES	R 11 902 667	R 10 206 707	-14%
COUNCIL GENERAL	R 9 157 986	R 7 708 949	-16%
ENVIRONMENTAL HEALTH	R 3 204 793	R 3 252 103	1%
FINANCE	R 31 818 797	R 27 307 384	-14%
FIRE AND EMERG SERV	R 33 598 436	R 36 167 528	8%
HEALTH SERVICES	R 16 942 153	R 20 590 855	22%
RESORTS	R 16 940 094	R 16 622 638	-2%
IDP, PERF RISK	R 3 335 727	R 2 716 106	-19%
IT SYSTEMS	R 3 624 161	R 3 298 439	-9%
KWK WASTE LANDFILL SITE	R 9 038 709	R 9 036 635	0%
MM & AUDIT	R 5 929 169	R 4 578 381	-23%
ODM EXPENDITURE	R 147 821 346	R 144 564 601	-2%
ROADS	R 110 839 206	R 108 781 250	-2%
TOTAL INCOME/EXPENDITURE	R 258 660 552	R 253 345 851	-2%

Following is the expenditure types, exclusive of the Roads function per category, indicating the change in relation to the 2021/22 Adjusted Budget:

FUNCTIONAL DEPARTMENT	ADJUSTED BUDGET 2021/22	BUDGET 2022/23	% FINAL VS ADJUSTED
Councillor Allowances	R 6 397 786.00	R 6 165 582.00	-4%
Depreciation & Provision	R 4 613 948.00	R 3 625 515.00	-21%
Employee Provision	R 6 321 942.00	R 5 738 000.00	-9%
Employee Related Cost	R 73 694 494.00	R 80 836 655.00	10%
Grant Expenses	R 2 549 000.00	-	-100%
Interest and Insurance	R 4 410 653.00	R 4 453 017.00	1%
Operational Cost	R 12 290 657.07	R 15 766 938.76	28%
Outsource Services	R 26 718 315.93	R 21 131 881.00	-21%
Repairs & Maintenance	R 6 674 762.00	R 6 217 012.00	-7%
Staff Training & Bursaries	R 746 750.00	R 630 000.00	-16%
TASK estimates	R 3 403 038.00	-	-100%
Roads OPEX	R 110 839 206.00	R 108 781 250.00	-2%
Grand Total	R 258 660 552.00	R 253 345 850.76	-2%

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET • PO BOX 122
BREDASBURG 7260

30 MAY 2022

TEL: 028 428 1477 • FAX: 028 428 1014
info@odm.org.za • www.odm.org.za

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The adjusted increases per source for ODM separately were calculated as follows:

SUMMARY INCOME & EXPENDITURE 2022/2023 MTREF EXCLUDING ROADS AGENCY				
Revenue by Source	Final Budget 2021/22	Original Budget 2022/23	Original Budget 2023/24	Original Budget 2024/25
Service charges - electricity revenue	R 360 000.00	R 400 000.00	R 430 000.00	R 450 000.00
Service charges - sanitation revenue	R -	R 600 000.00	R 642 000.00	R 686 940.00
Service charges - refuse revenue	R 11 962 534.00	R 12 572 000.00	R 13 719 040.00	R 14 869 372.80
Rental of facilities and equipment	R 12 044 000.00	R 12 730 000.00	R 13 032 000.00	R 13 814 000.00
Interest earned - external investments	R 2 143 500.00	R 2 000 000.00	R 2 200 000.00	R 2 200 000.00
Interest earned - outstanding debtors	R 230 000.00	R 200 000.00	R 220 000.00	R 245 000.00
Licences and permits	R 166 400.00	R 2 500 000.00	R 2 750 000.00	R 2 950 000.00
Agency services	R 11 510 646.00	R 11 351 086.96	R 11 870 962.73	R 11 870 962.73
Government Grants and Subsidies - Operating	R 88 348 091.00	R 88 411 800.00	R 90 171 526.20	R 93 340 885.25
Government Grants and Subsidies - Capital	R 1 950 000.00	R -	R -	R -
Other revenue	R 9 153 432.00	R 11 393 917.00	R 11 351 200.00	R 12 126 820.00
Gains	R 13 485 250.00	R 2 500 000.00	R 3 000 000.00	R 3 000 000.00
	R 151 353 853.00	R 144 658 803.96	R 149 386 728.93	R 155 553 980.78
Expenditure by Type	Final Budget 2021/22	Original Budget 2022/23	Original Budget 2023/24	Original Budget 2024/25
Employee related costs	R 80 016 436.00	R 86 574 654.76	R 91 605 237.00	R 97 351 026.19
Remuneration of councillors	R 6 397 786.00	R 6 165 582.00	R 6 529 351.34	R 6 914 583.07
Debt impairment	R 200 000.00	R 200 000.00	R 200 000.00	R 200 000.00
Depreciation & asset impairment	R 4 613 948.00	R 3 625 515.00	R 3 563 214.00	R 3 549 110.00
Finance charges	R 3 160 048.00	R 3 008 417.00	R 3 048 226.00	R 3 091 916.00
Bulk purchases - electricity	R 400 000.00	R 400 000.00	R 430 000.00	R 450 000.00
Other Materials	R 3 791 716.15	R 3 522 150.00	R 3 841 850.00	R 3 711 700.00
Contracted services	R 26 718 315.93	R 21 131 881.00	R 20 462 670.78	R 20 298 672.03
Transfers and Grants	R 2 549 000.00	R -	R -	R -
Other expenditure	R 19 974 097.42	R 19 936 401.00	R 19 603 580.08	R 19 973 208.34
	R 147 821 347.50	R 144 564 600.76	R 149 284 129.19	R 155 540 215.62
Surplus/(Deficit)	R 3 532 505.50	R 94 203.20	R 102 599.74	R 13 765.16

The adjusted increases per source for the Roads Agency function separately were calculated as follows

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, PRETORIA 0001
BREDASPOOR 7240
30 MAY 2022
TEL: 020 625 1457 • FAX: 020 625 1014
info@odm.org.za • www.odm.org.za

SUMMARY INCOME & EXPENDITURE 2022/2023 MTREF ROADS AGENCY				
Revenue by Source	Final Budget 2021/22	Original Budget 2022/23	Original Budget 2023/24	Original Budget 2024/25
Service charges - electricity revenue	R -	R -	R -	R -
Service charges - sanitation revenue	R -	R -	R -	R -
Service charges - refuse revenue	R -	R -	R -	R -
Rental of facilities and equipment	R -	R -	R -	R -
Interest earned - external investments	R -	R -	R -	R -
Interest earned - outstanding debtors	R -	R -	R -	R -
Licences and permits	R -	R -	R -	R -
Agency services	R -	R -	R -	R -
Government Grants and Subsidies - Operating	R 110 839 206.00	R 108 781 250.00	R 113 763 392.86	R 113 763 392.86
Government Grants and Subsidies - Capital	R -	R -	R -	R -
Other revenue	R -	R -	R -	R -
Gains	R -	R -	R -	R -
	R 110 839 206.00	R 108 781 250.00	R 113 763 392.86	R 113 763 392.86
Expenditure by Type	Final Budget 2021/22	Original Budget 2022/23	Original Budget 2023/24	Original Budget 2024/25
Employee related costs	R 45 957 827.00	R 49 357 000.00	R 52 033 650.00	R 54 991 394.35
Remuneration of councillors	R -	R -	R -	R -
Debt impairment	R -	R -	R -	R -
Depreciation & asset impairment	R -	R -	R -	R -
Finance charges	R 171 703.00	R 321 000.00	R 245 000.00	R 259 000.00
Bulk purchases - electricity	R -	R -	R -	R -
Other Materials	R 48 007 889.00	R 42 940 000.00	R 45 118 100.00	R 42 506 405.00
Contracted services	R 2 390 000.00	R 2 660 000.00	R 2 824 800.00	R 3 024 766.00
Transfers and Grants	R -	R -	R -	R -
Other expenditure	R 14 311 787.00	R 13 503 250.00	R 13 541 842.85	R 12 981 827.50
	R 110 839 206.00	R 108 781 250.00	R 113 763 392.85	R 113 763 392.85
Surplus/(Deficit)	R -	R -	R -	R -

Employee Related cost

The table below reflect the total adjusted increase from 2021/22 to 2022/23. This is inclusive of the provisions (as per actuary reports) and the TASK estimate (2021/22).

Treasury's Circular Mun No 7 of 2022 on Municipal Budgets read as follows:

"In line with the 2021 Multi-year Salary and Wage Collective Agreement for the 2022/23 financial year, and as instructed by the South African Local Government Bargaining Council Circular 1 of 2022 (9 March 2022), salary and wage increases shall, as of 1 July 2022, be as follows:

- In terms of Clauses 6.4 and 6.5, the salary and wage increase shall be 4.9 per cent.*
- In terms of clause 7.2, the minimum wage shall increase to R9 043.21.*
- In terms of clause 9.1.2, the flat rate homeowners' allowance shall increase to R1 011.77.*
- In terms of clause 10.1.2, the medical aid maximum employer contribution shall increase to R5 007.00.*

- In terms of clause 11.1, all benefits linked to salary shall increase by 4.9 per cent.

Municipalities that cannot afford to implement the above, may in terms of Clause 15 of the Agreement, apply for exemption. Municipalities that want to apply for exemption are requested to inform SALGA of such a decision as soon as possible, but not later than 31 May 2022. "

The Budget Steering committee considered the above and after assessing all the budget needs to provide for an efficient service delivery, the above increases as well as a 1.5% adjustment for notch increases and medical had been accommodated in the budget.

Description	ADJUSTED BUDGET 2021/22	BUDGET 2022/23	% FINAL VS ADJUSTED
Employee Related	R 72 778 159	R 83 266 655	14.4%
Provisions	R 3 835 239	R 3 308 000	-13.7%
TASK	R 3 403 038	R -	
ODM Related OPEX	R 80 016 436	R 86 574 655	8.2%
ROADS	R 43 561 124	R 46 927 000	7.7%
ROADS PROVISIONS	R 2 396 703	R 2 430 000	1.4%
ROADS TOTAL	R 45 957 827	R 49 357 000	7.4%
TOTAL PROVISION	R 6 231 942	R 5 738 000	-7.9%
TOTAL EMPLOYEE RELATED COST	R 119 742 321	R 130 193 655	8.7%
TOTAL EMPLOYEE COST	R 125 974 263	R 135 931 655	7.9%

Capital Expenditure

Capital programme was again reviewed and minor amendments from the draft was required. The capital projects, funding and projects identified are as per the schedules below. An amount of R5 473 500 will be financed from the Capital Replacement Reserve (CRR).

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET • 9460478 EAG 422
BX 50450000 7200
30 MAY 2022
TEL: 028 425 4157 • FAX: 028 425 1044
info@odm.org.za • www.odm.org.za

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OVERBERG DISTRICT MUNICIPALITY - MULTI YEAR CAPITAL PROGRAMME FOR 2022/23 - 2024/25

PROJECT NO	DEPARTMENT	Project Name	DESCRIPTION	BUDGET 2022/23	BUDGET 2023/24	BUDGET 2024/25	TOTAL BUDGET
1	EMERGENCY SERVICES	DC3_Rescue Equipment	Acquire necessary rescue equipment for rendering services	R100 000	R130 000	R130 000	R350 000
2	EMERGENCY SERVICES	DC3_Vehicle upgrade/refurbishment	Replacement of old and broken computer equipment	R300 000	R300 000	R250 000	R850 000
3	EMERGENCY SERVICES	DC3_Capital Vehicle Replacement	Replace redundant vehicles and add additions to fleet	R2 150 000	R2 150 000	R2 200 000	R6 500 000
4	EMERGENCY SERVICES	DC3_Furniture and Office Equipment	Office Equipment	R50 000	R20 000	R25 000	R95 000
5	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Property Plant	Carports	R50 000	R0	R0	R50 000
6	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Furniture and Office Equipment	Aircons	R55 000	R0	R0	R55 000
7	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Infrastructure	Organic Waste diversion	R4 500 000	R0	R0	R4 500 000
8	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Infrastructure	Water back-up system for Karwyderskraal	R300 000	R0	R0	R300 000
9	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Machinery and Equipment	Drone	R32 000	R0	R0	R32 000
10	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Intangible Asset	Computer Software - GIS	R15 000	R0	R0	R15 000
11	LED, TOURISM, RESORTS AND EPWP	DC3_Gas installation at ablation facilities	Upgrading of ablation facilities - Resorts - Gas Geyser	R150 000	R150 000	R150 000	R450 000
12	LED, TOURISM, RESORTS AND EPWP	DC3_Capital Vehicle	Specialised Vehicle - Honeysucker	R1 000 000	R0	R0	R1 000 000
13	LED, TOURISM, RESORTS AND EPWP	DC3_Furniture and Office Equipment	Furniture and Fittings	R50 000	R30 000	R30 000	R110 000
14	LED, TOURISM, RESORTS AND EPWP	DC3_Gas installation at ablation facilities	Upgrading of ablation facilities - Resorts	R150 000	R150 000	R150 000	R450 000
15	LED, TOURISM, RESORTS AND EPWP	DC3_Property Upgrade	Upgrade of Bungalows and amenities	R50 000	R50 000	R150 000	R350 000
16	LED, TOURISM, RESORTS AND EPWP	DC3_Machinery and Equipment	Pumps	R20 000	R20 000	R20 000	R60 000
17	MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	Chairs / Steelcabinets	R19 000	R0	R0	R19 000
18	MUNICIPAL HEALTH SERVICES	DC3_Computer Equipment	3in 1 Printer	R3 000	R0	R0	R3 000
19	MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	Mobile Aircon - Struisbaai	R5 000	R0	R0	R5 000
20	MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	Community projects Gazebo	R12 000	R0	R0	R12 000
21	FINANCE	DC3_Furniture and Office Equipment	Office Equipment - chairs	R7 000	R0	R0	R7 000
22	FINANCE	DC3_Furniture and Office Equipment	Aircons	R20 000	R0	R0	R20 000
23	CORPORATE SERVICES :	DC3_Fencing - Head Office	Erecting of perimeter fence and access gates	R250 000	R0	R0	R250 000
24	CORPORATE SERVICES :	DC3_Machinery and Equipment	Replacement of the council chamber's microphone system	R0	R440 000	R0	R440 000
25	CORPORATE SERVICES :	DC3_Furniture and Office Equipment	Replace old binder for administration	R12 000	R0	R0	R12 000
26	CORPORATE SERVICES :	DC3_Installation of a Power Generator and UPS	Phase 2 of the ODM generator implementation in the entire district	R500 000	R400 000	R200 000	R1 100 000
27	ICT SERVICES	DC3_Replacement of old and broken Computer Equipment	Replace redundant computers and acquisition for new staff	R270 000	R120 000	R150 000	R540 000
28	ICT SERVICES	DC3_Machinery and Equipment	Drill	R2 500	R0	R0	R2 500
29	ICT SERVICES	DC3_Backup Server ICT	Ensure backup and safety of data and information management	R200 000	R0	R0	R200 000
TOTAL				R10 273 500	R3 950 000	R3 355 000	R17 578 500

The Capital Programme over the MTREF period will be funded as per table below

TYPE	FUNDING SOURCES	ORIGINAL BUDGET 2022/23	ORIGINAL BUDGET 2023/24	ORIGINAL BUDGET 2024/25
1	CAPITAL REPLACEMENT RESERVE	R5 473 500	R3 950 000	R3 355 000
2	REVENUE	R0	R0	R0
3	EXTERNAL LOANS	R4 800 000	R0	R0
4	GRANTS	R0	R0	R0
5	PRIVATE CONTRIBUTIONS	R0	R0	R0
	TOTAL	R10 273 500	R3 950 000	R3 355 000

The table below indicated the number of projects identified for the 2022/23 financial year

SUMMARY	DESCRIPTION	BUDGET 2022/23
EMERGENCY SERVICES	4 Projects	R2 600 000
ENVIRONMENTAL MANAGEMENT	6 projects	R4 952 000
LED, TOURISM, RESORTS & EPWP	6 projects	R1 420 000
MUNICIPAL HEALTH	4 project	R40 000
FINANCIAL SERVICES	2 projects	R27 000
CORP SERVICES	4 projects	R762 000
INFORMATION SERVICES	3 projects	R472 500
TOTAL	29 Projects for 2022/2023	R10 273 500

The ODM funding and reserve policy determines as follows:

6.5.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own contributions, grants, public contributions as well as external loans.

Own Contributions

The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve.

Notwithstanding the above the capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions are determined during the budget process.

As in the prior financial year a CRR will be utilised as a funding mechanism for Capital acquisitions

It was proposed that Capital projects be funded from this reserve and that at the end of each financial year, it be determined according to the Annual Financial Statements what amount is available to be transferred to commit to this purpose.

MTREF 2022/2023 – 2024/2025 Budgets

Following are the summary tables of the MTREF Budget over the next 3-year term

MTREF Budget Performance per Department/Service

The budgeted projections of the KWK Waste Landfill site and Resorts services will result in a surplus as required from a Trade service. The result outcome over the MTREF period is projected on a surplus.

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FUNCTIONAL DEPARTMENT	ADJUSTED BUDGET 2021/22	BUDGET 2022/23
COM SERV & SOC DEV	R 2 328 654	R 3 078 876
CORPORATE SERVICES	R 11 873 467	R 10 176 507
COUNCIL GENERAL	-R 15 837 910	-R 6 642 138
ENVIRONMENTAL HEALTH	R 3 069 593	R 3 138 103
FINANCE	-R 59 910 048	-R 62 582 916
FIRE AND EMERG SERV	R 29 538 004	R 30 317 811
HEALTH SERVICES	R 16 775 753	R 16 640 855
RESORTS	R 253 592	-R 1 650 862
IDP, PERF RISK	R 2 561 883	R 2 716 106
IT SYSTEMS	R 3 624 161	R 3 298 439
KWK WASTE LANDFILL SITE	-R 2 938 825	-R 2 863 365
MM & AUDIT	R 5 129 169	R 4 278 381
ROADS	R -	R -
TOTAL SURPLUS	-R 3 532 507	-R 94 203

MTREF Budget Expenditure per Department/Service

FUNCTIONAL DEPARTMENT	ADJUSTED BUDGET 2021/22	BUDGET 2022/23
COM SERV & SOC DEV	R 2 328 654	R 3 078 876
CORPORATE SERVICES	R 11 902 667	R 10 206 707
COUNCIL GENERAL	R 9 157 986	R 7 708 949
ENVIRONMENTAL HEALTH	R 3 204 793	R 3 252 103
FINANCE	R 31 818 797	R 27 307 384
FIRE AND EMERG SERV	R 33 598 436	R 36 167 528
HEALTH SERVICES	R 16 942 153	R 20 590 855
RESORTS	R 16 940 094	R 16 622 638
IDP, PERF RISK	R 3 335 727	R 2 716 106
IT SYSTEMS	R 3 624 161	R 3 298 439
KWK WASTE LANDFILL SITE	R 9 038 709	R 9 036 635
MM & AUDIT	R 5 929 169	R 4 578 381
ODM EXPENDITURE	R 147 821 346	R 144 564 601
ROADS	R 110 839 206	R 108 781 250
TOTAL INCOME/EXPENDITURE	R 258 660 552	R 253 345 851

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BACHANANBURG 7200
30 MAY 2022
TEL: 028 428 4167 • FAX: 028 825 1014
info@odm.org.za • www.odm.org.za

MTREF Budget Revenue per Department/Service

FUNCTIONAL DEPARTMENT	ADJUSTED BUDGET 2021/22	BUDGET 2022/23
COM SERV & SOC DEV	0	0
CORPORATE SERVICES	-29200	-30200
COUNCIL GENERAL	-24995896	-14351086.96
ENVIRONMENTAL HEALTH	-135200	-114000
FINANCE	-89778845	-89890300
FIRE AND EMERG SERV	-4060432	-5849717
HEALTH SERVICES	-166400	-3950000
RESORTS	-16686502	-18273500
IDP, PERF RISK	-773844	0
IT SYSTEMS	0	0
KWK WASTE LANDFILL SITE	-11977534	-11900000
MM & AUDIT	-800000	-300000
ODM OWN REVENUE	-149403853	-144658804
ROADS	-110839206	-108781250
TOTAL INCOME/EXPENDITURE	-260243059	-253440054

BERG DISTRICT MUNICIPALITY
ING STREET / PRIVATE BAG X22
BREDASDORP 7280
30 MAY 2022
TEL: 028 425 1157 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

Per User Department I&E for BUDGET 2022/2023

BUDGET 2022/2023			
	Expenditure	Income	Balance
COMM. SERV: EXECUTIVE	R 1 253 562.00		R 1 253 562.00
COMMITTEE, RECORDS & COUNCILLOR SUPPORT	R 3 392 781.00		R 3 392 781.00
COMMUNITY SERVICES SUPPORT	R 1 825 314.00		R 1 825 314.00
COMPREHENSIVE HEALTH	R 181 800.00	-R 181 800.00	R -
CORPORATE SERVICES : EXECUTIVE	R 1 404 553.00		R 1 404 553.00
CORPORATE SUPPORT	R 2 028 026.00	-R 30 200.00	R 1 997 826.00
COUNCIL EXPENDITURE	R 7 708 949.00	-R 14 351 086.96	-R 6 642 137.96
EMERGENCY SERVICES	R 36 167 527.76	-R 5 849 717.00	R 30 317 810.76
ENVIRONMENTAL MANAGEMENT	R 3 252 103.00	-R 114 000.00	R 3 138 103.00
EXPENDITURE	R 4 220 683.00		R 4 220 683.00
FINANCE: EXECUTIVE	R 1 384 118.00		R 1 384 118.00
FINANCIAL SERVICES	R 17 902 938.00	-R 89 690 000.00	-R 71 787 062.00
FINANCIAL SUPPORT	R 395 553.00		R 395 553.00
HUMAN RESOURCES	R 3 381 347.00		R 3 381 347.00
IDP & COMMUNICATION	R 1 390 787.00		R 1 390 787.00
INFORMATION SERVICES	R 3 298 439.00		R 3 298 439.00
INTERNAL AUDIT	R 1 880 432.00		R 1 880 432.00
LED, TOURISM, RESORTS & EPWP	R 16 622 638.00	-R 18 273 500.00	-R 1 650 862.00
MM: EXECUTIVE SUPPORT	R 734 819.00		R 734 819.00
MUN MANAGER: EXECUTIVE	R 1 963 130.00	-R 300 000.00	R 1 663 130.00
MUNICIPAL HEALTH	R 20 590 855.00	-R 3 950 000.00	R 16 640 855.00
PERFORMANCE & RISK MANAGEMENT	R 1 325 319.00		R 1 325 319.00
REVENUE	R 55 700.00	-R 18 500.00	R 37 200.00
ROADS	R 108 781 250.00	-R 108 781 250.00	R -
SOLID WASTE	R 9 036 635.00	-R 11 900 000.00	-R 2 863 365.00
SUPPLY CHAIN MANAGEMENT	R 3 166 592.00		R 3 166 592.00
Grand Total	R 253 345 850.76	-R 253 440 053.96	-R 94 203.20

5. Budget Tables

OVERBERG DISTRICT MUNICIPALITY
25 LONG STREET / PHASE 1 BAY X22
BREDASDORP 7600



30 MAY 2022

TABLE A1 – Budget Summary

TEL: 023 425 1187 • FAX: 023 425 1014
info@odm.org.za • www.odm.org.za

DC3 Overberg - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	2 102	11 704	12 130	13 160	12 323	12 323	12 323	13 572	14 791	16 006
Investment revenue	2 159	1 899	2 287	2 144	2 144	2 144	2 144	2 000	2 200	2 200
Transfers recognised - operational	167 029	169 680	205 928	194 564	199 187	199 187	199 187	197 193	203 935	207 104
Other own revenue	40 313	37 509	31 318	45 357	46 590	46 590	46 590	40 675	42 224	44 007
Total Revenue (excluding capital transfers and contributions)	211 604	220 792	251 663	255 224	260 243	260 243	260 243	253 440	263 150	269 317
Employee costs	105 832	113 075	117 488	132 303	125 974	125 974	125 974	135 932	143 639	152 342
Remuneration of councillors	6 264	6 197	5 970	6 548	6 398	6 398	6 398	6 186	6 529	6 915
Depreciation & asset impairment	3 558	3 573	3 828	4 614	4 614	4 614	4 614	3 626	3 563	3 549
Finance charges	1 753	3 860	3 448	3 582	3 332	3 332	3 332	3 329	3 293	3 351
Inventory consumed and bulk purchases	45 064	38 493	57 634	45 269	52 200	52 200	52 200	46 862	49 390	46 668
Transfers and grants	360	–	680	250	2 549	2 549	2 549	–	–	–
Other expenditure	49 635	50 052	59 530	61 384	63 594	63 594	63 594	57 432	56 633	56 478
Total Expenditure	212 466	215 250	248 578	253 950	258 661	258 661	258 661	253 346	263 048	269 304
Surplus/(Deficit)	(862)	5 541	3 085	1 274	1 583	1 583	1 583	94	103	14
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 483	691	2 886	–	1 950	1 950	1 950	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	667	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	821	6 233	–	1 274	3 533	3 533	3 533	94	103	14
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	821	6 233	–	1 274	3 533	3 533	3 533	94	103	14
Capital expenditure & funds sources										
Capital expenditure	36 982	2 998	5 036	4 989	8 585	8 585	8 585	10 274	3 950	3 355
Transfers recognised - capital	1 483	691	2 886	–	1 950	1 950	1 950	–	–	–
Borrowing	22 316	–	–	–	–	–	–	39	20	20
Internally generated funds	13 183	2 307	2 151	4 989	6 635	6 635	6 635	10 235	3 930	3 335
Total sources of capital funds	36 982	2 998	5 036	4 989	8 585	8 585	8 585	10 274	3 950	3 355
Financial position										
Total current assets	49 519	55 381	69 323	55 119	65 471	65 471	65 471	58 057	56 638	55 409
Total non current assets	102 276	97 801	102 652	100 114	107 514	107 514	107 514	115 234	116 741	117 717
Total current liabilities	32 195	37 095	43 014	36 115	41 487	41 487	41 487	42 780	44 159	45 664
Total non current liabilities	81 179	71 434	77 668	69 818	76 672	76 672	76 672	75 591	74 197	72 426
Community wealth/Equity	38 421	44 653	51 293	49 299	54 825	54 825	54 825	54 919	55 022	55 036
Cash flows										
Net cash from (used) operating	(735)	4 072	26 079	(4 392)	(5 301)	(5 301)	(5 301)	3 958	3 561	3 626
Net cash from (used) investing	(23 509)	(3 001)	(3 701)	8 497	4 901	4 901	4 901	(7 774)	(950)	(355)
Net cash from (used) financing	25 976	(2 872)	(2 949)	(3 296)	(3 296)	(3 296)	(3 296)	(3 684)	(4 120)	(4 593)
Cash/cash equivalents at the year end	38 448	36 647	56 076	42 115	52 379	52 379	52 379	44 880	43 371	42 049
Cash backing/surplus reconciliation										
Cash and investments available	38 448	36 647	56 076	42 115	52 379	52 379	52 379	44 880	43 371	42 049
Application of cash and investments	(3 451)	561	(343)	788	5 590	5 590	5 590	467	157	(203)
Balance - surplus (shortfall)	41 899	36 086	56 419	41 326	46 788	46 788	46 788	44 412	43 214	42 251
Asset management										
Asset register summary (WDV)	80 685	78 813	79 720	79 554	83 691	83 691	83 691	90 339	90 726	90 531
Depreciation	3 558	3 573	3 828	4 614	4 614	4 614	4 614	3 626	3 563	3 549
Renewal and Upgrading of Existing Assets	34 414	1 128	375	873	3 145	3 145	3 145	5 155	3 830	3 225
Repairs and Maintenance	5 960	8 550	9 324	10 749	11 732	11 732	11 732	8 451	8 787	8 729
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

TABLE A2 – Budget Financial Performance (Standard Classification)

DC3 Overberg - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		94 770	91 004	97 858	111 697	118 125	118 125	104 390	107 193	110 362
Executive and council		10 097	10 385	11 343	24 921	25 796	25 796	14 651	14 871	14 871
Finance and administration		84 673	80 619	86 515	86 776	92 329	92 329	89 739	92 322	95 491
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		19 717	19 394	20 907	21 369	21 116	21 116	28 255	29 069	30 957
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		16 313	15 651	15 767	16 980	16 687	16 687	18 274	18 280	19 401
Public safety		3 120	3 447	4 701	4 020	4 060	4 060	5 850	6 310	6 774
Housing		-	-	-	-	-	-	-	-	-
Health		285	296	440	369	369	369	4 132	4 480	4 783
<i>Economic and environmental services</i>		96 302	98 145	124 599	109 730	110 974	110 974	108 895	113 888	113 898
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		96 282	98 050	124 599	109 595	110 839	110 839	108 781	113 763	113 763
Environmental protection		21	95	-	135	135	135	114	125	135
<i>Trading services</i>		2 297	12 941	11 851	12 428	11 978	11 978	11 900	13 000	14 100
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 297	12 941	11 851	12 428	11 978	11 978	11 900	13 000	14 100
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	213 087	221 483	255 216	255 224	262 193	262 193	253 440	263 150	269 317
Expenditure - Functional										
<i>Governance and administration</i>		48 206	45 125	48 057	64 340	66 733	66 733	57 322	59 768	62 636
Executive and council		10 600	10 360	9 939	10 722	12 735	12 735	10 407	10 529	11 045
Finance and administration		36 379	33 439	36 681	51 255	51 645	51 645	45 035	47 276	49 529
Internal audit		1 228	1 325	1 438	2 364	2 353	2 353	1 880	1 962	2 062
<i>Community and public safety</i>		60 322	60 207	63 335	66 849	67 683	67 683	73 563	75 684	78 558
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		18 238	16 714	16 233	16 875	16 940	16 940	16 623	16 257	16 891
Public safety		28 244	29 243	32 599	32 327	33 598	33 598	36 168	38 019	38 955
Housing		-	-	-	-	-	-	-	-	-
Health		13 840	14 250	14 503	17 648	17 145	17 145	20 773	21 407	22 712
<i>Economic and environmental services</i>		101 532	101 423	128 184	114 731	115 206	115 206	113 424	118 558	118 687
Planning and development		1 223	1 253	1 323	1 409	1 162	1 162	1 391	1 464	1 546
Road transport		97 961	97 875	124 661	109 595	110 839	110 839	108 781	113 763	113 763
Environmental protection		2 348	2 295	2 200	3 727	3 205	3 205	3 252	3 331	3 377
<i>Trading services</i>		2 405	8 495	9 001	8 030	9 039	9 039	9 037	9 038	9 423
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 405	8 495	9 001	8 030	9 039	9 039	9 037	9 038	9 423
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	212 466	215 250	248 578	253 950	258 661	258 661	253 346	263 048	269 304
Surplus/(Deficit) for the year		621	6 233	6 638	1 274	3 533	3 533	94	103	14

OVERBERG DISTRICT MUNICIPALITY
25 LOUIS STREET - 6014-1014
BELLVILLE 7200
30 MAY 2022
TEL: 021 425 1257 • FAX: 021 425 1014
info@overberg.gov.za • www.overberg.gov.za

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TABLE A3 - Budget Financial Performance (Rev & Exp by Municipal Vote)

DC3 Overberg - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 1 - Municipal Manager		10 481	10 533	11 540	25 695	26 570	26 570	14 651	14 871	14 871
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		25	48	34	29	29	29	30	32	34
Vote 4 - Finance		84 265	80 422	86 284	85 973	91 526	91 526	89 709	92 290	95 457
Vote 5 - Community Services		118 316	130 479	157 358	143 527	144 068	144 068	149 050	155 857	158 956
Total Revenue by Vote	2	213 087	221 483	255 216	255 224	262 193	262 193	253 440	263 150	269 317
Expenditure by Vote to be appropriated	1									
Vote 1 - Municipal Manager		14 169	14 091	13 945	16 742	18 423	18 423	15 003	15 353	16 133
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		8 866	11 001	10 829	16 682	15 527	15 527	13 505	13 813	14 403
Vote 4 - Finance		25 357	20 124	23 278	29 826	31 616	31 616	27 126	28 875	30 324
Vote 5 - Community Services		164 074	170 034	200 525	190 701	193 095	193 095	197 712	205 007	208 444
Total Expenditure by Vote	2	212 466	215 250	248 578	253 950	258 661	258 661	253 346	263 048	269 304
Surplus/(Deficit) for the year	2	621	6 233	6 638	1 274	3 533	3 533	94	103	14

TABLE A4 - Budget Financial Performance (Revenue & Expenditure)

DC3 Overberg - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	236	286	747	360	360	360	400	430	450
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	600	642	687
Service charges - refuse revenue	2	2 102	11 468	11 844	12 413	11 953	11 953	11 953	12 572	13 719	14 869
Rental of facilities and equipment		15 201	10 747	11 856	11 844	12 044	12 044	12 044	12 730	13 032	13 814
Interest earned - external investments		2 159	1 899	2 287	2 144	2 144	2 144	2 144	2 000	2 200	2 200
Interest earned - outstanding debtors		-	-	-	256	230	230	230	200	220	245
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences and permits		123	137	230	166	166	166	166	2 500	2 750	2 950
Agency services		9 215	10 127	11 343	11 436	11 511	11 511	11 511	11 351	11 871	11 871
Transfers and subsidies		167 029	169 680	205 928	194 564	199 187	199 187	199 187	197 193	203 935	207 104
Other revenue	2	14 892	16 498	7 989	8 170	9 153	9 153	9 153	11 394	11 351	12 127
Gains		882	-	-	13 485	13 485	13 485	13 485	2 500	3 000	3 000
Total Revenue (excluding capital transfers and contributions)		211 604	220 792	251 663	255 224	260 243	260 243	260 243	253 440	263 150	269 317
Expenditure By Type											
Employee related costs	2	105 832	113 075	117 488	132 303	125 974	125 974	125 974	135 932	143 639	152 342
Remuneration of councillors		6 264	6 197	5 970	6 548	6 399	6 398	6 398	6 166	6 529	6 915
Debt impairment	3	2 067	145	67	200	200	200	200	200	200	200
Depreciation & asset impairment	2	3 558	3 573	3 828	4 614	4 614	4 614	4 614	3 626	3 563	3 549
Finance charges		1 753	3 860	3 448	3 582	3 332	3 332	3 332	3 329	3 293	3 351
Bulk purchases - electricity	2	-	385	766	400	400	400	400	400	430	450
Inventory consumed	8	45 064	38 108	56 859	44 869	51 800	51 800	51 800	46 462	48 960	46 218
Contracted services		15 413	16 389	16 121	27 410	29 108	29 108	29 108	23 792	23 287	23 323
Transfers and subsidies		360	-	680	250	2 549	2 549	2 549	-	-	-
Other expenditure	4, 5	29 100	33 054	43 040	33 774	34 286	34 286	34 286	33 440	33 145	32 955
Losses		3 056	464	301	-	-	-	-	-	-	-
Total Expenditure		212 466	215 250	248 578	253 950	258 661	258 661	258 661	253 346	263 048	269 304
Surplus/(Deficit)		(862)	5 541	3 085	1 274	1 583	1 583	1 583	94	103	14
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 483	691	2 886	-	1 950	1 950	1 950	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions,		-	-	667	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14

TABLE A5 – Capital Expenditure Budget by Vote and Funding

DC3 Overberg - TABLE A5 – Capital Expenditure Budget by Vote and Funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	750	750	750	750	50	-	-
Vote 4 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		22 316	-	-	-	-	-	-	39	20	20
Capital multi-year expenditure sub-total	7	22 316	-	-	750	750	750	750	89	20	20
Single-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		11	-	45	-	9	9	9	350	150	150
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		303	403	249	500	860	860	860	5 065	300	250
Vote 4 - Finance		32	16	74	250	250	250	250	1 200	180	180
Vote 5 - Community Services		14 320	2 579	4 668	3 489	6 715	6 715	6 715	3 570	3 300	2 755
Capital single-year expenditure sub-total		14 666	2 998	5 036	4 239	7 835	7 835	7 835	10 185	3 930	3 335
Total Capital Expenditure - Vote		36 982	2 998	5 036	4 989	8 585	8 585	8 585	10 274	3 950	3 355
Capital Expenditure - Functional											
Governance and administration		345	419	368	1 500	1 869	1 869	1 869	6 665	630	580
Executive and council		-	-	45	-	7	7	7	200	-	-
Finance and administration		342	419	323	1 500	1 860	1 860	1 860	6 315	480	430
Internal audit		2	-	-	-	2	2	2	150	150	150
Community and public safety		3 066	2 576	3 997	3 234	6 340	6 340	6 340	3 479	3 250	2 705
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		364	119	340	412	700	700	700	339	-	-
Public safety		2 347	2 416	3 657	2 800	5 600	5 600	5 600	2 355	2 290	2 355
Housing		-	-	-	-	-	-	-	-	-	-
Health		355	40	-	22	40	40	40	785	960	350
Economic and environmental services		21	3	4	-	120	120	120	110	70	70
Planning and development		2	-	-	-	-	-	-	-	-	-
Road transport		3	3	-	-	-	-	-	-	-	-
Environmental protection		16	-	4	-	120	120	120	130	70	70
Trading services		33 550	-	668	255	255	255	255	-	-	-
Energy services		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		33 550	-	668	255	255	255	255	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	36 982	2 998	5 036	4 989	8 585	8 585	8 585	10 274	3 950	3 355
Funded by:											
National Government		-	66	-	-	-	-	-	-	-	-
Provincial Government		1 483	625	2 886	-	1 950	1 950	1 950	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		-	-	-	-	-	-	-	-	-	-
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	1 483	691	2 886	-	1 950	1 950	1 950	-	-	-
Borrowing	6	22 316	-	-	-	-	-	-	39	20	20
Internally generated funds		13 183	2 307	2 151	4 989	6 635	6 635	6 635	10 235	3 930	3 335
Total Capital Funding	7	36 982	2 998	5 036	4 989	8 585	8 585	8 585	10 274	3 950	3 355

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BREDASDORP 7280
30 MAY 2022

TEL: 028 425 1157 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

TABLE A6 – Budget Position

DC3 Overberg - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash		38 448	36 647	14 236	22 115	32 379	32 379	32 379	24 880	23 371	22 049
Call investment deposits	1	-	-	41 840	20 000	20 000	20 000	20 000	20 000	20 000	20 000
Consumer debtors	1	3 954	8 642	2 987	3 325	2 987	2 987	2 987	2 987	2 987	2 987
Other debtors		4 321	7 246	7 058	6 956	7 058	7 058	7 058	7 058	7 058	7 058
Current portion of long-term receivables		2 009	2 146	2 052	2 023	1 897	1 897	1 897	1 982	2 072	2 165
Inventory	2	788	700	1 150	700	1 150	1 150	1 150	1 150	1 150	1 150
Total current assets		49 519	55 381	68 323	55 119	65 471	65 471	65 471	58 057	56 638	55 409
Non current assets											
Long-term receivables		21 590	18 988	22 932	20 560	23 823	23 823	23 823	24 895	26 015	27 186
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		12 811	12 811	12 811	12 864	12 795	12 795	12 795	12 781	12 767	12 753
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	67 848	65 984	66 897	66 678	70 886	70 886	70 886	77 544	77 948	77 770
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		26	18	12	12	9	9	9	13	11	8
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		102 276	97 801	102 652	100 114	107 514	107 514	107 514	115 234	116 741	117 717
TOTAL ASSETS		151 795	153 182	171 975	155 232	172 985	172 985	172 985	173 291	173 379	173 126
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	2 872	2 949	3 296	3 684	3 684	3 684	3 684	4 120	4 593	5 141
Consumer deposits		8	8	8	8	8	8	8	8	8	8
Trade and other payables	4	17 194	20 111	25 397	16 664	22 767	22 767	22 767	22 767	22 767	22 767
Provisions		12 121	14 026	14 313	15 759	15 029	15 029	15 029	15 885	16 791	17 748
Total current liabilities		32 195	37 095	43 014	36 115	41 487	41 487	41 487	42 780	44 159	45 664
Non current liabilities											
Borrowing		25 207	22 211	18 916	15 232	15 232	15 232	15 232	11 112	6 519	1 377
Provisions		55 972	49 222	58 752	54 586	61 440	61 440	61 440	64 479	67 679	71 049
Total non current liabilities		81 179	71 433	77 668	69 818	76 672	76 672	76 672	75 591	74 197	72 426
TOTAL LIABILITIES		113 374	108 529	120 682	105 933	118 160	118 160	118 160	118 372	118 357	118 090
NET ASSETS	5	38 421	44 653	51 293	49 299	54 825	54 825	54 825	54 919	55 022	55 036
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		38 421	44 653	46 304	39 879	45 405	45 405	45 405	45 499	45 602	45 616
Reserves	4	-	-	4 989	9 420	9 420	9 420	9 420	9 420	9 420	9 420
TOTAL COMMUNITY WEALTH/EQUITY	5	38 421	44 653	51 293	49 299	54 825	54 825	54 825	54 919	55 022	55 036

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ERENBURG 7280



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TEL: 028 425 1447 • FAX: 028 425 1014
info@overberg.gov.za • www.overberg.gov.za

TABLE A7 – Budget Cash flows

DC3 Overberg - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–					–	–	–
Service charges		1 523	9 726	13 729	13 160	12 323	12 323	12 323	13 572	14 791	16 006
Other revenue		32 720	22 400	34 779	30 994	32 674	32 674	32 674	37 775	38 804	40 562
Transfers and Subsidies - Operational	1	161 739	176 155	212 845	194 564	196 557	196 557	196 557	197 193	203 935	207 104
Transfers and Subsidies - Capital	1	4 183	266	1 232	–	1 950	1 950	1 950	–	–	–
Interest		2 228	1 877	2 257	2 399	2 374	2 374	2 374	2 200	2 420	2 445
Dividends		–	–	–					–	–	–
Payments											
Suppliers and employees		(200 558)	(203 349)	(235 421)	(242 843)	(246 315)	(246 315)	(246 315)	(244 467)	(254 073)	(260 176)
Finance charges		(2 209)	(3 004)	(2 662)	(2 415)	(2 315)	(2 315)	(2 315)	(2 315)	(2 315)	(2 315)
Transfers and Grants	1	(360)	–	(680)	(250)	(2 549)	(2 549)	(2 549)	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(735)	4 072	26 079	(4 392)	(5 301)	(5 301)	(5 301)	3 958	3 561	3 626
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1 062	–	–	13 485	13 485	13 485	13 485	2 500	3 000	3 000
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(24 571)	(3 001)	(3 701)	(4 889)	(8 585)	(8 585)	(8 585)	(10 274)	(3 950)	(3 355)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(23 509)	(3 001)	(3 701)	8 497	4 901	4 901	4 901	(7 774)	(950)	(355)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		28 393	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		(4)	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(2 413)	(2 872)	(2 949)	(3 296)	(3 296)	(3 296)	(3 296)	(3 684)	(4 120)	(4 593)
NET CASH FROM/(USED) FINANCING ACTIVITIES		25 976	(2 872)	(2 949)	(3 296)	(3 296)	(3 296)	(3 296)	(3 684)	(4 120)	(4 593)
NET INCREASE/ (DECREASE) IN CASH HELD		1 733	(1 801)	19 429	809	(3 697)	(3 697)	(3 697)	(7 499)	(1 508)	(1 323)
Cash/cash equivalents at the year begin:	2	36 715	38 448	36 647	41 306	56 076	56 076	56 076	52 379	44 880	43 371
Cash/cash equivalents at the year end:	2	38 448	36 647	56 076	42 115	52 379	52 379	52 379	44 880	43 371	42 048

TABLE A8 – Cash back reserves/accumulated surplus provision

DC3 Overberg - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	38 448	36 647	56 076	42 115	52 379	52 379	52 379	44 880	43 371	42 048
Other current investments > 90 days		0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Non current assets - investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		38 448	36 647	56 076	42 115	52 379	52 379	52 379	44 880	43 371	42 048
Application of cash and investments											
Unspent conditional transfers		4 332	7 484	5 666	3 717	16 217	16 217	16 217	16 217	16 217	16 217
Unspent borrowing		4 912	4 912	4 912	4 912	4 912	4 912	4 912	112	112	112
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(12 821)	(12 802)	(17 714)	(19 927)	(27 625)	(27 625)	(27 625)	(28 748)	(29 858)	(31 018)
Other provisions		126	967	1 804	2 667	2 667	2 667	2 667	3 467	4 267	5 067
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	4 989	9 420	9 420	9 420	9 420	9 420	9 420	9 420
Total Application of cash and investments:		(3 451)	561	(343)	788	5 590	5 590	5 590	467	157	(203)
Surplus(shortfall)		41 899	36 086	56 419	41 326	46 788	46 788	46 788	44 412	43 214	42 251

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / GRAVE
BREDASDORP 7260
30 MAY 2022
TEL: 028 425 1157 • FAX: 028 425 1014
info@om.org.za • www.om.org.za

TABLE A9 – Asset Management

DC3 Overberg - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		R thousand								
CAPITAL EXPENDITURE										
Total New Assets	1	2 568	1 869	4 662	4 116	5 440	5 440	5 119	120	130
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	255	255	255	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	255	255	255	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		78	-	2 298	57	57	57	-	-	-
Other Assets		78	-	2 298	57	57	57	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	6	-	-
Computer Equipment		-	-	78	750	750	750	4 500	-	-
Furniture and Office Equipment		289	272	95	4	20	20	203	-	-
Machinery and Equipment		493	835	590	100	905	905	403	120	130
Transport Assets		1 707	762	934	2 950	3 453	3 453	7	-	-
Land		-	-	668	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	11 872	641	206	550	1 300	1 300	2 651	1 660	1 005
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	20	20	-	-	-
Sanitation Infrastructure		105	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		105	-	-	-	20	20	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		410	-	-	-	120	120	44	-	-
Other Assets		410	-	-	-	120	120	44	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	171	500	298	298	450	450	400
Furniture and Office Equipment		122	16	35	50	62	62	2 057	1 140	530
Machinery and Equipment		-	625	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	800	800	100	70	75
Land		11 234	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	22 542	488	169	323	1 845	1 845	2 504	2 170	2 220
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	16	16	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		22 316	-	-	-	-	-	39	20	20
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		22 316	-	-	-	16	16	39	20	20
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	350	350	15	-	-
Housing		-	84	169	305	455	455	300	-	-
Other Assets		-	84	169	305	405	405	315	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		226	384	-	-	202	202	-	-	-
Furniture and Office Equipment		-	19	-	18	22	22	-	-	-
Machinery and Equipment		-	-	-	-	800	800	-	-	-
Transport Assets		-	-	-	-	-	-	2 150	2 150	2 200
Total Capital Expenditure	4	36 982	2 998	5 036	4 989	8 585	8 585	10 274	3 950	3 355
Water Supply Infrastructure		-	-	-	-	36	36	-	-	-
Sanitation Infrastructure		105	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		22 316	-	-	255	255	255	39	20	20
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		22 421	-	-	255	291	291	39	20	20
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	350	350	15	-	-
Housing		489	84	2 466	362	632	632	344	-	-
Other Assets		489	84	2 466	362	982	982	359	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	6	-	-
Computer Equipment		226	384	249	1 250	1 250	1 250	4 950	450	400
Furniture and Office Equipment		411	307	129	72	104	104	2 260	1 140	530
Machinery and Equipment		493	1 460	590	100	1 705	1 705	403	120	130
Transport Assets		1 707	762	934	2 950	4 253	4 253	2 257	2 220	2 275
Land		11 234	-	668	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		36 982	2 998	5 036	4 989	8 585	8 585	10 274	3 950	3 355

ASSET REGISTER SUMMARY - PPE (WDV)	5	80 685	78 813	79 720	79 554	83 691	83 691	90 339	90 726	90 531
Roads Infrastructure		1 508	1 464	1 406	1 379	1 406	1 406	1 406	1 406	1 406
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		217	210	191	187	191	191	191	191	191
Water Supply Infrastructure		1 581	1 535	2 041	1 981	2 077	2 077	2 077	2 077	2 077
Sanitation Infrastructure		1 628	1 581	1 380	1 353	1 380	1 380	1 380	1 380	1 380
Solid Waste Infrastructure		27 841	27 029	25 874	25 370	25 944	25 944	25 729	25 510	25 305
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		32 774	31 818	30 892	30 271	30 998	30 998	30 783	30 564	30 359
Community Assets		12	12	11	12	11	11	11	11	11
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		12 811	12 811	12 811	12 864	12 795	12 795	12 781	12 767	12 753
Other Assets		15 575	14 313	16 408	12 819	16 704	16 704	16 643	16 273	15 903
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		25	18	12	12	9	9	13	11	8
Computer Equipment		1 263	1 387	1 400	1 723	2 055	2 055	6 508	6 461	6 354
Furniture and Office Equipment		2 858	2 552	2 307	1 415	1 817	1 817	3 595	4 252	4 298
Machinery and Equipment		1 905	2 924	3 236	6 637	4 904	4 904	5 275	5 363	5 461
Transport Assets		13 461	12 976	12 643	13 801	14 396	14 396	14 728	15 023	15 373
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	80 685	78 813	79 720	79 554	83 691	83 691	90 339	90 726	90 531
EXPENDITURE OTHER ITEMS		9 517	12 123	13 152	15 363	16 345	16 345	12 077	12 351	12 278
Depreciation	7	3 558	3 573	3 828	4 614	4 614	4 614	3 626	3 563	3 549
Repairs and Maintenance by Asset Class	3	5 960	8 550	9 324	10 749	11 732	11 732	8 451	8 787	8 729
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	28	28	30	32	33
Solid Waste Infrastructure		-	-	-	5 016	6 016	6 016	5 333	5 653	5 993
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	5 016	6 045	6 045	5 363	5 685	6 026
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	4 430	2 670	2 670	780	702	725
Housing		1 399	4 749	5 414	170	125	125	75	50	15
Other Assets		1 399	4 749	5 414	4 600	2 795	2 795	855	752	740
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Machinery and Equipment		2 000	1 327	905	616	595	595	712	630	671
Transport Assets		2 510	2 475	3 005	517	2 297	2 297	1 521	1 720	1 293
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		9 517	12 123	13 152	15 363	16 345	16 345	12 077	12 351	12 278
Renewal and upgrading of Existing Assets as % of total capex		93.1%	37.6%	7.4%	17.5%	36.6%	36.6%	50.2%	97.0%	96.1%
Renewal and upgrading of Existing Assets as % of deprec		967.3%	31.6%	9.8%	18.9%	68.2%	68.2%	142.2%	107.5%	90.9%
R&M as a % of PPE		8.6%	13.0%	13.9%	16.1%	16.5%	16.5%	10.0%	11.3%	11.2%
Renewal and upgrading and R&M as a % of PPE		50.0%	12.0%	12.0%	15.0%	18.0%	18.0%	15.0%	14.0%	13.0%

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET LAURENCE BAG X22
BREDASBURG 7250



30 MAY 2022

TEL: 022 425 1157 • FAX: 022 425 1014
info@odm.org.za • www.odm.org.za

TABLE A10 – Service Delivery Measurement

DC3 Overberg - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min.service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	-	-	-	-	-	-



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SECTION A - PART 2

TEL: 028 425 1087 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

1. Overview of Annual Budget Process

1.1 Political oversight of the budget process

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guides the preparation of the budget.

Section 21(1) of the MFMA states that the Mayor of a municipality must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

This time schedule provides for political input from formal organisations such as portfolio committees.

1.2 Schedule of Key Deadlines relating to budget process [MFMA s21 (1) (b)]

The IDP and Budget time schedule of the 2022/2023 budget cycle was approved by Council in August 2021, ten months before the start of the budget year in compliance with legislative directives.

1.3 Process used to integrate the review of the IDP and preparation of the Budget

Updating the IDP and Budget is an evolving and re-iterative process over a 10-month period. The initial parallel process commenced with the consultative process in the 2021/2022 financial year.

②

1.4 Process for consultation with each group of stakeholders and outcomes

Following the tabling of the draft budget in March 2022, local inputs were solicited via notices published in newspapers across the region, while the budget will also be placed on the municipal website at www.odm.org.za.

Comments on the IDP and Budget as made by the public via verbal presentations, facsimiles, emails and in the form of correspondence to the municipality will be considered for incorporation as part of the final budget approval process.

1.5 Stakeholders involved in consultations

The tabled budget was provided to National Treasury and Provincial Treasury for their consideration in line with Section 23 of the MFMA.

1.6 Process and media used to provide information on the Budget to the community

Following the tabled draft budget in March 2022, local input was solicited via notices published in all major newspapers across the region while the budget will also be placed on the municipal website at www.odm.org.za.

1.7 Methods employed to make the Budget document available (including websites)

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs for 2022/2023), advertisements had been placed in the local newspapers across the region and the municipal website. The information relating to the budget documentation will be displayed at the notice boards in the municipal offices, Thusong centres and libraries in the district.

In compliance with Section 22 of the MFMA, the Budget documentation was published on the municipality's website following the tabling thereof at Council in March 2022 and the approval thereof before the end of May 2022. There were limited amendments to the Budget Assumptions.

2. Overview of Alignment of budget to IDP

- **The Vision of the Municipality**

The Municipality's long-term vision:

"Overberg – the opportunity gateway to Africa through sustainable services"

- **Alignment with Provincial and National Government**

Overberg District Municipality's development plan needs to be aligned with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are six critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF).

All these feed into and influence the Integrated Development Plan.

- **Overberg District Municipality Budget Priorities (Key Performance areas)**

The Municipality's Integrated Development Plan focuses on five strategic focus areas. The concrete objectives for each strategic focus area have been outlined and elaborated on in the Strategic Plan for the five-year period. These objectives will be used to further develop key performance indicators against which performance implementation monitoring and reporting will be done. The corporate scorecard outlines these indicators and targets.

The five strategic outcomes are:

1. *To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure.*
2. *To promote regional economic development by supporting the initiatives in the district for the development of a sustainable district economy.*
3. *To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development.*

4. *To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines.*
5. *To ensure good governance practices by providing a democratic and proactive accountable government and ensuring community participation through IGR structures*

Amendments to the Integrated Development Plan

During a Strategic Session of Council held on 14 March 2022, the Executive Mayor reaffirmed the strategic trajectory of Council as unchanged. Hence no amendment to the existing IDP and a review process was followed.

The complete Integrated Development Plan Review will be distributed prior to the Council Meeting of 30 May 2022.

3. Measurable performance Objectives and Indicators

(a) KEY FINANCIAL INDICATORS AND RATIOS

Information regarding key financial indicators and ratios are provided on Supporting Table SA 8.

(b) MEASURABLE PERFORMANCE OBJECTIVES

Information regarding revenue is provided as follows:

- Revenue for each vote - SA 26
- Revenue for each source - SA 25

4. Overview of Budget related Policies

The following budget related policies was workshopped and approved by Council, and after reviewed / amended, in line with National Guidelines and Legislation.

- Asset Management Policy
- Credit Control and Debt Collection Policy
- Cash Management and Investment Policy
- Tariff Policy
- Supply Chain Management Policy (*amended*)



- Virement Policy
- Borrowing Policy
- Funding and Reserves Policy
- Budget Policy
- Customer Care Policy
- Demand Management Policy
- Infrastructure and delivery Management Policy (repealed)
- Infrastructure investment and Capital projects Policy
- Liquidity Policy
- Long term Financial Planning Policy
- Management and Admin of Immovable Assets Policy
- Payroll Management and Administration Policy
- Preferential Procurement Policy (repealed)
- Travelling and Subsistence Policy
- Cost containment Policy

Policies will be available at the municipal offices in the district as well as on the website of the municipality.

5. Overview of Budget Assumptions

Expenditure

Salaries and Allowances

The municipality made provision in the Draft budget for 1.5% notch and medical fund increase, in line with National Treasury's Budget Circular 108 guidelines. Based on the latest offer made by SALGA, an additional 4.9% had been added to the budget provision.

It is also assumed that the current employees will not resign, and current funded vacancies had been budgeted for after a R1.6 million cut was implemented to ensure a surplus budget result is maintained.

General expenditure

It is assumed that costs for services and fuel will increase above the current inflation rate. It is also assumed that the capital projects for 2022/2023 will be completed during the financial year as depreciation are budgeted on these projects as per General Recognized Accounting Practice (GRAP) principles.

Depreciation on new capital expenditure is calculated at a varying rate ranging between 3 and 50 years depending on the nature of the assets. The useful lives of assets were reviewed during the current year which impacted the depreciation forecast.

Repairs and Maintenance

It is assumed that municipal infrastructure and assets will be maintained as per previous years and that no major breakages will take place during the financial year. A portion on maintenance will be funded from gains received from the selling of properties.

Capital costs

It is assumed that interest rates will be stable during the financial year, but the provision for capital has not been decreased.

Revenue

Grants

It is assumed that the National and Provincial grants as per the Division of Revenue Bill (DORA Bill) which has been included in the budget will be received during the 202/2022 financial year.

► Additional Revenue Assumptions includes

- Sale/Rental of investment properties = R3 million
- Contribution from Province for Fire & Health = R2.4 million
- Tariff alignment/increases-Fire & Health=R3.2 million
- Additional revenue from new Honeysucker tariff (Karwyderskraal & Die Dam Resort) = R600 000
- Recover from Air pollution (Province) = R50 000 (minimum)
- Uilenskraalmond sewerage charge on current infrastructure availability and maintenance = R672 000
- Vat reclaim (Roads) = R500 000

Total Operating Results

ODM managed to move to a surplus trend since 2020/21 Adjustment Budget and will strive to maintain this position in future, however it becomes more difficult as time passes.

New revenue streams and sustainable cost reflective tariffs are required to remain financial sustainable.

6. Overview of Budget Funding

Summary

The MTERF operating budgets for 2021/2022 – 2023/2024 will be financed as follows:

REVENUE SOURCES	ADJUSTED BUDGET 2021/22	BUDGET 2022/23	% FINAL VS ADJUSTED	BUDGET 2023/24	BUDGET 2024/25
Equitable Share	-R 77 375 000	-R 81 486 000	5%	-R 84 267 000	-R 87 234 000
Conditional Grants	-R 9 023 091	-R 6 925 800	-23%	-R 5 904 526	-R 6 106 885
Total Grants - Operating	-R 86 398 091	-R 88 411 800	2%	-R 90 171 526	-R 93 340 885
Environmental Health	-R 135 200	-R 114 000	-16%	-R 125 000	-R 135 000
Fire Service	-R 4 060 432	-R 5 849 717	44%	-R 6 310 000	-R 6 773 600
KWK Landfill Site Service charges - refuse re	-R 11 977 534	-R 11 900 000	-1%	-R 13 000 000	-R 14 100 000
Resort Rentals and Service Charges	-R 15 403 502	-R 16 950 500	10%	-R 18 279 540	-R 19 400 613
Interest earned - external investments	-R 2 143 500	-R 2 000 000	-7%	-R 2 200 000	-R 2 200 000
Shared Services	-R 773 844	-R -	-100%	-R -	-R -
Roads Agency services	-R 11 510 646	-R 11 351 087	-1%	-R 11 870 963	-R 11 870 963
Health Services	-R 166 400	-R 3 950 000	2274%	-R 4 287 000	-R 4 579 220
Gains on Land Sales and rental	-R 13 485 250	-R 3 000 000	-78%	-R 3 000 000	-R 3 000 000
Sundry Other revenue	-R 3 349 454	-R 1 131 700	-66%	-R 142 700	-R 153 700
ODM OWN REVENUE	-R 63 005 762	-R 56 247 004	-11%	-R 59 215 203	-R 62 213 096
ODM GRANT AND OWN REVENUE	-R 149 403 853	-R 144 658 804	-3%	-R 149 386 729	-R 155 553 981
ROADS SUBSIDY	-R 110 839 206	-R 108 781 250	-2%	-R 113 763 393	-R 113 763 393
TOTAL REVENUE	-R 260 243 059	-R 253 440 054	-3%	-R 263 150 122	-R 269 317 374

The table above reflects the type of revenue sources received by ODM of which 64% reflect as grant funding and 36% as own funding. 43% of the total revenue received by ODM relates to the Roads Subsidy.

The capital programme for MTERF period 2022/2023-2024/25 will be financed as follows:

TYPE	FUNDING SOURCES	ORIGINAL BUDGET 2022/23	ORIGINAL BUDGET 2023/24	ORIGINAL BUDGET 2024/25
1	CAPITAL REPLACEMENT RESERVE	R5 473 500	R3 950 000	R3 355 000
2	REVENUE	R0	R0	R0
3	EXTERNAL LOANS	R4 800 000	R0	R0
4	GRANTS	R0	R0	R0
5	PRIVATE CONTRIBUTIONS	R0	R0	R0
	TOTAL	R10 273 500	R3 950 000	R3 355 000

Reserves

The accumulated surplus will be used to finance the depreciation on assets as the full provision for depreciation is not cash-backed. The financing of the depreciation will be phased in over a medium to long term period, if possible.

Sustainability of municipality

The funding of the budget will ensure that the municipality will be sustainable on the short term. The current funding model for Overberg District Municipality is however not sustainable and will surely have a negative impact on the cash flow and liquidity of the municipality. Overberg District Municipality will therefore have to make difficult/important choices to ensure financial sustainability on the medium and long term.

Planned savings and efficiencies

The following areas were identified for possible savings after the efficiency of the usage of the assets/services has been evaluated:

- Organisational restructuring review
- Overtime
- Attendance of meetings/congresses
- Printing costs
- Travel costs

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26 LINDSAY STREET / KROONBURG BAG X22
KROONBURG 7280
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TEL: 028 425 1157 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

Investments

Details of monetary investments reflected as on 30 April 2022:

MONTHLY INVESTMENT REPORT			
OVERBERG DISTRICT MUNICIPALITY			
REPORTING MONTH: April 2022			
Apr 22			Balance as at 30 April 2022
	Account number	INSTITUTION	
Overberg District Municipality			
ABSA Deposito Plus	9287551045	ABSA BANK	R 631 762.92
ABSA Deposito Plus	9287550641	ABSA BANK	R 2 434 677.31
NEDBANK Call Account	037881714042	NEDBANK	R 7 047 002.59
Absa Investment Tracker	9358892970	ABSA BANK	R 30 190 937.27
Fixed Deposit	078810361-001	Standard Bank	R 1 000 000.00
Total for Investments			R 41 304 380.09

Planned proceeds of sale of assets

The municipality budgeted R2 500 000 in 2022/2023 as gain revenue for municipal property that are intended to be alienated.

Planned use of previous year's cash backed accumulated surplus

It is planned to use the previous year's cash backed surpluses to finance important/critical service delivery and income generated projects.

Particulars of existing and any new borrowing proposed to be raised

An external loan of R 28 million was secured to finance the construction of the regional landfill site at Karwyderskraal. The unspent balance of R4.9 million is planned to be spent in 2022/23 financial year on projects identified in the 2022/23 Capital Programme.

Particulars of budgeted allocations and grants over the MTREF period:

Operating Budget

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GRANT	TYPE	2022/23	2023/24	2024/25
EQUITABLE SHARE	DORA	-R 81 486 000	-R 84 267 000	-R 87 234 000
FMG	DORA	-R 1 000 000	-R 1 000 000	-R 1 000 000
RRAMS	DORA	-R 2 835 000	-R 2 846 000	-R 2 950 000
EPWP	DORA	-R 1 123 000	R -	R -
WOSA SAFETY	WC PROV	-R 1 500 000	-R 1 560 000	-R 1 622 000
CDW	WC PROV	-R 56 000	-R 56 000	-R 56 000
TOTAL		-R 88 000 000	-R 89 729 000	-R 92 862 000

Capital Budget
None

FUNDING ASSESSMENT FOR 2022/2023

The following table lists the factors that have been reviewed. Each of the factors is then further described below.

No. Funding Compliance

- 1 Cash/cash equivalent position
- 2 Cash plus investments less applications
- 3 Monthly average payments covered by cash or cash equivalents
- 4 Surplus/deficit excluding depreciation offsets
- 5 Property Rates/service charge revenue % increase less macro inflation target
- 6 Cash receipts % of ratepayer and other revenue
- 7 Debt impairment expense % of billable revenue
- 8 Capital payments % of capital expenditure
- 9 Borrowing as a % of capital expenditure (less transfers/grants/contributions)
- 10 Transfers/grants revenue as a % of Government transfers/grants available
- 11 Consumer debtors' change (Current and Non-current)
- 12 Repairs & maintenance expenditure level
- 13 Asset renewal/rehabilitation expenditure level
- 14 Financial Performance Budget result
- 15 Financial Position Budget
- 16 Cash Flow Budget
- 17 Other key performance measures

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26 LONG STREET, PHOENIX: DAL 422
BREDASBURG 7250



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Funding compliance factor description

Each of these 'funding factors' have been analysed and reviewed in their entirety prior to undertaking any analysis. Where the factor appears unfavourable and cannot be adequately motivated, the budget has been adjusted appropriately.

(a) Cash/cash equivalent position

The municipality foresees a positive cash position for the short term, as the working capital are cash-backed. The reserves are however not cash backed. The cash situation seems as if it is deteriorating, as the increase in revenue not keeping up with the expenditure increase as well as the impact of the inflation rate. The cash flow is currently positive and the total Cash and Cash Equivalents reflected as on 30 April 2022 is R42.443 million. (C7- Cash flow schedule)

(b) Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments identified at factor 1. Below are commitments against Cash and Cash equivalents reflected as on 30 April 2022:

Item Description	Amounts
Balance as per CFA	R42 443 172
Unspent conditional grants and funds	-R9 195 982
Consumer and Sundry deposits	-R8 160
Sinking fund investments	R0
External loans unspent	-R4 911 913
EFF Accumulated Depreciation	R0
Provision for bonuses	R0
Capital Replacement reserve	-R363 109
Rehabilitation provision	-R2 427 580
Performance Bonus Provison	R0
Set aside for retention	R0
Set aside for Creditor payments	-R4 000 000
Provision for leave Payment	-R650 000
Capital Funding Required	
Loan Repayments	-R5 611 160
Cash Surplus (Deficit)	R15 275 267

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26 LONG STREET / PRIVATE BAG X22
SPRINGS 7260
30 MAY 2022
TEL: 028 425 1457 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

(c) Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk (ability to meet monthly payments as and when they fall due) should the municipality be under stress.

The municipality does recover enough cash via grants/agency fee and income from resorts to cover its monthly average payments on the short term, but it is foreseen that, with the fact that the percentage increase in expenditure is more than the increase in revenue pose a serious risk for the municipality. Further financial risks arise if (a) the ruling by SARS indicates that VAT may not be claimed on the roads maintenance function and (b) unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

(d) Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand whether revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets.

This exercise indicates that there will be a surplus if the depreciation has been offset.

(e) Property Rates/service charge revenue % increase less macro inflation target

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

The revenue streams for Overberg District Municipality are not sufficient to achieve national inflation target, hence a costing exercise rendering services were required to adjust tariffs accordingly.

Overberg District Municipality
26 LORRAINE STREET, BREDENBURG 7260
TEL: 020 425 1157 • FAX: 020 425 1014
info@odm.org.za • www.odm.org.za

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TEL: 020 425 1157 • FAX: 020 425 1014
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(f) Cash receipts % of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse an underlying assumed collection rate; i.e., how much cash is expected to be collected from current billing, charges, and arrear debtors.

The only billing at ODM is for rental at the resorts and for the dumping at the regional landfill site at Karwyderskraal. Sewerage removal charges or availability charges (depending on the resort infrastructure) will also be implemented in the new financial year.

(g) Debt impairment expense % of billable revenue

The purpose is to measure whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) must be increased to offset under-collection.

Debt impairment of R200 000 had been provided based on the actual impairment done during the 2021/22 financial year on resorts debtors.

(h) Capital payments % of capital expenditure

The purpose of this measure is to mainly understand whether the timing of payments is being taken into consideration when forecasting the cash position. The measure focuses on the capital budget because expenditure levels for this component of the budget can vary significantly from month to month, as there tends to be monthly consistency for operational budgets.

The capital budget for 2022/23 has been limited to equipment needed to ensure the continuation of the administration and service delivery and capital that may enhance revenue initiatives.

(i) Borrowing as a % of capital expenditure (excluding transfers, grants, and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm

MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) should be excluded. Previous loan funding already in the municipality's possession will be utilized for landfill site capital expenditure initiatives in the 2022/23 financial year.

(j) Transfers/grants revenue as a % of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from other government (national, provincial or district municipalities) have been included in the municipal budget, or that the transfer/grant budgets do not exceed available funds. A percentage less than 100 per cent could indicate that all Division of Revenue Bill (DORA Bill), provincial transfers or district transfers have not been budgeted and should be immediately reviewed.

The transfers/grants as per Division of Revenue Bill (DORA Bill) (100%) have been included in the revenue budget.

(k) Consumer debtors change (Current and Non-current):

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. The amounts of outstanding debtors are regarded as realistic.

(l) Repairs & maintenance (R&M) expenditure level

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

The budgeted amount for Repairs and Maintenance amounts to R8,451 Million (Schedule A9) but is only in relating to ODM's assets provision and does not include Repairs and Maintenance performed on the Roads agency function.

(m) Asset renewal/rehabilitation expenditure level

This measure has a similar objective to the Repair and Maintenance measures but focus on the credibility of the levels of asset renewal plans.

(n) Financial Performance Budget result (surplus/deficit)

The purpose of this measure is to assess the overall budget. The municipality forecast's a positive cash position for the short term as the working capital are cash-backed. The reserves are not cash-backed. The cash situation seems to be deteriorating, as the increase in revenue (grants) is less than inflation rate while expenditure increase with more than the inflation rate.

A further financial risk arises if unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

(o) Financial Position Budget

The purpose of this measure is to also assess the overall budget.

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(p) Cash Flow Budget

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The purpose of this measure is to also assess the overall budget. The municipality does recover enough cash on a monthly and quarterly basis (Equitable Share) to cover its monthly average payments. A further financial risk arises if unforeseen circumstances occur, which negatively impacts the recovery of landfill site revenue.

(q) Summary

The municipality currently do have enough funds but will not generate enough cash to meets its operational requirements on the medium to long term. The financial position of the municipality is monitored daily by the relevant finance officials and reports are submitted to the Finance Portfolio Committee and if needed correction steps are taken.

7. Expenditure on allocations and Grant Programmes

Particulars of budgeted allocations and grants over the MTREF period:

Operating Budget

GRANT	TYPE	2022/23	2023/24	2024/25
EQUITABLE SHARE	DORA	-R 81 486 000	-R 84 267 000	-R 87 234 000
FMG	DORA	-R 1 000 000	-R 1 000 000	-R 1 000 000
RRAMS	DORA	-R 2 835 000	-R 2 846 000	-R 2 950 000
EPWP	DORA	-R 1 123 000	R -	R -
WOSA SAFETY	WC PROV	-R 1 500 000	-R 1 560 000	-R 1 622 000
CDW	WC PROV	-R 56 000	-R 56 000	-R 56 000
TOTAL		-R 88 000 000	-R 89 729 000	-R 92 862 000

***Excluding LGSETA and Health Subsidy

Capital Budget

None

The above allocations and grants have been included in the operating and capital budgets.

8. Allocations and Grants made by the municipality

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No allocations or grants was made by the municipality

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9. Councillor member allowances and employee benefits

Costs to Municipality:

Councillors

- Speaker (1) R 770 871
- Executive Mayor (1) R 952 325
- Deputy Executive Mayor (1) R 770 871
- Executive Committee (4) R 1 237 700

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- Other Councillors (14) R 2 433 815
R 6 165 582

Senior Managers

- Municipal Manager R 1 574 118
- Chief Financial Officer R 1 295 648
- Director: Corporate Services R 1 295 648
- Director: Community Services R 1 185 826
R 5 351 240

Number of Councillors

23

Number of personnel positions

403 in Total (SA 24)

Permanent Staff (including Roads)

341

Fix term

9

Temporary (Interns/EPWP/Reservists)

143

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VERBODEN 7280

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TEL: 020 425 1157 • FAX: 020 425 1014
info@odm.org.za • www.odm.org.za

10. Monthly targets for revenue, expenditure and cash flow

The monthly targets for revenue, expenditure and cash flows are provided in SA 25 - Section B Supporting Tables.

11. Budget and SDBIP implementation plans

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget.

12. Contracts having future budgetary implications

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Loan agreement with Standard Bank to the value of R 28 million for the construction of the regional landfill site at Karwyderskraal – Outstanding balance on 29 April 2022 = R19.48 million. Unspent amount = R4.9 million.

13. Capital expenditure details

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget.

14. Legislation compliance status

Overberg District Municipality complies in general with legislation applicable to municipalities.

15. Other supporting documents

BUDGET FRAMEWORK AND PRINCIPLES – 2022/23 MTREF December 2021

Guidelines from Budget Office to User Departments

Budget office advised CFO that a Zero-based budget approach be followed for the 2022/23 MTREF budget preparation.

Approach is In line with ODM Budget policy

9.2.1. Basis of Calculation

- a) *The principle of zero-based- and incremental budgeting shall be applied in preparing the annual operating budget*
- b) *The annual operating budget shall be based on realistically anticipated revenue.*
- c) *An income-based approach shall be used where the realistically anticipated income would be determined first and the level of operating expenditure would-be-based on the determined-income, thus resulting in a cash funded budget.*

BUDGET APPROACH AND PRINCIPLES

- ▶ 1. Principle of zero-based budgeting

- ▶ 2. Income-based approach determining the realistic anticipated income first
 - a. Equitable share
 - b. Own revenue
- ▶ 3. Provision for fixed costs
 - a. Employee related costs
 - b. Depreciation
 - c. Finance costs
 - d. Contractual commitments
- ▶ 4. Provision for variable cost
 - a. Detailed motivations
 - b. Prioritize according to greatest need
- ▶ 5. Maintenance projects
 - a. Preventative
 - b. Corrective
- ▶ 6. Capital Budget
 - a. Capital projects
 - b. Major capital items – Asset register
 - c. Expensed minor capital items - Inventory
- ▶ 7. Budget according to SCM Commodities
- ▶ 8. Ensure mSCOA alignment with 7
- ▶ 9. NO budget deficit
- ▶ 10. Gains from land sales should as far as possible be utilized to fund the creation of new assets (CRR) or the repair and maintenance of existing assets (OPEX).

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PHUMU TO BAG A22
B1 EDWARDSBURG 7200
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TEL: 029 425 1267 • FAX: 029 425 1014
info@odm.org.za • www.odm.org.za

C

16. Municipal Manager Quality Certification

Municipal Manager's quality certificate

I Patrick Oliver, Municipal Manager of Overberg District Municipality, hereby certify that the annual budget and supporting documents have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name P A OLIVER

Acting Municipal Manager of the Overberg District Municipality

Signature 

Date 25. 05. 2022

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26 LEIPZIG STREET, BLOEMFONTEIN, 0101
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TEL: 028 425 4187 • FAX: 028 425 4014
info@omn.org.za • www.omn.org.za



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SECTION B – BUDGET

1. Operating Budget

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DC3 Overberg - Table A4 Budgeted Financial Performance (revenue and expenditure)

2021/22 Medium Term Revenue & Expenditure Framework									2022/23 Medium Term Revenue & Expenditure Framework		
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	236	286	747	360	360	360	400	430	450
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	600	642	687
Service charges - refuse revenue	2	2 102	11 468	11 844	12 413	11 963	11 963	11 963	12 572	13 719	14 869
Rental of facilities and equipment		15 201	10 747	11 856	11 844	12 044	12 044	12 044	12 730	13 032	13 814
Interest earned - external investments		2 159	1 899	2 287	2 144	2 144	2 144	2 144	2 000	2 200	2 200
Interest earned - outstanding debtors		–	–	–	256	230	230	230	200	220	245
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–
Licences and permits		123	137	230	166	166	166	166	2 500	2 750	2 950
Agency services		9 215	10 127	11 343	11 436	11 511	11 511	11 511	11 351	11 871	11 871
Transfers and subsidies		167 029	169 680	205 928	194 564	199 187	199 187	199 187	197 193	203 935	207 104
Other revenue	2	14 892	16 498	7 889	8 170	9 153	9 153	9 153	11 394	11 351	12 127
Gains		882	–	–	13 485	13 485	13 485	13 485	2 500	3 000	3 000
Total Revenue (excluding capital transfers and contributions)		211 604	220 792	251 663	255 224	260 243	260 243	260 243	253 440	263 150	269 317
Expenditure By Type											
Employee related costs	2	105 832	113 075	117 488	132 303	125 974	125 974	125 974	135 932	143 639	152 342
Remuneration of councillors		6 264	6 197	5 970	6 548	6 398	6 398	6 398	6 166	6 529	6 915
Debt impairment	3	2 067	145	67	200	200	200	200	200	200	200
Depreciation & asset impairment	2	3 558	3 573	3 828	4 614	4 614	4 614	4 614	3 626	3 563	3 549
Finance charges		1 753	3 860	3 448	3 582	3 332	3 332	3 332	3 329	3 293	3 351
Bulk purchases - electricity	2	–	385	766	400	400	400	400	400	430	450
Inventory consumed	8	45 064	38 108	56 868	44 869	51 800	51 800	51 800	46 462	48 960	46 218
Contracted services		15 413	16 389	16 121	27 410	29 108	29 108	29 108	23 792	23 287	23 323
Transfers and subsidies		360	–	680	250	2 549	2 549	2 549	–	–	–
Other expenditure	4, 5	29 100	33 054	43 040	33 774	34 286	34 286	34 286	33 440	33 145	32 955
Losses		3 056	464	301	–	–	–	–	–	–	–
Total Expenditure		212 466	215 250	248 578	253 950	258 661	258 661	258 661	253 146	263 048	269 304
Surplus/(Deficit)		(862)	5 541	3 085	1 274	1 583	1 583	1 583	94	103	14
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 483	691	2 886	–	1 950	1 950	1 950	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	667	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14

OVERBERG DISTRICT MUNICIPALITY
20 LONG STREET / PRIVATE
BREDASDORP 7280

30 MAY 2022

TEL: 028 428 9467 : FAX: 028 428 1014
info@odm.org.za : www.odm.org.za

2. Capital Budget

OVERBERG DISTRICT MUNICIPALITY - MULTI YEAR CAPITAL PROGRAMME FOR 2022/23 - 2024/25

PROJECT NO	DEPARTMENT	Project Name	DESCRIPTION	BUDGET 2022/23	BUDGET 2023/24	BUDGET 2024/25	TOTAL BUDGET
1	EMERGENCY SERVICES	DC3_Rescue Equipment	Acquire necessary rescue equipment for rendering services	R100 000	R120 000	R130 000	R350 000
2	EMERGENCY SERVICES	DC3_Vehicle upgrade/refurbishment	Replacement of old and broken computer equipment	R300 000	R300 000	R250 000	R850 000
3	EMERGENCY SERVICES	DC3_Capital Vehicle Replacement	Replace redundant vehicles and add additions to fleet	R2 150 000	R2 150 000	R2 200 000	R6 500 000
4	EMERGENCY SERVICES	DC3_Furniture and Office Equipment	Office Equipment	R50 000	R20 000	R25 000	R95 000
5	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Property Plant	Carports	R50 000	R0	R0	R50 000
6	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Furniture and Office Equipment	Aircons	R55 000	R0	R0	R55 000
7	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Infrastructure	Organic Waste diversion	R4 500 000	R0	R0	R4 500 000
8	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Infrastructure	Water back-up system for Karwyderskraal	R300 000	R0	R0	R300 000
9	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Machinery and Equipment	Drone	R32 000	R0	R0	R32 000
10	ENVIRONMENTAL MANAGEMENT SERVICES	DC3_Intangible Asset	Computer Software - GIS	R15 000	R0	R0	R15 000
11	LED, TOURISM, RESORTS AND EPWP	DC3_Gas installation at ablation facilities	Upgrading of ablation facilities - Resorts - Gas Geyser	R150 000	R150 000	R150 000	R450 000
12	LED, TOURISM, RESORTS AND EPWP	DC3_Capital Vehicle	Specialised Vehicle - Honeysucker	R1 000 000	R0	R0	R1 000 000
13	LED, TOURISM, RESORTS AND EPWP	DC3_Furniture and Office Equipment	Furniture and Fittings	R50 000	R30 000	R30 000	R110 000
14	LED, TOURISM, RESORTS AND EPWP	DC3_Gas installation at ablation facilities	Upgrading of ablation facilities - Resorts	R150 000	R150 000	R150 000	R450 000
15	LED, TOURISM, RESORTS AND EPWP	DC3_Property Upgrade	Upgrade of Bungalows and amenities	R50 000	R50 000	R50 000	R150 000
16	LED, TOURISM, RESORTS AND EPWP	DC3_Machinery and Equipment	Pumps	R20 000	R20 000	R20 000	R60 000
17	MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	Chairs / Steel cabinets	R19 000	R0	R0	R19 000
18	MUNICIPAL HEALTH SERVICES	DC3_Computer Equipment	3 in 1 Printer	R3 000	R0	R0	R3 000
19	MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	Mobile Aircon - Struisbaai	R6 000	R0	R0	R6 000
20	MUNICIPAL HEALTH SERVICES	DC3_Furniture and Office Equipment	Community projects Gazebo	R12 000	R0	R0	R12 000
21	FINANCE	DC3_Furniture and Office Equipment	Office Equipment - chairs	R7 000	R0	R0	R7 000
22	FINANCE	DC3_Furniture and Office Equipment	Aircons	R20 000	R0	R0	R20 000
23	CORPORATE SERVICES :	DC3_Fencing - Head Office	Erecting of perimeter fence and access gates	R250 000	R0	R0	R250 000
24	CORPORATE SERVICES :	DC3_Machinery and Equipment	Replacement of the council chamber's microphone system	R0	R440 000	R0	R440 000
25	CORPORATE SERVICES :	DC3_Furniture and Office Equipment	Replace old binder for administration	R12 000	R0	R0	R12 000
26	CORPORATE SERVICES :	DC3_Installation of a Power Generator and UPS	Phase 2 of the ODM generator implementation in the entire district	R500 000	R400 000	R200 000	R1 100 000
27	ICT SERVICES	DC3_Replacement of old and broken Computer Equipment	Replace redundant computers and acquisition for new staff	R270 000	R120 000	R150 000	R540 000
28	ICT SERVICES	DC3_Machinery and Equipment	Drill	R2 500	R0	R0	R2 500
29	ICT SERVICES	DC3_Backup Server/ICT	Ensure backup and safety of data and information management	R200 000	R0	R0	R200 000
			TOTAL	R10 275 500	R3 950 000	R3 355 000	R17 578 500

2

OVERBERG

DISTRICT MUNICIPALITY



**Medium Term Revenue and
Expenditure Framework (MTREF)**

MTREF BUDGET

2022/2023 – 2024/2025

Tariffs

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREDANDOP 7260

30 MAY 2022

TEL: 028 425 1167 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

1. FIRE FIGHTING

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2021/2022 (VAT INCLUSIVE)	% INCREASE	TARIFF 2022/2023 (VAT INCLUSIVE) ROUNDED
SPECIAL INCIDENTS – CALL OUT COST	Per unit	Motor pumps	R1 239.00	50%	R1 859.00
	Per unit	Service & response vehicles	R625.00	50%	R938.00
STAND-BY AND OPERATIONAL COST	Per unit	Motor pumps	R1 239.00	50%	R1 859.00
	Per unit	Service & response vehicles	R1 058.00	50%	R1 587.00
PERSONNEL	Per hour	Senior	R350.00	50%	R525.00
	Per hour	Junior	R234.00	50%	R351.00
WATER	Per kilolitre	Water	R19.00	50%	R29.00
CHEMICALS	-	Chemicals	Cost price + 10% + 15%		Cost price + 10% + 15%
PROVIDING DRINKING WATER	Per kilometre	Water	R42.00	50%	R63.00
STANDBY	Per unit per hour	Standby	R426.00	50%	R639.00
ASSISTANCE TO OUTSIDE SERVICES		Assistance to outside services	Cost price + 10% + 15%	-	Cost price + 10% + 15%
RECOVERY VEHICLE PRIVATE PERSONS AND ORGANISATIONS	Per call out	Call out	R1 280.00	50%	R1 920.00
	Per hour	Recovery	R2 103.00	50%	R3 155.00
		Tow in (within 25 km radius)	R1 321.00	50%	R1 982.00
	Per kilometre	Tow in (outside 25 km radius)	R42.00	50%	R63.00
RECOVERY VEHICLE MUNICIPALITIES WITHIN COUNCIL AREA	Per call out	Call out	R0.00	50%	R0.00
	Per hour	Recovery	R1 321.00	50%	R1 982.00
RECOVERY VEHICLE MUNICIPALITIES OUTSIDE COUNCIL AREA	Per call out	Call out	R1 280.00	50%	R1 920.00
	Per hour	Recovery	R2 103.00	50%	R3 155.00
		Tow in (within 25 km radius)	R1 321.00	50%	R1 982.00
NON-SUBSIDISED RESCUE ORGANISATIONS	-	Call out	Free	-	Free
	-	Tow in (including subsistence & travel of personnel – where needed)	Actual cost + 15%	-	Actual cost + 15%
		Recovery (including rescue)	Actual cost + 15%	-	Actual cost + 15%
PUMPS AND EQUIPMENT	Per hour or part	Pumping swimming pools (office hours)	R415.00	50%	R623.00
	Per hour or part	Specialised pumps	R234.00	50%	R351.00
	Per hour or part	Hydraulic equipment	R696.00	50%	R1 044.00
	Per hour or part	Lighting	R222.00	50%	R333.00
	Per cylinder	Filling cylinders	R199.00	50%	R299.00
STAND-BY FILMING	Per hour or part	Per vehicle with crew of two	R1 006.00	50%	R1 509.00
	Per hour or part	Additional crew	R415.00	50%	R623.00

Application for relaxation on tariffs can be considered by the Municipal Manager

BERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BERGSDORP 7260
30 MAY 2022
TEL: 023 425 1157 • FAX: 023 425 1014
info@odm.org.za • www.odm.org.za

1. FIRE FIGHTING

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2021/2022 (VAT INCLUSIVE)	% INCREASE	TARIFF 2022/2023 (VAT INCLUSIVE) ROUNDED
TRAINING	Per person	First Aid level 1	R848.00	50%	R1 272.00
	Per person	First Aid level 3	R1 402.00	50%	R2 103.00
	Per person	Fire extinguisher basic	R1 029.00	50%	R1 544.00
	Per person	Basic Fire Fighting – 1 day	R1 683.00	50%	R2 525.00
	Per person	School children (First Aid 1)	R426.00	50%	R639.00
	Per kilometre	Transport cost	R8.00	50%	R12.00
STAND-BY	Per vehicle/boat	Special events	R462.00	50%	R693.00
	Per hour	Medical stand-by (limited to venue or terrain)	R404.00	50%	R606.00
INSURANCE INSPECTIONS	-	Inspection on request of insurance	R795.00	50%	R1 193.00
	-	Follow-up inspection	R297.00	50%	R446.00
DEMONSTRATIONS	-	Conditions linked to awareness	Actual cost + 15%	-	Actual cost + 15%
SPECIAL INVESTIGATIONS	Per person per hour	Civil claims, insurance, civil court cases & other	Actual cost + 15%	-	Actual cost + 15%
DIVING TEAM	Per day	Diving team	R1 490.00	50%	R2 235.00
LECTURE ROOM	Per day	-	R584.00	50%	R876.00
EXTERNAL TRAINING FACILITY	Per student per day	-	R297.00	50%	R446.00
OCCUPATIONAL CERTIFICATE	Per unit	-	R222.00	50%	R333.00
FIRST AID REFRESHER TRAINING	-	-	R275.00	50%	R413.00
FLAMMABLE LIQUID PERMITS	-	Bulk > 1000L – Industry & commercial	R1 572.00	50%	R2 358.00
	-	Small content <1000L – Farms & private	R426.00	50%	R639.00
	-	LPG	R208 + inspection tariff		R312 + inspection tariff
VEHICLE DANGER CONTENT HOLDING PERMIT	Per vehicle	-	R590.00	50%	R885.00
FIRE PERMIT	Per site	-	R625.00	50%	R938.00
INSPECTION – BY-LAWS & REGULATIONS (EXCLUDING CERTIFICATE)	-	-	R584.00	50%	R876.00
FIRE INSPECTION ON REQUEST (COMMERCIAL USE)	-	-	R584.00	50%	R876.00
VELD FIRE FIGHTING AS PER	-	-	No charge	-	No charge
VELD FIRE FIGHTING AS PER ACT (FIRE SUPPRESSION) – NON-MEMBERS OF REGISTERED PROTECTION ASSOCIATION			R661 per hour per unit	50%	R992 per hour per unit
AIR SUPPORT	-	-	Cost + 10% + 15%	-	Cost + 10% + 15%
FLAM TRAINER	Per day	With two operators	R10400 + Travel & Accommodation Cost	50%	R15600 + Travel & Accommodation Cost

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
B-CLANSDORP 7260

30 MAY 2022

TEL: 028 425 1187 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

2. ADDITIONAL TARIFFS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2021/2022 (VAT INCLUSIVE)	% INCREASE	TARIFF 2022/2023 (VAT INCLUSIVE)
ADDITIONAL TARIFFS	-	Any rental of equipment and vehicles-	Cost + 10% + 15%	-	Cost + 10% + 15%
	Per page	Photostat/A4 page	R1.50	6%	R1.60
	Per page	Photostat/A4 page colour	R5.80	6%	R6.10
	Per page	Computer printouts	R17.00	6%	R18.00
	Per page	Faxing	R34.00	6%	R36.00
	Per cheque	Dishonoured cheques	R158.00	6%	R167.50
	Per occurrence	Faulty payments	R158.00	6%	R167.50
	Per item	Printing of maps A0 size black	NOT IN USE ANYMORE	NOT IN USE ANYMORE	
	Per item	Printing of maps A0 size colour			
	Per item	Printing of aerial photos A0 size			
	Per item	Printing of maps A1 size black			
	Per item	Printing of maps A1 size colour			
	Per item	Printing of aerial photos A1 size			
	Per item	Printing of maps A2 size black			
	Per item	Printing of maps A2 size colour			
	Per item	Printing of aerial photos A2 size			
	Per item	Printing of maps A3 size black	R66.00	6%	R70.00
	Per item	Printing of maps A3 size colour	R77.00	6%	R81.60
	Per item	Printing of aerial photos A3 size	R147.00	6%	R155.80
	Per item	Printing of maps A4 size black	R30.00	6%	R31.80
	Per item	Printing of maps A4 size colour	R35.00	6%	R37.10
	Per item	Printing of aerial photos A4 size	R41.00	6%	R43.50
	Appeal	-	R1 402.00	6%	R1 486.10

Application for relaxation on tariffs can be considered by the Municipal Manager

NON-REFUNDABLE TENDER DOCUMENT	-	Tender 9 years & 11 months +	R1 402.00	6%	R1 486.10
	-	Tender 5 – 8 years 11 months	R701.00	6%	R743.10
	-	Tender 3 years 11 months - 4 years 11 months	R287.00	6%	R304.20
	-	3 years	R287.00	6%	R304.20
	-	Less than 3 years	R140.00	6%	R148.40
	-	Banking Tender	R701.00	6%	R743.10
ELECTRONIC NOTICE BOARD	Per day	Private Sector/Business per 24 hours rolling per slide	R15.00	6%	R15.90
	Per day	Municipalities (local) per 24 hours rolling per slide	R7.00	6%	R7.40
PROPERTIES	Per month	Head Office Shaded Parking (Officials only)	R33.00	6%	R35.00

3. ENVIRONMENTAL MANAGEMENT

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2018/20		TARIFF 2019/20		TARIFF 2020/20		TARIFF 2021/20		TARIFF 2022/2023
			19 (VAT INCLUS IVE) R	% INCREA SE	20 (VAT INCLUS IVE) R	% INCREA SE	21 (VAT INCLUS IVE) R	% INCREA SE	22 (VAT INCLUS IVE) R	% INCREA SE	(VAT INCLUSIV E)
ENVIRONMENTAL MANAGEMENT	Per hour	Environmental control officer (ECO) inspections	700	6	742	6%	R787.00	4%	R818.00	8%	R880.00
ENVIRONMENTAL MANAGEMENT	Per Weigh Load	Use of Weighbridge (ad hoc private users) Commercial vehicles (Cars and Pick-ups's Campers, Caravans and Trailers)					R175.00	4%	R182.00	8%	R196.00
ENVIRONMENTAL MANAGEMENT	Per Weigh Load	Use of Weighbridge (ad hoc private users) Large vehicles (All Trucks and Busses)					R450.00	4%	R468.00	8%	R504.00

OVERBERG DISTRICT MUNICIPALITY
20 LINDSAY STREET - PO BOX 122
BROOKINGS 3100



30 MAY 2022

TEL: 020 425 1087 • FAX: 020 425 1014
info@ommg.org.za • www.ommg.org.za

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4. MUNICIPAL HEALTH

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2021/2022	% INCREASE	TARIFF 2022/2023
			(VAT INCLUSIVE)		(VAT INCLUSIVE)
WATER QUALITY MONITORING	-	All samples taken on request (except for governmental institutions) R 145 per sample run plus laboratory cost as per contract between ODM and laboratory.	R210	44%	R303
	-	With the application of a certificate of acceptability (COA) for a premise in an area that do not fall in a WSA: R145.00 per sample run (bacteriological and chemical) plus laboratory cost as per contract between ODM and laboratory.	R210	44%	R303
	-	In the case of follow up samples in above tariff, if water quality does not comply with the SANS 241 code: R 145.00 per sample run plus laboratory cost as per contract between ODM and laboratory.	R210	44%	R303
MONITORING OF MILK AND MILK PRODUCTS ON REQUEST OF SUPPLIERS	-	All bacteriological & chemical analyses: R145,00 per sample run plus laboratory cost as per contract between ODM and laboratory	R210	44%	R303
	-	Follow up samples in the case where a sample do not comply to stipulations of the Foodstuffs, Cosmetics and Disinfectants Act: R 145.00 per sample run plus laboratory cost as per contract between ODM and laboratory.	R210	44%	R303
CERTIFICATE FOR EXPORT OF FOOD PRODUCTS	-	-	R958	Cost reflective adjustment	R2 500
ISSUING OF CERTIFICATE OF ACCEPTABILITY FOR PREMISES IN TERMS OF THE NATIONAL HEALTH ACT, ACT 61 OF 2003 AND	-	Issuing of Certificates of acceptability: Once off payment	R210	Cost reflective adjustment	R950
	-	Inspection performed to uplift a prohibition on the use of a premises or facility	R596	44%	R860
	-	Replacement of any applicable COA	R210	44%	R303
ALL OTHER MUNICIPAL HEALTH INSPECTION REPORTS/CERTIFICATES	-	Application for issuing of any Health related report	R210	Cost reflective adjustment	R950
ISSUING OF HEALTH CERTIFICATE OR REPORT TO REMOVE OR DESTROY FOOD OR FOOD PRODUCTS UNFIT FOR HUMAN CONSUMPTION	-	-	R373	Cost reflective adjustment	R950

AIR QUALITY CONTROL – COST OF LICENSING (FUEL BURNING APPLIANCES – COST OF LICENSING OF THESE APPLICATIONS WILL TAKE PLACE ON A SLIDING SCALE)	-	Atmospheric emission tariffs – application fee for license fee (Licence fee determined by Air Quality Act, Act 39 of 2004)	R1 788		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 1	R6 567		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 2	R26 643		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 3	R82 967		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 4	R166 096		Tariff as per latest NT Atmospheric Emission Regulation
	-	Processing Fee for application as contemplated in Section 37/44/47 of the Air Quality Act, Act 39 of 2004 – Band 5	R336 950		Tariff as per latest NT Atmospheric Emission Regulation
ISSUING OF HEALTH REPORT OR CERTIFICATE (EXCEPT IF REQUESTED BY A GOVERNMENT AUTHORITY)	-	-	R210	Cost reflective adjustment	R950
HEALTH MONITORING OF OPENING OF GRAVES AND/OR REBURIAL	-	-	R596	44%	R860
ATMOSPHERIC	-	Application for new atmospheric emission licence	R13 208 per listed activity	44%	R19 050 per listed activity
	-	Application for atmospheric emission licence review	R13 208 per listed activity	44%	R19 050 per listed activity
	-	Application for atmospheric emission licence renewal	R6 604 per listed activity	44%	R9525 per listed activity
	-	Application for atmospheric emission licence transfer	R2 647	44%	R3 818
Local Municipalities	-	Health Service	R5,80 per population	45%	R8.40 per population

OVERBERG DISTRICT MUNICIPALITY
 26 LOUGHEVEN ST • PHOLENBERG 7200
 30 MAY 2022
 TEL: 029 425 1037 • FAX: 029 425 1014
 info@omd.org.za • www.omd.org.za

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5. ROADS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2021/2022 (VAT INCLUSIVE)	% INCREASE	TARIFF 2022/2023 (VAT INCLUSIVE)
ROADS TARIFF	2 X posts	Erection of Tourism/Facility signs	R518.00	7%	R554.00
	-	Any additional structure posts	R374.00	7%	R400.00

6. BUILDING PLANS

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2021/2022 (VAT INCLUSIVE) R	% INCREASE	TARIFF 2022/2023 (VAT INCLUSIVE) R
SCRUTINY OF BUILDING PLANS	Per plan	Inspection of any building plan – Cape Agulhas, Theewaterskloof and Swellendam area	6.5% of Building plan cost		6.5% of Building plan cost
	Per plan	Inspection of any building plan – Overstrand area	4.5% of Building plan cost		4.5% of Building plan cost

7. KARWYDERSKRAAL DUMPING SITE

TARIFF CATEGORY	UNIT	TARIFF DESCRIPTION	TARIFF 2021/2022 (15% VAT EXCLUSIVE)	% INCREASE	TARIFF 2022/2023 (15% VAT EXCLUSIVE)
KARWYDERSKRAAL	Dumping	Cost per tonne - dumping clean building rubble up to the size of a brick (cover material)	Free of charge	None	Free of charge
	Dumping	Cost per tonne - Dumping of general Household waste - Private	R245.00	5.00%	R257.25
	Dumping	Cost per Tonne-General Household Waste - Municipalities	R94.02		R98.78
	Dumping	Cost per tonne - dumping building rubble (oversize/clean)	R108.68		R114.11
	Dumping	Cost per tonne - dumping contaminated builders rubble	R245.00	5.00%	R257.25
	Dumping	Cost per tonne - rehabilitation contribution - municipalities	R17.03		R20.92



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8. UILENKRAALSMOND RESORT

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF 2021/2022 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF – WEEKEND 2021/2022 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF – WEEK 2021/2022 (VAT INCLUSIVE) R	% INCREASE	IN SEASON TARIFF 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF – WEEKEND 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF – WEEK 2022/2023 (VAT INCLUSIVE) R
HOLIDAY HOUSE/BUNGALOW	Bungalows per night	790	630	560	10.10%	870	690	620
	Bungalows (sea view) per night	1 060	870	760	9.67%	1 150	960	840
	Wooden House per night	1 120	990	830	9.86%	1 230	1 090	910
	Breakage deposit (no VAT payable)	520	520	520	9.62%	570	570	570
	Cancellation fee (Only payable if re-let)	160	160	160	12.50%	180	180	180
CARAVAN/TENT SITES	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
	Access card – deposit per card	80	80	80	12.50%	90	90	90
	Caravan/Tent site per night (maximum 6 persons)	470	320	210	10.00%	520	350	230
	Caravan/Tent site per person per night (out of season only)	0	90	90	11.11%	0	100	100
	Cancellation fee (Only payable if re-let)	160	160	160	12.50%	180	180	180
DAY VISITORS	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
	Access card – deposit per card	80	80	80	12.50%	90	90	90
	Day visitors per site per person per day camping site (08:00 – 17:00)	40	40	40	12.50%	45	45	45
	Vehicle per day (08:00 – 17:00) (Excluding in-season)	0	50	50	10.00%	0	55	55
	Mini-bus per day (08:00 – 17:00) (Excluding in-season)	0	70	70	14.29%	0	80	80
RENTAL OPEN AREA PARKING AREA	Bus per day (08:00 – 17:00) (Excluding in-season)	0	160	160	12.50%	0	180	180
	Children 5 years and younger	Free	Free	Free	-	Free	Free	Free
	Rental open area per 50 m ²	70	70	70	14.29%	80	80	80
	Parking per vehicle/boat per day	20	20	20	25.00%	25	25	25
	Extra persons per site per person per day – caravan/tent sites and bungalows	80	80	80	12.50%	90	90	90
ADDITIONAL PERSONS/VEHICLES	Extra vehicle per day caravan/tent sites, bungalows & semi-permanent sites	50	50	50	20.00%	60	60	60
	Hall hire per occasion per day (Small)	936	936	936	10.00%	1 030	1 030	1 030
	Hall hire per occasion per day (Recreational)	2000	2000	2000	10.00%	2 200	2 200	2 200
	Breakage deposit	520	520	520	9.62%	570	570	570
	Cancellation fee (Only payable if re-let)	160	160	160	12.50%	180	180	180
HALL	Cancellation fee per occasion (Only payable if not re-let)	50% of reservation amount	50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
	Rental of bedding per unit per occasion	80	80	80	12.50%	90	90	90
	Rental per month (including basic services)	5 352	5 352	5 352	10.06%	5 890	5 890	5 890
	Water per kilo litre	8.09848	8.09848	8.09848	10.00%	8.908	8.908	8.908
	Water deposit – service connection	999.44	999.44	999.44	10.06%	1 100	1 100	1 100
COMMERCIAL USERS	Service deposit	1 595	1 595	1 595	9.69%	1 750	1 750	1 750
	Water services connection fee (per connection)	214.24	214.24	214.24	16.69%	250	250	250
	Water re-connection for defaulters	Cost + 15% + 15%	Cost + 15% + 15%	Cost + 15% + 15%	-	Cost + 15% + 15%	Cost + 15% + 15%	Cost + 15% + 15%
	Plots to 150m ² (per year)	16 829	16 829	16 829	10.00%	18 512	18 512	18 512
	Plots 151 m ² – 200m ² (per year)	18 734	18 734	18 734	10.00%	20 607	20 607	20 607
SEMI-PERMANENT (INCLUDING BASIC SERVICES)	Plots 201m ² – 300m ² (per year)	20 776	20 776	20 776	10.00%	22 854	22 854	22 854
	Plots 301m ² – 350m ² (per year)	22 562	22 562	22 562	10.00%	24 818	24 818	24 818
	Plots 350m ² + (per year)	24 728	24 728	24 728	10.00%	27 201	27 201	27 201

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8. UILENKRAALSMOND RESORT									
TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON TARIFF 2021/2022 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEKEND 2021/2022 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2021/2022 (VAT INCLUSIVE) R	% INCREASE	IN SEASON TARIFF 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEKEND 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2022/2023 (VAT INCLUSIVE) R	
SEMI-PERMANENT BASIC SERVICES	Blocked sewerage and water supply repair work Sewerage connection with network (once-off)	480 6 490	480 6 490	480 6 490	10.42% 10.02%	530 7 140	530 7 140	530 7 140	
ELECTRICITY	Electricity tariff per unit	Aligned with electricity tariff structure of Overstrand Local Municipality for pre- paid meters.							
	Electricity Availability Tariff per month								
	Infrastructure availability					100	100	100	
	Cutting of grass semi-permanent plot	480	480	170	37.17%	600	600	350	
SEMI-PERMANENT DEFAULT SERVICES	Removal of rubbish semi-permanent plot	480	480	480	10.42%	530	530	530	
	Builders per person per day	0	36.4	36.4	10.00%	0	40	40	
	Builders vehicles per day	0	41.5	41.5	10.00%	0	46	46	
	Registration service providers operating in the Resort	0	1 040	1 040	9.62%	0	1 140	1 140	
SEMI-PERMANENT RENEWAL AND TRANSFERRALS OF CONTRACTS	Administrative costs transfer of rental agreement	730	730	730	9.59%	800	800	800	
	Administrative costs renewal of rental agreement	333	333	333	20.12%	400	400	400	
	Groups of 20 - 50 persons	-	15% discount	15% discount	-	-	15% discount	15% discount	
	Groups of 51 - 100 persons	-	20% discount	20% discount	-	-	20% discount	20% discount	
REDUCED TARIFFS (EXCLUDING 10 DECEMBER - 10 JANUARY OF NEXT YEAR AND EASTER WEEKEND	Groups of 101 - 200 persons	-	25% discount	25% discount	-	-	25% discount	25% discount	
	Groups of more than 200 persons	-	30% discount	30% discount	-	-	30% discount	30% discount	
	Caravan Groups 20-50 (maximum 6 per caravan)	-	30% discount	30% discount	-	-	30% discount	30% discount	
	Caravan Groups 51-100 (maximum 6 per caravan)	-	40% discount	40% discount	-	-	40% discount	40% discount	
SEASON- AND OTHER TIMES	Caravan Sites 7-14 days (6 person & 2 vehicles per caravan)	-	30% discount	30% discount	-	-	30% discount	30% discount	
	Caravan Sites 15-21 days (6 person & 2 vehicles per caravan)	-	35% discount	35% discount	-	-	35% discount	35% discount	
	Caravan Sites monthly tariff (maximum 2 persons & 1 pensioners)	0	2 410	2 410	9.96%	0	2 650	2 650	
	Contractors (longer than 1 month)	-	30% discount	15% discount	-	-	30% discount	15% discount	
SEASON- AND OTHER TIMES	Staff	-	15% discount	15% discount	-	-	15% discount	15% discount	
	In Season	-	40% discount	40% discount	-	-	40% discount	40% discount	
	Out of Season	-	excl. 10 Dec - 10 Jan of next year & Easter	excl. 10 Dec - 10 Jan of next year & Easter	-	-	excl. 10 Dec - 10 Jan of next year & Easter	excl. 10 Dec - 10 Jan of next year & Easter	
	Week	Sunday 14:00 - Thursday 14:00	Sunday 14:00 - Thursday 14:00	Sunday 14:00 - Thursday 14:00	-	Sunday 14:00 - Thursday 14:00	Sunday 14:00 - Thursday 14:00	Sunday 14:00 - Thursday 14:00	

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9. DIE DAM RESORT

TARIFF CATEGORY	TARIFF DESCRIPTION	IN SEASON 2021/2022 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF – 2021/2022 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF – WEEK 2021/2022 (VAT INCLUSIVE) R	% INCREASE	IN SEASON 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF – 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF – WEEK 2022/2023 (VAT INCLUSIVE) R
REDUCED TARIFFS (EXCLUDING 10 DECEMBER – 10 JANUARY OF NEXT YEAR AND EASTER WEEKEND	Groups of 20 – 50 persons	-	- 15% discount	15 % discount	-	-	- 15% discount	15 % discount
	Groups of 51 – 100 persons	-	- 20% discount	20% discount	-	-	- 20% discount	20% discount
	Groups of 101 – 200 persons	-	- 25% discount	25% discount	-	-	- 25% discount	25% discount
	Groups of more than 200 persons	-	- 30% discount	30% discount	-	-	- 30% discount	30% discount
	Caravan Groups 20-50 (maximum 6 per caravan)	-	- 30% discount	30% discount	-	-	- 30% discount	30% discount
	Caravan Groups 51-100 (maximum 6 per caravan)	-	- 40% discount	40% discount	-	-	- 40% discount	40% discount
	Caravan Sites 7-14 days (6 person & 2 vehicles per caravan)	-	- 30% discount	30% discount	-	-	- 30% discount	30% discount
	Caravan Sites 15-21 days (6 person & 2 vehicles per caravan)	-	- 35% discount	35% discount	-	-	- 35% discount	35% discount
	Caravan Sites monthly tariff (maximum 2 persons & 1	0	2 230	2 230	9.87%	0	2 450	2 450
	Pensioners	-	30% discount	30% discount	-	-	30% discount	30% discount
SEASON- AND OTHER TIMES	Contractors (longer than 1 month)	-	-	-	-	-	-	-
	Staff	-	-	-	-	-	-	-
	In Season	10 December – 10 January of next	-	-	-	10 December – 10 January of next	-	-
	Out of Season	-	Excluding 10 December – 10	-	-	-	Excluding 10 December – 10	-
	Week	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	-	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00	Sunday 14:00 – Thursday 10:00
	Weekend	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	-	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00	Thursday 14:00 – Sunday 10:00

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PHASE 1 BAG X22
BLOEMFONTEIN 9700
TEL: 056 425 4447 • FAX: 056 425 1014
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9. DIE DAM RESORT		TARIFF CATEGORY		TARIFF DESCRIPTION		IN SEASON 2021/2022 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2021/2022 (VAT INCLUSIVE) R	% INCREASE	IN SEASON 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2022/2023 (VAT INCLUSIVE) R	OUT OF SEASON TARIFF - WEEK 2022/2023 (VAT INCLUSIVE) R
HOLIDAY HOUSE/BUNGALOW				Bungalow 5 per night		890	750	10.41%	980	830	630
				Breakage deposit (no VAT pay able)		520	520	9.62%	570	570	570
				Cancellation fee (Only pay able if re-let)		160	160	12.50%	180	180	180
				Cancellation fee per occasion (Only pay able if not re-let)		50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
CARAVAN/TENT SITES				Access card - deposit per card		80	80	12.50%	90	90	90
				Caravan/Tent site per night (maximum 6 persons) with electricity		400	340	10.19%	440	375	320
				Caravan/Tent site per night (maximum 6 persons) without electricity		360	290	10.99%	400	320	290
				Caravan/Tent site per person per night (out of season only)		0	90	11.11%	0	100	100
ADDITIONAL PERSONS/VEHICLES				Cancellation fee (Only pay able if re-let)		160	160	12.50%	180	180	180
				Cancellation fee per occasion (Only pay able if not re-let)		50% of reservation amount	50% of reservation amount	-	50% of reservation amount	50% of reservation amount	50% of reservation amount
				Access card - deposit per card		90	90	11.11%	100	100	100
				Extra persons per site per person per day - caravan/tent sites and bungalows		80	80	12.50%	90	90	90
DAY VISITORS				Extra vehicle per vehicle day caravan/tent sites, bungalows & semi-permanent sites		50	50	10.00%	55	55	55
				Day visitors per site per person per day camping site (08:00 - 17:00)		0	40	12.50%	0	45	45
				Vehicle per day (08:00 - 17:00) (Excluding in-season)		0	50	10.00%	0	55	55
				Mini-bus per day (08:00 - 17:00) (Excluding in-season)		0	70	14.29%	0	80	80
SEMI-PERMANENT (INCLUDING BASIC SERVICES)				Bus per day (08:00 - 17:00) (Excluding in-season)		0	160	9.38%	0	175	175
				Children 5 years and younger		Free	Free	-	Free	Free	Free
				Plot tariff per year		15 577	15 577	10.10%	17 150	17 150	17 150
				Plettenberg plot tariff per year		18 763	18 763	9.79%	20 600	20 600	20 600
ELECTRICITY				Electricity tariff per 100 units (First 300 units)		186	186	-	186	186	186
				Electricity tariff per 100 units (Between 300 and 600 units)		262	262	-	262	262	262
				Electricity tariff per 100 units (above 600 units)		310	310	-	310	310	310
				Electricity Availability Tariff per month		207 62	207 62	-	207 62	207 62	207 62
SEMI-PERMANENT DEFAULT SERVICES				Cutting of grass semi-permanent plot		478.4	478.4	-58.19%	600	525	525
				Removal of rubbish semi-permanent plot		478.4	478.4	9.74%	525	525	525
				Builders per person per day		0	36.4	-100.00%	0	0	0
				Builders per vehicle per day		0	41.6	-100.00%	0	0	0
Sewage Pumping Services when available and during normal working hours				Registration service providers operating in the Resort		0	1 040	-	0	0	0
				Blocked sewerage & Water supply repair work		0	0	-	0	0	0
				Contractor for overflow of sewage		0	0	-	0	0	0
				During normal working hours 08:00 - 16:00 Per load		0	0	-	0	0	0
SEMI-PERMANENT RENEWAL AND TRANSFERRALS OF CONTRACTS				Outside normal working hours & weekends to be arranged with Supplier		0	0	-	0	0	0
				Administrative costs transfer of rental agreement		728	728	9.89%	800	800	800
				Administrative costs renewal of rental agreement		332.8	332.8	20.19%	400	400	400
				To be paid directly to Supplier		0	0	-	0	0	0

Application for relaxation on tariffs can be considered by the Municipal Manager

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26 LONG STREET • PRIVATE BAG X22
BREDASDORP 7280



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TEL: 028 425 1157 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

Medium Term Revenue and Expenditure Framework (MTREF)

MTREF BUDGET

2022/2023 – 2024/2025

MFMA Municipal Budget Circulars



Western Cape
Government

FOR YOU

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Strategic Integrated Municipal Engagement 2022

Overberg District Municipality

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 26 LONG STREET / PRIVATE BAG X22
 BREDASDORP 7260

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TEL: 029 425 1157 • FAX: 029 425 1014
 info@odm.org.za • www.odm.org.za

LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CBD	Central Business District
CBA	Critical Biodiversity Areas
CMP	Coastal Management Programme
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEA&DP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Human Settlements
DM	District Municipality
DLG	Department of Local Government
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
kl	kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour (1000 watt hours)
LED	Local Economic Development
LUPA	Land Use Planning Act
MBRR	Municipal Budget and Reporting Regulations
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan

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TEL: 029 426 1157 • FAX: 029 426 1014
info@odm.org.za • www.odm.org.za



MMP	Maintenance Management Plan
MVA	Megavolt Amperes (1 Million volt amperes)
MWh	Megawatt hour (1 Million watt hours)
NRW	Non-revenue Water
NDHS	National Department of Human Settlements
O&M	Operations and Maintenance
PMS	Performance Management Systems
PT	Provincial Treasury
RMP	Road Management Plan
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

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26 LONG STREET / PRIVATE BAG X22
BREDASDORP 7280



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TEL: 029 425 4457 • FAX: 029 425 1014
info@odm.org.za • www.odm.org.za

SECTION 1: INTRODUCTION

The 2022/23 MTREF municipal planning and budgeting process takes place amidst a national and provincial economic recovery following sharp economic contractions in 2020. Several fiscal, economic and social risks exist that could threaten municipal sustainability and economic growth.

Municipal budgets and associated documents will be assessed to determine the extent of conformance, responsiveness, credibility and sustainability to enhance the strategic theme for 2022, i.e. *Enabling Sustainability and Growth*.

Key enablers that facilitate sustainability and growth include, but are not limited to the following:

- **Innovation:** Introducing new ideas, methods or processes or reviewing existing practices to achieve outcomes in more efficient and effective ways. In a post-pandemic environment, municipalities are confronted with increasing citizen demands and expectations; a rapidly changing technological environment and a constrained fiscus. We cannot continue with the status quo, but must innovate i.e., to explore different and better ways of doing things in order to enhance service delivery.
- **Partnerships:** Partnerships calls for the integration of expertise and resources in order to drive allocative efficiency and enhance productive efficiency. Enabling sustainability and growth requires a collective effort between spheres of government (across and within spheres) as well as with the private sector and civil society.
- **Good governance:** Municipalities must build on and/or reinforce the foundations and successes of good governance that is necessary for improved performance. These need to be leveraged along with extensive risk management, to ensure financial, operational, social, economic and environmental sustainability. To this extent, SIME is an extension/continuation of TIME.

The importance of the integrated planning and budgeting assessment is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32 of 2000 (MSA), the MSA Regulations and the Local Government Municipal Finance Management Act 56 of 2003 (MFMA). These annual provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and constitutional mandates.

This report encapsulates comments by the Western Cape Provincial Government on the draft 2022/23 MTREF Budget, 2022/23 Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR);
- Public value creation and responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and SDF submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality.

The Provincial Government plans to meet the executives of your Municipality on 6 May 2022 where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as taken up in the draft budget, IDP, LED, SDF and various other strategies and plans. All the information related to the assessment and analysis of the annual budget, IDP and SDF are found in the report below.

SECTION 2: PUBLIC VALUE CREATION

2.1 INTEGRATED PLANNING

2.1.1 Introduction

In terms of section 25(1) of the Municipal Systems Act, 2000 (the MSA), each municipal council must, within a prescribed period after the start of its elected term and through a participative process, adopt a single, inclusive and strategic plan for the development of the Municipality – the Integrated Development Plan (IDP).

An IDP is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in a municipality. An IDP provides the strategic direction for all the activities of a municipality over five years linked to the council term of office.

In terms of section 25 (3) of the MSA, a municipal council may adopt the IDP of its predecessor, with or without amendment. Before taking such a decision the council must comply with section 29(1)(b)(i), (c) and (d).

Based on the tabled IDP of 28 March 2022, the Overberg District Municipality (the Municipality) intends to adopt a new five-year IDP in May 2022 in terms of section 25(1) of the MSA.

2.2 INTEGRATED PLANNING ANALYSIS

2.2.1 IDP Overview

The tabled IDP reflects that the vision, mission and strategic goals of Council will remain unchanged. The vision and mission encapsulate the dream for the long-term development of the District and focus attention on its most important priority namely to ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure. A detailed SWOT analysis is also captured in the IDP, which reaffirms the strategic trajectory of the Council and identifies the key challenges within their area of jurisdiction.

Furthermore, the socio-economic data contained in the IDP is based on the most recent data as extracted from the 2021 Municipal Economic Review and Outlook (MERO), however, the tabled IDP also makes reference to the 2020 MERO.

A detailed comparison of the socio-economic data of local municipalities in the Overberg District (the District) is reflected in the IDP, as well as an assessment of the existing level of development and the type of dwellings within each local municipality. In terms the population growth, the tabled IDP reflects that the population of the District is expected to increase by an average annual rate of 1.5 per cent from 304 963 in 2021 to 323 058 in 2025. All municipal areas in the Overberg are also expected to experience population growth between 2021 and 2025, largely as a result of the anticipated growth in the Overstrand municipal area, which is expected to increase from 107 810 in 2021 to 119 791 in 2025. The IDP reflects that the unemployment rate in the District is estimated to have increased between 2019 and 2020, whereas the unemployment rates in the Theewaterskloof and Swellendam municipal areas have remained constant over the two-year period. Increases are estimated to occur in the Overstrand and Cape Agulhas municipal areas, as a result of the number of job losses exceeding the number of individuals who were moved to the "not economically active" category. The District does, however, have a strategic goal, which speaks to the issue of unemployment and job creation, under Strategic Goal 1 (poverty alleviation/ job creation initiatives).

The tabled IDP adequately reflects on the existing level of development in the Municipality. The tabled IDP reflects on access to basic services for the District as a whole, however, communities that do not have access to basic services are not identified and for the Municipality to list this at district level will require the local municipalities in the District to identify and list these communities in their respective IDPs. The Municipality should consider including a comparative analysis of the levels of access to basic services between the Districts in their IDP to be adopted in May 2022. In addition, the District should work with the local municipalities to ensure that in future amendments to their IDPs, the specific communities without access to basic services are identified.

The tabled IDP reflects the Municipality's development priorities and clearly illustrates how these are aligned to National and Provincial strategic goals. A summary of the long-term Financial Plan is reflected in the IDP, and it also includes budget projections for the next 3 years. An updated organogram is included in the IDP, and key performance indicators and performance targets are also reflected and both linked to a strategic goal.

2.2.2 IDP process

In terms of section 27 of the MSA, each district municipality must, within a prescribed period after the start of its elected term and following a consultative process with the local municipalities within its area, adopt a framework for integrated development planning in the area as a whole. The district IDP framework binds both the district municipality and the local municipalities in the district. Section 27(2) sets out the minimum matters that must be covered in the framework.

Section 28 of the MSA determines that a municipality must, within a prescribed period after the start of its elected term, adopt an IDP process plan in writing to guide the planning, drafting, adoption and review of its IDP. A municipality must also consult the community before adopting such process and give notice to the local community of the process it intends to follow.

The district IDP framework lays the foundation to ensure alignment of the IDPs within a district, the alignment of all the IDPs with national and provincial sector plans and strategies, and for proper and sound consultation between district and local municipalities during the process of developing and adopting an IDP. The IDP process plan builds on this foundation by ensuring that the process of developing, adopting and reviewing a municipal IDP happens in a planned, structured and managed matter with provision for community input.

The tabled IDP reflects that the District IDP Framework and Process Plan was workshopped with the local municipalities in the District to ensure alignment of planning activities. Inputs were discussed and considered for inclusion in the final plan prior to tabling to council. The District IDP Framework is clear on how it will ensure horizontal and vertical alignment in the IDP and emphasises the importance of a district municipality and the local municipalities working cohesively on which strategies or development approaches to follow, in order to address the challenges of development at District level. The Municipality tabled a Draft District IDP Framework on 28 March 2022 and the minutes of the Council (Item A5) indicates that all local municipalities within the district was consulted in the compilation of the Framework. The District IDP Framework and Process Plan is currently being published for public comment and the Municipality plans on approving the Framework and Process Plan in May 2022.

In terms of Sections 28 and 29 of the MSA, a municipality must follow a prescribed process when adopting and/or amending an IDP. It further determines that the district municipality must, in drafting its IDP, consider the IDP process of, and proposals submitted to it by local municipalities. Similarly, local municipalities must, in drafting its IDP, consider the IDP process of, and proposals submitted to it by the district municipality.

The IDP was developed in accordance with a predetermined programme specifying timeframes for the different steps and these steps are captured in the IDP Process Plan.

The IDP Process Plan also includes key activities which reflects how the communities, other organs of state and other role players will be consulted in collaboration with local municipalities within the District in the drafting of the IDP. The tabled IDP reflects that the Municipality employs various methods of public participation by way of structured and functional district fora to further ensure an integrated planning process for the District as a whole. It is however not clear from the tabled IDP the extent to which this happened and to whether the Municipality were able to leverage of the public participation platforms of the local municipalities in the District, to ensure compliance with sections 25(3) and 29(1)(b)(i) of the MSA.

2.2.3 IDP compliance

Section 26 of the MSA refers to the core components of an IDP and states that an IDP must reflect:

- the municipal council's vision for the long-term development of the Municipality;
- an assessment of the existing level of development in the Municipality, including an identification of communities which do not have access to basic services;
- the council's development priorities and objectives for its elected term;
- the council's development strategies, which must be aligned with any national or provincial sectoral plans and planning requirements binding on the Municipality in terms of legislation;
- a Spatial Development Framework;
- the council's operational strategies;
- applicable disaster management plans;
- a financial plan; and
- the key performance indicators and performance targets determined in terms of section 41 of the MSA.

An assessment of the tabled IDP reflects compliance with the above requirements of section 26 of the MSA, except for identifying the communities that don't have access to basic services.

2.2.4 IDP alignment

According to Section 32 of the MSA the MEC may within 30 days of receiving a copy of an IDP, or within such reasonable period as may be approved, request a municipality to adjust or amend the plan or amendment in accordance with the MEC's proposal if it is found to be in conflict with, or not aligned to, or negates any of the development strategies of other affected municipalities or organs of state. Section 26 of the MSA further requires that IDPs must be aligned with and not negate the national and provincial development plans and planning requirements binding on the Municipality in terms of legislation.

The tabled IDP is aligned with national and provincial development imperatives such as the National Development Plan, the Western Cape Provincial Strategic Plan (2019 – 2024 PSP), and the Integrated Urban Development Framework. Alignment of these plans with those strategic goals of the District and local municipalities within the region is also clearly depicted in the IDP. However, the table which depicts alignment with national and provincial development imperatives needs to be updated with the latest information in the 2019 – 2024 PSP, since it still refers to the 2014 – 2019 PSP.

The Joint District and Metro Approach (JDMA) has been approved as a response to the District Development Model (DDM) and serves as a tool to improve co-planning, co-budgeting and co-implementation. The tabled IDP reflects that the Western Cape Government endorsed the JDMA to strengthen planning alignment between the spheres of government. The objectives of the JDMA are clearly highlighted in the tabled IDP as well as the implementation strategy to be followed by the District. The IDP also clearly reflects

the JMDA flagship projects, which include the following: (i) Expanded Rail Network; (ii) Land swap to enable development of social and economic development; (iii) Shared Services - to use economies of scale to ensure access to services; (iv) Pound; (v) Upgrade of ablution facilities to improve human dignity; (vi) Increase water resilience; and (vii) Safe House Network linked to outpatient care. The tabled IDP also reflects that the District's Economic Recovery Plan is aligned to the JDMA.

The tabled IDP depicts the status of the various sector plans of the Municipality. However, the IDP indicates that some of these plans, including the Integrated Waste Management Plan (IWMP), the Coastal Management Plan, the Workplace Skills Plan and the Local Economic Development Strategy, are due for a review. No timeframe or progress is provided.

To further assess alignment between the tabled IDP and national and provincial plans, various sector departments formed part of the assessment process and their feedback is captured below:

Economic Development

The tabled IDP reflects that the South African Local Government Association assisted the Municipality with the development of a Regional Economic Development (RED) and Tourism Strategy which was presented to the RED/Tourism Forum on 11 October 2019. The Municipality also has an Overberg District Economic Recovery Plan, which serves as an addendum to the RED and Tourism Strategy. The plan identifies the problems that require an urgent, whole-of-society response to create jobs, foster safe communities, and promote the well-being of all the residents of the Western Cape. The tabled IDP reflects that the Recovery Plan and the JDMA are aligned to each other and are based on the following themes: Jobs; Safety; Wellbeing; and Dignity.

Human Settlements and Transport

The tabled IDP reflects that in 2020, 79.9 per cent of households in the Overberg District lived in formal dwellings, whereas 16.9 per cent of households lived in informal dwellings. In all municipal areas, most of the households resided in formal dwellings, with the Swellendam municipal area having the largest share of formal dwellings (87.8 per cent). The IDP also confirms that the job losses which occurred in 2020 as a result of the COVID-19 pandemic have also increased the need for housing in some areas of the District. In the Overstrand municipal area, there has been an increase in informal settlements as well as land invasions between 2020 and 2021. The Theewaterskloof Municipality also recorded three new informal settlements, while existing settlements have grown.

The tabled IDP reflects that the District Integrated Transport Plan (DITP) is in the process of being reviewed. The Department of Transport and Public Works (DTPW) confirmed that the 2020 – 2024 review of the DITP was approved by Council in October 2021.

DTPW is also in the process of developing the Western Cape Provincial Land Transport Framework (PLTF) 2023/24 – 2027/28. The PLTF is a five (5) year provincial-wide strategic planning document mandated by section 35 of the National Land Transport Act. Its purpose is to guide all transport and land-use related provincial decision making with respect to transport infrastructure development, management and investment, public transport, non-motorised transport, freight transport, land transport safety, as well as guide district-wide and local integrated transport planning.

Health, Social Services and Amenities

The tabled IDP reflects specific challenges faced by the Municipality with regards to health, and also provides a response to each of these challenges. These challenges are also being catered for in the Service Delivery Budget Implementation Plan, as reflected in the IDP. The Municipality is also actively involved in the Western Cape Municipal Health Working Group of which the general purpose is to promote and support sustainable and integrated management of Municipal Health Services in the Western Cape. The IDP also

reflects that the Municipality has an approved Municipal Health Services Plan, which was approved in 2016, however, no indication is given of when this plan was last reviewed.

The tabled IDP reflects that the Municipality continues to see the benefits of the established Social Development Unit. The Department of Social Development (DSD) indicated that the Social Development Coordinating Forum remains on the forefront of delivering, coordinating, and supporting the broader social development agenda in the District. As a follow-on to the work of the Coordinating Forum, the Municipality hosted a stakeholder engagement in March 2022, where priorities were solicited for the new district plan for the Forum. However, the outcome of this engagement is not included in the tabled IDP. The DSD also confirmed that programs and interventions for substance abuse; gender-based violence; and youth development remains high on the priority list of the District.

Safe and Cohesive Communities

The Department of Community Safety (DOCS) confirmed that the Municipality has a District Safety Plan, which was compiled in collaboration with the Department and that they continue to offer a basket of services to the District, which includes neighbourhood watch, law enforcement officers and professional policing.

The DOCS confirmed that the tabled IDP reasonably covers issues of safety and highlighted that the murder rate in the Overberg declined from 46 incidences per 100 000 in 2019/20 to 39 incidences per 100 000 people in 2020/21. Sexual offences also decreased from 122 incidences per 100 000 people in 2018/19 to 98 incidences per 100 000 people in 2020/21 with drug-related crime experiencing the largest decline over the reference period – from 1 194 incidents per 100 000 people in 2018/19 to 867 incidents per 100 000 people in 2020/21. The decline in these is a result of the priorities reflected and catered for in the IDP, which speaks to murder, sexual offences, drug-related offences, driving under influence and residential burglaries.

The tabled IDP reflects that the Disaster Management Framework was revised in 2019 and is attached as an annexure. The tabled IDP and Disaster Management Framework does not contain any Disaster Risk Reduction Initiatives.

2.2.5 Key findings

Based on the above assessment, below is a summary of key findings:

- The tabled IDP contains a contextual analysis with clearly referenced data from the most recent sources. The socio-economic data contained in the tabled IDP is based on the most recent data as extracted from the 2021 MERO, however, the 2020 MERO is referred to when referenced.
- The Municipality has tabled a draft District IDP Framework and a draft IDP Process Plan to guide the planning, drafting, adoption and review of its IDP for the new term of council, however, both the Framework and the Process Plan is still in draft format and the Council only plans on adopting these documents along with the final IDP in May 2022.
- The tabled IDP indicates that some of the sector plans, including the Integrated Waste Management Plan (IWMP), the Coastal Management Plan, the Workplace Skills Plan and the Local Economic Development Strategy, are due for a review, but no timeframe or progress is provided.
- As a follow-on to the work of the Social Development Coordinating Forum, the Municipality hosted a stakeholder engagement in March 2022, where priorities were solicited for the new district plan of the Forum. However, the outcome of this engagement is not included in the tabled IDP.
- The tabled IDP only refers to the Institutional arrangements for IDP processes and does not contain any Disaster Risk Reduction Initiatives.

- The Municipality has not fully complied with section 26 of the MSA in that the tabled IDP does not identify the communities that do not have access to basic services.
- There is no indication in the tabled IDP of the outcome of the public participation processes to establish the needs and the priorities of communities and to what extent the Municipality was able to leverage the public participation platforms of the local municipalities in the District, to ensure compliance with sections 25(3) and 29(1)(b)(i) of the MSA.

2.3 ENVIRONMENTAL AND PLANNING ANALYSIS

a) Spatial Planning

Strategic spatial risks:

A significant number of wetlands are under threat or have already been lost. This is largely due to the spread of invasive alien plants, deliberate draining of wetlands to make way for development and agriculture, inappropriate development within proximity to the wetlands, poorly regulated agricultural practices (overgrazing and ploughing), and contamination through chemical, sewage, and stormwater seeps.

Most of the aquifers in the Overberg District Municipal Area are already either highly or moderately vulnerable to contamination by pollution. If these aquifers were to become polluted or over-utilised, then water security in the District Municipal Area would diminish and the vulnerability of people who rely on groundwater would increase. A conservative analysis of the loss of Renosterveld in the Rûens suggests that >1200ha was lost between 2016 and 2019 largely due to clearance for farming and development.

The IDP mentions the lack of funds available to perform environmental functions. Apart from Waste Management at a B-municipal level and to a certain extent Atmospheric Emission Licenses (an ODM function), *"there are no other funding mechanisms available for municipalities to subsidize environmental management, which then impacts the Municipality's ability to implement plans, programmes, and projects such as alien & invasive species clearing, coastal management, and solid waste infrastructure."* For example, pg. 47 of the IDP includes a detailed costing of its revised Invasive Alien Plant Monitoring, Control, and Eradication Plan, but no allocations are made in the draft budget for this purpose.

Significant population growth (particularly in Grabouw and Hermanus) and unlawful occupation of state land is resulting in the loss of significant portions of land critical known for its agricultural and environmental significance followed by the consequent demand for the supply of services to these settlements. Notably in the Emergency Services Chapter in the IDP, Knofflokskraal is specifically mentioned as draining resources from this Department. It is important that both the MSDF and IDP make a clear statement on the impact of the unlawful occupation of state land across the District and provide guidance to local municipalities regarding possible preventative and reactive measures. There is potential for the District to play a critical role in this space; the District could perform a coordination and support role, by taking stock of the existence of and status of Agency Agreements between Municipalities and owners of state land, and potentially, as a collective, determine where such agreements should be entered into. Land earmarked for health and education infrastructure should also receive attention. Details of this will be explained in the MSDF Implementation Framework.

The agricultural sector is the backbone of Overberg's economy, providing notable employment opportunities and contributing significantly to the GDP of the District. However, the impact of agricultural practices on natural systems is notable and unlawful ploughing is rife in the Overberg. Reasons for this include 1) the fact that land prices have increased from R12 000 per ha in 2007 to R40 000 - R90 000 per ha (2019). Thus, it is considered cheaper to plough virgin land and deal with the (potential) consequences, than it is to buy new land. 2) Radical improvements in machinery have enabled 'steep, rocky and wet' places to be ploughed and converted to agriculture. 3) Feedlots are resulting in the destruction of renosterveld habitats.

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Pollution emanating from agricultural industries is caused by 1) Increased density of animals being kept on farms 2) use of chemicals on farms related to their maintenance 3) dyes from the colouring of flowers and 4) crop spraying. The IDP does not articulate these challenges as described in the MSDP.

Spatial opportunities for growth and development:

In 2021, GDP growth in the Overberg District is forecast to increase to 5.1 per cent, higher than that of the Provincial economy. This was due to the strong performance of the Theewaterskloof and Overstrand municipal areas in the agricultural sector during the same year. In the 2022 forecast period, annual GDP growth across the District is expected to slow significantly, however, growth is still expected to be higher than the anticipated growth rate of the Provincial economy. It is important that economic growth is considered from a perspective of sustainability, and the impact of unsustainable agricultural practices must be mitigated before irreversible damage is done. Climate change will have a significant impact on the agricultural sector, and mitigation and adaptation actions must be prioritized in anticipation of those risks and vulnerabilities.

The wealth of environmental and heritage assets that are not adequately unlocked should be linked to the District's Regional Economic Development and Tourism Strategy, which does not have a spatial component. Furthermore, the Western Cape Tourism Development Blueprint has found that in the Overberg, the heritage sites of the region do not offer a highly desirable visitor experience at present. With carefully curated upgrades, these assets could act as further tourism drawcards.

Transnet branch lines and associated underutilised land and buildings present significant opportunities:

- 'rail cruising' with 1–2-night stays in rural/ historic towns to encourage tourism and longer stayovers (e.g., Blue Train, Rovos Rail, Luxury Steam Trains). The tourism potential related to rail infrastructure must feed into the District's Regional Economic Development and Tourism Strategy.
- the potential creation of a freight station to load and offload agricultural produce from road to rail (as was done in Ceres). Notably, the existing rail network is deemed adequate to accommodate the expected increase in rail freight in the next 20 years. Through the JDMA, the railway line in Suurbraak is being investigated for the possible road to rail transfer of goods so that local farmers could potentially have access to larger markets. Potential exists with the railway line ending in Bredasdorp as well.

The District has a well-established agricultural and agricultural processing sector. Through the Overberg District Rural Development Plan which includes Agri-Parks and Farmer Support Units, opportunities for subsistence farmers to benefit and participate more actively in this sector are being unlocked.

Renewable Energy: A significant portion of the DM was delineated as 1 of 6 REDZ across the country. Parts of Theewaterskloof, Swellendam, and Cape Agulhas Municipality are included in the Overberg REDZ and there is an appetite for Renewable Energy Projects in the District.

Spatial Governance:

In the IDP a table follows the organizational structure and accountability of each of the internal departments in the various intergovernmental forums. From discussions with officials from the District and DLG, it is apparent that no forum exists to discuss aspects related to engineering services in the district and this is a critical missing link.

Once the MSDP is adopted, it is important that the Overberg JDMA takes direction from the MSDP and that strategic priorities identified for the District are aligned.

Implementation of the MSDF through the IDP:

The SWOT analysis done at the DM's Strategic Planning session includes many of the findings of the MSDF, perhaps the IDP should mention this. As previously mentioned, the IDP should extract some of the District's key challenges and opportunities as contained in the MSDF to provide the necessary context.

Chapter 7 of the draft IDP explains the purpose of an MSDF, its legislative framework, integration with the IDP, and detailed plans for adoption of the new MSDF with the IDP. The Department of Environmental Affairs and Development Planning's Spatial Planning Directorate will provide the most recent SDF input to the IDP manager, such as the composite MSDF, associated proposals, spatial priorities, priority investment areas, and Implementation Framework.

The Municipality is adopting a new IDP and MSDF and, to date, the process has been procedurally compliant. As stated in the IDP, once the MSDF is adopted by Council, a Notice of this adoption must appear in the media and the Provincial Gazette within 14 days of the date of adoption. The Municipal Manager must within 10 days of the adoption submit a copy of the MSDF to the Provincial Minister for Local Government and Provincial Minister of the Department of Environmental Affairs and Development Planning.

The fact that the MSDF falls under the responsibility of the Director: Community Services, who sits on the Budget Steering Committee, is good to note.

b) Biodiversity Management

The Department of Environmental Affairs and Development Planning and CapeNature work together to ensure biodiversity governance in the Western Cape. The Western Cape Provincial Biodiversity Strategy and Action Plan (PBSAP 2016), which is currently under review, is a strategic mechanism of the Western Cape Provincial Government that aims to ensure all stakeholders, including the national and provincial government entities, local and district authorities, non-governmental organisations (NGOs), business and society as a whole, act in a coordinated and collaborative manner with regards to biodiversity conservation, its sustainable use, and the fair and equitable sharing of benefits arising from the use and value of ecosystems goods and services.

The PBSAP implementation is strengthened by the assent of the Western Cape Biodiversity Act, Act No. 6 of 2021 on 14 December 2021. The act will come into operation on a date determined by the Premier by proclamation in the Provincial Gazette. Current provincial biodiversity and conservation laws are still in place and must be observed until such time as it being wholly or in part repealed through the making of regulations in the Act.

Municipalities are herewith informed of the following implications of the Act:

i) Biodiversity Spatial Plan

CapeNature must prepare a Provincial Biodiversity Spatial Plan within one year of the commencement of this Act and submit it to the Provincial Minister for adoption after following a public participation process.

In terms of Section 36 of the Act, the purpose of a Biodiversity Spatial Plan is to—

- (a) set biodiversity targets;
- (b) spatially identify one or more categories of biodiversity priority areas that will ensure the continued existence and functioning of biodiversity and ecosystems, including the delivery of ecosystem services;
- (c) provide guidelines that set out the desired management objectives for land and resource use in each category of biodiversity priority area;



- (d) provide spatial planning and land use decision-making guidelines to ensure environmentally sustainable development and resource use and ecological and spatial resilience in the Province; and
- (e) ensure that the ecological infrastructure in the Province is maintained, ecosystem fragmentation and loss are avoided, and the resilience of ecosystems and human communities to the impacts of climate change is strengthened.

When a municipality adopts or amends its MSDF in respect of land use matters in areas identified in the Biodiversity Spatial Plan as biodiversity priority areas, it must indicate how the land use planning categories in the MSDF have taken into account the desired management objectives in the guidelines contemplated in section 36(e) of the Act.

ii) *Alien and Invasive Species (AIS) Management*

According to the NEM:BA Alien and Invasive Species regulations any landowner, occupier of land, person in control of land or any person in control of a listed category 1a, 1b and 3 invasive species must prevent the escape and spread of the species, including its growth or spread of propagules, and must control any specimen that escapes or spreads.

Further to that, all management authorities of protected areas and organs of state in all spheres of government must prepare Invasive Species Monitoring, Control and Eradication Plans and submit it to the Minister via the Department of Forestry, Fisheries and the Environment. It is imperative that Municipalities actively plan to manage and eradicate Alien invasive Species within their jurisdiction and control. Due to the negative impacts of AIS in terms of water losses, fire and flood risks as well as loss of biodiversity, it is prudent to plan and budget for AIS eradication and follow-up clearing activities on an ongoing basis. This will benefit Municipalities with significant savings down the line in terms of the cost of disasters and ensure an environment that is safe, sustainable and provides for the ecosystem goods and services of its people (water, soil, natural products and ecotourism assets to mention a few).

c) *Coastal Management*

The Western Cape Provincial Coastal Management Programme (PCMP), 2016 has been systematically implemented over the past five years and has just completed its required review. An amended Provincial Coastal Management Programme has been drafted, and was published for comment by 31 May 2022.

It is important that all municipal coastal management programmes are aligned to the national and provincial Coastal Management Programmes and other planning policies and frameworks. This second-generation PCMP builds upon the strengths and successes of the 2016 PCMP and is informed by inputs received through stakeholder engagement and a gender analysis that has incorporated a human rights-based approach. The programme supports the implementation of current legal mandates, policies, strategies, and projects, specifically in respect to enabling local government and creating a clearly mandated transversal system closely linked to the green and blue economy. It aims to optimise the economic potential of the coastal environment underpinned by improved protection, access, spatial planning, land use management and sustainable development of our coastal assets, particularly in the context of the impacts of climate change.

Implementation of coastal management requires an enabling cooperative governance framework. As environmental management is deemed to be a concurrent legislative responsibility in terms of the Constitution between national and provincial government, however it is recognised that coastal management is more than just environmental management it also integrates related municipal mandates like managing recreational activities (such as boating), land-use planning and management, stormwater, local amenities, public places, cleansing, beaches and amusement facilities, public nuisance, street trading, traffic and parking amongst others as per Schedule 5 of the Constitution. The NEM: ICMA assigns

roles and responsibilities to all three spheres of government in respect to the management of the coastal zone.

The Municipality has indicated that it has not determined or adjusted a coastal boundary for coastal access land. The Department has recently finalised the draft coastal access bylaws, which will be circulated shortly. This will allow them to assess and prioritise coastal access sites that may require designation and any modifications or maintenance that may be deemed necessary. DEA&DP has concluded a coastal access audit for the Overberg and is continuing to support the implementation of the coastal access pilot project for access to the Bot River Lagoon. DFFE has initiated a Coastal Infrastructure Project at the Bot River Lagoon to continue to support Overberg DM and Overstrand Municipality with coastal access. This will directly contribute to the development of the municipal IDP. The Department is supporting the Municipality with coastal public access areas which has become problematic, contested or require other additional management support. Current CMP is still being implemented and is proposed to be reviewed in the next municipal financial period. During the recent review of the SDF the CML lines have been included in the Framework. Access to CPP is addressed in the land use scheme.

The coordination function, including the MCC of the District is satisfactory although consistent participation from local municipalities is lacking.

d) Waste Management

Enforcement Matters:

It is noted with concern that a number of Municipalities are experiencing ongoing challenges in terms of waste management facilities, which has resulted in significant pollution and degradation of the environment, as well as potentially impacting negatively on the health and wellbeing of the local residents.

This culminated in enforcement action taken against certain Municipalities who are non-compliant with their Waste Management Licenses and have contravened the relevant environmental legislation.

This District Municipality is commended that there are currently no waste management matters subject to enforcement action.

Waste Management Planning:

The Municipality has a designated Waste Management Officer to oversee waste matters. The Municipality's IWMP meets the minimum requirements as stipulated in the Waste Act. The Municipality must set aside funds to review its IWMP as it expires during 2023.

Information Management:

The Overberg District Municipality has 3 waste management facilities registered on the IPWIS (Integrated Pollutant and Waste Information System), namely Karwyderskraal Landfill Site, Karwyderskraal C&D Waste Recovery and Karwyderskraal Organic Waste Composting Facility. The Municipality submitted 6/6 waste management reports from January and February 2021. Through the IPWIS report submissions, the Municipality achieved a compliancy score of 100 per cent within this period. A total of 7 806 tonnes of waste was disposed to landfills and 3 597 tonnes of waste was diverted from landfills, thus achieving a diversion rate of 31.5 per cent for this period.

Waste Minimisation & Policy Development:

The Overberg District Municipality (ODM) does not have a Waste Management by-law in terms of the National Environmental Management: Waste Act (NEM: WA), as it is not mandated to implement waste services at a local municipal level. A by-law in this regard may therefore be optional. However, the ODM's

Municipal Health Services By-Law (January 2019) partially addresses waste in various settings such as beauty salons, and other premises and mainly addresses health care risk waste.

Furthermore, the ODM has an Organic Waste Diversion Plan in place, and the regional landfill site allows for chipping and composting of waste from local municipalities. In addition, small construction and demolition (C&D) waste, approximately up to the size of a brick, is used as cover, while larger C&D waste is diverted from the Karwyderskraal Landfill Site for crushing.

In terms of Waste Management Awareness initiatives, the ODM publishes Waste management awareness information in its annual reports and the IDP, and further information circulated is to surrounding property owners at the Karwyderskraal Landfill Site to inform them based on the outcomes of external audit reports, giving them an opportunity to provide inputs. Waste Management outcomes are also communicated to local municipalities at regional waste forums, as the distribution of waste management awareness is coordinated with and done through local municipalities to avoid duplication of such distribution by the district municipality.

Waste Licensing:

The Overberg DM manages the Karwyderskraal WDF with great success. Departmental Audits have indicated that the Facility is in constant compliance and well maintained. The Municipality submits all required documentation to the Department, which includes internal and external audit reports as well as the Organic Waste Diversion Plan.

e) Pollution Control

It is noted with concern that a number of Municipalities are experiencing ongoing challenges in terms of sewage spillages or breakdowns of key bulk sewage infrastructure, which has resulted in significant pollution and degradation of the environment, as well as potentially impacting negatively on the health and wellbeing of the local residents.

This culminated in enforcement action taken against certain Municipalities who have contravened the relevant environmental legislation.

This District Municipality is commended that there are currently no pollution control matters subject to enforcement action.

Specifically relating to air pollution, it is noted that the District's 1st generation Air Quality Management Plan (2012) is outdated and must be updated in line with the requirements as set out in Section 16 of the NEM:AQA. The District should consider supporting local municipalities in the district to also update their respective management plans in line with the District AQMP as most of these management plans (except Cape Agulhas Municipality) are also due for review.

f) Sustainability and Climate Change

The Overberg District is more climate change aware than most municipalities, and even makes an attempt at tagging budget items for climate change relevance.

Since the District promotes the idea of a sustainable district economy, it needs to take a long-term perspective in terms of what a 'sustainable economy' would look like, as some longer-term changes/outcomes require short-term investments. Several activities that respond to climate change are listed in the IDP, and these are mostly aimed at reducing risks. The IDP, however, defers to the projects listed in the Climate Change Response Framework, which implies that other actions might not be fully integrated into the IDP.

Despite climate change being added as a threat to the SWOT analysis, the District seems to downplay the impact of coastal erosion and flooding, despite the coastline being a very important tourist and business attraction. Agriculture gets a similar treatment in respect of climate impacts over time. More can be done to make development in the Overberg resilient in the face of anticipated climatic changes.

Rail services is recognised as an economic opportunity, but otherwise, business-as-usual planning is at the order of the day. The suggestion of revitalised passenger rail services is welcome in the context of a future where transport, inclusive of tourist transport, would need to be increasingly energy efficient or even carbon neutral. It would also not go amiss to investigate renewable energy investments.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREDASDORP 7280



30 MAY 2022

TEL: 028 425 4257 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

SECTION 3: ECONOMIC SUSTAINABILITY

3.1 INTRODUCTION

This section examines to what extent the tabled 2022/23 MTREF Budget is responsive from an economic and socio-economic perspective and the Municipality's ability to meet the legitimate expectations of the community for services from its limited resources to contribute to economic sustainability and maximizing benefits for its residents.

3.2 MUNICIPAL AND PROVINCIAL BUDGET ANALYSIS

This section analyses the responsiveness of the budget and strategic objectives to the socio-economic reality of the Municipality.

3.2.1 Key budget priorities in terms of IDP Strategic Objectives

The 2022/23 MTREF budget breakdown in terms of the strategic objectives is indicated in the table below. The Overberg District budgeted for a total operating expenditure of R254.1 million and a total capital budget of R10.2 million in the 2022/23 financial year.

Table 1 Strategic Objectives for the 2022/23 Medium Term Revenue & Expenditure Framework

Overberg District Supporting Table SA5 & SA6 Reconciliation of IDP Strategic Objectives and Budget (Operating and Capital Expenditure)								
Strategic Objective	2022/23 Medium Term Revenue & Expenditure Framework OPEX				2022/23 Medium Term Revenue & Expenditure Framework CAPEX			
	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25	Average Annual Growth	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25	Average Annual Growth
R thousand								
SG1 To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure	180 925	188 339	191 504	2.9%	7 522	2 590	2 605	-41.2%
SG2 To promote regional economic development by supporting the initiatives in the district for the development of a sustainable district economy	16 623	16 177	16 841	0.7%	1 420	400	400	-46.9%
SG3 To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development	13 505	13 800	14 403	3.3%	1 215	520	350	-46.3%
SG4 To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines	27 076	28 623	30 274	5.7%	27	-	-	-100.0%
SG5 To ensure good governance practices by providing a democratic and proactive accountable government and ensuring community participation through IGR structures.	15 992	16 210	17 049	3.3%	20	440	-	-100.0%
Total	254 120	263 150	270 070	3.1%	10 204	3 950	3 355	-42.7%

Source: Overberg District Municipality, A-Schedules

Comments:

- The strategic goals noted in budget tables SA5 and SA6 for the 2022/23 MTREF are aligned to the strategic goals in the IDP and reflects financial commitments for all five strategic goals. There are however some discrepancies in the wording as well as in the ordering (although not numbered in the budget tables).
- It is clear from the budgetary allocation to the strategic objectives that the bulk of the 2022/23 MTREF allocation is focused toward Strategic Goal (1): 'To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure'; this includes an operating budget allocation of R180.9 million (71.2 per cent) and a capital allocation of R7.5 million (73.7 per cent) in 2022/23.

- Strategic Goal (1) 'To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure' centers around a wide range of functions, including water quality monitoring, food control (inspection), waste management, health surveillance of premises, environmental management, coastal and catchment management, spatial planning and GIS, integrated fire management and community awareness. It is evident that the Municipality's 2022/23 budget prioritised spending towards delivering on its service delivery mandate.
- Annual growth in operating expenditure is below projected inflation in 2023/24 and 2024/25, while capital expenditure declines from a high of R10.2 million 2022/23 over the MTRF, to R3.4 million in 2024/25.

3.2.2 Municipal and Provincial Expenditure

Table 2 Comparison of Provincial and Estimated Municipal Expenditure: 2022/23 (R'000)

Type	2022/23		
	Provincial Infrastructure Spend	Municipal Infrastructure Spend	Municipal Operating Spend
Economic Expenditure	698 073	0	110 172
Road Transport and Public Works	688 573	-	108 781
Planning and Development	9 500	-	1 391
Social Expenditure	234 372	4 020	73 014
Education	26 000	-	-
Health	27 082	-	20 773
Social Development	-	-	-
Housing	181 290	-	-
Sports and Recreation	-	1 420	16 223
Public Safety	-	2 600	36 018
Trading Services	-	0	9 437
Electricity	-	-	400
Water	-	-	-
Waste-Water Management	-	-	-
Waste Management	-	-	9 037
Other	-	6 184	61 497
Total Expenditure	932 445	10 204	254 120

Source: 2020 Western Cape EPRE (Provincial spend), National Treasury Database (Municipal spend)

- For the 2022/23 financial year, the WCG will spend an estimated R932.4 million within the Overberg District area (includes spending across all local municipalities). The highest spending departments are Transport and Public Works (73.8 per cent) and Human Settlements (19.4 per cent). Together these two departments represent 93.2 per cent of WCG infrastructure spend in the Overberg District area. The Departments of Health, Education and Environmental Affairs and Development Planning make up the balance, with 2.9 per cent, 2.8 per cent and 1.0 per cent of total Provincial infrastructure spend respectively.
- This largest of the allocations, for road transport, will mainly be directed towards refurbishment and rehabilitation as well as upgrades and additions to existing road transport infrastructure, the biggest of these for 2022/23 being for the Hermanus-Gansbaai project (R130.0 million), the reseal of the Stanford-Riviersonderend road (R105.0 million), refurbishment of the Caledon-Sandbaai road (R93.8 million), upgrades and additions to the Draaiberg road and refurbishment of the Barrydale – Ladismith road (R60.0 million).

3.3 DISTRICT BUDGET ALLOCATIONS

Table 3 Overberg District Budget Allocations 2022/23

Function(s) required by legislation	Legislation	Section	Y/N	Opex (Actual) R'000	Capex (Actual) R'000	Total Capex + Opex R'000	% Total
Solid waste disposal sites, management, control and regulation.	Municipal Structures Act	84(1)(e)	Yes	9 037	-	9 037	3.4%
Municipal Health services.	Municipal Structures Act	84(1)(f)	Yes	20 773	40	20 813	7.9%
Fire-fighting services serving the area of the district municipality as a whole (Emergency services).	Municipal Structures Act	84(1)(g)	Yes	36 018	2 600	38 618	14.6%
Establish a Municipal (District) Disaster Management Centre	Disaster Mgt. Act	44, & 47-49	No	-	-	-	0.0%
Promote Bulk Infrastructure Development and Services.	Municipal Structures Act		No	-	-	-	0.0%
Promote the equitable distribution of resources between the local municipalities in its area to ensure appropriate levels of municipal services within the area.	Municipal Structures Act	84(1)(d)	No	-	-	-	0.0%
Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.	Municipal Structures Act	84(1)(f)	Yes	108 781	-	108 781	41.2%
Regulation of passenger transport services.	Municipal Structures Act	84(1)(g)	No	-	-	-	0.0%
Potable water supply systems.	Municipal Structures Act	84(1)(b)	No	-	-	-	0.0%
Bulk supply of electricity.	Municipal Structures Act	84(1)(c)	No	-	-	-	0.0%
Domestic waste-water and sewage disposal systems.	Municipal Structures Act	84(1)(d)	No	-	-	-	0.0%
Municipal airports serving the area of the district municipality as a whole.	Municipal Structures Act	84(1)(h)	No	-	-	-	0.0%
Municipal Public Works relating to any of the above functions or any other functions assigned to the district municipality.	Municipal Structures Act	84(1)(n)	No	-	-	-	0.0%
Integrated Development Planning for the district municipality as a whole including a Framework for Integrated Development Plans of all municipalities in the area.	Municipal Structures Act	83(3)(a) & 84(1)(a)	Yes	1 391	-	1 391	0.5%
Building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking.	Municipal Structures Act	83(3)(c)	No	-	-	-	0.0%
Must have (establish) District Intergovernmental Forums (incl councillors costs).	IGR ACT	24-27	No	-	-	-	0.0%
Promotion of local tourism. (Sport and recreation - Recreational facilities)	Municipal Structures Act	84(1)(m)	Yes	16 223	1 420	17 643	6.7%
The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.	Municipal Structures Act	84(1)(o)	No	-	-	-	0.0%
The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.	Municipal Structures Act	84(1)(p)	No	-	-	-	0.0%
OTHER EXPENDITURE				61 897	6 144	68 041	25.7%
TOTAL EXPENDITURE				254 120	10 204	264 324	100.0%

The table above presents a picture of the district's allocations as per the mandated functions of district municipalities.

3.3.1 Economic Expenditure analysis

This section considers provincial and municipal allocations over the MTREF and its potential contribution to economic growth in the region.

Road Transport

- District municipalities perform an important roads agency function on behalf of the Provincial Department of Transport and Public Works. This road allocation for the 2022/23 financial year amounts to R108.8 million or 42.8 per cent of the District's total operating budget. This roads function expenditure is in addition to the significant allocation from the WCG Department of Transport and Public Works of R688.6 million (some of the projects are listed above).
- The repair and maintenance of road infrastructure in the District is critical to maintain and enhance connectivity within the area.
- As road infrastructure is a key enabler of economic growth, expenditure on the upkeep and maintenance of road infrastructure enhances connectivity and can have a positive impact on economic growth in the area. The effective management of roads projects was indicated as a development priority within the roads function (as per the IDP).
- The District has previously indicated insufficient funds, ageing equipment, the lack of human resources and the unpredictable weather of the area as challenges facing the function. An update on current challenges experienced would assist to understand to what extent the context with respect to roads have changed.

3.3.2 Social Expenditure analysis

Provincial investment in social infrastructure (education, health, social development and human settlements) is done at the local municipal level and not at District level.

Municipal Health Services

- The District has allocated R20.8 million towards its municipal health function (operating budget) and as well as a capital budget allocation of R40 000 (mostly office equipment) in 2022/23. Districts are mandated to provide municipal health services, which includes the surveillance and prevention of communicable diseases such as the current COVID-19.
- The allocation for municipal health is part of an investment in future health provision. The importance of strengthening this function and providing it with adequate resources is crucial to attaining and maintaining levels and safety standards with regards to our physical environment.
- The District has significantly increased its municipal health operating budget allocation in the 2022/23 financial year (21.2 per cent) compared to its 2021/22 allocation.

3.3.3 Other mandated functions (selected)

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG 422
BREDASPOORT 7140
30 MAY 2022
TEL: 020 425 1495 • FAX: 020 425 1014
info@edm.org.za • www.edm.org.za

Fire Fighting Services

The Overberg District Municipality performs fire and disaster management functions in the District, conducted by the Emergency Services Department of the Municipality. The functions are controlled from the regional control centre in Bredasdorp. During the 2020/21 financial year, the Overberg District's fire services attended to 1 762 incidents, down from 2 202 in the previous year.

The District has allocated a total operating budget of R36.0 million to the provision of fire-fighting services for 2022/23. This represents a 7.2 per cent increase from its 2021/22 allocation. A capital budget of R2.6 million is geared primarily towards vehicle replacement (R2.2 million) and vehicle upgrades/refurbishment (R300 000). In total, allocations towards fire-fighting services equates to 14.6 per cent of the overall 2022/23 budget.

The Municipality has indicated disaster management operational capabilities/vehicles as well as plant and equipment maintenance budget as challenges; these are also addressed through the budget for fire vehicle replace and upgrades/refurbishments (as indicated above).

Disaster Management

Following the outbreak of the COVID-19 pandemic, a National State of Disaster was declared on 15 March 2020 as per section 27(1) of the Disaster Management Act, 2002 (Act No. 57 of 2002); this has only recently been lifted (April 2022). This Act requires that each metropolitan and district municipality must establish a Municipal Disaster Management Centre (MDMC) which is the primary functional unit for disaster risk management (DRM) in metropolitan and district municipalities. A key function of the Municipal Disaster Management Centre is to provide support to the National Disaster Management Centre (NDMC) and the relevant Provincial Disaster Management Centre (PDMC).

Within the Overberg District, Disaster Management is performed as per the requirements of the applicable act and framework. As noted previously, the mandatory administrative part of the function, as described in the act, is adhered to as allowed by financial resources.

Within the District, Disaster Management does not have its own operational budget.

Local Economic Development, Tourism and Resorts

Local economic development, tourism and resorts all fall under the Department: LED, Tourism, Resorts and EPWP. For LED and Tourism, the District has a Regional Economic Development focus, where it aims to, in partnership with the local municipalities and respective industries, create an environment for significant growth and job creation over the medium term. The tourism sector was hit hardest as a result of the COVID-19 lockdown restrictions, including activity at the resorts.

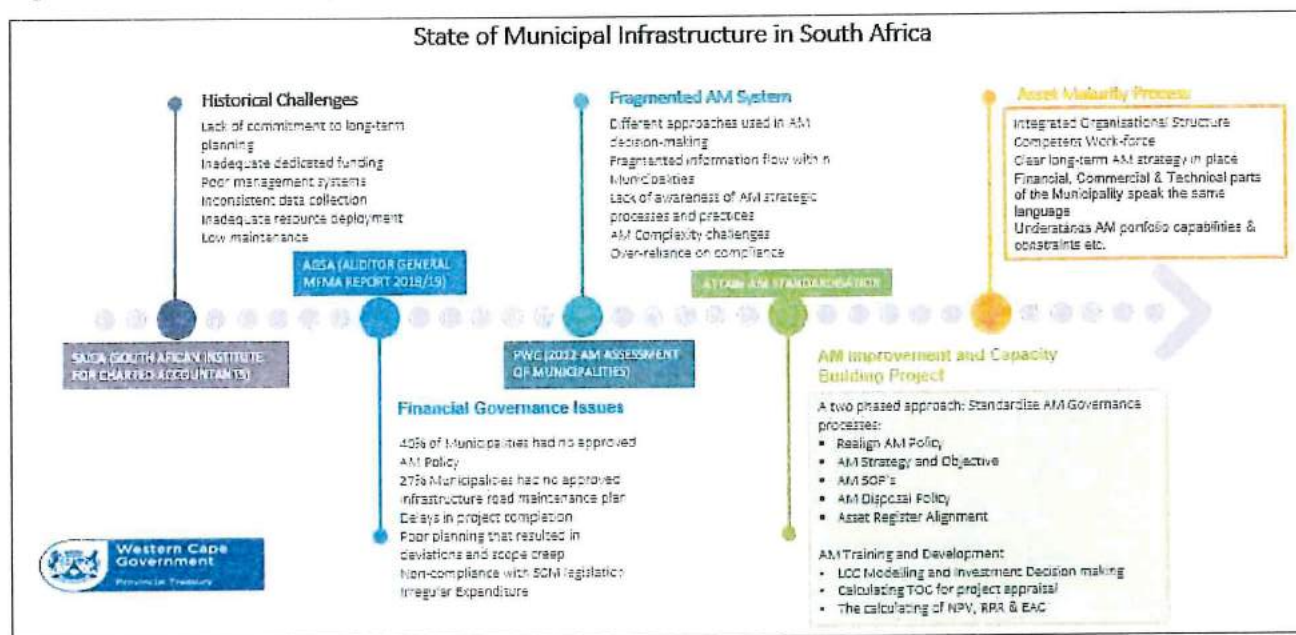
For 2022/23, the District has allocated R16.2 million of its operational expenditure budget to 'Sport and Recreation'; the corresponding capital allocation for the year is R1.4 million. If resorts are well managed and maintained, upgraded and appropriately marketed, it can play a role in promoting domestic and international tourism within the region. The Municipality must consider if the allocation for this function is sufficient given the 1.9 per cent drop in operating expenditure in 2022/23.

3.4 UTILISING PROCUREMENT AS A LEVER TO ENHANCE LOCAL ECONOMIC DEVELOPMENT

3.4.1 Asset Management Governance and Capacitation Project

This project was necessitated by the challenges that were highlighted by AGSA during their 2018/19 audit report for MFMA in the Western Cape, SAICA and Price Waterhouse Coopers (PWC) assessment which is depicted below:

Figure 1 State of Municipal Infrastructure in South Africa



This project focused specifically targeted the Municipal Asset Management Governance Framework, Policies and Strategies as this is the bedrock of all assets related initiatives and provides a mechanism decision-making and gives clear understanding and oversight of each other's expectations, objectives, performance, risk appetite, and reporting requirements. The Framework would review municipal current:

- Policy and Strategy Development,
- Asset Management Planning and Implementation,
- Capability and Capacity Development,
- Performance Improvement and
- Knowledge Management.

Cape Winelands District Municipalities and Overstrand and Cape Agulhas Municipalities were piloted in the initial roll-out of the project. This project has now been implemented in the West Coast District and will overtime be rollout out to other districts of the Western Cape.

As part of this Governance Framework, attention was given to the **Operations and Maintenance Works Order Management** processes; this is the cornerstone of good Repairs and Maintenance Practices, and the Works Order Management document is the prerequisite to a Computerized Maintenance Management system (CMMS) that was found lacking at all piloted municipalities. The reason for the focus on this area is because of the inherent benefits thereof being:

- Cutting downtime of operation equipment.

- Extent asset life.
- Increase availability and performance of equipment.
- Boost employee productivity.
- Reduce overtime.
- Improve municipal services.
- Reduce the maintenance backlogs.
- Improve safety.

The causal loop diagram below provides a snapshot of the aim and purpose of the Asset Management Governance and Capacitation Project. Starting with improving the quality of Asset Management system of Governance, it is envisaged that this would have a knock-on effect of the other processes with the Asset Management system as is depicted in the diagram below. The causal loop diagram also illustrates the aimed interconnectedness of the various processes in the Asset Management System and the relationship with SCM with the ultimate purpose to mature the Asset Management System in municipalities overtime. This will depend on the capability, capacitation levels and culture that exists within various municipalities and districts.

The loop suggests that Asset Management System of Governance will impact Municipal Strategic Planning with appropriate alignment to the organisational design that should positively impact the efficacy of the Enterprise Asset Management Systems (EAM). This should translate into greater level of optimisation that impacts on:

- The quality and reliability of asset performance.
- Accuracy of lifecycle costing information.
- Better informed decision-making.
- That positive effect Total Cost of Ownership (TCO).
- Help municipalities make informed Investment Decisions.
- Hence deliver on effective and reliable service delivery.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREIDSBURG 7260

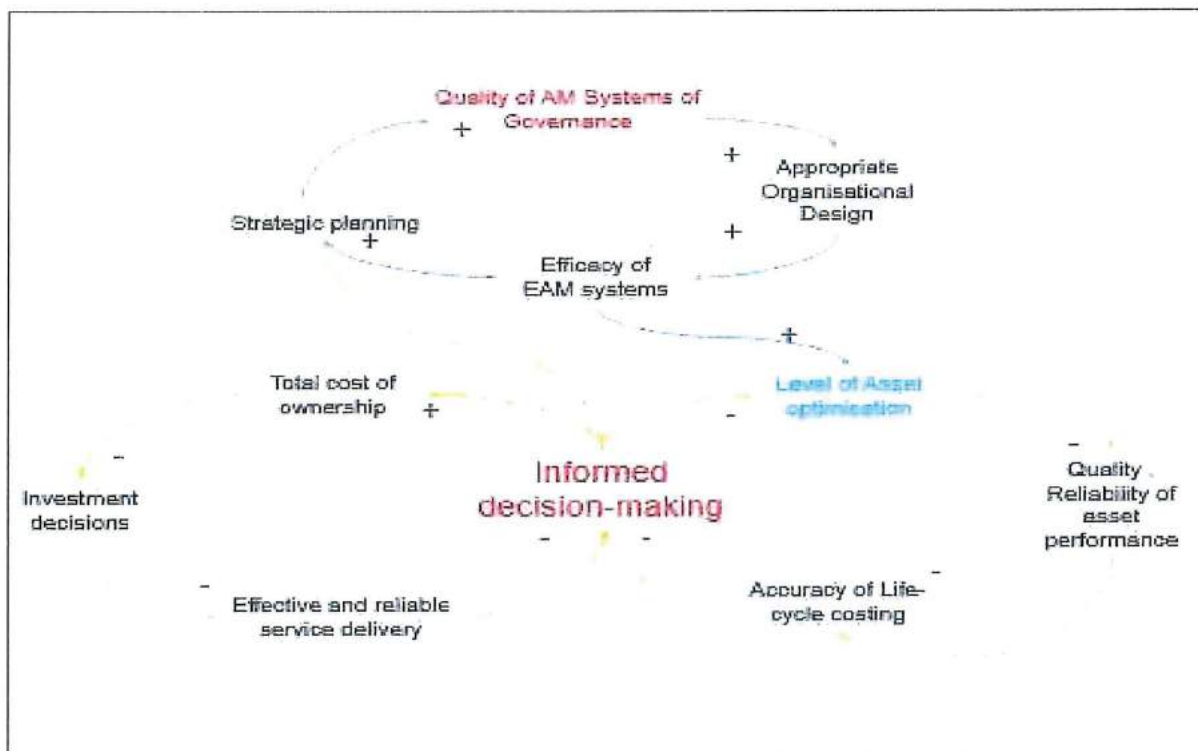


30 MAY 2022

TEL: 022 425 1457 • FAX: 022 425 1014
info@odm.org.za • www.odm.org.za



Figure 2 Causal Loop Diagram



The benefits are assets' longevity beyond design life, integrated solutions that balance cost, risk and performance over the asset life cycle that are needed to optimise asset reliability, availability and quality, at minimum cost. All the elements in the causal loop becomes necessary to understand the risks, benefits of delaying new capital expenditure and the impact on strategic objectives. The aim of Asset optimization is to find the balance between efficiency and reliability by making strategic improvements to the effectiveness of your overall asset management methodology by providing more holistic adjustments to your Asset Management Governance Framework.

The District Asset Management Steering Committee approach for CWDM will aim to share best and right practices and standardised Asset Management processes, in order to keep the continuity and improve the maturity within the region. The collective knowledge of the individual pilot projects will be shared among all municipalities on platform to improve the other portfolios within individual Municipalities.

To achieve this, collaboration among all municipalities on the platform will be key, so it is proposed that it would be essential for other District Municipalities to start playing that collaborative role within their respective districts, in order to start building momentum, so when the project is rolled out in that particular District, the process to standardisation and maturity would be easier.

3.4.2 Procurement Planning

Demand Management and procurement planning has become a national concern, hence National Treasury issued MFMA Circular No. 94 requiring the Accounting Officer to submit the procurement plan together with the Budget, Service Delivery and Budget Implementation Plan (SDBIP) to address the weak planning processes, as slow spending of capital budgets has a negative impact on service delivery.

Procurement planning in the Local Government sphere is an evolving process that needs to be enhanced overtime as the current system, manual or otherwise, has attributed to poor service delivery by not meeting the intended municipal service delivery goals.

PT is currently assessing all procurement plans of Western Cape Municipalities to ensure the compilation of a demand plan and procurement plans aligned with the IDP, SDBIP, and linked to the annual budget to ensure that funding for the acquisition of goods and services are available.

In times of fiscal austerity, efficient resource allocation and integrity in public spending is essential to ensure sound service delivery and transparency. Thus, procurement planning can be a useful recognition of procurement tool to improve institutional efficiency through savings and economies of scale. One of the ways to utilize procurement plans to achieve savings and economies of scale is to consider joint procurement for common goods and services.

3.4.3 Municipal Supplier Evidence Bank (SEB)

In the Draft Public Procurement Bill for public comment, under **Chapter 2, Part 3 – Use of Technology**, reads *"Institutions must, to the extent possible, use information and communication technology to implement any of the procurement methods in this act"*

PT is currently doing research with the planned roll-out of supplier evidence bank (SEB) system to the municipalities to enhance their master supplier database and provide a reliable house for documentation of suppliers' information. The SEB is a central repository of governance documents required in the Supply Chain Management process that augments the CSD as this information is not available on the current CSD system.

There are numerous benefits that comes with this web-based solution for Provincial Treasury, municipalities and suppliers as it will provide a single point of reference, reduce the repetitive process of submitting documentation and house documentation. The benefits for municipalities and suppliers will include at least the following SCM Governance requirements:

- The SEB will provide for LESS RED TAPE making it easier to do business with municipalities and streamline the activation process.
- Focused on improving performance, compliance and developing a credible centralised data source has emerged.
- The main function of the SEB, is that governance documents submitted only ONCE to the WCSEB instead of each tender (BBBEE + tax compliance status extracted from CSD, MBD 4, 8 and 9 consolidated into ONE document; MBD4, inclusive of municipal services accounts.)
- The SEB will also flag suppliers listed on the NT tender defaulters register and restricted suppliers' list, potential conflict of interest, suspended suppliers and any supplier expired documentations.

Furthermore, the SEB is designed to accommodate local SMME's to render service with the Municipality especially for formal and informal quotation as there's no need for local supplies to visit the municipal office notice boards to check for advertised tender/RFQs, the system generates the email and send it to supplies based on their commodity/industry classification. Overtime Provincial Treasury will purpose to integrate other applications and solutions with the SEB via a BI solution as part of the e-vision in order bring about better efficiencies in governance and data analytics.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG K22
BREDASDORP 7150
30 MAY 2022
TEL: 022 426 4067 • FAX: 022 426 4014
info@om.org.za • www.om.org.za

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SECTION 4: FINANCIAL SUSTAINABILITY

4.1 CREDIBILITY OF FUNDED BUDGET

4.1.1 Observations on the Current Financial Year

Table 4 Budget audit and current year performance

Overberg District Municipality															
	2018/19				2019/20				2020/21				Current year 2021/22		
R thousands	Adjusted Budget	Audited Outcome	YTD%	Diff	Adjusted Budget	Audited Outcome	YTD%	Diff	Adjusted Budget	Audited Outcome	YTD%	Diff	Original Budget	Adjusted Budget	Diff
Financial Performance															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges	3 107	1 744	56%	-44%	10 723	12 933	121%	21%	12 206	12 130	99%	-1%	13 160	12 323	-6%
Investment revenue	1 400	2 159	154%	54%	2 500	1 896	76%	-24%	1 800	2 287	127%	27%	2 144	2 144	0%
Transfers recognised - operational	74 503	71 478	96%	-4%	180 906	169 680	94%	-6%	201 815	205 974	102%	2%	194 564	199 187	2%
Other own revenue	120 832	124 171	103%	3%	36 715	28 773	78%	-22%	39 236	30 603	78%	-22%	45 357	46 590	3%
Total Revenue (excluding capital	199 841	199 552	100%	0%	230 844	213 283	92%	-8%	255 057	250 994	98%	-2%	255 224	260 243	2%
Employee costs	100 300	93 668	93%	-7%	113 507	105 831	93%	-7%	115 641	122 921	106%	6%	132 303	125 974	-5%
Remuneration of councillors	6 326	6 264	99%	-1%	6 618	6 197	94%	-6%	6 341	5 970	94%	-6%	6 548	6 398	-2%
Depreciation & asset impairment	3 576	3 792	106%	6%	3 576	3 568	100%	0%	3 576	3 828	107%	7%	4 614	4 614	0%
Finance charges	3 280	5 935	181%	81%	9 154	3 855	42%	-58%	6 395	3 448	54%	-46%	3 582	3 332	-7%
Materials and bulk purchases	48 048	48 585	101%	1%	48 514	42 327	87%	-13%	65 819	63 299	96%	-4%	45 269	52 200	15%
Transfers and grants	480	360	75%	-25%	484	-	0%	-100%	680	680	100%	0%	250	2 549	920%
Other expenditure	42 371	43 230	102%	2%	55 381	46 129	83%	-17%	56 602	47 763	84%	-16%	61 384	63 594	4%
Total Expenditure	204 380	201 834	99%	-1%	237 233	207 908	88%	-12%	255 054	247 909	97%	-3%	253 950	258 661	2%
Surplus/(Deficit)	(4 539)	(2 282)	50%	-50%	(6 389)	5 375			3	3 085			1 274	1 583	24%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 495	3 379	75%	-25%	2 650	691	26%	-74%	3 700	2 886	78%	-22%	-	1 950	
Contributions recognised - capital & contributed assets	-	-			-	-			5	667	13349%	13249%	-	-	
Surplus/(Deficit) after capital transfers & contributions	(45)	1 097	-2461%	-2561%	(3 739)	6 067	-162%	-262%	3 707	6 638	179%	79%	1 274	3 533	177%
Share of surplus/(deficit) of associate	-	-			-	-			-	-			-	-	
Surplus/(Deficit) for the year	(45)	1 097	-2461%	-2561%	(3 739)	6 067	-162%	-262%	3 707	6 638	179%	79%	1 274	3 533	177%
Capital expenditure & funds sources															
Capital expenditure	31 869	38 773	122%	22%	5 652	(10 498)	-186%	-286%	4 744	5 036	106%	6%	4 989	8 585	72%
Transfers recognised - capital	-	-			2 650	-	0%	-100%	3 705	-	0%	-100%	-	1 950	
Borrowing	-	-	0%	0%	-	-			-	-			-	-	
Internally generated funds	-	-			-	-			-	-			-	-	
Total sources of capital funds	24 391	-	0%	-100%	3 002	-	0%	-100%	1 039	-	0%	-100%	4 989	6 635	33%

Source: Overberg District Municipality 2022/23 MTREF Draft Budget A1-Schedule – mSCOA data strings

- The historical trends over the past three audited financial years indicate an acceptable level on the operating revenue budget implementation performance when comparing the adjusted 2021/22 budget and the audited outcomes. An underperformance of eight (8) per cent and two (2) per cent was however noted in the 2019/20 and 2020/21 financial years respectively. Operating Expenditure has shown underperformances of one (1) per cent in 2018/19, 12 per cent in 2019/20 and three (3) per cent in 2020/21.
- It should be noted that based on the prior year audited outcomes, the Municipality has reported a deficit budget in 2018/19 and operating surpluses in 2019/20 and 2020/21 financial years. It has been noted on the Municipality's performance that in the 2021/22 financial year, operational expenditure has increased by two (2) per cent whilst the operating revenue has also increased by six (6) per cent.
- Current capital performance as at the end of February 2022 was reported to be 22.4 per cent which indicates underperformance of 39.2 per cent when compared to the year-to-date projection and the Municipality is reminded to monitor performance throughout the year to prevent the trends of underspending from past years being repeated in the 2021/22 financial year.

4.2 REVIEW OF THE NEW (2022/23) MTREF

4.2.1 Review of the Budget Assumptions

Table 5 Budget assumptions for the 2022/23 MTREF Budget:

Budget Assumptions for 2022/23				
MTREF	National Treasury Norm	2022/23	2023/24	2024/25
Tariff Percentage Increase:				
Electricity	9.61 % Eskom deliberation approved, however 7.47% was approved.	Aligned to Overstrand tariffs		
Sanitation	CPI index inflation with lower limit of 3 to 6 % target band. Municipality to justify all increases in excess	New tariffs		
Refuse		5,00%	Not provided	
Fire Services		50%	Not provided	
Roads		7%	Not provided	
Municipal Health		50%	Not provided	
Collection Rates				
Electricity	MFMA Circular no.71 norms of 95%	100	100	100
Sanitation		100	100	100
Refuse		99%	99%	99%
Employee Related Costs				
		4,90%	4,90%	4,90%
Salaries and wages and related costs	MFMA Circular no.112 and 115 guidance of 4.9%			
Notch Increment		1,50%	1,50%	1,50%

Source: Overberg District Municipality 2022/23 MTREF Draft Budget document

- The budget assumptions listed in the budget document are used as a benchmark in predicting the expected operating revenues and expenditures as well as the capital expenditure. The Municipality has taken account of the current realities facing the Municipality and its ability to manage its financial administration. These include amongst others policy decisions of different spheres of government affecting municipal operations, external factors influencing municipal revenue and expenditure patterns and the management of internal factors to minimise the impact on both the Municipality and the clients that they serve.
- As a district municipality, the Municipality has limited revenue sources, but great effort is noted in identifying additional revenue sources. Tariffs are proposed above inflation and may influence the revenue growth assumptions.
- The Municipality has over the last two (2) financial years shown great resilience to remain financially stable under exceptionally uncertain economic conditions. The Municipality's continued success depends on its ability to recognise when to adapt and adjust plans during any uncertainty. The Municipality is encouraged to continue with ongoing assessments of assumptions to ensure that revenue, expenditure projections and policy decisions to be accurately informed over the MTREF.
- The main fiscal challenge facing the Municipality is the limited revenue base and the identification of revenue opportunities within a cost-efficient governance model of service delivery. Balancing affordability and increasing spending demands is key to maintain a healthy funding position with active contributions to the capital replacement reserve fund.
- In terms of the provisions as set out in the Constitution, District Municipalities have a role to assist and capacitate local municipalities to enable them to provide and sustain the provision of services in their areas and promote economic development in the district.

- In view of the afore-mentioned roles of District Municipalities, the Municipality must find a balance between exercising its mandated role and the limited resources available to do so. The revenue base of the Municipality is mainly made up of National and Provincial grant funding, service charges for refuse revenue generated from the Karwyderskraal Landfill dumping site, resorts and from its Roads agency function role. Careful consideration must be given to the funding of expenditure pressures.
- Tariff increases must be clearly stipulated in the document for the MTREF period as well as collection rates. The assumptions listed is based on tables SA30 and SA25.
- The overall budget assumptions appear to be credible and aligned to the prescribed regulatory framework as contemplated by the Municipal Budget and Reporting Regulations (MBRR), read together with the Municipal Financial Management Act (MFMA), and is also guided by the MFMA Circular No. 112 and 115. The Municipality is encouraged to complete the budget assumptions with tariff increases and collection rates over the MTREF period.

4.2.2 Budget Overview

Table 6 Budget Overview for the 2022/23 MTREF Budget:

DC3 - Overberg	Table A4 Budgeted Financial Performance (revenue and expenditure)					CURRENT YEAR					MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					ASSUMPTIONS & CALCULATION		
Description	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2022/23	2023/24	2024/25	
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	% Change	% Change	% Change	
Revenue By Source																		
Total Revenue (excluding capital transfers and contributions)	199 552	213 283	250 994	255 224	260 243	260 243	260 243	179 384	254 210	254 210	263 970	263 970	270 203	270 203	-2,3%	3,8%	2,4%	
Total Expenditure	201 834	207 908	247 909	253 930	258 661	258 481	258 661	191 492	254 120	253 920	263 150	262 950	270 070	269 870	-1,8%	3,6%	2,6%	
Surplus/(Deficit)	(2 282)	5 375	3 085	1 274	1 583	1 763	1 583	(12 108)	90	290	820	1 020	132	332	-94,3%	812,4%	-83,9%	
Non-Cash Items																		
Depreciation and asset impairment	3 792	3 568	3 828	4 614	4 614	4 614	4 614	3 453	3 626	3 626	3 561	3 561	3 547	3 547	-21,4%	-1,0%	-0,4%	
Total Rescaled Result	1 510	8 943	6 913	5 888	6 196	6 396	6 196	(8 655)	3 715	3 915	4 381	4 581	3 679	3 879	-40,0%	17,9%	-16,0%	
Total Capital Expenditure	38 773	(10 498)	5 036	4 989	8 585	8 585	2 539	8 585	10 264	10 204	3 950	3 950	3 355	3 355	18,9%	-61,3%	-15,1%	
Funded by																		
National Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Provincial Government	-	-	-	-	1 950	1 950	676	-	-	-	-	-	-	-	-100,0%	-	-	
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - capital	-	-	-	-	1 950	1 950	676	-	-	-	-	-	-	-	-100,0%	-	-	
Borrowing	-	-	-	-	-	-	-	-	4 800	-	-	-	-	-	-	-100,0%	-	
Internally generated funds	-	-	-	-	4 989	6 635	6 635	1 883	5 404	3 990	3 355	3 355	3 355	3 355	8,3%	-37,9%	0,0%	
A7 - Cash/cash equivalents at the year end:	881	16 433	146 739	294 447	44 926	60 992	44 926	(24 953)	45 021	53 785	47 891	57 471	47 112	60 632	0,2%	6,4%	-1,6%	
A8 - Surplus / (shortfall) after application of cash and investment	6 753	9 387	134 785	285 467	40 418	19 255	40 418	(7 869)	33 827	21 030	37 004	23 900	36 535	27 382	-16,3%	9,4%	-1,3%	

Source: Overberg District Municipality 2021/22 MTREF Draft Budget A1-Schedule - mSCOA data

- The Municipality tabled a budget with operating surpluses over the entire 2022/23 MTREF budget which is commendable.
- Notwithstanding the operating surplus, own funding is declining by four (4) per cent in 2022/23 (as per the budget document) which is an indication of sustainability challenges facing the Municipality. It is noted that expenditure is also declining indicating efforts to curtail costs.
- The Municipality is commended for maintaining a cash surplus after commitments and the Municipality's budget is reflected as funded without any threats on its going concern and sustainability over the 202/23 MTREF in accordance with section 18 of the MFMA.

4.2.3 Operating Revenue Budget

Table 7 2022/23 MTREF Operating Revenue Budget:

DC3 - Overberg		Table A1 Budgeted Financial Performance (revenue and expenditure)					CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					ASSUMPTIONS & CALCULATIONS							
Description	2016/19	2019/20	2020/21	2021/22	2022/23	2022/22	2021/22	2021/22	2020/23	2022/23	2023/24	2023/24	2024/25	2020/25	2019/20	2020/21	2021/22	2021/22	2022/23	2023/24	2024/25		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	% Change	% Change	% Change	% Change	% Change	% Change	% Change		
R Thousand																							
Revenue By Source																							
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Service charges - electricity revenue	-	-	265	747	350	350	350	219	300	300	318	318	337	337	-	-	25,6%	-51,8%	-16,7%	6,0%	6,0%		
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	600	600	642	642	667	667	-	-	-	-	-	-	7,6%		
Service charges - refuse revenue	1 744	12 933	11 844	12 413	11 993	11 993	11 993	7 767	12 572	12 572	13 719	13 719	14 869	14 869	641,4%	-6,4%	1,0%	-3,0%	5,1%	9,1%	8,4%		
Rental of facilities and equipment	16 162	10 983	11 856	11 844	12 044	12 044	12 044	8 265	12 730	12 730	13 032	13 032	13 814	13 814	-32,0%	7,9%	1,6%	1,7%	5,7%	2,4%	6,0%		
Interest earned - external investments	2 159	1 866	2 287	2 144	2 144	2 144	2 144	1 746	2 000	2 000	2 200	2 200	2 200	2 200	-12,2%	30,6%	-6,3%	0,0%	-6,7%	10,0%	0,0%		
Interest earned - outstanding debtors	-	-	-	25	230	230	230	1 142	200	200	220	220	245	245	-	-	-	-	-10,0%	-13,0%	10,0%		
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Licences and permits	123	137	230	166	166	166	166	157	2 500	2 500	2 730	2 730	2 950	2 950	11,3%	63,1%	-27,6%	6,0%	1402,4%	10,0%	7,3%		
Agency services	102 665	10 127	11 343	11 436	11 511	11 511	11 511	8 706	11 351	11 351	11 871	11 871	11 871	11 871	-80,2%	12,0%	1,3%	0,7%	-1,4%	4,6%	0,0%		
Transfers and subsidies	71 478	169 600	268 074	194 564	199 187	199 187	199 187	144 508	197 192	197 192	203 935	203 935	207 105	207 105	137,4%	21,4%	-3,1%	2,4%	-1,0%	1,4%	1,6%		
Other revenue	4 115	7 526	7 174	8 170	9 153	9 153	9 153	5 571	12 284	12 284	12 283	12 283	13 123	13 123	82,6%	-4,7%	27,6%	12,0%	34,0%	0,1%	6,8%		
Gains	882	-	-	13 485	13 485	13 485	13 485	1 332	2 500	2 500	3 000	3 000	3 000	3 000	-100,0%	-	-	0,0%	-81,5%	20,0%	0,0%		
Total Revenue (excluding capital transfers and contributions)	199 552	213 283	259 994	255 224	260 243	260 243	260 243	179 384	254 216	254 216	263 970	263 970	270 203	270 203	6,9%	17,7%	3,7%	2,0%	-2,3%	3,8%	2,4%		

Source: Overberg District Municipality 2022/23 MTREF Draft Budget A1-Schedule – mSCOA data strings

- A decrease of 2.3 per cent was noted in the projected 2022/23 Operating Revenue budget when compared to the 2021/22 Adjusted budget amount of R260.24 million to R254.21 million and a slight increase is anticipated over the outer two years to R270.20 million. The projected growth in revenue is minimal at 3.8 per cent and 2.4 per cent in the two outer years respectively.
- The **Transfers and subsidies** line item is the largest operating funding source amounting to R197.19 million or 77.57 per cent of the total operating revenue budget for the 2022/23 financial year. Transfers and Subsidies projected revenue decreased by one (1) per cent increase when compared to the 2021/22 allocation but increases by 1.3 per cent on average over the MTREF period. This is an indication of the pressure on the Provincial and National fiscus and further contributes to the long-term financial sustainability challenges faced by the Municipality. The Municipality is encouraged to continue identifying alternative revenue sources to meet its growing expenditure. Historically the Municipality has recorded underspending on grants, therefore in view of the persistent fiscal constraints over the MTREF the Municipality is advised to put control or measures in place to fully commit and spend grant allocations to avoid retention and or reduction of grant amounts.
- **Transfers and subsidies** for operating revenue budgeted for in supporting table SA18 reconciles with the grant allocations as per 2022 Division of Revenue Bill (DORB), the Municipality is commended for ensuring that budgeted grant amounts align to the allocations as per DORB.
- It is noted that long term receivables/ provisions relating to the roads function employees are increasing over the MTREF period. Contractual agreements with Transport Public Works (TPW) must be in place to accurately inform the anticipated support and budget assumptions
- **Licences and permits** will increase to R2.5 million in 2022/23 from an adjustment budget amount of R166 000. Similarly **Other revenue** is projected to increase by 34 per cent from R9.15 million in the current year to R12.26 million in the 2022/23 financial year. The realisation of the actual revenue must be assessed in the context of the increases in tariffs and affordability of consumers.

- Despite the aggressive tariff increases in **Firefighting and Protection** and **Health services**, costs to deliver these services are escalating at a higher rate resulting in operating deficits over the entire MTREF of R93.6 million and R51.5 million respectively which is a concern.

Cost Reflective Tariffs

- National Treasury maintains that Municipalities utilise the tariff setting tool referenced in MFMA Circular 98 (item 4.2), in conjunction with the National Treasury Municipal Costing Guide. This tool is envisaged to assist municipalities in setting tariffs that are cost-reflective and would enable the recovery of costs to fulfil the municipal mandate. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget.
- National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the Municipality, bearing in mind the Consumer Price Index (CPI) inflation. Municipalities are required to justify all increases in excess of the projected inflation target for 2021/22 in their budget narratives and pay careful attention to tariff increases across all consumer groups. Municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative (Municipal Budget Circular 107).
- This section will assess the cost recovery of the four trading services, i.e., electricity, water, sanitation and refuse. National Treasury stipulates that these services should at least be cost reflective. Trading services are services which can in principle, run as separate businesses because tariffs can in theory be set in such a way as to yield a trading surplus. A key feature of trading services is that they can be provided by private enterprises. Consumers receive a direct *quid pro quo* for tariffs paid. Water and electricity are normally seen as services which could operate at a surplus.

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Table 8 2022/23 MTREF Operating Revenue Budget:

Description	2018/19 Audited Outcome	2019/20 Audited Outcome	2020/21 Audited Outcome	Current Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
R thousand							
Revenue: A4	1 744	12 933	12 130	12 323	13 472	14 679	15 893
Service charges - electricity revenue			286	360	300	318	337
Service charges - sanitation revenue	–	–	–	–	600	642	687
Service charges - refuse revenue	1 744	12 933	11 844	11 963	12 572	13 719	14 869
Expenditure: A2	5 146	8 943	10 184	9 439	9 437	9 438	9 823
Energy sources			766	400	400	400	400
Waste water management							
Waste management	5 146	8 943	9 418	9 039	9 037	9 038	9 423
Surplus/Deficit	(3 401)	3 990	1 946	2 884	4 035	5 241	6 071
Electricity	–	–	(480)	(40)	(100)	(82)	(63)
Sanitation	–	–	–	–	600	642	687
Refuse	(3 401)	3 990	2 426	2 924	3 535	4 681	5 447
Surplus/Deficit	-195%	31%	16%	23%	30%	36%	38%
Electricity			-63%	-10%	-25%	-21%	-16%
Sanitation					100%	100%	100%
Refuse	-66%	45%	26%	32%	39%	52%	58%

Source: Overberg Municipality 2022/23 MTREF Draft Budget A1-Schedule – mSCOA data strings

- The Municipality's service charges for refuse revenue generation from the Karwyderskraal Landfill dumping site is budgeted to increase by R609 000, from R11.96 million (2021/22) to R12.57 million in

2022/23, R1.15 million and R1.15 million increases in the outer two (2) years of the MTREF. The Municipality has experienced a decline in the volumes of waste in the current year and the assumption for revenue to increase over the MTREF must be reviewed in line with current realities. The Municipality must also be mindful of strategies implemented by local municipalities to reduce overall waste as this reduces the total volumes of waste dumped which negatively impacts on the District Municipality's revenue.

- Revenue generated from the 'Electricity services' is projected at R300 000, R318 000 and R337 000 over the MTREF. The costs (bulk purchases) are estimated at R400 000 per year, resulting in deficits over the MTREF. It is concerning that the Municipality is rendering a service that is not within its mandate that is adding more financial pressure. The tariff list indicates that the tariff is linked to Overstrand municipal tariff list and processes must be revised to minimise the financial impact on the Municipality.
- It is noted that services to resorts are expanded as revenue in respect sanitation is budgeted for R600 000 in 2022/23, R642 000 in 2023/24 and R687 000 in 2024/25. Tariffs are in respect of infrastructure availability and sewerage connection fees. These are functions delivered by the local municipalities and the assumptions informing these revenue items must be reviewed. The Municipality did not budget for any costs related to this service and these assumptions must be reviewed.

Benchmarking is the practice of comparing business processes and performance metrics to industry bests and best practices from other institutions.

The main aim of the benchmarking exercise is to:

- Promote continuous improvement by maintaining a competitive edge;
- Support partnering to share information and best practices; and
- Drive adaptation based on customer needs after examination of the best.

The table below compares the Municipality's Operating budget performance as projected in the draft 2022/23 MTREF Budget against the expected norms, the provincial average, the highest point, and the lowest point in the province for each indicator.

Table 9 Municipal Benchmarking – Operating Revenue:

PT: Municipal Budget and Benchmarking Engagement - 2022/23 Draft Budget (Per Mun Own Budgeted Figures)

R thousands	DC3 Overberg (M)	MFMA Circular 71 Norm/ Guideline	Provincial Average	Highest	Lowest
Inc (Decr) in 2023 Op Rev against 21/22 Main Adj Budget					
% Increase in Total Operating Revenue	(2,3%)	CPI	5,7%	13,8%	(14,3%)
% Incr(Decr) in Property Rates Revenue	,0%	CPI	6,7%	34,7%	(3,8%)
% Incr(Decr) in Electricity Revenue	(16,7%)	CPI	7,0%	14,6%	(16,7%)
% Incr(Decr) in Water Revenue	,0%	CPI	5,4%	40,0%	(5,9%)
% Incr(Decr) in Sanitation Revenue	,0%	CPI	8,8%	40,0%	(4,6%)
% Incr(Decr) in Refuse Revenue	4,7%	CPI	11,9%	100,0%	(1,6%)
Allocation Efficiency Opex Share: to Total OpRev - Excl Cap Transfers					
% Share of Total Operating Costs	100,0%	95% - 97%	94,6%	113,9%	86,2%
% Share of Employee Related Costs - Excl Cllrs	53,9%		35,0%	58,6%	24,9%
% Share of Remuneration (Incl Councillor)	56,3%		36,6%	61,3%	26,4%
% Share of Bulk Electricity	,2%		21,9%	47,0%	,0%
% Share of Inventory Consumed (Water)	,0%		,7%	4,2%	(,1%)
% Share Contracted Services	9,3%		9,4%	20,2%	4,0%
% Share of Other Expenditure	13,2%		7,8%	22,3%	4,5%
Debt Impairment % of Billable Revenue	,1%		7,8%	21,2%	,0%
Trading Services - Surplus/(Deficit) %					
Electricity Services (Dept)	(25,0%)	0% - 15%	7,3%	27,4%	(25,0%)
Water Services (Dept)	,0%	= > 0%	25,5%	90,4%	(49,5%)
Sanitation Services (Dept)	100,0%	= > 0%	25,7%	219,1%	(58,2%)
Refuse Services (Dept)	39,1%	= > 0%	13,3%	235,0%	(35,5%)

Source: Overberg Municipality 2022/23 MTREF Draft Budget A1-Schedule – mSCOA data strings

4.2.4 Operating Expenditure Budget

Table 10 2022/23 MTREF Operating Expenditure Budget:

DC3 - Overberg	Table A4 Budgeted Financial Performance (revenue and expenditure)					CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					ASSUMPTIONS & CALCULATION		
Description	2016/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25	2022/23	2023/24	2024/25
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	% Change	% Change	% Change
Expenditure By Type																	
Employee related costs	93 688	105 831	122 921	132 303	125 974	125 974	125 974	93 574	136 894	136 894	144 652	144 652	153 415	153 415	8.7%	5.7%	6.1%
Remuneration of councillors	6 264	6 197	5 910	6 548	6 358	6 358	6 358	4 551	6 166	6 166	6 529	6 529	6 915	6 915	-3.6%	5.9%	5.9%
Debt impairment	61	(118)	67	200	200	-	-	200	-	-	200	-	200	-	0.0%	0.0%	0.0%
Depreciation and asset impairment	3 792	3 588	3 828	4 614	4 614	4 614	4 614	3 453	3 626	3 626	3 561	3 561	3 547	3 547	-21.4%	-1.8%	-0.4%
Finance charges	5 935	3 855	3 448	3 582	3 332	3 332	3 332	2 158	3 329	3 329	3 293	3 293	3 351	3 351	-4.1%	-1.1%	1.8%
Bulk purchases - electricity	-	-	786	400	400	400	400	329	400	400	400	400	400	400	0.0%	0.0%	0.0%
Inventory Consumed	48 585	42 327	62 534	44 869	51 800	51 800	51 800	44 565	46 414	46 414	48 682	48 682	46 170	46 170	-10.4%	4.9%	-5.2%
Contracted services	15 512	17 234	16 471	27 410	29 108	29 108	29 108	17 389	23 636	23 636	22 917	22 917	23 102	23 102	-18.8%	-3.0%	0.8%
Transfers and subsidies	360	-	680	250	2 549	2 549	2 549	249	-	-	-	-	-	-	-100.0%	-	-
Other expenditure	24 812	28 509	30 924	33 774	34 286	34 286	34 286	25 273	33 455	33 455	32 916	32 916	32 971	32 971	-2.4%	-1.6%	0.2%
Losses	2 844	503	301	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	201 834	207 908	247 909	253 958	258 661	258 661	258 661	191 482	254 120	253 920	263 150	262 950	270 070	269 870	-1.8%	3.6%	2.8%

Source: Overberg Municipality 2022/23 MTREF Draft Budget A1-Schedule – mSCOA data strings

- Operating expenditure is projected to decrease by 1.8 per cent in 2022/23, increase by 3.6 per cent in 2023/24 and further increase by 2.6 per cent in the final year of the MTREF period. These projections are below CPI and the Municipality is encouraged to continuously revise assumptions as circumstances and the environment changes.
- The main cost drivers for the 2022/23 financial year are **Employee related costs** (R136.89 million), **Inventory Consumed** (R 46.41 million), **Other expenditure** (R 33.46 million) and **Contracted services** (R23.64 million). The apportionment against the outer years of the 2022/23 MTREF remains comparable.
- Employee related costs** for the 2022/23 financial year is budgeted at R136.89 million which represents an increase of 8.7 per cent from the 2021/22 financial year. Overberg District Municipality budgeted to increase its salaries by a notch increase of 1.5 per cent. Medical aid fund and salaries and wages related costs are projected to increase by 4.9 per cent. The Municipality's employee related costs to operating expenditure ratio is budgeted at 53.9 per cent in 2022/23, 55 per cent in 2023/24 and 56.8 per cent in 204/25. This increasing ratio is above the norm of 24 to 40 per cent which is of concern. The proposed revision of the organogram and restructuring opportunities are noted to ensure more affordable employee related cost. The Municipality is also encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement.
- COVID-19:** As a result of the lifting of the State of Disaster on Monday, 4 April 2022, it is no longer a requirement to manually report on the expenditure on a weekly basis. Reporting on the expenditure will be monitored through the submission of the mSCOA data strings as articulated in mSCOA Circular No. 9 dated 9 June 2020. The Municipality did not budget accordingly for COVID-19 related expenditure and should correct this in the final budget.
- The above analysis notes that the Municipality employed concerted effort to reduce several expenditure items to give effect to Cost Containment and sustainability. The implementation of the budget must be carefully monitored.

Table 11 1Municipal Benchmarking – Operating expenditure

PT: Municipal Budget and Benchmarking Engagement - 2022/23 Draft Budget (Per Mun Own Budgeted Figures)					
R thousands	DC3 Overberg (M)	MFMA Circular 71 Norm/ Guideline	Provincial Average	Highest	Lowest
Incr(Decr) in 2023 Op Exp against 21/22 Main Adj Budget					
% Incr(Decr) in Total Operating Expenditure	(1,8%)	CPI	3,2%	9,5%	(14,3%)
% Incr(Decr) in Employee Related Costs	8,7%	CPI	5,4%	11,0%	,7%
% Incr(Decr) in Remuneration (Incl Councillors)	8,1%	CPI	5,3%	10,6%	,8%
% Incr(Decr) in Bulk Purchases (Electricity)	,0%	NERSA	7,3%	12,3%	,0%
% Incr(Decr) in Inventory Consumed (Water)	,0%	AWB	44,1%	933,3%	(322,0%)
% Incr(Decr) in Contracted Services	(18,8%)	CPI	5,7%	160,0%	(54,1%)
% Incr(Decr) in Other Expenditure	(2,4%)	CPI	1,7%	21,3%	(33,4%)
Allocation Efficiency: to Total Op Exp					
% Employee Related Costs to Total Opex Excl Cllrs	53,9%	25% - 40%	34,5%	57,8%	25,5%
% Remuneration Costs (Incl Councillor)	56,3%	25% - 40%	36,1%	60,4%	26,4%
% Bulk Electricity Purchases to Total Opex	,2%		21,4%	47,2%	,0%
% Inventory Consumed (Water) to Total Opex	,0%		,6%	3,7%	(,1%)
% Contracted Services to Total Opex	9,3%	2% - 5%	9,3%	20,2%	3,8%
% Other Expenditure to Total Opex	13,2%		8,4%	22,0%	4,4%
% Overtime to Employee Related Costs	1,6%		1,5%	5,4%	,0%
% Consultancy Fees to Total Opex	9,3%		2,5%	9,3%	,5%

Source: Overberg Municipality 2022/23 MTREF Draft Budget A1-Schedule – mSCOA data strings

The table above compares the Municipality's Operating Expenditure performance as projected in the draft 2022/23 MTREF Budget against the expected norms, the provincial average, the highest and the lowest percentages in the province for each indicator.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / DONATE BAG X22
BREDASDORP 7280
30 MAY 2022

TEL: 028 425 1127 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

4.2.5 Capital Budget

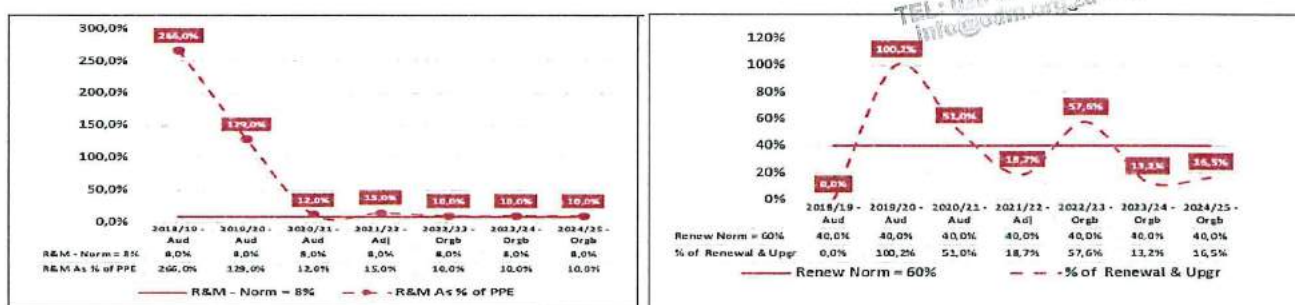
Table 12 2022/23 MTREF Capital Expenditure Budget:

DC3 - Overberg	Description	Table A5 Budgeted Capital Expenditure				CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE		
		2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome		Budget Year +0	Budget Year +1	Budget Year +2
Capital Expenditure - Functional												
Municipal governance and administration												
Executive and council		38 773	(10 498)	5 036	1 500	1 869	1 869	472		1 262	960	350
Finance and administration		-	-	-	-	7	7	-		-	440	-
Internal audit		38 773	(10 498)	5 036	1 500	1 860	1 860	472		1 242	520	350
Community and public safety		-	-	-	3 234	6 340	6 340	2 086		4 060	2 990	3 005
Community and social services		-	-	-	-	-	-	-		-	-	-
Sport and recreation		-	-	-	412	700	700	362		1 420	400	400
Public safety		-	-	-	2 800	5 600	5 600	1 709		2 600	2 590	2 605
Housing		-	-	-	-	-	-	-		-	-	-
Health		-	-	-	22	40	40	15		40	-	-
Economic and environmental services		-	-	-	-	120	120	-		4 882	-	-
Planning and development		-	-	-	-	-	-	-		-	-	-
Road transport		-	-	-	-	-	-	-		-	-	-
Environmental protection		-	-	-	-	120	120	-		4 882	-	-
Trading services		-	-	-	255	255	255	-		-	-	-
Energy services		-	-	-	-	-	-	-		-	-	-
Water management		-	-	-	-	-	-	-		-	-	-
Waste water management		-	-	-	-	-	-	-		-	-	-
Waste management		-	-	-	255	255	255	-		-	-	-
Other		-	-	-	-	-	-	-		-	-	-
Total Capital Expenditure - Functional		38 773	(10 498)	5 036	4 989	8 585	8 585	2 559		10 204	3 950	3 355
Funded by												
National Government		-	-	-	-	-	-	-		-	-	-
Provincial Government		-	-	-	-	1 950	1 950	676		-	-	-
District Municipality		-	-	-	-	-	-	-		-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-		-	-	-
Transfers recognised - capital		-	-	-	-	1 950	1 950	676		-	-	-
Borrowing		-	-	-	-	-	-	-		4 800	-	-
Internally generated funds		-	-	-	4 989	6 635	6 635	1 883		5 404	3 950	3 355
Total Capital Funding		-	-	-	4 989	8 585	8 585	2 559		10 204	3 950	3 355

Source: Overberg Municipality 2022/23 MTREF Draft Budget A1-Schedule - mSCOA data strings

- The Municipality's capital budget over the 2022/23 MTREF period amounts to R17.51 million with a significant focus on the **Economic and environmental services** (R4,88 million or 48 per cent) followed by **Community and public safety** (R4,06 million or 40 per cent).
- The Municipality proposed R4.88 million in respect of environmental protection which is a significant increase from the current year. The Municipality must review these projects in line with the needs identified and how it will be funded.
- Municipal asset replacement, renewal & depreciation management & repairs and maintenance plans:

Figure 1 Asset Management



Source: Overberg Municipality 2022/23 MTREF Draft Budget A1-Schedule - mSCOA data strings

- Budgeted repairs and maintenance amount to ten (10) per cent as a percentage of Property, Plant and Equipment (PPE) which is above the NT norm of eight (8) per cent. Renewal of existing assets amounts to 57.6 per cent in 2022/23 and is reduced to 13.2 and 16.5 per cent in the two (2) outer years, which is not in line with the national guideline of 40 per cent. In the first year of implementing the 2022/23 MTREF budget, the Municipality has adequately budgeted for the maintenance and renewal of existing infrastructure but in the two outer years budgeting for renewal of existing infrastructure decreases significantly. The Municipality is advised to ensure that the repairs, maintenance, renewal and upgrading of existing infrastructure is undertaken in line with an asset management plan to avoid incurring unnecessary expenditure in the future due to inadequate maintenance over the MTREF.

Table 13 Municipal Benchmarking – Asset management

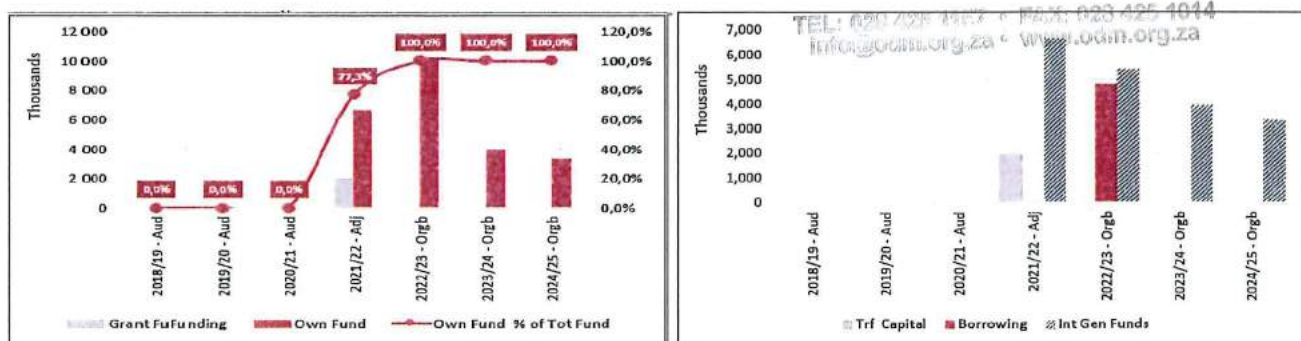
PT: Municipal Budget and Benchmarking Engagement - 2022/23 Draft Budget (Per Mun Own Budgeted Figures)

R thousands	DC3 Overberg (M)	MFMA Circular 71 Norm/ Guideline	Provincial Average	Highest	Lowest
Distribution Lossess					
% Electricity Distribution Losses	,0%	7% - 10%	20,8%	500,0%	,0%
% Water Distribution Losses	,0%	15% - 30%	6,5%	25,0%	,0%
Electricity Distribution Losses' Rand Value	-		8 981	50 895	-
Water Distribution Losses' Rand Value	-		2 043	22 389	-
Asset Management					
Renewal & Upgrading Existing Assets % total capex	81,9%		45,3%	91,7%	,0%
R&M % of PPE & Investment Property	10,9%	8%	5,6%	28,4%	,5%

The table above compares the Municipality's Capital performance as projected in the draft 2022/23 MTREF Budget against the expected norms, the provincial average, the highest and the lowest percentages in the province for each indicator.

Capital Funding Mix

Figure 2 Capital Funding sources



Source: A1-Schedule – mSCOA data strings

- The 2022/23 Capital funding mix consists of R5.4million from **Internally generated funds**, and R4.8 million from **borrowings** indicating its high reliance on own funding to fund the Municipality's capital programme.
- Loans were taken up in respect of the Karwyderskraal waste facility and the public participation was done in line with this proposed spending need and priority. It is important that funds be spent in line with the council resolution and the Municipality is encouraged to review the capital budget assumptions.

4.2.6 Forecasting and Multi-Year Budgeting

The credibility of forecasting and the level of multi-year budgeting is being assessed at the hand of the following:

Figure 3 Forecasting and Multi-Year Budgeting

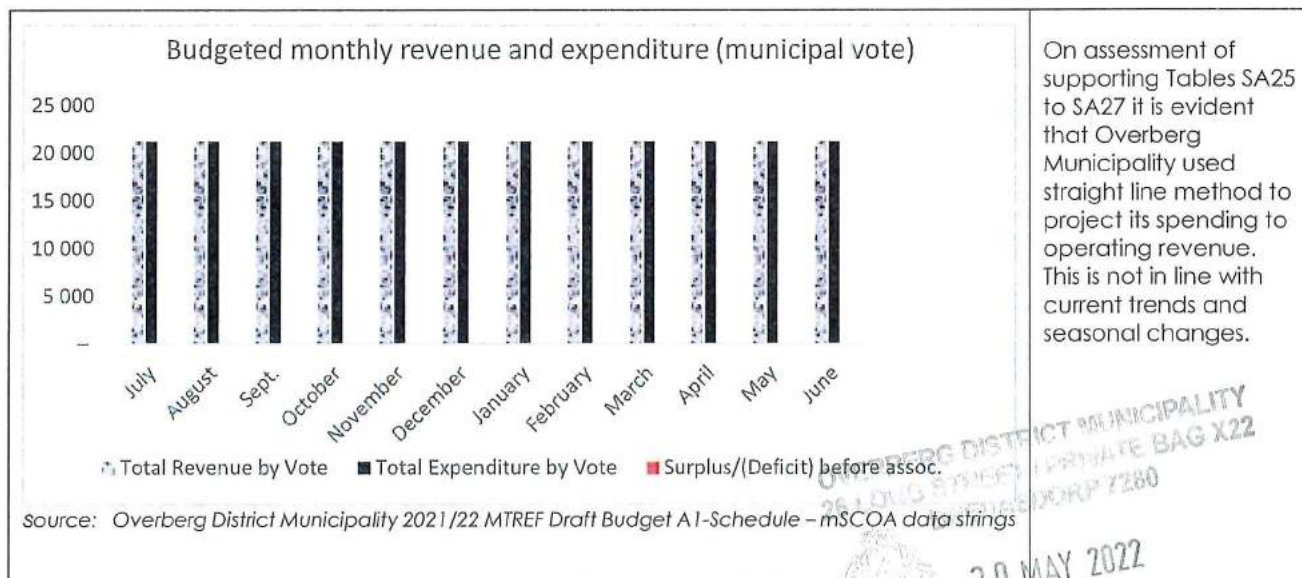
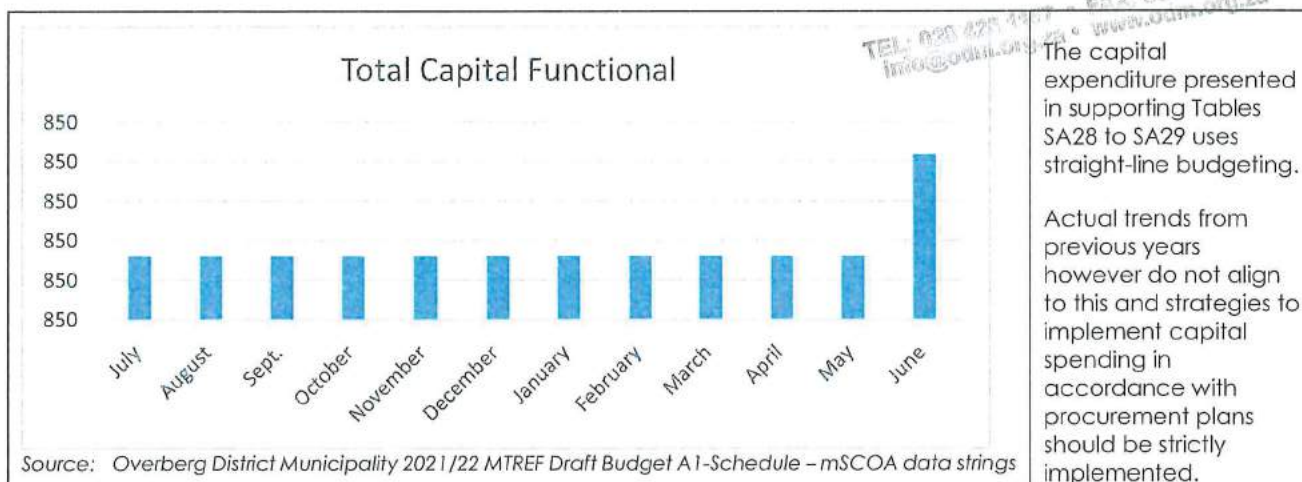


Figure 4 Total Capital - Functional



mSCOA Implementation

According to MFMA Circular No.115, it is imperative that municipalities prepare their 2022/23 MTREF budget in their financial systems and that the A1-Schedule be produced directly from their financial system, as this will eliminate alignment problems.

The Municipality is commended for showing major improvement with the implementation of mSCOA regulations, however there are still minor challenges with tables A6 and A7 within the A1 Schedule. mSCOA Circular No. 10 and Circular No. 11 guides municipalities on the correct use of the Fund segment, cash flow budgeting and balance sheet budgeting which remain a challenge to the Municipality. The Municipality is urged to make the necessary correction and resubmit the data strings and ensure that the adopted 2022/23 MTREF budget data strings align with the A1-Schedule.

To ensure that the relevant budget data strings are accurate, a segment use analysis on 2022/23 draft budget data strings (TABB) was conducted the following was identified:

Table 14 mSCOA Segment Analysis

mSCOA Western Cape TABB Segment Analysis		
No	Segment	Overberg Municipality
1	Project Segment	
1.1	Use of the Project Segment	Sufficiently used the Project Operational Maintenance available options
2	Fund Segment	
2.1	Use of Fund Segment	Sufficient use of funding segment
3	Function Segment	
3.1	Use of Function Segment	Substantial use of available options.
4	Costing Segment	
4.1	Use of Costing Segment	Substantial use of available options.
5	Region Segment	
5.1	Use of Region Segment	Split region per ward / Municipality
6	Item Segment :	
6.1	Service Charges	Adequate use of the available options for services
6.3	Employee Related Costs	Current Liabilities: Salary Control withdrawals, does not align to the expenditure of employee related costs and councillor remuneration. The Current liabilities: Salary control: deposit is also misaligned.
6.4	Senior Management	Appropriately used the available options
6.4.1	Municipal Staff	Appropriately used the available options
6.4.2	Councillors Remuneration	Appropriately used the available options
6.5	Operational Maintenance	Mostly use of Preventative maintenance
6.7	Debt Impairment	Appropriately used the available options
6.8	Contracted Services	
7.1	Outsourced	Appropriately used the available options
7.1.1	Consultants and Professional Services	Appropriately used the available options
7.1.2	Contractors	Appropriately used the available options
7.1.3	Other Materials	
8.	Inventory Consumed	Appropriately used the available options
9	Water Inventory	N/A
10	COVID - 19 Budget	Not compliant with MSCOA circular No.9. Consider creating the sub-projects in the IDP (PTR data strings) for COVID-19

Source: Overberg District 2022/23 MTREF Draft Budget A1-Schedule – mSCOA data strings

4.2.7 Table A6 – Financial Position

Working Capital

The analysis of the A6 (Budgeted Financial Position) and A8 (Cash backed Reserves/Accumulated Surplus Reconciliation) outcomes indicates that the Municipality projected positive working capital and it demonstrates that the Municipality has sufficient funds to meet its obligations over the MTREF period.

Current Ratio

The current ratio shows a trend analysis whereby the Municipality are reporting current ratios of 1.5:1, 1.5:1 and 1.5:1 for the 2022/23, 2023/24 and 2024/25 respectively. This displays that the Municipality can meet its short-term obligations without collecting additional revenue.

Liquidity Ratio

The Municipality reported a liquidity ratio of 1.20:1(2022/23), 1.22:1(2023/24) and 1.25:1(2024/25) indicating that the Municipality can settle its creditors immediately.

Cost Coverage ratio

The Municipality reflects a cost coverage ratio outcome 3.03 months, 3.12 months, and 3.16 months for the 2022/23, 2023/24 and 2024/25 respectively which indicates that the Municipality is demonstrating that there are adequate cash resources to meet its monthly fixed operating commitments from cash. All the cash coverage ratios over the MTREF period are above the NT norm of 1-3 months.

4.2.8 Table A7 – Cash

The Municipality reported a positive cash flow as per the A7 (Budgeted Cash Flow Statement) of R53.79 million (2022/23), R57.47 million (2023/24) and R60.63 million indicating that the Municipality has a good financial health, financial position and no threats to its going concern and liquidity.

4.2.9 Table A8 – Application of Cash and Investments

Table 15 A8 – Application of Cash and Investments

DC3 - Overberg	Table A8 Cash backed reserves/accumulated surplus reconciliation					CURRENT YEAR				MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK				
Description	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2021/22	2022/23	2022/23	2023/24	2023/24	2024/25	2024/25
R:thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Treasury Calculation	Full Year Forecast	Pre-audit outcome	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
Cash and Investments available														
Cash/cash equivalents at the year end	881	16,433	146,739	294,447	44,926	60,992	44,926	(24,893)	45,021	53,785	47,891	57,471	47,112	60,632
Other current investments > 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	881	16,433	146,739	294,447	44,926	60,992	44,926	(24,893)	45,021	53,785	47,891	57,471	47,112	60,632
Application of cash and investments														
Unspent conditional transfers	(1,979)	13,151	18,847	3,717	3,717	1,866	3,717	2,609	16,217	1,866	16,217	1,866	16,217	1,866
Unspent borrowing	-	-	-	-	-	4,912	-	-	-	112	-	112	-	112
Statutory requirements	1,414	1,799	338	2,634	2,634	(915)	2,634	687	628	(813)	628	(712)	628	(641)
Other working capital requirements	(6,516)	(17,956)	(22,237)	(22,551)	(27,022)	11,484	(27,022)	(19,519)	(30,955)	6,274	(32,169)	5,238	(33,438)	3,679
Other provisions	1,208	10,043	10,018	15,759	15,759	15,029	15,759	-	15,885	15,885	16,791	17,647	17,748	18,604
Long term investments committed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	4,989	9,420	9,420	9,420	9,420	-	9,420	9,420	9,420	9,420	9,420	9,420
Total Application of cash and investments:	(5,872)	7,837	11,934	8,979	4,508	41,737	4,508	16,224	11,194	32,755	10,887	33,571	10,577	33,240
Surplus(shortfall)	6,753	9,597	134,785	285,467	40,418	19,255	40,418	(7,699)	33,827	21,030	37,004	23,900	36,535	27,392

The A8 cash backed reserves/accumulated surplus reconciliation has shown that the Municipality will achieve an overall outcome of R21.03 million (2022/23), R23.90 million (2023/24) and R27.39 million (2024/25). The outcomes of the A8 table above reflected that the Municipality's budget is funded and sustainable over the MTREF period.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / KENNEDY BRG K22
BREDASDORP 7260



30 MAY 2022

TEL: 028 425 1117 • FAX: 028 425 1014
info@dm.org.za • www.dm.org.za

4.3 REVIEW OF THE HISTORICAL INFORMATION



4.3.1 The Financial Performance as per the Audited Annual Financial Statements




The assessment of the financial health and performance is an integrated process involving a review of a municipality's audited annual financial statements, audit report and ratio analysis. The results of the ratio analysis are used to support financial decisions and to identify factors which may influence the financial stability of the Municipality.

Adverse ratios highlight areas where attention may be required to ensure sustainability. The assessment trend analysis is based on the 2019, 2020 and 2021 audited financial statements although the table provides for a full five-year horizon (2017 to 2021) in order to have a more solid context when looking at the 2022/23 budget.


The analysis is conducted as per National Treasury MFMA Circular No.71. Provincial Treasury has analysed these ratios and the following items are highlighted.






Table 26 Financial ratios and norms






Financial ratios & norms		2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
Asset Management										
1.	Capital Expenditure to Total Expenditure: 10% - 20%	4.0%	2.7%	14.8%	1.4%	2.0%	16.2%	1.7%	The ratio results reflect year-on-year fluctuation from 2017 to 2021 financial year. In the 2020/21 FY there was an increase of Total Capital expenditure from R2 997 817 to R5 036 268. The ratio result is not within the acceptable NT norm; however, the Municipality has met its strategic goal in the provision of efficient basic services and infrastructure, indicating that it may have adequately invested in assets to address service delivery.	
2.	Capital Expenditure Budget Implementation Indicator: 95 - 100%	88.5%	119.3%	116.0%	53.0%	106.2%	4.7%	111.1%	The ratio results reflect a fluctuating trend. In the 2019/20 financial year the Municipality under spent its capital expenditure due to postponement of two major projects. Funds relating to projects were rolled over from prior years which likely resulted in the increase to 106.2% in the 2020/21 financial year. The ratio result is above the acceptable NT norm of 95% - 100%. The Municipality overspent on the capital project expenditure by only 6.2%.	

Financial ratios & norms	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
3. Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value): 0%	0.0%	0.0%	1.9%	0.0%	0.9%	N/A	N/A	The ratio results increased to 0.9% in the 2020/21 financial year. This indicates that there has been R729 854 impairment of assets in the 2020/21 year. This is reasonable given the Municipality's level of service delivery. The Municipality should implement corrective measures to ensure that it is within the acceptable NT norm of 0.0% to ensure service delivery.	
4. Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): 8%	158.1%	9.4%	7.4%	10.9%	11.7%	-47.8%	6.1%	The ratio results fluctuated year-on-year, up to 11.7% in 2020/21 financial year. It is also noted that the Municipality has spent over R9 million in 2020/21 financial year which is above the acceptable NT norm of 8.0%. This may indicate high asset-usage levels which result in a higher need for repairs and maintenance.	
5. Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure :(None)	35.5%	83.3%	35.6%	76.9%	42.7%	4.8%	44.7%	The Municipality is showing a fluctuating trend over the last five (5) financial years. The ratio results indicate that the Municipality has provided an average of 54.8% of the required cost of capital projects from its own funds and borrowings for capital projects between 2016/2017 and 2020/21 compared to capital expenditure funds sourced from external funding.	

Revenue Management and Cost Coverage

6. Operating Revenue Budget: 95% - 100%	101.3%	103.9%	107.8%	95.6%	98.7%	-0.7%	98.0%	The ratio results fluctuated year-on-year. The ratio is within the acceptable NT norm of 95-100%. The result indicates that the Municipality not only budgets accurately, but also strives to meet all targets set for its revenue base.	
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Financial ratios & norms	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
7. Service Charges and Property Rates Revenue Budget: 95% - 100%	145.7%	13.6%	67.7%	109.1%	99.4%	-9.1%	90.3%	The ratio results fluctuated year-on-year over the 5-year period under review. In the 2020/2021 year, The ratio result was within the acceptable NT norm of 95-100 per cent. This indicates that the Municipality has strengthened financial controls and has improved its process on the compilation of budgets.	
8. Revenue Growth (%) - Excluding capital grants: = CPI	-2.7% (CPI 5.1%)	16.7% (CPI 4.6%)	14.6% (CPI 4.5%)	4.3% (CPI 2.2%)	14.0% (CPI 4.9%)	-5.7%	13.2%	The revenue growth excluding capital grants fluctuated year-on-year. During the 2017 financial year the Municipality experienced a decrease in revenue of minus -2.7% but made up for the decrease in revenue in the 2018 financial year. The 2021 performance of the Municipality is impressive as the revenue growth has increased in the long run.	
9. Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants): 1 - 3 months	2 Months	2 Months	2 Months	2 Months	2 Months	9.3%	3 Months	The ratio results remained the same year-on-year and stayed within the NT norm across the 5 years. It appears that the Municipality has sufficient funds to meet its monthly fixed operating commitments without collecting any other additional revenue.	
Liability Management									
10. Debt (Total Borrowings)/ Revenue: 45%	13.6%	2.3%	20.1%	17.3%	13.1%	-1.0%	12.9%	The ratio results have consistently been below the acceptable NT norm of 45%. The Municipality appears to be conservative when accessing debt. This approach may be seen as a positive as it means municipality has the capacity to take on additional debt should it be required.	
11. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure: 6% - 8%	1.0%	4.9%	4.4%	2.7%	2.3%	21.7%	2.7%	The ratio results reflect capital cost which appears to be affordable. The ratio results display a fluctuating trend over the period under review. The Municipality is performing better than the acceptable NT norm of 6% - 8%. There is however capacity to take on additional debt which will increase capital cost should	




Financial ratios & norms	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
								the Municipality decide to take up additional funding.	
12. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Revenue:	1.1%	4.9%	4.0%	2.7%	2.2%	20.4%	2.7%	The ratio results reflect capital cost which appears to be affordable. The ratio results display a stable trend in the last two years under review.	
Working Capital									
13. Net debtors' days: ≤ 30 days	55 days	69 days	24 days	110 days	36 days	-10.1%	32 days	The ratio results fluctuated year-on-year. The ratio results are within the acceptable NT norm over the 5-year period under review. The Municipality's liquidity position is sound, as the Municipality is able to settle its long-term and short-term obligations as they become due.	
14. Creditors Payment Period (Trade Creditors): 30 days	5 days	15 days	10 days	10 days	13 days	25.4%	13 days	The ratio results fluctuated year-on-year over the past five years. The ratio is performing better than the NT norm of 30 days, indicating timeous payment to creditors	
Expenditure Management									
15. Operating Expenditure Budget: 95% - 100%	97.6%	99.0%	104.3%	90.7%	97.5%	0.00%	97.4%	The ratio results fluctuated year-on-year. The ratio result in 2019/20 is not within the acceptable NT norm of 95% - 100%. The Municipality performed well with spending their operating budget from 2016 -2019. The main cause for the under-expenditure in the 2019/20 financial year is the COVID-19 pandemic.	
16. Remuneration as a % of Total Operating Expenditure: 25% - 40%	54.2%	51.5%	50.5%	53.6%	47.8%	-3.1%	46.3%	The ratio results fluctuated year-on-year, the result of the ratio is outside the NT norm of 25 – 40%. There does not appear to be an issue with overstaffing as there is a 32% vacancy level, which may then indicate potential inefficiencies or focus being misdirected non-essential expenditure.	

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / SUITE 101
BREDASPOort 7200




30 MAY 2022

TEL: 022 426 4187 • FAX: 022 426 4144
info@dm-may.gov.za • www.dmm-may.gov.za

Financial ratios & norms	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
17. Contracted Services as a % of Total Operating Expenditure: 2% - 5%	7.9%	7.7%	7.2%	7.6%	6.5%	-4.8%	6.2%	The ratio results increased year-on-year over the period under review, but slightly decreased in 2020/21 financial year. The ratio results are above the acceptable NT norm of 2% - 5%. The ratio is outside of the acceptable norm – but with the introduction of mSCOA the classification of expenditure had an impact on items now classified as contracted services which in the past were classified as expenditure. The Municipality should place less reliance on 3 rd party and the necessary capacity within.	
18. Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure: 0%	2.2%	2.1%	15.7%	2.6%	4.2%	N/A	N/A	The ratio results indicate a fluctuating trend over the period under review with an increase by 1.6% in the Irregular, Fruitless and Wasteful and Unauthorised Expenditure as a percentage of Total Operating Expenditure in the 2020/21 financial year. The ratio results over the period under review are not within the acceptable NT norm of 0.00%. In addition, the Municipality should implement strategies to prevent further occurrences. However, it is noted that there are various transversal Supply Chain Regulations that affect the results of this ratio, some of those are still under discussion between National Treasury, Provincial Treasury and Auditor-General of South Africa.	
Grant Dependency									
19. Own Source Revenue to Total Operating Revenue (Including Agency Revenue): None	20.3%	66.2%	66.0%	66.0%	67.4%	35.1%	91.1%	Own source revenue constant in the last three year-on-year. Total operating revenue have increased to 67.4 per cent in the 2020/21 financial year. It is noted as it is a district municipality and does not render service to the community and does not have Property rates.	

Financial ratios & norms		2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited	CAGR	Projection	Comments	Overall assessment
Net Position (Going Concern)										
20.	Total Liabilities to Total Assets: <50%	87.3%	86.2%	74.8%	70.8%	70.2%	-5.3%	66.4%	The ratio results favourably stable in the last two years. The ratio results are within the acceptable NT norm over the 5-year period under review. The Municipality's liquidity and solvency position are sound, as the Municipality can be able to pay its long-term and short-term liabilities as they become due.	
21.	Total Debt to Total Assets	3.3%	2.2%	18.5%	16.4%	12.9%	40.4%	18.1%	The ratio results reflect a positive trend over the period under review, which is commendable. The ratio suggests 12.9% of the Municipality's asset portfolio is financed by debt. A low debt to asset ratio indicates the Municipality is not highly geared. In addition, the low result may indicate a high borrowing capacity, which in turn increases the Municipality's financial flexibility for additional borrowing.	
22.	Current Ratio: 1.5 - 2:1	1.7	1.3	1.5	1.5	1.6	-1.9%	1.6	The Municipality's current ratio within the norm over the reviewed period. Short-term assets can cover short-term liabilities should the need arise. The ratio indicates a stable current ratio which indicates a healthy financial position. The overall financial management of current assets and current liabilities are effective and improves its going concern.	

* CAGR = Compound annual growth rate is a business and investing specific term for the geometric progression ratio that provides a constant rate of return over the time period. $CAGR = [(End\ Value / Beginning\ Value)^{1/number\ of\ years\ of\ growth}] - 1$

	Favourable
	Unfavourable
	Needs Improvement

For detail of ratio calculations, please see Annexure A.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, BLOEMFONTEIN 3022
BLOEMFONTEIN 3022
30 MAY 2022

TEL: 029 425 1557 • FAX: 029 425 1014
info@om.org.za • www.om.org.za

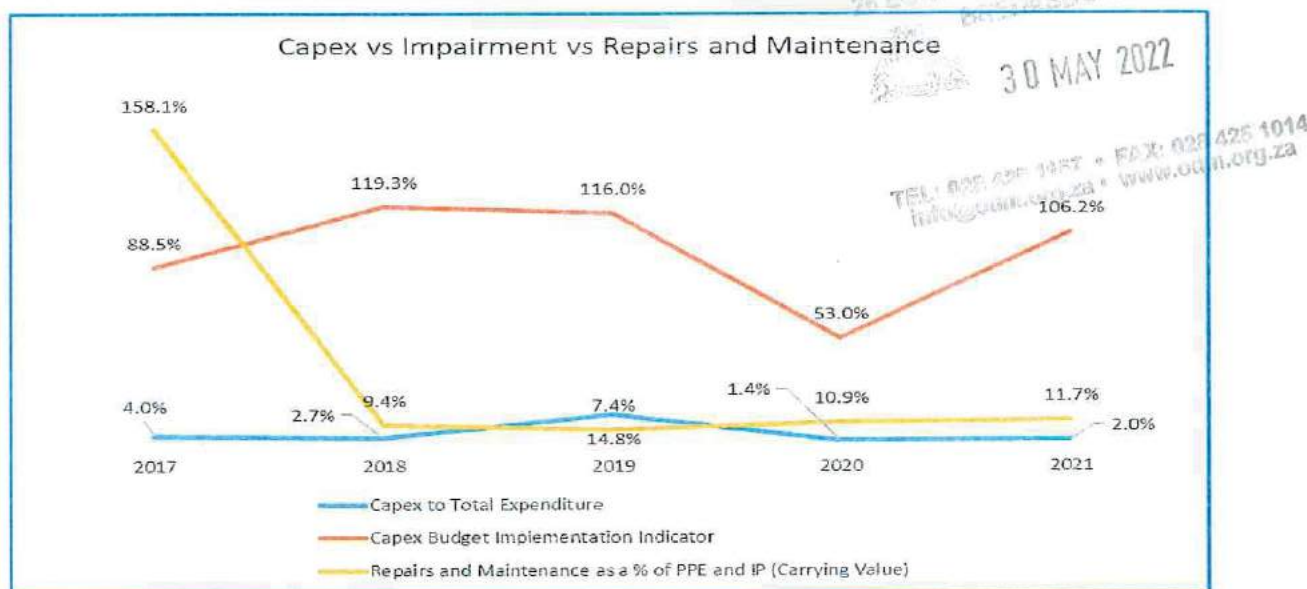
SUMMARY AND FINDINGS FROM HISTORICAL TRENDS

Based on the ratio analysis in the table above, the following findings have been observed based on the historical performance of the Municipality. Where the analysis of historic patterns has already been discussed earlier in this chapter, those findings are not repeated below.

4.3.2 Asset Management

- There has been underspending of the budgeted capital expenditure which may impact the Municipality's capability to deliver adequate services. The underspending during 2020/21 is mainly due to the postponement of 2 projects resulting in the rolling-over of the applicable funds to the subsequent years.
- The Municipality's state of assets might be deteriorating, which may be the reason the cost of repairs and maintenance has increased by 8 per cent from 2019/20 and 2020/21. This may also be a result of high asset-usage which required more repairs and maintenance and is potentially the driver of the impairment. The repairs and maintenance have an inverse relationship with the replacement/addition of capital assets. Where capital assets are not replaced, the cost of repairs and maintenance will increase.
- The repair and maintenance ratio reflect a fairly flat trend in the cost of repairs and maintenance for the period under review. The ratio at 11.7 per cent which is more than the norm of 8 per cent. The risk of impairment could be mitigated by the fact that Property, plant and equipment acquisitions have improved the asset base, however the capital spend will reduce over the MTREF period. It is recommended that the Municipality revise its maintenance plans to ensure the longevity of the useful life of all assets.

Figure 5 Capex vs Impairment vs Repairs and Maintenance:



4.3.3 Revenue Management and Cost Coverage

- The Municipality is performing well in terms of setting targets in budgeting. There has been a significant improvement in Net Debtors Days from prior periods however collection is not taking place timeously as per recommendations, indicating potential cash is tied up in consumer debtors.

- Municipality's targeted level of borrowing implies that there is capacity to take on additional debt should it be required. The available lending capacity is further supported by the actual capital cost incurred relative to Total Operating expenditure.
- The Municipality has sufficient cash reserves to cover its monthly costs during the period under review. It appears the Municipality has sufficient funds to meet its monthly operating commitments.

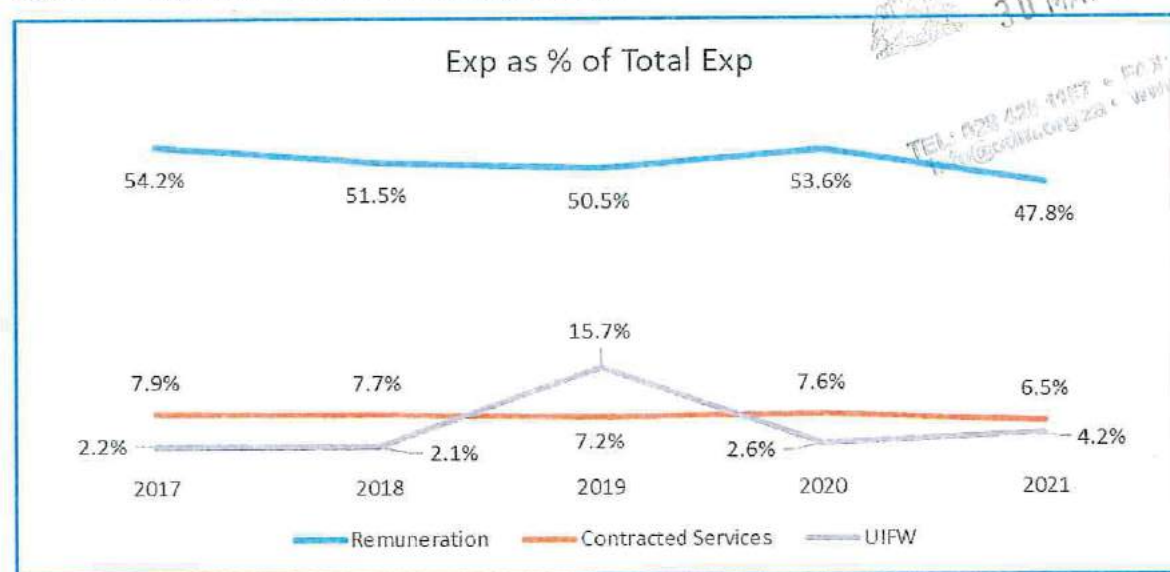
4.3.4 Liability Management

- The Municipality is commended for ensuring that debts are at manageable level. Although liability management ratios results are favourable, liquidity management ratios should be considered in assessing whether the Municipality is in a favourable position to take up more debt.

4.3.5 Expenditure Management

- The Municipality manages its expenditure well. However, the Municipality should continue to prevent, identify, investigate and respond appropriately on the unauthorised, irregular, fruitless and wasteful expenditure according to the MFMA, and ensure that officials are accountable. Furthermore, the Municipality should minimise contracted services and ensure that skills are being transferred to municipal official
- Contracted Services as a % of Total Operating Expenditure: The results of the ratio indicate an upward trend over the past 3-years, and slight decline from 7.6 per cent in 2019/20 financial year to 6.5 per cent in the 2020/21 financial year.
- The level of remuneration to total operating expenditure far exceeds the prescribed norm. The Municipality should develop strategies to reduce remuneration costs in line with the prescribed norms. Remuneration cost may be affected by numerous factors which include number of employees, inflation costs and the global pandemic (COVID-19).
- The Municipality's irregular, fruitless and wasteful expenditure incurred, should be investigated and assessed as the results are not within the required norm of 0 per cent. In addition, the Municipality should implement strategies to prevent further occurrences.

Figure 6 Expenditure as % of Total Expenditure:



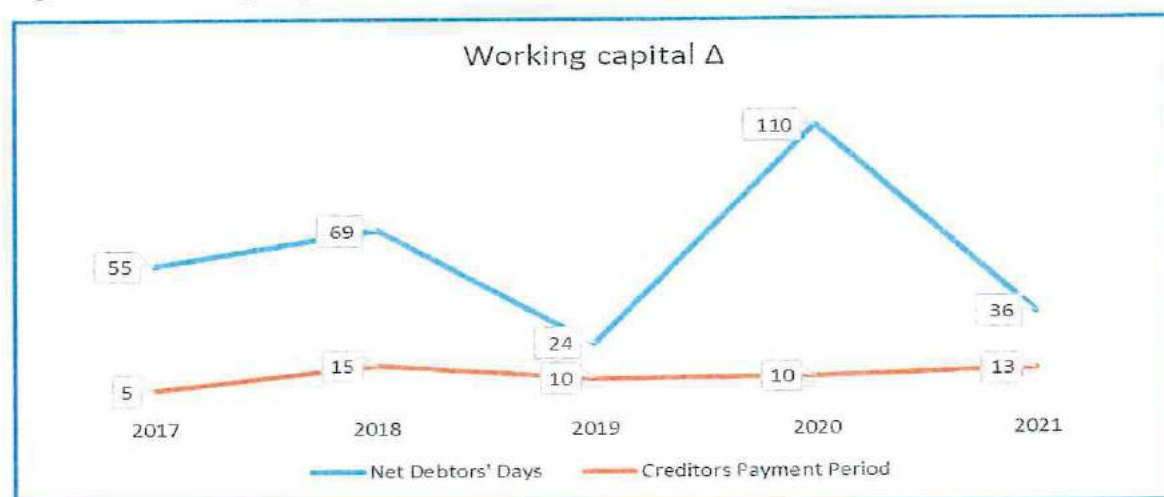
4.3.6 Grant Dependency

- The Municipality is not reliant on government grants for its operational activities. Own-generated revenue equals more than 60 per cent of total revenue. The Municipality should continue ensuring that capital or operational expenditure are at affordable levels to improve the financial sustainability of the Municipality, to avoid risk where funding ceases.

4.3.7 Working Capital

- Municipal debtor's collection period is not within the acceptable norm of 30 days but leans towards 60 days+. The results indicate that debtors took on average 60 days to settle their accounts in the 2020/2021 financial year. The Municipality should improve the implementation of its credit control policy to avoid non-payment from its debtors and put strategies in place to improve its revenue collection. This can include non-supply to consumers with outstanding debt or implementing pre-paid solutions.

Figure 7 Working Capital:



4.3.8 Going Concern

- The net asset position of Overberg District Municipality is sound, indicating that the municipal assets can cover the liabilities. The Municipality appears to be maintaining solvency and manages its liabilities well when compared to its asset base and there is acceptable liability management across the financial years assessed.
- The ratio attempts to substantiate the going concern assumption. The result indicates that for the Municipality, this assumption is true.

4.3.9 mSCOA Implementation

- The Municipality has successfully submitted the AUDA data strings on the LG database.
- Upon analysis of the AUDA data strings, differences were noted between information contained in the audited AFS and information contained in the AUDA data strings.

SECTION 5: KEY RISKS AND RECOMMENDATIONS

This section outlines the main recommendations based on the SIME Assessment.

Integrated Development Planning

It is recommended that the Municipality must, in finalising its IDP to be adopted in May 2022:

- Ensure that the referencing in the final IDP be amended to reflect the correct source, which should be 2021 MERO.
- Adopt the District IDP Framework and Process Plan prior to the final adoption of the IDP in May 2022.
- Update the status of the IWMP, the Coastal Management Plan, the Workplace Skills Plan and the Local Economic Development Strategy in the final IDP.
- Consider including a comparative analysis of the levels of access to basic services between the Districts in their IDP to be adopted in May 2022. In addition, the District should work with the local municipalities to ensure that in future amendments to their IDPs, the specific communities without access to basic services are identified.
- Include the outcome of the public participation process and the community needs identified during the process and how it leveraged of the public participation platforms of the local municipalities in the District, to ensure compliance with sections 25(3) and 29(1)(b)(i) of the MSA.
- Lastly, the Municipality is encouraged to consider the various recommendations and suggestions of national and provincial sector departments included in section 2.2.4 of this report dealing with IDP Alignment.

Environmental Affairs and Development Planning

The MSDF:

The Municipality is adopting a new IDP and MSDF, and to date, the process has been procedurally compliant. As stated in the IDP, once the MSDF is adopted by Council, a Notice of this adoption must appear in the media and the Provincial Gazette within 14 days of the date of adoption. The Municipal Manager must within 10 days of the adoption submit a copy of the SDF to the Provincial Minister for Local Government and Provincial Minister of the Department of Environmental Affairs and Development Planning.

Waste Management Planning

The Department will be finalising its Western Cape Integrated Waste Management Plan (2022 – 2027) in the 2022/23 financial year. The Plan will focus on resource efficiency and the circular waste economy while having a gender-responsive approach and taking into cognisance human rights and the needs of other vulnerable groups.

When developing their 4th generation IWMP, the Municipality must ensure that it is aligned with the WC IWMP and with the requirements of the Waste Act.

Information Management

Overberg District Municipality is compliant and reports consistently on the IPWIS. They registered two new registrations on the IPWIS for the activity of recovery and recycling and treatment (Karwyderskraal C&D Waste Recovery, Karwyderskraal Organic Waste Composting). Waste diversion initiatives must be reported to the IPWIS. Continuous and regular waste reporting must be submitted to the IPWIS.

Waste Minimisation & Policy Development

The ODM is not mandated to implement waste services at local level, thus not being required to have an integrated waste management by-law in terms of NEM: WA - it is, however, recommended that one be developed, to cover municipalities that do not have by-laws, and *not* to be in conflict with existing by-laws of municipalities that do indeed have in this regard.

Furthermore, it is recommended that the ODM continues providing commendable support to its local municipalities, Swellendam in particular, as co-operation from the local municipality is of concern.

Air Pollution

The District's 1st generation Air Quality Management Plan (2012) is outdated and must be updated in line with the requirements as set out in Section 16 of the NEM:AQA. The District should consider supporting local municipalities in the district to also update their respective management plans in line with the District AQMP as most of these management plans (except Cape Agulhas Municipality) are also due for review.

Responsiveness

- Small discrepancies in the wording and ordering (numbering) of strategic goals have been noted between the draft budget and IDP. The wording and numbering of the strategic goals presented in the IDP should exactly match that within the budget schedules as well as the SDBIP and all municipal reporting documentation.
- Overall growth in operating expenditure is noted to be below inflation. A number of the Municipality's functions for example, fire-fighting and protection, health services, did receive above inflation increases for its 2022/23 allocations. Careful consideration should be given to allocations (within the Municipality's control) such as for Sport and Recreation (presumably includes resorts), to ensure that it is sufficient to support the function, given the decline in its 2022/23 allocation (compared to 2021/22).

LG Supply Chain Management

Key Risks identified with the Asset Management system of Governance and Capacitation Project

A. Need for better management of Data and Information Standards

- Silos of data where one department has access to critical data, but other departments have no access.
- Where there these silos of data exist, duplication of data is created that impacts on the costs associated with and reliability of the information needed for decision-making.
- Critical information is kept on the PC's of certain engineers and files, that is not necessarily shared with the rest of the Municipality.
- Reliability and Credibility of data (Metadata such as the Source - where data is coming from, is not singular but have multiple inputs making it messy).

B. Outdated Asset Management Maintenance Strategic Plans

- Propensity to use the Deviations route for emergency Repairs and Maintenance.
- Statistical data suggest that emergency work can cost municipalities between 20 per cent and 30 per cent more as opposed to planned works.
- Equipment availability not translated into key objectives for the Municipality.
- Early detection of failure is not necessary built into maintenance systems.

C. The Need to Build Capability in Municipalities

- Most of the Engineers are near retirement which requires a contingency plan for mentorship and knowledge management.
- Need for maintenance planning/planners, because without them, we don't expect well planned and efficiently executed maintenance.
- Need for securing intellectual property and devising SOP's based on them.
- The ability to translate maintenance strategies into business and economic benefits.

Key Recommendations

D. Collaboration is key to success and continuity in Asset Management

- To improve the maturity levels within the various regions, there is a need for a community of practice.
- Share collective best practices and knowledge among participating municipalities within a Joint District Approach.
- Strategic priorities would be best achieved if coordinated through a District Asset Management Steercom process.
- A phased-in approach of right practices will be required to build maturity overtime.

E. Procurement Planning

- PT to amend the existing TREASURY CIRCULAR MUN NO. 18/2019, to make it mandatory for municipalities to submit procurement plans on an annual basis by the 30th of June.
- There should be a standardised format for the procurement plans template across the municipalities.
- The municipalities should be encouraged to use mSCOA segmentations on their procurement plans to ensure alignment between the budgeted items and IDP strategic objectives.
- Municipalities should prioritise uploading/capturing their procurement plans on the National Treasury e-Tender portal every new financial year.

Credibility and Sustainability

The mSCOA tabled budget (TABB) data strings are used as the source to assess whether the 2022/23 MTREF budget is funded, the assessment using the data strings submitted by the Municipality are used to assess whether the budget is funded or not.

- The Municipality tabled an operating surplus budget over the 2022/23 MTREF period which is commendable.
- The Municipality is required to consider the segment use analysis in this assessment and make the necessary corrections to the final budget prior to it being tabled in Council.
- Implementing services which add financial strain on the Municipality and are not in line with its mandate is a concern. The expansion of services must be reviewed in line with the Municipality's mandate, affordability and cost effectiveness.
- Tariffs are proposed above inflation, however the assumption of significant increases in some revenue items must be continuously revised to accurately inform revenue and expenditure projections.

- Contractual agreements must be in place to substantiate the budget appropriations in respect of long-term receivables.
- Firefighting and health services remain an essential part of the Municipality's service delivery to its community, however huge deficits are incurred in the process of providing these services. The Municipality must identify efficiencies within these functions to minimise the cost and negative financial impact.
- Loans were taken up in respect of the Karwyderskraal waste facility (Environment protection vs Refuse trading service), but the budget proposed spending on a different function. The Municipality must revise spending needs in line with council decisions, public participation and agreements with local municipalities.
- The Municipality is reliant on own funding to contribute to capital budget and must consider the return on investment to ensure ongoing sustainability.

Cash Management

- The liquidity ratios of the Municipality indicate that the Municipality can take care of their financial commitments.
- The A6 (Budgeted Financial Position) and A7 Budgeted Cash Flows data strings do not align with the hard copy presented by the Municipality.
- The draft budget data strings over the MTREF period indicates that the Municipality is not exposed to a liquidity risk.

OVERBERG DISTRICT MUNICIPALITY
26 LOUIS BUCHER STREET / KENNEDY ROAD, BAG X22
BREDASDORP 7260
30 MAY 2022
TEL: 028 425 1467 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

Ratio calculations

No	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	2021
A. Asset Management/Utilisation						
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure/Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		2.0%
					Total Operating Expenditure	248 577 511
					Taxation Expense	
					Total Capital Expenditure	5 036 268
2	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure/Budget Capital Expenditure × 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		106.2%
					Actual Capital Expenditure	5 036 268
					Budget Capital Expenditure	4 743 573
3	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0.9%
					PPE, Investment Property and Intangible Impairment	729 854
					PPE at carrying value	66 897 001
					Investment at carrying value	12 811 350
					Intangible Assets at carrying value	11 697
4	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/Property, Plant and Equipment and Investment Property (Carrying value) × 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		11.7%
					Total Repairs and Maintenance Expenditure	9 323 879
					PPE at carrying value	66 897 001
					Investment Property at Carrying value	12 811 350
5	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings)/Total Capital Expenditure × 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		42.7%
					Internally generated funds	2 150 634
					Borrowings	-
					Total Capital Expenditure	5 036 268

B. Revenue, Debtors and Liquidity Management (cash availability)						
6	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue/Budget ÷ Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		98.7%
					Actual Operating Revenue	251 662 870
					Budget Operating Revenue	255 057 036
7	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue/Budget ÷ Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		99.4%
					Actual Service Charges and Property Rates Revenue	12 130 034
					Budget Service Charges and Property Rates Revenue	12 206 000
8	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants - previous period's Total Revenue excluding capital grants) / previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI		14.0%
					CPI	4.9%
					Total Revenue Excl.Capital (Previous)	220 791 753
					Total Revenue Excl.Capital (Current)	251 662 870
9	Cash/Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		2 Month
					Cash and cash equivalents	56 075 529
					Unspent Conditional Grants	5 666 365
					Overdraft	
					Short Term Investments	
					Total Annual Operational Expenditure	245 110 947

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PHASE 2, SAG X22
BREDASBURG 7200

30 MAY 2022
TEL: 020 425 1455 • FAX: 020 425 1014
info@dm.org.za • www.dm.org.za

C. Liability Management						
10	Debt (Total Borrowings)/Revenue	(Overdraft + Current Finance Lease Obligation + Non-current Finance Lease Obligation + Short Term Borrowings + Long term borrowing)/(Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		13.1%
					Total Debt	22 211 463
					Total Operating Revenue	251 662 870
					Operational Conditional Grants	81 487 038
11	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost (Interest Paid and Redemption)/Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		2.3%
					Interest Paid	2 661 708
					Redemption	2 949 453
					Total Operating Expenditure	248 577 511
12	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Revenue	Capital Cost (Interest Paid and Redemption)/Total Operating Revenue x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	None		2.2%
					Interest Paid	2 661 708
					Redemption	2 949 453
					Total Operating Revenue	251 662 870
					Taxation Expense	-
D. Working Capital						
13	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		36 days
					Gross debtors	3 379 591
					Bad debts Provision	392 721
					Billed Revenue	30 364 747

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREDASBURG 7260



30 MAY 2022

TEL: 022 495 1422 • FAX: 022 495 1014
info@overberg.gov.za • www.overberg.gov.za



Municipal Budget Circular for the 2022/23 MTREF

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Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF). This circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (*mSCOA*), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, *mSCOA* is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. Pressures on the government wage bill ceiling, including the implementation of the non-pensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests. Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government to improve its fiscal position.

Medium-term priorities include: reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates, but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.9%	4.0%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2021.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, transfers to municipalities will grow below inflation. Over the next three years, local government resources increase by 4.1 per cent.

Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period.

The annual Division of Revenue Bill will be published in February 2022 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2021 Division of Revenue Act to compile their 2022/23 MTREF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2021 Division of Revenue Act for 2021/22. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx>

Division of Revenue Amendment Bill, 2021: changes to local government allocations

Budget Facility for Infrastructure Funding – R81 million is added to the direct regional bulk infrastructure grant for George Local Municipality for the implementation of the potable water security and remedial works project. Due to delays in the implementation of projects approved through Budget Facility for Infrastructure (BFI), the projects sponsors have requested funding to be reduced to align with the planned project rollout.

R1.3 billion is reduced from the public transport network grant for City of Cape Town to align to its revised implementation plan of myCiti phase 2A.

Neighbourhood Development Partnership Grant – R841 million is added to the direct neighbourhood development partnership grant for local government to create 32 663 jobs through precinct management, community safety, place-making, greening, integrated waste management and digitalisation, with special focus on poor and marginalised areas and economic nodes.

Roll-over of indirect regional bulk infrastructure grant – R582 million is rolled over in the indirect regional bulk infrastructure grant to fund the operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality. This change is shown in Schedule 6, Part B of this Bill.

Reprioritisation in the neighbourhood development partnership grant – In the neighbourhood development partnership grant, R90 million is shifted from the direct component to the indirect component of the grant, to fund project preparation, planning and implementation for municipalities facing implementation challenges. The affected municipalities are City of Johannesburg, Mogale City, Kwa-Dukuza, West Rand, Sol Plaatje, Ray Nkonyeni and City of Cape Town. These changes are shown in Schedule 5, Part B and Schedule 6, Part B of this Bill.

Changes to gazetted frameworks and allocations

Neighbourhood development partnership grant – The grant framework for the neighbourhood development partnership grant is amended to remove reference to Built

Environment Performance Plans and include the conditions attached to the approval of funds from the Presidential Youth Employment Initiative. The conditions require cities to expand the existing Expanded Public Works Programme projects and enter into new partnerships with the private sector and civil society.

Regional bulk infrastructure grant – The grant framework for the regional bulk infrastructure grant is amended to include the conditions attached to the approval of funding from the BFI for the implementation of the potable water security and remedial works project in George Local Municipality. The conditions require that the municipality submit a business plan, a cost-benefit analysis report and enter into a co-financing agreement with the Department of Water and Sanitation and the Department of Cooperative Governance.

Integrated urban development grant – The grant framework for the integrated urban development grant is amended to include a provision for purchasing special vehicles for waste management. This correction is needed to ensure alignment with conditions in the municipal infrastructure grant as municipalities can move between the two grants.

Municipal infrastructure grant – The grant framework for the municipal infrastructure grant is amended to correct for the omission of the baseline allocation of R14.8 billion in 2019/20 in the past performance section of the framework. The amount was erroneously not captured. This correction is needed to show the audited past financial performance of the grant.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by CoGTA to all municipalities on 20 October 2021) provided through the joint National Treasury/ Department of Cooperative Governance/ South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 on the transitional measures in relation to the IDP consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC (templates can be obtained from National Treasury).

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5.1 Release of Version 6.6 of the Chart

On an annual basis, the *m*SCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.6 is released with this circular.

Version 6.6 of the chart will be effective from 2022/23 and must be used to compile the 2022/23 MTREF and is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.6 where applicable. The PSD is also available on the above link.

*m*SCOA chart changes are issued annually in December. For the National Treasury to consider a new chart change, the issue must be logged with all relevant background and details on the Frequently Asked Questions (FAQ) database. The FAQ database can also be accessed on the above link.

The matter will then be further investigated by the FAQ committee of the National Treasury. If it is found that a chart change is required in the next chart version, then the matter will be elevated to the *m*SCOA Technical Committee and if in agreement, it will be recommended for approval to the *m*SCOA Steering Committee. Requests for chart changes in the next version of the chart must be logged for consideration by 31 August of each year.

5.2 Credibility of *m*SCOA data strings

The credibility of the *m*SCOA data strings remains a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*m*SCOA enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using Ms Excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the *m*SCOA circulars issued by the National Treasury to classify their transactions correctly.

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2022/23 municipal financial year.

5.3 Regulation of Minimum Business Processes and System Specifications

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

All municipalities and municipal entities had to comply with the *m*SCOA Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). A number of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.

The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of *m*SCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following focus areas as applicable to the municipality:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution;
- **Governance and institutional arrangements** – is there a functional *m*SCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on *m*SCOA related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council. Furthermore, did the

municipality appoint a suitably qualified System Administrator and the required IT securities are in place;

- **System functionality** – is the functionality of the system complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; is the municipality utilising the core financial system solution and its modules optimally; and are 3rd party sub-systems seamlessly integrating with the *mSCOA* enabling financial system; and
- **Proficiency of municipal officials to use the financial system** – are the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; are relevant officials in the organisation familiar with the *mSCOA* chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that *mSCOA* is institutionalised as an organisational reform and not only a financial reform.

It should be emphasised that the onus to ensure compliance with the *mSCOA* Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain *mSCOA* compliant.

The progress against the action plan must be monitored by the municipality's *mSCOA* Project Steering Committee and should also be reported at the 2021/22 Mid-year Budget and Performance engagements and the Budget and Benchmark engagements with the National and the respective provincial treasury. Copies of the action plan and progress reports should also be shared with the National and the respective provincial treasury.

5.4 Extension of RT25-2016 Service Level Agreements (SLA) for Financial Systems

The National Treasury has received numerous queries about the extension of the SLA for the transversal contract for the procurement of municipal systems of financials management and internal control (RT25-2016).

The RT25-2016 contract has expired in May 2019. Therefore, the RT25-2016 cannot be utilised to procure financial systems and Service Level Agreements (SLAs) entered into through the transversal contract cannot be extended when they expire. Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required business processes and system specifications.

Furthermore, the Municipal SCM Regulations does not prohibit the use of long-term contracts as long as the needs analysis and market analysis are done to justify the continuous need for the service. Municipalities may utilise Section 33 of the MFMA, taking into account the municipality's specific circumstances, provided that the decision is legally sound and there is evidence to support the municipality's decision.

Where a municipality has entered into a SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of Section 116(3) of the MFMA.

Notwithstanding the above, since the ICT environment changes very quickly the municipal needs must be re-evaluated to ensure that the IT systems in place are still 1) compatible with the needs and systems of the municipality, 2) aligned to modern technology and new legislative requirements and 3) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or

30 MAY 2022
 OFFICE OF THE DISTRICT MUNICIPALITY
 2F VREDE STREET 1 WILLOWDENE BAG X22
 TEL: 011 400 7280

systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

5.5 mSCOA Monthly Trial Balance

Municipalities are required to submit the following documents to GoMuni Upload portal on a monthly basis in PDF format:

1. C Schedule
2. Primary Bank Statement
3. Bank Reconciliation
4. Quality certificate
5. Monthly budget statement (Section 71 Report)
6. Trial balance

To date, the trial balances were submitted in various formats with varying levels of detail – some of them unreadable, making it difficult to identify the submission of the trial balances. From 1 July 2022, the trial balance must include the following minimum information:

- mSCOA item description
- Balance brought forward (i.e. opening balance)
- Movement Debit
- Movement Credit
- Balanced closing balance at the end of the document

The name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trial balance submitted to the GoMuni Upload portal.

5.6 Budgeting for the COVID-19 pandemic

In terms of mSCOA Circular No. 9 municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting.

It is evident from the mSCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting that not all municipalities are budgeting and reporting on COVID-19 related allocations and expenditure as per the guidance provided. Therefore, the National Treasury is not able to draw complete COVID-19 reports from the mSCOA data strings inclusive of the data for all municipalities as yet and the weekly manual reporting is still required.

Once the National Treasury is able to draw COVID-19 reports from the mSCOA data strings for the majority of municipalities and the Covid-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will be stopped.

5.7 Costing Segment

The purpose of the costing segment in mSCOA is to provide for the recording of the full cost for the four core municipal functions, namely: electricity, water, waste water and waste management as a minimum requirement. These four services are the most significant revenue generating functions within municipalities and essential for setting cost reflective tariffs.

The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in

formulating tariffs and cost control. Municipalities must refer to the PSD for the detailed application of the costing segment.

5.8 Classification of the Skills Development Levy

Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Skills Development levy must be classified as operational costs as indicated in the mSCOA Project Summary Document (PSD).

5.9 Revised Municipal Property Rates Act Categories

Reference is made to paragraph 4.3 of MFMA Circular No. 107. Municipalities are reminded that section 8 of the Municipal Property Rates Act on the determination of categories of **rateable** properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 ("the Amendment Act").

Municipalities were required to implement the new property categorisation framework by not later than 1 July 2021. The mSCOA chart Version 6.6 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore,

municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise annually as a routine practice during the budget process. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their annual reconciliation of the valuation roll to the billing system to the National Treasury by no later than **04 February 2022**.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>

It is also imperative that every municipality is utilising the mSCOA cost segment correctly.

6.3 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also advised to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a

transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. The matter is still in court with a decision anticipated to be made shortly. If Eskom succeeds, the court will compel NERSA to process the rejected application for tariffs for the year starting 1 April 2022 in terms of the existing MYPD methodology. NERSA will then be expected to immediately publish Eskom's application for public comment.

6.8 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

8. TRANSFERS TO MUNICIPALITIES

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2022/23 municipal financial year are as follows:

- The 2022/23 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
 - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
 - b. Should the adopted budget still be unfunded, then a funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);
 - c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
 - d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2022.

- Credible *m*SCOA data strings and source documents for the 2022/23 MTREF and 2021/22 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
- The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
- Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
- The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
- The Competency Regulations reporting requirements have been complied with;
- Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as council approved UIFW Reduction Strategy, proof of establishment of the Disciplinary Committee Board (or evidence of progress towards their establishment) and updated audit action plan (where the audit has been completed);
- Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2022;
- The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
- Additionally, those municipalities that have outstanding audits for both the 2019/20 and 2020/21 financial years as well as municipalities with outstanding 2020/21 audit opinions that also received an adverse or disclaimer opinion in 2019/20, will also not receive their allocation; and
- Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.6 of the *m*SCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities must prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6 is not allowed** in terms of the mSCOA Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the mSCOA chart version 6.6. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjati Mashoeshoe	012-315 5553	Matjati.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjati Mashoeshoe	012-315 5553	Matjati.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Johannesburg and Tshwane	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
eThekweni	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Phumelele Gulukunqu	012-315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315-5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tihomeli	012-406 9064	lqdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the mSCOA requirements. The mSCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of mSCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.***

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and

adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the mSCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Wednesday, 01 June 2022**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed mSCOA data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 Go Muni Upload Portal

The National Treasury is in the process of finalising the development work on the GoMuni Upload portal. Municipalities, provincial treasuries, system vendors and sector departments should ensure that the names and contact details of the data uploaders or users of the data, as reflected on the LG Database, for their respective institutions are correct and updated as and when changes occur.

10.3 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

<https://lguploadportal.treasury.gov.za> (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- mSCOA Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the manual COVID-19 reports.

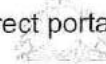
Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. **Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.**

10.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREDASDORP 7280



30 MAY 2022

TEL: 028 425 1157 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za



10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
06 December 2021

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, PRIVATE BAG 422
BREDASDORP 7250



30 MAY 2022

TEL: 029 425 1457 • FAX: 029 425 1014
info@oum.org.za • www.oum.org.za





NATIONAL TREASURY

MFMA Circular No. 115

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2022/23 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 112 that was issued on 06 December 2021. It aims to provide further guidance to municipalities with the preparation of their 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2022 Budget Review and the 2022 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year.

Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2020 - 2025

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: Budget Review 2022.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2022/23 budget process

2.1 Local government conditional grants allocations

Over the 2022 MTEF period, direct transfers to municipalities will grow above inflation, at an annual average rate of 7.9 per cent. Direct conditional grants grow at an annual average rate of 5.3 per cent over the MTEF, while the Local Government Equitable Share (LGES) grows faster, at an annual average rate of 10.3 per cent over the same period.

The higher than inflation growth of allocations to local government is due to additional allocations over the medium term as follows:

- The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF period. R28.9 billion is added to the LGES over the MTEF to increase coverage of the provision of free basic services; and
- An amount of R1.7 billion over the MTEF is added to the Neighbourhood Development Partnership Grant to fund the continuation of the upscaling of city-led public employment programmes, as part of the Presidential Youth Employment Intervention; and an amount of R347 million over the first two years of the MTEF period is allocated to fund the introduction of the Municipal Disaster Recovery Grant. More detail is provided below.

The Division of Revenue Bill was published on 23 February 2022, following the tabling of the Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published herein.

In terms of the outer year allocations (2023/24 and 2024/25), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act. The DoRB is available at:

<http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx>

2.2 Division of Revenue Bill, 2022: changes to local government allocations

Budget Facility for Infrastructure (BFI) Funding – There are reductions of R754 million in 2022/23 and R105 million in 2023/24; and an increase of R621 million in 2024/25 in the *Public Transport Network Grant* to align to the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network.

Neighbourhood Development Partnership Grant – R1.7 billion is added to the direct component of the *Neighbourhood Development Partnership Grant* for the eight metropolitan municipalities to fund the continuation of the upscaling of city-led public employment programmes that contribute to informal settlement upgrading, public space and asset maintenance, development and management, greening and cleaning, food security, innovative service delivery, local knowledge and information sharing and management, community safety, environmental services and management and community tourism. This is part of the Presidential Youth Employment Intervention and is a continuation of government's response to job losses due to COVID-19, introduced as part of the stimulus package to respond to the impact of the COVID-19 pandemic during 2020.

Regional Bulk Infrastructure Grant – R1 billion is added to the *Regional Bulk Infrastructure Grant*, funded from the BFI, to fund the continuation of the implementation of the Potable Water Security and Remedial Works project in George Local Municipality.

Integrated National Electrification Programme (Eskom) Grant – R50 million is reprioritised from the *Integrated National Electrification Programme (Eskom) Grant* to finance the operational requirements of the Independent Power Producer Office in 2022/23.

Energy Efficiency and Demand Side Management Grant – R8 million in 2022/23 and 2023/24, respectively is reprioritised from the *Energy Efficiency and Demand-Side Management Grant* to finance the operational requirements within the vote of the Department of Mineral Resources and Energy.

R10 million is shifted from the sport component of the **Municipal Infrastructure Grant (MIG)** to the **Integrated Urban Development Grant (IUDG)** in 2022/23, to fund a sport project in Polokwane Local Municipality.

The **Municipal Disaster Recovery Grant** is introduced to fund infrastructure recovery in municipalities in KwaZulu-Natal. This grant is allocated R347 million between 2022/23 and 2024/25.

2.3 Changes to gazetted frameworks and allocations

Infrastructure Skills Development Grant (ISDG) – The grant framework for the infrastructure skills development grant is amended to include a condition that municipalities must have a capacitated Project Management Units with qualified people to act as supervisors in terms of the relevant statutory council requirements.

Municipal Infrastructure Grant (MIG) – Over the 2022 MTEF, the Department of Cooperative Governance (DCoG) will introduce an indirect component to the MIG. This is to improve efficiency in grant expenditure to develop more and better-quality infrastructure. The conversion will be done in-year. The criteria as determined by DCoG includes indicators related to expenditure and reliability of infrastructure.

Municipal Systems Improvement Grant – Over the MTEF, a portion of the grant will be utilised to continue to support institutionalisation of the district development model.

Municipal Disaster Relief Grant – The name of the *Municipal Disaster Relief Grant* is changed to the *Municipal Disaster Response Grant*. The objective of the grant remains the same and the change aligns to existing National Disaster Management Centre (NDMC) processes in responding to disasters that have occurred.

Local Government Financial Management (FMG) Grant – Over the 2022 MTEF, the grant framework for the FMG will make provision for the preparation of asset registers.

3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to all municipalities on 20 October 2021) provided through the joint South African Local Government Association (SALGA)/ Department of Cooperative Governance (DCoG) and National Treasury (NT) Joint Circular No.1 on the transitional measures in relation to the integrated development plan (IDP) consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act,

2000. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

4. Municipalities unable to pass the annual budget after 1 July

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC for Finance (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14¹ days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

5. Municipal Standard Chart of Accounts (mSCOA)

5.1 Release of Version 6.6.1 of the Chart

Version 6.6.1 of the chart will be released through a patch to accommodate the following changes/conditions published in the 2022 Division of Revenue (DoR) Bill:

- The capital leg of the Local Government Financial Management (FMG) grant that was retired in chart version 6.2 of the chart. As per the conditions published in the 2022 DoR Bill, the grant may be used, inter alia, for the acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service

delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the *m*SCOA;

- Allocation-in-kind for the MIG grant to make provision for the indirect grant portion of the grant; and
- The name change from Municipal Disaster relief grant to Municipal Disaster Response Grant. Municipalities should take note of this change when they report on COVID-19 in terms of *m*SCOA Circular No. 9.

Version 6.6.1 of the chart will be effective from 01 July 2022 and must be used to compile the 2022/23 MTREF. The patch is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

5.2 Funding Depreciation

From the analysis of the *m*SCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates.

When depreciation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ring-fenced, municipalities will not be in a financial position to fund future infrastructure assets.

5.3 Application of Costing

The mapping for Table A2 on Financial Performance of the regulated Schedule A was updated to include the costing segment. The costing segment in *m*SCOA provides for the recording of the full cost for the four core municipal functions, namely: electricity, water, wastewater and waste management. It also allows for the charge out of costs between functions and projects. Costing: recoveries was previously recorded as 'revenue: default' in the item segment. However, as the charge out of cost does not present revenue, municipalities must use 'expenditure: default' in the item segment to record the debit and credit of all costing transactions where the charges increase cost and the recoveries decrease the cost per function or project.

Municipalities are also reminded that one of the validation rules that are applied when *m*SCOA data strings are submitted is that costing transactions for charges and recoveries must balance to zero.

5.4 Change in calculation of consumer deposits

The addition of consumer deposits as a funding source in version 6.6 of the *m*SCOA chart impacts on the population of Tables SA30 and A7 in the Schedule A. The calculation will be changed in the 6.6 chart version to the following:

CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in consumer deposits	Consumer deposits FD001001001014 linked to IA001 Deposits
(Decrease) in consumer deposits	Consumer deposit IL001002 :Withdrawals

All payments received in respect of consumer deposits will be picked up utilising the consumer deposit fund source linked to the bank: deposits posting level. The payment of consumer

deposits will be picked up from item liability: consumer deposits: withdrawals posting levels, which represent the outflow of cash.

5.5 NERSA reporting

Municipalities are reminded to complete the D-Forms that the National Energy Regulator of South Africa (NERSA) requires. The National Treasury is currently looking into ways of how the mSCOA data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

5.6 Restructuring of the Long-Term Component of Trade Payables

In an effort to assist municipalities to get to a funded budget position, the National Treasury have requested municipalities to negotiate with their major trade creditors like Eskom, Water Boards and the Department of Water Affairs to restructure their outstanding trade creditors. Where the debt owed by a municipality was restructured, in terms of a debt repayment agreement, and the repayment period exceeds a period of 12 months, the debt will remain under *current liabilities trade payables* as per the version 6.6 of the mSCOA chart.

The restructuring of debt in the Statement of Financial Position to include the non-current portion through the reclassification of the debt to a *non-current liability of trade payables* under non-current liabilities has a major impact on the working capital requirement disclosure in the funding compliance assessment on Table A8 of the Schedule A and on the entire funding methodology of the National Treasury. The restructuring of debt also affects a number of liquidity measurement ratios such as the Current Ratio, Liquidity Ratio and Creditors to Cash Ratio.

Detailed analysis and careful consideration of the appropriate accounting treatment to ensure that future adjustments to the chart will not compromise the funding methodology of the National Treasury is required. Therefore, any changes required to the mSCOA Chart to accommodate the restructuring of the long-term component of trade payables will only be considered for inclusion in version 6.7 of the chart.

The restructuring of the non-current portion should not only impact on the Statement of Financial Position as it requires that municipalities include additional cost in the operation budget for the repayment of the non-current liability, including any finance charges that may be payable as per the repayment agreement. The restructuring of the trade payables without the inclusion of the interest and redemption payments of the non-current liability on the cash flow statement will significantly misstate the funding position of the municipality.

The Budget Funding Assessment Tool used by the National and provincial treasuries to assess the funding position of municipal budgets has been enhanced to include a *Restructuring of Trade Payables Module* to assess the full impact of the restructuring on both the Statement of Financial Position and the impact of interest charges and repayment of the non-current liability on the cash flow position of the municipality. Municipalities that have restructured their trade payables should:

- Indicate this to the respective National and provincial treasuries when submitting their tabled and adopted 2022/23 MTREF budget; and
- Submit the approved agreement with the supplier to the respective National and provincial treasuries with their budget documentation.

The necessary restructuring will then be taken into account in the funding assessment by the respective National and provincial treasuries prior to determining the funding position of the municipality.

5.7 mSCOA eLearning

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA.

The course is structured as follows:

Module 1 – The fundamentals of mSCOA (for financial and non-financial officials)

- An overview of the Local Government Budget and Financial Management Reform Agenda and mSCOA Legislative Framework;
- mSCOA implementation oversight (including the role of internal audit, risk management and councilors); and
- Understanding the mSCOA segments.

Module 2 – System and reporting requirements (for financial and non-financial officials)

- An overview of the reporting requirements in a mSCOA environment;
- Key business processes that underpins mSCOA;
- Minimum system specifications required to comply with the mSCOA Regulations;
- Submission of documents and data strings to the National Treasury (i.e. registration process and upload process); and
- Period Control and how to transact and report in period 13, 14 and 15.

Module 3 – Budgeting and transacting on the mSCOA chart (for financial officials)

An understanding of accounting principles and GRAP is required to complete this module.

Municipalities are reminded to budget for the course in their 2022/23 MTREF. For further information, contact the NSG on their website link: <https://www.thensg.gov.za>.

6. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

6.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the valuation roll to the billing system to the National Treasury on a quarterly basis.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: <https://lguploadportal.treasury.gov.za/>. If the municipality experience any challenge uploading the information a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

6.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5th administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring any smart meter solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for any smart meter solution or similar system solution. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any smart meter solution or similar system solution or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sades Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.6 Critical Notice Affecting STS Meters

Municipalities are alerted that there is a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens. The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government.

If your municipality or entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sades Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

6.7 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (MBRR) regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2022/23 MTREF.

6.8 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

6.9 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient

and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

6.10 Water management

Reference is made to the 2011, Chapter 8 of the Local Government Budget and Expenditure Review (LGBER) which emphasizes the importance of water management.

It has been observed recently in various platforms where municipalities engage with treasuries and the sector departments that there is no uniformity in reporting water and electricity losses. These are material items and need to be disclosed in planning, budgeting, reporting and in the annual report and Annual Financial Statements in uniform ways in order to track performance. In order to ensure consistency of reporting, the following information must be provided:

Accounting for water sold, non-revenue water and water losses:

- System input volume (kl)
- Water Billings (sum of accounts issued) – volume in kl and rand value
- Free basic water allowance (not included in billings) - volume in kl and rand value
- Physical water losses (estimated): volume in kl and rand value
- Water revenue collected (Rand value)

Accounting for electricity sold and electricity losses:

- Electricity purchased and generated (Electricity input) (kWh)
- Electricity Billings (sum of accounts issued) (KWh and Rand value)
- Free basic electricity allowance (not included in billings) (KWh and Rand value)
- Technical losses (estimated) (KWh and Rand value)
- Electricity revenue collected (Rand value)

In addition, the norms articulated in MFMA Circular No. 71 should also be taken into consideration.

6.11 Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW)

Cabinet adopted the Medium-Term Strategic Framework (MTSF) for 2019-2024 wherein it amongst others, committed that government will reduce irregular expenditure by 75 per cent and fruitless and wasteful expenditure by 100 per cent by 2024. It is important to note that these targets are applicable to each sphere of government. To this end, the Minister of Finance approved the UIFW Reduction Strategy for municipalities which was issued through MFMA Circular No. 111 in November 2021. The latter strategy advocated for municipalities to develop UIFW reduction plans that is approved by the municipal council, with the aim being for municipalities to utilize their 2018/19 UIFW figures as contained in their audited annual financial statements for that financial year as a baseline to develop the reduction plans. Whilst progress has been slow in terms of municipalities developing and submitting these plans to the National Treasury, some municipalities has made strides in this regard.

National Treasury would like again to encourage municipalities to develop the UIFW reduction plans and have it approved by the municipal councils through a council resolution for submission to the National Treasury to the MFMA helpdesk at mfma@treasury.gov.za for the attention of Mr. Wayne McComans on wayne.mccomans@treasury.gov.za. Municipalities are also advised to report progress against these UIFW reduction plans as part of their monthly

section 71 reporting to enable the necessary monitoring and oversight by the National Treasury on the implementation of these plans.

Going forward the Treasuries will place increased attention and focus on the processing of UIFW by municipalities as required by section 32(2) of the MFMA read with MFMA Circular No. 68. The National Treasury regards this consistent non-compliance for failure to adequately process and investigate UIFW as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution.

7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2022/23 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of

d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).

- A progress report (also in percentages) on the status of each project's implementation that includes an attached legible implementation plan);
- The value of the committed project funding, and the conditional allocation from the funding source;
- Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
- Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
- An indication of the time-period within which the funds are to be spent if the roll-over is approved; and
- Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy, this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2022, the application will not be considered.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

- Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2021 DoRA, including the municipal manager and Chief Financial Officer signing-off on the information sent to National Treasury;
- Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2022;
- Accurate disclosure of grant performance in the 2021/22 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
- Despite the fact that local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2021/22 pre-audited Annual Financial Statements in order to verify grant expenditure; and
- Cash available in the bank (net position including short-term investments) as at 30 June 2022 is equivalent to the amount that is unspent as at the end of the financial year. If the amount that is requested for roll-over is not entirely cash backed, such a roll-over will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to roll-over:

- The entire 2021/22 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2021/22 allocation;
- Rollover request of the same grant for the third consecutive time;

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, PRIVATE BAG X22
6220 DEBURGH 7280
MAY 2022
028 268 1177 • 028 268 425 014
info@overberg.gov.za • www.overberg.gov.za

- Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
- A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2022.

8.2 Unspent conditional grant funds for 2021/22

The 2021/22 unspent conditional process will be managed in accordance with section 21 of DoRA, in order to ensure that the unspent conditional grants against the 2021/22 financial year return to the National Revenue Fund (NRF). In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their 30 June 2022 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconcile;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2022. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and
- Step 3: If the receiving officer wants to motivate in terms of section 21(2) of the 2021 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2022.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 21 October 2022;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2022. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 18 November 2021; and
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund (NRF) by 18 November 2021, and for which a municipality has not requested a repayment arrangement, these funds will be offset against the municipality's 07 December 2022 equitable share allocation.

Annexure to MFMA Circular No. 86 addresses all the issues pertaining to Appropriation Statement and reporting on approved roll-overs.

8.3 Importance of section 16 of the Division of Revenue Act

The circular again reiterates the importance of compliance to section 16 of DoRA in relation to the allocation or transfer of funds by municipalities to other organs of state in order to implement projects on behalf of the municipalities.

Section 16 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- The allocation
 - i) Is approved in the budget for the receiving provincial department or municipality; or
 - ii) If not already approved;
 - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
 - bb) the National Treasury approves the allocation; or
- The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 16 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 16 (3) before any DoRA allocated funds that are allocated or transferred to any organ of state and the municipality should first seek approval from National Treasury. The allocation includes transfers made to any organ of state in order to perform a function using conditional grants allocated through the DoRA.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

- If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilized for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and the Integrated Urban Development Grant (IUDG) and three per cent for the Urban Settlements Development Grant (USDG) municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefitting from this initiative the PMU should be capacitated enough to implement capital project;
- Municipalities that are benefitting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained accelerated municipal capacity and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital projects; and
- If the request does not comply to the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to other organs of the state:

- In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
- Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
- Provide the Service Level Agreement (SLA) between the municipality and the organ of state in consultation with the relevant transferring officer;
- Provide the agreed payment schedule reflecting the disbursement of the funds;
- Must provide the reasons why such a decision has been taken by the municipality;
- If amongst the reasons for the request is related to capacity challenges the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
- Upon approval the municipality must submit the approved budget that includes the allocation.

Note that once the allocation or transfer has been approved the payment for goods or services must be procured in accordance with or in compliance to the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the transferring national officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 16, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6.1 of the Schedule A1 (the Excel Specimen) which is aligned to Version 6.6.1 of the mSCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities **must** prepare their 2022/23 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on A1 schedule version 6.6.1 is not allowed** in terms of the mSCOA Regulations.

National Treasury has protected the A1 schedule version 6.6 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the mSCOA chart version 6.6.1. The revised MBRR Schedules for the 2022/23 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za

Gauteng	Matjati Mashoeshoe	012-315 5553	Matjati.Mashoeshoe@treasury.gov.za
Johannesburg and Tshwane	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Ekurhuleni	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
eThekweni	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Phumelele Gulukunqu	012-315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315-5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tihomeli	012-406 9064	Iqdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions:

9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 MTREF budgets to determine if it is complete, funded and complies with the mSCOA requirements. The mSCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the tabled and adopted budgets**. In this period, the National and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10th working day of July each year. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of mSCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that **where municipalities have adopted an unfunded budget without a credible funding plan, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be**

immediately adopted by the Municipal Council, and the changes to the budget must be effected in the main adjustments budget to ensure compliance with Section 18 of the MFMA.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2022/23 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Friday, 01 April 2022**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the mSCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Wednesday, 01 June 2022**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in pdf format to the GoMuni Upload portal.

10.1 Expected submissions for 2022/23 MTREF

The following information should be submitted for the 2022/23 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed mSCOA data string in the format published with Version 6.6 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

10.2 GoMuni Upload Portal

The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 dated 06 December 2021, via the GoMuni Upload Portal. The upload portal can be accessed on <https://lguploadportal.treasury.gov.za> from 01 April 2022.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG 422
BREDASDORP 7280
30 Mar 2022
TEL: 026 422 1111
info@odm.org.za • www.odm.org.za

All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under new registrations.

10.3 Additional validation rules applicable to data string submissions

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules will be introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional validation rules will be implemented on the stage 1 validation. In other words, a data string that fails the validation will be rejected. The additional rules are as follows:

1. A balanced data string must be submitted. This means that the data strings that is submitted must always be in balance. All the transactions should be included for Revenue, Expenditure, Gains and Losses, Assets, Liabilities and Net Assets;
2. All secondary cost data strings may only be linked to Item: Expenditure: Default. All costing transactions must be linked to Item: Expenditure default as it refers to the reallocation of cost from one function to another or one operational project to another operational project. Where cost is capitalised the costing segment is not used;
3. Inventory for water must be linked to the Function: Water Management. Bulk purchases of Water must only be recorded against the Water management function; and
4. Opening balances must be linked to Project default and Fund: non funding. All opening balances that are not linked to Project default and Non funding will not be valid.

The new validation rules will come into effect from 01 July 2022.

10.4 Publication of municipal documents

Going forward, the following municipal documents will be published on the GoMuni/ Go Public portal:

- Integrated Development Plans;
- Budget Documentation;
- Service Delivery and Budget Implementation Plans;
- Annual Financial Statements;
- Annual Reports; and
- Audit Reports.

Municipal documents submitted to the National Treasury prior to 2022 will be available on the MFMA webpage and can be accessed via the MFMP Share Point Documents option on GoMuni/ Go Public.

GoMuni/ Go Public can be accessed on the following link: <https://lg.treasury.gov.za>

10.5 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department.
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
04 March 2022

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREDASBURG 7280
30 MAY 2022
TEL: 028 425 1127 • FAX: 028 425 1014
info@oam.org.za • www.oam.org.za



NATIONAL TREASURY

MFMA Circular No. 116

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular on disaster funding framework

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OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREDASBURG 7280



30 MAY 2022

TEL: 025 425 1417 • FAX: 025 425 1014
info@odm.org.za • www.odm.org.za

TO: ACCOUNTING OFFICERS OF MUNICIPALITIES AND MUNICIPAL ENTITIES**1 Purpose:**

The purpose of this budget circular is to summarise the sources of funding available for municipalities to respond in terms of the disaster funding provisions in the Division of Revenue Act, 2021 (Act No. 9 of 2021 – “the 2021 DoRA”), Division of Revenue Bill, 2022 (“the 2022 DoRB”), Disaster Management Act, 2002 (Act No. 57 of 2002 - “the DMA”) and Municipal Finance Management Act, 2003 (Act No. 56 of 2003 - “the MFMA”).

2 Background:

Following the severe weather events and the consequent damage caused in various provinces, a national disaster was declared in terms section 27(1) of the Disaster Management Act, 2002. The response, as announced by the President in his address to the nation on 18 April 2022, will be undertaken in a phased approach; the first being immediate humanitarian relief, second phase relates to stabilisation and recovery which includes rehousing people who have lost homes and restoring provision of services; and the third phase will focus on reconstruction and rehabilitation.

3 Available funding sources:

There are four main sources of funding available:

- Reprioritisation within the existing municipal budget;
- Disaster relief/response conditional grants;
- Reallocations within other conditional grants; and
- Utilisation of the contingency reserve for 2022/23.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREDASDORP 7260



30 MAY 2022

TEL: 028 425 1167 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

The first two sources of funding are available to support spending in the remaining months of the current financial year ending June 2022. However, all four sources of funding will be considered as part of the ongoing response to the severe weather events.

3.1 Reprioritisations within the existing municipal budget

Section 56(2)(a) of the DMA provides that when a disaster occurs, the national, provincial and local organs of state may contribute financially to the response efforts, post-disaster recovery and rehabilitation. Municipalities are therefore expected to also contribute from their own resources and budgets. The affected municipalities have probably already begun to reprioritise resources in response to the disaster. Such measures are consistent with the requirements of the DMA. In doing so, municipalities are advised to adhere to the requirements outlined in section 29 of the MFMA. These requirements provide that municipalities may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

Municipalities are advised to consider the option to use section 29 of the MFMA to fund the response to the disaster in both the 2021/22 and 2022/23 financial years, noting that assessments on the damage and resources required to address them, may take time to be confirmed.

3.2 Disaster response grants

Funds for immediate relief can be applied for from the *Municipal Disaster Response Grant* (formerly known as the *Municipal Disaster Relief Grant*) (“MDRG”). This grant is provided for

in Schedule 7 to the Division of Revenue Act, which provides for the immediate release of disaster relief funds. The funds from this grant for the 2021/22 financial year are depleted, so the 2022/23 grant allocation of R371.4 million will be the main source of additional funding for immediate relief for municipalities. Applications for funding from the MDRG need to be submitted to the National Disaster Management Centre (NDMC), which assesses the applications and recommends the amount of funding to be released.

A further R175.4 million is available in the *Municipal Emergency Housing Grant ("MEHG")* for the 2022/23 financial year. Municipalities are required to submit applications to the national Department of Human Settlements (DHS) within 14 days of the agreement by the mayor that a housing emergency exists in terms of section 2.3.1(a) and (b) of the Emergency Housing Programme as per the Housing Code. DHS assesses the applications and recommends the amount of funding to be released to the National Treasury.

Table 1: Funds for immediate relief in 2022/23

	R'000	2022/23
Municipal Disaster Response Grant		371 420
Municipal Emergency Housing Grant		175 412
Total		546 832

Source: Division of Revenue Bill, 2022.

The frameworks setting out the grant rules and application process for the *Municipal Disaster Response Grant* and *Municipal Emergency Housing Grant* can be found on pages 207 and 227 of the 2022 DoRB.

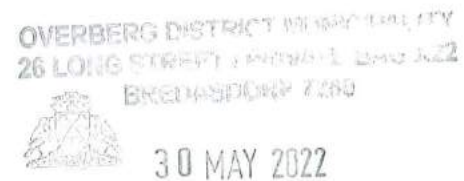
As the 2022 DoRB is yet to be enacted (the 2022 DoRB is expected to be enacted in June 2022), only 45 per cent (R246 million) of the R549 million allocated in 2022/23 can be released prior to the enactment of the Bill. This will be done in terms of section 27 of 2021 Division of Revenue Act, which permits the transfer of 45 per cent of the 2022/23 equitable shares and conditional grants to provinces and municipalities before commencement of the DoRA for the 2022/23 financial year.

Schedule 7 allocations can also be converted between provinces and municipalities. Section 21(7), read with section 27, of the 2021 DoRA allows for the conversion of funds between the provincial and municipal *disaster relief* grants and the provincial and municipal *emergency housing* grants if the allocation for one sphere is exhausted and additional funds are needed for that sphere before the allocation for the other sphere is fully used. Such a conversion can be done at the request of the NDMC, or on National Treasury's initiative, after consulting the NDMC.

As Schedule 7 grants are intended to allow for the rapid transfer of funds, the allocation to each municipality only has to be gazetted after the funds have already been transferred. The provisions allowing for the rapid release of these funds are set out in section 26(3), read with section 27, of the 2021 DoRA. i.e Funds can be released immediately upon approval by the National Treasury.

3.3 Reallocation of conditional grant funds

Funds from any conditional grants to municipalities may also be reallocated to pay for the alleviation of the impact of a classified disaster. Section 20(6)(a), read with section 27 of the 2021 DoRA provides for such a reallocation, if it is requested by both the department that administers that conditional grant and the NDMC. Section 26(6)(b), read with section 27, requires that the receiving officer must confirm that the funds proposed to be reallocated are not already committed before National Treasury can approve such a reallocation. Section 26(6)(c), read with section 27, of the 2021 DoRA, then requires that the funds be used in the same financial year, same sphere and for the same functional area they were originally allocated for. Reprioritised funds can be made subject to new conditions set by the



TEL: 028 425 1157 • FAX: 028 425 1014

transferring officer – after consulting the NDMC and receiving approval for the conditions from National Treasury.

Given that municipalities are in the last quarter of the 2021/22 financial year, it is possible that some funds can be repurposed to respond to the disaster especially as in the affected areas, implementation of some projects has been affected by the extreme weather events. The 2022 MTEF conditional grant allocations, as outlined in the 2022 DoRB, also present a wider scope for reprioritisation in 2022/23. The national departments that administer municipal conditional grants will need to do assessments with the receiving municipalities and agree on the amounts that can be repurposed and submit to National Treasury for approval.

Municipalities are advised to balance the need to provide resources for the response to this disaster, while maintaining as much as possible of the planned implementation of projects in the 2022 MTEF as possible.

3.4 Utilisation of the contingency reserve for 2022/23

Following a disaster, the repair and rebuilding of damaged infrastructure is typically funded through ring-fenced allocations in the Adjustment Budget or the next Budget. While the funding sources outlined above emphasise making funding available rapidly to address the immediate impacts of a disaster, it typically takes longer to assess and plan for the rebuilding or repair of damaged infrastructure, as rebuilt infrastructure has to be redesigned so that it will not be vulnerable to damage in a similar disaster in the future. All disaster recovery requests are assessed by the NDMC, and it then recommends to the National Treasury the amounts to be funded.

Because disasters do not necessarily align with the budget process, which allows for funding, in terms of section 30(2)(d) of the PFMA, to be appropriated for unforeseeable and unavoidable expenditure, funding for post-disaster reconstruction and recovery is typically provided for in the contingency reserve.

Despite section 30 of the PFMA, clause 6 of the 2022 Appropriation Bill allows the Minister of Finance to approve expenditure if it cannot be reasonably delayed without negatively affecting service delivery. However, this provision only comes into effect once the Appropriation Bill is enacted. Similar provisions to allow for this type of expenditure in municipalities are provided for in clauses 6(4) and 8(4) of the 2022 DoRB. These clauses provide that if any expenditure from the contingency reserve is approved in terms of section 6 of the 2022 Appropriation Act, any increases to the equitable share or conditional grants to municipalities may be released after the National Treasury has published the additional allocations by notice in the Gazette. The use of these provisions, however, will only come into effect once the 2022 DoRB is enacted.

4 Reporting and monitoring:

4.1 Reporting and monitoring of expenditure and the procurement process

Funding to respond to this disaster will be subject to the procurement processes and reporting conditions. Municipalities are urged to spend funds in line with the applicable conditions and adhere to the relevant reporting requirements in DoRA. Furthermore, municipalities will have to record the expenditure on disaster relief in their respective financial systems. The National Treasury will issue further guidance on the weekly and monthly reporting of disaster relief expenditure in terms of the Municipal Standard Chart of Accounts (mSCOA).

The need for increased pro-active governance measures with regard to supply chain management and procurement processes during this time needs to be stressed. Municipalities are advised consider using their internal audit committees to undertake preventative audits for quality assurance on procurement to respond to the effects of the damage caused by the 2022 April floods.

4.2 Real time auditing

The Auditor-General of South Africa (AGSA) will conduct real-time audits on the disaster response funds made available to provide much-needed relief to affected communities. The audits will provide independent assurance on whether public funds have been appropriately accounted for and used for their intended purpose.

A real-time audit is still reactive and, therefore, transactions must take place for the audit to provide independent assurance that the transaction was performed correctly, that the purchased goods or services were of the right quality and that it reached the intended beneficiaries. It must also determine that the transactions that took place complied with the requisite laws and regulations.

In essence, a real-time audit is an early audit aiming to prevent, detect and report on the findings to ensure an immediate response to prevent leakage, potential fraud, financial mismanagement and wastage. Real-time audits will equip municipal accounting officers to act quickly on weaknesses in controls and prevent further losses. They also enable immediate oversight and consequence management.

The focus of the real-time audits will be on:

- Prevention – the AGSA will be testing the implementation of the preventative controls to address the increased risks and significant changes in operations and will report to the accounting officer on the remaining risks;
- Detection – high-risk transactions will be subjected to an audit and any key observations are reported to the accounting officer as soon as they are identified to be addressed before any additional payments are made; and
- Reporting – work done by the AGSA, the outcome thereof and the responses by the accounting officers to any weaknesses identified are reported in a special report.

Through an early audit, the AGSA will provide real-time insights into the management and usage of funds earmarked for disaster relief in accordance with the objectives and targets set for those funds.

5 Dissemination of information contained in this circular:

Accounting officers are requested to bring the contents of this circular to the attention of all relevant municipal officials, municipal entities, councillors and municipal support personnel. There has also been huge interest from the general public on the utilisation of disaster relief funds and hence it will also be imperative that the municipality and municipal entity prepare special detailed reports that must be published on their websites on a monthly basis on projects, spending, and progress made.

6 Notification to the Auditor-General:

A copy of this circular will be submitted to the Auditor-General for notification.

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PHASE 2 BKG A22
BREDASBURG 7260
30 MAY 2022
TEL: 028 425 1167 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

Contact



national treasury

Department.
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH HATTINGH
CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
26 APRIL 2022

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG 222
BREDASBURGH 7280



30 MAY 2022

TEL: 028 425 1457 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za





Reference: RCS/C.5

Private Bag X9165

CAPE TOWN

8000

TREASURY CIRCULAR MUN. NO. 7/2022

THE MAYOR, CITY OF CAPE TOWN: MR G HILL-LEWIS
THE MAYOR, WEST COAST DISTRICT MUNICIPALITY: MR R STRYDOM
THE MAYOR, MATZIKAMA MUNICIPALITY: MR J VAN DER HOVEN
THE MAYOR, CEDERBERG MUNICIPALITY: DR R RICHARDS
THE MAYOR, BERGRIVIER MUNICIPALITY: MR R VAN ROOY
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR A TRUTER
THE MAYOR, SWARTLAND MUNICIPALITY: MR H CLEOPHAS
THE MAYOR, CAPE WINELANDS DISTRICT MUNICIPALITY: DR H VON SCHLICHT
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THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR C POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: ADV. G VAN DEVENTER
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THE MAYOR, MOSSEL BAY MUNICIPALITY: MR D KOTZE
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THE MAYOR, OUDTSHOORN MUNICIPALITY: MR C LOUW
THE MAYOR, BITOU MUNICIPALITY: MR D SWART
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THE MAYOR, LAINGSBURG MUNICIPALITY: MR M SMITH
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MS M JAFTHA
THE MAYOR, BEAUFORT WEST MUNICIPALITY: MR G PIETERSEN

THE MUNICIPAL MANAGER, CITY OF CAPE TOWN: ADV. L MBANDAZAYO
THE MUNICIPAL MANAGER, WEST COAST DISTRICT MUNICIPALITY: MR D JOUBERT
THE MUNICIPAL MANAGER, MATZIKAMA MUNICIPALITY: MR G SEAS (ACTING)
THE MUNICIPAL MANAGER, CEDERBERG MUNICIPALITY: MR D ADONIS
THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV. H LINDE
THE MUNICIPAL MANAGER, SALDANHA BAY MUNICIPALITY: MR H METTLER
THE MUNICIPAL MANAGER, SWARTLAND MUNICIPALITY: MR J SCHOLTZ
THE MUNICIPAL MANAGER, CAPE WINELANDS DISTRICT MUNICIPALITY: MR H PRINS
THE MUNICIPAL MANAGER, WITZENBERG MUNICIPALITY: MR D NASSON
THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METTLER
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE MUNICIPAL MANAGER, LANGEBOEG MUNICIPALITY: MR A DE KLERK
THE MUNICIPAL MANAGER, OVERBERG DISTRICT MUNICIPALITY: MR P OLIVER (ACTING)
THE MUNICIPAL MANAGER, THEEWATERSKLOOF MUNICIPALITY: MR J JONKERS
THE MUNICIPAL MANAGER, OVERSTRAND MUNICIPALITY: MR D O'NEILL
THE MUNICIPAL MANAGER, CAPE AGULHAS MUNICIPALITY: MR E PHILLIPS
THE MUNICIPAL MANAGER, SWELLENDAAM MUNICIPALITY: MR A GROENEWALD
THE MUNICIPAL MANAGER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR M STRATU
THE MUNICIPAL MANAGER, KANNALAND MUNICIPALITY: MR I AVONTUUR (ACTING)
THE MUNICIPAL MANAGER, HESSEQUA MUNICIPALITY: MR H VISSER (ACTING)
THE MUNICIPAL MANAGER, MOSSEL BAY MUNICIPALITY: MR C PUREN (ACTING)
THE MUNICIPAL MANAGER, GEORGE MUNICIPALITY: DR M GRATZ (ACTING)
THE MUNICIPAL MANAGER, OUDTSHOORN MUNICIPALITY: MR W HENDRICKS (ACTING)
THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR N MAREDI (ACTING)
THE MUNICIPAL MANAGER, KNYSNA MUNICIPALITY: MR J JACOBS (ACTING)
THE MUNICIPAL MANAGER, CENTRAL KAROO DISTRICT MUNICIPALITY: DR S VATALA
THE MUNICIPAL MANAGER, LAINGSBURG MUNICIPALITY: MR J BOOYSEN
THE MUNICIPAL MANAGER, PRINCE ALBERT MUNICIPALITY: MR A HENDRICKS (ACTING)
THE MUNICIPAL MANAGER, BEAUFORT WEST MUNICIPALITY: MR J PENXA

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG 422
BERGVEDDER 7250



30 MAY 2022

TEL: 028 425 1457 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

②

THE CHIEF FINANCIAL OFFICER, CITY OF CAPE TOWN: MR K JACOBY
 THE CHIEF FINANCIAL OFFICER, WEST COAST DISTRICT MUNICIPALITY: DR J TESSELAAR
 THE CHIEF FINANCIAL OFFICER, MATZIKAMA MUNICIPALITY: MR E ALFRED
 THE CHIEF FINANCIAL OFFICER, CEDERBERG MUNICIPALITY: MR M MEIMANI
 THE CHIEF FINANCIAL OFFICER, BERGRIVIER MUNICIPALITY: MR F LÖTTER
 THE CHIEF FINANCIAL OFFICER, SALDANHA BAY MUNICIPALITY: MR S VORSTER
 THE CHIEF FINANCIAL OFFICER, SWARTLAND MUNICIPALITY: MR M BOLTON
 THE CHIEF FINANCIAL OFFICER, CAPE WINELANDS DISTRICT MUNICIPALITY: MS F DU RAAN-GROENEWALD
 THE CHIEF FINANCIAL OFFICER, WITZENBERG MUNICIPALITY: MR C KRITZINGER
 THE CHIEF FINANCIAL OFFICER, DRAKENSTEIN MUNICIPALITY: MR B BROWN
 THE CHIEF FINANCIAL OFFICER, STELLENBOSCH MUNICIPALITY: MR K CAROLUS
 THE CHIEF FINANCIAL OFFICER, BREED VALLEY MUNICIPALITY: MR R ONTONG
 THE CHIEF FINANCIAL OFFICER, LANGEBERG MUNICIPALITY: MR M SHUDE
 THE CHIEF FINANCIAL OFFICER, OVERBERG DISTRICT MUNICIPALITY: MR N KRUGER
 THE CHIEF FINANCIAL OFFICER, THEEWATERSKLOOF MUNICIPALITY: MR D LOUW
 THE CHIEF FINANCIAL OFFICER, OVERSTRAND MUNICIPALITY: MS S REYNEKE-NAUDÉ
 THE CHIEF FINANCIAL OFFICER, CAPE AGULHAS MUNICIPALITY: MR H VAN BILJON
 THE CHIEF FINANCIAL OFFICER, SWELLENDAM MUNICIPALITY: MS E WASSERMANN
 THE CHIEF FINANCIAL OFFICER, GARDEN ROUTE DISTRICT MUNICIPALITY: MR J DE JAGER
 THE CHIEF FINANCIAL OFFICER, KANNALAND MUNICIPALITY: MR P MGENI (ACTING)
 THE CHIEF FINANCIAL OFFICER, HESSEQUA MUNICIPALITY: MS H VILJOEN
 THE CHIEF FINANCIAL OFFICER, MOSSEL BAY MUNICIPALITY: MR O FREDERICKS
 THE CHIEF FINANCIAL OFFICER, GEORGE MUNICIPALITY: MR R DU PLESSIS
 THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR G DE JAGER
 THE CHIEF FINANCIAL OFFICER, BITOU MUNICIPALITY: MR M DYUSHU
 THE CHIEF FINANCIAL OFFICER, KNYSNA MUNICIPALITY: MR A JAGAYSOR (ACTING)
 THE CHIEF FINANCIAL OFFICER, CENTRAL KAROO DISTRICT MUNICIPALITY: MR M ABDULLAH
 THE CHIEF FINANCIAL OFFICER, LAINGSBURG MUNICIPALITY: MS A GROENEWALD
 THE CHIEF FINANCIAL OFFICER, PRINCE ALBERT MUNICIPALITY: MR A HENDRICKS (ACTING)
 THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MS N NTSANGANI
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (DR R HAVEMANN)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MS J GANTANA)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (DR R HAVEMANN) (PRO TEM)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (MR S KENYON)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MR I SMITH)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (MR M BOOYSEN) (PRO TEM)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR F SALIE)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR T NTSHINGILA)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR I TSIE)
 THE DIRECTOR: LOCAL GOVERNMENT MFMA COORDINATION (MR S KENYON) (PRO TEM)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MS A ABOO)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS T VAN DE RHEEDE)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS N EBRAHIM)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)
 THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

OVERBERG DISTRICT MUNICIPALITY
 26 LONG STREET / BUREAU BAG X22
 BEAUFORT WEST 7200



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TEL: 028 425 1167 • FAX: 028 425 1914
 info@odm.org.za • www.odm.org.za

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MUNICIPAL BUDGET CIRCULAR FOR THE 2022/23 MTREF AND ASSOCIATED 2022 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS

1. INTRODUCTION

This Circular is a follow-up to the Provincial Treasury (PT) Circular 01/2022 issued on 24 January 2022 and should be read in conjunction with National Treasury (NT) MFMA Circulars No. 112 and No. 115 issued on 06 December 2021 and 04 March 2022 respectively.

The purpose of this circular is to:

- provide guidance to municipalities with the finalisation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF) Budgets and accompanied budget documentation, and
- brief municipalities on the 2022 Strategic Integrated Municipal Engagements (SIME) process and related matters.

2. LEGISLATIVE CONTEXT

The Western Cape Provincial Government (WCG) has institutionalised the Strategic Integrated Municipal Engagements (SIME; previously referred to as LGMTEC) process in fulfilment of its obligations under:

- Sections 5, 22 and 23 of the Local Government: Municipal Finance Management Act (MFMA), Act No. 56 of 2003;
- Chapter 5 of the Local Government: Municipal Systems Act (Act No. 32 of 2000) [MSA];
- Chapter 3 of the National Environmental Management Act (Act No. 107 of 1998) (NEMA); and
- Chapter 4 of the Spatial Planning and Land Use Management Act (Act No. 16 of 2013) (SPLUMA).

The 2022 SIME process will give effect to the "Integrated Work Plan" adopted in 2017. It builds on the 2021 integrated municipal and provincial processes to strengthen alignment between municipal and provincial planning and budgeting and drives the theme of "Integrated service delivery", specifically as municipalities are preparing for the new Integrated Development Planning Cycle.

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TEL: 026 425 1457 • FAX: 026 425 1014
info@oim.org.za • www.oim.org.za

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3. FISCAL AND ECONOMIC CONTEXT

3.1 2022 National Budget

The key highlights of the 2022 National Budget are summarised below.

- The world economy is expected to grow by 4.4 per cent in 2022 which is slightly lower than the 4.9 per cent that was anticipated when tabling the Medium-term Budget Policy Statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global supply chains, global geopolitical risk (particularly the Russian invasion of Ukraine) and reduced fiscal and monetary policy support have limited the pace of the world's economic recovery.
- The South African economy has not been shielded from these global developments; hence real GDP growth is estimated at 4.9 per cent in 2021, bouncing back from a 6.4 per cent contraction in 2020 and is projected to be followed by growth averaging 1.9 per cent over the next two years. The Western Cape GDP is expected to follow the national trajectory, expanding by 4.3 per cent in 2021, by 2.0 per cent in 2022 and by 1.9 per cent in 2023. This outlook partly reflects a slowing recovery. A more rapid implementation of economic reforms, complemented by fiscal consolidation, will ease investor concerns and support faster recovery and higher levels of economic growth over the long term. Significant risks to the economic outlook include new COVID-19 variants leading to new waves of infections, continued interruptions in power supply, rising inflation resultant from supply chain disruptions and increasing energy prices, fiscal risks as well as global economic uncertainty.
- Headline inflation is expected to remain between the 3 - 6 per cent target range over the 2022/23 MTEF as seen in the CPI inflation projections below. Although prime lending rates are increasing, borrowing conditions remain favourable. Lending rates are however expected to increase in the short-term.

Table 1: CPI Performance and Projections, 2020-2025¹

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: National Treasury, 2022

- A consolidated budget deficit of 6 per cent of GDP is projected for 2022/23, narrowing to 4.2 per cent of GDP in 2024/25. Gross debt is projected to stabilise at 75.1 per cent of GDP in 2024/25. Gross tax revenue for 2021/22 is expected to be R181.9 billion higher than projections in the 2021 budget. Government will continue to focus on broadening the tax base, improving administration and lowering taxes.
- Government's medium-term spending plans include an allocation of R3.3 trillion for the social wage, and R18.4 billion to support youth employment and the creation of short-term jobs in 2022/23 and 2023/24. Additional allocations since the 2021 MTBPS support policy priorities in higher education, teacher retention in basic education, health budgets for new hires and the continued response to COVID-19. Debt-service costs account for 15.1 per cent of total spending and grow faster than all functions, including learning and culture and health.

¹ Updated from the 2021 National Medium Term Budget Policy Statement (MTBPS). The Provincial Government inflation assumptions are based on the 2021 MTBPS projections.

- Over the 2022 MTEF period, after budgeting for debt-service costs, the contingency reserve and provisional allocations, 48.8 per cent of nationally raised funds are allocated to national government, 41.4 per cent to provinces and 9.8 per cent to local government.

The 2022 National Budget documentation is available at: <http://www.treasury.gov.za/documents/National%20Budget/2022/>

3.2 2022 Western Cape Provincial Budget

On Monday, 14 March 2022, the Western Cape Minister for Finance and Economic Opportunities, Mr. David Maynier, tabled the 2022 Western Cape Budget in the provincial legislature. The 2022 Budget focuses on implementing the Western Cape Recovery Plan priorities namely, Jobs, Safety, and Wellbeing, while maintaining a response to COVID-19. The budget policy priorities will support economic growth and job creation; strengthen law enforcement and social protection; and ensure human dignity by protecting human rights and supporting mental wellbeing.

The 2022 Budget is informed by the WCG's Fiscal Strategy which is based on four key fiscal decision-making principles, namely, *Protect basic services outcomes*; *Unlock allocative efficiency*; *Enhance productive efficiency*; and *Enable long-run fiscal sustainability*.

The 2022 Budget, named, "**A Budget to Push Forward**" will over the medium term spend R19.6 billion on "Jobs"; R4.4 billion on "Safety"; R111.3 billion on "Wellbeing"; and R30.3 billion over the medium term on infrastructure in the Western Cape.

The 2022 MTEF budget will over the medium term also allocate an additional R6.2 billion to education; R2.4 billion to healthcare; R136 million to social development; and R2.6 billion on infrastructure in the Western Cape.

These budgetary allocations support the WCGs fiscal principles and ensures that the WCG continues to –

- sustain the fight against the COVID-19 pandemic, including the successful rollout of the vaccination programme;
- support the recovery plan priorities of Jobs, Safety and Wellbeing;
- protect frontline services, including education, health and social development;
- rebalance the composition of expenditure by increasing spending on infrastructure;
- supports effective local governance;
- significantly improves the efficiency of expenditure by driving value for money in procurement;
- mitigate risks including drought, fire and flooding; and
- ensure long-term fiscal sustainability replenishing provincial reserves.

The 2022/23 Budget will spend R76.8 billion across the five districts and the metro in the Western Cape as follows: R8.7 billion in the Cape Winelands District; R3.8 billion in the West Coast District; R6.4 billion in the Garden Route District; R2.8 billion in the Overberg District; R989 million in the Central Karoo District; and R54.2 billion in the City of Cape Town.

To further support municipalities to drive economic growth, a new Municipal Ease of Doing Business Fund will be launched, which will allocate R10 million to projects which reduces red tape in municipalities in the Western Cape.

The budget also allocates an additional R30 million over the medium term to strengthen forensic investigation capability, and legal services capability, in the municipal space in order to support clean governance.

These priority objectives are as relevant to the local government space as it is to the Western Cape as a whole and has informed the formulation of the 2022 SIME theme i.e., Enabling Sustainability and Growth. Municipalities are urged to familiarise themselves with the fiscal strategy underlining the 2022 WCG MTEF Budget and to take cognisance of the Provincial expenditure allocations (including infrastructure investments) within the respective municipal areas. The allocations to be made per school and per hospital in the province, as well as those by Casidra and CapeNature, will be finalised and published in April 2022. The 2022 Main Budget documentation can be found here:

<https://www.westerncape.gov.za/provincial-treasury/news/western-cape-budget-202223>

4. NATIONAL AND PROVINCIAL BUDGET GUIDELINES

Municipalities are advised to consult MFMA Circulars No. 112 (2021) and No. 115 (2022) as well as the Provincial Treasury Circular No. 1/2022 (24 January 2022) for guidance in respect of planning and budgeting towards the 2022 MTREF.

Municipalities MUST include the National and Provincial Treasury 2022 Budget Circulars as part of the source documents consulted in the preparation of the 2022 MTREF Budget documents and table it as part of the budget documentation in the municipal council.

The NT and PT circulars provide guidance to municipalities on revenue, expenditure and accounting related matters for consideration when compiling their 2022/23 MTREF budgets. Although municipalities must thoroughly scrutinise these circulars in their own time, PT wishes to highlight the following key consideration:

4.1 Direct Transfers to Local Government

The Division of Revenue Bill (DORB) was published on 23 February 2022, following the tabling of the 2022 National Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published therein. Note that in terms of the outer year allocations (2023/24 and 2024/25) it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website at the following link:

<http://www.treasury.gov.za/documents/national%20budget/2022/dor.aspx>

According to the DORB, direct transfers to municipalities will grow at an annual average rate of 7.9 per cent over the 2022 MTREF; direct conditional grants at 5.3 per cent, while the local government equitable share (LGES) will grow at 10.3 per cent on average per annum over this period. These growth rates are all above the inflationary estimates provided above.



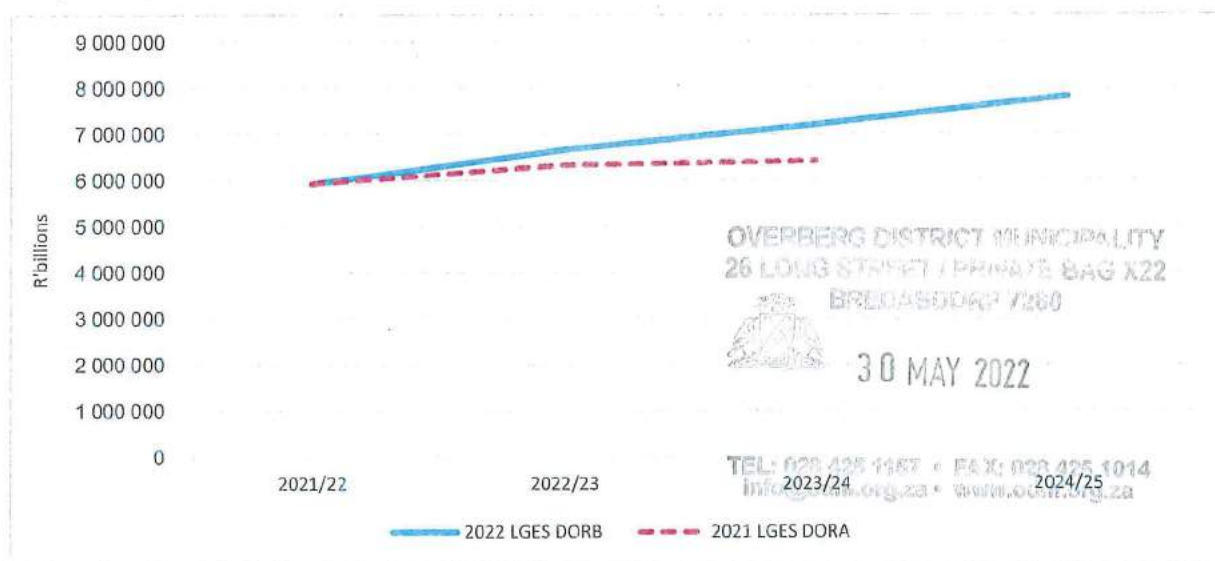
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TEL: 028 425 1157 • FAX: 028 425 1014
info@edm.org.za • www.edm.org.za

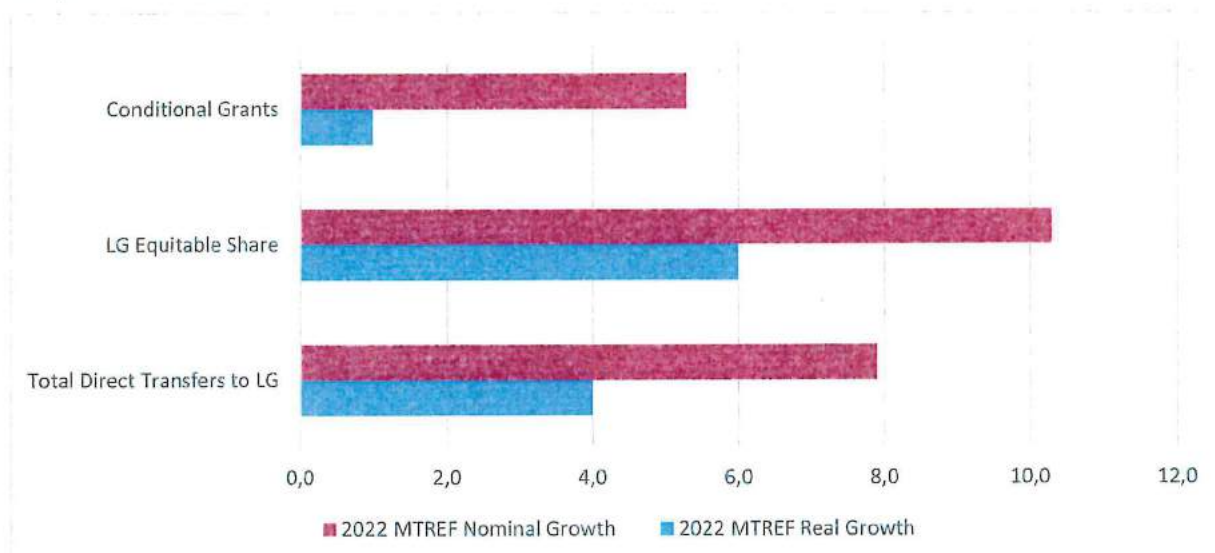
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Graph 1: Equitable Share Estimates, 2021 DORA vs 2022 DORB



Graph 2: Nominal vs Real LGES Growth across the 2022 MTEF



Source: Financial and Fiscal Commission; National Treasury, 2022

The two graphs above illustrate the impact of the significant additions to the equitable share over the MTEF. Graph 1 compares projected allocations in the 2021 DoRA with the new allocations in the 2022 DoRA. Graph 2 provides a comparison of average annual LGES growth rates in real and nominal terms for the 2022 MTEF allocations. When adjusted for inflation, the overall allocations to local government (equitable share, direct grants as well as fuel levels) show strong positive growth. This will help municipalities to offset the ever-increasing cost of basic services. The higher than inflation growth of allocations in the local government equitable share ensures that it fully compensates for the annual data updates made to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2022 MTEF. Growth in conditional grant allocations has been more modest.

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An amount of R28.9 billion has been added to the LGES allocation over the MTREF to increase coverage for the provision of free basic services. Municipal budgets should demonstrate how the additional funds they have been allocated are being used to sustain and/or expand the provision of basic services to poor households. Municipalities are advised to prioritise ensuring that the full cost of providing free basic services to existing indigent households are fully covered before providing for expanded services.

Municipalities must be mindful that the Equitable Share is primarily meant to fund basic municipal services to indigents. Municipalities must ensure that monies are used for the purpose they were allocated for.

4.2 Salary and Wage Considerations

In line with the 2021 Multi-year Salary and Wage Collective Agreement for the 2022/23 financial year, and as instructed by the South African Local Government Bargaining Council Circular 1 of 2022 (9 March 2022), salary and wage increases shall, as of 1 July 2022, be as follows:

- In terms of Clauses 6.4 and 6.5, the salary and wage increase shall be 4.9 per cent.
- In terms of clause 7.2, the minimum wage shall increase to R9 043.21.
- In terms of clause 9.1.2, the flat rate homeowners' allowance shall increase to R1 011.77.
- In terms of clause 10.1.2, the medical aid maximum employer contribution shall increase to R5 007.00.
- In terms of clause 11.1, all benefits linked to salary shall increase by 4.9 per cent.

Municipalities that cannot afford to implement the above, may in terms of Clause 15 of the Agreement, apply for exemption. Municipalities that want to apply for exemption are requested to inform SALGA of such a decision as soon as possible, but not later than 31 May 2022.

4.3 Eskom Bulk Tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they have in their Multi-Year Price Determination (MYPD 5) applied for much higher tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA has, after deliberation, approved a 9.61 per cent tariff increase for Eskom starting from April 2022 and includes the 2022/23 tariff approval of 3.49 per cent.

NERSA's "Municipal Tariff Guidelines Increases, Benchmarks and Proposed Timelines for Municipal Tariff Approval Process for the 2021/22 financial year" publication should be consulted before the tabling of the budgets. This guideline will include the maximum increase for tariffs for municipal consumers. Municipalities that table their budgets before the NERSA Guideline is published are advised to base their electricity tariff increases in their tabled budgets on the 9.6 per cent increase published for Eskom customers for the 2022/23 national financial year. Municipalities can then update with the corrected tariff for the 2022/23 municipal financial year as published in the NERSA Guideline when they finalise their budgets for adoption.

OVERSEAS DISTRICT MUNICIPALITY
26 L.D. STREET (H. R. G. BAG 22)
BREDENBURG 7200
30 MAY 2022
TEL: 020 425 1457 • FAX: 020 425 1014
info@dam.org.za • www.dam.org.za

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4.4 Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Municipalities are reminded to develop council approved Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIF&W) reduction plans as advocated for by MFMA Circular No.111 of November 2021. These reduction plans must align to the targets outlined in the 2019 – 2024 Medium Term Strategic Framework (MTSF). Progress reporting against these plans must be institutionalised as part of the monthly section 71 process to enable effective monitoring and oversight by National and Provincial Treasury, in addition to the reporting to the MEC for Local Government that is already required.

4.5 Unspent conditional grant funds for 2021/22

Municipalities must familiarise themselves with the provisions of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA), read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), which outlines the process to be followed in dealing with unspent conditional grant funding for 2021/22.

Noteworthy action steps and deadlines are briefly as follows:

- Roll-over applications must be submitted to NT by no later than 31 August 2022.
- Outcomes of the roll-over application process will be communicated to municipalities by 21 October 2022.
- Specific unspent grant amounts will be communicated by 8 November 2022 whereafter municipalities will have until 18 November 2022 to return the funds in question to the National Revenue Fund (NRF).
- Any unspent conditional grant funds that should have, but are not repaid to the NRF by 18 November 2021, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's equitable share allocation transfer on 07 December 2022.

When requesting a rollover in terms of section 21(2) of the 2021 DoRA, municipalities must include the information as outlined in section 8.1 of the MFMA Budget Circular 115 with their submission to NT.

Provincial Treasury will shortly issue a circular to guide municipalities in terms of unspent provincial grant allocations for 2021/22 and the roll-over process that should be followed.

4.6 Provincial Conditional Grant Allocations

Total departmental transfers to local government in the Western Cape will in 2022/23 amount to R2.591 billion which equates to a 20.7 per cent decrease from R3.266 billion in 2021/22 (revised estimates). Looking forward, transfers will decrease towards 2023/24 (-0.04 per cent) and 2024/25 (-6.3 per cent). The decline is because of significant amounts being retained by the Department of Human Settlements across the MTREF.

The structure of provincial grants to municipalities remains largely the same as it has been in previous years. Municipalities were briefed on proposed changes to grants in a CFO Forum Technical Engagement workshop on 21 February 2022.

Two of the grants previously transferred by Provincial Treasury have been merged into a consolidated new Western Cape Financial Management Capability Grant. Details of this and all other conditional grants were published in Provincial Gazette 8566 (14 March 2022) and can be accessed at:

<https://www.westerncape.gov.za/provincial-treasury/news/western-cape-budget-202223>).

Municipalities must ensure that the provincial transfer receipts detailed in their budgets, align to the Provincial Gazette.

4.7 Municipal Standard Chart of Accounts

The 2022 MTREF budgets must be compiled making use of Version 6.6.1 of the mSCOA Chart, which will come into effect on 01 July 2022.

Municipalities must take note of the technical changes to the new version of the chart and follow the guiding recommendations made by NT (within MFMA Circular 115) insofar the successful completion of the budget is concerned.

Municipalities are reminded to complete the D-Forms required by NERSA. National Treasury is currently looking into how the mSCOA data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules are being introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional rules are outlined in NT MFMA Circular 115.

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA. The course covers fundamentals of mSCOA, system and reporting requirements and budgeting and transacting on the mSCOA chart. Municipalities are reminded to budget for the course in their 2022/23 MTREF budgets.

5. OTHER MATTERS

5.1 Performance Reporting Obligations: Implementation of MFMA Circular 88 (2017) for the 2022/23 municipal financial year

Municipalities are once again reminded to familiarise themselves with MFMA Circular No. 88 of 2017, its accompanying annexures and subsequent addendums which provide guidance to municipalities on the adoption and internalisation of a common set of performance indicators. Experience since the 2018/19 implementation of the original circular has shown that the on-going planning, budgeting and reporting reforms process is complex and requires sufficient time and change management for incremental roll-out, growth and institutionalisation.

Addendum 2 (released in December 2020) introduced a significant shift in the reforms in four respects: 1) it more closely integrates and guides planning, budgeting and reporting reforms; 2) it significantly expands and revises the set of MFMA Circular No. 88 indicators applicable to metropolitan municipalities; 3) it expands the application of the reforms and the indicators to differential categories of municipalities and levels of readiness, for application in 2021/22 MTREF cycle going forward; and 4) it introduces evaluations in the context of these reforms.

For immediate implementation purposes, municipalities should be able to identify the indicators in Appendix A to Addendum 2 that are listed as Tier 1 or Tier 2 for their category of municipality and start establishing baselines for those measurements (if they are not already being tracked). Understanding the standard definitions will require engaging with the technical indicator descriptions (TID) in Appendix B to Addendum 2. Municipalities should be able to navigate Appendix A without any further guidance to understand what is going to apply to them for the 2022/23

financial year and be able to refer to Appendix B to get the detail on the standard formulation of each indicator.

Importantly, please note that intermediate cities, districts and local municipalities will still not yet for 2022/23 be required to incorporate these indicators in their IDPs and SDBIPs. Instead, the relevant indicators should be included as an annexure to the IDP and SDBIP. Although the indicators do not formally have to be included in the IDP/SDBIP, municipalities will be required to report on performance against said indicators on a quarterly and annual basis. Municipalities are therefore advised to put in place the necessary standard operating procedures and portfolios of evidence to ensure timeous reporting throughout 2022/23 to ultimately strengthen the link between planning, budgeting and reporting. Please do note that the roll-out process currently remains a pilot project. Reporting against these indicators will as such not be audited for 2022/23.

6. 2022/23 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENTS (SIME) PROCESS

6.1 Municipal Budget Day

According to sections 16(2) and 17(3)(d) of the MFMA, the Mayor of a municipality must table the annual budget at a council meeting at least 90 days (i.e. by 31 March 2022) before the start of the budget year.

It is important to note that there is no explicit requirement for council to endorse or approve the tabled budget or draft IDP tabled by the mayor for public participation. The municipal council only has the legal authority to consider a tabled budget and draft IDP after the completion of one or more public participation processes undertaken pursuant to Section 22, read with section 23 of the MFMA. Council will only consider for approval "*the product of an inclusive budget preparation and consultative process*" when the proposed annual budget (as amended, if applicable) is tabled before council in terms of section 24(1) of the MFMA.

Given that the preparation, consultation, adoption and implementation of a municipality's annual budget is inextricably linked to, and must be substantially aligned to and informed by the contents of that municipality's IDP, it would be procedurally flawed for the mayor to proceed with the tabling of the proposed annual budget (and commence with public participation process required in terms of section 22 of the MFMA) at a time when the municipality's draft IDP has not been completed.

6.2 Consequence Management

If a municipality has failed to complete the relevant processes applicable for the review and revision of the annual budget and the compilation of an IDP in time for the deadline applicable to the tabling of the proposed annual budget (i.e. 31 March), the mayor must submit an application for an extension of the said deadline. As per section 27 of the MFMA, the mayor of a municipality must, upon becoming aware of any impending non-compliance by the municipality of any provisions of the Act or any other legislation pertaining to the tabling or approval of the annual budget or compulsory consultation processes, inform the MEC for Finance in the province in writing of any impending non-compliance.

If the impending non-compliance pertains to a time provision, except section 16(1) of the MFMA, the mayor may apply to the MEC for Finance for an extension, which must be in accordance with Schedule G of the Municipal Budget and Reporting Regulations (MBRR). In addition to the requirement to inform the MEC of impending non-compliance with the MFMA, mayors and accounting officers are requested to inform PT should they have reasons to believe that their municipality's budget might not be tabled/approved timeously due to dynamics in council. This will

enable PT to engage with municipal officials to prepare for any possible action (including in terms of 139(4) of the Constitution) that may be required if a budget is not adopted.

In the event of actual non-compliance by a municipality with time provisions concerning the annual budget, the mayor must inform council, the MEC for Finance and NT, in writing, of such non-compliance and any remedial action or corrective measures the municipality intends to implement. Such a notification must be done in accordance with section 63 and Schedule G of the MBRR.

Municipalities are cautioned that any delay to table the budget in terms of section 16(2) of the MFMA could compromise the ability to approve the budget before the start of the financial year as required by section 16(1) of the MFMA. Failure to approve the budget before the start of the financial year will automatically invoke the provisions of sections 25(1) and 55 of the MFMA. Should a municipality not approve the budget by the start of the new financial year, the provincial executive **MUST** intervene in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or revenue-raising measures are approved. These steps include, but are not limited to, dissolving council and appointing an administrator and approving a temporary budget or revenue raising measures to provide for the continued functioning of the municipality.

Municipalities are kindly requested to communicate any changes to the confirmed tabling dates (as it appears in **Appendix A**) to PT via Tania.Bosser@westerncape.gov.za by **23 March 2022**.

6.3 Submitting budget documentation and schedules for 2022/23 MTREF

Section 22 (b)(i) of the MFMA requires that, immediately after an annual budget is tabled in municipal council, it must be submitted to NT and the relevant provincial treasury. If the annual budget is tabled in council on 31 March 2022, the **final date of submission of the electronic budget documents and corresponding mSCOA data strings is Friday, 01 April 2022**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the mSCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to NT and the relevant provincial treasury in electronic formats **immediately** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 31 May 2022**, the final date of submission of the electronic budget documents and corresponding mSCOA data strings is **Wednesday, 01 June 2022**.

The accompanying document submission checklist (**see Appendix B**) provides a list of the documentation required by Provincial Government. Electronic budget related documents must be provided in PDF format. The designated municipal official needs to complete and sign the accompanying checklist (**Appendix B**) as confirmation that the set of budget, IDP and related documents have been submitted.

Municipalities should note that NT will no longer accept submissions by email, NT will now only accept uploads via the GoMuni portal. The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 (2021), via the **GoMuni Upload Portal**. The Upload portal can be accessed on <https://lquploadportal.treasury.gov.za> from 01 April 2022. All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a Request for Access to

lgdataqueries@treasury.gov.za. The request form will be available on the GoMuni login page under New Registrations.

Municipalities must also submit electronic documents to **Provincial Treasury** to: MFMA.MFMA@westerncape.gov.za or if too large (exceeds 3 MB), must be submitted via One Drive. Instructions for uploading the budget and related documents via **One Drive** are provided in **Appendix C**. Provincial Treasury will engage further with NT and municipalities to establish whether in future it is feasible for documentation to only be uploaded to the GoMuni portal. At present, municipalities are still required to separately submit all documentation to PT (as required in the MFMA).

If municipalities require advice with the compilation of their respective budgets, they should direct their enquiries to the following WC Provincial Treasury officials:

Directorate	Official	Tel. No.	Email
MFMA Co-Ordination	Steven Kenyon	021 483 0811	Steven.kenyon@westerncape.gov.za
Public Finance	Isaac Tsie	021 483 6241	Isaac.Tsie@westerncape.gov.za
	Thobelani Ntshingila	021 483 6100	Thobelani.Ntshingila@westerncape.gov.za
Budget Office	Malcolm Booysen	021 483 3386	Malcolm.Booyesen@westerncape.gov.za
	Dian Cronje	021 483 0390	Dian.Cronje@westerncape.gov.za
Fiscal Policy	Shafeeqa Davids	021 483 9192	Shafeeqa.Davids@westerncape.gov.za
Accounting	Faez Salie	021 483 4252	Faez.Salie@westerncape.gov.za

Municipalities may also contact the following officials at NT for assistance.

Responsible Area	Official	Tel. No.	Email
Western Cape	Willem Voigt	012 315 5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012 315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012 315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Septhiri Tlhomeli	012 406 9064	lgdataqueries@treasury.gov.za

30 MAY 2022

6.4 Publication of budgets on municipal website

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the Municipality's website. This will aid in promoting public accountability and good governance.

6.5 Strategic Integrated Municipal Engagement (SIME) Process

Integrated planning and budgeting focusses on strengthening the alignment of planning and budgeting in the Province, and places particular emphasis on enhancing the provincial and local government interface. The SIME engagements, which takes place in May 2022, precedes the approval and implementation of municipal budgets. The engagements afford the WCG the opportunity to provide feedback on its assessment of the municipal planning and budgeting efforts for the upcoming financial year and for the 2022 MTREF.

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The assessments are based on compliance and performance information obtained from the Western Cape Monitoring and Evaluation System (WCMES) as well as an assessment on conformance, responsiveness, credibility, and sustainability of the municipality's draft budget, IDP, SDF and supporting plans. It is therefore important that all Municipalities timeously submit all the required information. The assessment of the tabled IDPs will be undertaken by the Department of Local Government, in close contact with all relevant sector departments in the Province impacting on municipalities, to ensure alignment between the IDPs and all the Provincial strategic priorities and plans.

The SIME engagements will primarily focus on strategic issues emanating from municipalities' draft IDPs and tabled annual budgets to gear municipalities for sustainable growth and development.

The overall objectives of the 2022/23 SIME process and the key messages therefore emphasises:

- Aligning strategic intent as encapsulated within the Integrated Development Plans (IDP) and municipal budgets to create public value based on the community needs/priorities identified through the public participation processes;
- Safeguarding of municipal sustainability by ensuring that municipalities table funded budgets and the strengthening of municipal financial management;
- Ensure optimal and targeted service delivery through strategic spatial planning and alignment;
- Deepening of an integrated approach to service delivery with the intention of creating synergies through the consolidation/concentration of resources across all spheres of government;
- Identification of areas that require support as well as opportunities for collaboration and partnerships.

The 2022 SIME engagements are planned to be in person, with a hybrid approach where officials can also join in via Microsoft Teams where such facilities can be accommodated by the municipality. Confirmation of the arrangements will be confirmed individually with each municipality.

- The SIME engagements are provisionally scheduled to take place from 3 May 2022 to 18 May 2022, subject to confirmation from the municipalities. PT will communicate with each Municipality on an individual basis to confirm the date and time of the engagement.

7. CONCLUSION

Municipalities should consider and apply the contents of this budget circular in the 2022/23 planning and budgeting process.

Please direct any queries regarding this circular to Dian Cronje at:

Dian.Cronje@westerncape.gov.za.

Roy Havemann

Digitally signed by Roy
Havemann
Date: 2022.03.18 21:05:43 +02'00'

DR R HAVEMANN

DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES

DATE: 18 March 2022

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET | PHOENIX - BAY A22
BREDASDORP 7260



30 MAY 2022

TEL: 028 425 1157 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

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CONFIRMED 2022 BUDGET TABLING DATES

Municipality	Confirmed date
City of Cape Town	Thursday, 31 March 2022
Matzikama	Tuesday, 29 March 2022
Cederberg	Thursday, 31 March 2022
Bergvliet	Tuesday, 29 March 2022
Saldanha Bay	Thursday, 31 March 2022
Swartland	Thursday, 31 March 2022
West Coast District Municipality	Friday, 25 March 2022
Witzenberg	Wednesday, 30 March 2022
Drakenstein	Wednesday, 30 March 2022
Stellenbosch	Wednesday, 30 March 2022
Breede Valley	Tuesday, 29 March 2022
Langeberg	Thursday, 31 March 2022
Cape Winelands District Municipality	Thursday, 24 March 2022
Theewaterskloof	Wednesday, 30 March 2022
Overstrand	Wednesday, 30 March 2022
Cape Agulhas	Tuesday, 29 March 2022
Swellendam	Thursday, 31 March 2022
Overberg District Municipality	Monday, 28 March 2022
Kannaland	Thursday, 31 March 2022
Hessequa	Friday, 18 March 2022
Mossel Bay	Thursday, 31 March 2022
George	Friday, 25 March 2022
Oudtshoorn	Thursday, 31 March 2022
Bitou	Thursday, 31 March 2022
Knysna	Wednesday, 30 March 2022
Garden Route District Municipality	Tuesday, 29 March 2022
Laingsburg	Wednesday, 30 March 2022
Prince Albert	Tuesday, 29 March 2022
Beaufort West	Thursday, 31 March 2022
Central Karoo District Municipality	Monday, 28 March 2022

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26 LONG STREET / PRIVATE BAG 100
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DOCUMENT SUBMISSION CHECKLIST FOR THE 2022/23 TABLED INTEGRATED DEVELOPMENT PLAN, BUDGET, AND RELATED DOCUMENTATION

MUNICIPALITY: _____

In completing and signing the Budget and IDP documentation checklist below, the municipality confirms that Schedule A1 **complies with the Municipal Budget and Reporting Regulations (MBRR)** and that the main tables and the relevant supporting tables (as listed below) are in **version 6.6.1** of Schedule A1 and **drawn directly from the municipal financial system**.

The Integrated Development Plan as set out in Section 26, 32 and 34 of the Local Government: Municipal Systems Act, No 32 of 2000 and Regulations (MSA) and Section 21 of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA).

The Spatial Development Framework, Disaster Management Framework and additional documents must be submitted as required in terms of budget circulars.

Budget Documentation	Yes	No	N/A
Council Resolution in terms of the Tabled Budget			
The Budget Documentation as set out in the MBRR. The Budget Document must include the main A1 Schedule Tables (A1-A10)			
The non-financial supporting tables A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 and any information not contained in the financial data string in <u>the A1 in the prescribed mSCOA data string in the format published with Version 6.6.1 of the A1 schedule</u>			
Draft Service Delivery and Budget Implementation Plan			
Procurement Plan			
Draft Service Level Standards			
Signed Quality Certificate as prescribed in the MBRR			
D Schedules specific for the entities (where applicable)			
Budget Related Policies			
Information on any amendments to budget related policies			
Suite of budget related policies			
IDP and Related Documentation			
Council Resolution in terms of the IDP			
Draft Integrated Development Plan			
If the predecessors IDP with amendments, the draft memorandum referred to in Regulation 3(2) of the Local Government: Municipal Planning and Performance Management Regulations of 2001			
If a District Municipality, the IDP District Framework according to Section 27 of the MSA			
Process Plan according to Section 28 of the MSA			
Spatial Development Framework			
Council Resolution in terms of the adoption of the Spatial Development Framework			
Applicable Disaster Management Plan			
Council Resolution in terms of the adoption of the Disaster Management Plan			

ANNEXURE B

Budget Documentation	Yes	No	N/A
Integrated Waste Management Plan			
<i>Council Resolution in terms of the adoption of the Integrated Waste Management Plan</i>			
Air Quality Management Plan			
<i>Council Resolution in terms of the adoption of the Air Quality Management Plan</i>			
Coastal Management Plan (Coastal Municipalities only)			
<i>Council Resolution in terms of the adoption of the Coastal Management Plan</i>			
Biodiversity Management Plan (if relevant)			
Invasive Species Monitoring, Control and Eradication Plan			
Climate Change Strategy			
Human Settlement Plan			
Local Economic Development Strategy			
Water Services Development Plan			
Storm Water Master Plan			
Integrated Transport Plan			
Electricity Master Plan			
Infrastructure Growth Plan			
Workplace Skills Plan			

MUNICIPAL REPRESENTATIVE:

Designation: _____

Name: _____

Signature: _____

Date: _____

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PHOLELA DRAG 422
ERENBURG 7200
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TEL: 028 425 4467 • FAX: 028 425 1014
info@om.org.za • www.om.org.za

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The following instructions provide a guide for the upload of budget documentation onto OneDrive.

• **How to upload documents to One drive:**

You can use this option if you have OneDrive linked to your Microsoft Office or Office 365

1. In any Office document, select File > Save As, choose your OneDrive, and then pick the folder where you want to save the file. Create a new folder (e.g. DC1 2022 Budget Documents) and place all the budget related documents within it.



2. To share the link to that folder, Go into OneDrive
3. Select the file that you want to share and right click on it
4. Choose "share"
5. Ensure that sharing is defaulted to "Anyone with the link can edit"
6. Enter the MFMA email address: MFMA.MFMA@westerncape.gov.za and email addresses of anyone else that you want to share the link with.
7. Click the Share Button

File names in following sequence for budget related documents to be submitted to MFMA:

- Demarcation code
 - "ccyy" century and year (eg.2022)
 - Name of document submitted (e.g. Draft Budget, Draft IDP, Draft SDBIP etc.)
- E.g.: DC1 2022 Draft IDP
- E.g.: DC1 2022 MTREF Main Budget
- E.g.: DC1 2022 Draft SDBIP

OVERBERG DISTRICT MUNICIPALITY



OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREIDASDORP 7200

30 MAY 2022

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Medium Term Revenue and Expenditure Framework (MTREF)

MTREF BUDGET

2022/2023 – 2024/2025

Service Level Standards

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Overberg District Municipality (DC 03) - Schedule of Service Delivery Standards Table

Description	
Standard	Service Level
Solid Waste Removal	
Premise based removal (Residential Frequency)	No Service
Premise based removal (Business Frequency)	No Service
Bulk Removal (Frequency)	No Service
Removal Bags provided(Yes/No)	No Service
Garden refuse removal Included (Yes/No)	No Service
Street Cleaning Frequency in CBD	No Service
Street Cleaning Frequency in areas excluding CBD	No Service
How soon are public areas cleaned after events (24hours/48hours/longer)	No Service
Clearing of illegal dumping (24hours/48hours/longer)	No Service
Recycling or environmentally friendly practices(Yes/No)	No Service
Licensed landfill site(Yes/No)	yes
Water Service	
Water Quality rating (Blue/Green/Brown/NO drop)	No Service
Is free water available to all? (All/only to the indigent consumers)	No Service
Frequency of meter reading? (per month, per year)	No Service
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	No Service
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	No Service
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	No Service
One service connection affected (number of hours)	No Service
Up to 5 service connection affected (number of hours)	No Service
Up to 20 service connection affected (number of hours)	No Service
Feeder pipe larger than 800mm (number of hours)	No Service
What is the average minimum water flow in your municipality?	No Service
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No Service
How long does it take to replace faulty water meters? (days)	No Service
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No Service
Electricity Service	
What is your electricity availability percentage on average per month?	No Service
Do your municipality have a ripple control in place that is operational? (Yes/No)	No Service
How much do you estimate is the cost saving in utilizing the ripple control system?	No Service
What is the frequency of meters being read? (per month, per year)	No Service
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	No Service
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	No Service
Duration before availability of electricity is restored in cases of breakages (Immediately/one day/two days/longer)	No Service
Are accounts normally calculated on actual readings? (Yes/no)	No Service
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No Service
How long does it take to replace faulty meters? (days)	No Service
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	No Service
How effective is the action plan in curbing line losses? (Good/Bad)	No Service
How soon does the municipality provide a quotation to a customer upon a written request? (days)	No Service
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	No Service
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	No Service
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	No Service
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	No Service
To what extend do you subsidize your indigent consumers?	No Service
How long does it take to restore sewerage breakages on average	No Service
Severe overflow? (hours)	No Service
Sewer blocked pipes: Large pipes? (Hours)	No Service
Sewer blocked pipes: Small pipes? (Hours)	No Service
Spillage clean-up? (hours)	No Service
Replacement of manhole covers? (Hours)	No Service

OVERBERG DISTRICT MUNICIPALITY
26 LOUIS STREET - PRIVATE BAG X22
BREDASBURG 7230



30 MAY 2022

TEL: 028 425 1457 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

OVERBERG DISTRICT MUNICIPALITY



OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BREDASDORP 7280

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Medium Term Revenue and Expenditure Framework (MTREF)

MTREF BUDGET 2022/2023 – 2024/2025

Procurement Plan

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Capital Demand / Procurement plan 2022/2023

Directorate		Sub-Directorate	Project Name	Project Description	Start Date	End Date	Budget	UKEY	SCM Process 2022/23										Completion Date	Budget 2023/24	Budget 2024/25
									Draft tender specs	Draft RFQ specs	Quotations	BSC	Advertisement on e-portal, website and/or media	Closing of tenders and/or RFQ's	BEC	BAC	Objection Period End Date				
Community Services	Emergency Services	Rescue Equipment	Acquire necessary rescue equipment for rendering services	2022/07/01	2025/06/30	R100 000		NA	Jan 23	NA	NA	Feb 23	Mar 23	NA	NA	NA	May 23	R120 000	R130 000		
Community Services	Emergency Services	Vehicle upgrade/ refurbishment	Replacement of old and broken computer equipment	2022/07/01	2025/06/30	R300 000		Oct 22	NA	NA	NA	Nov 22	Dec 22	Jan 23	Jan 23	Feb 23	Mar 23	R300 000	R250 000		
Community Services	Emergency Services	Capital Vehicle Replacement	Replace redundant vehicles and add additions to fleet	2022/07/01	2025/06/30	R2 150 000		Oct 22	NA	NA	NA	Nov 22	Dec 22	Jan 23	Jan 23	Feb 23	Mar 23	R2 150 000	R2 200 000		
Community Services	Emergency Services	Furniture and Office Equipment	Office Equipment	2022/07/01	2025/06/30	R50 000		NA	Feb 23	NA	NA	Mar 23	Apr 23	NA	NA	May 23	Jun 23	R20 000	R25 000		
Community Services	Management Services	Property Plant Furniture and Office equipment	Caporis	2022/07/01	2023/06/30	R50 000		NA	Dec 22	NA	NA	Jan 23	Feb 23	NA	NA	Mar 23	Apr 23	R0	R0		
Community Services	Management Services	Infrastructure	Organic Waste diversion	2022/07/01	2023/06/30	R4 500 000		Sep 22	NA	NA	NA	Oct 22	Nov 22	Dec 22	Jan 23	Jan 23	Feb 23	Mar 23	R0	R0	
Community Services	Management Services	Infrastructure	Water back-up system for Karwyndersraal	2022/07/01	2023/06/30	R300 000		Sep 22	NA	NA	NA	Oct 22	Nov 22	Dec 22	Jan 23	Jan 23	Feb 23	Mar 23	R0	R0	
Community Services	Management Services	Machinery and equipment	Drones	2022/07/01	2023/06/30	R32 000		NA	NA	Jan 23	NA	NA	NA	NA	NA	NA	Feb 23	R0	R0		
Community Services	Management Services	Intangible Asset	Computer Software - GIS	2022/07/01	2023/06/30	R15 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Community Services	LED, Tourism, Resorts and EPWP	Gas installation at ablation facilities	Upgrading of ablation facilities - Resorts - Gas	2022/07/01	2025/06/30	R150 000		NA	Feb 23	NA	NA	Mar 23	Apr 23	NA	NA	May 23	Jun 23	R150 000	R150 000		
Community Services	EPWP	Capital Vehicle	Specialised Vehicle - Honeyvactor	2022/07/01	2023/06/30	R1 000 000		Oct 22	NA	NA	NA	Nov 22	Dec 22	Jan 23	Jan 23	Feb 23	Mar 23	R0	R0		
Community Services	LED, Tourism, Resorts and EPWP	Furniture and Office equipment	Furniture and Fittings	2022/07/01	2025/06/30	R50 000		NA	Feb 23	NA	NA	Mar 23	Apr 23	NA	NA	May 23	Jun 23	R30 000	R30 000		
Community Services	EPWP	Gas installation at ablation facilities	Upgrading of ablation facilities - Resorts - Gas	2022/07/01	2025/06/30	R150 000		NA	Feb 23	NA	NA	Mar 23	Apr 23	NA	NA	May 23	Jun 23	R150 000	R150 000		
Community Services	EPWP	Property upgrade Machinery and equipment	Upgrade of Bungalows and amenities	2022/07/01	2025/06/30	R50 000		NA	Feb 23	NA	NA	Mar 23	Apr 23	NA	NA	May 23	Jun 23	R50 000	R50 000		
Community Services	EPWP	Acquire pumps for the reservoirs	Acquire pumps for the reservoirs	2022/07/01	2025/06/30	R20 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R20 000	R20 000		
Community Services	Municipal Health	Furniture and Office equipment	Chairs / Steel cabinets	2022/07/01	2023/06/30	R10 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Community Services	Municipal Health	Computer Equipment	3 in 1 Printer	2022/07/01	2023/06/30	R3 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Community Services	Municipal Health	Furniture and Office equipment	Mobile screen for Struikbaai	2022/07/01	2023/06/30	R6 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Community Services	Municipal Health	Furniture and Office equipment	Community projects	2022/07/01	2023/06/30	R12 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Community Services	Municipal Health	Furniture and Office equipment	Gazabo	2022/07/01	2023/06/30	R12 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Finance	Revenue	Furniture and Office Equipment	Chair's	2022/07/01	2023/06/30	R7 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Finance	Revenue	Furniture and Office Equipment	Aircons	2022/07/01	2023/06/30	R20 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Corporate Services	Corporate Services : Support Services	Fencing - Head Office	Erecting of perimeter fence and access gates	2022/07/01	2023/06/30	R250 000		Oct 22	NA	NA	NA	Nov 22	Dec 22	Jan 23	Jan 23	Feb 23	Mar 23	R0	R0		
Council	Council	Machinery and equipment	Replacement of the council chamber's microphone system	2023/07/01	2024/06/30	R0		NA	NA	NA	NA	NA	NA	NA	NA	NA	Jun 24	R440 000	R0		
Corporate Services	Corporate Services	Furniture and Office equipment	Replace old binder for administration	2022/07/01	2023/06/30	R12 000		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Corporate Services	Corporate Services: Executive	Installation of a Power Generator and UPS back	Phase 2 of the ODM generator implementation in the entire district	2022/07/01	2025/06/30	R500 000		Nov 22	NA	NA	NA	Dec 22	Jan 23	Feb 23	Mar 23	Mar 23	Apr 23	R400 000	R200 000		
Corporate Services	Information Services	Replacement of old and broken Computer Equipment	Replace redundant computers and acquisition for new staff	2022/07/01	2025/06/30	R270 000		Nov 22	NA	NA	NA	Dec 22	Jan 23	Feb 23	Mar 23	Mar 23	Apr 23	R120 000	R150 000		
Corporate Services	ICT Services	Machinery and Equipment	Drill	2022/07/01	2023/06/30	R2 500		NA	NA	May 23	NA	NA	NA	NA	NA	NA	Jun 23	R0	R0		
Corporate Services	ICT Services	Backup Server	Ensure backup and safety of data and information management	2022/07/01	2023/06/30	R200 000		Oct 22	NA	NA	NA	Nov 22	Dec 22	Jan 23	Jan 23	Feb 23	Mar 23	R0	R0		

OVERBERG DISTRICT MUNICIPALITY



Medium Term Revenue and Expenditure Framework (MTREF)

**MTREF BUDGET
2022/2023 – 2024/2025**

Budget Schedules

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
BERGAMUNDORF 7280

30 MAY 2022

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FAX: 028 425 1014
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DC3 Overberg - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

DUS Overberg - Supporting Table SAT Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates											
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-
Net Property Rates		-	-	-	-	-	-	-	-	-	-
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue			236	286	747	360	360	360	400	430	450
Less Revenue Foregone (In excess of 50 kwh per indigent household per month)											
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	236	286	747	360	360	360	400	430	450
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue											
Less Revenue Foregone (In excess of 6 kilolitres per indigent household per month)											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue									600	642	687
Less Revenue Foregone (In excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	600	642	687
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue									672	719	769
Total landfill revenue		2 102	11 468	11 844	12 413	11 963	11 963	11 963	11 900	13 000	14 100
Less Revenue Foregone (In excess of one removal a week to indigent households)											
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		2 102	11 468	11 844	12 413	11 963	11 963	11 963	12 572	13 719	14 869
<u>Other Revenue by source</u>											
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Other Revenue		14 892	16 498	7 889	8 170	9 153	9 153	9 153	11 394	11 351	12 127
Total 'Other' Revenue	1	14 892	16 498	7 889	8 170	9 153	9 153	9 153	11 394	11 351	12 127
EXPENDITURE ITEMS:											
<u>Employee related costs</u>	2										
Basic Salaries and Wages		69 130	75 645	78 192	89 173	82 918	82 918	82 918	90 716	96 368	102 402
Pension and UIF Contributions		11 055	12 084	12 624	14 863	14 919	14 919	14 919	16 000	16 868	17 850
Medical Aid Contributions		4 168	4 421	4 467	5 433	5 433	5 433	5 433	5 688	6 013	6 388
Overtime		2 768	2 723	2 927	2 075	2 075	2 075	2 075	2 150	2 274	2 408
Performance Bonus		-	-	-	194	-	-	-	180	183	185
Motor Vehicle Allowance		4 899	4 775	4 423	5 382	5 455	5 455	5 455	5 118	5 357	5 655
Cellphone Allowance		435	423	416	488	480	480	480	542	196	203
Housing Allowances		590	742	711	796	396	396	396	361	390	401
Other benefits and allowances		4 165	4 562	5 982	6 381	6 883	6 883	6 883	8 211	8 678	9 190
Payments in lieu of leave		1 520	2 033	1 307	450	350	350	350	220	231	245
Long service awards		274	479	506	741	738	738	738	744	800	851
Post-retirement benefit obligations		6 820	5 188	5 934	6 328	6 328	6 328	6 328	6 002	6 293	6 584
sub-total	5	105 832	113 075	117 488	132 303	125 974	125 974	125 974	135 932	143 639	152 342
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	105 832	113 075	117 488	132 303	125 974	125 974	125 974	135 932	143 639	152 342

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET - MIDVALE BAG 122
BREDASBURG 7200



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Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	3 558	3 573	3 098	4 614	4 614	4 614	4 614	3 626	3 563	3 549
Lease amortisation	-	-	-	-	-	-	-	-	-	-
Capital asset impairment	-	-	730	-	-	-	-	-	-	-
Total Depreciation & asset impairment	3 558	3 573	3 828	4 614	4 614	4 614	4 614	3 626	3 563	3 549
Bulk purchases - electricity										
Electricity bulk purchases	-	385	766	400	400	400	400	400	430	450
Total bulk purchases	-	385	766	400	400	400	400	400	430	450
Transfers and grants										
Cash transfers and grants	360	-	680	250	2 549	2 549	2 549	-	-	-
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	360	-	680	250	2 549	2 549	2 549	-	-	-
Contracted services										
Outsourced Services	-	-	-	-	-	-	-	-	-	-
Consultants and Professional Services	15 413	16 389	16 121	27 410	29 108	29 108	29 108	23 792	23 287	23 323
Contractors	-	-	-	-	-	-	-	-	-	-
Total contracted services	15 413	16 389	16 121	27 410	29 108	29 108	29 108	23 792	23 287	23 323
Other Expenditure By Type										
Collection costs	-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Audit fees	3 064	3 323	3 337	3 000	3 158	3 158	3 158	3 200	3 300	3 300
Other Expenditure	26 036	29 731	39 704	30 774	31 128	31 128	31 128	30 240	29 845	29 655
Total 'Other' Expenditure	29 100	33 054	43 040	33 774	34 286	34 286	34 286	33 440	33 145	32 955
by Expenditure Item										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)	-	-	-	-	-	-	-	-	-	-
Contracted Services	5 781	8 306	8 940	10 406	11 509	11 509	11 509	8 238	8 562	8 490
Other Expenditure	179	244	384	344	223	223	223	213	226	239
Total Repairs and Maintenance Expenditure	5 960	8 550	9 324	10 749	11 732	11 732	11 732	8 451	8 787	8 729
Inventory Consumed										
Inventory Consumed - Water	-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other	45 064	38 108	56 868	44 869	51 800	51 800	51 800	46 462	48 960	46 218
Total Inventory Consumed & Other Material	45 064	38 108	56 868	44 869	51 800	51 800	51 800	46 462	48 960	46 218

OVERBERG DISTRICT MUNICIPALITY
26 LOUIS STREET, PRIVATE BAG X22
BHEKODDOP 7280



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DC3 Overberg - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Municipal Manager	Vote 2 - Management Services	Vote 3 - Corporate Services	Vote 4 - Finance	Vote 5 - Community Services	Total
R thousand	1						
Revenue By Source							
Property rates		-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	400	400
Service charges - water revenue		-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	600	600
Service charges - refuse revenue		-	-	-	-	12 572	12 572
Rental of facilities and equipment		500	-	30	-	12 200	12 730
Interest earned - external investments		-	-	-	2 000	-	2 000
Interest earned - outstanding debtors		-	-	-	-	200	200
Dividends received		-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-
Licences and permits		-	-	-	-	2 500	2 500
Agency services		11 351	-	-	-	-	11 351
Other revenue		-	-	-	87 107	110 086	197 193
Transfers and subsidies		300	-	0	602	10 492	11 394
Gains		2 500	-	-	-	-	2 500
Total Revenue (excluding capital transfers and contributions)		14 651	-	30	89 709	149 050	253 440
Expenditure By Type							
Employee related costs		6 078	-	7 370	14 975	107 509	135 932
Remuneration of councillors		6 166	-	-	-	-	6 166
Debt impairment		-	-	-	-	200	200
Depreciation & asset impairment		281	-	119	1 196	2 031	3 626
Finance charges		-	-	-	305	3 024	3 329
Bulk purchases - electricity		-	-	-	-	400	400
Inventory consumed		13	-	290	114	46 046	46 462
Contracted services		796	-	1 705	5 452	15 839	23 792
Transfers and subsidies		-	-	-	-	-	-
Other expenditure		1 671	-	4 022	5 084	22 663	33 440
Losses		-	-	-	-	-	-
Total Expenditure		15 003	-	13 505	27 126	197 712	253 346
Surplus/(Deficit)		(352)	-	(13 475)	62 583	(48 661)	94
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(352)	-	(13 475)	62 583	(48 661)	94

OVERBERG DISTRICT MUNICIPALITY
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BREDASBURG 7261



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DC3 Overberg - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Supporting rate and supporting detail to Budgeted financial position											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		4 135	8 968	3 380	4 041	3 580	3 580	3 580	3 780	3 980	4 180
Less: Provision for debt impairment		(181)	(325)	(393)	(717)	(593)	(593)	(593)	(793)	(993)	(1 193)
Total Consumer debtors	2	3 954	8 642	2 987	3 325	2 987	2 987	2 987	2 987	2 987	2 987
Debt impairment provision											
Balance at the beginning of the year		119	181	325	517	393	393	393	593	793	993
Contributions to the provision		61	145	67	200	200	200	200	200	200	200
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Balance at end of year		181	325	393	717	593	593	593	793	993	1 193
Consumables											
Standard Rated											
Opening Balance		1 026	788	700	700	1 150	1 150	1 150	1 150	1 150	1 150
Acquisitions		32 105	26 718	44 340	31 796	36 596	36 596	36 596	29 487	30 718	28 180
Issues	7	(32 343)	(26 806)	(43 890)	(31 796)	(36 596)	(36 596)	(36 596)	(29 487)	(30 718)	(28 180)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		788	700	1 150	700	1 150	1 150	1 150	1 150	1 150	1 150
Zero Rated											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions	7	12 721	11 302	12 978	13 073	15 203	15 203	15 203	16 975	18 242	18 038
Issues	8	(12 721)	(11 302)	(12 978)	(13 073)	(15 203)	(15 203)	(15 203)	(16 975)	(18 242)	(18 038)
Adjustments	9	-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		-	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables		788	700	1 150	700	1 150	1 150	1 150	1 150	1 150	1 150
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		96 674	99 326	103 821	107 983	112 406	112 406	112 406	122 673	126 623	129 978
Leases recognised as PPE		2 177	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074	2 074
Less: Accumulated depreciation	3	33 003	35 417	38 998	43 380	43 594	43 594	43 594	47 203	50 750	54 282
Total Property, plant and equipment (PPE)	2	67 848	65 984	66 897	66 678	70 886	70 886	70 886	77 544	77 948	77 770
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		2 872	2 949	3 296	3 684	3 684	3 684	3 684	4 120	4 593	5 141
Total Current liabilities - Borrowing		2 872	2 949	3 296	3 684	3 684	3 684	3 684	4 120	4 593	5 141
Trade and other payables											
Trade Payables	5	3 221	2 829	4 491	2 829	4 491	4 491	4 491	4 491	4 491	4 491
Other creditors		8 582	7 136	14 611	7 484	1 431	1 431	1 431	1 431	1 431	1 431
Unspent conditional transfers		4 332	7 484	5 666	3 717	16 217	16 217	16 217	16 217	16 217	16 217
VAT		1 060	2 662	628	2 634	628	628	628	628	628	628
Total Trade and other payables	2	17 194	20 111	25 397	16 664	22 767	22 767	22 767	22 767	22 767	22 767
Non current liabilities - Borrowing											
Borrowing	4	25 161	22 211	18 916	15 232	15 232	15 232	15 232	11 112	6 519	1 377
Finance leases (including PPP asset element)		46	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		25 207	22 211	18 916	15 232	15 232	15 232	15 232	11 112	6 519	1 377
Provisions - non-current											
Retirement benefits		51 479	46 622	55 224	51 440	57 626	57 626	57 626	60 277	63 050	65 950
Refuse landfill site rehabilitation		4 494	2 600	3 528	3 147	3 814	3 814	3 814	4 202	4 629	5 099
Other		-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current		55 972	49 222	58 752	54 586	61 440	61 440	61 440	64 479	67 679	71 049
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		37 630	38 421	44 654	38 605	46 304	46 304	46 304	45 405	45 499	45 602
GRAP adjustments		170	-	-	-	-	-	-	-	-	-
Restated balance		37 890	38 421	44 654	38 605	46 304	46 304	46 304	45 405	45 499	45 602
Surplus/(Deficit)		621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14
Transfers to/from Reserves		-	-	(4 989)	-	(4 432)	(4 432)	(4 432)	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	38 421	44 653	46 304	39 879	45 405	45 405	45 405	45 499	45 602	45 616
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	4 989	9 420	9 420	9 420	9 420	9 420	9 420	9 420
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
Total Reserves	2	-	-	4 989	9 420	9 420	9 420	9 420	9 420	9 420	9 420
TOTAL COMMUNITY WEALTH/EQUITY	2	38 421	44 653	51 293	49 299	54 825	54 825	54 825	54 919	55 022	55 036

DC3 Overberg - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
Basic Services and Infrastructure	To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure.	SG1		102 003	114 828	141 591	126 547	127 381	127 381	130 777	137 678	139 555
Local Economic Development	To promote regional economic development by supporting the initiatives in the district for the development of a sustainable district economy.	SG3		16 313	15 651	15 767	16 980	16 687	16 687	18 274	18 280	19 401
Municipal Transformation & Institutional Development	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the principles of employment equity and promote skills development.	SG3		25	48	34	29	29	29	30	32	34
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy and guidelines.	SG4		84 265	80 422	86 284	85 973	91 526	91 526	89 709	92 290	95 457
Good governance and Community Participation	To ensure good governance practices by providing a democratic and proactive accountable government and ensuring community participation through IGR structures	SG5		10 481	10 533	11 540	25 695	26 570	26 570	14 651	14 871	14 871
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	213 087	221 483	255 216	255 224	262 193	262 193	253 440	263 150	269 317

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, SPRINGBOK, 6001
BREUNSELOOP 1100



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DC3 Overberg - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

DCS Overberg - Supporting Table SCS Reconciliation of for Strategic Objectives and Budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
Basic Services and Infrastructure	To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure.	SG1		145 836	153 321	184 292	173 827	176 155	176 155	181 089	188 749	191 554	
Local Economic Development	To promote regional economic development by supporting the initiatives in the district for the development of a sustainable	SG3		18 238	16 714	16 233	16 875	16 940	16 940	16 623	16 257	16 891	
Municipal Transformation & Institutional Development	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the	SG3		8 866	11 001	10 829	16 682	15 527	15 527	13 505	13 813	14 403	
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy	SG4		25 357	20 124	23 278	29 826	31 616	31 616	27 126	28 875	30 324	
Good governance and Community Participation	To ensure good governance practices by providing a dramatic and proactive accountable government and ensuring	SG5		14 169	14 091	13 945	16 742	18 423	18 423	15 003	15 353	16 133	
Allocations to other priorities													
Total Expenditure				1	212 466	215 250	248 578	253 950	258 661	258 661	253 346	263 048	269 304

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, FRANKS, 5600
BREGASDORP 1280

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DC3 Overberg - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

SG5 Overberg - Supporting Table SG5 Reconciliation of Budgetary Strategic Objectives and Budget (Capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
Basic Services and Infrastructure	To ensure the well-being of all in the Overberg through the provision of efficient basic services and infrastructure.	SG1		36 271	2 459	4 329	3 077	6 015	6 015	3 270	3 320	2 775
Local Economic Development	To promote regional economic development by supporting the initiatives in the district for the development of a sustainable	SG3		364	119	340	412	700	700	339	–	–
Municipal Transformation & Institutional Development	To ensure municipal transformation and institutional development by creating a staff structure that would adhere to the	SG3		303	403	249	1 250	1 610	1 610	5 115	300	250
Financial Viability	To attain and maintain financial viability and sustainability by executing accounting services in accordance with National policy	SG4		32	16	74	250	250	250	1 200	180	180
Good governance and Community Participation	To ensure good governance practices by providing a dramatic and proactive accountable government and ensuring	SG5		11	–	45	–	9	9	350	150	150
Allocations to other priorities			3									
Total Capital Expenditure			1	36 982	2 998	5 036	4 989	8 585	8 585	10 274	3 950	3 355

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PRIVATE BAG X22
ERENBURG 7250



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DC3 Overberg - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Vote 1 - Municipal Manager										
Function 1 - (same)										
Executive										
People from employment equity target groups employed in the three highest levels of management in compliance with the approved Employment Equity Plan, by 30 June (Reg)	Number of people employed in the three highest levels of management per annum	1	1	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Executive Support										
Internal Audit										
Coordinate quarterly Audit and Performance Audit Committee meetings	Number of meetings coordinated per annum							4.00	4.00	4.00
Develop a Risk-based Audit Plan (RBAP) for 2022/23 financial year and table to the Audit and Performance Audit Committee by June	Annual RBAP developed and tabled to the Audit and Performance Audit Committee	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Execute audit projects in terms of the Risk Based Audit Plan (RBAP)	Number of audits executed per annum	18	16	29	18.00	31.00	31.00	18.00	18.00	18.00
IDP & Communication										
Facilitate IDP awareness initiatives in the district	Number of IDP awareness initiatives facilitated per annum							2.00	2.00	2.00
Table time schedule of key deadlines to Council by end August	Time Scheduled tabled to council						1.00	1.00	1.00	1.00
Facilitate District IGR engagements with Local Municipalities	Number engagements per annum			6	8.00	8.00	8.00	8.00	8.00	8.00
Publishing of External Newsletters bi-annually to Stakeholders	Number of external newsletters published per annum	2	2	2	2.00	2.00	2.00	2.00	2.00	2.00
Table to Council by May 2023 the 1st review of the 5th Generation IDP	First IDP review tabled to Council							1.00	1.00	1.00
Performance & Risk Management										
Prepare Top Layer Service Delivery budget implementation plan for approval by the Mayor within 28 days after the approved Budget	Top Layer SDBIP submitted to Mayor for approval	1	1	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Review annually the TL SDBIP to inform Council should a revised TL SDBIP be necessary and table the report (Sec. 72) to Council	SDBIP reviewed by January	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Compilation and Submission of the Annual Performance Report to the AG by August	Annual Performance Report submitted	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Coordinate quarterly Fraud and Risk Management Committee meetings	Number of meetings coordinated per annum	4	4	4	4.00	4.00	4.00	4.00	4.00	4.00
Vote 2 - Management Services										
Vote 3 - Corporate Services										
Human Resources										
Coordinate LMF meetings in accordance to Main Collective Agreement	Number of meetings coordinated per annum						10.00	10.00	10.00	10.00
Staff identified for training as per WSP in accordance with Skills Development Act	% Staff trained by June							80.00%	80.00%	80.00%
Compile and submit WSP to LGSETA by April	WSP submitted	1	1	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinate health & safety evacuation drills at ODM workstations by 30 June	Number of drills coordinated per annum	2	2	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Percentage of Municipal budget actually spend on the implementation of the Workplace Skills Plan by 30 June (Reg)	% of budget spent on the WSP per annum (Actual spent on Training/Total Budget)	0.23%	0.02%	0.05%	0%	0.27%	0.27%	0.15	0.15	0.15
Corporate Support										
Committee, Records & Councillor Support										
Coordinate quarterly Council meetings	Council meetings coordinated							4.00	4.00	4.00
Review the records management Policy and tabled to Council by December 2022	Reviewed Record Management Policy tabled to Council							1.00	1.00	1.00
ICT										
Vote 4 - Finance										
Financial Support										
Measured financial viability in terms of the municipality's ability to meet its service debt obligations by 30 June (Debt coverage) (Reg)	The number of times the municipality was able to meet its Debt obligation ((Total operating revenue received - operating grants)/debt service payments))	16.99	6.81	8.10	6.00	7.50	7.50	7.50	7.50	7.50
Measured financial viability in terms of the available cash to cover fixed operating expenditure by 30 June (Cost coverage) (Reg)	Number of months Cash were available to cover fixed operating expenditure ((All available cash at a particular time + investments)/monthly fixed operating expenditure)	2.17	2.18	2.70	2.00	2.00	2.00	2.00	2.00	2.00
Measured financial viability in terms of percentage outstanding service debtors by 30 June 2020 (Service Debtors) (Reg)	% Outstanding service debtors per annum (Total outstanding service debtors/annual revenue received for services)	19.26%	31.00%	24.60%	31.00%	28.00%	28.00%	28.00	28.00	28.00

26 LONG STREET | PRIVATE BAG 322

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Report on Percentage Capital budget actually spend on capital projects by 30 June (Reg)	% of capital budget actually spent on capital projects for the annum (Actual spent on capital projects/total capital budget)	119.29%	53.00%	92.20%	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Financial Support										
Report to the Audit and Performance Audit Committee on the provision of the rehabilitation costs for Karwydenkral	Number of quarterly reports submitted per annum			4	4.00	4.00	4.00	4.00	4.00	4.00
Revenue										
Expenditure										
Supply Chain Management										
Report bi-annually to Council on the performance of service providers for quotations and tenders above R30000	Number of reports submitted to Council per annum	2	2	2	2.00	2.00	2.00	2.00	2.00	2.00
Invite service providers to register on the suppliers database by 30 June	Invitation placed in local media	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Vote 5 - Community Services										
Executive										
Community Services Support										
Municipal Health										
Take domestic drinking water samples in towns and communities to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	543	434	411	400.00	400.00	400.00	576+	600.00	648.00
Take food samples to monitor the quality of Food to the FCD Act and legislative requirements	Number of samples taken per annum	386	407	424	400.00	400.00	400.00	400.00	420.00	460.00
Take water sample at Sewerage Final Outflow to monitor water quality (SAN 241 as amended)	Number of samples taken per annum	144	169	164	160.00	160.00	160.00	160.00	180.00	220.00
Comprehensive Health										
Environmental Management										
Report quarterly to the Community Services Portfolio Committee on the activities of the Municipal Coastal Committee	Number of reports submitted per annum	3	4	4	4.00	3.00	3.00	4.00	4.00	4.00
Report quarterly to CG Portfolio Committee on the activities of the Municipal Climate Change and Biodiversity Forum	Number of reports Submitted			0	1.00	1.00	1.00	4.00	4.00	4.00
Solid Waste										
Report annually to the Community Portfolio Committee on the outcome of Karwydenkral Landfill site adherence to the permit conditions by June	Report submitted to the Community Portfolio Committee			1	1.00	1.00	1.00	1.00	1.00	1.00
Report quarterly to the Community Portfolio Committee on the activities of the Regional Waste Forum	Number of reports submitted per annum	3	4	4	4.00	3.00	3.00	4.00	4.00	4.00
Emergency Services										
Table the revised Disaster Risk Management Plan to Council by 30 June	Revised Disaster Management Plan tabled to Council	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Table to Council the revised Disaster Management Framework by 30 June	Revised Disaster Management Framework tabled to Council	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Revised annually the Safer Communities Project Plan and tabled to Community Services Portfolio Committee	Revised Safer Community Project Plan tabled	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Present annually the Revised Festive and Fire Season Readiness Plan to the DCF Tech	Revised Festive and Season Readiness plan presented	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
LED, Tourism, Resorts & EPWP										
Review Municipal Policy on EPWP by June and tabled to SC Portfolio committee	Number of reviewed policies submitted							1.00	1.00	1.00
Coordinate the revision of the District LED/Tourism Strategy with stakeholders	LED/Tourism Strategy tabled to Council								1.00	
Report quarterly on the progress of planned deliverables in the RED & Tourism Strategy to the Community Portfolio Committee	Number of progress reports submitted per annum			4.00	4.00	3.00	3.00	4.00	4.00	4.00
Create temporary job opportunities through the municipality's EPWP programme by 30 June (Reg)	Number of temporary created during the financial year	743	138	136	196.00	196.00	196.00			
Coordinate Open day for SMME's and B's in the district by October	Number of days coordinated							1.00	1.00	
Roads										
Upgrade of roads to permanent surface (DR 1206 MR 276)	Number of kilometers road upgraded per annum	3.32	4.05	0.00	1.32	1.32	1.32	2.00	2.28	3.40
Kilometers of gravel roads to be regavelled	Number of kilometers road regavelled per annum	50.22	37.01	54.51	58.16	48.50	48.50	43.00	40.00	40.00
Kilometers of gravel roads to be bladed	Number of kilometers roads bladed per annum	6812.49	5855.42	6772	6500.00	6500.00	6500.00	6500.00	6500.00	6500.00
Submit annually a business plan for provincial roads budget allocation to Dept of Transport and Public Works	Annual business plan submitted	1	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Social services										
Report bi-annually on progress to Social Development Implementation plan to the Community Services Portfolio	Number of reports tabled		1	2	4.00	3.00	3.00	2.00	2.00	2.00

BRUNSWICK 2230

30 MAY 2022



TEL: 020 725 1457 x 15 x 01 x 25 454
Info@brunswijk.gov.za www.brunswijk.gov.za

DC3 Overberg - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.0%	3.1%	2.6%	2.7%	2.6%	2.6%	2.6%	2.8%	2.8%	2.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	9.3%	13.2%	14.0%	11.3%	10.9%	10.9%	10.9%	12.5%	12.5%	12.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	80.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	379.2%	161.7%	161.7%	161.7%	161.7%	118.0%	69.2%	14.6%
Liquidity											
Current Ratio	Current assets/current liabilities	1.5	1.5	1.6	1.5	1.6	1.6	1.6	1.4	1.3	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.5	1.6	1.5	1.6	1.6	1.6	1.4	1.3	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	1.2	1.0	1.3	1.2	1.3	1.3	1.3	1.0	1.0	0.9
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		72.5%	83.1%	113.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		72.5%	83.1%	113.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.1%	16.8%	13.9%	12.9%	13.7%	13.7%	13.7%	14.6%	14.5%	14.6%
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(a))										
Creditors to Cash and Investments		8.4%	7.7%	8.0%	6.7%	8.6%	8.6%	8.6%	10.0%	10.4%	10.7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kl)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	50.0%	51.2%	46.7%	51.8%	48.4%	48.4%	48.4%	53.6%	54.6%	56.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	53.0%	54.0%	49.1%	54.4%	50.9%	50.9%		56.1%	57.1%	59.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.8%	3.9%	3.7%	4.2%	4.5%	4.5%		3.3%	3.3%	3.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	2.5%	3.4%	2.9%	3.2%	3.1%	3.1%	3.1%	2.7%	2.6%	2.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	9.4	9.8	8.0	10.7	10.7	10.7	10.4	8.6	8.4	8.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	59.4%	80.3%	50.4%	49.2%	49.0%	49.0%	49.0%	45.7%	43.5%	40.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.9	2.7	3.7	2.5	3.2	3.2	3.2	2.7	2.5	2.4

DC3 Overberg - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19		2019/20		2020/21		Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome		Outcome		Outcome		Original Budget		Outcome	Outcome	Outcome
Demographics																
Population			204	213	259			294		306		310				
Females aged 5 - 14			18		19			23		24		23				
Males aged 5 - 14			18		20			23		24		26				
Females aged 15 - 34			35		42			54		57		51				
Males aged 15 - 34			42		45			55		58		52				
Unemployment				17				28		30		11				
Monthly household income (no. of households)	1, 12															
No income										13		14				
R1 - R1 600										20		21				
R1 601 - R3 200										20		21				
R3 201 - R6 400										25		24				
R6 401 - R12 800										13		12				
R12 801 - R25 600										2		5				
R25 601 - R51 200										1		1				
R52 201 - R102 400										1		1				
R102 401 - R204 800										1		1				
R204 801 - R409 600										-		-				
R409 601 - R819 200										-		-				
> R819 200																
Poverty profiles (no. of households)	13															
< R2 060 per household per month	2															
Insert description																
Household demographics (000)																
Number of people in municipal area																
Number of poor people in municipal area																
Number of households in municipal area																
Number of poor households in municipal area																
Definition of poor household (R per month)																
Housing statistics	3															
Formal																
Informal																
Total number of households																
Dwellings provided by municipality																
Dwellings provided by province's																
Dwellings provided by private sector																
Total new housing dwellings																
Economic	6															
Inflation/inflation outlook (CPIX)																
Interest rate - borrowing																
Interest rate - investment																
Remuneration increases																
Consumption growth (electricity)																
Consumption growth (water)																
Collection rates	7															
Property tax/service charges																
Rental of facilities & equipment																
Interest - external investments																
Interest - debtors																
Revenue from agency services																

DC3 Overberg Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	38 448	36 647	56 076	42 115	52 379	52 379	52 379	44 880	43 371	42 049
Cash + investments at the yr end less applications - R'000	18(1)b	2	41 899	36 086	56 419	41 326	46 788	46 788	46 788	44 412	43 214	42 251
Cash year end/monthly employee/supplier payments	18(1)b	3	2.9	2.7	3.7	2.5	3.2	3.2	3.2	2.7	2.5	2.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	621	6 233	6 638	1 274	3 533	3 533	3 533	94	103	14
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	450.7%	(2.4%)	2.5%	(12.4%)	(6.0%)	(6.0%)	4.1%	3.0%	2.2%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	82.4%	65.3%	111.6%	98.1%	99.1%	99.1%	99.1%	99.2%	99.2%	99.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	98.3%	1.2%	0.6%	1.5%	1.6%	1.6%	1.6%	1.5%	1.4%	1.2%
Capital payments % of capital expenditure	18(1)c,(1)	8	66.4%	100.1%	73.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	80.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	75.4%	(32.9%)	1.7%	(2.9%)	0.0%	0.0%	0.7%	0.7%	0.8%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(12.1%)	20.8%	(10.3%)	15.9%	0.0%	0.0%	4.5%	4.5%	4.5%
R&M % of Property Plant & Equipment	20(1)(vi)	13	8.8%	13.0%	13.9%	16.1%	16.5%	16.5%	11.9%	10.9%	11.3%	11.2%
Asset renewal % of capital budget	20(1)(vi)	14	32.1%	21.4%	4.1%	11.0%	15.1%	15.1%	0.0%	25.8%	42.0%	30.0%

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / OPPosite BAG X22
BREKIDSDORP 7260



30 MAY 2022

TEL: 028 425 1457 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

DC3 Overberg - Supporting Table SA11 Property rates summary

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Valuation:	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mlths)										
No. of properties	5									
No. of sectional title values	5									
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations										
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,eductns,discs (R'000)		-	-	-	-	-	-	-	-	-

2

DC3 Overberg - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Current Year 2021/22																	
Valuation:																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Fiat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
Total valuation reductions:	2																
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Rating:																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates exemptions/reductions/discounts (R'000)																	

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DC3 Overberg - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Budget Year 2022/23																	
Valuations:																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6																
Total land value (Rm)	5																
Total value of improvements (Rm)	5																
Total market value (Rm)	5																
Rating:																	
Average rate	3																
Rate revenue budget (R'000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)																	
Special rating areas (R'000)	4																
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates, exemptions, reductions, discounts (R'000)																	

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Property rates (rate in the Rand)	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Common land - residential									
Common land - small holdings									
Common land - farm property									
Common land - business and commercial									
Common land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Redemption and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic:									
Basic charge/lined fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/l)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/l)		(fill in thresholds)							
Water usage - Block 2 (c/l)		(fill in thresholds)							
Water usage - Block 3 (c/l)		(fill in thresholds)							
Water usage - Block 4 (c/l)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic:									
Basic charge/lined fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/l)									
Volumetric charge - Block 1 (c/l)		(fill in structure)							
Volumetric charge - Block 2 (c/l)		(fill in structure)							
Volumetric charge - Block 3 (c/l)		(fill in structure)							
Volumetric charge - Block 4 (c/l)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic:									
Basic charge/lined fee (Rands/month)									
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic:									
Street cleaning charge									
Basic charge/lined fee									
80l bin - once a week									
250l bin - once a week									

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26 LESLIE STREET, BLOEMFONTEIN 97280
TEL: 028 425 1014
FAX: 028 425 1014
www.odm.org.za

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FAX: 028 425 1014
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C3 Overberg - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
							Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<u>Exemptions, reductions and rebates (if any)</u> <i>(insert lines as applicable)</i>									
<u>Water tariffs</u> <i>(insert blocks as applicable)</i>		(R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds							
<u>Waste water tariffs</u> <i>(insert blocks as applicable)</i>		(R) in structure (R) in structure (R) in structure (R) in structure (R) in structure (R) in structure (R) in structure							
<u>Electricity tariffs</u> <i>(insert blocks as applicable)</i>		(R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds (R) in thresholds							

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26 LONG STREET - PRIVATE BAG X22
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TEL: 022 425 1157 • FAX: 022 425 1014
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DC3 Overberg - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % Incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease			-	-	-	-	-		-	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease			-	-	-	-	-		-	-	-
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease			-	-	-	-	-		-	-	-

DC3 Overberg - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand											
Parent municipality	1										
Securities - National Government											
Listed Corporate Bonds											
Deposits - Bank		-	-	41 840	20 000	20 000	20 000	20 000	20 000	20 000	
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			-	-	41 840	20 000	20 000	20 000	20 000	20 000	20 000
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:		-	-	41 840	20 000	20 000	20 000	20 000	20 000	20 000	

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, BREDASBURG 7260
BREDASBURG 7260



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TEL: 023 425 1167 • FAX: 023 425 1014
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	Institutions by Maturity	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Name of Institution & Investment ID	1													
	Parent municipality														
	Deposits - ABISA										20 000				20 000
															-
															-
															-
															-
	Municipality sub-total										20 000				20 000
	Entities														
	Entities sub-total										-				-
	TOTAL INVESTMENTS AND INTEREST	1									20 000				20 000

OVERBERG DISTRICT MEMORANDUM
26 LONG STREET, JOHANNESBURG 2001
BUREAU OF TAXES
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TEL: 028 426 1157 • FAX: 028 426 1014
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DC3 Overberg - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Parent municipality										
Annuity and Bullet Loans		25 207	22 211	18 916	15 232	15 232	15 232	11 112	6 519	1 377
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	25 207	22 211	18 916	15 232	15 232	15 232	11 112	6 519	1 377
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	25 207	22 211	18 916	15 232	15 232	15 232	11 112	6 519	1 377
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		4 912	4 912	4 912	4 912	4 912	4 912	112	112	112
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	4 912	4 912	4 912	4 912	4 912	4 912	112	112	112
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	4 912	4 912	4 912	4 912	4 912	4 912	112	112	112

DC3 Overberg - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		72 676	76 939	82 406	82 136	82 136	82 136	86 444	88 113	91 184
Local Government Equitable Share		67 902	71 776	77 548	77 375	77 375	77 375	81 486	84 267	87 234
Finance Management		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
EPWP Incentive		1 125	1 243	1 188	1 053	1 053	1 053	1 123	-	-
Rural Roads Asset Management Grant		2 649	2 807	2 670	2 708	2 708	2 708	2 835	2 846	2 950
Municipal Disaster Relief Grant		-	113	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
Provincial Government:		95 381	97 493	126 775	112 428	114 421	114 421	110 749	115 822	115 920
PT - PAWK		93 654	94 629	124 441	109 595	110 839	110 839	108 781	113 763	113 763
Sela		202	204	168	-	200	200	230	250	275
Health Subsidy		162	159	210	203	203	203	182	193	204
Financial Management Grant		-	-	-	-	-	-	-	-	-
Municipal Capacity Building Grant		-	-	-	-	-	-	-	-	-
Financial Management Support Grant		752	-	-	-	-	-	-	-	-
Greenest Municipality		-	-	-	-	-	-	-	-	-
CDW Operational Support Grant		-	112	56	57	57	57	56	56	56
Local Government Graduate Internship Grant		-	80	-	-	-	-	-	-	-
Human Capacity Building Grant		360	380	300	250	400	400	-	-	-
Finance Management (Resorts)		-	650	-	-	-	-	-	-	-
Fire Safety Plan		250	900	1 600	2 323	373	373	1 500	1 560	1 622
mSCOA Support Grant		-	280	-	-	-	-	-	-	-
LG Support Grant - Human Relief		-	100	-	-	-	-	-	-	-
Joint District and Metro Approach Grant		-	-	-	-	1 799	1 799	-	-	-
Local Government Public Employment support Grant		-	-	-	-	200	200	-	-	-
Municipal Service Delivery and Capacity Building Grant - Fire		-	-	-	-	350	350	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	168 057	174 432	209 181	194 564	196 557	196 557	197 193	203 935	207 104
Capital Transfers and Grants										
National Government:		-	66	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	66	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		3 933	200	1 232	-	1 950	1 950	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
WC Financial Management Grant		-	-	-	-	-	-	-	-	-
Fire Safety Plan		750	200	500	-	1 950	1 950	-	-	-
CDW		-	-	-	-	-	-	-	-	-
Risk		-	-	-	-	-	-	-	-	-
Disaster Management		-	-	-	-	-	-	-	-	-
Fire Service Capacity Building Grant		3 183	-	-	-	-	-	-	-	-
Municipal Service Delivery and Capacity Building Grant - Fire		-	-	732	-	-	-	-	-	-
Other capital transfers/grants [insert desc]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	3 933	266	1 232	-	1 950	1 950	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		171 990	174 698	210 413	194 564	198 507	198 507	197 193	203 935	207 104

DC3 Overberg - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		71 923	74 010	78 565	82 136	83 321	83 321	86 444	88 113	91 184
Local Government Equitable Share		67 902	71 776	76 363	77 375	78 560	78 560	81 486	84 267	87 234
Finance Management		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
EPWP Incentive		1 125	1 121	1 188	1 053	1 053	1 053	1 123	-	-
Rural Roads Asset Management Grant		1 896	-	14	2 708	2 708	2 708	2 835	2 846	2 950
Municipal Disaster Relief Grant		-	113	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
Provincial Government:		95 106	95 670	127 363	112 428	115 866	115 866	110 749	115 822	115 920
PT - PAWK		93 654	94 629	124 441	109 595	110 839	110 839	108 781	113 763	113 763
Seta		133	52	87	-	200	200	230	250	275
Health Subsidy		162	159	210	203	203	203	182	193	204
Financial Management Grant		-			-	-	-	-	-	-
Municipal Capacity Building Grant					-	-	-	-	-	-
Financial Management Support Grant		186			-	-	-	-	-	-
Greenest Municipality		542			-	-	-	-	-	-
CDW Operational Support Grant		-	-	84	57	141	141	56	56	56
Local Government Graduate Internship Grant		3	13	67	-	-	-	-	-	-
Human Capacity Building Grant		-	-	680	250	400	400	-	-	-
Finance Management (Resorts)		360	-	650	-	-	-	-	-	-
Fire Safety Plan		-	457	1 045	2 323	1 734	1 734	1 500	1 560	1 622
mSCOA Support Grant		65	189		-	-	-	-	-	-
LG Support Grant - Human Relief			78		-	-	-	-	-	-
Joint District and Metro Approach Grant						350	350			
Local Government Public Employment support Grant						1 799	1 799			
Municipal Service Delivery and Capacity Building Grant - Fire			94	100		200	200			
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		167 029	169 680	205 928	194 564	199 187	199 187	197 193	203 935	207 104
Capital expenditure of Transfers and Grants										
National Government:		-	66	-	-	-	-	-	-	-
Municipal Disaster Relief Grant			66							
Other capital transfers/grants [insert desc]										
Provincial Government:		1 483	625	2 886	-	1 950	1 950	-	-	-
Other capital transfers/grants [insert description]					-	-	-	-	-	-
WC Financial Management Grant		-			-	-	-	-	-	-
Fire Safety Plan		-	-	1 272	-	1 950	1 950	-	-	-
CDW		-			-	-	-	-	-	-
Risk					-	-	-	-	-	-
Disaster Management					-	-	-	-	-	-
Fire Service Capacity Building Grant		1 483			-	-	-	-	-	-
Municipal Service Delivery and Capacity Building Grant - Fire			625	1 614						
Other capital transfers/grants [insert desc]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		1 483	691	2 886	-	1 950	1 950	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		168 512	170 371	208 814	194 564	201 137	201 137	197 193	203 935	207 104

DC3 Overberg - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Operating transfers and grants:		1,3									
National Government:											
Balance unspent at beginning of the year			363	1 115	2 929	2 929	3 841	3 841	2 656	2 656	2 656
Returned to NT			–	(1 115)	(2 929)						
Current year receipts			72 676	76 939	82 406	82 136	82 136	82 136	86 444	88 113	91 184
Conditions met - transferred to revenue			71 923	74 010	78 565	82 136	83 321	83 321	86 444	88 113	91 184
Conditions still to be met - transferred to liabilities			1 115	2 929	3 841	2 929	2 656	2 656	2 656	2 656	2 656
Provincial Government:											
Balance unspent at beginning of the year			1 827	766	2 530	788	15 006	15 006	13 561	13 561	13 561
Returned to PT			(1 335)	(59)	(488)						
Current year receipts			95 381	97 493	126 775	112 428	114 421	114 421	110 749	115 822	115 920
Conditions met - transferred to revenue			95 106	95 670	127 363	112 428	115 866	115 866	110 749	115 822	115 920
Conditions still to be met - transferred to liabilities			766	2 530	1 453	788	13 561	13 561	13 561	13 561	13 561
District Municipality:											
Balance unspent at beginning of the year											
Current year receipts											
Conditions met - transferred to revenue			–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities											
Other grant providers:											
Balance unspent at beginning of the year											
Current year receipts											
Conditions met - transferred to revenue			–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities											
Total operating transfers and grants revenue			167 029	169 680	205 928	194 564	199 187	199 187	197 193	203 935	207 104
Total operating transfers and grants - CTBM		2	1 882	5 459	5 295	3 717	16 217	16 217	16 217	16 217	16 217
Capital transfers and grants:		1,3									
National Government:											
Balance unspent at beginning of the year									–	–	–
Current year receipts			–	66	–	–	–	–	–	–	–
Conditions met - transferred to revenue			–	66	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									–	–	–
Provincial Government:											
Balance unspent at beginning of the year			–	2 450	2 025	–	–	–	–	–	–
Current year receipts			3 933	200	1 232	–	1 950	1 950	–	–	–
Conditions met - transferred to revenue			1 483	625	2 886	–	1 950	1 950	–	–	–
Conditions still to be met - transferred to liabilities			2 450	2 025	372	–	–	–	–	–	–
District Municipality:											
Balance unspent at beginning of the year											
Current year receipts											
Conditions met - transferred to revenue			–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities											
Other grant providers:											
Balance unspent at beginning of the year											
Current year receipts											
Conditions met - transferred to revenue			–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities											
Total capital transfers and grants revenue			1 483	691	2 886	–	1 950	1 950	–	–	–
Total capital transfers and grants - CTBM		2	2 450	2 025	372	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE			168 512	170 371	208 814	194 564	201 137	201 137	197 193	203 935	207 104
TOTAL TRANSFERS AND GRANTS - CTBM			4 332	7 484	5 666	3 717	16 217	16 217	16 217	16 217	16 217

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, PRIVATE BAG X22
BREDASBURG 7280

30 MAY 2022

TEL: 028 425 1157 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

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DC3 Overberg - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
2 thousand											
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems*		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Grants Paid to Institutions</i>											
<i>Joint District and Metro Approach Grant</i>						1 799	1 799	1 799	-	-	-
<i>Municipal Service Delivery and Capacity Building Grant</i>						350	350	350	-	-	-
<i>Bursaries</i>		360	-	680	250	400	400	400	-	-	-
Total Cash Transfers To Groups Of Individuals:		360	-	680	250	2 549	2 549	2 549	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	360	-	680	250	2 549	2 549	2 549	-	-	-
Non-Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems*		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	360	-	680	250	2 549	2 549	2 549	-	-	-

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET - PRETORIA EAST X22
BRIDGEMONT 7280
30 MAY 2022
TEL: 026 425 1167 • FAX: 026 425 1014
info@overberg-municipality.co.za • www.overberg-municipality.co.za

DC3 Overberg - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4 011	4 001	4 072	4 294	4 144	4 144	4 270	4 522	4 789
Pension and UIF Contributions		208	189	128	138	138	138	140	149	157
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 645	1 607	1 370	1 716	1 716	1 716	1 311	1 388	1 470
Cellphone Allowance		400	400	400	400	400	400	444	470	498
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		6 264	6 197	5 970	6 548	6 398	6 398	6 165	6 529	6 915
% increase	4		(1.1%)	(3.7%)	9.7%	(2.3%)	-	(3.6%)	5.9%	5.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2 974	3 152	3 137	4 479	4 223	4 223	4 367	4 433	4 499
Pension and UIF Contributions		135	140	140	292	318	318	310	314	319
Medical Aid Contributions		-	-	-	38	38	38	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	138	124	194	-	-	180	183	185
Motor Vehicle Allowance	3	346	352	321	424	398	398	396	402	408
Cellphone Allowance	3	41	42	42	60	60	60	72	73	74
Housing Allowances	3	5	8	7	6	7	7	26	27	27
Other benefits and allowances	3	8	20	2	35	35	35	0	0	0
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		3 510	3 851	3 771	5 529	5 079	5 079	5 351	5 432	5 513
% increase	4		9.7%	(2.1%)	46.6%	(8.1%)	-	5.4%	1.5%	1.5%
Other Municipal Staff										
Basic Salaries and Wages		66 155	72 355	74 932	84 694	78 695	78 695	86 349	91 933	97 903
Pension and UIF Contributions		10 920	11 944	12 483	14 571	14 601	14 601	15 690	16 554	17 531
Medical Aid Contributions		4 168	4 421	4 467	5 395	5 395	5 395	5 688	6 013	6 368
Overtime		2 768	2 723	2 927	2 075	2 075	2 075	2 150	2 274	2 408
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	4 552	4 424	4 102	4 958	5 057	5 057	4 722	4 955	5 247
Cellphone Allowance	3	393	382	374	428	420	420	470	123	129
Housing Allowances	3	594	734	704	789	389	389	334	353	374
Other benefits and allowances	3	4 157	4 542	5 980	6 345	6 847	6 847	8 211	8 678	9 190
Payments in lieu of leave		1 520	2 033	1 307	450	350	350	220	231	245
Long service awards		274	479	506	741	738	738	744	800	851
Post-retirement benefit obligations	6	6 820	5 188	5 934	6 328	6 328	6 328	6 002	6 293	6 584
Sub Total - Other Municipal Staff		102 322	109 224	113 717	126 774	120 895	120 895	130 580	138 207	146 829
% increase	4		6.7%	4.1%	11.5%	(4.6%)	-	8.0%	5.8%	6.2%
Total Parent Municipality		112 096	119 272	123 458	138 851	132 372	132 372	142 097	150 168	159 257
			6.4%	3.5%	12.5%	(4.7%)	-	7.3%	5.7%	6.1%
TOTAL SALARY, ALLOWANCES & BENEFITS		112 096	119 272	123 458	138 851	132 372	132 372	142 097	150 168	159 257
% increase	4		6.4%	3.5%	12.5%	(4.7%)	-	7.3%	5.7%	6.1%
TOTAL MANAGERS AND STAFF	5,7	105 832	113 075	117 488	132 303	125 974	125 974	135 932	143 639	152 342

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, LAMBERTS BAY 7200
BREDABURK 7200

30 MAY 2022

TEL: 028 425 1157 • FAX: 028 426 1014
info@odm.org.za • www.odm.org.za

DC3 Overberg - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		4 270 092	140 361	1 755 129			6 165 582
Chief Whip								-
Executive Mayor								-
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors								-
Total Councillors	8	-	4 270 092	140 361	1 755 129			6 165 582
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 003 526	166 556	223 985	180 051		1 574 118
Chief Finance Officer			1 053 391	2 126	92 300	147 831		1 295 648
Executive (Corporate Services)			1 053 391	2 261	92 300	147 831		1 295 783
Executive (Community Services)			826 376	138 713	85 613	135 124		1 185 826
								-
								-
List of each official with packages >= senior manager								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	3 936 684	309 656	494 198	610 837		5 351 375
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	8 206 776	450 017	2 249 327	610 837		11 516 957

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, LUSTITJIE, 6001
BREDASBURG 7250



30 MAY 2022

TEL: 028 426 1487 • FAX: 028 426 1014
info@odm.org.za • www.odm.org.za

DC3 Overberg - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)		4	21	6	15						
Board Members of municipal entities		5									
Municipal employees											
Municipal Manager and Senior Managers		3	4	1	3		1	3	4		-
Other Managers		7	12	6			10		12	11	1
Professionals			14	12	-		13	-	14	12	-
Finance			4	3	-		4		4	3	-
Spaet/town planning											
Information Technology			1	1			1		1	1	-
Roads			5	4			4		4	4	-
Electricity											
Water											
Sanitation											
Refuse											
Other			4	4			4		5	4	-
Technicians			303	298	5		320	275	375	275	3
Finance			18	13	5		16	12	16	13	3
Spaet/town planning											
Information Technology			1	1			1	1	1	1	
Roads			191	191			214	181	219	185	
Electricity											
Water											
Sanitation											
Refuse											
Other			93	93			89	81	139	76	
Clerks (Clerical and administrative)			30	27	3		28	22	32	28	5
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators			4	4			4	4	6	6	-
Elementary Occupations											
TOTAL PERSONNEL NUMBERS			388	354	26	403	331	29	466	342	22
% increase						3.9%	(5.5%)	11.5%	15.6%	3.3%	(24.1%)
Total municipal employees headcount				326	28		368	28		342	14
Finance personnel headcount			24	22	2	24	24	1	24	18	3
Human Resources personnel headcount			5	2	2	5	4	1	5	4	2

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET / PO BOX 12 BAG X22
BREDASDORP 7280
30 MAY 2022
TEL: 028 425 1157 • FAX: 028 425 1014
Info@odm.org.za • www.odm.org.za

DC3 Overberg - Supporting Table SA25 Budgeted monthly revenue and expenditure

Ref	Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25		
R thousand	Revenue By Source																	
	Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Service charges - electricity revenue	33	33	33	33	33	33	33	33	33	33	33	33	33	400	430	450	
	Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Service charges - sanitation revenue	50	50	50	50	50	50	50	50	50	50	50	50	50	500	642	687	
	Service charges - refuse revenue	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	12 572	13 719	14 869	
	Rental of facilities and equipment	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	12 730	13 032	13 814	
	Interest earned - external investments	167	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 200	2 200	
	Interest earned - outstanding debtors	17	17	17	17	17	17	17	17	17	17	17	17	17	200	220	245	
	Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Licences and permits	208	208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 750	2 950	
	Agency services	946	946	946	946	946	946	946	946	946	946	946	946	946	11 351	11 871	11 871	
	Transfers and subsidies	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	197 193	203 935	207 104	
	Other revenue	949	949	949	949	949	949	949	949	949	949	949	949	949	11 394	11 351	12 127	
	Gains	208	208	208	208	208	208	208	208	208	208	208	208	208	2 500	3 000	3 000	
	Total Revenue (excluding capital transfers and contribution)		21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	253 440	263 150	269 317	
	Expenditure By Type																	
	Employee related costs	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	135 932	143 639	152 342	
	Remuneration of councillors	514	514	514	514	514	514	514	514	514	514	514	514	514	6 166	6 529	6 916	
	Debt impairment	17	17	17	17	17	17	17	17	17	17	17	17	17	200	200	200	
	Depreciation & asset impairment	302	302	302	302	302	302	302	302	302	302	302	302	302	3 626	3 563	3 549	
	Finance charges	277	277	277	277	277	277	277	277	277	277	277	277	277	3 329	3 329	3 351	
	Bulk purchases - electricity	33	33	33	33	33	33	33	33	33	33	33	33	33	400	430	450	
	Inventory consumed	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	46 462	48 960	46 218	
	Contracted services	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	23 792	23 287	23 323	
	Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Other expenditure	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	33 440	33 145	32 955	
	Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditure	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	253 346	263 048	269 304	
	Surplus/(Deficit)	8	8	8	8	8	8	8	8	8	8	8	8	8	94	103	14	
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8	8	8	8	8	8	8	8	8	8	8	8	8	94	103	14		
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	8	8	8	8	8	8	8	8	8	8	8	8	94	103	14		

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

DC3 Overberg - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
Revenue By Source																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue		33	33	33	33	33	33	33	33	33	33	33	33	400	430	450	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue		50	50	50	50	50	50	50	50	50	50	50	50	600	642	687	
Service charges - refuse revenue		1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	12 572	13 719	14 869	
Rental of facilities and equipment		1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	1 061	12 730	13 032	13 814	
Interest earned - external investments		167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 200	2 200	
Interest earned - outstanding debtors		17	17	17	17	17	17	17	17	17	17	17	17	200	220	245	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences and permits		208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 750	2 950	
Agency services		946	946	946	946	946	946	946	946	946	946	946	946	11 351	11 871	11 871	
Transfers and subsidies		16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	16 433	197 193	203 935	207 104	
Other revenue		949	949	949	949	949	949	949	949	949	949	949	949	11 394	11 351	12 127	
Gains		208	208	208	208	208	208	208	208	208	208	208	208	2 500	3 000	3 000	
Total Revenue (excluding capital transfers and contribution)		21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	253 440	263 150	269 317	
Expenditure By Type																	
Employee related costs		11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	11 328	135 932	143 639	152 342	
Remuneration of councillors		514	514	514	514	514	514	514	514	514	514	514	514	6 166	6 629	6 915	
Debt impairment		17	17	17	17	17	17	17	17	17	17	17	17	200	200	200	
Depreciation & asset impairment		302	302	302	302	302	302	302	302	302	302	302	302	3 626	3 563	3 549	
Finance charges		277	277	277	277	277	277	277	277	277	277	277	277	3 329	3 293	3 351	
Bulk purchases - electricity		33	33	33	33	33	33	33	33	33	33	33	33	400	430	450	
Inventory consumed		3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	46 462	48 960	46 218	
Contracted services		1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	23 792	23 287	23 323	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure		2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	2 787	33 440	33 145	32 955	
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	253 345	263 048	269 304	
Surplus/(Deficit)		8	8	8	8	8	8	8	8	8	8	8	8	94	103	14	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		8	8	8	8	8	8	8	8	8	8	8	8	94	103	14	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	8	8	8	8	8	8	8	8	8	8	8	8	94	103	14	

DC3 Overberg - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Budget Year 2022/23																	Medium Term Revenue and Expenditure Framework		
Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework					
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25			
R thousand																			
Revenue by Vote																			
Vote 1 - Municipal Manager		1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	14 651	14 871	14 871			
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Vote 3 - Corporate Services		3	3	3	3	3	3	3	3	3	3	3	3	30	32	34			
Vote 4 - Finance		7 476	7 476	7 476	7 476	7 476	7 476	7 476	7 476	7 476	7 476	7 476	7 476	89 709	92 290	95 457			
Vote 5 - Community Services		12 421	12 421	12 421	12 421	12 421	12 421	12 421	12 421	12 421	12 421	12 421	12 421	149 050	155 957	158 956			
Total Revenue by Vote		21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	253 440	263 150	269 317			
Expenditure by Vote to be appropriated																			
Vote 1 - Municipal Manager		1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	1 250	15 003	15 353	16 133			
Vote 2 - Management Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Vote 3 - Corporate Services		1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	1 125	13 505	13 813	14 403			
Vote 4 - Finance		2 260	2 260	2 260	2 260	2 260	2 260	2 260	2 260	2 260	2 260	2 260	2 260	27 126	28 875	30 324			
Vote 5 - Community Services		16 476	16 476	16 476	16 476	16 476	16 476	16 476	16 476	16 476	16 476	16 476	16 476	197 712	205 007	206 444			
Total Expenditure by Vote		21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	253 346	263 048	269 304			
Surplus/(Deficit) before assoc.		8	8	8	8	8	8	8	8	8	8	8	8	94	103	14			
Taxation														-	-	-			
Amount payable to minorities														-	-	-			
Share of surplus/ (deficit) of associate														-	-	-			
Surplus/(Deficit)	1	8	8	8	8	8	8	8	8	8	8	8	8	94	103	14			

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, 7TH FLOOR, BELLVILLE
7201
30 MAY 2022
TEL: 028 425 1417 • FAX: 028 425 1014
INFO@overberg.gov.za • WWW.OVERBERG.GOV.ZA

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DC3 Overberg - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

R thousand	Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
Revenue - Functional	Governance and administration		8 699	8 699	8 699	8 699	8 699	8 699	8 699	8 699	8 699	8 699	8 699	8 699	104 390	107 193	110 362	
	Executive and council	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	1 221	14 871	14 871	14 871	
	Finance and administration	7 478	7 478	7 478	7 478	7 478	7 478	7 478	7 478	7 478	7 478	7 478	7 478	7 478	89 739	92 322	95 491	
	Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Community and public safety	2 355	2 355	2 355	2 355	2 355	2 355	2 355	2 355	2 355	2 355	2 355	2 355	2 355	28 255	29 069	30 957	
	Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sport and recreation	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	1 523	18 274	18 280	19 401	
	Public safety	487	487	487	487	487	487	487	487	487	487	487	487	487	5 850	6 310	6 774	
	Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Health	344	344	344	344	344	344	344	344	344	344	344	344	344	4 132	4 480	4 783	
	Economic and environmental services	9 075	9 075	9 075	9 075	9 075	9 075	9 075	9 075	9 075	9 075	9 075	9 075	9 075	108 895	113 888	113 898	
	Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Road transport	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	108 781	113 763	113 763	
	Environmental protection	10	10	10	10	10	10	10	10	10	10	10	10	10	114	125	135	
	Trading services	992	992	992	992	992	992	992	992	992	992	992	992	992	11 900	13 000	14 100	
	Energy sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Waste management	992	992	992	992	992	992	992	992	992	992	992	992	992	11 900	13 000	14 100	
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Revenue - Functional		21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	21 120	253 440	263 150	269 317	
	Expenditure - Functional	Governance and administration		4 777	4 777	4 777	4 777	4 777	4 777	4 777	4 777	4 777	4 777	4 777	57 322	59 768	62 636	
		Executive and council	867	867	867	867	867	867	867	867	867	867	867	867	10 407	10 529	11 045	
		Finance and administration	3 753	3 753	3 753	3 753	3 753	3 753	3 753	3 753	3 753	3 753	3 753	3 753	45 035	47 276	49 529	
		Internal audit	157	157	157	157	157	157	157	157	157	157	157	157	1 980	1 962	2 062	
Community and public safety		6 130	6 130	6 130	6 130	6 130	6 130	6 130	6 130	6 130	6 130	6 130	6 130	73 563	75 684	78 558		
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sport and recreation		1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	1 385	16 257	16 891	17 891		
Public safety		3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	3 014	36 168	38 019	39 955		
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health		1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	1 731	20 773	21 407	22 712		
Economic and environmental services		9 452	9 452	9 452	9 452	9 452	9 452	9 452	9 452	9 452	9 452	9 452	9 452	113 424	118 558	119 687		
Planning and development		116	116	116	116	116	116	116	116	116	116	116	116	1 391	1 464	1 546		
Road transport		9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	9 065	108 781	113 763	113 763		
Environmental protection		271	271	271	271	271	271	271	271	271	271	271	271	3 252	3 331	3 377		
Trading services		753	753	753	753	753	753	753	753	753	753	753	753	9 037	9 038	9 423		
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Waste management		753	753	753	753	753	753	753	753	753	753	753	753	753	9 037	9 038	9 423	
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure - Functional			21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	21 112	253 346	263 048	269 304	
Surplus/(Deficit) before assoc.			8	8	8	8	8	8	8	8	8	8	8	8	94	103	14	
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)		1	8	8	8	8	8	8	8	8	8	8	8	8	94	103	14	

DC3 Overberg - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
<u>Multi-year expenditure to be appropriated</u> Vote 1 - Municipal Manager Vote 2 - Management Services Vote 3 - Corporate Services Vote 4 - Finance Vote 5 - Community Services	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		4	4	4	4	4	4	4	4	4	4	4	4	50	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		3	3	3	3	3	3	3	3	3	3	3	3	39	20	20
		7	7	7	7	7	7	7	7	7	7	7	7	89	20	20
Capital multi-year expenditure sub-total	2															
<u>Single-year expenditure to be appropriated</u> Vote 1 - Municipal Manager Vote 2 - Management Services Vote 3 - Corporate Services Vote 4 - Finance Vote 5 - Community Services		29	29	29	29	29	29	29	29	29	29	29	29	350	150	150
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		422	422	422	422	422	422	422	422	422	422	422	422	5 065	300	250
		100	100	100	100	100	100	100	100	100	100	100	100	1 200	180	180
		297	297	297	297	297	297	297	297	297	297	297	297	3 570	3 300	2 755
Capital single-year expenditure sub-total	2	849	849	849	849	849	849	849	849	849	849	849	849	10 185	3 930	3 335
Total Capital Expenditure	2	856	856	856	856	856	856	856	856	856	856	856	856	10 274	3 950	3 355

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET - PRIVATE BAG X22
BREEDERSBURG 7200

30 MAY 2022

TEL: 028 425 1557 • FAX: 028 425 1014
info@odm.org.za • www.odm.org.za

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DC3 Overberg - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

R thousand	Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
1	Capital Expenditure - Functional	1	555	555	555	555	555	555	555	555	555	555	555	555	5 665	630	580
	<i>Governance and administration</i>		17	17	17	17	17	17	17	17	17	17	17	17	200	-	-
	Executive and council		526	526	526	526	526	526	526	526	526	526	526	526	6 315	480	430
	Finance and administration		13	13	13	13	13	13	13	13	13	13	13	13	150	150	150
	Internal audit		290	290	290	290	290	290	290	290	290	290	290	290	3 479	3 250	2 705
	<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Community and social services		28	28	28	28	28	28	28	28	28	28	28	28	339	-	-
	Sport and recreation		196	196	196	196	196	196	196	196	196	196	196	196	2 355	2 280	2 355
	Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Housing		65	65	65	65	65	65	65	65	65	65	65	65	785	960	350
	Health		11	11	11	11	11	11	11	11	11	11	11	11	130	70	70
	<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Road transport		11	11	11	11	11	11	11	11	11	11	11	11	130	70	70
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Capital Expenditure - Functional	2	856	856	856	856	856	856	856	856	856	856	856	856	10 274	3 950	3 355
	Funded by:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	allocations) (National / Provincial Departmental		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Agencies, Households, Non-profit Institutions,		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Private Enterprises, Public Corporations, Higher		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Borrowing		3	3	3	3	3	3	3	3	3	3	3	3	39	20	20
	Internally generated funds		853	853	853	853	853	853	853	853	853	853	853	853	10 235	3 930	3 335
	Total Capital Funding		856	856	856	856	856	856	856	856	856	856	856	856	10 274	3 960	3 355

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts by Source													1	-	-
Property rates	33	33	33	33	33	33	33	33	33	33	33	33	400	430	450
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	50	50	50	50	50	50	50	50	50	50	50	50	600	642	687
Service charges - sanitation revenue	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	1 048	12 572	13 719	14 869
Rental of facilities and equipment	1 044	1 044	1 044	1 044	1 044	1 044	1 044	1 044	1 044	1 044	1 044	1 044	12 530	12 832	13 614
Interest earned - external investments	167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 200	2 200
Interest earned - outstanding debtors	17	17	17	17	17	17	17	17	17	17	17	17	200	220	245
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	208	208	208	208	208	208	208	208	208	208	208	208	2 500	2 750	2 950
Agency services	946	946	946	946	946	946	946	946	946	946	946	946	11 351	11 871	11 871
Transfers and Subsidies - Operational	39 535	9 055	9 055	9 055	38 536	9 055	9 055	9 055	38 536	9 055	9 055	9 055	197 193	203 935	207 104
Other revenue	949	949	949	949	949	949	949	949	949	949	949	949	11 354	11 351	12 127
Cash Receipts by Source	42 998	13 527	13 527	13 527	42 998	13 527	13 527	13 527	42 998	13 527	13 527	13 527	253 740	259 950	268 117
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	42 998	13 527	13 527	13 527	42 998	13 527	13 527	13 527	42 998	13 527	13 527	13 527	253 740	263 950	268 117
Cash Payments by Type															
Employment related costs	10 235	10 235	10 235	10 235	20 469	10 235	10 235	10 235	10 235	10 235	10 235	10 235	133 050	140 512	149 061
Remuneration of councillors	514	514	514	514	514	514	514	514	514	514	514	514	6 166	6 529	6 915
Finance charges	193	193	193	193	193	193	193	193	193	193	193	193	2 315	2 315	2 315
Bulk purchases - electricity	33	33	33	33	33	33	33	33	33	33	33	33	400	430	450
Acquisitions - water & other inventory	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	3 872	46 462	48 980	48 218
Contracted services	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	1 983	23 792	23 287	23 323
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 883	2 883	2 883	2 883	2 883	2 883	2 883	2 883	2 883	2 883	2 883	2 883	34 597	34 355	34 219
Cash Payments by Type	19 712	19 712	19 712	19 712	28 947	19 712	19 712	19 712	19 712	19 712	19 712	19 712	246 742	256 389	262 481
Other Cash Flows/Payments by Type															
Capital assets	855	855	855	855	855	855	855	855	855	855	855	855	10 274	9 950	3 355
Repayment of borrowing	307	307	307	307	307	307	307	307	307	307	307	307	3 684	4 120	4 593
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	20 875	20 875	20 875	20 875	31 110	20 875	20 875	20 875	20 875	20 875	20 875	20 875	260 739	264 459	270 440
NET INCREASE/DECREASE IN CASH HELD	22 123	(7 348)	(7 348)	(7 348)	11 888	(7 348)	(7 348)	(7 348)	22 123	(7 348)	(7 348)	(7 348)	(7 499)	(1 508)	(1 323)
Cash/cash equivalents at the month/year begin:	52 179	74 501	67 153	59 805	52 457	64 345	56 997	46 649	42 301	54 424	57 076	49 728	52 379	44 880	43 371
Cash/cash equivalents at the month/year end:	74 501	67 153	59 805	52 457	64 345	56 997	49 649	42 301	54 424	57 076	49 728	44 880	44 880	43 371	42 049

DC3 Overberg - NOT REQUIRED - municipality does not have entities

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R million										
Financial Performance										
Property rates										
Service charges										
Investment revenue										
Transfers recognised - operational										
Other own revenue										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)										
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	-	-
Employee costs										
Remuneration of Board Members										
Depreciation & asset impairment										
Finance charges										
Inventory consumed and bulk purchases										
Transfers and grants										
Other expenditure										
Total Expenditure		-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - operational										
Borrowing										
Internally generated funds										
Total sources		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets										
Total non current assets										
Total current liabilities										
Total non current liabilities										
Equity										
Cash flows										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
Cash/cash equivalents at the year end										

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, AGGRIATE BAG X22
6001 AGGRIATE
30 MAY 2022

TEL: 028 425 1017 • FAX: 028 425 1014
info@dm.org.za • www.dm.org.za

DC3 Overberg - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand

OVERBERG DISTRICT MUNICIPALITY
25 LOUGHERY AVENUE, SAC X22
B501, KENILDE, 7230

30 MAY 2022

TEL: 029 425 1014 • FAX: 029 425 1014
info@omd.org.za • www.omd.org.za

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DC3 Overberg - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
				Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25								
R thousand	1,3	Total	Original Budget											Estimate
Parent Municipality:	2													
Revenue Obligation By Contract														
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-											
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-											
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-											
Total Parent Expenditure Implication		-	-											
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-											
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-											
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-											
Total Entity Expenditure Implication		-	-											

DC3 Overberg - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	-	255	255	255	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Stations		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticalation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	255	255	255	-	-	-
Landfill Sites		-	-	-	255	255	255	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET
BREDASDORP 6006

30 MAY 2022

TEL: 029 425 1457 • FAX: 029 425 1014
info@odm.org.za • www.odm.org.za

Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	78	-	2 298	57	57	57	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Equity Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	78	-	2 298	57	57	57	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	78	-	2 298	57	57	57	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	6	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	6	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	6	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	78	750	750	750	4 500	-	-
Computer Equipment	-	-	78	750	750	750	4 500	-	-
Furniture and Office Equipment	289	272	95	4	20	20	203	-	-
Furniture and Office Equipment	289	272	95	4	20	20	203	-	-
Machinery and Equipment	493	835	590	100	905	905	403	120	130
Machinery and Equipment	493	835	590	100	905	905	403	120	130
Transport Assets	1 707	762	934	2 950	3 453	3 453	7	-	-
Transport Assets	1 707	762	934	2 950	3 453	3 453	7	-	-
Land	-	-	668	-	-	-	-	-	-
Land	-	-	668	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	2 568	1 869	4 662	4 116	5 440	5 119	120	130

DC3 Overberg - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		105	-	-	-	20	20	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	20	20	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	20	20	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		105	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		105	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-

Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets	410				120	120	44			
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	410				120	120	44			
Staff Housing										
Social Housing	410				120	120	44			
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment			171	500	298	298	450	450	400	
Computer Equipment			171	500	298	298	450	450	400	
Furniture and Office Equipment	122	16	35	50	62	62	2 057	1 140	530	
Furniture and Office Equipment	122	16	35	50	62	62	2 057	1 140	530	
Machinery and Equipment		625								
Machinery and Equipment		625								
Transport Assets					800	800	100	70	75	
Transport Assets					800	800	100	70	75	
Land	11 234									
Land	11 234									
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing asset	1	11 872	841	206	550	1 300	1 300	2 651	1 660	1 095
Renewal of Existing Assets as % of total capex		52.7%	21.4%	4.1%	11.0%	15.1%	15.1%	25.8%	42.0%	30.0%
Renewal of Existing Assets as % of deprecn"		333.7%	17.9%	5.4%	11.9%	28.2%	28.2%	73.1%	46.6%	28.3%

DC3 Overberg - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Repairs and maintenance expenditure by asset class					Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
Description	Ref	2018/19	2019/20	2020/21	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome						
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	5 016	6 045	6 045	5 363	5 685	6 026
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	28	28	30	32	33
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Alteration		-	-	-	-	28	28	30	32	33
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	5 016	6 016	6 016	5 333	5 653	5 993
Landfill Sites		-	-	-	5 016	6 016	6 016	5 333	5 653	5 993
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Alteration		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-

OVERBERG DISTRICT MUNICIPALITY
20 LONG STREET, PRIVATE BAG X22
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info@om.org.za • www.om.org.za

Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Absoloids									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities									
Indoor Facilities									
Outdoor Facilities									
Capital Spares									
Heritage assets									
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties									
Revenue Generating									
Improved Property									
Unimproved Property									
Non-revenue Generating									
Improved Property									
Unimproved Property									
Other assets	1 399	4 749	5 414	4 600	2 795	2 795	655	752	740
Operational Buildings				4 430	2 670	2 670	760	702	725
Municipal Offices				4 430	2 670	2 670	760	702	725
Pay/Empty Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	1 399	4 749	5 414	170	125	125	75	50	15
Staff Housing									
Social Housing	1 399	4 749	5 414	170	125	125	75	50	15
Capital Spares									
Biological or Cultivated Assets									
Biological or Cultivated Assets									
Intangible Assets									
Servitudes									
Licences and Rights									
Water Rights									
Effluent Licences									
Solid Waste Licences									
Computer Software and Applications									
Local Government Software Applications									
Unspecified									
Computer Equipment									
Computer Equipment									
Furniture and Office Equipment	50								
Furniture and Office Equipment	50								
Machinery and Equipment	2 000	1 327	905	616	595	595	712	630	671
Machinery and Equipment	2 000	1 327	905	616	595	595	712	630	671
Transport Assets	2 510	2 475	3 005	517	2 297	2 297	1 521	1 720	1 293
Transport Assets	2 510	2 475	3 005	517	2 297	2 297	1 521	1 720	1 293
Land									
Land									
Zoo's, Marine and Non-biological Animals									
Zoo's, Marine and Non-biological Animals									
Total Repairs and Maintenance Expenditure	1	5 960	8 559	9 324	10 749	11 732	11 732	8 451	8 767
RAM as a % of PPE		8.8%	13.0%	13.8%	16.1%	16.5%	16.5%	11.9%	11.2%
RAM as % Operating Expenditure		2.6%	4.0%	3.8%	4.2%	4.5%	4.5%	3.3%	3.3%

OVERBERG DISTRICT MUNICIPALITY
26 LORRAINE STREET, PHILLIPS BAG X22
BREDASBURG 7120

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TEL: 021 425 1167 • FAX: 021 425 1014
info@odm.org.za • www.odm.org.za

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DC3 Overberg - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		675	1 264	1 444	185	185	185	254	239	225
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Stations		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Retreatment		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		675	1 264	1 444	185	185	185	254	239	225
Landfill Sites		50	308	519	185	185	185	254	239	225
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		624	956	926	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revelments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Cable Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	0	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Orchards		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-

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DC3 Overberg - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		22 316	–	–	–	16	16	39	20	20
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	16	16	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	16	16	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Retreatment		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		22 316	–	–	–	–	–	39	20	20
Landfill Sites		22 316	–	–	–	–	–	39	20	20
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Creeches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Abolition Facilities		–	–	–	–	–	–	–	–	–

Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets										
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Local Settlement Software Applications										
Unspecified										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Machinery and Equipment										
Transport Assets										
Transport Assets										
Land										
Land										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on upgrading of existing assets	1	22 542	488	169	323	1 845	1 845	2 504	2 170	2 220
Upgrading of Existing Assets as % of total capex		0.0%	16.3%	3.3%	6.5%	21.5%	21.5%	24.4%	54.9%	66.2%
Upgrading of Existing Assets as % of deprecn		633.6%	13.7%	4.4%	7.0%	40.0%	40.0%	69.1%	60.9%	62.6%

OVERSEAS INVESTMENT AUTHORITY
26 LIOU STREET, SUITE 1002
SINGAPORE 048610

30 MAY 2022

TEL: 629 428 1497 / 629 428 4014
INFO@OIA.SG / WWW.OIA.SG

DC3 Overberg - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Municipal Manager		350	150	150				
Vote 2 - Management Services		-	-	-				
Vote 3 - Corporate Services		5 115	300	250				
Vote 4 - Finance		1 200	180	180				
Vote 5 - Community Services		3 609	3 320	2 775				
List entity summary if applicable								
Total Capital Expenditure		10 274	3 950	3 355	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Municipal Manager								
Vote 2 - Management Services								
Vote 3 - Corporate Services								
Vote 4 - Finance								
Vote 5 - Community Services								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		10 274	3 950	3 355	-	-	-	-

OVERBERG DISTRICT MUNICIPALITY
26 LUGER STREET, WINTERBAG K22
BA 1200, 7280



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TEL: 028 425 1014 - FAX: 028 425 1014
info@odm.org.za - www.odm.org.za

OCIO Overberg - Supporting Table SA35 Detailed capital budget

Project/Activity	Facility	Project Description	Project Number	Type	MTF Sector/Cluster	IBF	One-Stop-Shop Objective	Asset Class	Area Sub-Code	First Location	DP1 Language	DP2 Language	CP2 Language	Approved	Current Year	2022/23 Measure	2023/24 Measure	2024/25 Measure	2025/26 Measure	2026/27 Measure	2027/28 Measure	2028/29 Measure	2029/30 Measure	2030/31 Measure	2031/32 Measure	2032/33 Measure	2033/34 Measure	2034/35 Measure	2035/36 Measure	2036/37 Measure	2037/38 Measure	2038/39 Measure	2039/40 Measure	2040/41 Measure	2041/42 Measure	2042/43 Measure	2043/44 Measure	2044/45 Measure	2045/46 Measure	2046/47 Measure	2047/48 Measure	2048/49 Measure	2049/50 Measure	2050/51 Measure	2051/52 Measure	2052/53 Measure	2053/54 Measure	2054/55 Measure	2055/56 Measure	2056/57 Measure	2057/58 Measure	2058/59 Measure	2059/60 Measure	2060/61 Measure	2061/62 Measure	2062/63 Measure	2063/64 Measure	2064/65 Measure	2065/66 Measure	2066/67 Measure	2067/68 Measure	2068/69 Measure	2069/70 Measure	2070/71 Measure	2071/72 Measure	2072/73 Measure	2073/74 Measure	2074/75 Measure	2075/76 Measure	2076/77 Measure	2077/78 Measure	2078/79 Measure	2079/80 Measure	2080/81 Measure	2081/82 Measure	2082/83 Measure	2083/84 Measure	2084/85 Measure	2085/86 Measure	2086/87 Measure	2087/88 Measure	2088/89 Measure	2089/90 Measure	2090/91 Measure	2091/92 Measure	2092/93 Measure	2093/94 Measure	2094/95 Measure	2095/96 Measure	2096/97 Measure	2097/98 Measure	2098/99 Measure	2099/00 Measure	2100/01 Measure	2101/02 Measure	2102/03 Measure	2103/04 Measure	2104/05 Measure	2105/06 Measure	2106/07 Measure	2107/08 Measure	2108/09 Measure	2109/10 Measure	2110/11 Measure	2111/12 Measure	2112/13 Measure	2113/14 Measure	2114/15 Measure	2115/16 Measure	2116/17 Measure	2117/18 Measure	2118/19 Measure	2119/20 Measure	2120/21 Measure	2121/22 Measure	2122/23 Measure	2123/24 Measure	2124/25 Measure	2125/26 Measure	2126/27 Measure	2127/28 Measure	2128/29 Measure	2129/30 Measure	2130/31 Measure	2131/32 Measure	2132/33 Measure	2133/34 Measure	2134/35 Measure	2135/36 Measure	2136/37 Measure	2137/38 Measure	2138/39 Measure	2139/40 Measure	2140/41 Measure	2141/42 Measure	2142/43 Measure	2143/44 Measure	2144/45 Measure	2145/46 Measure	2146/47 Measure	2147/48 Measure	2148/49 Measure	2149/50 Measure	2150/51 Measure	2151/52 Measure	2152/53 Measure	2153/54 Measure	2154/55 Measure	2155/56 Measure	2156/57 Measure	2157/58 Measure	2158/59 Measure	2159/60 Measure	2160/61 Measure	2161/62 Measure	2162/63 Measure	2163/64 Measure	2164/65 Measure	2165/66 Measure	2166/67 Measure	2167/68 Measure	2168/69 Measure	2169/70 Measure	2170/71 Measure	2171/72 Measure	2172/73 Measure	2173/74 Measure	2174/75 Measure	2175/76 Measure	2176/77 Measure	2177/78 Measure	2178/79 Measure	2179/80 Measure	2180/81 Measure	2181/82 Measure	2182/83 Measure	2183/84 Measure	2184/85 Measure	2185/86 Measure	2186/87 Measure	2187/88 Measure	2188/89 Measure	2189/90 Measure	2190/91 Measure	2191/92 Measure	2192/93 Measure	2193/94 Measure	2194/95 Measure	2195/96 Measure	2196/97 Measure	2197/98 Measure	2198/99 Measure	2199/00 Measure	2200/01 Measure	2201/02 Measure	2202/03 Measure	2203/04 Measure	2204/05 Measure	2205/06 Measure	2206/07 Measure	2207/08 Measure	2208/09 Measure	2209/10 Measure	2210/11 Measure	2211/12 Measure	2212/13 Measure	2213/14 Measure	2214/15 Measure	2215/16 Measure	2216/17 Measure	2217/18 Measure	2218/19 Measure	2219/20 Measure	2220/21 Measure	2221/22 Measure	2222/23 Measure	2223/24 Measure	2224/25 Measure	2225/26 Measure	2226/27 Measure	2227/28 Measure	2228/29 Measure	2229/30 Measure	2230/31 Measure	2231/32 Measure	2232/33 Measure	2233/34 Measure	2234/35 Measure	2235/36 Measure	2236/37 Measure	2237/38 Measure	2238/39 Measure	2239/40 Measure	2240/41 Measure	2241/42 Measure	2242/43 Measure	2243/44 Measure	2244/45 Measure	2245/46 Measure	2246/47 Measure	2247/48 Measure	2248/49 Measure	2249/50 Measure	2250/51 Measure	2251/52 Measure	2252/53 Measure	2253/54 Measure	2254/55 Measure	2255/56 Measure	2256/57 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Measure	2505/06 Measure	2506/07 Measure	2507/08 Measure	2508/09 Measure	2509/10 Measure	2510/11 Measure	2511/12 Measure	2512/13 Measure	2513/14 Measure	2514/15 Measure	2515/16 Measure	2516/17 Measure	2517/18 Measure	2518/19 Measure	2519/20 Measure	2520/21 Measure	2521/22 Measure	2522/23 Measure	2523/24 Measure	2524/25 Measure	2525/26 Measure	2526/27 Measure	2527/28 Measure	2528/29 Measure	2529/30 Measure	2530/31 Measure	2531/32 Measure	2532/33 Measure	2533/34 Measure	2534/35 Measure	2535/36 Measure	2536/37 Measure	2537/38 Measure	2538/39 Measure	2539/40 Measure	2540/41 Measure	2541/42 Measure	2542/43 Measure	2543/44 Measure	2544/45 Measure	2545/46 Measure	2546/47 Measure	2547/48 Measure	2548/49 Measure	2549/50 Measure	2550/51 Measure	2551/52 Measure	2552/53 Measure	2553/54 Measure	2554/55 Measure	2555/56 Measure	2556/57 Measure	2557/58 Measure	2558/59 Measure	2559/60 Measure	2560/61 Measure	2561/62 Measure	2562/63 Measure	2563/64 Measure	2564/65 Measure	2565/66 Measure	2566/67 Measure	2567/68 Measure	2568/69 Measure	2569/70 Measure	2570/71 Measure	2571/72 Measure	2572/73 Measure	2573/74 Measure	2574/75 Measure	2575/76 Measure	2576/77 Measure	2577/78 Measure	2578/79 Measure	2579/80 Measure	2580/81 Measure	2581/82 Measure	2582/83 Measure	2583/84 Measure	2584/85 Measure	2585/86 Measure	2586/87 Measure	2587/88 Measure	2588/89 Measure	2589/90 Measure	2590/91 Measure	2591/92 Measure	2592/93 Measure	2593/94 Measure	2594/95 Measure	2595/96 Measure	2596/97 Measure	2597/98 Measure	2598/99 Measure	2599/00 Measure	2600/01 Measure	2601/02 Measure	2602/03 Measure	2603/04 Measure	2604/05 Measure	2605/06 Measure	2606/07 Measure	2607/08 Measure	2608/09 Measure	2609/10 Measure	2610/11 Measure	2611/12 Measure	2612/13 Measure	2613/14 Measure	2614/15 Measure	2615/16 Measure	2616/17 Measure	2617/18 Measure	2618/19 Measure	2619/20 Measure	2620/21 Measure	2621/22 Measure	2622/23 Measure	2623/24 Measure	2624/25 Measure	2625/26 Measure	2626/27 Measure	2627/28 Measure	2628/29 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Measure	2753/54 Measure	2754/55 Measure	2755/56 Measure	2756/57 Measure	2757/58 Measure	2758/59 Measure	2759/60 Measure	2760/61 Measure	2761/62 Measure	2762/63 Measure	2763/64 Measure	2764/65 Measure	2765/66 Measure	2766/67 Measure	2767/68 Measure	2768/69 Measure	2769/70 Measure	2770/71 Measure	2771/72 Measure	2772/73 Measure	2773/74 Measure	2774/75 Measure	2775/76 Measure	2776/77 Measure	2777/78 Measure	2778/79 Measure	2779/80 Measure	2780/81 Measure	2781/82 Measure	2782/83 Measure	2783/84 Measure	2784/85 Measure	2785/86 Measure	2786/87 Measure	2787/88 Measure	2788/89 Measure	2789/90 Measure	2790/91 Measure	2791/92 Measure	2792/93 Measure	2793/94 Measure	2794/95 Measure	2795/96 Measure	2796/97 Measure	2797/98 Measure	2798/99 Measure	2799/00 Measure	2800/01 Measure	2801/02 Measure	2802/03 Measure	2803/04 Measure	2804/05 Measure	2805/06 Measure	2806/07 Measure	2807/08 Measure	2808/09 Measure	2809/10 Measure	2810/11 Measure	2811/12 Measure	2812/13 Measure	2813/14 Measure	2814/15 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Measure	2877/78 Measure	2878/79 Measure	2879/80 Measure	2880/81 Measure	2881/82 Measure	2882/83 Measure	2883/84 Measure	2884/85 Measure	2885/86 Measure	2886/87 Measure	2887/88 Measure	2888/89 Measure	2889/90 Measure	2890/91 Measure	2891/92 Measure	2892/93 Measure	2893/94 Measure	2894/95 Measure	2895/96 Measure	2896/97 Measure	2897/98 Measure	2898/99 Measure	2899/00 Measure	2900/01 Measure	2901/02 Measure	2902/03 Measure	2903/04 Measure	2904/05 Measure	2905/06 Measure	2906/07 Measure	2907/08 Measure	2908/09 Measure	2909/10 Measure	2910/11 Measure	2911/12 Measure	2912/13 Measure	2913/14 Measure	2914/15 Measure	2915/16 Measure	2916/17 Measure	2917/18 Measure	2918/19 Measure	2919/20 Measure	2920/21 Measure	2921/22 Measure	2922/23 Measure	2923/24 Measure	2924/25 Measure	2925/26 Measure	2926/27 Measure	2927/28 Measure	2928/29 Measure	2929/30 Measure	2930/31 Measure	2931/32 Measure	2932/33 Measure	2933/34 Measure	2934/35 Measure	2935/36 Measure	2936/37 Measure	2937/38 Measure	2938/39 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DC3 Overberg - Supporting Table SA37 Projects delayed from previous financial years

R thousand	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
														Original Budget	Full Year Forecast	Budget Year 2022/23	Budget Year+1 2023/24	Budget Year+2 2024/25
Percent municipality: List all capital projects grouped by Function																		
Entity list: List all capital projects grouped by Entity																		
Entity Name Project name																		

References:
List all projects with planned completion dates in current year that have been re-budgeted in the MTRF
Asset class as per table A3 and asset sub-class as per table SA34
GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

OVERBERG DISTRICT MUNICIPALITY
26 LOUIS STONE RD - SPRING BAG X22
Breda 7800



30 MAY 2022

TEL: 022 428 1014 - FAX: 022 428 1014
Info@odm.org.za - www.odm.org.za

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OVERBERG DISTRICT MUNICIPALITY
26 LONG STREET, PRIVATE BAG X22
BREDASBURG 7280

30 MAY 2022

FEES 023 42
www.dum

30 MAY 2022
TEL: 028 425 1465 • FAX: 028 425 1014
info@dm.org.za • www.dm.org.za

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