KOUGA local municipality

Good Governance through Service Excellence

# ORDINARY COUNCIL MEETING

# AGENDA

| | | |
|---|---|---|
| Date | : | 26 June 2020 |
| Time | : | 10:00 |
| Venue | : | Virtual Meeting |

| **KOUGA MUNICIPALITY (EC108)** | **UMASIPALA I-KOUGA (EC108)** | **MUNISIPALITEIT KOUGA (OK108)** |
|---|---|---|
| **NOTICE CONVENING A MEETING** | **ISAZISO NGENTLANGANISO** | **KENNISGEWING VAN VERGADERING** |
| **NOTICE IS HEREBY GIVEN** in terms of the amended Directions on Municipal Operations and Governance, in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Ordinary Council Meeting will be held on | **OKU KUKWAZISA** malunga neZikhokelo eziLungisiweyo ekuSebenzeni koMasipala kunye noLawulo ngokweMigaqqo yeCandelo lama 27(2) loMthetho woLawulo lweNtlekele ka 2002, ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile | **KENNIS GESKIED HIERMEE** ingevolge die gewysigde Aanwysings Vir Munisipale Bedrywighede En Bestuur, Ingevolge Artikel 27 (2) van die Wet op Rampbestuur, 2002, dat 'n virtuele raadsvergadering gehou sal word op |
| **DATE: 26 June 2020** | **UMHLA: 26 Isilimela 2020** | **DATUM: 26 Junie 2020** |
| **TIME: 10:00** | **IXESHA: 10:00** | **TYD: 10:00** |
| **H. BORNMAN**<br>**SPEAKER** | **H. BORNMAN**<br>**USOMLOMO** | **H. BORNMAN**<br>**SPEAKER** |

***Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.***

# A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**
8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

9. **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVES**

**20/06/SBDM1** Sarah Baartman District Municipality Report – June 2020

Pages 7-9

10. **REPORT BACK: INTERGOVERNMENTAL RELATIONS FORUM (IGR)**

None

11. **REPORT BACK: MUNIMEC**

The next MUNIMEC meeting is scheduled for 18 July 2020.

12. **DECLARATION OF INTEREST**

13. **STATUTORY MATTERS**

14. **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS**

14.1 Minutes of the Ordinary Council Meeting held on 29 May 2020

Pages 11-35

14.2 Minutes of the Special Council Meeting held on 5 June 2020

Pages 36-38

14.3 Minutes of the Special Council Meeting held on 12 June 2020

Pages 39-45

15. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

***(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).***

16 **REPORTS OF COMMITTEES OF COUNCIL**

16.1 **BAD DEBTS COMMITTEE**

Dealt with under the Confidential Section of the Agenda

17. **REPORT BY THE OFFICE OF THE MUNICIPAL MANAGER**

**20/06/MM4** 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022)
***(to be distributed under separate cover)***

**20/06/MM5** Amendment of a Council Resolution – 19/07/MM4 of a Council Meeting Held on 30 July 2019

Pages 48-50

18. **REPORTS BY THE EXECUTIVE MAYOR**

18.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

**20/06/F28** Medium Term Revenue And Expenditure Framework (MTREF) - Budget For The 2020/21 To 2022/23 Financial Years
***(to be distributed under separate cover***)

**20/06/F29** Revision Of Fees And Charges For The 2020/21 Financial Year: Sports And Recreation
***(to be distributed under separate cover***

**20/06/F30** Monthly Budget Statements For The Period July 2019 To April 2020 And Financial State Of Affairs Of The Municipality As At 30 April 2020 (2019/20 Financial Year)

Pages52-84

**20/06/F31** Monthly Budget Statements for The Period July 2019 To May 2020 And Financial State Of Affairs Of The Municipality As At 31 May 2020 (2019/20 Financial Year)

Pages 95-138

**20/06/F32** Write-Off in Respect Of Irrecoverable Arrear Debts – Equitable Share

Pages 139-141

18.2 **REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES**

**20/06/CORP1** Review of Organisational Structure 2020/2021
***(to be distributed under separate cover)***

**20/06/CORP2** Kouga Municipality – Institutional Calendar Of Meetings: 1 July 2020 To June 2021
***(to be distributed under separate cover)***

18.5 **REPORTS BY THE CHAIRPERSON: PLANNING & DEVELOPMENT**

**20/06/PD3** Application For Waiving Of Penalties Imposed On Building Plan Submissions To The Department Planning & Development: Unauthorized Building Work In Terms Of The National Building Regulations And Standards Act, Act 103 Of 1977: Extension Of Period From 30 June 2020 To 30 June 2021

Pages 143-144

**20/06/PDT4** Development Proposal: Precinct Plan for Erf 8783: Ocean View, Jeffreys Bay

Pages 145-147

18.6 **REPORTS BY THE CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**20/06/LED&T1** Final Draft Of The Kouga Local Economic Development Strategy For Council Adoption

Pages 149-157

17. **CLOSURE**

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**Distribution list:**
Executive Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

# REPORTS BY SARAH BAARTMAN DISTRICT MUNICIPALITY

**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**SAARH BAARTMAN DISTRICT MUNICIPALITY**

**DATE: 26 JUNE 2020** **ITEM NO.: 20/06/SBDM1**

**SARAH BAARTMAN REPORT – JUNE 2020**

1. Introduction

The purpose of this item is to inform Council about the items that was discussed at Sarah Baartman Municipality pertaining to Kouga Municipality.

*EXTRACTED FROM: Sarah Baartman District Council Agenda (5 June 2020)*

**1. Municipal Disaster Relief Grant for Mitigating and Responding to Spread of COVID-19**

**Business Plan Submissions**

All Local Municipalities submitted the Business Plans and hotspot areas were prioritised such as areas without water and sanitation, areas with infections and high-density areas. The deadline for the submissions was 06 April 2020 and the details are as follows:

- Dr Beyers Naude Local Municipality - R 97 258 222
- Blue Crane Route Local Municipality - R 55 333 000
- Makana Local Municipality - R 15 215 000
- Ndlambe Local Municipality - R 19 428 000
- Sundays River Valley Local Municipality - R 20 280 000
- Kouga Local Municipality - R 24 819 572
- Kou-kamma Local Municipality - R 20 280 000

The total funding requested for the entire District was **R 242 333 794**.

Funding Approval

On 7 May 2020 National Disaster Management Centre (NDMC) notified PDMC that the National Treasury have approved funding for response and intervention measures for COVID-19 pandemic from the Municipal Disaster Relief Grant. Notification was sent to Municipalities on 8 May 2020. The Allocations are indicated on the table below:

| MUNICIPALITY | ALLOCATED AMOUNT |
|---|---|
| Dr Beyers Naude Local Municipality | R 1 132 000 |
| Blue Crane Route Local Municipality | R 983 000 |
| Makana Local Municipality | R 1 639 000 |
| Ndlambe Local Municipality | R 1 043 000 |
| Sundays River Valley Local Municipality | R 1 192 000 |
| Kouga Local Municipality | R 1 192 000 |
| Kou-kamma Local Municipality | R 953 000 |
| Sarah Baartman District Municipality | R 596 000 |
| **Total** | **R 8 581 000** |

Funds have been transferred to all Municipalities on 8 May 2020. Seven (7) Municipalities including the District Municipality have submitted their Revised Business Plans, Implementation Plans and Cashflow Projections for the programme.

**2.** Drought Situation in the Sarah Baartman District 2018/19 Financial Year – WSIG (Drought Allocations)

The Local Municipalities in the Sarah Baartman District were allocated an amount of R 303,108 million for the 2018/19 financial year under Water Service Infrastructure Grant Allocation for Drought, as a result of a submission of a business plan by the SBDM. All funds were transferred directly to Local Municipalities by virtue of them being Water Services Authorities. The expenditure details are as follows:

**Kouga Municipality**

The municipality received R 151,228 million for 2018/19 financial year and R 53,211 million was spent as at end of June 2019. These funds were allocated on seven (7) projects. A rollover application for the balance of the funds to an amount R 98,017 million was submitted to National Treasury and was approved.

The expenditure as at end April 2020 is R 111,974 million which is 74% of the total allocation.

**3.** 2019/20 Financial Year – Provincial Disaster Management Centre Drought Support

The Eastern Cape Department of Cooperative Governance and Traditional Affairs (COGTA) made an amount of R80.0 million available for the District Municipalities in the Eastern Cape for drought relief interventions. The funding is for the drilling and equipping of boreholes, connecting to the existing reticulation system and for the water treatment package plant in Ndlambe municipality.

The funds were transferred to Local municipalities on invoiced payment amounts based on progress made on implementation of the projects after site verifications have been conducted by COGTA. Rollover applications will be prepared and submitted for Makana and Ndlambe unspent funds.

Current Status

All the Water Services Authorities are still affected severely by drought. The effect of drought in the area prohibit rendering of water provision in an effective manner. Algoa Water Supply System with dams (Churchill, Impofu, Kouga, Loerie and Groendal) supplying Sarah Baartman District and Nelson Mandela Bay has seen a decline from last 20 April to 25 May 2020 i.e. Kouga Dam levels have dropped from 13.73% to 9.01%. The dam levels details are as follows:

| **Dam Names** | **Dam Capacity (%) 20 April 2020** | **Dam Capacity (%) 25 May 2020** |
|---|---|---|
| Churchill Dam | 69.96% | 60.48% |
| Impofu Dam | 16.71% | 16.12% |
| Kouga Dam | 13.73% | 9.01% |
| Loerie Dam | 25.05% | 45.86% |
| Groendal Dam | 37.35% | 32.61% |
| Nqweba Dam | 20.63% | 19.88% |

Most towns are dependent on ground water (boreholes) supplies to provide water to the communities. The boreholes supplying the areas are drying up by day and the Water Services Authorities are also experiencing pressure problems due to water demand.

New boreholes have been drilled and are being equipped by most municipalities using drought funding however, there is still water shortages which led to water supply being provided in certain times during the weekdays and weekends. Water is also being cart to some of the towns utilizing the water tankers that were provided by Department of Water and Sanitation to support the Local Municipalities.

Residents are urged to use water sparingly and apply the restriction of 25 litres a person a day for a maximum of four 940 people per household.

2. Recommendation

2.1 That the SBDM June 2020 report be noted.

**Report prepared by: Cllr R. Jantjies**

# Confirmation of Previous Council Minutes

**MINUTES OF A VIRTUAL ORDINARY COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD ON FRIDAY, 29 MAY 2020 AT 10:00**

| | | |
|---|---|---|
| **PRESENT: Councillors** | H Bornman | (Speaker) |
| | B Williams | (Acting Executive Mayor) |
| | Cllr F Campher | |
| | D Benson | |
| | F Baxter | |
| | BF Rheeder | (Alderman) |
| | B Dhludhlu | |
| | L Vorster | |
| | NS Botha | |
| | R Jantjies | |
| | T Jantjes | |
| | WPD Gertenbach | |
| | C August | |
| | M Biko | |
| | M van Niekerk | |
| | M Dayimani | |
| | S Jujwana | |
| | V Vumazonke | |
| | S Makasi | |
| | M Peters | |
| | P Oliphant | |
| | Cllr J Mayoni | |
| | Cllr C Matroos | |

| | | |
|---|---|---|
| **Officials & Municipal Manager** | C du Plessis | (Municipal Manager) |
| | R Lorgat | (Chief Financial Officer) |
| | V Felton | (Director: Infrastructure & Eng) |
| | K Moodley | (Director: Corporate Services) |
| | N Machelesi | (Director: Community Services) |
| | L Opperman | (Manager: Legal Services) |
| | L Randall | (Media Liaison Officer |
| | B de Groot | (Sen Admin Officer: Committees) |

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting and advised that in terms of the amended Directions on Municipal Operations and Governance and in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Ordinary Council Meeting will be held using the zoom platform.

The Speaker advised that due to the absence of the Executive Mayor, an Acting Executive Mayor will need to be elected for the proceedings of the meeting.

## 2. OPENING AND WELCOME

The Speaker welcomed everyone present and requested Cllr D Benson to open the proceedings with a prayer.

The Speaker also referred to the SALGA Circular and supplementary Rules for virtual meetings or sittings which must be read in conjunction with the Rules of Order for Council.

These rules are supplementary and for the purposes of "virtual meetings or sittings" conducted by any form of technology. The Rules will remain in force for the period of the National State of Disaster and may be extended beyond this period by the Municipal Council. The rules shall be referred to as Rules of Virtual Meetings and Sittings.

Cllr Dayimani stated that he has no problem with the Rules regarding virtual meetings but for the past 10 month he has had no laptop and urges that the relevant department address the matter urgently failing which he will not be in a position to participate in future virtual meetings.

The Speaker stated that the process in electing an Acting Executive Mayor is to be proceeded with and called for nominations.

Cllr B Williams was proposed as a nominee as Acting Executive Mayor.

Proposed: B Rheeder Seconded: M van Niekerk

Cllr Dayimani was proposed as a nominee as Acting Executive Mayor.

Proposed: Z Mayoni Seconded: C Makasi

The nomination for Acting Executive Mayor was put to the vote

| | | |
|---|---|---|
| In favour of Cllr B Williams | = | 15 |
| In favour of Cllr M Dayimani | = | 9 |

Cllr B Williams was elected as Acting Executive Mayor for the duration of the Ordinary Council meeting.

## 3. WITH LEAVE OF ABSENCE

Cllr H Hendricks
Cllr Coenraad
Cllr T Meleni
Cllr P Nkwalase
Cllr E Februarie
Cllr A Mabukane

## 4. WITHOUT LEAVE OF ABSENCE

None

5. **PRESENTATION**

None

6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

None

7. **STATEMENTS OR COMMUNICATION BY THE SPEAKER**

None

8. **STATEMENTS OR COMMUNICATION BY THE EXECUTIVE MAYOR**

None

9. **REPORT BACK: SARAH BAARTMAN DISTRICT MUNICIPALITY REPRESENTATIVES**

None

10. **REPORT BACK: INTERGOVERNMENTAL RELATIONS FORUM (IGR)**

None

11. **REPORT BACK: MUNIMEC**

None

12. **DECLARATION OF INTEREST**

None

13. **STATUTORY MATTERS**

14. **CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETINGS**

14.1 **MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 21 FEBRUARY 2020**

Cllr Gertenbach advised that MPAC asked the question in the Oversight Report why the money that was paid to SBDM for Job Evaluation is not be regarded as Fruitless and Wasteful Expenditure, value for our money.

The Director Corporate Services advised that Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised and in terms of the MFMA circular 68, both the above definitions must be fulfilled for it to be deemed fruitless and wasteful. By the municipality not having derived any value, it can be argued that the expenditure was in vain, however, it is not clear whether expenditure could have been avoided had reasonable care been exercised.

The municipality was bound by the Council resolution that authorized the municipality to be part of the district process, until such time that resolution was rescinded on 28 February this year. The rescission of the previous council resolution indicates that the municipality exercised due care.

**Resolved (29 May 2020)**

That the minutes of the Special Council meeting held on 21 February 2020 be accepted and confirmed.

Proposed: B Rheeder Seconded: B Dhludhlu

14.2 **MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 28 FEBRUARY 2020**

**Resolved (29 May 2020)**

That the minutes of the Ordinary Council meeting held on 28 February 2020 be accepted and confirmed.

Proposed: W Gertenbach Seconded: B Rheeder

14.3 **MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 26 MARCH 2020**

**Resolved (29 May 2020)**

That the minutes of the Special Council meeting held on 21 26 March 2020 be accepted and confirmed.

Proposed: D Benson Seconded: B Rheeder

14.4 **MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 1 MAY 2020**

**Resolved (29 May 2020)**

That the minutes of the Special Council meeting held on 1 May 2020 be accepted and confirmed.

Proposed: R Jantjies Seconded: L Vorster

15. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

***(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).***

16. **MINUTES AND REPORTS OF COMMITTEES OF THE COUNCIL**

16.1 **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

None

16.2 **KOUGA AUDIT COMMITTEE**

**20/05/KAC1 MINUTES OF THE KOUGA AUDIT COMMITTEE**

**Resolved (29 May 2020)**

1. That the minutes of the Kouga Audit Committee dated 3 December 2019 be noted.

17. **REPORTS BY THE EXECUTIVE MAYOR**

17.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

**20/05/F1 MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO FEBRUARY 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 29 FEBRUARY 2020 (2019/20 FINANCIAL YEAR)**

Cllr Gertenbach enquired about employee related costs and Finance charges. Overtime is the culprit in high Employee cost. The 42.4% for repair and maintenance is not acceptable. Overtime is running out of hand in spite instruction to control.

The CFO advised that the Employee costs are at 70.4% due to the annual bonus that was paid in November 2019. A work study was performed which will assist in addressing the overtime usage by identifying the needs within Departments. This is also a concern of Finance

**Resolved (29 May 2020)**

1. The Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. The monthly budget statements be accordingly submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

**20/05/FI8 MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO MARCH 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2020 (2019/20 FINANCIAL YEAR)**

Cllr Gertenbach stated that the Revenue should be at 75%. Except for sanitation, we are falling behind on all main service charges every month.

The CFO advised that the electricity and water revenue is below the 75% referred to. This is mainly due to the revenue streams being raised from based on consumption (as a major component) which is estimated in the budget.

The ratio of employee cost over total expenditure is determined in relation to the total expenditure to date. Where the total expenditure is lower than expected at a point in time, the employee costs % would be high as employee costs are relatively constant each month.

**Resolved (29 May 2020)**

1. That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

2. That the Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA, be noted.

3. That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

**20/05/F19** **FINANCIAL RELIEF FOR COVID 19**

**Resolved (29 May 2020)**

1. That Council approves the Covid-19 Relief measures as follows:

**General relief measures**

1. All blocked meters will be unblocked from 26 March 2020 (as per Gazette);
2. No credit control will be implemented from the commencement of Lockdown up to 30 June 2020 (as per Gazette);
3. No Prepaid recoveries will be implemented up to 30 June 2020 (as per Gazette);
4. Prepaid recoveries will be implemented at a reduced rate of 25% from 1 July 2020 to 31 December 2020;
5. No interest will be charged on all accounts from the commencement of Lockdown up to 30 June 2020.

**Relief measures subject to an application process –**

1. A 3-month payment holiday will be granted i.e. April, May and June;

2. No interest will be charged on outstanding accounts for account holders up to 31 December 2020;

3. Payment arrangements between 3 to 6 months will be effective;

4. A rates rebate of an additional R85 000 on the value of the property for Pensioners will be effective from 1 July 2020 based on the Tariff Listing;

5. Any household where the breadwinner has lost his or her income over the last few weeks and where the household income has dropped to below the maximum income allowed for the Indigent Subsidy for free basket of services, can apply for the Indigent Subsidy for free basket of service and will immediately be put on a COVID-19 Indigent Register. All accountholders qualifying for the Indigent Subsidy during the COVID-19 will lapse on 31 December 2020 and will need to re-apply.

2. That the General relief measures and Application Process be placed on the Kouga Website, all Media platforms as well as loud hailing in all Kouga Wards.

Proposed: B Williams Seconded: W Gertenbach

**20/05/F20 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR 2020/21 TO 2022/23 FINANCIAL YEARS**

**Resolved (29 May 2020)**

1. That the Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years be deferred and that in terms Section 25 of the MFMA be reconsidered within 7 (seven) days at a Special Council meeting for final presentation due to non-approval of the budget at the Ordinary Council meeting held on 29 May 2020.

Proposed: B Williams Seconded: N Botha

18. **REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER**

**20/05/MM2 REQUEST FOR APPROVAL FOR THE ALIENATION OF NON-VIABLE IMMOVABLE PROPERTY DESCRIPTION: ERF 1289 SEA VISTA**

**Resolved (29 May 2020)**

1. That Council confirm that Erf 1289 Sea Vista is not required for the minimum level of basic municipal services and confirmed that same is non-viable and of no economic value to Council.

2. That Council approves the disposal and alienation of Erf 1289 Sea Vista to the current registered owner of erf 902 Sea Vista.

3. That the Accounting Officer be authorised to sign the necessary transfer documentation for purposes of alienation and disposal of Erf 1289.

**20/05/MM3** **RE: REDIRECT MIG FUNDING 2019/2020 FINANCIAL YEAR**

The matter followed the voting process as reflected below:-

In favour of the recommendation = 18
Not in favour of the recommendation = 2

That it be noted that the Executive Mayor, Cllr Meleni, Cllr Mabukane, Cllr Coenraad, Cllr Februarie and Cllr Nkwalase had tender apology.

That it be noted that the remaining Councillors were not available at the time of the voting process.

**Resolved (29 May 2020)**

1. That Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the following proposed amendments to the 2019/2020 Capital Budget

| **Project Name** | **2019/2020 Approved Budget** | **2019/2020 Adjustments Budget** |
|---|---|---|
| Upgrading/Improvement of Sport Facilities within Kouga Region | R 6,399,288.50 | R 2,651,344.51 |
| Upgrading of the St Francis Bay Wastewater Treatment Works | R 14,962,913.50 | R 12,074,485.91 |
| Kruisfontein WWTW | R 0.00 | R 3,332,524.79 |
| Patensie Sewage Package Plant | R 6,497,950.73 | R 15,103,564.11 |
| Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey | R 1,404,093.50 | R 147,818.58 |
| Upgrading of Hankey Sewage Infrastructure in Hankey | R 500,000.00 | R 2,304,734.91 |
| Upgrading of Gravel Roads in Kouga Humansdorp | R 418,203.77 | R 418,203.77 |
| Upgrading of Sportfield in Kwanomzamo | R 6,225,000.00 | R 374,773.42 |
| **Total** | **R 37,996,000.00** | **R 37,996,000.00** |

2. That the 2020/2021 budget be adjusted as follows:

| **Project Name** | **2020/2021 Proposed Budget** | **2020/2021 Revised Proposed Budget** |
|---|---|---|
| Upgrading/Improvement of Sport Facilities within Kouga Region | R 4,499,865.00 | R 6,535,031.59 |
| Patensie Sewage Package Plant | R 7,509,706.88 | R 0.00 |
| Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey | R 0.00 | R 1,256,274.92 |
| Upgrading of Hankey Sewage Infrastructure in Hankey | R 9,088,213.66 | R 7,283,478.75 |
| Upgrading of Gravel Roads in Kouga Humansdorp | R 9,074,088.16 | R 9,074,088.16 |

| | | |
|---|---|---|
| Upgrading of Sport field in Kwanomzamo | R 0.00 | R 5,850,226.58 |
| **Total** | **R 29,999,100.00** | **R 29,999,100.00** |

**20/05/MM4 <u>2019/20 ANNUAL REPORT: PUBLIC COMMENT</u>**

**Resolved (29 May 2020)**

1. That the content of the report on comments and inputs received following the period for public comment on the 2019/20 Annual Report be noted.

**20/05/MM5 <u>QUARTER 3 INSTITUTIONAL PERFORMANCE REPORT: 2019/20 FINANCIAL YEAR: PERIOD 1 JULY 2019 TO 31 MARCH 2020</u>**

**Resolved (29 May 2020)**

1. That the content of the Quarter 3 Institutional Performance Report on the implementation of the 2019/20 Service Delivery and Budget Implementation an for the period 1 July 2019 to 31 March 2020 be noted.

**20/05/MM6 <u>2020/21 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)</u>**

**Resolved (29 May 2020)**

1. That the 2020/21 Draft IDP Review Of The 5 Year IDP (2017/2022) be deferred and be reconsidered within 7 (seven) days at a Special Council meeting due to non-approval at the Ordinary Council meeting held on 29 May 2020.

Proposed: H Hattingh Seconded: B Williams

18.2 **<u>REPORTS BY THE CHAIRPERSON: CORPORATE SERVICES</u>**

**20/05/CORP1 <u>REPORT ON WARD COMMITTEE POLICY</u>**

Cllr Gertenbach pointed out that no distinction is made in the Ward Committee Policy between the functions of a Ward Assistant and Ward Coordinator. The distinction can be included in the policy.

The Director: Corporate Services advised that a ward coordinator is chosen by the Ward Committee to oversee the functioning of the committee whereas the Ward Assistant supports to office of the Ward Councillor by attending to specific office support/ clerical activities associated with the preparation, copying, typing, circulation, safekeeping and retrieval of documents/ correspondence and, communicating with visitors/ officials.

However, it must be noted that the policy itself does not make any reference to Ward Assistant.

**Resolved (29 May 2020)**

1. That the Ward Committee Policy be referred back to the leading department for grammatical errors and amendment to 15.2.3 as contemplated below whereafter the Policy be resubmitted to the Special Council meeting to be held in June 2020.

   a) 15.2.3. The proposed out of pocket expenses that may be paid as a monthly allowance as determined or provided in the budget per Ward Committee Member. (See paragraph 15.2.6 hereunder).

Proposed: B Rheeder Seconded: F Campher

18.3 **REPORTS BY THE CHAIRPERSON: INFRASTRUCTURE & ENGINEERING**

**20/05/I&E3 RE: PROGRESS ON GRANT FUNDING (MIG & EPWP)**

**Resolved (29 May 2020)**

1. That the progress report be accepted.

2. That it be noted that the demolishing of old existing structures has been completed and work on the Anaerobic Digesters, Sludge drying Beds, road and bulk earthworks has commenced with.

3. That it be noted that the Contractor is to re-establish the site mid-May 2020 pending approval of the revised OHS plan for Covid-19.

**20/05/I&E7 REPORT: KOUGA MUNICIPALITY ELECTRICITY & SSEG BY LAW**

Cllr Gertenbach stated that the By-Law is clumsy and should be more user friendly with less replication. Did the Electricity By-Law exist and was the SSEG By-Law just added.

The Director: Infrastructure & Engineering advised that the existing By-law added a few extra clauses e.g. the meter tampering and seals that are broken and is more structured. Section B was added, new section for the SSEG installations.

**Resolved (29 May 2020)**

1. That Council supports the reviewed and amended Electricity By-Law.

2. That the Draft Electricity By-law be published, for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.

3. That the Draft Electricity-by law be referred back to the Municipal Council following the implementation and finalization of the public participation process referred to in 2 above.

**20/05/I&E8 <u>REPORT: KOUGA MUNICIPALITY SMALL SCALE EMBEDDED GENERATION (SSEG) POLICY</u>**

Cllr Gertenbach stated that this is not a Policy, but an amalgamation of different documents.

Cllr Botha stated that Clause 3.2, All SSEGs shall be net consumers under NET CONSUMER: Can the 12month period referred to be changed to 3 months.

The Director: Infrastructure & Engineering advised that It was a document developed to assist municipalities by the different associations dealing with local government challenges. They are just recognized but can be removed, therefore the recommendation.

Opinions and ideas were invited through this process. It can be changed to 3months, it is in the requirement document and can be changed if not working for the benefit of the municipality. It was suggested that the income department also give an opinion. This is not part of the policy but included in the requirement document which can be changed without a formal process just council decision.

SSEG policy is new in SA therefore the environment will be changing constantly but lawfully we cannot stop the installations rather prepare to accommodate it to our benefit.

**Resolved (29 May 2020)**

1. That Council supports the process and adopt the SSEG policy with the following amendment:-

   "*3.2* ***All SSEG's shall be net consumers***

   *All SSEG's installations shall consume more energy than they produce over a consecutive* ***3-month period****;"*

2. That the Draft SSEG policy be published, for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed policy.

3. That the Draft SSEG policy be referred back to the Municipal Council following the implementation and finalization of the public participation process referred to in 2 above.

Proposed: N Botha Seconded: B Rheeder

18.4 **REPORTS BY THE CHAIRPERSON: COMMUNITY SERVICES**

**20/05/CS5 CONSTRUCTION OF ACCESS ROAD ST. FRANCIS BAY SPIT**

**Resolved (29 May 2020)**

1. That the report on the construction of the access Road to St Francis Bay Spit be noted.

**20/05/CS8 ADOPTION OF COASTAL MANAGEMENT PROGRAM**

**Resolved (29 May 2020)**

1. That the SBDM workshop on the Coastal Management Program be noted.

2. That the Coastal Management Program for Kouga Municipality coastal areas be adopted.

**20/05/CS11 THE SEEKOEI RIVER ESTUARY ARTIFICIAL BREACH**

Cllr Gertenbach stated that the regular artificial breaking of the berm to let water in and out is not sustainable and at whose costs.

The Director: Community Services advised that the Seekoei Management Plan makes provision for opening at least twice a year and that the continuous maintenance needs to be done by the municipality. Internal resources were used for the maintenance and external resources when there was a crisis with fish dying. Oversight is done by Professor Woodridge on all occasions and the municipality needs to pay for his services.

**Resolved (29 May 2020)**

1. That the Seekoei Estuary progress report be noted by Council.

2. A close out report be submitted to DEDEAT for the NEMA Section 30A application.

**20/05/CS16** **PROGRESS REPORT ON REPAIRS AND MAINTENANCE ON KOUGA FACILITIES**

**Resolved (29 May 2020)**

1. That the progress on repairs and maintenance / upgrades completed from July 2019 till March 2020 on all Kouga facilities be noted.

**20/05/CS17** **ONE MILLION RAND DONATIONS FROM SANTAM TO ASSIST WITH THE FIRE RISK REDUCTION IN ST FRANCIS BAY**

**Resolved (29 May 2020)**

1. That the report on the R1 million donation from Santam to assist with fire risk reduction in St Francis Bay, be noted.

**20/05/CS19** **SAYM/CWP MOU ENDORSEMENT**

Cllr Gertenbach enquired as to what happened with the previous managers. Hope the management of CWP will improve. Sited in the Oversight Report.

The Director: Community Services advised that the CWP manager is still responsible for the programme. Some of the supervisors left the programme for other job opportunities. Regular meetings are held with the programme management and concerns raised and addressed.

**Resolved (29 May 2020)**

1. That the signing of the Memorandum of Understanding be approved.

18.5 **REPORTS BY THE CHAIRPERSON: PLANNING AND DEVELOPMENT**

**20/05/PD2** **REPORT ON THE PROGRESS AND STATUS OF THE SOCIAL HOUSING PARTNETSHIP FOR THE DEVELOPMENT OF A SOCIAL AND (FLISP) HOUSING PROJECT ON ERF 335, JEFFERYS BAY**

Cllr Gertenbach stated that this project went out on tender and was allocated to Own Haven. If the conditions are changed, can other tenderers not complain that it was not the original conditions.

The Director: Planning & Development advised that there is no change of conditions in the original tender. The tender is awarded to Own Heaven. As part of the tender, it was indicated that the successful bidder would as part of their scope draft a financial Model / Business plan to SHRA for the projects which would include Development Methodology, Financial Modelling, and Land Availability Agreement conditions. The recommendations in this item are required to enable the SHI (Own Heaven) to complete this task for submission to SHRA.

**Resolved (29 May 2020)**

1. That Development Contribution or Augmentation fees be waivered for the Social housing project.

2. That the plans scrutiny and approval fees be dealt with on the same basis as BNG/RDP housing projects.

3. While a fair market valuation of R 7,2m has been determined, Council favourably considers making the site available at a nominal price in line with its facilitatory and enabling role as described in the Social Housing Act. That Council determines the Land release price at 30% of the fair market value.

4. That the developer is liable for costs of all connector infrastructure requirements to link the development to the existing municipal services networks.

5. That charges be levied for all appropriate utility charges.

6. That it be noted that Clause 13.3 of the Augmentation Policy provides that new township establishments that are government funded initiatives will be excluded from this policy as the provision for bulk infrastructure is funded through a government grant.

**20/05/PD3** **<u>DONATION AND TRANSFER OF KOUGA MUNICIPAL PROPERTIES FROM KOUGA MUNICIPALITY TO PUBLIC WORKS</u>**

**Resolved (29 May 2020)**

1. That Council confirms that, on reasonable grounds, Erf 1325 Kwanomzamo and Erf 560 Pellsrus, are not required for the provision of the minimum level of basic services as contemplated in Section 14 of the Municipal Finance Management Act, and has considered the fair market value of the assets and the economic and community value to be received in exchange for the assets herein.

2. That Council approves to the donation and transfer of the following properties to the Department of Public Works:

   Erf 1325 Kwanomzamo
   Erf 560 Pellsrus

3. That erf 560 be rezoned in terms of SPLUMA from Residential 1 to Institutional in accordance to existing land use.

4. That the request for the donation and transfer of Erf 347, Patensie be held in abeyance pending further investigations on future needs for Municipal Services and applicable closure of POS process.

5. That Council mandates the Municipal Manager to sign the Deeds of Donation for the properties listed in paragraph 2 above.

6. That all related and incidental legal costs incurred in this transaction, including transfer costs be a liability of the Department of Public Works.

**20/05/PDT5** **APPROVAL FOR THE COMMENCEMENT TO ESTABLISH "AESTHETICS AND HERITAGE BUILDING COMMITTEE" FOR THE ST FRANCIS BAY VILLAGE AND CANALS, SANTAREME, HARBOUR PRECINCT, CAPE ST FRANCIS, OYSTER BAY, SEA VISTA TOWN, ST FRANCIS BAY LIGHT INDUSTRIAL AREA IN THE KOUGA LOCAL MUNICIPALITY AREA.**

**Proposal 1**

That Aesthetic Committees be established in all Wards, if required, to maintain uniform architecture design for specific areas be included in the Terms of Reference.

Proposed: B Rheeder Seconded: B Dhludhlu

The matter was put to the vote, **Proposal 1**:-

In favour of the recommendation with amendments = 14
Not in favour of the recommendation with amendments = 3

**Proposal 2**

That the establishment of Aesthetic Committees for Ward areas be referred back to the respective Portfolio Committee meeting for further deliberation and consideration.

Proposed: P Oliphant Seconded: M Dayimani

The matter was put to the vote, **Proposal 2**:-

In favour = 3
Not in favour = 14

That it be noted that the Executive Mayor, Cllr Meleni, Cllr Mabukane, Cllr Coenraad, Cllr Februarie and Cllr Nkwalase had tender apology.

That it be noted that the remaining Councillors were not available at the time of the voting process.

Based on the above voting process, the following recommendation was accepted:-

**Resolved (29 May 2020)**

1. That the "Terms of Reference" of the "Aesthetics Committee" be approved.

2. That the Department: Planning & Development facilitate the process to establish such committee(s), be approved.

3. That Aesthetic Committees be established in all Wards, if required, to maintain uniform architecture design for specific areas be included in the Terms of Reference.

.

Proposed: B Rheeder Seconded: B Dhludhlu

**20/05/PD6** **"GUIDELINES FOR BUILDINGS" APPROVAL FOR THE COMMENCEMENT TO DRAFT AN "AESTHETICS AND HERITAGE BUILDING BY-LAW" FOR THE ST FRANCIS BAY VILLAGE AND CANALS, SANTAREME, HARBOUR PRECINCT, CAPE ST FRANCIS, OYSTER BAY, SEA VISTA TOWN, ST FRANCIS BAY LIGHT INDUSTRIAL AREA IN THE KOUGA LOCAL MUNICIPALITY AREA IN TERMS OF SECTION 13 OF THE MSA,2000:**

Cllr Dayimani stated that when the SRA for St Francis Bay was approved the matter ended up in a litigation process, so would the Public Participation Process not also be required in terms of implementing guidelines for buildings.

Alderman Rheeder stated that the SRA was only for certain areas in St Francis Bay and the Public Participation Process and consultation was followed. The Aesthetics Guideline for Buildings has always been the norm for the area to exercise more control on aesthetics for specific areas in terms of building styles. The Aesthetics Committee is to assist with contentious matters and also to maintain heritage and historical buildings.

Cllr Oliphant stated that such Committee is not regarded as a Statutory Committee of Council.

Alderman Rheeder advised that the Aesthetics Committee is an Sub-Committee that monitors the aesthetics by implementing the building guideline.

**Resolved (29 May 2020)**

1. That the procedure to draft and adopt a "by-law" in terms of Section 12 &13 of the MSA,2000 be approved.

2. That the Department: Planning & Development facilitate the process to promulgate the "By-law", be approved.

3. That the "Aesthetical Building Guidelines", be published for public inputs and workshops be held for further inputs and comments, be approved.

19.6 **REPORTS BY THE CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**20/05/LED&T1** **GRANT IN AID ALLOCATION WINTERFEST FOR 2019/2020 FINANCIAL YEAR**

Cllr Gertenbach referred to the Policy that stipulates that an allocation to a specific Organization can only be made once every three years. The Winterfest did not present a budget or report back as requested in the policy last year and it was cited in the Oversight Report.

The Director: Planning, Development & Tourism advised that the Grant In Aid for 2018/2019 was allocated to the KLTO and not Winterfest directly. An expenditure report from the KLTO including audited Financial Statements was received.

**Resolved (29 May 2020)**

1. That recommendations of the Grant- in- aid Committee to allocate funds for the Winterfest event as follows, be noted:

| ORGANISATION | GRANT ALLOCATION AS PER GRANT IN AID COMMITTEE RECOMMENDATION | FUNDING DEPARTMENT |
|---|---|---|
| KOUGA LOCAL TOURISM ORGANISATION | R 1 500 000.00 (One Million Five Hundred Thousand Rands Only) | Planning, Dev & Tourism |

2. That in view of the COVID-19 pandemic, the standing recommendation of the Grant in Aid Committee as mentioned in (1) above, not be supported.

3. That the R1 500 000.00 (One Million Five Hundred Thousand Rands Only) proposed for Winterfest event in (1) above be reprioritized and allocated to Disaster Management.

**20/05/LED&T3** **CONDONEMENT OF 3 YEAR MOA COMMITTING A DONATION OF R100 000.00 TO THE NELSON MANDELA BAY AQUATICS FROM 01 JULY 2017 TO 30 JUNE 2020**

**Resolved (29 May 2020)**

1. That the Memorandum of Agreement be noted.

2. That the signed Memorandum of Agreement and payments made to Nelson Mandela Bay Aquatics for the SA National Open Swim, be approved.

**20/05/LED&T4** **<u>CONCEPT DOCUMENT FOR LOCAL BUSINESS SUPPORT PARTNERSHIP PROGRAMME FOR BUSINESSES AFFECTED BY COVID-19 PANDEMIC</u>**

**Resolved (29 May 2020)**

1. That the concept of Local Business Support Partnership programme as outlined in the concept document, be approved.

2. That budget provision be allocated as priority for appointment of a consultant under the Disaster Management Regulations for COVID-19, be approved.

## <u>REPORTS FOR INFORMATION</u>

**20/05/CORP2** **<u>REPORT ON THE PROGRESS OF REPAIRS AND MAINTENANCE FOR MUNICIPAL ADMINISTRATION BUILDINGS AND WARD COUNCILLOR OFFICES</u>**

**Resolved (29 May 2020)**

1. That the report on the progress of repairs and maintenance for Municipal Administration Buildings and Ward Councillor offices be noted.

2. That it be noted that the 21-day lockdown will result in substantial delays in completion of maintenance and repair work

3. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**20/05/CORP3** **<u>REPORT ON PRINTING FOR JANUARY – FEBRUARY 2020</u>**

**Resolved (29 May 2020)**

1. That the report on printing for January – February 2020 be noted with concern

2. That Directorates made a concerted effort to reduce printing and use electronic platforms for transmission of information

3. That Directorates identify the possibility of personal printing and bill staff accordingly

4. That it be noted that the March 2020 report will be submitted to the next Portfolio Committee meeting.

**20/05/CORP4** **<u>PUBLIC PARTICIPATION PROGRESS</u>**

**Resolved (29 May 2020)**

1. That the report on the progress of Public Participation be noted

2. That respective department's action the issues raised at Ward Committee meetings

3. That the Public Participation Officers give feedback on progress at the Ward Committee meetings

4. That it be noted that the March 2020 report will be submitted to the next Portfolio Committee meeting.

**20/02/CORP5** **<u>HR REPORT FOR JANUARY 2020 TO FEBRUARY 2020</u>**

**Resolved (29 May 2020)**

1. That the monthly HR report be noted.

2. That the Committee notes the stats and monitor movement on a monthly basis.

3. That departments pay attention to the high-risk areas and implement measures to reduce or eradicate the risks.

4. That the filling of attrition positions be considered after recommendation by the work study consultant with due consideration to integration of positions. The aforesaid being a strategy to curb and reduce the wage bill.
5. That it be noted that the Occupational Health & Safety section monitors progress on the implementation of the risk mitigation by communicating on an ongoing basis with respective Directorates.

6. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**20/05/CORP6** **<u>MONTHLY REPORT FOR THE CORPORATE SERVICES DIRECTORATE: ADMINISTRATION SECTION</u>**

**Resolved (29 May 2020)**

1. That the monthly report for the Corporate Services Directorate: Administration Section be noted.

2. That departments monitor printing costs and continue the drive towards a paperless environment.

3. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**20/05/CORP7** **REPORT ON ADVERTISEMENTS FOR JANUARY– FEBRUARY 2020**

**Resolved (29 May 2020)**

1. That the report on Advertisements for January – February 2020 be noted.

2. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**20/05/CORP8** **REPORT ON ADVERTISEMENTS FOR JANUARY– FEBRUARY 2020**

**Resolved (29 May 2020)**

1. That the report on Advertisements for January – February 2020 be noted.

2. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**20/05/CORP9** **REPORT ON CELLPHONE CLAIMS SUBMITTED FOR AUGUST 2018 - FEBRUARY 2020**

**Resolved (29 May 2020)**

1. That the report on cellphone claims submitted during August 2018 – February 2020 be noted with concern.

2. That it be noted the current cellphone contract with Telkom terminates 12 July 2020

3. That in the light of the exorbitant costs of claims, user behaviour and the associated administrative burden associated with the provision of this tool of trade, management consider alternate approaches to providing cell phones.

4. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**20/05/CORP10** **SDBIP REPORT AS AT 29 FEBRUARY 2020**

**Resolved (29 May 2020)**

1. That progress on the SDBIP as at 29 February 2020 be noted.

**<u>REPORTS FOR INFORMATION</u>**

**20/05/I&E1 <u>DROUGHT FUNDING: PROGRESS WITH BOREHOLE DEVELOPMENT AND WATER CONSERVATION AND DEMAND MANAGEMENT PROJECTS</u>**

**Resolved (29 May 2020)**

1. That the report on the progress on the implementation of drought relief funds be noted.

**20/05/I&E2 <u>ACTIVITIES FOR THE PERIOD 18 JANUARY 2020 UP TO 17 MARCH 2020</u>**

**Resolved (29 May 2020)**

1. That the report be noted.

**20/05/I&E4 <u>REPORT: 200 ELECTRIFICATION PROJECT: PROGRESS REPORT AND SPENDING TO DATE</u>**

**Resolved (29 May 2020)**

1. That the report on the Kruisfontein 200 electrification project be noted.

**20/05/I&E5 <u>AUDIT ON METERS CONNECTED TO THE NETWORK</u>**

**Resolved (29 May 2020)**

1. That the report on the meters connected to the network be noted by the committee.

2. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**20/05/I&E6 <u>PROGRESS ON ELECTRICAL MAINTENANCE FOR THE PERIOD OF JANUARY 2020 TO FEBRUARY 2020</u>**

**Resolved (29 May 2020)**

1. That the electrical maintenance reports for the period of January 2020 to February 2020, be noted.

2. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**20/05/I&E9 DAY TO DAY OPERATIONS OF THE FLEET SECTION DURING THE PERIOD OF JANUARY 2020 TO FEBRUARY 2020**

**Resolved (29 May 2020)**

1. That the report on the Day to Day operations during the period of August and September 2019 be noted.

2. That the March 2020 report be submitted to the next Portfolio Committee meeting.

**REPORTS FOR INFORMATION**

**20/05/CS1 QUARTERLY REPORT COMMUNITY SERVICES: JANUARY-MARCH 2020**

**Resolved (29 May 2020)**

1. That the monthly report of Community Services Directorate for January-March 2020 be noted.

**20/05/CS2 DRINKING WATER QUALITY REPORT JANUARY- MARCH 2020**

**Resolved (29 May 2020)**

1. That the report on the drinking water quality for Kouga Municipality be noted.

**20/05/CS3 BLUE FLAG - MARINE WATER SAMPLES REPORT**

**Resolved (29 May 2020)**

1. That the report on Marine Water Quality Testing for January and February 2020 be noted and supported.

2. That it be that the March 2020 report will be submitted to the next Portfolio Committee meeting.

**20/05/CS4 RAW MILK QUALITY REPORT FEBRUARY 2020**

**Resolved (29 May 2020)**

1. That the report on the raw milk quality for four dairy farms within Kouga Municipality be noted.

**20/05/CS6** **KEEP KOUGA GREEN CAMPAIGN**

**Resolved (29 May 2020)**

1. That the Keep Kouga Green campaign be noted.

2. That the School Greening Project be supported.

**20/05/CS7** **KEEP KOUGA CLEAN CAMPAIGN**

**Resolved (29 May 2020)**

1. That the Keep Kouga Clean report be noted.

**20/05/CS9** **EDUCATION & AWARENESS WASTE RECYCLING PROGRAM**

**Resolved (29 May 2020)**

1. That the awareness program be noted.

**20/05/CS10** **REPORT ON GREENEST MUNICIPALITY COMPETITION**

**Resolved (29 May 2020)**

1. That the report be noted.

**20/05/CS11** **THE SEEKOEI RIVER ESTUARY ARTIFICIAL BREACH**

**Resolved (29 May 2020)**

1. That the Seekoei Estuary progress report be noted.

2. That a close out report be submitted to DEDEAT for the NEMA Section 30A application

**20/05/CS12** **FIRE RISK AND ENVIRONMENTAL NUISANCE REDUCTION - PLOT AND BUSH CLEARING**

**Resolved (29 May 2020)**

1. That the plot and bush clearing progress report be noted.

2. That it be noted Aston Bay and Paradise plot clearing is scheduled for phase 2 and that a list of plots in both areas has been compiled but the programme has been put on hold due to the lockdown.

**20/05/CS13 TRAFFIC FINE REVENUE INCOME PERIOD JANUARY – FEBRUARY 2020**

**Resolved (29 May 2020)**

1. That the revenue income from traffic fines, and the challenges to recover outstanding revenue due to lengthy procedures and processes, be noted.

2. That it be noted that the income for March 2020 will be submitted to the next Portfolio Committee meeting.

**20/05/CS14 ILLEGAL TAXI'S**

**Resolved (29 May 2020)**

1. That the report on illegal taxis be noted.

**20/05/CS18 PROGRESS REPORT ON THE IMPLEMENTATION OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) AS AT 31 MARCH 2020**

**Resolved (29 May 2020)**

1. That the progress report on the progress with regards to the on the implementation of the SDBIP as at 31 March 2020 be noted.

**REPORTS FOR INFORMATION**

**20/5/PD4 TOWN PLANNING PROGRESS REPORT: JANUARY 2020 TO FEBRUARY 2020**

**Resolved (29 May 2020)**

1. That the content in the Town Planning progress report be noted.

2. That the March 2020 Town Planning Progress Report will be submitted to the next Portfolio Committee meeting.

**REPORTS FOR INFORMATION**

**20/05/LED&T2 LED STRATEGY STEERING COMMITTEE MEETING**

**Resolved (29 May 2020)**

1. That the report on the LED strategy Steering Committee be noted.

20. **CLOSURE**

The Speaker thanked all present for their valuable input and moved onto the confidential section of the agenda.

The meeting closed at 13:00 for In Committee discussions.

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**H BORNMAN** **DATE**
**SPEAKER**

**MINUTES OF A VIRTUAL SPECIAL COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD VIA ELECTRONIC EMAIL ON FRIDAY, 5 JUNE 2020 AT 09:00**

| | | |
|---|---|---|
| **PRESENT: Councillors** | H Hendricks | (Executive Mayor) |
| | H Bornman | (Speaker) |
| | B Williams | |
| | F Baxter | |
| | BF Rheeder | (Alderman) |
| | B Dhludhlu | |
| | Cllr F Campher | |
| | D Benson | |
| | N Botha | |
| | W Gertenbach | |
| | C August | |
| | T Jantjes | |
| | R Jantjies | |
| | W Coenraad | |
| | M Biko | |
| | M van Niekerk | |
| | L Vorster | |
| | M Dayimani | |
| | M Peters | |
| | C Makasi | |
| | C Matroos | |
| | Cllr S Jujwana | |
| | Cllr Z Mayoni | |
| | P Oliphant | |
| **Officials** | C du Plessis | (Municipal Manager) |
| | R Lorgat | (Chief Financial Officer) |
| | K Moodley | (Director: Corporate Services) |
| | V Felton | (Director: Infrastructure & Eng.) |
| | F Mabusela | (Director: Planning, Dev & Tourism) |
| | L Opperman | (Manager: Legal Services) |
| | L Randal | (Media Liaison Officer) |
| | B de Groot | (Senior Admin Officer: Committees) |

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting.

2. **OPENING**

The Speaker welcomed all present to the meeting and advised of the sad passing of Cllr Meleni on 4 June 2020. A moment of silence in memory of Cllr Meleni was afforded. Condolences to the Meleni Family was conveyed.

3. **LEAVE OF ABSENCE**

P Nkwalase
A Mabukane
E Februarie
V Vumazonke

4. **PRESENTATIONS**

None

5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr Dayimani conveyed condolences to Meleni Family in respect of the passing of Cllr meleni and stated that he was regarded as a great man and is to be remembered as a passionate leader in his ward who served and always put the interests of the community first.

6. **STATEMENTS AND COMMUNICATIONS BY THE EXECUTIVE MAYOR**

None

7. **DECLARATION OF INTEREST**

None

8. **STATUTORY MATTERS**

9. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

***(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).***

10. **REPORTS BY THE EXECUTIVE MAYOR**

11. **REPORT BY THE PORTFOLIO CHAIRPERSON: CORPORATE SERVICES**

**20/06/F1 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR THE 2020/21 TO 2022/23 FINANCIAL YEARS**

Cllr Williams presented the MTREF for the 2020/21 to 2022/23 Financial years and advised that in terms of Section 25.1 & 25.2 of the MFMA that the draft budget be deferred for 7 days to allow for public participation.

Cllr Williams stated that the deferral for 7 days to allow each caucus and public to participate in the discussion on the budget and purpose is to engage on the budget and refer to next special council. The Chief Financial Officer is to be invited to such participation to answer questions on the budget for clarification.

**Resolved (5 June 2020)**

1. That the Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years be adopted as an amended Draft Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years for further consultation.

Proposed: B Williams Seconded: N Botha

**20/06/MM1 <u>2020/21 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)</u>**

Cllr Dayimani stated that the review of the IDP is be properly consulted however list of priorities were given but most of the priorities are not reflected and hope that in the next Financial Year that these projects be addressed and be provided for on the budget.

**Resolved (5 June 2020)**

1. That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be deferred and be reconsidered within 7 (seven) days at a Special Council meeting for final submission.

2. That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be placed on the Kouga Website for public participation.

Proposed: H Hattingh Seconded: B Williams

12. **<u>CLOSURE</u>**

The Speaker thanked all Councillors for participating in the meeting and declared the meeting closed.

The meeting adjourned at 09:30

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**<u>H BORNMAN</u>** **<u>DATE</u>**
**SPEAKER**

**MINUTES OF A VIRTUAL SPECIAL COUNCIL MEETING OF THE KOUGA MUNICIPALITY HELD VIA ELECTRONIC EMAIL ON FRIDAY, 12 JUNE 2020 AT 09:00**

| | | |
|---|---|---|
| **PRESENT: Councillors** | H Hendricks | (Executive Mayor) |
| | H Bornman | (Speaker) |
| | B Williams | |
| | F Baxter | |
| | BF Rheeder | (Alderman) |
| | B Dhludhlu | |
| | Cllr F Campher | |
| | D Benson | |
| | N Botha | |
| | W Gertenbach | |
| | C August | |
| | T Jantjes | |
| | R Jantjies | |
| | W Coenraad | |
| | M Biko | |
| | M van Niekerk | |
| | L Vorster | |
| | M Dayimani | |
| | M Peters | |
| | C Makasi | |
| | C Matroos | |
| | Cllr S Jujwana | |
| | Cllr Z Mayoni | |
| | P Oliphant | |
| | E Februarie | |
| | P Nkwalase | |
| **Officials** | C du Plessis | (Municipal Manager) |
| | R Lorgat | (Chief Financial Officer) |
| | K Moodley | (Director: Corporate Services) |
| | V Felton | (Director: Infrastructure & Eng.) |
| | F Mabusela | (Director: Planning, Dev & Tourism) |
| | L Opperman | (Manager: Legal Services) |
| | L Randal | (Media Liaison Officer) |
| | B de Groot | (Senior Admin Officer: Com Serv) |

1. **NOTICE OF MEETING**

The Speaker read the notice convening the meeting and requested Cllr R Jantjies to open the meeting with prayer.

2. **OPENING**

The Speaker welcomed all present to the meeting and advised of the sad passing of Cllr Meleni on 4 June 2020. A moment of silence in memory of Cllr Meleni was afforded. Condolences to the Meleni Family was conveyed.

3. **LEAVE OF ABSENCE**

A Mabukane
V Vumazonke

4. **PRESENTATIONS**

None

5. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

Cllr Dayimani conveyed condolences to Meleni Family in respect of the passing of Cllr Meleni and stated that he was regarded as a great man and is to be remembered as a passionate leader in his ward who served and always put the interests of the community first.

6. **STATEMENTS AND COMMUNICATIONS BY THE EXECUTIVE MAYOR**

None

7. **DECLARATION OF INTEREST**

None

8. **STATUTORY MATTERS**

9. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

***(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).***

10. **REPORTS BY THE EXECUTIVE MAYOR**

10.1 **REPORT BY THE PORTFOLIO CHAIRPERSON: FINANCE**

**20/06/F2 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) - BUDGET FOR THE 2020/21 TO 2022/23 FINANCIAL YEARS**

Cllr Oliphant raised concern that the Executive Mayor with his delegated authority was requesting a Mayoral Committee member to present the Budget and that in terms of the Municipal Structures Act, it was a requirement that the Executive Mayor present the Budget to Council.

Cllr Dayimani concurred with the concern raised by Cllr Oliphant in that the Executive Mayor was to present the Budget and that this be corrected at the next meeting. Cllr Dayimani also requested that a full report on strategic measure which have been implemented by the Municipality to assist the community be submitted regarding COVID-19 as all communities have been effected in some way or the other.

Cllr Williams presented the MTREF for the 2020/21 to 2022/23 Financial years and advised that in terms of Section 25.1 & 25.2 of the MFMA that the draft budget be deferred for 7 days to allow for public participation. The Public Participation Process ends on 16 June 2020.

Cllr Williams stated that the deferral for 7 days to allow each caucus and public to participate in the discussion on the budget and purpose is to engage on the budget and refer to next special council. The Chief Financial Officer is to be invited to such participation to answer questions on the budget for clarification.

**Resolved (12 June 2020)**

1. That the Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years be adopted as an amended Draft Medium-Term Revenue and Expenditure Framework (MTREF) - Budget for 2020/21 to 2022/23 Financial Years for further consultation.

2. That due to the COVID-19 restrictions, loud hailing be done in all Wards advising the community that the Draft Budget is available at Municipal Offices for comment and input.

Proposed: B Williams Seconded: N Botha

**20/06/F3 ADOPTION OF THE PROPOSED PROPERTY RATES TARIFFS FOR THE 2020/21 FINANCIAL YEAR**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F4 REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: SPORTS AND RECREATION**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F5 REVISION OF FEES AND CHARGES FOR 2020/21 FINANCIAL YEAR: NATIONAL TRAFFIC, LICENSING SERVICES AND PROTECTION SERVICES**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F6** **<u>REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR: FIRE FIGHTING SERVICES</u>**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F7** **<u>REVISION OF FEES AND CHARGES FOR THE HIRING OF MUNICIPAL FACILITIES: 2020/21 FINANCIAL YEAR</u>**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F8** **<u>COMMUNITY SERVICES DIRECTORATE: REVISION OF TARIFFS, FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR</u>**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F9** **<u>PROPOSED WATER AND SANITATION TARIFF INCREASES FOR 2019/20 FINANCIAL YEAR</u>**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F10** **<u>ELECTRICITY TARIFF INCREASES: 2020/21 FINANCIAL YEAR</u>**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F11** **<u>FEES AND CHARGES FOR ELECTRICITY SERVICES IN RESPECT OF THE 2020/21 FINANCIAL YEAR</u>**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F12** **<u>FINANCE DIRECTORATE: REVISION OF FEES AND CHARGES FOR THE 2020/21 FINANCIAL YEAR</u>**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F13** **<u>REVISION OF VARIOUS TARIFFS: PLANNING, DEVELOPMENT AND TOURISM FOR THE 2020/21 FINANCIAL YEAR</u>**

**Resolved (12 June 2020)**

1. That the item be deferred to the next Special Council meeting for consideration.

**20/06/F14** **<u>2019/20 SPECIAL ADJUSTMENTS BUDGET</u>**

The CFO advised due the COVID-19 disaster adjustments were made to the budget in terms of redirection of funds, the reprioritizing of internal allocations were also made that in terms of the Virement Policy.

Cllr Februarie stated that he supported the Adjustment Budget submitted in February 2020 and the budget tabled is not informative and can therefore not accept the Special Adjustments Budget submitted. Cllr Februarie stated that the delegated authority given to the Executive Mayor expired on 16 April 2020 and therefore Council is to make decisions. No report on the Disaster Management implemented by the Municipality.

Cllr Oliphant stated that as politicians they have an oversight role and raised dissatisfaction that clarifications are not made available. Communication is to be forthcoming from the Municipal Manager and not from officials. Cllr Dayimani requested that the Performance Agreement of the CFO be made available.

| | | |
|---|---|---|
| In favour of recommendation | = | 17 |
| Not in favour of recommendation | = | 9 |

**Resolved (12 June 2020)**

1. That the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approved the 2019/20 Special Adjustments Budget as set-out in the following tables:

   - Table B1 Adjustments Budget Summary;
   - Table B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification);
   - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote);
   - Table B4 Adjustments Financial Performance (revenue and expenditure by type);
   - Table B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source;

- Table B6 Adjustments Budget Financial Position;
- Table B7 Adjustments Budget Cash Flows;
- Table B8 Cash backed reserves/accumulated surplus reconciliation;
- Table B9 Asset Management; and
- Table B10 Basic service delivery measurement.

Proposed: B Williams Seconded: H Hendricks

11. **OFFICE OF THE MUNICIPAL MANAGER**

**20/06/MM1 2020/21 DRAFT IDP REVIEW OF THE 5 YEAR IDP (2017/2022)**

Cllr Februarie stated that the review of the IDP is be properly consulted however the list of priorities were given but most of the priorities are not reflected and hope that in the next Financial Year that these projects be addressed and be provided for on the budget. The Budget is to be ward based to address issues in all Wards.

**Resolved (5 June 2020)**

1. That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be deferred and be reconsidered within 7 (seven) days at a Special Council meeting for final submission.

2. That the 2020/21 Draft IDP Review of the 5 Year IDP (2017/2022) be placed on the Kouga Website for public participation.

Proposed: H Hattingh Seconded: B Williams

12. **REPORTS BY THE EXECUTIVE MAYOR**

12.1 **REPORT BY THE PORTFOLIO CHAIRPERSON: PLANNING AND DEVELOPMENT**

**20/06/PD1 APPROVAL OF THE DRAFT REVIEW OF THE 2015 KOUGA MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK FOR PUBLIC PARTICIPATION IN TERMS OF S20(3) OF SPLUMA ACT 16 OF 2013**

**Resolved (12 June 2020)**

1. That due to Covid-19 pandemic and subsequent lockdown, the completion date of the project has been affected and final adoption of SDF by Council will be after 60day public participation period lapses, be noted.

2. That the Draft reviewed Kouga Municipal Spatial Development Framework for public participation in terms of Section 20(3)(a) to (c) of the Spatial Planning and Land Use Management Act, Act 16 of 2013, be approved.

3. That the revised public participation methodology in line with the Disaster Management Act: Regulations: Alert level 3 or any other level that may be imposed by the National Government during Coronavirus COVID-19 lockdown, be referred to Council for approval.

Proposed: B Rheeder Seconded: B Williams

**20/06/PD2 APPROVAL OF THE FINAL DRAFT REVISED INTEGRATED LAND USE SCHEME FOR KOUGA MUNICIPALITY FOR PUBLIC PARTICIPATION IN TERMS OF S (24) (1) OF SPLUMA AND KOUGA SPLUMA BY-LAW S (17) (18) AND (20)**

**Resolved (12 June 2020)**

1. In terms of the provisions of s(20)(1) and s(17(1) of the Kouga Municipality Spatial Planning and Land Use Management By-law, Council approves the Draft Integrated Land Use Scheme advertised for for Public Participation.

2. That the Draft Integrated Land Use Scheme for Kouga Municipality be submitted to Council once the public participation process has been completed for final approval.

Proposed: B Rheeder Seconded: B Dhludhlu

12. **CLOSURE**

The Speaker thanked all Councillors for participating in the meeting and declared the meeting closed.

The meeting adjourned at 09:30

**H BORNMAN** **DATE**
**SPEAKER**

# MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR

# REPORTS BY THE OFFICE OF THE MUNICIPAL MANAGER

**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**OFFICE OF THE MUNICIPAL MANAGER**

**DATE: 26 JUNE 2020** **ITEM NO: 20/06/MM5**

**AMENDMENT OF A COUNCIL RESOLUTION – 19/07/MM4 OF A COUNCIL MEETING HELD ON 3O JULY 2019**

1. Introduction

The purpose of this item is to request Council to amend the council resolution 19/07/MM4 of a Council meeting held on 30 July 2019.

2. Background

At a Council meeting held 30 July 2019 the Municipal Council resolved as follows:

**19/07/MM4 RESCISSION OF A COUNCIL RESOLUTION – 17/8/F23 OF A COUNCIL MEETING HELD ON 31 AUGUST 2017**

**Resolved (30 July 2019)**

**1. That Council rescind the Council resolution as resolved under 17/8/F23 by removing the reference made to Erf 873 Jeffreys Bay, to the effect that the Council Resolution be implemented in exclusion of the reference to Erf 873 Jeffreys Bay as reflected: -**

***Erf 873 Jeffreys Bay***

| | | | | | |
|---|---|---|---|---|---|
| *Erf 873* | *Jeffreys Bay* | *Kouga Mun* | *Open Space 2* | *82 908ha* | *R33 133 000* |

- ***That processes for the renewal of the lease contract for the Jeffreys Bay Bowling Club commences in March 2018.***
- ***That the lease contracts for the Jeffreys Bay Golf Club and the Driving Range be renewed.***
- ***That the rental income complies with the MFMA.***
- ***That a termination clause be included in the lease contracts which gives Council six (6) months to terminate the lease should the property be required for development.***

**2. That Erf 873, Jeffreys Bay, in extent of 82,908ha be subdivided and rezoned for sporting facilities and that the remainder of Portion Erf 873, Jeffreys Bay, be rezoned for future development.**

**3. That a long-term lease agreement for the remainder of Erf 873, Jeffreys Bay, be considered after the subdivision, rezoning and public participation processes have been finalised.**

**4. That Council confirms, in terms of Section 14(2) of the Local Government: Municipal Finance Management Act, the assets herein, is not needed to provide the minimum level of basic municipal services.**

**5. That Council approve the advertisement inviting interested parties to lease the asset mentioned herein, and in line with the Policy and Procedures for the disposal of immovable assets, as approved by Council.**

The purpose of this item is to request Council to amend the Council resolution herein, by amending 19/07/MM4 (3) highlighted in red above so that 19/07/MM4 (3) reads as follows:

"**That a long-term lease agreement be considered for Erf 873 Jeffreys Bay in respect of the portion to be subdivided and rezoned as contemplated in 2 above."**

3. Recommendation

3.1 That Council amend the Council resolution as resolved under 19/07/MM4 by amending 19/07/MM4 (3) as follows:

**"That a long-term lease agreement be considered for Erf 873 Jeffreys Bay in respect of the portion to be subdivided and rezoned as contemplated in 2 above."**

3.2 That the Council Resolution 19/07/MM4 now reads as follows:

*That Council rescind the Council resolution as resolved under 17/8/F23 by removing the reference made to Erf 873 Jeffreys Bay, to the effect that the Council Resolution be implemented in exclusion of the reference to Erf 873 Jeffreys Bay as reflected: -*

*Erf 873 Jeffreys Bay*

| | | | | | |
|---|---|---|---|---|---|
| ***Erf 873*** | ***Jeffreys Bay*** | ***Kouga Mun*** | ***Open Space 2*** | ***82 908ha*** | ***R33 133 000*** |

- *That processes for the renewal of the lease contract for the Jeffreys Bay Bowling Club commences in March 2018.*
- *That the Jeffreys Bay Golf Club and the Driving Range be approved for long term (10 years) lease agreement as one unit.*
- *That the rental income complies with the MFMA.*

3.3 That Erf 873, Jeffreys Bay, in extent of 82,908ha be subdivided and rezoned for sporting facilities and that the remainder of Portion Erf 873, Jeffreys Bay, be rezoned for future development.

3.4 That a long-term lease agreement be considered for Erf 873 Jeffreys Bay in respect of the portion to be subdivided and rezoned as contemplated in 2 above.

3.5 That Council confirms, in terms of Section 14(2) of the Local Government: Municipal Finance Management Act, the assets herein, is not needed to provide the minimum level of basic municipal services.

3.6 That Council approve the advertisement inviting interested parties to lease the asset mentioned herein, and in line with the Policy and Procedures for the disposal of immovable assets, as approved by Council.

**Item prepared by** : **The Manager: Legal Services**

**Item approved by** : **The Municipal Manager**

# REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE

**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**FINANCE**

**DATE: 26 JUNE 2020** **ITEM NO: 20/06/F30**

**MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO APRIL 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 APRIL 2020 (2019/20 FINANCIAL YEAR)**

1. Purpose

This report is submitted in compliance with Section 71(1) of the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations (MBRR).

2. Legislative Requirements

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, Nelson Mandela Bay Municipality, service providers etc.

In accordance with Section 71(1) of the MFMA, the Accounting officer must by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

In accordance with regulation 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C.

3. Executive Summary

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the months of July 2019 to April 2020, so as to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

The financial performance highlights are as follows:

- Operating revenue amounted to R 706,031 million, whilst operating expenditure amounted to R 676,302 million, resulting in an operating surplus of R 29,729 million.
- Capital expenditure constituted 45,89% of the 2019/20 Adjusted Capital Budget.
- Overdue consumer debts increased by R 14,248 million (9,77%) since June 2019.

- An amount of R 26,770 million is owing to creditors, of which R 25,381 million (94,81%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 23,124,168 (-12,10%) since June 2019, from R 214,227,548 to R 191 103 380.

The following key financial ratios are monitored on an on-going basis:

| Ratio | Actuals as at 30 June 2017 | Actuals as at 30 June 2018 | Actuals as at 30 June 2019 | Actuals as at 30 April 2019 | Actuals as at 30 April 2020 | Adjusted Budget 2019/20 |
|---|---|---|---|---|---|---|
| Current Ratio | 0.97:1 | 1.58:1 | 1.44:1 | 1.30:1 | 1.73:1 | 0.95:1 |
| Liquidity Ratio | 0.47:1 | 0.75:1 | 0.87:1 | 1.07:1 | 1.17:1 | 0.39:1 |
| Cost Coverage (Excluding unspent conditional grants) | 1.62 months | 1.73 months | 1.90 months | 2.60 months | 1.81 months | 1.10 months |
| Debtors Collection Rate | 95.81% | 90.73% | 97.62% | 97.13% | 96,14% | 96% |
| Capital Expenditure | 72.92% | 72.98% | 44.59% | 27.08% | 45,89% | 95% |

4. Detailed Reports

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 30 April 2020:

Annexure "A1" – Operating Revenue and Expenditure Performance

Annexure "A2" - Capital Budget Performance

Annexure "A3"- Projected Cash Flow Statement

Annexure "A4" – Municipal Monthly Budget Tables

Annexure "A5"- Analysis of Municipality's Statement of Financial Performance

i. Overview of Outstanding Consumer Debtors
ii. Overview of Creditors position
iii. Investment portfolio
iv. Grants receipts and Expenditure
v. Councillors & Employee benefits
vi. Key performance Indicators

5. Recommendation

5.1 That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

5.2 That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

Drafted by Manager Budget & Treasury:

S Abrahams

Approved by CFO:

Mr. R Lorgat:.................................................................

Endorsed by Municipal Manager:

Mr. C Du Plessis:.............................................................

Noted by Portfolio Councillor:................................................

**Annexure "A1"**

## OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO 30 APRIL 2020.

Below is an analysis of the operating revenue and expenditure performance

| Description | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 | % |
|---|---|---|---|
| **R thousands** | | | |
| **Revenue By Source** | | | |
| Property rates | 197 221 | 174 662 | 88,56% |
| Service charges - electricity revenue | 274 470 | 204 633 | 74,56% |
| Service charges - water revenue | 75 713 | 57 983 | 76,58% |
| Service charges - sanitation revenue | 50 051 | 43 656 | 87,22% |
| Service charges - refuse revenue | 52 072 | 43 791 | 84,10% |
| Rental of facilities and equipment | 4 037 | 2 436 | 60,35% |
| Interest earned - external investments | 15 375 | 11 827 | 76,92% |
| Interest earned - outstanding debtors | 10 892 | 8 584 | 78,81% |
| Fines, penalties and forfeits | 6 397 | 1 822 | 28,48% |
| Licences and permits | 19 822 | 17 476 | 88,17% |
| Transfers and subsidies | 133 414 | 130 447 | 97,78% |
| Other revenue | 7 088 | 8 715 | 122,95% |
| **Total Revenue (excluding capital transfers and contributions)** | **846 553** | **706 031** | **83,40%** |
| **Expenditure By Type** | | | |
| Employee related costs | 305 177 | 248 683 | 81,49% |
| Remuneration of councillors | 13 063 | 10 419 | 79,76% |
| Debt impairment | 26 420 | – | 0,00% |
| Depreciation & asset impairment | 85 101 | 61 272 | 72,00% |
| Finance charges | 2 201 | 1 926 | 87,51% |
| Bulk purchases | 271 623 | 219 040 | 80,64% |
| Other materials | 32 706 | 23 155 | 70,80% |
| Contracted services | 83 216 | 39 917 | 47,97% |
| Transfers and subsidies | 250 | 250 | 100,00% |
| Other expenditure | 106 029 | 71 639 | 67,57% |
| **Total Expenditure** | **925 785** | **676 302** | **73,05%** |
| **Surplus/(Deficit)** | **(79 232)** | **29 730** | |

The statement of financial performance indicates a surplus of R 29,730 million.

Below is a discussion of the significant revenue variations:

**Revenue Variations**

Rental of Facilities

This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue is influenced by the extent of rental agreements.

Fines, penalties and forfeits

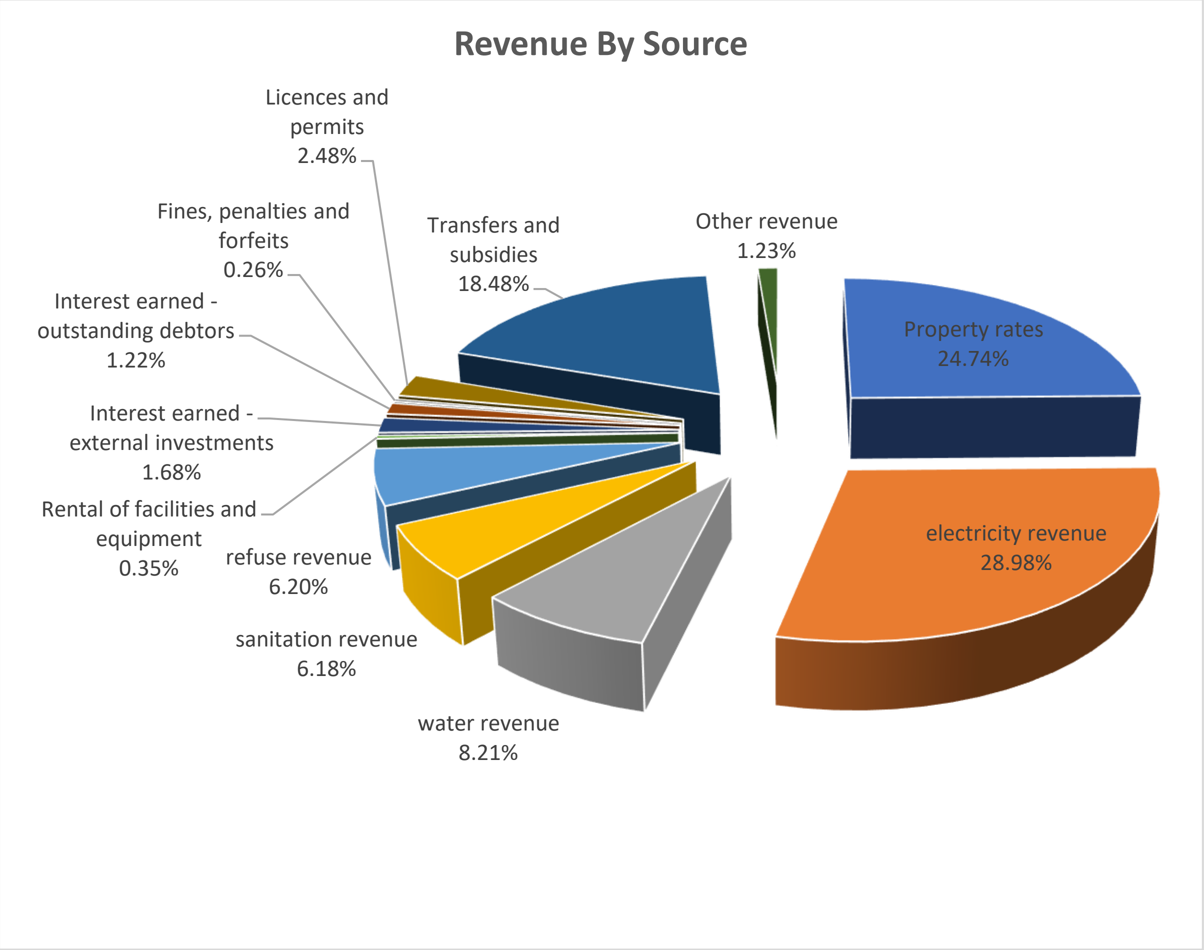
Fines, penalties and forfeits are largely influenced by the lower than anticipated revenue from traffic fines.

Transfers and Subsidies

Transfers and subsidies received mainly represents the Equitable Share Allocation in the amount of R 124,938 million.

Other revenue

Other revenue is largely influenced by building plan related fees and insurance claims.



**Expenditure Variations**

Bad Debts

Bad debts are written off upon Council approval.

Other materials

Other materials relate to consumables, fuel and oil. It includes material and supplies used for repairs and maintenance. This is influence by the low spending on repairs and maintenance budget.

Contracted Services

Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees.

The contracted services are broken down as follows:

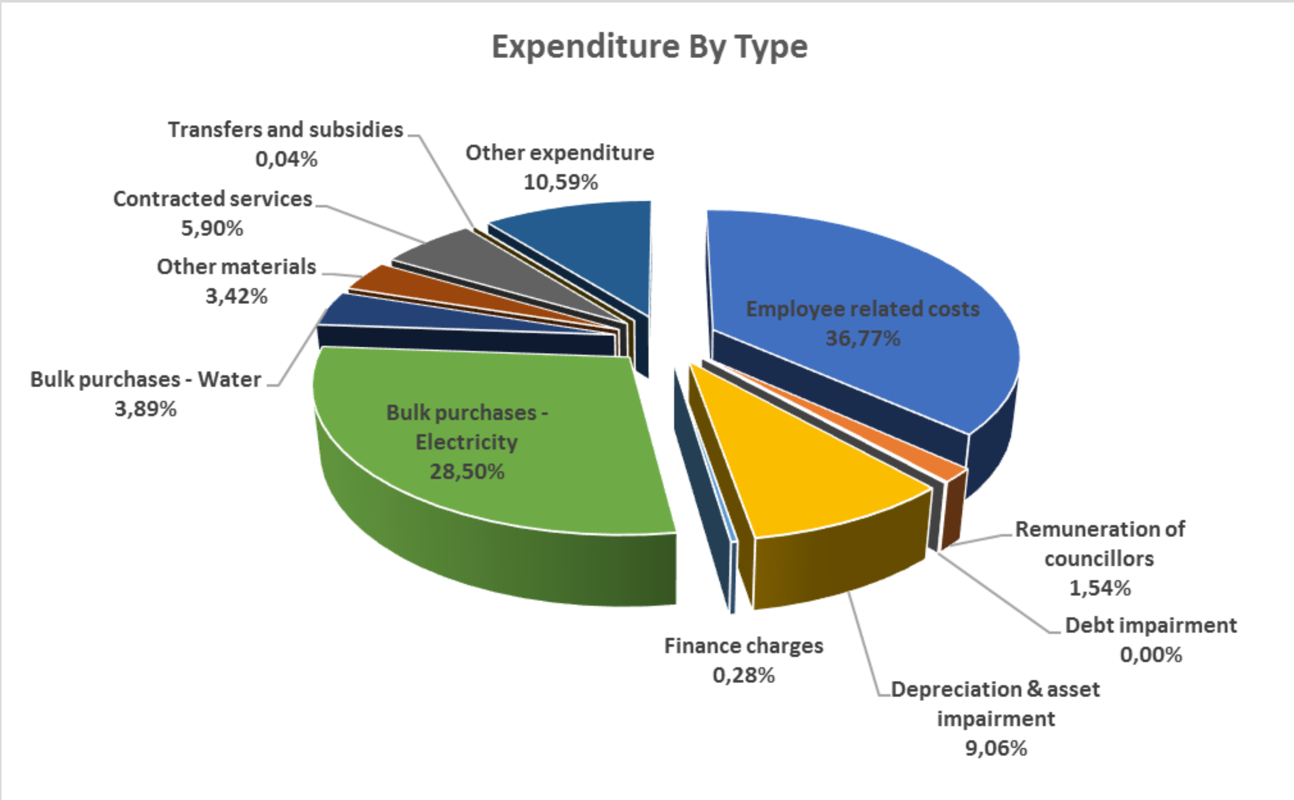
| Item Description | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 | % |
|---|---|---|---|
| Roads Maintenance | 17 400 000 | 4 871 272 | 28.00% |
| Specia Rating Area | 7 387 701 | 5 344 375 | 72.34% |
| Maintenance of Vehicles | 7 278 596 | 5 689 926 | 78.17% |
| Legal Advice and Litigation | 6 352 083 | 5 673 034 | 89.31% |
| Project Management | 11 248 532 | 3 682 604 | 32.74% |
| Maintenance of Buildings and Facilities | 7 270 327 | 4 294 936 | 59.07% |
| Security Services | 2 020 083 | 715 088 | 35.40% |
| Qualification Verification | 1 895 000 | 1 050 550 | 55.44% |
| Business and Advisory:Valuer | 1 951 875 | 35 921 | 1.84% |
| Dune Stabilisation | 1 631 200 | 1 223 678 | 75.02% |
| Engineering:Structural | 1 600 000 | - | 0.00% |
| Clean up Operation | 1 775 000 | 53 200 | 3.00% |
| Legal Cost:Collection | 1 578 000 | 416 018 | 26.36% |
| Maintenance of Electrical Infrastrcture | 2 907 580 | 1 470 730 | 50.58% |
| Drivers Licence Cards | 850 000 | 370 431 | 43.58% |
| Clearing and Grass Cutting Services | 700 000 | 349 208 | 49.89% |
| Medical Health Services & Support | 500 000 | 490 881 | 98.18% |
| Outsourced Services:Internal Auditors | 477 599 | 27 074 | 5.67% |
| Animal Care | 350 000 | 350 000 | 100.00% |
| Occupational Health and Safety | 315 000 | 14 855 | 4.72% |
| Land Audit | 300 000 | 30 720 | 10.24% |
| Laboratory Services:Water | 392 161 | 292 276 | 74.53% |
| Maintenance of Sanitation Infrastructure | 1 624 000 | 1 348 491 | 83.04% |
| Other | 3 053 233 | 905 725 | 29.66% |
| Maintenance of Machinery and Equipment | 632 560 | 295 902 | 46.78% |
| Burial Services | 215 000 | 36 212 | 16.84% |
| Transportation | 200 000 | - | 0.00% |
| Maintenance of Water Infrastrcture | 1 300 300 | 883 666 | 67.96% |
| **Total** | **83 205 830** | **39 916 772** | **47.97%** |

## Other expenditure

Other expenditure relates to various general expenses, relating to the running costs of the municipality, such as printing and stationery, telephone accounts, etc.

The other expenditure is broken down as follows:

| **Item Description** | **Adjusted Budget 2019/20** | **Actuals as at 30 April 2020** | **%** |
|---|---|---|---|
| Hire Charges | 25 111 523 | 19 361 942 | 77.10% |
| Municipal Services | 10 974 549 | 9 797 525 | 89.27% |
| Operating Leases:Furniture and Office Equipment | 5 893 745 | 3 539 911 | 60.06% |
| Commission:Third Party Vendors | 5 374 126 | 3 677 411 | 68.43% |
| Management Fee | 4 532 915 | 3 324 943 | 73.35% |
| External Audit Fees | 4 508 000 | 4 470 826 | 99.18% |
| External Computer Service:Internet Charge | 4 104 024 | 3 347 911 | 81.58% |
| Operating Leases:Other Assets | 4 062 693 | 3 344 154 | 82.31% |
| External Computer Service:Software Licences | 3 595 520 | 1 587 726 | 44.16% |
| Remuneration to Ward Committees | 3 278 744 | 2 217 698 | 67.64% |
| Bargaining Council | 2 909 416 | 34 080 | 1.17% |
| Uniform and Protective Clothing | 2 621 035 | 1 807 543 | 68.96% |
| Training | 2 603 698 | 1 745 317 | 67.03% |
| Insurance Underwriting:Premiums | 2 600 248 | 1 101 014 | 42.34% |
| Storage of Files (Archiving) | 1 900 000 | 1 063 722 | 55.99% |
| Communication:Postage/Stamps/Franking Machines | 1 750 485 | 945 863 | 54.03% |
| Skills Development Fund Levy | 1 695 046 | 1 601 325 | 94.47% |
| Communication:Cellular Contract (Subscriptions) | 1 651 453 | 1 142 433 | 69.18% |
| Achievements and Awards | 1 600 000 | 630 827 | 39.43% |
| Printing, Publications and Books | 1 520 261 | 634 184 | 41.72% |
| Workmen's Compensation Fund | 1 525 915 | 850 054 | 55.71% |
| Registration Fees:Professional and Regulatory Bodies | 1 019 648 | 358 363 | 35.15% |
| Domestic:Accommodation | 968 546 | 407 817 | 42.11% |
| Advertising, Publicity and Marketing:Tenders | 978 219 | 566 308 | 57.89% |
| Advertising, Publicity and Marketing:Corporate and Municipal Activities | 876 923 | 246 686 | 28.13% |
| Transport without Operator:Own Transport | 853 836 | 459 833 | 53.85% |
| Licences:Motor Vehicle Licence and Registrations | 729 719 | 512 102 | 70.18% |
| Bank Charges, Facility and Card Fees:Bank Accounts | 669 072 | 881 935 | 131.81% |
| External Computer Service:Specialised Computer Services | 662 191 | - | 0.00% |
| Public Transport:Air Transport | 614 351 | 145 304 | 23.65% |
| Signage | 630 100 | 225 874 | 35.85% |
| Vehicle Tracking | 590 952 | 523 600 | 88.60% |
| Travel and Subsistence:Non-employees | 560 504 | 139 418 | 24.87% |
| Advertising, Publicity and Marketing:Gifts and Promotions | 485 756 | 169 711 | 34.94% |
| Other | 2 606 260 | 775 951 | 29.77% |
| **Total** | **106 059 473** | **71 639 311** | **67.55%** |



Expenditure By Type
Transfers and subsidies
0,04%
Other expenditure
10,59%
Contracted services
5,90%
Other materials
3,42%
Employee related costs
36,77%
Bulk purchases - Water
3,89%
Bulk purchases - Electricity
28,50%
Remuneration of councillors
1,54%
Debt impairment
0,00%
Finance charges
0,28%
Depreciation & asset impairment
9,06%

## Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2019/20 Approved Budget.

| Item Description | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 | % |
|---|---|---|---|
| **Corporate Services** | | | |
| Maintenance of Vehicles | 14 465 | 2 356 | 16.28% |
| Maintenance of Buildings and Properties | 1 348 064 | 378 729 | 28.09% |
| | **1 362 529** | **381 085** | **27.97%** |
| **Executive & Council** | | | |
| Maintenance of Solid Waste Disposal | 50 000 | 23 955 | 47.91% |
| Maintenance of Vehicles | 8 246 | 2 942 | 35.68% |
| Maintenance of Buildings and Properties | 390 350 | 236 595 | 60.61% |
| | **448 596** | **263 492** | **58.74%** |
| **Finance** | | | |
| Maintenance of Vehicles | 99 414 | 52 520 | 52.83% |
| Maintenance of Buildings and Properties | 537 046 | 102 677 | 19.12% |
| | **636 460** | **155 197** | **24.38%** |
| **Infrastructure & Engineering** | | | |
| Maintenance of Electrical Infrastructure | 6 369 031 | 3 833 734 | 60.19% |
| Maintenance of Buildings and Properties | 765 200 | 365 372 | 47.75% |
| Maintenance of Water Supply Infrastructure | 3 963 800 | 2 441 173 | 61.59% |
| Maintenance of Storm water Infrastructure | 908 000 | 719 585 | 79.25% |
| Maintenance of Roads Infrastructure | 24 984 060 | 10 124 744 | 40.52% |
| Maintenance of Vehicles | 3 201 839 | 2 326 506 | 72.66% |
| Maintenance of Machinery and Equipment | 252 560 | 146 085 | 57.84% |
| Maintenance of Sanitation Infrastructure | 3 535 865 | 2 562 053 | 72.46% |
| | **43 980 355** | **22 519 251** | **51.20%** |
| **Planning, Development and Tourism** | | | |
| Maintenance of Vehicles | 19 999 | 14 180 | 70.90% |
| Maintenance of Buildings and Properties | 52 600 | - | 0.00% |
| | **72 599** | **14 180** | **19.53%** |
| **Community Services** | | | |
| Maintenance of Buildings and Properties | 4 528 465 | 3 474 663 | 76.73% |
| Maintenance of Solid Waste Disposal | 50 000 | - | 0.00% |
| Maintenance of Machinery and Equipment | 192 000 | 95 588 | 49.79% |
| Maintenance of Vehicles | 4 233 578 | 3 500 479 | 82.68% |
| Maintenance of Community Facilities | 270 000 | 103 521 | 38.34% |
| Maintenance of Sanitation Infrastructure | 100 000 | 99 574 | 99.57% |
| | **9 374 043** | **7 273 825** | **77.60%** |
| | | | |
| **Total** | **55 874 582** | **30 607 029** | **54.78%** |

It is to be noted that actual repairs and maintenance expenditure constituted 54,78% of the 2019/20 Adjusted Budget.

**Annexure "A2"**

**CAPITAL BUDET PERFORMANCE**

Below is an analysis of the capital expenditure compared to the 2019/20 Adjusted Capital Budget.

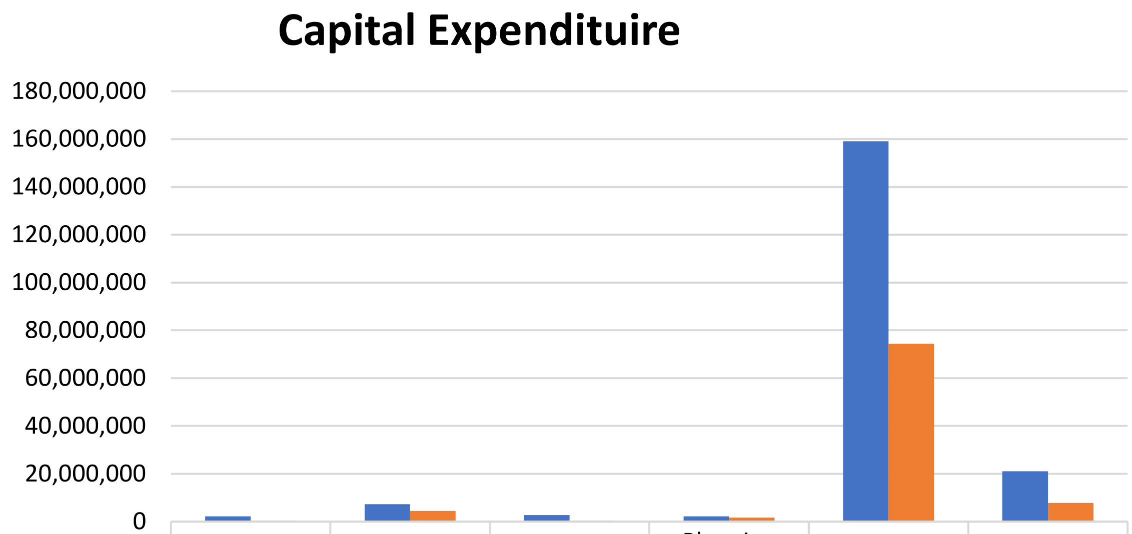
| Project Description | Funding | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 | % |
|---|---|---|---|---|
| **Executive & Council** | | | | |
| Furniture and Equipment | Internal | 200 899 | 154 535 | 76.92% |
| Computer Equipment | Internal | 190 001 | 34 071 | 17.93% |
| Ward Councilors Capital Programme | Internal | 1 817 695 | 338 637 | 18.63% |
| Computer Software | Internal | 20 000 | - | 0.00% |
| | | **2 228 595** | **527 243** | **23.66%** |
| **Corporate Services** | | | | |
| EDMS | Internal | 861 000 | - | 0.00% |
| Old Library Upgrade | Internal | 276 738 | 31 914 | 11.53% |
| Computer Software and Applications | Internal | 184 000 | - | 0.00% |
| Biometric Systems | Internal | 600 000 | - | 0.00% |
| Fencing of Main Building | Internal | 172 425 | 172 425 | 100.00% |
| Furniture and Equipment | Internal | 666 571 | 209 654 | 31.45% |
| Computer Equipment | Internal | 17 043 | 1 606 | 9.42% |
| | | **2 777 777** | **415 599** | **14.96%** |
| **Finance** | | | | |
| Vehicles | Internal | 643 416 | 643 416 | 100.00% |
| Furniture and Equipment | Internal | 728 066 | 147 695 | 20.29% |
| Cibex Software | Internal | 600 000 | - | 0.00% |
| Computer Equipment | Internal | 421 673 | 78 575 | 18.63% |
| Machinery and Equipment | Internal | 181 465 | - | 0.00% |
| WIFI Solution | Internal | 250 000 | - | 0.00% |
| DOT MATRIX PRINTER | Internal | 156 024 | 156 024 | 100.00% |
| DISASTER RECOVERY SERVER | Internal | 644 106 | - | 0.00% |
| Office upgrade ICT | Internal | 153 950 | 70 130 | 45.55% |
| Network Upgrade | Internal | 3 350 000 | 3 350 000 | 100.00% |
| Cracking & Shelving: Stores | Internal | 161 845 | - | 0.00% |
| | | **7 290 545** | **4 445 840** | **60.98%** |

| Project Description | Funding | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 | % |
|---|---|---|---|---|
| **Planning, Development & Tourism** | | | | |
| Computer Software and Applications | Internal | 226 700 | 92 919 | 40.99% |
| Furniture and equipment | Internal | 300 000 | - | 0.00% |
| Computer Equipment | Internal | 133 300 | 67 623 | 50.73% |
| Land acquisition housing projects | Internal | 1 562 308 | 1 558 543 | 99.76% |
| | | **2 222 308** | **1 719 085** | **77.36%** |
| **Community Services** | | | | |
| Vehicles | Internal | 6 273 223 | 4 681 180 | 74.62% |
| Vehicles | District | 3 665 100 | - | 0.00% |
| Machinery and Equipment | Internal | 1 727 637 | 685 808 | 39.70% |
| Upgrading of Sports Facilities | Internal | 560 000 | 67 986 | 12.14% |
| Wheelie Bins | Internal | 5 000 000 | - | 0.00% |
| Life Gaurds Beach Tower | Internal | 96 212 | 96 212 | 100.00% |
| Furniture and equipment | Internal | 438 100 | 166 685 | 38.05% |
| Computer Equipment | Internal | 300 000 | 242 521 | 80.84% |
| Fencing Fire Station Hankey | Internal | 182 000 | 171 015 | 93.96% |
| Fencing | Internal | 1 642 064 | 1 098 200 | 66.88% |
| Upgrading of Pellsrus, Kabeljous, Cape St Francis | Internal | 580 000 | 273 928 | 47.23% |
| Fencing | Internal | 320 623 | 14 189 | 4.43% |
| HYDRAULICS RESCUE EQUIPMENT | Internal | 304 655 | 288 703 | 94.76% |
| Weston Library Upgrade | Internal | 11 900 | 11 800 | 99.16% |
| | | **21 101 514** | **7 798 226** | **36.96%** |

| Project Description | Funding | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 | % |
|---|---|---|---|---|
| **Infrastructure & Engineering** | | | | |
| Vehicles | Internal | 5 235 469 | 6 541 584 | 124.95% |
| New overheadlines 66kv overheadlines(Jbay to Melk | Internal | 1 800 000 | 56 914 | 3.16% |
| Electrical supply of tri switches St francis Bay | Internal | 200 000 | - | 0.00% |
| Electrical Mini sub station 22 000/11000/400 St Francis | Internal | 485 935 | - | 0.00% |
| High Mast Lights | Internal | 850 000 | - | 0.00% |
| Humansdorp, Kruisfontein and Osean View Electrification | INEP | 6 069 130 | 2 121 221 | 34.95% |
| Electrical Oil circuit breakers replacement | Internal | 800 000 | - | 0.00% |
| Electrical Supply auto recloser St Francis Bay | Internal | 400 000 | - | 0.00% |
| Electrical 5 MV 22000/11000 transformer | Internal | 1 406 000 | - | 0.00% |
| Sewer REPLACE OLD PUMPS | Internal | 67 892 | 108 409 | 159.68% |
| Patensie Sewage Package Plant | MIG | 5 650 392 | 1 279 373 | 22.64% |
| Fencing of Jeffreys Bay and Kruisfontein Reservoir | Internal | 1 407 260 | 1 407 260 | 100.00% |
| Upgrade Sanitation System Old Hankey | MIG | 434 782 | 236 491 | 54.39% |
| KwaNomzamo Wastewater Treatment Works | WSIG | 8 695 652 | 449 971 | 5.17% |
| St Francis bulk main outfall sewer | Internal | 200 000 | - | 0.00% |
| Bucket Eradication Programme | Internal | 2 075 942 | 1 145 442 | 55.18% |
| Machinery and Equipment | Internal | 330 000 | 301 664 | 91.41% |
| Upgrading of Gravel Roads in Jeffreys Bay | MIG | 363 655 | - | 0.00% |
| Purchase storage containers | Internal | 200 000 | 0 | 0.00% |
| Mini Fresh Food and Craft Markets | MIG | 1 220 951 | 128 538 | 10.53% |
| Furniture and Equipment | Internal | 29 551 | 1 080 | 3.65% |
| Upgrading of the Sea Vista Wastewater Treatment Works | MIG | 13 011 229 | 12 775 778 | 98.19% |
| OYSTER BAY WATER SUPPLY | WSIG | 541 350 | - | 0.00% |
| CAPE ST FRANCIS WATER SUPPLY | WSIG | 4 217 504 | 857 935 | 20.34% |
| JEFFREYS BAY WATER SUPPLY | WSIG | 1 194 093 | 1 105 370 | 92.57% |
| HUMANSDORP WATER SUPPLY | WSIG | 1 456 415 | 89 219 | 6.13% |
| PATENSIE WATER SUPPLY | WSIG | 2 862 732 | 303 603 | 10.61% |
| HANKEY WATER SUPPLY | WSIG | 19 115 490 | 9 028 155 | 47.23% |
| WATER CONSERVATION AND DEMAND MANAGEMENT | WSIG | 1 620 416 | 662 360 | 40.88% |
| RETICULATION REPLACE PIPELINES (PATENSIE) | WSIG | 7 634 103 | 2 271 857 | 29.76% |
| RETICULATION REPLACE PIPELINES (HANKEY) | WSIG | 2 168 698 | 382 375 | 17.63% |
| RETICULATION REPLACE PIPELINES (OYSTER BAY) | WSIG | 13 882 | - | 0.00% |
| DEVELOP NATURAL SPRINGS AND CONVEYANCE (HUMANSDORP) | WSIG | 15 772 674 | 8 604 738 | 54.55% |

| Project Description | Funding | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 | % |
|---|---|---|---|---|
| **Infrastructure & Engineering** | | | | |
| REFURBISH AND UPGRADE WATER TREATMENT WORKS (JEFFREYS BAY) | WSIG | 28 635 111 | 19 549 453 | 68.27% |
| Computer Equipment | Internal | 25 000 | 20 594 | 82.38% |
| Roads Capital | Internal | 2 500 000 | 111 698 | 4.47% |
| Security Camera | Internal | 300 000 | - | 0.00% |
| LV Networks (Informal Areas, Electrification/illegal connections) | Internal | 1 000 000 | - | 0.00% |
| Purchase of mini sub station 11000/400,22000/400 | Internal | 508 597 | 508 597 | 100.00% |
| conversion from conventional meter to pre paid meters | Internal | 170 336 | 170 337 | 100.00% |
| CONCRETE POLES | Internal | 171 518 | 171 518 | 100.00% |
| SOLAR LIGHTS | Internal | 360 773 | 360 773 | 100.00% |
| Pre Planning - Waterline Replacement - St Francis | Internal | 260 000 | - | 0.00% |
| Pre Planning - Waterline Replacement - Mimosa Stre | Internal | 250 000 | - | 0.00% |
| Pre Planning - Water Tower - Paradise | Internal | 300 000 | - | 0.00% |
| (Pre Planning) Investigation Bypass Rising Main - | Internal | 300 000 | - | 0.00% |
| (Pre Planning) Investigation for the Upgrade of Se | Internal | 300 000 | - | 0.00% |
| Fencing of Kruisfontein WWTW | Internal | 1 642 740 | - | 0.00% |
| Upgrading of Kwanomzamo Sports Facility | MIG | 5 413 043 | - | 0.00% |
| Upgrading of Sports Facilities | MIG | 5 564 599 | 388 963 | 6.99% |
| Energy and Demand Side Management | Energy | 3 438 262 | 2 939 881 | 85.50% |
| Outfall Sewers Capital | Internal | 382 619 | 347 617 | 90.85% |
| | | **159 053 795** | **74 428 768** | **46.79%** |
| | | | | |
| **Total** | | **194 674 534** | **89 334 761** | **45.89%** |
| | | | | |
| Internally generated funds | | 55 915 271 | 26 159 479 | 46.78% |
| Transfers recognised - capital | | 138 759 263 | 63 175 281 | 45.53% |
| **Total** | | **194 674 534** | **89 334 761** | **45.89%** |

It is to be noted that capital expenditure as at 30 April 2020 amounted to 45,89%, compared to the adjusted capital budget of R 194,674,534.




| | Executive & Council | Finance | Corporate Services | Planning, Development and Tourism | Infrastructure and Engineering | Community Services |
|---|---|---|---|---|---|---|
| Adjusted Budget 2019/20 | 2,228,595 | 7,290,545 | 2,777,777 | 2,222,308 | 159,053,795 | 21,101,514 |
| Actuals as at 30 April 2020 | 527,243 | 4,445,840 | 415,599 | 1,719,086 | 74,428,768 | 7,798,226 |

**Annexure "A3"**

## PROJECTED CASH FLOW STATEMENT FOR THE 2019/20 FINANCIAL YEAR

### Projected Cash Flow Statement as at 30 April 2020

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), so as to ascertain the adequacy of the cash inflows to cover the cash outflows.

### Table C7 Monthly Budget Statement – Cash Flow – M10 April 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | 1 | | | | | | | | % | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Property rates | | | 188 848 | 189 400 | 9 202 | 168 514 | 157 834 | 10 681 | 7% | 189 400 |
| Service charges | | | 435 121 | 434 214 | 25 861 | 340 131 | 361 845 | (21 715) | -6% | 434 214 |
| Other revenue | | | 34 799 | 37 344 | 3 891 | 71 716 | 31 120 | 40 597 | 130% | 37 344 |
| Government - operating | | | 133 112 | 133 112 | – | 133 165 | 110 926 | 22 238 | 20% | 133 112 |
| Government - capital | | | 58 063 | 58 063 | – | 54 842 | 48 386 | 6 456 | 13% | 58 063 |
| Interest | | | 18 476 | 25 832 | 1 645 | 22 946 | 21 526 | 1 420 | 7% | 25 832 |
| Dividends | | | – | | | – | – | – | | |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | | (783 499) | (811 506) | (37 599) | (700 912) | (676 255) | 24 657 | -4% | (811 506) |
| Finance charges | | | (2 201) | (2 201) | (158) | (1 914) | (1 834) | 80 | -4% | (2 201) |
| Transfers and Grants | | | – | (250) | – | (250) | (208) | 42 | -20% | (250) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | – | **82 720** | **64 009** | **2 842** | **88 238** | **53 340** | **(34 898)** | **-65%** | **64 009** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | | – | | – | – | – | – | | – |
| Decrease (Increase) in non-current debtors | | | – | | – | – | – | – | | – |
| Decrease (increase) other non-current receivables | | | – | | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | | – | | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Capital assets | | | (93 110) | (194 715) | (14 223) | (104 735) | (162 262) | (57 527) | 35% | (194 715) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | – | **(93 110)** | **(194 715)** | **(14 223)** | **(104 735)** | **(162 262)** | **(57 527)** | **35%** | **(194 715)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | | – | | – | – | – | – | | – |
| Borrowing long term/refinancing | | | – | | – | – | – | – | | – |
| Increase (decrease) in consumer deposits | | | – | | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | | (7 999) | (9 067) | (692) | (6 628) | (7 555) | (928) | 12% | (9 067) |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | – | **(7 999)** | **(9 067)** | **(692)** | **(6 628)** | **(7 555)** | **(928)** | **12%** | **(9 067)** |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | – | **(18 389)** | **(139 773)** | **(12 073)** | **(23 124)** | **(116 477)** | | | **(139 773)** |
| Cash/cash equivalents at beginning: | | | 84 707 | 214 228 | | 214 228 | 214 228 | | | 214 228 |
| Cash/cash equivalents at month/year end: | | – | 66 318 | 74 455 | | 191 103 | 97 751 | | | 74 455 |

**Annexure "A4"**

## MUNICIPAL MONTHLY BUDGET TABLES

### 1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2019/20 budget performance for the period July 2019 to April 2020 and are to be noted. Each table is accompanied by explanatory notes.

## Table C1 Monthly Budget Statement Summary – M10 April 2020

| Description<br>R thousands | 2018/19<br>Audited Outcome | Budget Year 2019/20<br>Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
|---|---|---|---|---|---|---|---|---|---|
| **Financial Performance** | | | | | | | | | |
| Property rates | – | 196 717 | 197 221 | 11 471 | 174 662 | 164 351 | 10 311 | 6% | 197 221 |
| Service charges | – | 453 251 | 452 307 | 34 321 | 350 063 | 376 922 | (26 859) | -7% | 452 307 |
| Investment revenue | – | 10 375 | 15 375 | 751 | 11 827 | 12 812 | (985) | -8% | 15 375 |
| Transfers and subsidies | – | 133 112 | 133 414 | (2 094) | 130 447 | 111 178 | 19 269 | 17% | 133 414 |
| Other own revenue | – | 43 238 | 48 236 | 195 | 39 033 | 40 197 | (1 164) | -3% | 48 236 |
| **Total Revenue (excluding capital transfers and contributions)** | **–** | **836 693** | **846 553** | **44 645** | **706 031** | **705 461** | **570** | **0%** | **846 553** |
| Employee costs | – | 290 942 | 305 177 | 21 291 | 248 683 | 254 314 | (5 631) | -2% | 305 177 |
| Remuneration of Councillors | – | 13 063 | 13 063 | 1 049 | 10 419 | 10 886 | (467) | -4% | 13 063 |
| Depreciation & asset impairment | – | 85 101 | 85 101 | 6 127 | 61 272 | 70 917 | (9 645) | -14% | 85 101 |
| Finance charges | – | 2 201 | 2 201 | 158 | 1 926 | 1 834 | 92 | 5% | 2 201 |
| Materials and bulk purchases | – | 301 244 | 304 329 | 19 453 | 242 196 | 253 607 | (11 412) | -4% | 304 329 |
| Transfers and subsidies | – | – | 250 | – | 250 | 208 | 42 | 20% | 250 |
| Other expenditure | – | 204 586 | 215 665 | 2 656 | 111 556 | 179 721 | (68 165) | -38% | 215 665 |
| **Total Expenditure** | **–** | **897 137** | **925 785** | **50 733** | **676 302** | **771 488** | **(95 186)** | **-12%** | **925 785** |
| **Surplus/(Deficit)** | **–** | **(60 444)** | **(79 232)** | **(6 089)** | **29 730** | **(66 027)** | **95 756** | **-145%** | **(79 232)** |
| Transfers and subsidies - capital (monetary alloc | – | 58 063 | 58 063 | 6 476 | 41 894 | 48 386 | (6 492) | -13% | 58 063 |
| Contributions & Contributed assets | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | **–** | **(2 381)** | **(21 169)** | **387** | **71 624** | **(17 640)** | **89 264** | **-506%** | **(21 169)** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **–** | **(2 381)** | **(21 169)** | **387** | **71 624** | **(17 640)** | **89 264** | **-506%** | **(21 169)** |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **–** | **93 110** | **194 675** | **12 367** | **89 335** | **161 159** | **(71 824)** | **-45%** | **194 675** |
| Capital transfers recognised | – | 51 117 | 140 259 | 8 680 | 63 175 | 105 194 | (42 019) | -40% | 140 259 |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | **–** | **41 994** | **54 415** | **3 687** | **26 159** | **40 811** | **(14 652)** | **-36%** | **54 415** |
| **Total sources of capital funds** | **–** | **93 110** | **194 675** | **12 367** | **89 335** | **146 006** | **(56 671)** | **-39%** | **194 675** |
| **Financial position** | | | | | | | | | |
| Total current assets | – | 173 204 | 178 224 | | 281 381 | | | | 178 224 |
| Total non current assets | – | 2 317 635 | 2 371 220 | | 2 261 606 | | | | 2 371 220 |
| Total current liabilities | – | 175 225 | 188 504 | | 162 906 | | | | 188 504 |
| Total non current liabilities | – | 184 979 | 182 000 | | 179 799 | | | | 182 000 |
| Community wealth/Equity | **–** | **2 130 635** | **2 178 939** | | **2 200 281** | | | | **2 178 939** |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | – | 82 720 | 64 009 | 2 842 | 88 238 | 53 340 | (34 898) | -65% | 64 009 |
| Net cash from (used) investing | – | (93 110) | (194 715) | (14 223) | (104 735) | (162 262) | (57 527) | 35% | (194 715) |
| Net cash from (used) financing | – | (7 999) | (9 067) | (692) | (6 628) | (7 555) | (928) | 12% | (9 067) |
| **Cash/cash equivalents at the month/year end** | **–** | **66 318** | **74 455** | **–** | **191 103** | **97 751** | **(93 353)** | **-96%** | **74 455** |
| **Debtors & creditors analysis** | **0-30 Days** | **31-60 Days** | **61-90 Days** | **91-120 Days** | **121-150 Dys** | **151-180 Dys** | **181 Dys-1 Yr** | **Over 1Yr** | **Total** |
| **Debtors Age Analysis** | | | | | | | | | |
| Total By Income Source | 38 022 | 9 138 | 6 118 | 5 110 | 4 466 | 4 413 | 29 885 | 101 001 | 198 153 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 25 381 | 574 | 85 | 240 | 3 | 497 | 158 | (170) | 26 770 |

## Explanatory notes to Table C 1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspective (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

## Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M10 April 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | 1 | | | | | | | | % | |
| Revenue - Functional | | | | | | | | | | |
| ***Governance and administration*** | | **–** | **339 475** | **345 087** | **11 840** | **318 070** | **287 572** | 30 498 | 11% | **345 087** |
| Executive and council | | – | 27 | 27 | – | 4 | 23 | (19) | -84% | 27 |
| Finance and administration | | – | 339 448 | 345 060 | 11 840 | 318 067 | 287 550 | 30 517 | 11% | 345 060 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **–** | **14 266** | **14 354** | **1 192** | **10 440** | **11 962** | (1 522) | -13% | **14 354** |
| Community and social services | | – | 2 479 | 2 479 | 270 | 2 298 | 2 066 | 232 | 11% | 2 479 |
| Sport and recreation | | – | 7 867 | 7 867 | 89 | 5 249 | 6 556 | (1 307) | -20% | 7 867 |
| Public safety | | – | 1 984 | 1 984 | 93 | 730 | 1 654 | (924) | -56% | 1 984 |
| Housing | | – | – | – | – | – | – | – | | – |
| Health | | – | 1 936 | 2 024 | 740 | 2 164 | 1 687 | 477 | 28% | 2 024 |
| ***Economic and environmental services*** | | **–** | **19 616** | **22 582** | **(3 085)** | **21 305** | **18 819** | 2 486 | 13% | **22 582** |
| Planning and development | | – | 6 667 | 6 667 | (3 092) | 6 291 | 5 556 | 735 | 13% | 6 667 |
| Road transport | | – | 11 844 | 14 586 | 7 | 13 990 | 12 155 | 1 835 | 15% | 14 586 |
| Environmental protection | | – | 1 105 | 1 329 | – | 1 023 | 1 107 | (84) | -8% | 1 329 |
| ***Trading services*** | | **–** | **521 398** | **522 593** | **41 173** | **398 111** | **435 494** | (37 383) | -9% | **522 593** |
| Energy sources | | – | 293 789 | 290 575 | 22 117 | 207 371 | 242 146 | (34 775) | -14% | 290 575 |
| Water management | | – | 87 929 | 89 113 | 6 192 | 84 773 | 74 261 | 10 512 | 14% | 89 113 |
| Waste water management | | – | 83 574 | 87 728 | 8 684 | 59 917 | 73 106 | (13 189) | -18% | 87 728 |
| Waste management | | – | 56 106 | 55 177 | 4 180 | 46 049 | 45 981 | 68 | 0% | 55 177 |
| ***Other*** | 4 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **Total Revenue - Functional** | 2 | **–** | **894 756** | **904 617** | **51 120** | **747 926** | **753 847** | **(5 921)** | **-1%** | **904 617** |
| Expenditure - Functional | | | | | | | | | | |
| ***Governance and administration*** | | **–** | **222 961** | **220 334** | **7 617** | **144 093** | **183 612** | (39 519) | -22% | **220 334** |
| Executive and council | | – | 45 089 | 42 506 | 3 275 | 34 405 | 35 421 | (1 016) | -3% | 42 506 |
| Finance and administration | | – | 177 872 | 177 809 | 4 342 | 109 680 | 148 174 | (38 494) | -26% | 177 809 |
| Internal audit | | – | – | 20 | – | 7 | 17 | (10) | -57% | 20 |
| ***Community and public safety*** | | **–** | **85 190** | **86 854** | **5 314** | **71 654** | **72 379** | (724) | -1% | **86 854** |
| Community and social services | | – | 10 612 | 10 894 | 604 | 7 078 | 9 079 | (2 000) | -22% | 10 894 |
| Sport and recreation | | – | 44 086 | 45 423 | 2 578 | 37 418 | 37 853 | (435) | -1% | 45 423 |
| Public safety | | – | 22 264 | 22 341 | 1 445 | 19 626 | 18 618 | 1 009 | 5% | 22 341 |
| Housing | | – | 3 228 | 3 228 | 373 | 3 464 | 2 690 | 773 | 29% | 3 228 |
| Health | | – | 4 999 | 4 967 | 312 | 4 068 | 4 139 | (71) | -2% | 4 967 |
| ***Economic and environmental services*** | | **–** | **116 851** | **132 776** | **8 008** | **88 683** | **110 647** | (21 964) | -20% | **132 776** |
| Planning and development | | – | 34 459 | 35 232 | 2 050 | 22 486 | 29 360 | (6 874) | -23% | 35 232 |
| Road transport | | – | 80 642 | 95 724 | 5 705 | 64 791 | 79 770 | (14 979) | -19% | 95 724 |
| Environmental protection | | – | 1 751 | 1 821 | 253 | 1 406 | 1 517 | (111) | -7% | 1 821 |
| ***Trading services*** | | **–** | **467 649** | **482 319** | **29 795** | **369 994** | **401 933** | (31 939) | -8% | **482 319** |
| Energy sources | | – | 285 024 | 285 667 | 18 279 | 221 826 | 238 056 | (16 230) | -7% | 285 667 |
| Water management | | – | 80 898 | 78 491 | 4 541 | 59 931 | 65 409 | (5 478) | -8% | 78 491 |
| Waste water management | | – | 51 081 | 56 706 | 4 806 | 47 895 | 47 255 | 640 | 1% | 56 706 |
| Waste management | | – | 50 646 | 61 455 | 2 169 | 40 342 | 51 213 | (10 871) | -21% | 61 455 |
| ***Other*** | | **–** | **4 486** | **3 501** | **–** | **1 878** | **2 917** | **(1 039)** | **-36%** | **3 501** |
| **Total Expenditure - Functional** | 3 | **–** | **897 137** | **925 785** | **50 733** | **676 302** | **771 488** | **(95 186)** | **-12%** | **925 785** |
| **Surplus/ (Deficit) for the year** | | **–** | **(2 381)** | **(21 169)** | **387** | **71 624** | **(17 640)** | **89 264** | **-506%** | **(21 169)** |

## Explanatory notes to Table C2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

**Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M10 April 2020**

| Vote Description | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | % | |
| Revenue by Vote | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | – | – | – | – | – | – | | – |
| Vote 2 - FINANCIAL SERVICES | 333 857 | 339 202 | 12 296 | 316 110 | 282 669 | 33 441 | 11,8% | 339 202 |
| Vote 3 - CORPORATE SERVICES | 27 | 293 | – | 411 | 244 | 166 | 68,0% | 293 |
| Vote 4 - PLANNING, DEVELOPMENT & TOURISM | 4 052 | 4 052 | 29 | 5 814 | 3 377 | 2 438 | 72,2% | 4 052 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | 468 908 | 471 031 | 33 398 | 353 538 | 392 526 | (38 988) | -9,9% | 471 031 |
| Vote 6 - COMMUNITY SERVICES | 20 256 | 23 086 | 1 111 | 20 079 | 19 239 | 840 | 4,4% | 23 086 |
| Vote 7 - COMMUNITY SERVICES (CONTINUED) | 67 656 | 66 951 | 4 286 | 51 974 | 55 793 | (3 819) | -6,8% | 66 951 |
| **Total Revenue by Vote** | **894 756** | **904 617** | **51 120** | **747 926** | **753 847** | **(5 921)** | **-0,8%** | **904 617** |
| | | | | | | | | |
| Expenditure by Vote | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | 43 826 | 45 728 | 2 350 | 33 780 | 38 107 | (4 327) | -11,4% | 45 728 |
| Vote 2 - FINANCIAL SERVICES | 93 059 | 88 840 | 99 | 47 337 | 74 034 | (26 696) | -36,1% | 88 840 |
| Vote 3 - CORPORATE SERVICES | 51 140 | 55 943 | 2 371 | 33 582 | 46 619 | (13 037) | -28,0% | 55 943 |
| Vote 4 - PLANNING, DEVELOPMENT & TOURISM | 22 412 | 22 400 | 1 396 | 16 345 | 18 667 | (2 322) | -12,4% | 22 400 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | 515 897 | 531 590 | 34 447 | 404 276 | 442 992 | (38 715) | -8,7% | 531 590 |
| Vote 6 - COMMUNITY SERVICES | 54 604 | 54 994 | 3 367 | 43 612 | 45 829 | (2 217) | -4,8% | 54 994 |
| Vote 7 - COMMUNITY SERVICES (CONTINUED) | 116 198 | 126 290 | 6 703 | 97 370 | 105 241 | (7 872) | -7,5% | 126 290 |
| **Total Expenditure by Vote** | **897 137** | **925 785** | **50 733** | **676 302** | **771 488** | **(95 186)** | **-12,3%** | **925 785** |
| **Surplus/ (Deficit) for the year** | **(2 381)** | **(21 169)** | **387** | **71 624** | **(17 640)** | **89 264** | **-506,0%** | **(21 169)** |

**Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)**

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure is thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

## Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M10 April 2020

| Description<br>R thousands | Ref | 2018/19<br>Audited Outcome | Budget Year 2019/20<br>Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance<br>% | Full Year Forecast |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue By Source** | | | | | | | | | | |
| Property rates | | | 196 717 | 197 221 | 11 471 | 174 662 | 164 351 | 10 311 | 6% | 197 221 |
| Service charges - electricity revenue | | | 277 068 | 274 470 | 19 771 | 204 633 | 228 725 | (24 092) | -11% | 274 470 |
| Service charges - water revenue | | | 76 105 | 75 713 | 6 192 | 57 983 | 63 094 | (5 111) | -8% | 75 713 |
| Service charges - sanitation revenue | | | 46 346 | 50 051 | 4 174 | 43 656 | 41 709 | 1 947 | 5% | 50 051 |
| Service charges - refuse revenue | | | 53 732 | 52 072 | 4 184 | 43 791 | 43 393 | 397 | 1% | 52 072 |
| Rental of facilities and equipment | | | 4 037 | 4 037 | 1 900 | 2 436 | 3 364 | (928) | -28% | 4 037 |
| Interest earned - external investments | | | 10 375 | 15 375 | 751 | 11 827 | 12 812 | (985) | -8% | 15 375 |
| Interest earned - outstanding debtors | | | 8 439 | 10 892 | (31) | 8 584 | 9 077 | (493) | -5% | 10 892 |
| Dividends received | | | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | | 6 397 | 6 397 | 17 | 1 822 | 5 331 | (3 509) | -66% | 6 397 |
| Licences and permits | | | 16 568 | 19 822 | 96 | 17 476 | 16 518 | 958 | 6% | 19 822 |
| Agency services | | | – | – | – | – | – | – | | – |
| Transfers and subsidies | | | 133 112 | 133 414 | (2 094) | 130 447 | 111 178 | 19 269 | 17% | 133 414 |
| Other revenue | | | 7 797 | 7 088 | (1 788) | 8 715 | 5 907 | 2 808 | 48% | 7 088 |
| Gains on disposal of PPE | | | | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and contributions)** | | – | **836 693** | **846 553** | **44 645** | **706 031** | **705 461** | **570** | **0%** | **846 553** |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | | 290 942 | 305 177 | 21 291 | 248 683 | 254 314 | (5 631) | -2% | 305 177 |
| Remuneration of councillors | | | 13 063 | 13 063 | 1 049 | 10 419 | 10 886 | (467) | -4% | 13 063 |
| Debt impairment | | | 26 336 | 26 420 | – | – | 22 016 | (22 016) | -100% | 26 420 |
| Depreciation & asset impairment | | | 85 101 | 85 101 | 6 127 | 61 272 | 70 917 | (9 645) | -14% | 85 101 |
| Finance charges | | | 2 201 | 2 201 | 158 | 1 926 | 1 834 | 92 | 5% | 2 201 |
| Bulk purchases | | | 271 623 | 271 623 | 18 034 | 219 040 | 226 353 | (7 312) | -3% | 271 623 |
| Other materials | | | 29 621 | 32 706 | 1 419 | 23 155 | 27 255 | (4 099) | -15% | 32 706 |
| Contracted services | | | 80 814 | 83 216 | (2 986) | 39 917 | 69 347 | (29 430) | -42% | 83 216 |
| Transfers and subsidies | | | | 250 | – | 250 | 208 | 42 | 20% | 250 |
| Other expenditure | | | 97 436 | 106 029 | 5 642 | 71 639 | 88 358 | (16 719) | -19% | 106 029 |
| Loss on disposal of PPE | | | | – | – | – | – | – | | – |
| **Total Expenditure** | | – | **897 137** | **925 785** | **50 733** | **676 302** | **771 488** | **(95 186)** | **-12%** | **925 785** |
| **Surplus/(Deficit)** | | – | **(60 444)** | **(79 232)** | **(6 089)** | **29 730** | **(66 027)** | **95 756** | **(0)** | **(79 232)** |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | 58 063 | 58 063 | 6 476 | 41 894 | 48 386 | (6 492) | **(0)** | 58 063 |
| (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) | | | | – | – | – | – | – | | – |
| Transfers and subsidies - capital (in-kind - all) | | | | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | – | **(2 381)** | **(21 169)** | **387** | **71 624** | **(17 640)** | | | **(21 169)** |
| Taxation | | | | | – | | – | – | | |
| **Surplus/(Deficit) after taxation** | | – | **(2 381)** | **(21 169)** | **387** | **71 624** | **(17 640)** | | | **(21 169)** |
| Attributable to minorities | | | | | – | | – | | | |
| **Surplus/(Deficit) attributable to municipality** | | – | **(2 381)** | **(21 169)** | **387** | **71 624** | **(17 640)** | | | **(21 169)** |
| Share of surplus/ (deficit) of associate | | | | | – | | – | | | |
| **Surplus/ (Deficit) for the year** | | – | **(2 381)** | **(21 169)** | **387** | **71 624** | **(17 640)** | | | **(21 169)** |

## Explanatory notes to Table C4 – Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections and the original budget, so as to assess performance

## Table C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding) – M10 April 2020

| Vote Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | 1 | | | | | | | | % | |
| **Multi-Year expenditure appropriation** | 2 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | – | – | – | – | – | – | – | | – |
| Vote 2 - FINANCIAL SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 3 - CORPORATE SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 4 - PLANNING, DEVELOPMENT & TOURISM | | – | – | – | – | – | – | – | | – |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | – | – | – | – | – | – | – | | – |
| Vote 6 - COMMUNITY SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 7 - COMMUNITY SERVICES (CONTINUED) | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| **Total Capital Multi-year expenditure** | 4,7 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **Single Year expenditure appropriation** | 2 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | – | 1 200 | 2 229 | 2 | 527 | 1 857 | (1 330) | -72% | 2 229 |
| Vote 2 - FINANCIAL SERVICES | | – | 2 600 | 7 291 | 3 355 | 4 446 | 6 075 | (1 630) | -27% | 7 291 |
| Vote 3 - CORPORATE SERVICES | | – | 3 069 | 2 778 | 6 | 416 | 2 315 | (1 899) | -82% | 2 778 |
| Vote 4 - PLANNING, DEVELOPMENT & TOURISM | | – | 4 581 | 2 222 | – | 1 719 | 1 852 | (133) | -7% | 2 222 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | – | 58 218 | 159 054 | 9 066 | 74 429 | 132 545 | (58 116) | -44% | 159 054 |
| Vote 6 - COMMUNITY SERVICES | | – | 5 915 | 8 264 | 331 | 2 162 | 6 886 | (4 724) | -69% | 8 264 |
| Vote 7 - COMMUNITY SERVICES (CONTINUED) | | – | 17 528 | 12 838 | (391) | 5 636 | 10 698 | (5 062) | -47% | 12 838 |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| **Total Capital single-year expenditure** | 4 | – | 93 110 | 194 675 | 12 367 | 89 335 | 162 229 | **(72 894)** | **-45%** | 194 675 |
| **Total Capital Expenditure** | | **–** | **93 110** | **194 675** | **12 367** | **89 335** | **162 229** | **(72 894)** | **-45%** | **194 675** |
| **Capital Expenditure - Functional Classification** | | | | | | | | | | |
| ***Governance and administration*** | | **–** | **8 169** | **14 731** | **3 357** | **7 339** | **11 048** | (3 709) | -34% | **14 731** |
| Executive and council | | | 1 065 | 2 243 | (4) | 528 | 1 682 | (1 154) | -69% | 2 243 |
| Finance and administration | | | 6 969 | 12 472 | 3 361 | 6 808 | 9 354 | (2 547) | -27% | 12 472 |
| Internal audit | | | 135 | 16 | – | 4 | 12 | (8) | -67% | 16 |
| ***Community and public safety*** | | **–** | **20 215** | **24 208** | **331** | **5 795** | **18 156** | (12 361) | -68% | **24 208** |
| Community and social services | | | 950 | 876 | – | 745 | 657 | 88 | 13% | 876 |
| Sport and recreation | | | 13 600 | 15 738 | 331 | 2 766 | 11 804 | (9 038) | -77% | 15 738 |
| Public safety | | | 3 965 | 6 031 | – | 726 | 4 524 | (3 798) | -84% | 6 031 |
| Housing | | | 1 700 | 1 562 | – | 1 559 | 1 172 | 387 | 33% | 1 562 |
| Health | | | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **–** | **5 325** | **5 425** | **–** | **576** | **4 068** | (3 493) | -86% | **5 425** |
| Planning and development | | | 3 331 | 2 431 | – | 334 | 1 823 | (1 489) | -82% | 2 431 |
| Road transport | | | 1 994 | 2 994 | – | 241 | 2 245 | (2 004) | -89% | 2 994 |
| Environmental protection | | | – | – | – | – | – | – | | – |
| ***Trading services*** | | **–** | **59 402** | **150 312** | **8 680** | **75 625** | **112 734** | (37 109) | -33% | **150 312** |
| Energy sources | | | 19 432 | 19 415 | 800 | 6 351 | 14 561 | (8 210) | -56% | 19 415 |
| Water management | | | 11 446 | 98 424 | 7 880 | 45 674 | 73 818 | (28 144) | -38% | 98 424 |
| Waste water management | | | 26 524 | 25 473 | – | 21 600 | 19 105 | 2 496 | 13% | 25 473 |
| Waste management | | | 2 000 | 7 000 | – | 2 000 | 5 250 | (3 250) | -62% | 7 000 |
| ***Other*** | | | – | – | – | – | – | – | | – |
| **Total Capital Expenditure - Functional Classification** | 3 | **–** | **93 110** | **194 675** | **12 367** | **89 335** | **146 006** | **(56 671)** | **-39%** | **194 675** |
| **Funded by:** | | | | | | | | | | |
| National Government | | | 49 052 | 135 094 | 8 680 | 63 175 | 101 321 | (49 403) | -44% | 135 094 |
| Provincial Government | | | – | – | – | – | – | – | | – |
| District Municipality | | | 2 065 | 5 165 | – | – | 3 874 | (4 304) | -100% | 5 165 |
| Other transfers and grants | | | – | – | – | – | – | – | | – |
| **Transfers recognised - capital** | | **–** | **51 117** | **140 259** | **8 680** | **63 175** | **116 883** | **(53 707)** | **-46%** | **140 259** |
| **Borrowing** | 6 | | | – | – | – | – | – | | – |
| **Internally generated funds** | | | 41 994 | 54 415 | 3 687 | 26 159 | 40 811 | (19 187) | -42% | 54 415 |
| **Total Capital Funding** | | **–** | **93 110** | **194 675** | **12 367** | **89 335** | **162 229** | **(72 894)** | **-45%** | **194 675** |

### Explanatory notes to Table C5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments

### Table C6 Monthly Budget Statement – Financial Position – M10 April 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | |
|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| **ASSETS** | | | | | | |
| **Current assets** | | | | | | |
| Cash | | | 6 632 | 5 051 | 19 754 | 5 051 |
| Call investment deposits | | | 59 686 | 69 457 | 171 349 | 69 457 |
| Consumer debtors | | | 67 067 | 60 578 | 54 595 | 60 578 |
| Other debtors | | | 33 150 | 33 885 | 26 430 | 33 885 |
| Current portion of long-term receivables | | | 3 | 3 | 3 | 3 |
| Inventory | | | 6 666 | 9 249 | 9 249 | 9 249 |
| **Total current assets** | | – | 173 204 | 178 224 | 281 381 | 178 224 |
| **Non current assets** | | | | | | |
| Long-term receivables | | | 16 | 13 | 13 | 13 |
| Investments | | | | | – | |
| Investment property | | | 354 389 | 242 552 | 242 552 | 242 552 |
| Investments in Associate | | | | | – | |
| Property, plant and equipment | | | 1 961 428 | 2 126 227 | 2 018 797 | 2 126 227 |
| Biological | | | | | – | |
| Intangible | | | 1 802 | 2 428 | 244 | 2 428 |
| Other non-current assets | | | | | – | |
| **Total non current assets** | | – | 2 317 635 | 2 371 220 | 2 261 606 | 2 371 220 |
| **TOTAL ASSETS** | | – | 2 490 839 | 2 549 443 | 2 542 987 | 2 549 443 |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| Bank overdraft | | | | | – | |
| Borrowing | | | 7 999 | 9 067 | 9 067 | 9 067 |
| Consumer deposits | | | 15 241 | 17 378 | 17 378 | 17 378 |
| Trade and other payables | | | 127 481 | 132 411 | 106 812 | 132 411 |
| Provisions | | | 24 505 | 29 649 | 29 649 | 29 649 |
| **Total current liabilities** | | – | 175 225 | 188 504 | 162 906 | 188 504 |
| **Non current liabilities** | | | | | | |
| Borrowing | | | 15 602 | 18 556 | 111 162 | 18 556 |
| Provisions | | | 169 378 | 163 445 | 68 637 | 163 445 |
| **Total non current liabilities** | | – | 184 979 | 182 000 | 179 799 | 182 000 |
| **TOTAL LIABILITIES** | | – | 360 204 | 370 505 | 342 705 | 370 505 |
| **NET ASSETS** | 2 | – | 2 130 635 | 2 178 939 | 2 200 281 | 2 178 939 |
| **COMMUNITY WEALTH/EQUITY** | | | | | | |
| Accumulated Surplus/(Deficit) | | | 2 130 635 | 2 178 939 | 2 200 281 | 2 178 939 |
| Reserves | | | | | | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | – | 2 130 635 | 2 178 939 | 2 200 281 | 2 178 939 |

**Explanatory notes to Table C6 – Budgeted Financial Position**

- **i.** The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

- **ii.** Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position.
  For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end.
  Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

## Table C7 Monthly Budget Statement – Cash Flow – M10 April 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Property rates | | | 188 848 | 189 400 | 9 202 | 168 514 | 157 834 | 10 681 | 7% | 189 400 |
| Service charges | | | 435 121 | 434 214 | 25 861 | 340 131 | 361 845 | (21 715) | -6% | 434 214 |
| Other revenue | | | 34 799 | 37 344 | 3 891 | 71 716 | 31 120 | 40 597 | 130% | 37 344 |
| Government - operating | | | 133 112 | 133 112 | – | 133 165 | 110 926 | 22 238 | 20% | 133 112 |
| Government - capital | | | 58 063 | 58 063 | – | 54 842 | 48 386 | 6 456 | 13% | 58 063 |
| Interest | | | 18 476 | 25 832 | 1 645 | 22 946 | 21 526 | 1 420 | 7% | 25 832 |
| Dividends | | | – | | | – | – | – | | |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | | (783 499) | (811 506) | (37 599) | (700 912) | (676 255) | 24 657 | -4% | (811 506) |
| Finance charges | | | (2 201) | (2 201) | (158) | (1 914) | (1 834) | 80 | -4% | (2 201) |
| Transfers and Grants | | | – | (250) | – | (250) | (208) | 42 | -20% | (250) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | – | 82 720 | 64 009 | 2 842 | 88 238 | 53 340 | (34 898) | -65% | 64 009 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | | – | | – | – | – | – | | – |
| Decrease (Increase) in non-current debtors | | | – | | – | – | – | – | | – |
| Decrease (increase) other non-current receivables | | | – | | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | | – | | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Capital assets | | | (93 110) | (194 715) | (14 223) | (104 735) | (162 262) | (57 527) | 35% | (194 715) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | – | (93 110) | (194 715) | (14 223) | (104 735) | (162 262) | (57 527) | 35% | (194 715) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | | – | | – | – | – | – | | – |
| Borrowing long term/refinancing | | | – | | – | – | – | – | | – |
| Increase (decrease) in consumer deposits | | | – | | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | | (7 999) | (9 067) | (692) | (6 628) | (7 555) | (928) | 12% | (9 067) |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | – | (7 999) | (9 067) | (692) | (6 628) | (7 555) | (928) | 12% | (9 067) |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | – | (18 389) | (139 773) | (12 073) | (23 124) | (116 477) | | | (139 773) |
| Cash/cash equivalents at beginning: | | | 84 707 | 214 228 | | 214 228 | 214 228 | | | 214 228 |
| Cash/cash equivalents at month/year end: | | – | 66 318 | 74 455 | | 191 103 | 97 751 | | | 74 455 |

### Explanatory notes to Table C7 – Budgeted Cash Flow Statement

- **i.** The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
- **ii.** It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

**Annexure "A5"**

## ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

### 1. Overview of outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 30 June 2019, compared to the position as at 30 April 2020.

### Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2019

| Description | Budget Year 2018/19 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
| **Debtors Age Analysis By Income Source** | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 8 079 | 1 885 | 1 407 | 1 463 | 1 386 | 1 158 | 7 243 | 22 495 | 45 116 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 15 574 | 1 126 | 646 | 474 | 465 | 291 | 1 941 | 5 553 | 26 069 |
| Receivables from Non-exchange Transactions - Property Rates | 7 749 | 672 | 489 | 399 | 332 | 292 | 6 910 | 16 661 | 33 504 |
| Receivables from Exchange Transactions - Waste Water Management | 4 548 | 915 | 665 | 654 | 604 | 538 | 3 205 | 9 498 | 20 626 |
| Receivables from Exchange Transactions - Waste Management | 4 044 | 968 | 864 | 820 | 789 | 768 | 4 178 | 13 431 | 25 861 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – | – | – | – | – | – | – |
| Interest on Arrear Debtor Accounts | 62 | 121 | 96 | 125 | 143 | 150 | 1 692 | 19 388 | 21 776 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – | – | – | – | – | – | – |
| Other | (11 847) | 487 | 418 | 318 | 405 | 308 | 2 686 | 8 364 | 1 139 |
| **Total By Income Source** | **28 208** | **6 174** | **4 585** | **4 254** | **4 123** | **3 503** | **27 855** | **95 390** | **174 092** |
| **2017/18 - totals only** | | | | | | | | | – |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | |
| Organs of State | 857 | 397 | 360 | 202 | 240 | 84 | 1 885 | 1 921 | 5 945 |
| Commercial | 5 199 | 340 | 176 | 125 | 140 | 81 | 588 | 2 630 | 9 278 |
| Households | 22 153 | 5 437 | 4 049 | 3 927 | 3 743 | 3 338 | 25 383 | 90 839 | 158 869 |
| Other | – | – | – | – | – | – | – | – | – |
| **Total By Customer Group** | **28 208** | **6 174** | **4 585** | **4 254** | **4 123** | **3 503** | **27 855** | **95 390** | **174 092** |

## Debtors' Age Analysis (Inclusive of VAT) as at 30 April 2020

| Description | Budget Year 2019/20 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
| **Debtors Age Analysis By Income Source** | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 9 933 | 2 562 | 1 958 | 1 697 | 1 521 | 1 632 | 7 787 | 24 636 | 51 728 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 20 007 | 2 189 | 1 095 | 706 | 534 | 419 | 2 564 | 6 731 | 34 244 |
| Receivables from Non-exchange Transactions - Property Rates | 11 549 | 1 603 | 789 | 592 | 446 | 421 | 7 557 | 19 211 | 42 169 |
| Receivables from Exchange Transactions - Waste Water Management | 5 889 | 1 160 | 898 | 771 | 709 | 658 | 3 619 | 10 375 | 24 079 |
| Receivables from Exchange Transactions - Waste Management | 4 716 | 1 141 | 984 | 907 | 867 | 828 | 4 378 | 14 332 | 28 152 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – | – | – | – | – | – | – |
| Interest on Arrear Debtor Accounts | – | 55 | 80 | 102 | 122 | 153 | 1 709 | 16 556 | 18 778 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – | – | – | – | – | – | – |
| Other | (14 073) | 428 | 313 | 335 | 267 | 302 | 2 270 | 9 160 | (998) |
| **Total By Income Source** | **38 022** | **9 138** | **6 118** | **5 110** | **4 466** | **4 413** | **29 885** | **101 001** | **198 153** |
| **2018/19 - totals only** | | | | | | | | | – |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | |
| Organs of State | 1 307 | 544 | 493 | 343 | 219 | 155 | 862 | 2 504 | 6 428 |
| Commercial | 7 134 | 711 | 279 | 154 | 144 | 103 | 642 | 3 139 | 12 306 |
| Households | 29 581 | 7 882 | 5 345 | 4 612 | 4 103 | 4 156 | 28 381 | 95 358 | 179 419 |
| Other | – | – | – | – | – | – | – | – | – |
| **Total By Customer Group** | **38 022** | **9 138** | **6 118** | **5 110** | **4 466** | **4 413** | **29 885** | **101 001** | **198 153** |

The aforementioned analysis indicates that from 30 June 2019 to 30 April 2020, the overdue debts have increased from R 145,884 million to R 160,131 million, as follows:

| R thousands | OVERDUE AMOUNTS AS AT | | |
|---|---|---|---|
| **Debtors Age Analysis By Income Source** | **30-Jun-19** | **30-Apr-20** | **Difference** |
| Trade and Other Receivables from Exchange Transactions - Water | 37 037 | 41 795 | 4 758 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 10 495 | 14 237 | 3 742 |
| Receivables from Non-exchange Transactions - Property Rates | 25 755 | 30 619 | 4 864 |
| Receivables from Exchange Transactions - Waste Water Management | 16 078 | 18 190 | 2 112 |
| Receivables from Exchange Transactions - Waste Management | 21 817 | 23 436 | 1 619 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – |
| Interest on Arrear Debtor Accounts | 21 714 | 18 778 | (2 936) |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – |
| Other | 12 987 | 13 074 | 88 |
| **Total By Income Source** | **145 884** | **160 131** | **14 248** |
| | – | – | |
| **Debtors Age Analysis By Customer Group** | – | – | |
| Organs of State | 5 088 | 5 121 | 33 |
| Commercial | 4 080 | 5 172 | 1 092 |
| Households | 136 716 | 149 838 | 13 122 |
| Other | – | – | |
| **Total By Customer Group** | **145 884** | **160 131** | **14 248** |

## 2. Overview of Creditors position

Below is an analysis of the status of the major creditors

| Description | Budget Year 2019/20 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | Total |
| **Creditors Age Analysis By Customer Type** | | | | | | | | | |
| Bulk Electricity | 18 061 | – | – | – | – | – | – | – | **18 061** |
| Bulk Water | 280 | 0 | 1 | 1 | – | 2 | 10 | (170) | **123** |
| PAYE deductions | 3 005 | | | | | | | | **3 005** |
| VAT (output less input) | | | | | | | | | **–** |
| Pensions / Retirement deductions | | | | | | | | | **–** |
| Loan repayments | | | | | | | | | **–** |
| Trade Creditors | 4 035 | 574 | 85 | 239 | 3 | 495 | 149 | – | **5 581** |
| Auditor General | | | | | | | | | **–** |
| Other | | | | | | | | | **–** |
| **Total By Customer Type** | **25 381** | **574** | **85** | **240** | **3** | **497** | **158** | **(170)** | **26 770** |

The above amounts represent invoices still to be paid. The major creditors as at 30 April 2020 are as follows:

| | |
|---|---|
| Eskom | R 18,061 million |
| NMBM | R 0,123 million |
| SARS (PAYE) | R 3,005 million |
| Other Creditors | R 5,581 million |
| **TOTAL** | **R 26,770 million** |

It is to be noted that the Eskom amount of R 18,061 million, represents the current account for April 2020, which will be fully paid on 20 May 2020.

The PAYE deductions represent employee related costs for the month of April 2020, with the amounts in question being paid on 4 May 2020 to SARS.

### 3. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 30 April 2020.

| | Balance as at 30 June 2019 | Invested | Interest | Withdrawals | Adjustments | Balance as at 30 April 2020 |
|---|---|---|---|---|---|---|
| **Standard Bank** | 19 896 645 | - | 1 019 833 | - | | 20 916 478 |
| **ABSA** | 27 519 504 | - | 1 412 725 | - | | 28 932 230 |
| **Nedbank** | 20 827 601 | - | 1 079 595 | - | | 21 907 195 |
| **RMB** | 110 820 349 | 52 207 142 | 4 853 929 | 90 990 887 | | 76 890 533 |
| **INVESTEC** | 21 562 503 | - | 1 140 135 | - | | 22 702 638 |
| | | | | | | - |
| Total | **200 626 602** | **52 207 142** | **9 506 217** | **90 990 887** | **-** | **171 349 074** |
| | | | | | | |
| | **Balance as at 30 June 2019** | **Invested** | **Interest** | **Withdrawals** | **Adjustments** | **Balance as at 30 April 2020** |
| General Account | 90 965 278 | 3 609 073 | 4 857 007 | - | - | 99 431 358 |
| Conditional Grants | 109 654 154 | 48 598 069 | 4 648 850 | 90 990 887 | - | 71 910 187 |
| Housing Funds | 7 170 | - | 360 | - | - | 7 529 |
| | | | | | | - |
| Total | **200 626 602** | **52 207 142** | **9 506 217** | **90 990 887** | **-** | **171 349 074** |
| | | | | | | |
| **Cheque Accounts FNB** | 13 600 946 | 6 153 360 | | | | 19 754 306 |
| | | | | | | |
| **TOTAL Investments & Bank** | **214 227 548** | **58 360 502** | **9 506 217** | **90 990 887** | **-** | **191 103 380** |

The decrease in the investment portfolio since 30 June 2019 amounts to R 23,124,168. The following analysis indicates the extent to which the investments are committed:

**<u>Cash backed Reserves</u>**

| | |
|---|---|
| Bank Balances and Cash | R 19,754,306 |
| Short-term Investment Deposits | R 171,349,074 |
| | **R 191,103,380** |

**<u>Application of Cash</u>**

| | |
|---|---|
| Unspent Conditional Grants | 80,042,568 |
| Internally Generated Funds | 29,755,792 |
| Outstanding Creditors Liability | 26,769,920 |
| | **136,568,280** |
| **Reserves in excess of commitments** | **54,535,100** |

The cash backed reserves exceed the commitments at this stage by an amount of R 54,535,100. It should be noted that the excess of reserves over commitments as at 30 April 2020, is mainly due to an amount of R 31,234 million in respect of the Equitable share allocation received on 16 March 2020, but not yet fully spent.

These funds are already committed towards spending in the 2019/20 Operating budget.

## 4. Allocation and Grants receipts and expenditure for the 2019/2020 financial year

## Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M10 April 2020

| Description | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | % | |
| RECEIPTS: | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | |
| **National Government:** | **129 297** | **129 297** | **–** | **129 608** | **107 747** | **20 823** | **19,3%** | **129 297** |
| Operational Revenue:General Revenue:Equitable Share | 124 938 | 124 938 | – | 124 938 | 104 115 | 20 823 | 20,0% | 124 938 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 1 000 | 1 000 | – | 1 000 | 833 | | | 1 000 |
| Local Government Financial Management Grant [Schedule 5B] | 1 770 | 1 770 | – | 1 770 | 1 475 | | | 1 770 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 589 | 1 589 | – | 1 900 | 1 324 | | | 1 589 |
| **Provincial Government:** | **2 050** | **2 050** | **–** | **2 050** | **1 708** | **342** | **20,0%** | **2 050** |
| Sport and Recreation | 2 050 | 2 050 | – | 2 050 | 1 708 | 342 | 20,0% | 2 050 |
| **District Municipality:** | **1 765** | **1 765** | **–** | **1 964** | **1 471** | 494 | 33,6% | **1 765** |
| *Environment Health Subsidy* | **1 765** | **1 765** | **–** | **1 964** | **1 471** | 494 | 33,6% | **1 765** |
| **Other grant providers:** | **–** | **302** | **–** | **710** | **252** | 458 | 181,5% | **302** |
| *Skills Development Grant* | | **–** | **–** | **407** | **–** | 50 | 20,0% | **302** |
| *Greenest Municipality Award* | | **302** | | **302** | **252** | | | **–** |
| **Total Operating Transfers and Grants** | **133 112** | **133 414** | **–** | **134 332** | **111 178** | **22 116** | **19,9%** | **133 414** |
| Capital Transfers and Grants | | | | | | | | |
| **National Government:** | 56 098 | 56 098 | – | 53 298 | 46 749 | 6 550 | **14,0%** | 56 098 |
| Municipal Infrastructure Grant (MIG) | 36 096 | 36 096 | – | 36 096 | 30 080 | 6 016 | 20,0% | 36 096 |
| Integrated National Electrification Programme | 6 002 | 6 002 | – | 3 202 | 5 002 | (1 800) | -36,0% | 6 002 |
| Water Service Infrastructure Grant | 10 000 | 10 000 | – | 10 000 | 8 333 | 1 667 | 20,0% | 10 000 |
| Energy Efficiency and Demand Side Management Grant | 4 000 | 4 000 | – | 4 000 | 3 333 | 667 | 20,0% | 4 000 |
| **Provincial Government:** | **–** | **–** | **–** | **321** | **–** | 321 | #DIV/0! | **–** |
| Human Settlement | | | | 321 | – | 321 | #DIV/0! | – |
| **District Municipality:** | **1 965** | **1 965** | **–** | **714** | **1 638** | (924) | -56,4% | **1 965** |
| Fire Subsidy | 1 965 | 1 965 | – | 714 | 1 638 | (924) | -56,4% | 1 965 |
| **Total Capital Transfers and Grants** | **58 063** | **58 063** | **–** | **54 333** | **48 386** | **5 947** | **12,3%** | **58 063** |
| **TOTAL RECEIPTS OF TRANSFERS & GRANTS** | 191 175 | 191 477 | – | 188 664 | 159 564 | 28 062 | 17,6% | 191 477 |

**Below is an analysis of the spending associated with the grants as at 30 April 2020:**

**Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M10 April 2020**

| Description | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | % | |
| EXPENDITURE | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | |
| **National Government:** | **129 297** | **129 297** | **4 662** | **50 809** | **107 747** | **(56 939)** | **-52,8%** | **129 297** |
| Operational Revenue:General Revenue:Equitable Share | 124 938 | 124 938 | 4 463 | 47 386 | 104 115 | (56 729) | -54,5% | 124 938 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 1 000 | 1 000 | – | 1 000 | 833 | 167 | 20,0% | 1 000 |
| Local Government Financial Management Grant [Schedule 5B] | 1 770 | 1 770 | 51 | 825 | 1 475 | (650) | -44,1% | 1 770 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 589 | 1 589 | 147 | 1 597 | 1 324 | 273 | 20,7% | 1 589 |
| **Provincial Government:** | **2 050** | **2 050** | **–** | **–** | **1 708** | **(1 708)** | **-100,0%** | **2 050** |
| Sport and Recreation | 2 050 | 2 050 | – | – | 1 708 | (1 708) | -100,0% | 2 050 |
| **District Municipality:** | **1 765** | **1 765** | **–** | **–** | **1 471** | (1 471) | -100,0% | **1 765** |
| *Environment Health Subsidy* | 1 765 | 1 765 | – | – | 1 471 | (1 471) | -100,0% | 1 765 |
| **Other grant providers:** | **–** | **302** | **–** | **–** | **252** | (252) | -100,0% | **302** |
| *Greenest Municipality Award* | – | 302 | – | – | 252 | (252) | -100,0% | 302 |
| **Total operating expenditure of Transfers and Grants:** | **133 112** | **133 414** | **4 662** | **50 809** | **111 178** | **(60 370)** | **-54,3%** | **133 414** |
| Capital expenditure of Transfers and Grants | | | | | | | | |
| **National Government:** | 56 098 | 56 098 | 920 | 23 368 | 46 749 | (23 380) | **-50,0%** | 56 098 |
| Municipal Infrastructure Grant (MIG) | 36 096 | 36 096 | – | 17 031 | 30 080 | (13 050) | -43,4% | 36 096 |
| Integrated National Electrification Programme | 6 002 | 6 002 | 920 | 2 439 | 5 002 | (2 562) | -51,2% | 6 002 |
| Water Service Infrastructure Grant | 10 000 | 10 000 | – | 517 | 8 333 | (7 816) | -93,8% | 10 000 |
| Energy Efficiency and Demand Side Management Grant | 4 000 | 4 000 | – | 3 381 | 3 333 | 48 | 1,4% | 4 000 |
| **District Municipality:** | **1 965** | **1 965** | **–** | **–** | **1 638** | (1 638) | -100,0% | **1 965** |
| *Fire Subsidy* | 1 965 | 1 965 | – | – | 1 638 | (1 638) | -100,0% | 1 965 |
| **Other grant providers:** | **–** | **302** | **–** | **–** | **–** | – | | **–** |
| **Total capital expenditure of Transfers and Grants** | **58 063** | **58 366** | **920** | **23 368** | **48 386** | **(25 018)** | **-51,7%** | **58 063** |
| **TOTAL EXPENDITURE OF TRANSFERS AND GRANTS** | **191 175** | **191 477** | **5 582** | **74 177** | **159 564** | **(85 388)** | **-53,5%** | **191 477** |

**Note:** The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations

**<u>Grants received from National Government</u>**

**<u>DORA Operating Grants</u>**

**Financial Management Grant (FMG)**
The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

| | |
|---|---|
| DORA Allocation: | R 1,770,000 |
| Amount of Grant Received: | R 1,770,000 |
| Expenditure to date: | R 825,383 |
| Unspent as at 30 April 2020: | R 944,617 |

The spending of the grant amounted to 46,63% as at 30 April 2020, compared to the amount of the grant received.

**Expanded Public Works Programme (EPWP)**
The purpose of this grant is to provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive methods can be maximised.

| | |
|---|---|
| DORA Allocation: | R 1,000,000 |
| Amount of Grant Received: | R 1,000,000 |
| Expenditure to date: | R 1,000,000 |
| Unspent as at 30 April 2020: | R 0 |

**<u>DORA Capital Grants</u>**

**Municipal Infrastructure Grant (MIG)**
The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

| | |
|---|---|
| DORA Allocation: | R 37,684,750 |
| Amount of Grant Received: | R 37,996,000 |
| Expenditure to date: | R 18,632,829 |
| Unspent as at 30 April 2020: | R 19,363,171 |

The spending of the grant amounted to 49,04% as at 30 April 2020, compared to the amount of the grant received.

**Integrated National Electrification Programme (INEP)**
The purpose of this grant is to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.

| | |
|---|---|
| Revised DORA Allocation: | R 3,202,000 |
| Amount of Grant Received: | R 3,202,000 |
| Expenditure to date: | R 2,439,404 |
| Unspent as at 30 April 2020: | R 762,596 |

The spending of the grant amounted to 76,18% as at 30 April 2020, compared to the amount of the grant received.

**Energy Efficiency and Demand Side Management Grant (EEDSM)**
The purpose of this grant is to implement energy efficiency measures within municipality's own operations.

| | |
|---|---|
| DORA Allocation: | R 4,000,000 |
| Amount of Grant Received: | R 4,000,000 |
| Expenditure to date: | R 3,380,863 |
| Unspent as at 30 April 2020: | R 619,137 |

The spending of the grant amounted to 84,52% as at 30 April 2020, compared to the amount of the grant received.

**Water Services Infrastructure Grant (Kwanomzamo Wastewater Treatment Works)**
The purpose of this grant is to upgrade and refurbish the existing Kwanomzamo Wastewater Treatment Works located in Humansdorp. Decommissioning and dismantling of disused equipment; emptying and cleaning of out structures; site measurements; design.

| | |
|---|---|
| DORA Allocation: | R 10,000,000 |
| Amount of Grant Received: | R 10,000,000 |
| Expenditure to date: | R 517,467 |
| Unspent as at 30 April 2020: | **R 9,482,533** |

The spending of the grant amounted to 5,17% as at 30 April 2020, compared to the amount of the grant received.

**Water Services Infrastructure Grant (Drought Funding)**
The purpose of this grant is to implement the meter and internal leak audit, repairs of leaks and water meters, reticulation pipe replacement and reservoir level control.

| | |
|---|---|
| Unspent Grant as at 30 June 2019 | R 98,017,338 |
| Expenditure to date: | R 56,675,823 |
| Unspent as at 30 April 2020: | **R 41,341,515** |

The spending of the grant amounted to 57.82% as at 30 April 2020, compared to the amount of the grant received.

## 5. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

**Table SC8 Monthly Budget Statement – Councillor and staff benefits – M10 April 2020**

| R thousands | | | | | | | % | |
|---|---|---|---|---|---|---|---|---|
| **Councillors (Political Office Bearers plus Other)** | | | | | | | | |
| Basic Salaries and Wages | 8 800 | 8 800 | 700 | 6 978 | 7 333 | (355) | -5% | 8 800 |
| Medical Aid Contributions | – | – | 8 | 44 | – | 44 | #DIV/0! | – |
| Motor Vehicle Allowance | 2 889 | 2 889 | 233 | 2 328 | 2 408 | (80) | -3% | 2 889 |
| Cellphone Allowance | 1 374 | 1 374 | 107 | 1 069 | 1 145 | (76) | -7% | 1 374 |
| **Sub Total - Councillors** | **13 063** | **13 063** | **1 049** | **10 419** | **10 886** | **(467)** | **-4%** | **13 063** |
| **Senior Managers of the Municipality** | | | | | | | | |
| Basic Salaries and Wages | 4 923 | 7 770 | 608 | 4 601 | 6 475 | (1 874) | -29% | 7 770 |
| Pension and UIF Contributions | | 23 | 9 | 25 | 19 | 6 | 33% | 23 |
| Medical Aid Contributions | | – | 4 | 9 | – | 9 | #DIV/0! | – |
| Performance Bonus | | 169 | – | 413 | 141 | 273 | 194% | 169 |
| Motor Vehicle Allowance | | 804 | 56 | 528 | 670 | (142) | -21% | 804 |
| Cellphone Allowance | | 7 | 1 | 4 | 6 | (2) | -36% | 7 |
| Other benefits and allowances | 3 282 | 51 | 7 | 40 | 43 | (2) | -6% | 51 |
| Payments in lieu of leave | | 1 762 | 0 | 4 | 1 468 | (1 464) | -100% | 1 762 |
| **Sub Total - Senior Managers of Municipality** | **8 204** | **10 586** | **686** | **5 625** | **8 821** | **(3 197)** | **-36%** | **10 586** |
| **Other Municipal Staff** | | | | | | | | |
| Basic Salaries and Wages | 173 244 | 185 096 | 14 758 | 149 286 | 154 247 | (4 961) | -3% | 185 096 |
| Pension and UIF Contributions | 29 339 | 29 339 | 2 499 | 25 202 | 24 449 | 753 | 3% | 29 339 |
| Medical Aid Contributions | 15 119 | 15 119 | 1 381 | 12 986 | 12 600 | 386 | 3% | 15 119 |
| Overtime | 27 259 | 32 833 | 286 | 24 071 | 27 361 | (3 289) | -12% | 32 833 |
| Performance Bonus | 12 972 | – | – | – | – | – | | – |
| Motor Vehicle Allowance | 7 551 | 7 551 | 738 | 7 334 | 6 292 | 1 042 | 17% | 7 551 |
| Cellphone Allowance | 1 | 1 | – | – | 0 | (0) | -100% | 1 |
| Housing Allowances | 992 | 992 | 71 | 687 | 827 | (140) | -17% | 992 |
| Other benefits and allowances | 14 858 | 22 239 | 776 | 21 322 | 18 533 | 2 789 | 15% | 22 239 |
| Payments in lieu of leave | – | 18 | – | 1 039 | 15 | 1 024 | 6776% | 18 |
| Long service awards | 1 403 | 1 403 | 96 | 1 132 | 1 169 | (38) | -3% | 1 403 |
| Post-retirement benefit obligations | – | – | – | – | – | – | | – |
| **Sub Total - Other Municipal Staff** | **282 737** | **294 591** | **20 605** | **243 058** | **245 493** | **(2 435)** | **-1%** | **294 591** |
| **Total Parent Municipality** | **304 004** | **318 240** | **22 340** | **259 102** | **265 200** | **(6 098)** | **-2%** | **318 240** |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | **304 004** | **318 240** | **22 340** | **259 102** | **265 200** | **(6 098)** | **-2%** | **318 240** |
| **TOTAL MANAGERS AND STAFF** | **290 942** | **305 177** | **21 291** | **248 683** | **254 314** | **(5 631)** | **-2%** | **305 177** |

## 6. Key performance indicators

The table below reflects the key performance indicators as per the 2019/20 Budget and the associated performance to date.

| Borrowing Management | | Actuals as at 30 June 2016 | Actuals as at 30 June 2017 | Actuals as at 30 June 2018 | Actuals as at 30 June 2019 | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 |
|---|---|---|---|---|---|---|---|
| Capital Charges to Operating Expenditure | Interest & principal paid/Total Operating Expenditure | 3.67% | 2.51% | 1.78% | 1.29% | 1.22% | 1.26% |
| Borrowed funding of "own" capital expenditure | Borrowings/Capital expenditure excl. transfers & grants | 0% | 0% | 0% | 0% | 0% | 0% |
| Debt Servicing Costs to Operating Revenue | Debt Servicing Costs / Total Operating Revenue - Conditional Grants | 0.04 | 0.03 | 0.02 | 0.01 | 0.01 | 0.01 |
| **Liquidity** | | | | | | | |
| Current Ratio | Current assets / current liabilities | 0.85 | 0.97 | 1.58 | 1.44 | 0.95 | 1.73 |
| Liquidity Ratio | Monetary assets / current liabilities | 0.40 | 0.47 | 0.75 | 0.87 | 0.39 | 1.17 |
| **Revenue Management** | | | | | | | |
| Annual Debtors Collection Rate | Billed Revenue / Receipted Revenue | 97.60% | 95.81% | 90.73% | 97,62% | 96% | 96.14% |

| Other indicators | | Actuals as at 30 June 2016 | Actuals as at 30 June 2017 | Actuals as at 30 June 2018 | Actuals as at 30 June 2019 | Adjusted Budget 2019/20 | Actuals as at 30 April 2020 |
|---|---|---|---|---|---|---|---|
| Cost coverage | (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) | 1.60 | 1.62 | 1.73 | 1.90 | 1.10 | 1.81 |
| Employee Costs | Employee Costs / Total Operating Expenditure | 35.62% | 33.39% | 33.21% | 33.39% | 32.96% | 36.77% |
| Capital Expenditure | Capital Expenditure / Capital Budget | 81.97% | 72.92% | 72.98% | 44.59% | 95% | 45.89% |
| Repairs and Maintenance as % of Total Operating Expenditure | Repairs and Maintenance / Total Operating Expenditure | 4.61% | 4.94% | 3.82% | 5.63% | 6.04% | 4.53% |
| Repairs and Maintenance as % of PPE (Book Value) | Repairs and Maintenance / Net PPE | 1.17% | 1.65% | 1.41% | 2.29% | 2.63% | 1.52% |
| Own Revenue Sources / Total Operating Revenue (Including operating grants) | Own Revenue Sources / Total Operating Revenue (Including Conditional Grants) | 74.74% | 78.69% | 80.22% | 75.36% | 84.24% | 81.52% |

The above table is discussed in detail below.

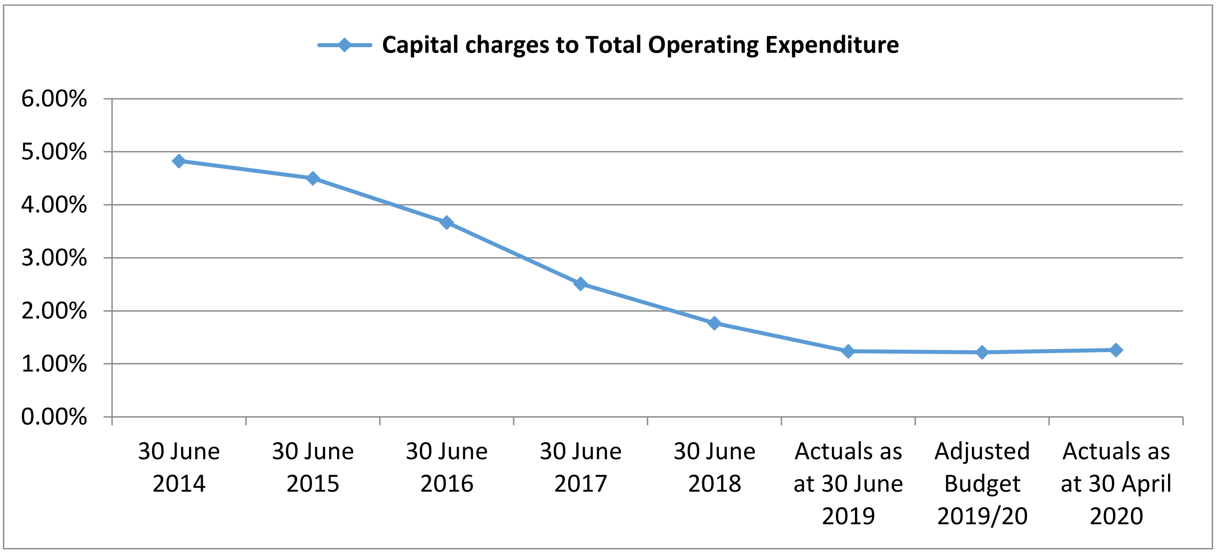
### 5.1. Borrowing Management

#### 5.1.1. Capital charges to Operating Expenditure

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

**Capital charges/Total Operating Expenditure to date**

The ratio indicates that 1.26% of the Total Operating Expenditure was utilised for capital charges as at 30 April 2020, compared to the adjusted budget ratio of 1,22%.




#### 5.1.2. Borrowed funding of capital expenditure

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

**Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)**

The ratio is 0% as no capital expenditure was funded from borrowings, which is in line with the budgeted target as per the 2019/20 Operating Budget as no borrowing is planned for the 2019/20 to 2021/22 financial years.

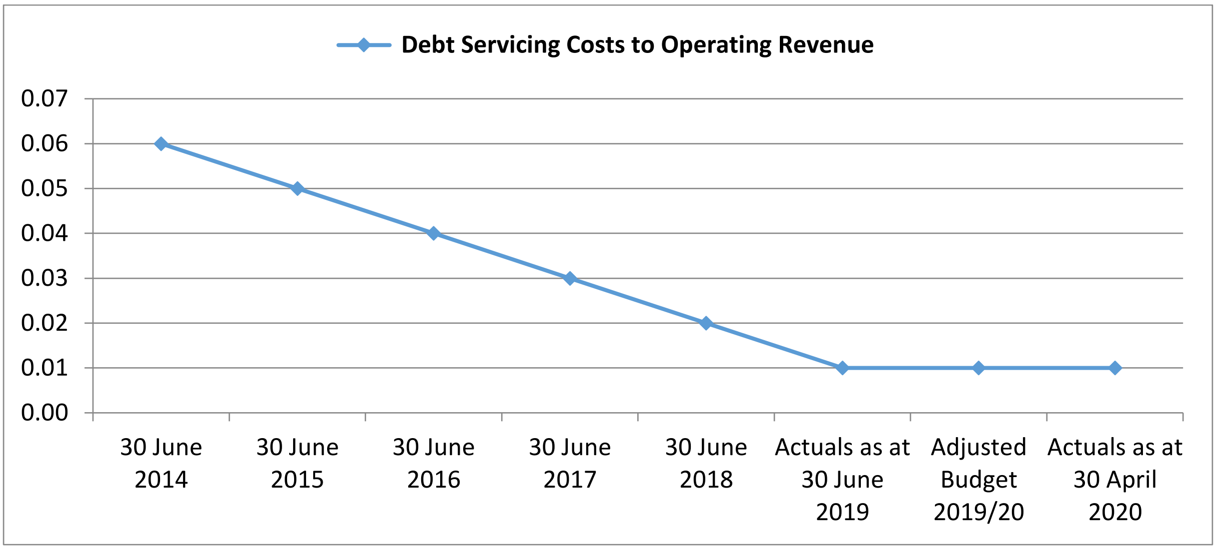
#### 5.1.3. Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

**Debt Servicing Costs/Operating Revenue**

As at 30 April 2020, the ratio was 0.01:1, compared to the adjusted budget ratio of 0.01:1.




### 5.2. Liquidity

### 5.2.1. Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

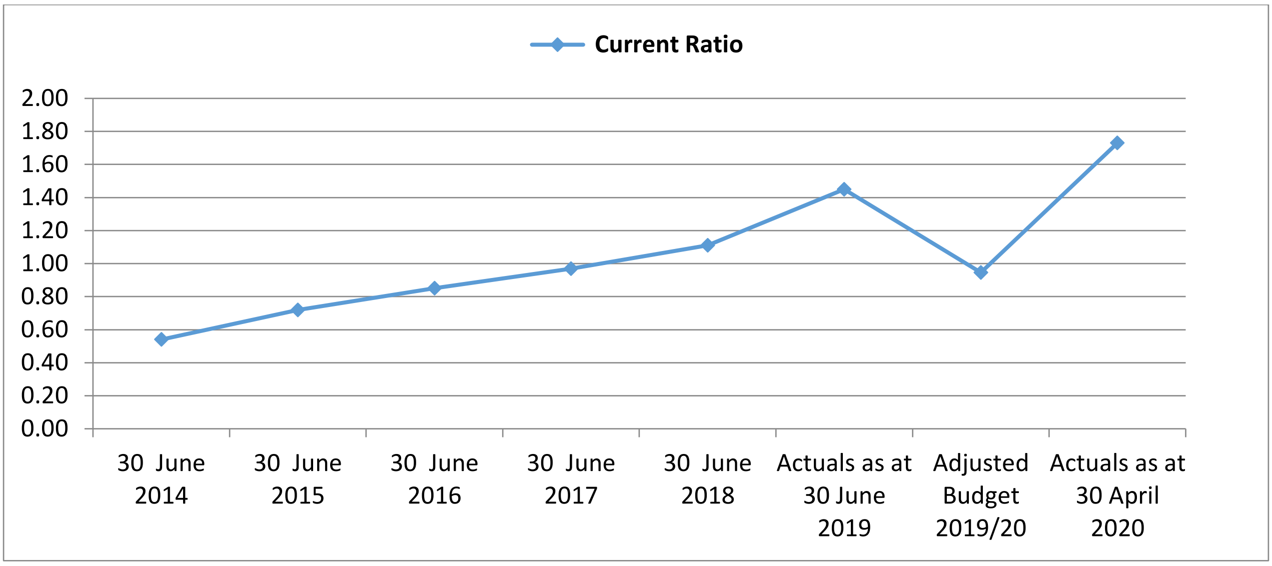
**Current assets/Current liabilities**

The ratio as at 30 April 2020 was 1.73:1, compared to the adjusted budget ratio of 0.95:1.

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.




### 5.2.2. Liquidity Ratio

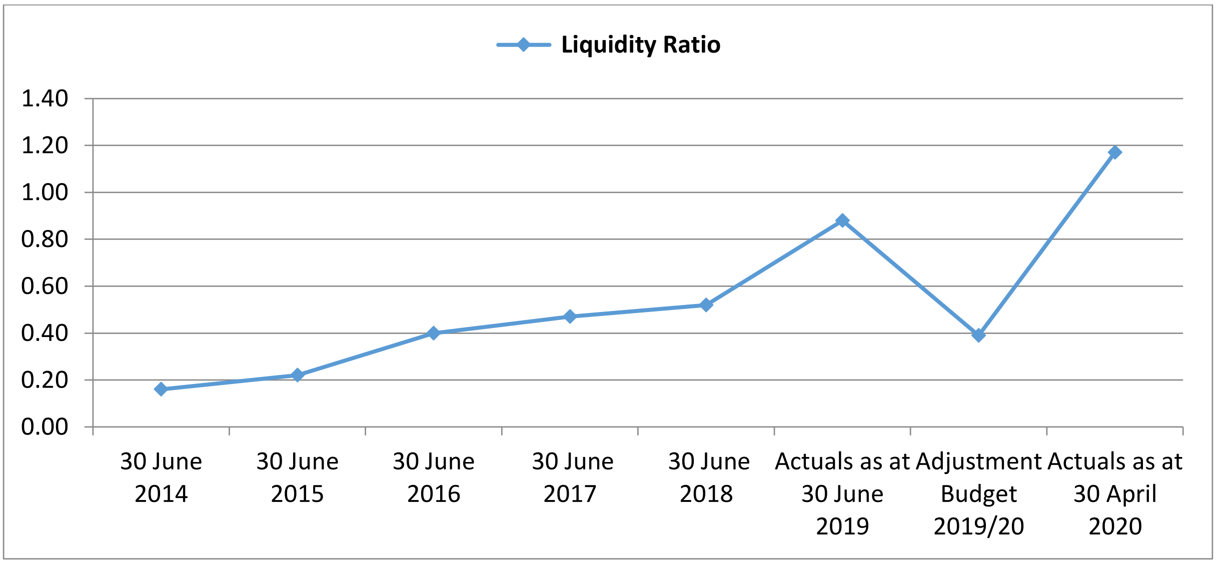
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

**Monetary assets/Current liabilities**

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 April 2020 was 1.17:1, compared to the budgeted ratio of 0.39:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



### 5.3. Revenue Management

#### 5.3.1. Annual Debtors Collection Rate

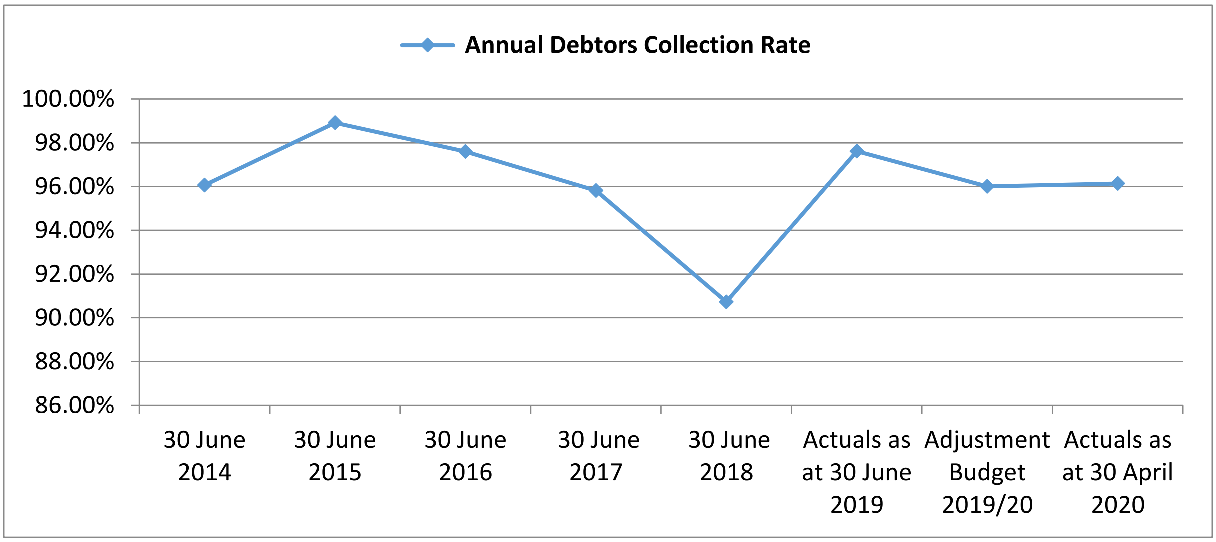
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

**Total Payments Received in Current month/Total Value of Accounts Rendered in the Previous Month X 100**

**Note:** the reason for using the previous month's billing is due to the accounts only being payable the following month (i.e. accountholders are given one calendar month to pay their current accounts).

The average collection rate as at 30 April 2020 was 96.14%, compared to the adjusted budget collection rate of 96%. The actual collection rate for April is 77%. The collection rates have been calculated, based on the revenue receipted, compared to the revenue billed on a month – to - month basis.




### 5.4. Other indicators

#### 5.4.1. Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

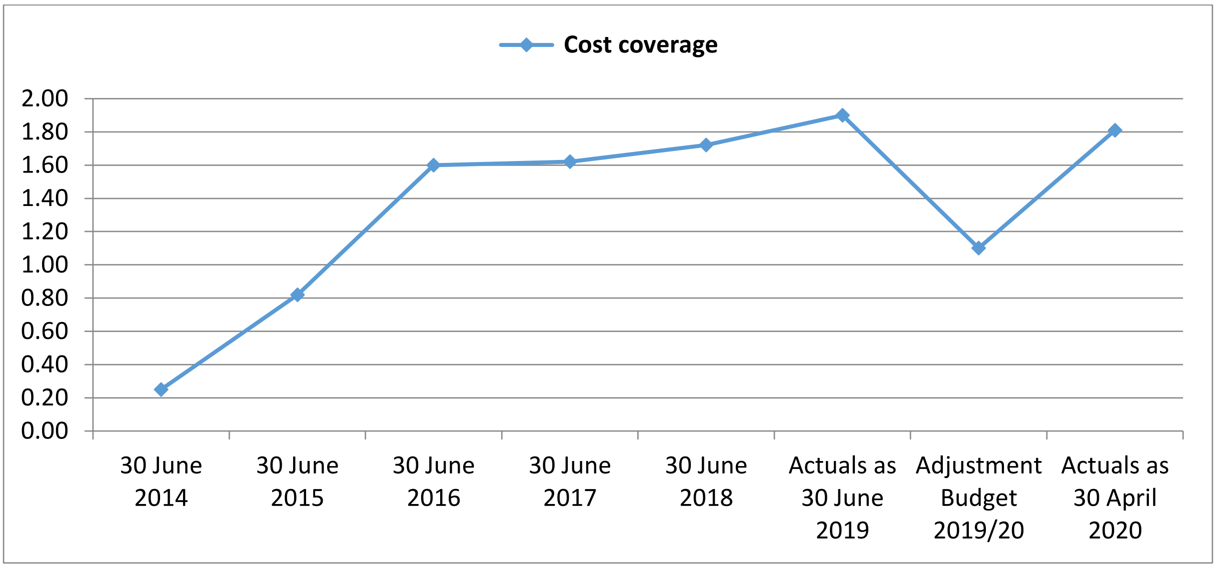
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

**Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)**

As at 30 April 2020, the Ratio was 1.81 months, compared to the adjusted budget ratio of 1.10 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months



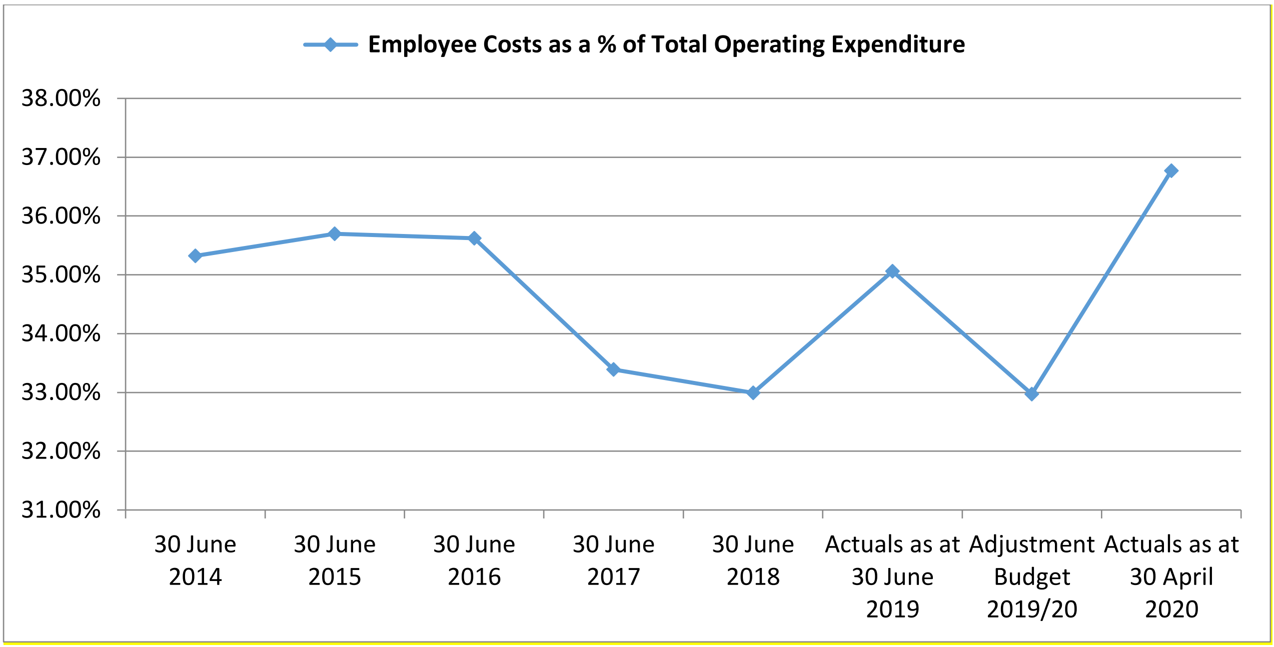

### 5.4.2. Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

**Employee Costs to date/Total Operating Expenditure to Date**

As at 30 April 2020, Employee Related Costs constituted 36,77% of the Total Operating Expenditure, compared to the adjusted budget ratio 32,97%.



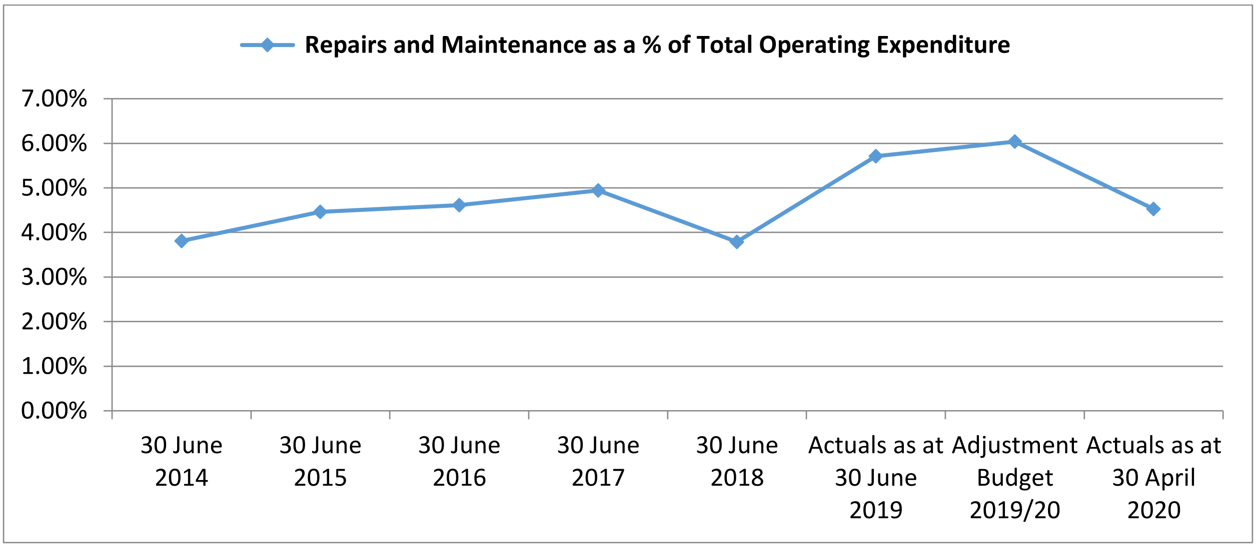

### 5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

**Repairs and maintenance expenditure to date / Total Operating Expenditure to date**

As at 30 April 2020, the ratio was 4.53%, compared to the adjusted budget ratio of 6.04%.



### 5.4.4. Repairs and Maintenance as a % of the book value of Property, Plant and Equipment (PPE)

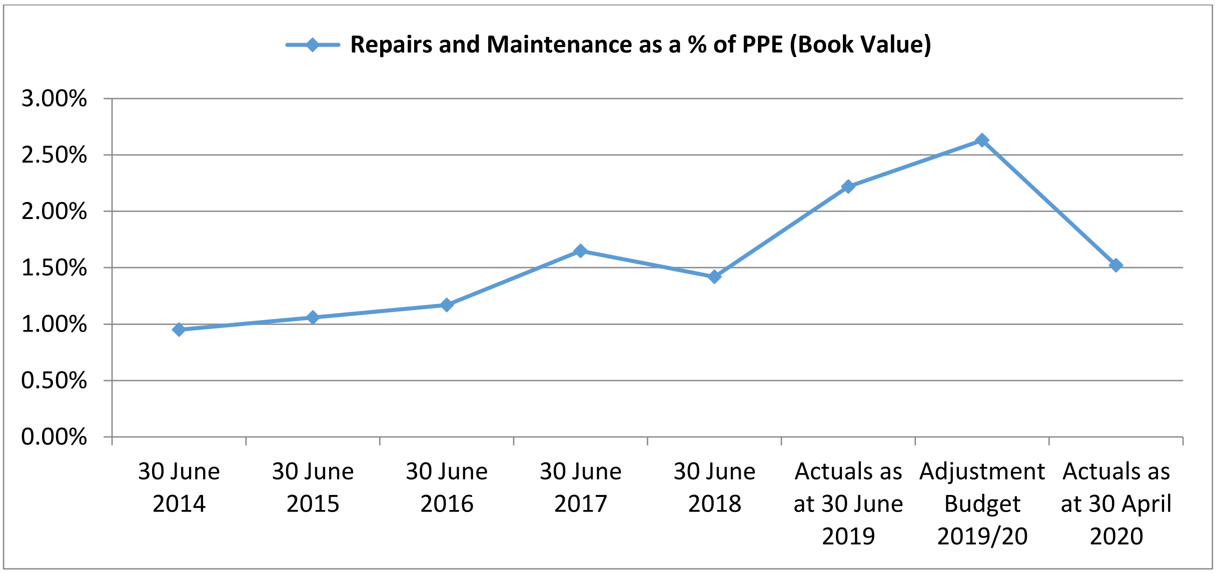
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

**Repairs and maintenance expenditure to date / Book value of PPE to date**

As at 30 April 2020, repairs and maintenance expenditure constituted 1.52% of the book value of PPE, compared to the budgeted ratio of 2.63%.

In terms of the MFMA Circular No.71, the norm is 8%.



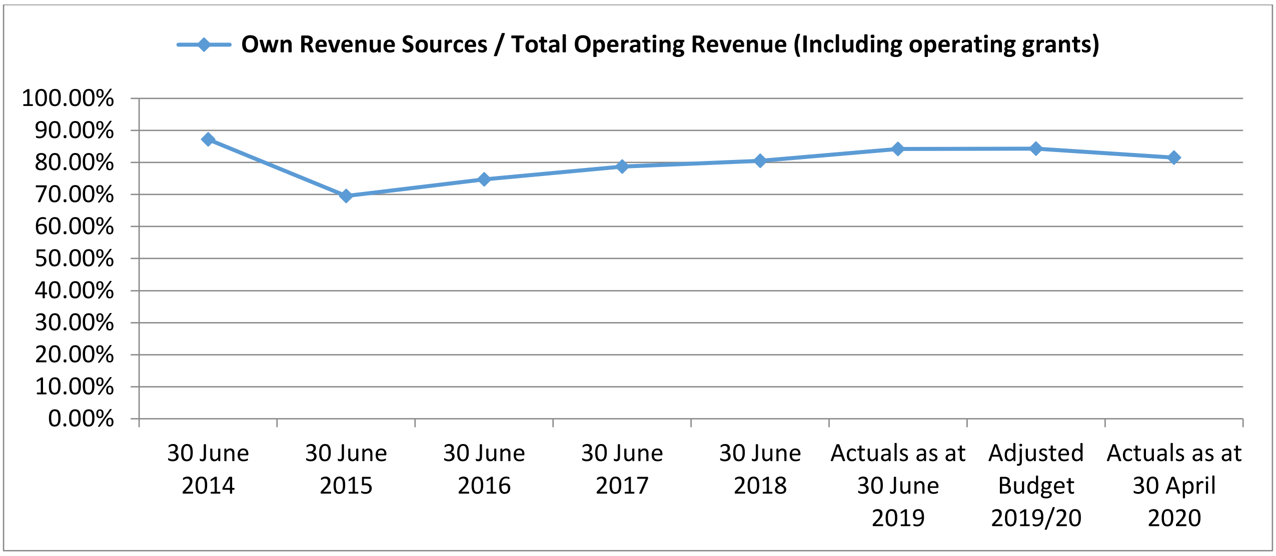

### 5.4.5. Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

**Own Revenue Sources / Total Operating Income (includes operating grants)**

As at 30 April 2020, the Municipality's own revenue sources constituted 81.52% of its total Operating Income, compared to the adjusted budget ratio of 84.27%.



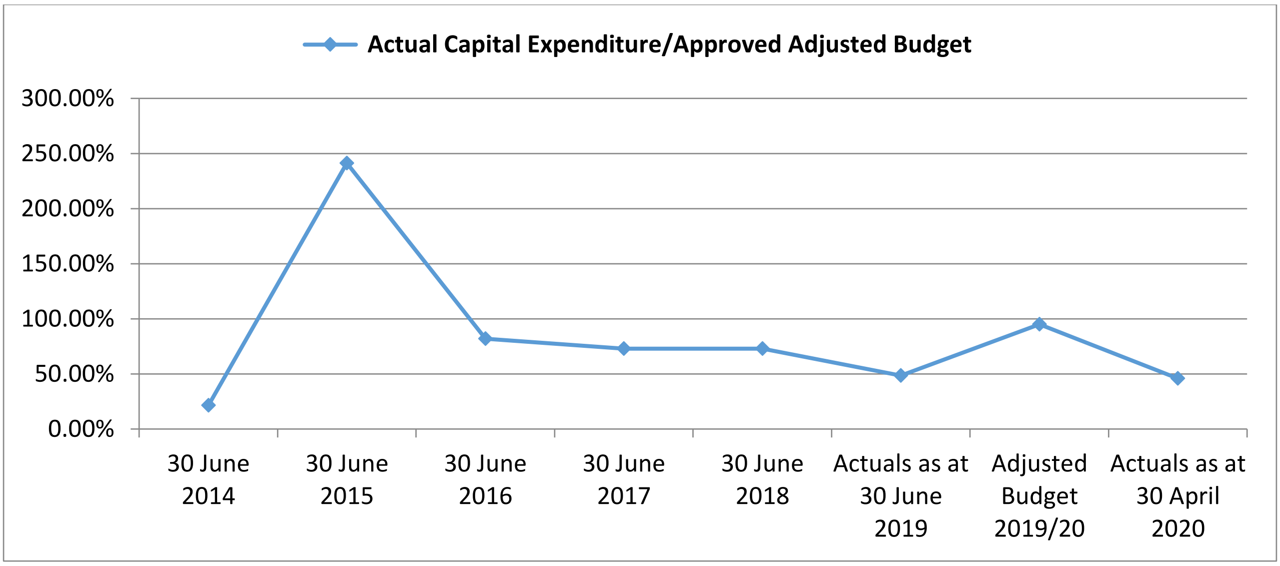

### 5.4.6. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

**Actual Capital spending / Approved Capital Budget**

The actual spending as at the end of April 2020 amounted to 45.89% compared to the adjusted budget ratio of 95%.



**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**FINANCE**

**DATE: 26 JUNE 2020** **ITEM NO: 20/06/F31**

**MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO MAY 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MAY 2020 (2019/20 FINANCIAL YEAR)**

1. Purpose

This report is submitted in compliance with Section 71(1) of the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations (MBRR).

2. Legislative Requirements

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, Nelson Mandela Bay Municipality, service providers etc.

In accordance with Section 71(1) of the MFMA, the Accounting officer must by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

In accordance with regulation 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C.

3. Executive Summary

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the months of July 2019 to May 2020, so as to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

The financial performance highlights are as follows:

- Operating revenue amounted to R 754,029 million, whilst operating expenditure amounted to R 736,850 million, resulting in an operating surplus of R 17,179 million.
- Capital expenditure constituted 48.85% of the 2019/20 Adjusted Capital Budget.
- Overdue consumer debts increased by R 20,984 million (14.38%) since June 2019.

- An amount of R 24,525 million is owing to creditors, of which R 22,867 million (93.24%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 35,193,876 (-16.43%) since June 2019, from R 214,227,548 to R 179,033,672.

The following key financial ratios are monitored on an on-going basis:

| Ratio | Actuals as at 30 June 2017 | Actuals as at 30 June 2018 | Actuals as at 30 June 2019 | Actuals as at 31 May 2019 | Actuals as at 31 May 2020 | Adjusted Budget 2019/20 |
|---|---|---|---|---|---|---|
| Current Ratio | 0.97:1 | 1.58:1 | 1.44:1 | 1.09:1 | 1.77:1 | 0.95:1 |
| Liquidity Ratio | 0.47:1 | 0.75:1 | 0.87:1 | 0.96:1 | 1.15:1 | 0.39:1 |
| Cost Coverage (Excluding unspent conditional grants) | 1.62 months | 1.73 months | 1.90 months | 1.95 Months | 1.72 Months | 1.10 months |
| Debtors Collection Rate | 95.81% | 90.73% | 97.62% | 96.79% | 95.51% | 96% |
| Capital Expenditure | 72.92% | 72.98% | 44.59% | 52.59% | 48.85% | 95% |

4. Detailed Reports

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 31 May 2020:

Annexure "A1" – Operating Revenue and Expenditure Performance

Annexure "A2" - Capital Budget Performance

Annexure "A3"- Projected Cash Flow Statement

Annexure "A4" – Municipal Monthly Budget Tables

Annexure "A5"- Analysis of Municipality's Statement of Financial Performance

vii. Overview of Outstanding Consumer Debtors
viii. Overview of Creditors position
ix. Investment portfolio
x. Grants receipts and Expenditure
xi. Councillors & Employee benefits
xii. Key performance Indicators

5. Recommendation

5.1 That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

5.2 That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

Drafted by Manager Budget & Treasury:

S Abrahams

Approved by CFO:

Mr. R Lorgat:.............................................................................

Endorsed by Municipal Manager:

Mr. C Du Plessis:.........................................................................

Noted by Portfolio Councillor:..................................................

**Annexure "A1"**

## OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO 31 MAY 2020.

Below is an analysis of the operating revenue and expenditure performance

| Description | Budget Year 2019/20 | | |
|---|---|---|---|
| | Adjusted Budget | Actuals as at 31 May 2020 | % |
| **R thousands** | | | |
| **Revenue By Source** | | | |
| Property rates | 197 221 | 186 134 | 94.38% |
| Service charges - electricity revenue | 274 470 | 223 765 | 81.53% |
| Service charges - water revenue | 75 713 | 64 188 | 84.78% |
| Service charges - sanitation revenue | 50 051 | 47 690 | 95.28% |
| Service charges - refuse revenue | 52 072 | 47 970 | 92.12% |
| Rental of facilities and equipment | 4 037 | 2 464 | 61.04% |
| Interest earned - external investments | 15 375 | 10 622 | 69.09% |
| Interest earned - outstanding debtors | 10 892 | 8 578 | 78.75% |
| Fines, penalties and forfeits | 6 397 | 1 807 | 28.25% |
| Licences and permits | 19 822 | 17 578 | 88.68% |
| Transfers and subsidies | 133 725 | 134 246 | 100.39% |
| Other revenue | 7 088 | 8 986 | 126.77% |
| **Total Revenue (excluding capital transfers and contributions)** | **846 865** | **754 029** | **89.04%** |
| | | | |
| **Expenditure By Type** | | | |
| Employee related costs | 303 219 | 275 097 | 90.73% |
| Remuneration of councillors | 13 063 | 11 872 | 90.88% |
| Debt impairment | 26 420 | – | 0.00% |
| Depreciation & asset impairment | 85 101 | 67 399 | 79.20% |
| Finance charges | 2 201 | 2 073 | 94.17% |
| Bulk purchases | 271 623 | 236 307 | 87.00% |
| Other materials | 33 560 | 24 625 | 73.38% |
| Contracted services | 86 493 | 42 035 | 48.60% |
| Transfers and subsidies | 250 | 250 | 100.00% |
| Other expenditure | 107 381 | 77 191 | 71.89% |
| **Total Expenditure** | **929 310** | **736 850** | **79.29%** |
| | | | |
| **Surplus/(Deficit)** | **(82 446)** | **17 179** | |

The statement of financial performance indicates a surplus of R 17,179 million.

Below is a discussion of the significant revenue variations:

**Revenue Variations**

Service charges – electricity revenue

The electricity revenue is largely influenced by the lower than anticipated electricity usage.

Rental of Facilities

This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue is influenced by the extent of rental agreements.

Interest earned - external investments

Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 179,034 million.

Interest earned – outstanding debtors

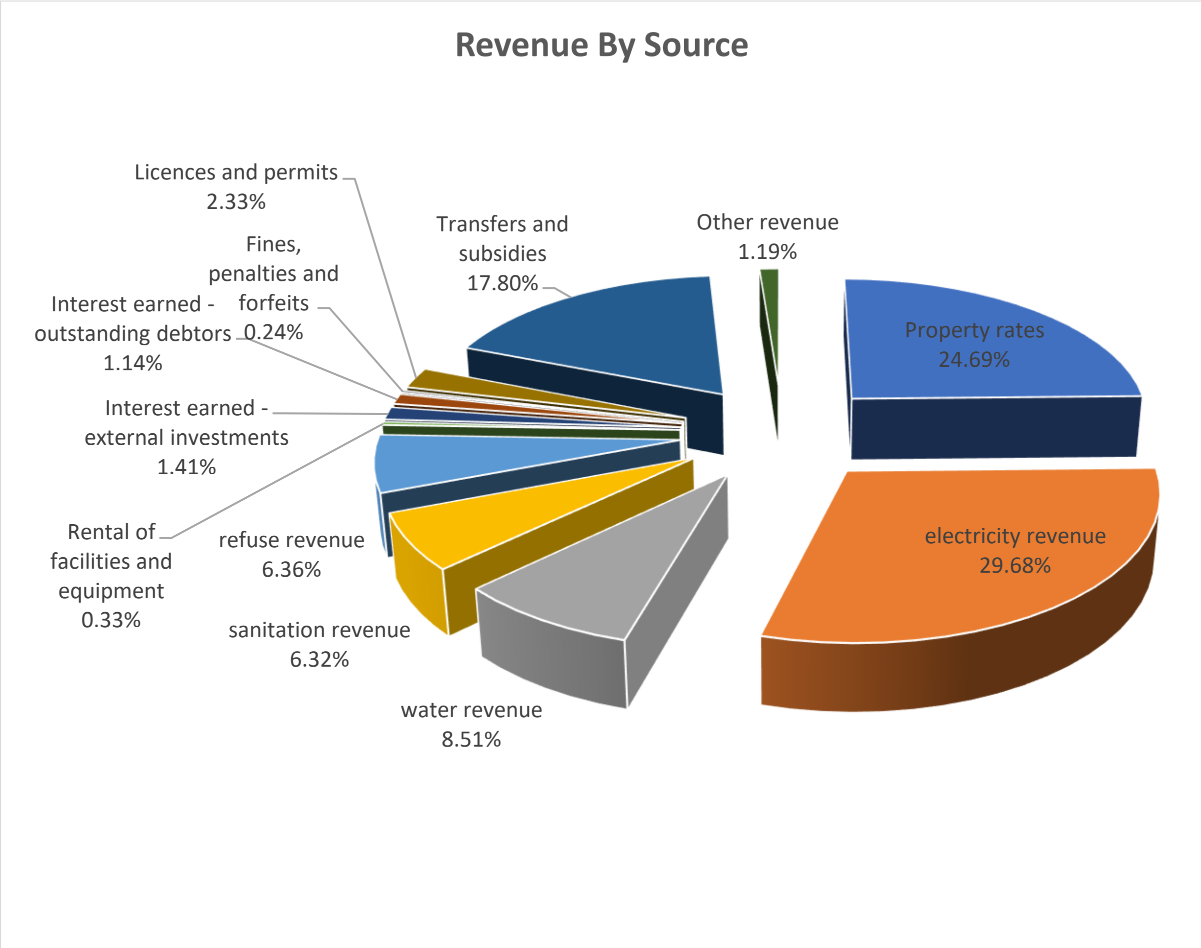
Interest is influenced by the extent of outstanding debtors. The actual overdue debtors as at 31 May 2020 amounted to R 166,868 million. It should be noted that the Municipality is currently not charging interest on outstanding debtors as a relief to COVID-19 pandemic.

Fines, penalties and forfeits

Fines, penalties and forfeits are largely influenced by the lower than anticipated revenue from traffic fines.

Other revenue

Other revenue is largely influenced by building plan related fees and insurance claims.




**Expenditure Variations**

Bad Debts

Bad debts are written off upon Council approval.

Other materials

Other materials relate to consumables, fuel and oil. It includes material and supplies used for repairs and maintenance. This is influence by the low spending on repairs and maintenance budget.

Contracted Services

Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees.

The contracted services are broken down as follows:

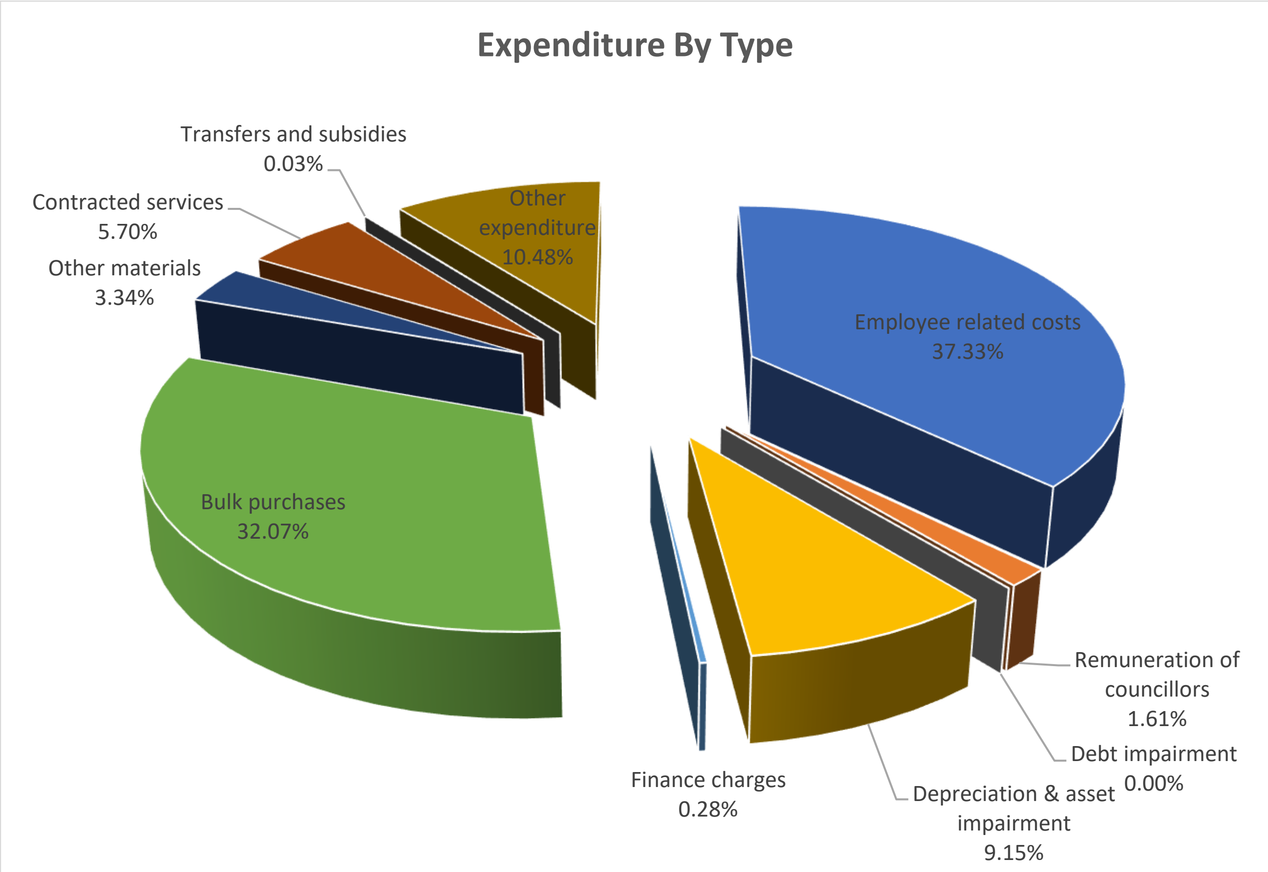
| Item Description | Adjusted Budget 2019/20 | Actuals as at 31 May 2020 | % |
|---|---|---|---|
| Roads Maintenance | 17 400 000 | 4 871 272 | 28.00% |
| Specia Rating Area | 7 337 701 | 6 106 366 | 83.22% |
| Maintenance of Vehicles | 7 338 259 | 6 005 928 | 81.84% |
| Legal Advice and Litigation | 6 352 083 | 5 756 756 | 90.63% |
| Project Management | 8 787 611 | 3 958 815 | 45.05% |
| Maintenance of Buildings and Facilities | 7 300 327 | 4 455 354 | 61.03% |
| Security Services | 2 020 083 | 718 505 | 35.57% |
| Qualification Verification | 1 895 000 | 1 164 650 | 61.46% |
| Business and Advisory:Valuer | 1 951 875 | 35 921 | 1.84% |
| Dune Stabilisation | 4 231 200 | 1 223 678 | 28.92% |
| Clean up Operation | 1 775 000 | 53 200 | 3.00% |
| Legal Cost:Collection | 1 578 000 | 470 246 | 29.80% |
| Maintenance of Electrical Infrastrcture | 2 907 580 | 1 494 670 | 51.41% |
| Drivers Licence Cards | 730 000 | 370 431 | 50.74% |
| Clearing and Grass Cutting Services | 680 000 | 349 208 | 51.35% |
| Medical Health Services & Support | 500 000 | 490 881 | 98.18% |
| Outsourced Services:Internal Auditors | 2 707 400 | 27 074 | 1.00% |
| Animal Care | 350 000 | 350 000 | 100.00% |
| Occupational Health and Safety | 315 000 | 30 723 | 9.75% |
| Land Audit | 300 000 | 30 720 | 10.24% |
| Laboratory Services:Water | 502 161 | 379 388 | 75.55% |
| Maintenance of Sanitation Infrastructure | 1 624 000 | 1 453 482 | 89.50% |
| Other | 2 915 233 | 972 039 | 33.34% |
| Maintenance of Machinery and Equipment | 609 312 | 298 682 | 49.02% |
| Burial Services | 235 000 | 81 702 | 34.77% |
| Transportation | 200 000 | - | 0.00% |
| Maintenance of Water Infrastrcture | 1 300 300 | 885 576 | 68.11% |
| Outsourced Services:Personnel and Labour | 2 649 507 | - | 0.00% |
| **Total** | **86 492 632** | **42 035 268** | **48.60%** |

Other expenditure

Other expenditure relates to various general expenses, relating to the running costs of the municipality, such as printing and stationery, telephone accounts, etc.

The other expenditure is broken down as follows:

| Item Description | Adjusted Budget 2019/20 | Actuals as at 31 May 2020 | % |
|---|---|---|---|
| Hire Charges | 26 919 771 | 21 757 020 | 80.82% |
| Municipal Services | 10 974 549 | 10 959 867 | 99.87% |
| Operating Leases:Furniture and Office Equipment | 5 893 745 | 3 805 761 | 64.57% |
| Commission:Third Party Vendors | 5 374 126 | 3 746 343 | 69.71% |
| Management Fee | 4 532 915 | 3 324 943 | 73.35% |
| External Audit Fees | 4 508 000 | 4 470 826 | 99.18% |
| External Computer Service:Internet Charge | 4 104 024 | 3 537 878 | 86.21% |
| Operating Leases:Other Assets | 4 062 693 | 3 723 782 | 91.66% |
| External Computer Service:Software Licences | 3 516 814 | 1 699 033 | 48.31% |
| Remuneration to Ward Committees | 3 278 744 | 2 457 098 | 74.94% |
| Bargaining Council | 2 909 416 | 34 080 | 1.17% |
| Uniform and Protective Clothing | 2 799 835 | 1 835 380 | 65.55% |
| Training | 2 503 698 | 1 745 317 | 69.71% |
| Insurance Underwriting:Premiums | 2 600 248 | 1 101 014 | 42.34% |
| Storage of Files (Archiving) | 1 900 000 | 1 187 820 | 62.52% |
| Communication:Postage/Stamps/Franking Machines | 1 750 485 | 1 054 788 | 60.26% |
| Skills Development Fund Levy | 1 695 046 | 1 601 325 | 94.47% |
| Communication:Cellular Contract (Subscriptions) | 1 651 453 | 1 264 733 | 76.58% |
| Achievements and Awards | 1 439 129 | 630 827 | 43.83% |
| Printing, Publications and Books | 1 372 281 | 648 140 | 47.23% |
| Workmen's Compensation Fund | 1 525 915 | 942 562 | 61.77% |
| Registration Fees:Professional and Regulatory Bodies | 1 182 292 | 358 363 | 30.31% |
| Domestic:Accommodation | 968 546 | 407 817 | 42.11% |
| Advertising, Publicity and Marketing:Tenders | 978 219 | 603 970 | 61.74% |
| Advertising, Publicity and Marketing:Corporate and Municipal Activities | 734 777 | 246 686 | 33.57% |
| Transport without Operator:Own Transport | 812 860 | 463 068 | 56.97% |
| Licences:Motor Vehicle Licence and Registrations | 1 029 719 | 512 102 | 49.73% |
| Bank Charges, Facility and Card Fees:Bank Accounts | 669 072 | 953 317 | 142.48% |
| External Computer Service:Specialised Computer Services | 662 191 | - | 0.00% |
| Public Transport:Air Transport | 614 351 | 145 304 | 23.65% |
| Signage | 425 100 | 225 874 | 53.13% |
| Vehicle Tracking | 590 952 | 572 031 | 96.80% |
| Travel and Subsistence:Non-employees | 516 669 | 139 418 | 26.98% |
| Advertising, Publicity and Marketing:Gifts and Promotions | 485 756 | 169 711 | 34.94% |
| Other | 2 397 845 | 865 290 | 36.09% |
| **Total** | **107 381 236** | **77 191 487** | **71.89%** |


Expenditure By Type
Transfers and subsidies
0.03%
Contracted services
5.70%
Other materials
3.34%
Other
expenditure
10.48%
Employee related costs
37.33%
Bulk purchases
32.07%
Remuneration of
councillors
1.61%
Debt impairment
0.00%
Finance charges
0.28%
Depreciation & asset
impairment
9.15%

**Repairs and Maintenance**

Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2019/20 Approved Budget.

| Item Description | Adjusted Budget 2019/20 | Actuals as at 31 May 2020 | % |
|---|---|---|---|
| **Corporate Services** | | | |
| Maintenance of Vehicles | 14 465 | 2 356 | 16.28% |
| Maintenance of Buildings and Properties | 1 348 064 | 401 229 | 29.76% |
| | **1 362 529** | **403 585** | **29.62%** |
| **Executive & Council** | | | |
| Maintenance of Solid Waste Disposal | 50 000 | 23 955 | 47.91% |
| Maintenance of Vehicles | 8 246 | 2 942 | 35.68% |
| Maintenance of Buildings and Properties | 390 350 | 243 495 | 62.38% |
| | **448 596** | **270 392** | **60.28%** |
| **Finance** | | | |
| Maintenance of Vehicles | 99 414 | 57 570 | 57.91% |
| Maintenance of Buildings and Properties | 537 046 | 128 293 | 23.89% |
| | **636 460** | **185 863** | **29.20%** |
| **Infrastructure & Engineering** | | | |
| Maintenance of Electrical Infrastructure | 6 369 031 | 3 995 943 | 62.74% |
| Maintenance of Buildings and Properties | 765 200 | 366 392 | 47.88% |
| Maintenance of Water Supply Infrastructure | 3 963 800 | 2 624 452 | 66.21% |
| Maintenance of Storm water Infrastructure | 908 000 | 719 585 | 79.25% |
| Maintenance of Roads Infrastructure | 24 984 060 | 10 322 453 | 41.32% |
| Maintenance of Vehicles | 3 261 502 | 2 597 531 | 79.64% |
| Maintenance of Machinery and Equipment | 262 560 | 148 865 | 56.70% |
| Maintenance of Sanitation Infrastructure | 3 535 865 | 2 699 265 | 76.34% |
| | **44 050 018** | **23 474 486** | **53.29%** |
| **Planning, Development and Tourism** | | | |
| Maintenance of Vehicles | 19 999 | 14 180 | 70.90% |
| Maintenance of Buildings and Properties | 52 600 | - | 0.00% |
| | **72 599** | **14 180** | **19.53%** |
| **Community Services** | | | |
| Maintenance of Buildings and Properties | 4 565 217 | 3 571 951 | 78.24% |
| Maintenance of Machinery and Equipment | 192 000 | 98 308 | 51.20% |
| Maintenance of Vehicles | 4 233 578 | 3 583 856 | 84.65% |
| Maintenance of Community Facilities | 266 000 | 147 971 | 55.63% |
| Maintenance of Sanitation Infrastructure | 100 000 | 99 574 | 99.57% |
| | **9 356 795** | **7 501 659** | **80.17%** |
| | | | |
| **Total** | **55 926 997** | **31 850 164** | **56.95%** |

It is to be noted that actual repairs and maintenance expenditure constituted 56.95% of the 2019/20 Adjusted Budget.

**Annexure "A2"**

**CAPITAL BUDET PERFORMANCE**

Below is an analysis of the capital expenditure compared to the 2019/20 Adjusted Capital Budget.

| Project Description | Funding | Adjusted Budget 2019/20 | Actuals as at 31 May 2020 | % |
|---|---|---|---|---|
| **Executive & Council** | | | | |
| Furniture and Equipment | Internal | 200 899 | 160 723 | 80.00% |
| Computer Equipment | Internal | 190 001 | 34 071 | 17.93% |
| Ward Councilors Capital Programme | Internal | 1 817 695 | 338 637 | 18.63% |
| Computer Software | Internal | 20 000 | - | 0.00% |
| | | **2 228 595** | **533 431** | **23.94%** |
| **Corporate Services** | | | | |
| EDMS | Internal | 761 000 | - | 0.00% |
| Old Library Upgrade | Internal | 176 738 | 154 738 | 87.55% |
| Computer Software and Applications | Internal | 184 000 | - | 0.00% |
| Biometric Systems | Internal | 600 000 | - | 0.00% |
| Fencing of Main Building | Internal | 172 425 | 172 425 | 100.00% |
| Furniture and Equipment | Internal | 666 571 | 234 484 | 35.18% |
| Computer Equipment | Internal | 217 043 | 1 606 | 0.74% |
| | | **2 777 777** | **563 253** | **20.28%** |
| **Finance** | | | | |
| Vehicles | Internal | 643 416 | 643 416 | 100.00% |
| Furniture and Equipment | Internal | 728 066 | 147 695 | 20.29% |
| Cibex Software | Internal | 600 000 | - | 0.00% |
| Computer Equipment | Internal | 421 673 | 78 575 | 18.63% |
| Machinery and Equipment | Internal | 181 465 | - | 0.00% |
| WIFI Solution | Internal | 250 000 | - | 0.00% |
| DOT MATRIX PRINTER | Internal | 156 024 | 156 024 | 100.00% |
| DISASTER RECOVERY SERVER | Internal | 644 106 | 6 839 | 1.06% |
| Office upgrade ICT | Internal | 153 950 | 70 130 | 45.55% |
| Network Upgrade | Internal | 3 350 000 | 3 350 000 | 100.00% |
| Cracking & Shelving: Stores | Internal | 161 845 | - | 0.00% |
| | | **7 290 545** | **4 452 680** | **61.07%** |

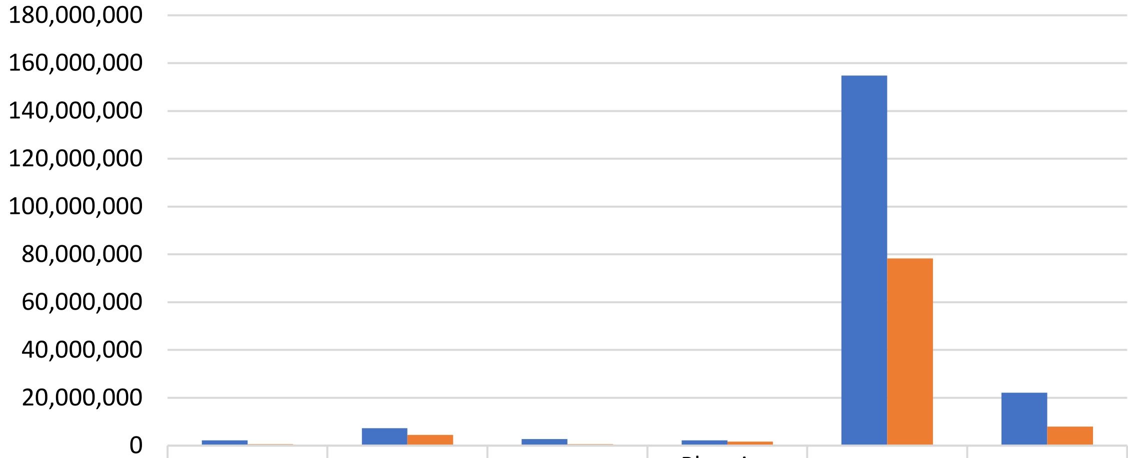
| Project Description | Funding | Adjusted Budget 2019/20 | Actuals as at 31 May 2020 | % |
|---|---|---|---|---|
| **Planning, Development & Tourism** | | | | |
| Computer Software and Applications | Internal | 226 700 | 92 919 | 40.99% |
| Furniture and equipment | Internal | 300 000 | - | 0.00% |
| Computer Equipment | Internal | 133 300 | 67 623 | 50.73% |
| Land acquisition housing projects | Internal | 1 562 308 | 1 558 543 | 99.76% |
| | | **2 222 308** | **1 719 085** | **77.36%** |
| **Community Services** | | | | |
| Vehicles | Internal | 5 893 223 | 4 681 180 | 79.43% |
| Vehicles | District | 3 665 100 | - | 0.00% |
| Machinery and Equipment | Internal | 1 819 637 | 685 808 | 37.69% |
| Upgrading of Sports Facilities | Internal | 560 000 | 94 045 | 16.79% |
| Wheelie Bins | Internal | 4 940 000 | - | 0.00% |
| Life Gaurds Beach Tower | Internal | 96 212 | 96 212 | 100.00% |
| Furniture and equipment | Internal | 495 630 | 166 685 | 33.63% |
| Computer Equipment | Internal | 292 470 | 282 173 | 96.48% |
| Fencing Fire Station Hankey | Internal | 182 000 | 171 015 | 93.96% |
| Fencing | Internal | 1 820 623 | 1 098 200 | 60.32% |
| Wheelie Bins | MDRG | 1 036 522 | - | 0.00% |
| Upgrading of Pellsrus, Kabeljous, Cape St Francis | Internal | 707 000 | 273 928 | 38.75% |
| Fencing | Internal | 313 064 | 37 109 | 11.85% |
| HYDRAULICS RESCUE EQUIPMENT | Internal | 304 655 | 288 703 | 94.76% |
| Weston Library Upgrade | Internal | 11 900 | 11 800 | 99.16% |
| | | **22 138 036** | **7 886 857** | **35.63%** |

| Project Description | Funding | Adjusted Budget 2019/20 | Actuals as at 31 May 2020 | % |
|---|---|---|---|---|
| **Infrastructure & Engineering** | | | | |
| Vehicles | Internal | 5 235 469 | 6 541 584 | 124.95% |
| New overheadlines 66kv overheadlines(Jbay to Melk | Internal | 1 800 000 | 56 914 | 3.16% |
| Electrical supply of tri switches St francis Bay | Internal | 200 000 | - | 0.00% |
| Electrical Mini sub station 22 000/11000/400 St Francis | Internal | 485 935 | - | 0.00% |
| Humansdorp, Kruisfontein and Osean View Electrification | INEP | 2 784 348 | 2 121 221 | 76.18% |
| Electrical Oil circuit breakers replacement | Internal | 800 000 | - | 0.00% |
| Electrical Supply auto recloser St Francis Bay | Internal | 400 000 | - | 0.00% |
| Electrical 5 MV 22000/11000 transformer | Internal | 1 406 000 | - | 0.00% |
| Sewer REPLACE OLD PUMPS | Internal | 67 892 | 108 409 | 159.68% |
| Patensie Sewage Package Plant | MIG | 13 133 534 | 1 279 373 | 9.74% |
| Fencing of Jeffreys Bay and Kruisfontein Reservoir | Internal | 1 407 260 | 1 407 260 | 100.00% |
| Upgrade Sanitation System Old Hankey | MIG | 2 004 117 | 236 491 | 11.80% |
| KwaNomzamo Wastewater Treatment Works | WSIG | 8 695 652 | 449 971 | 5.17% |
| St Francis bulk main outfall sewer | Internal | 200 000 | - | 0.00% |
| Bucket Eradication Programme | Internal | 2 075 942 | 1 145 442 | 55.18% |
| Machinery and Equipment | Internal | 330 000 | 305 489 | 92.57% |
| Upgrading of Gravel Roads in Jeffreys Bay | MIG | 363 655 | - | 0.00% |
| Purchase storage containers | Internal | 200 000 | 0 | 0.00% |
| Mini Fresh Food and Craft Markets | MIG | 128 538 | 128 538 | 100.00% |
| Furniture and Equipment | Internal | 29 551 | 1 080 | 3.65% |
| Upgrading of the Sea Vista Wastewater Treatment Works | MIG | 10 499 553 | 12 775 778 | 121.68% |
| OYSTER BAY WATER SUPPLY | WSIG | 541 350 | 249 940 | 46.17% |
| CAPE ST FRANCIS WATER SUPPLY | WSIG | 4 217 504 | 865 435 | 20.52% |
| JEFFREYS BAY WATER SUPPLY | WSIG | 1 194 093 | 1 129 851 | 94.62% |
| HUMANSDORP WATER SUPPLY | WSIG | 1 456 415 | 89 219 | 6.13% |
| PATENSIE WATER SUPPLY | WSIG | 2 862 732 | 303 603 | 10.61% |
| HANKEY WATER SUPPLY | WSIG | 19 115 490 | 9 486 443 | 49.63% |
| WATER CONSERVATION AND DEMAND MANAGEMENT | WSIG | 1 620 416 | 662 360 | 40.88% |
| RETICULATION REPLACE PIPELINES (PATENSIE) | WSIG | 7 634 103 | 2 439 698 | 31.96% |
| RETICULATION REPLACE PIPELINES (HANKEY) | WSIG | 2 168 698 | 382 375 | 17.63% |
| RETICULATION REPLACE PIPELINES (OYSTER BAY) | WSIG | 13 882 | - | 0.00% |
| DEVELOP NATURAL SPRINGS AND CONVEYANCE (HUMANSDORP) | WSIG | 15 772 674 | 8 825 291 | 55.95% |

| Project Description | Funding | Adjusted Budget 2019/20 | Actuals as at 31 May 2020 | % |
|---|---|---|---|---|
| REFURBISH AND UPGRADE WATER TREATMENT WORKS (JEFFREYS BAY) | WSIG | 28 635 111 | 21 559 502 | 75.29% |
| Computer Equipment | Internal | 25 000 | 20 594 | 82.38% |
| Roads Capital | Internal | 2 500 000 | 111 698 | 4.47% |
| Security Camera | Internal | 150 000 | - | 0.00% |
| LV Networks (Informal Areas, Electrification/illegal connections) | Internal | 1 000 000 | - | 0.00% |
| Purchase of mini sub station 11000/400,22000/400 | Internal | 508 597 | 508 597 | 100.00% |
| conversion from conventional meter to pre paid meters | Internal | 170 336 | 170 337 | 100.00% |
| CONCRETE POLES | Internal | 171 518 | 171 518 | 100.00% |
| SOLAR LIGHTS | Internal | 360 773 | 360 773 | 100.00% |
| Pre Planning - Waterline Replacement - St Francis | Internal | 260 000 | - | 0.00% |
| Pre Planning - Waterline Replacement - Mimosa Stre | Internal | 250 000 | - | 0.00% |
| Pre Planning - Water Tower - Paradise | Internal | 300 000 | - | 0.00% |
| (Pre Planning) Investigation Bypass Rising Main - | Internal | 300 000 | - | 0.00% |
| (Pre Planning) Investigation for the Upgrade of Se | Internal | 300 000 | - | 0.00% |
| Fencing of Kruisfontein WWTW | Internal | 1 642 740 | - | 0.00% |
| Upgrading of Kwanomzamo Sports Facility | MIG | 325 890 | 785 647 | 241.08% |
| Upgrading of Sports Facilities | MIG | 2 305 517 | 388 963 | 16.87% |
| Kruisfontein Wastewater Treatment Works | MIG | 2 897 848 | - | 0.00% |
| Energy and Demand Side Management | Energy | 3 438 262 | 2 939 881 | 85.50% |
| Outfall Sewers Capital | Internal | 382 619 | 347 617 | 90.85% |
| | | **154 769 014** | **78 356 892** | **50.63%** |
| | | | | |
| **Total** | | **191 426 275** | **93 512 199** | **48.85%** |
| | | | | |
| Internally generated funds | | 54 915 271 | 26 412 618 | 48.10% |
| Transfers recognised - capital | | 136 511 004 | 67 099 581 | 49.15% |
| **Total** | | **191 426 275** | **93 512 199** | **48.85%** |

It is to be noted that capital expenditure as at 31 May 2020 amounted to 48.85%, compared to the adjusted capital budget of R 191,426,275.

## Capital Expendituire




| | Executive & Council | Finance | Corporate Services | Planning, Development and Tourism | Infrastructure and Engineering | Community Services |
|---|---|---|---|---|---|---|
| Adjusted Budget 2019/20 | 2,228,595 | 7,290,545 | 2,777,777 | 2,222,308 | 154,769,014 | 22,138,036 |
| Actuals as at 31 May 2020 | 533,431 | 4,452,680 | 563,253 | 1,719,085 | 78,356,892 | 7,886,857 |

**Annexure "A3"**

## PROJECTED CASH FLOW STATEMENT FOR THE 2019/20 FINANCIAL YEAR

### Projected Cash Flow Statement as at 31 May 2020

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), so as to ascertain the adequacy of the cash inflows to cover the cash outflows.

### Table C7 Monthly Budget Statement – Cash Flow – M11 May 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Property rates | | | 188 848 | 189 400 | 10 546 | 179 060 | 173 617 | 5 443 | 3% | 189 400 |
| Service charges | | | 435 121 | 434 214 | 30 260 | 370 390 | 398 030 | (27 640) | -7% | 434 214 |
| Other revenue | | | 34 799 | 37 344 | 3 914 | 75 630 | 34 232 | 41 398 | 121% | 37 344 |
| Government - operating | | | 133 112 | 133 112 | 830 | 133 994 | 122 019 | 11 976 | 10% | 133 112 |
| Government - capital | | | 58 063 | 58 063 | 1 192 | 56 034 | 53 225 | 2 809 | 5% | 58 063 |
| Interest | | | 18 476 | 25 832 | 431 | 23 377 | 23 679 | (302) | -1% | 25 832 |
| Dividends | | | – | | – | – | – | – | | |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | | (783 499) | (811 506) | (53 524) | (754 435) | (743 880) | 10 555 | -1% | (811 506) |
| Finance charges | | | (2 201) | (2 201) | (146) | (2 060) | (2 018) | 43 | -2% | (2 201) |
| Transfers and Grants | | | – | (250) | – | (250) | (229) | 21 | -9% | (250) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **–** | **82 720** | **64 009** | **(6 498)** | **81 740** | **58 674** | **(23 065)** | **-39%** | **64 009** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | | – | | – | – | – | – | | – |
| Decrease (Increase) in non-current debtors | | | – | | – | – | – | – | | – |
| Decrease (increase) other non-current receivables | | | – | | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | | – | | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Capital assets | | | (93 110) | (194 715) | (4 804) | (109 539) | (178 488) | (68 949) | 39% | (194 715) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **–** | **(93 110)** | **(194 715)** | **(4 804)** | **(109 539)** | **(178 488)** | **(68 949)** | **39%** | **(194 715)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | | – | | – | – | – | – | | – |
| Borrowing long term/refinancing | | | – | | – | – | – | – | | – |
| Increase (decrease) in consumer deposits | | | – | | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | | (7 999) | (9 067) | (704) | (7 331) | (8 311) | (980) | 12% | (9 067) |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | **–** | **(7 999)** | **(9 067)** | **(704)** | **(7 331)** | **(8 311)** | **(980)** | **12%** | **(9 067)** |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | **–** | **(18 389)** | **(139 773)** | **(12 006)** | **(35 130)** | **(128 125)** | | | **(139 773)** |
| Cash/cash equivalents at beginning: | | | 84 707 | 214 228 | | 214 228 | 214 228 | | | 214 228 |
| Cash/cash equivalents at month/year end: | | – | 66 318 | 74 455 | | 179 097 | 86 103 | | | 74 455 |

**Annexure "A4"**

**MUNICIPAL MONTHLY BUDGET TABLES**

## 2. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2019/20 budget performance for the period July 2019 to May 2020 and are to be noted. Each table is accompanied by explanatory notes.

## Table C1 Monthly Budget Statement Summary – M11 May 2020

| Description<br>R thousands | 2018/19<br>Audited Outcome | Budget Year 2019/20<br>Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
|---|---|---|---|---|---|---|---|---|---|
| **Financial Performance** | | | | | | | | | |
| Property rates | – | 196 717 | 197 221 | 11 472 | 186 134 | 180 786 | 5 348 | 3% | 197 221 |
| Service charges | – | 453 251 | 452 307 | 33 550 | 383 612 | 414 615 | (31 002) | -7% | 452 307 |
| Investment revenue | – | 10 375 | 15 375 | (1 205) | 10 622 | 14 094 | (3 471) | -25% | 15 375 |
| Transfers and subsidies | – | 133 112 | 133 725 | 3 799 | 134 246 | 122 581 | 11 665 | 10% | 133 725 |
| Other own revenue | – | 43 238 | 48 236 | 381 | 39 414 | 44 217 | (4 803) | -11% | 48 236 |
| **Total Revenue (excluding capital transfers and contributions)** | **–** | **836 693** | **846 865** | **47 997** | **754 029** | **776 293** | **(22 264)** | **-3%** | **846 865** |
| Employee costs | – | 290 942 | 303 219 | 26 415 | 275 097 | 277 951 | (2 853) | -1% | 303 219 |
| Remuneration of Councillors | – | 13 063 | 13 063 | 1 453 | 11 872 | 11 974 | (103) | -1% | 13 063 |
| Depreciation & asset impairment | – | 85 101 | 85 101 | 6 127 | 67 399 | 78 009 | (10 609) | -14% | 85 101 |
| Finance charges | – | 2 201 | 2 201 | 146 | 2 073 | 2 018 | 55 | 3% | 2 201 |
| Materials and bulk purchases | – | 301 244 | 305 183 | 18 736 | 260 931 | 279 751 | (18 820) | -7% | 305 183 |
| Transfers and subsidies | – | – | 250 | – | 250 | 229 | 21 | 9% | 250 |
| Other expenditure | – | 204 586 | 220 294 | 7 671 | 119 227 | 201 936 | (82 709) | -41% | 220 294 |
| **Total Expenditure** | **–** | **897 137** | **929 310** | **60 548** | **736 850** | **851 868** | **(115 018)** | **-14%** | **929 310** |
| **Surplus/(Deficit)** | **–** | **(60 444)** | **(82 446)** | **(12 551)** | **17 179** | **(75 575)** | **92 755** | **-123%** | **(82 446)** |
| Transfers and subsidies - capital (monetary alloc | – | 58 063 | 56 455 | 6 334 | 48 229 | 51 751 | (3 522) | -7% | 56 455 |
| Contributions & Contributed assets | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | **–** | **(2 381)** | **(25 991)** | **(6 216)** | **65 408** | **(23 825)** | **89 233** | **-375%** | **(25 991)** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **–** | **(2 381)** | **(25 991)** | **(6 216)** | **65 408** | **(23 825)** | **89 233** | **-375%** | **(25 991)** |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **–** | **93 110** | **191 426** | **4 177** | **93 512** | **175 474** | **(81 962)** | **-47%** | **191 426** |
| Capital transfers recognised | – | 51 117 | 137 723 | 3 924 | 67 100 | 126 246 | (59 147) | -47% | 137 723 |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | – | **41 994** | **53 703** | **253** | **26 413** | **49 228** | **(22 815)** | **-46%** | **53 703** |
| **Total sources of capital funds** | **–** | **93 110** | **191 426** | **4 177** | **93 512** | **175 474** | **(81 962)** | **-47%** | **191 426** |
| **Financial position** | | | | | | | | | |
| Total current assets | – | 173 204 | 178 224 | | 274 550 | | | | 178 224 |
| Total non current assets | – | 2 317 635 | 2 371 220 | | 2 261 606 | | | | 2 371 220 |
| Total current liabilities | – | 175 225 | 188 504 | | 155 237 | | | | 188 504 |
| Total non current liabilities | – | 184 979 | 182 000 | | 179 799 | | | | 182 000 |
| Community wealth/Equity | – | **2 130 635** | **2 178 939** | | **2 201 119** | | | | **2 178 939** |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | – | 82 720 | 64 009 | (6 498) | 81 740 | 58 674 | (23 065) | -39% | 64 009 |
| Net cash from (used) investing | – | (93 110) | (194 715) | (4 804) | (109 539) | (178 488) | (68 949) | 39% | (194 715) |
| Net cash from (used) financing | – | (7 999) | (9 067) | (704) | (7 331) | (8 311) | (980) | 12% | (9 067) |
| **Cash/cash equivalents at the month/year end** | **–** | **66 318** | **74 455** | **–** | **179 097** | **86 103** | **(92 994)** | **-108%** | **74 455** |
| **Debtors & creditors analysis** | **0-30 Days** | **31-60 Days** | **61-90 Days** | **91-120 Days** | **121-150 Dys** | **151-180 Dys** | **181 Dys-1 Yr** | **Over 1Yr** | **Total** |
| **Debtors Age Analysis** | | | | | | | | | |
| Total By Income Source | 36 158 | 10 607 | 7 365 | 5 664 | 4 767 | 4 254 | 30 677 | 103 534 | 203 026 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 23 023 | 108 | 571 | 109 | 228 | 1 | 656 | (170) | 24 525 |

## Explanatory notes to Table C 1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspective (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

## Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M11 May 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | 1 | | | | | | | | % | |
| Revenue - Functional | | | | | | | | | | |
| ***Governance and administration*** | | **–** | **339 475** | **345 087** | **10 421** | **328 491** | **316 330** | 12 161 | 4% | **345 087** |
| Executive and council | | – | 27 | 27 | – | 4 | 25 | (21) | -85% | 27 |
| Finance and administration | | – | 339 448 | 345 060 | 10 421 | 328 487 | 316 305 | 12 183 | 4% | 345 060 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **–** | **14 266** | **14 354** | **1 870** | **12 310** | **13 158** | (848) | -6% | **14 354** |
| Community and social services | | – | 2 479 | 2 479 | 1 119 | 3 417 | 2 272 | 1 144 | 50% | 2 479 |
| Sport and recreation | | – | 7 867 | 7 867 | 95 | 5 344 | 7 211 | (1 868) | -26% | 7 867 |
| Public safety | | – | 1 984 | 1 984 | 0 | 730 | 1 819 | (1 089) | -60% | 1 984 |
| Housing | | – | – | – | – | – | – | – | | – |
| Health | | – | 1 936 | 2 024 | 656 | 2 820 | 1 856 | 964 | 52% | 2 024 |
| ***Economic and environmental services*** | | **–** | **19 616** | **24 086** | **1 899** | **23 203** | **22 079** | 1 125 | 5% | **24 086** |
| Planning and development | | – | 6 667 | 6 979 | 1 894 | 8 185 | 6 397 | 1 788 | 28% | 6 979 |
| Road transport | | – | 11 844 | 14 586 | – | 13 990 | 13 371 | 620 | 5% | 14 586 |
| Environmental protection | | – | 1 105 | 2 521 | 4 | 1 028 | 2 311 | (1 283) | -56% | 2 521 |
| ***Trading services*** | | **–** | **521 398** | **519 793** | **40 142** | **438 253** | **476 477** | (38 224) | -8% | **519 793** |
| Energy sources | | – | 293 789 | 287 775 | 22 490 | 229 861 | 263 794 | (33 933) | -13% | 287 775 |
| Water management | | – | 87 929 | 89 113 | 6 205 | 90 979 | 81 687 | 9 291 | 11% | 89 113 |
| Waste water management | | – | 83 574 | 87 728 | 7 009 | 66 926 | 80 417 | (13 491) | -17% | 87 728 |
| Waste management | | – | 56 106 | 55 177 | 4 438 | 50 487 | 50 579 | (92) | 0% | 55 177 |
| ***Other*** | 4 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| **Total Revenue - Functional** | 2 | **–** | **894 756** | **903 320** | **54 332** | **802 258** | **828 043** | **(25 786)** | **-3%** | **903 320** |
| Expenditure - Functional | | | | | | | | | | |
| ***Governance and administration*** | | **–** | **222 961** | **220 757** | **13 124** | **157 217** | **202 361** | (45 144) | -22% | **220 757** |
| Executive and council | | – | 45 089 | 42 005 | 2 901 | 37 306 | 38 505 | (1 198) | -3% | 42 005 |
| Finance and administration | | – | 177 872 | 178 732 | 10 223 | 119 904 | 163 838 | (43 934) | -27% | 178 732 |
| Internal audit | | – | – | 20 | – | 7 | 18 | (11) | -61% | 20 |
| ***Community and public safety*** | | **–** | **85 190** | **88 706** | **6 468** | **78 122** | **81 314** | (3 192) | -4% | **88 706** |
| Community and social services | | – | 10 612 | 12 656 | 726 | 7 804 | 11 601 | (3 797) | -33% | 12 656 |
| Sport and recreation | | – | 44 086 | 45 403 | 2 869 | 40 286 | 41 620 | (1 333) | -3% | 45 403 |
| Public safety | | – | 22 264 | 22 341 | 2 056 | 21 682 | 20 479 | 1 202 | 6% | 22 341 |
| Housing | | – | 3 228 | 3 228 | 351 | 3 815 | 2 959 | 855 | 29% | 3 228 |
| Health | | – | 4 999 | 5 077 | 467 | 4 535 | 4 654 | (119) | -3% | 5 077 |
| ***Economic and environmental services*** | | **–** | **116 851** | **132 931** | **9 033** | **97 716** | **121 854** | (24 137) | -20% | **132 931** |
| Planning and development | | – | 34 459 | 35 447 | 2 093 | 24 579 | 32 493 | (7 914) | -24% | 35 447 |
| Road transport | | – | 80 642 | 95 684 | 6 651 | 71 442 | 87 710 | (16 268) | -19% | 95 684 |
| Environmental protection | | – | 1 751 | 1 801 | 289 | 1 695 | 1 651 | 45 | 3% | 1 801 |
| ***Trading services*** | | **–** | **467 649** | **484 807** | **31 922** | **401 916** | **444 407** | (42 491) | -10% | **484 807** |
| Energy sources | | – | 285 024 | 285 667 | 18 442 | 240 268 | 261 861 | (21 593) | -8% | 285 667 |
| Water management | | – | 80 898 | 77 891 | 4 597 | 64 529 | 71 400 | (6 871) | -10% | 77 891 |
| Waste water management | | – | 51 081 | 57 231 | 5 216 | 53 111 | 52 462 | 649 | 1% | 57 231 |
| Waste management | | – | 50 646 | 64 018 | 3 667 | 44 009 | 58 684 | (14 675) | -25% | 64 018 |
| ***Other*** | | **–** | **4 486** | **2 108** | **–** | **1 878** | **1 933** | **(54)** | **-3%** | **2 108** |
| **Total Expenditure - Functional** | 3 | **–** | **897 137** | **929 310** | **60 548** | **736 850** | **851 868** | **(115 018)** | **-14%** | **929 310** |
| **Surplus/ (Deficit) for the year** | | **–** | **(2 381)** | **(25 991)** | **(6 216)** | **65 408** | **(23 825)** | **89 233** | **-375%** | **(25 991)** |

## Explanatory notes to Table C2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

## Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M11 May 2020

| Vote Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Revenue by Vote** | 1 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | – | – | – | – | – | – | – | | – |
| Vote 2 - FINANCIAL SERVICES | | – | 333 857 | 339 202 | 10 436 | 326 545 | 310 935 | 15 610 | 5.0% | 339 202 |
| Vote 3 - CORPORATE SERVICES | | – | 27 | 293 | – | 411 | 269 | 142 | 52.7% | 293 |
| Vote 4 - PLANNING, DEVELOPMENT & TOURISM | | – | 4 052 | 4 052 | 71 | 5 885 | 3 714 | 2 171 | 58.4% | 4 052 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | – | 468 908 | 468 542 | 37 528 | 391 066 | 429 497 | (38 432) | -8.9% | 468 542 |
| Vote 6 - COMMUNITY SERVICES | | – | 20 256 | 23 086 | 1 773 | 21 852 | 21 162 | 690 | 3.3% | 23 086 |
| Vote 7 - COMMUNITY SERVICES (CONTINUED) | | – | 67 656 | 68 143 | 4 524 | 56 498 | 62 465 | (5 967) | -9.6% | 68 143 |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| **Total Revenue by Vote** | 2 | **–** | **894 756** | **903 320** | **54 332** | **802 258** | **828 043** | **(25 786)** | **-3.1%** | **903 320** |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | – | 43 826 | 47 372 | 2 798 | 36 578 | 43 424 | (6 846) | -15.8% | 47 372 |
| Vote 2 - FINANCIAL SERVICES | | – | 93 059 | 89 104 | 4 450 | 51 787 | 81 679 | (29 892) | -36.6% | 89 104 |
| Vote 3 - CORPORATE SERVICES | | – | 51 140 | 54 343 | 2 787 | 36 369 | 49 814 | (13 445) | -27.0% | 54 343 |
| Vote 4 - PLANNING, DEVELOPMENT & TOURISM | | – | 22 412 | 20 947 | 1 303 | 17 648 | 19 201 | (1 553) | -8.1% | 20 947 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | – | 515 897 | 531 698 | 35 358 | 439 634 | 487 390 | (47 756) | -9.8% | 531 698 |
| Vote 6 - COMMUNITY SERVICES | | – | 54 604 | 57 004 | 4 367 | 47 979 | 52 254 | (4 275) | -8.2% | 57 004 |
| Vote 7 - COMMUNITY SERVICES (CONTINUED) | | – | 116 198 | 128 843 | 9 486 | 106 855 | 118 106 | (11 250) | -9.5% | 128 843 |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| **Total Expenditure by Vote** | 2 | **–** | **897 137** | **929 310** | **60 548** | **736 850** | **851 868** | **(115 018)** | **-13.5%** | **929 310** |
| **Surplus/ (Deficit) for the year** | 2 | **–** | **(2 381)** | **(25 991)** | **(6 216)** | **65 408** | **(23 825)** | **89 233** | **-374.5%** | **(25 991)** |

## Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure is thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

## Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M11 May 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **Revenue By Source** | | | | | | | | | | |
| Property rates | | | 196 717 | 197 221 | 11 472 | 186 134 | 180 786 | 5 348 | 3% | 197 221 |
| Service charges - electricity revenue | | | 277 068 | 274 470 | 19 132 | 223 765 | 251 598 | (27 833) | -11% | 274 470 |
| Service charges - water revenue | | | 76 105 | 75 713 | 6 205 | 64 188 | 69 404 | (5 216) | -8% | 75 713 |
| Service charges - sanitation revenue | | | 46 346 | 50 051 | 4 034 | 47 690 | 45 880 | 1 810 | 4% | 50 051 |
| Service charges - refuse revenue | | | 53 732 | 52 072 | 4 179 | 47 970 | 47 733 | 237 | 0% | 52 072 |
| Rental of facilities and equipment | | | 4 037 | 4 037 | 28 | 2 464 | 3 700 | (1 236) | -33% | 4 037 |
| Interest earned - external investments | | | 10 375 | 15 375 | (1 205) | 10 622 | 14 094 | (3 471) | -25% | 15 375 |
| Interest earned - outstanding debtors | | | 8 439 | 10 892 | (6) | 8 578 | 9 985 | (1 406) | -14% | 10 892 |
| Dividends received | | | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | | 6 397 | 6 397 | (15) | 1 807 | 5 864 | (4 057) | -69% | 6 397 |
| Licences and permits | | | 16 568 | 19 822 | 102 | 17 578 | 18 170 | (592) | -3% | 19 822 |
| Agency services | | | – | – | – | – | – | – | | – |
| Transfers and subsidies | | | 133 112 | 133 725 | 3 799 | 134 246 | 122 581 | 11 665 | 10% | 133 725 |
| Other revenue | | | 7 797 | 7 088 | 271 | 8 986 | 6 498 | 2 489 | 38% | 7 088 |
| Gains on disposal of PPE | | | | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and contributions)** | | – | **836 693** | **846 865** | **47 997** | **754 029** | **776 293** | **(22 264)** | **-3%** | **846 865** |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | | 290 942 | 303 219 | 26 415 | 275 097 | 277 951 | (2 853) | -1% | 303 219 |
| Remuneration of councillors | | | 13 063 | 13 063 | 1 453 | 11 872 | 11 974 | (103) | -1% | 13 063 |
| Debt impairment | | | 26 336 | 26 420 | – | – | 24 218 | (24 218) | -100% | 26 420 |
| Depreciation & asset impairment | | | 85 101 | 85 101 | 6 127 | 67 399 | 78 009 | (10 609) | -14% | 85 101 |
| Finance charges | | | 2 201 | 2 201 | 146 | 2 073 | 2 018 | 55 | 3% | 2 201 |
| Bulk purchases | | | 271 623 | 271 623 | 17 266 | 236 307 | 248 988 | (12 681) | -5% | 271 623 |
| Other materials | | | 29 621 | 33 560 | 1 470 | 24 625 | 30 763 | (6 139) | -20% | 33 560 |
| Contracted services | | | 80 814 | 86 493 | 2 118 | 42 035 | 79 285 | (37 250) | -47% | 86 493 |
| Transfers and subsidies | | | | 250 | – | 250 | 229 | 21 | 9% | 250 |
| Other expenditure | | | 97 436 | 107 381 | 5 552 | 77 191 | 98 433 | (21 241) | -22% | 107 381 |
| Loss on disposal of PPE | | | | – | – | – | – | – | | – |
| **Total Expenditure** | | – | **897 137** | **929 310** | **60 548** | **736 850** | **851 868** | **(115 018)** | **-14%** | **929 310** |
| **Surplus/(Deficit)** | | – | **(60 444)** | **(82 446)** | **(12 551)** | **17 179** | **(75 575)** | **92 755** | **(0)** | **(82 446)** |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | 58 063 | 56 455 | 6 334 | 48 229 | 51 751 | (3 522) | **(0)** | 56 455 |
| (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) | | | | – | – | – | – | – | | – |
| Transfers and subsidies - capital (in-kind - all) | | | | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | – | **(2 381)** | **(25 991)** | **(6 216)** | **65 408** | **(23 825)** | | | **(25 991)** |
| Taxation | | | | | – | | – | – | | |
| **Surplus/(Deficit) after taxation** | | – | **(2 381)** | **(25 991)** | **(6 216)** | **65 408** | **(23 825)** | | | **(25 991)** |
| Attributable to minorities | | | | | – | | – | | | |
| **Surplus/(Deficit) attributable to municipality** | | – | **(2 381)** | **(25 991)** | **(6 216)** | **65 408** | **(23 825)** | | | **(25 991)** |
| Share of surplus/ (deficit) of associate | | | | | – | | – | | | |
| **Surplus/ (Deficit) for the year** | | – | **(2 381)** | **(25 991)** | **(6 216)** | **65 408** | **(23 825)** | | | **(25 991)** |

## Explanatory notes to Table C4 – Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections and the original budget, so as to assess performance

# Table C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding) – M11 May 2020

| Vote Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | 1 | | | | | | | | % | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | – | – | – | – | – | – | – | | – |
| Vote 2 - FINANCIAL SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 3 - CORPORATE SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 4 - PLANNING, DEVELOPMENT & TOURISM | | – | – | – | – | – | – | – | | – |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | – | – | – | – | – | – | – | | – |
| Vote 6 - COMMUNITY SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 7 - COMMUNITY SERVICES (CONTINUED) | | – | – | – | – | – | – | – | | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| **Total Capital Multi-year expenditure** | 4,7 | – | – | – | – | – | – | – | | – |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | – | 1 200 | 2 229 | 6 | 533 | 2 043 | (1 509) | -74% | 2 229 |
| Vote 2 - FINANCIAL SERVICES | | – | 2 600 | 7 291 | 7 | 4 453 | 6 683 | (2 230) | -33% | 7 291 |
| Vote 3 - CORPORATE SERVICES | | – | 3 069 | 2 778 | 148 | 563 | 2 546 | (1 983) | -78% | 2 778 |
| Vote 4 - PLANNING, DEVELOPMENT & TOURISM | | – | 4 581 | 2 222 | – | 1 719 | 2 037 | (318) | -16% | 2 222 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | – | 58 218 | 154 769 | 3 928 | 78 357 | 141 872 | (63 515) | -45% | 154 769 |
| Vote 6 - COMMUNITY SERVICES | | – | 5 915 | 8 372 | 63 | 2 225 | 7 675 | (5 450) | -71% | 8 372 |
| Vote 7 - COMMUNITY SERVICES (CONTINUED) | | – | 17 528 | 13 766 | 26 | 5 662 | 12 619 | (6 957) | -55% | 13 766 |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | | – |
| **Total Capital single-year expenditure** | 4 | – | 93 110 | 191 426 | 4 177 | 93 512 | 175 474 | **(81 962)** | **-47%** | 191 426 |
| **Total Capital Expenditure** | | **–** | **93 110** | **191 426** | **4 177** | **93 512** | **175 474** | **(81 962)** | **-47%** | **191 426** |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| ***Governance and administration*** | | **–** | **8 169** | **14 682** | **161** | **7 500** | **13 458** | (5 958) | -44% | **14 682** |
| Executive and council | | | 1 065 | 2 226 | 6 | 534 | 2 040 | (1 506) | -74% | 2 226 |
| Finance and administration | | | 6 969 | 12 440 | 154 | 6 962 | 11 403 | (4 441) | -39% | 12 440 |
| Internal audit | | | 135 | 16 | – | 4 | 15 | (11) | -73% | 16 |
| ***Community and public safety*** | | **–** | **20 215** | **15 970** | **874** | **6 669** | **14 640** | (7 970) | -54% | **15 970** |
| Community and social services | | | 950 | 943 | 40 | 784 | 864 | (80) | -9% | 943 |
| Sport and recreation | | | 13 600 | 7 772 | 835 | 3 601 | 7 124 | (3 524) | -49% | 7 772 |
| Public safety | | | 3 965 | 5 693 | – | 726 | 5 219 | (4 493) | -86% | 5 693 |
| Housing | | | 1 700 | 1 562 | – | 1 559 | 1 432 | 126 | 9% | 1 562 |
| Health | | | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **–** | **5 325** | **4 182** | **–** | **576** | **3 834** | (3 258) | -85% | **4 182** |
| Planning and development | | | 3 331 | 1 189 | – | 334 | 1 089 | (755) | -69% | 1 189 |
| Road transport | | | 1 994 | 2 994 | – | 241 | 2 744 | (2 503) | -91% | 2 994 |
| Environmental protection | | | – | – | – | – | – | – | | – |
| ***Trading services*** | | **–** | **59 402** | **156 592** | **3 142** | **78 767** | **143 543** | (64 775) | -45% | **156 592** |
| Energy sources | | | 19 432 | 15 280 | – | 6 351 | 14 007 | (7 656) | -55% | 15 280 |
| Water management | | | 11 446 | 98 424 | 3 142 | 48 816 | 90 222 | (41 406) | -46% | 98 424 |
| Waste water management | | | 26 524 | 34 912 | – | 21 600 | 32 002 | (10 402) | -33% | 34 912 |
| Waste management | | | 2 000 | 7 977 | – | 2 000 | 7 312 | (5 312) | -73% | 7 977 |
| ***Other*** | | | – | – | – | – | – | – | | – |
| **Total Capital Expenditure - Functional Classification** | 3 | **–** | **93 110** | **191 426** | **4 177** | **93 512** | **175 474** | **(81 962)** | **-47%** | **191 426** |
| Funded by: | | | | | | | | | | |
| National Government | | | 49 052 | 132 846 | 3 924 | 67 100 | 121 775 | (54 676) | -45% | 132 846 |
| Provincial Government | | | – | – | – | – | – | – | | – |
| District Municipality | | | 2 065 | 4 877 | – | – | 4 471 | (4 471) | -100% | 4 877 |
| Other transfers and grants | | | – | – | – | – | – | – | | – |
| **Transfers recognised - capital** | | **–** | **51 117** | **137 723** | **3 924** | **67 100** | **126 246** | **(59 147)** | **-47%** | **137 723** |
| **Borrowing** | 6 | | – | – | – | – | – | – | | – |
| **Internally generated funds** | | | 41 994 | 53 703 | 253 | 26 413 | 49 228 | (22 815) | -46% | 53 703 |
| **Total Capital Funding** | | **–** | **93 110** | **191 426** | **4 177** | **93 512** | **175 474** | **(81 962)** | **-47%** | **191 426** |

### Explanatory notes to Table C5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments

### Table C6 Monthly Budget Statement – Financial Position – M11 May 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | |
|---|---|---|---|---|---|---|
| R thousands | 1 | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| **ASSETS** | | | | | | |
| **Current assets** | | | | | | |
| Cash | | | 6 632 | 5 051 | 7 360 | 5 051 |
| Call investment deposits | | | 59 686 | 69 457 | 171 737 | 69 457 |
| Consumer debtors | | | 67 067 | 60 578 | 71 059 | 60 578 |
| Other debtors | | | 33 150 | 33 885 | 15 141 | 33 885 |
| Current portion of long-term receivables | | | 3 | 3 | 3 | 3 |
| Inventory | | | 6 666 | 9 249 | 9 249 | 9 249 |
| **Total current assets** | | – | 173 204 | 178 224 | 274 550 | 178 224 |
| **Non current assets** | | | | | | |
| Long-term receivables | | | 16 | 13 | 13 | 13 |
| Investments | | | | | – | |
| Investment property | | | 354 389 | 242 552 | 242 552 | 242 552 |
| Investments in Associate | | | | | – | |
| Property, plant and equipment | | | 1 961 428 | 2 126 227 | 2 018 797 | 2 126 227 |
| Biological | | | | | – | |
| Intangible | | | 1 802 | 2 428 | 244 | 2 428 |
| Other non-current assets | | | | | – | |
| **Total non current assets** | | – | 2 317 635 | 2 371 220 | 2 261 606 | 2 371 220 |
| **TOTAL ASSETS** | | – | 2 490 839 | 2 549 443 | 2 536 155 | 2 549 443 |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| Bank overdraft | | | | | – | |
| Borrowing | | | 7 999 | 9 067 | 9 067 | 9 067 |
| Consumer deposits | | | 15 241 | 17 378 | 17 378 | 17 378 |
| Trade and other payables | | | 127 481 | 132 411 | 99 144 | 132 411 |
| Provisions | | | 24 505 | 29 649 | 29 649 | 29 649 |
| **Total current liabilities** | | – | 175 225 | 188 504 | 155 237 | 188 504 |
| **Non current liabilities** | | | | | | |
| Borrowing | | | 15 602 | 18 556 | 111 162 | 18 556 |
| Provisions | | | 169 378 | 163 445 | 68 637 | 163 445 |
| **Total non current liabilities** | | – | 184 979 | 182 000 | 179 799 | 182 000 |
| **TOTAL LIABILITIES** | | – | 360 204 | 370 505 | 335 037 | 370 505 |
| **NET ASSETS** | 2 | – | 2 130 635 | 2 178 939 | 2 201 119 | 2 178 939 |
| **COMMUNITY WEALTH/EQUITY** | | | | | | |
| Accumulated Surplus/(Deficit) | | | 2 130 635 | 2 178 939 | 2 201 119 | 2 178 939 |
| Reserves | | | | | | – |

**Explanatory notes to Table C6 – Budgeted Financial Position**

**iii.** The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

**iv.** Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position.
For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end.
Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

## Table C7 Monthly Budget Statement – Cash Flow – M11 May 2020

| Description | Ref | 2018/19 | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | 1 | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Property rates | | | 188 848 | 189 400 | 10 546 | 179 060 | 173 617 | 5 443 | 3% | 189 400 |
| Service charges | | | 435 121 | 434 214 | 30 260 | 370 390 | 398 030 | (27 640) | -7% | 434 214 |
| Other revenue | | | 34 799 | 37 344 | 3 914 | 75 630 | 34 232 | 41 398 | 121% | 37 344 |
| Government - operating | | | 133 112 | 133 112 | 830 | 133 994 | 122 019 | 11 976 | 10% | 133 112 |
| Government - capital | | | 58 063 | 58 063 | 1 192 | 56 034 | 53 225 | 2 809 | 5% | 58 063 |
| Interest | | | 18 476 | 25 832 | 431 | 23 377 | 23 679 | (302) | -1% | 25 832 |
| Dividends | | | – | | – | – | – | – | | |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | | (783 499) | (811 506) | (53 524) | (754 435) | (743 880) | 10 555 | -1% | (811 506) |
| Finance charges | | | (2 201) | (2 201) | (146) | (2 060) | (2 018) | 43 | -2% | (2 201) |
| Transfers and Grants | | | – | (250) | – | (250) | (229) | 21 | -9% | (250) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **–** | **82 720** | **64 009** | **(6 498)** | **81 740** | **58 674** | **(23 065)** | **-39%** | **64 009** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Proceeds on disposal of PPE | | | – | | – | – | – | – | | – |
| Decrease (Increase) in non-current debtors | | | – | | – | – | – | – | | – |
| Decrease (increase) other non-current receivables | | | – | | – | – | – | – | | – |
| Decrease (increase) in non-current investments | | | – | | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Capital assets | | | (93 110) | (194 715) | (4 804) | (109 539) | (178 488) | (68 949) | 39% | (194 715) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **–** | **(93 110)** | **(194 715)** | **(4 804)** | **(109 539)** | **(178 488)** | **(68 949)** | **39%** | **(194 715)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | | – | | – | – | – | – | | – |
| Borrowing long term/refinancing | | | – | | – | – | – | – | | – |
| Increase (decrease) in consumer deposits | | | – | | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | | (7 999) | (9 067) | (704) | (7 331) | (8 311) | (980) | 12% | (9 067) |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | **–** | **(7 999)** | **(9 067)** | **(704)** | **(7 331)** | **(8 311)** | **(980)** | **12%** | **(9 067)** |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | **–** | **(18 389)** | **(139 773)** | **(12 006)** | **(35 130)** | **(128 125)** | | | **(139 773)** |
| Cash/cash equivalents at beginning: | | | 84 707 | 214 228 | | 214 228 | 214 228 | | | 214 228 |
| Cash/cash equivalents at month/year end: | | – | 66 318 | 74 455 | | 179 097 | 86 103 | | | 74 455 |

### Explanatory notes to Table C7 – Budgeted Cash Flow Statement

iii. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

iv. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

**Annexure "A5"**

## ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

### 6. Overview of outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 30 Jun 2019, compared to the position as at 31 May 2020.

### Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2019

| Description | Budget Year 2018/19 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
| **Debtors Age Analysis By Income Source** | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 8 079 | 1 885 | 1 407 | 1 463 | 1 386 | 1 158 | 7 243 | 22 495 | 45 116 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 15 574 | 1 126 | 646 | 474 | 465 | 291 | 1 941 | 5 553 | 26 069 |
| Receivables from Non-exchange Transactions - Property Rates | 7 749 | 672 | 489 | 399 | 332 | 292 | 6 910 | 16 661 | 33 504 |
| Receivables from Exchange Transactions - Waste Water Management | 4 548 | 915 | 665 | 654 | 604 | 538 | 3 205 | 9 498 | 20 626 |
| Receivables from Exchange Transactions - Waste Management | 4 044 | 968 | 864 | 820 | 789 | 768 | 4 178 | 13 431 | 25 861 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – | – | – | – | – | – | – |
| Interest on Arrear Debtor Accounts | 62 | 121 | 96 | 125 | 143 | 150 | 1 692 | 19 388 | 21 776 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – | – | – | – | – | – | – |
| Other | (11 847) | 487 | 418 | 318 | 405 | 308 | 2 686 | 8 364 | 1 139 |
| **Total By Income Source** | **28 208** | **6 174** | **4 585** | **4 254** | **4 123** | **3 503** | **27 855** | **95 390** | **174 092** |
| **2017/18 - totals only** | | | | | | | | | – |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | |
| Organs of State | 857 | 397 | 360 | 202 | 240 | 84 | 1 885 | 1 921 | 5 945 |
| Commercial | 5 199 | 340 | 176 | 125 | 140 | 81 | 588 | 2 630 | 9 278 |
| Households | 22 153 | 5 437 | 4 049 | 3 927 | 3 743 | 3 338 | 25 383 | 90 839 | 158 869 |
| Other | – | – | – | – | – | – | – | – | – |
| **Total By Customer Group** | **28 208** | **6 174** | **4 585** | **4 254** | **4 123** | **3 503** | **27 855** | **95 390** | **174 092** |

## Debtors' Age Analysis (Inclusive of VAT) as at 31 May 2020

| Description | Budget Year 2019/20 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
| Debtors Age Analysis By Income Source | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 9 804 | 2 845 | 2 234 | 1 868 | 1 644 | 1 479 | 8 269 | 25 524 | 53 668 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 19 121 | 2 727 | 1 426 | 920 | 530 | 453 | 2 689 | 6 796 | 34 661 |
| Receivables from Non-exchange Transactions - Property Rates | 11 537 | 1 895 | 1 269 | 694 | 542 | 415 | 7 616 | 19 290 | 43 260 |
| Receivables from Exchange Transactions - Waste Water Management | 5 457 | 1 338 | 969 | 858 | 737 | 677 | 3 740 | 10 824 | 24 602 |
| Receivables from Exchange Transactions - Waste Management | 4 622 | 1 269 | 1 041 | 952 | 888 | 851 | 4 508 | 14 974 | 29 104 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – | – | – | – | – | – | – |
| Interest on Arrear Debtor Accounts | 0 | – | 46 | 75 | 98 | 118 | 1 586 | 16 728 | 18 651 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – | – | – | – | – | – | – |
| Other | (14 383) | 532 | 380 | 298 | 327 | 260 | 2 269 | 9 398 | (919) |
| **Total By Income Source** | **36 158** | **10 607** | **7 365** | **5 664** | **4 767** | **4 254** | **30 677** | **103 534** | **203 026** |
| | | | | | | | | | – |
| Debtors Age Analysis By Customer Group | | | | | | | | | |
| Organs of State | 1 301 | 684 | 537 | 442 | 187 | 137 | 916 | 2 522 | 6 726 |
| Commercial | 6 298 | 901 | 554 | 268 | 153 | 138 | 653 | 3 178 | 12 143 |
| Households | 28 560 | 9 021 | 6 273 | 4 954 | 4 427 | 3 979 | 29 108 | 97 835 | 184 157 |
| Other | – | – | – | – | – | – | – | – | – |
| **Total By Customer Group** | **36 158** | **10 607** | **7 365** | **5 664** | **4 767** | **4 254** | **30 677** | **103 534** | **203 026** |

The aforementioned analysis indicates that from 30 June 2019 to 31 May 2020, the overdue debts have increased from R 145,884 million to R 166,868 million, as follows:

| R thousands | OVERDUE AMOUNTS AS AT | | |
|---|---|---|---|
| **Debtors Age Analysis By Income Source** | **30-Jun-19** | **31-May-20** | **Difference** |
| Trade and Other Receivables from Exchange Transactions - Water | 37 037 | 43 863 | 6 826 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 10 495 | 15 540 | 5 045 |
| Receivables from Non-exchange Transactions - Property Rates | 25 755 | 31 722 | 5 967 |
| Receivables from Exchange Transactions - Waste Water Management | 16 078 | 19 144 | 3 067 |
| Receivables from Exchange Transactions - Waste Management | 21 817 | 24 482 | 2 665 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – |
| Interest on Arrear Debtor Accounts | 21 714 | 18 651 | (3 063) |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – |
| Other | 12 987 | 13 464 | 478 |
| **Total By Income Source** | **145 884** | **166 868** | **20 984** |
| | – | – | |
| **Debtors Age Analysis By Customer Group** | – | – | |
| Organs of State | 5 088 | 5 425 | 337 |
| Commercial | 4 080 | 5 845 | 1 765 |
| Households | 136 716 | 155 598 | 18 881 |
| Other | – | – | |
| **Total By Customer Group** | **145 884** | **166 868** | **20 984** |

## 7. Overview of Creditors position

Below is an analysis of the status of the major creditors

| Description | Budget Year 2019/20 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| R thousands | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | Total |
| **Creditors Age Analysis By Customer Type** | | | | | | | | | |
| Bulk Electricity | 17 920 | | | | | | | | 17 920 |
| Bulk Water | (156) | | | | | | | | (156) |
| PAYE deductions | 4 235 | | | | | | | | 4 235 |
| VAT (output less input) | | | | | | | | | – |
| Pensions / Retirement deductions | | | | | | | | | – |
| Loan repay ments | | | | | | | | | – |
| Trade Creditors | 868 | 108 | 571 | 108 | 227 | 1 | 644 | – | 2 526 |
| Auditor General | | | | | | | | | – |
| Other | | | | | | | | | – |
| **Total By Customer Type** | 22 867 | 108 | 571 | 108 | 227 | 1 | 644 | – | 24 525 |

The above amounts represent invoices still to be paid. The major creditors as at 31 May 2020 are as follows:

| | |
|---|---|
| Eskom | R 17,920 million |
| NMBM | R -0,156 million |
| SARS (PAYE) | R 4,235 million |
| Other Creditors | R 2,526 million |
| **TOTAL** | **R 24,525 million** |

It is to be noted that the Eskom amount of R 17,920 million, represents the current account for May 2020, which will be fully paid on 20 June 2020.

The PAYE deductions represent employee related costs for the month of May 2020, with the amounts in question being paid on 4 June 2020 to SARS.

### 8. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 31 May 2020.

| | Balance as at 30 June 2019 | INVESTED | INTEREST | WITHDRAWN | CHARGES | Balance as at 31 May 2020 |
|---|---|---|---|---|---|---|
| Standard Bank | 19 896 645 | - | 1 024 736 | - | | 20 921 381 |
| ABSA | 27 519 504 | - | 1 419 854 | - | 160 | 28 939 198 |
| Nedbank | 20 827 601 | - | 1 157 505 | - | | 21 985 106 |
| RMB | 110 820 349 | 73 935 069 | 5 011 338 | 112 721 004 | | 77 045 752 |
| INVESTEC | 21 562 503 | - | 1 219 206 | - | | 22 781 709 |
| | | | | | | |
| **Total** | **200 626 602** | **73 935 069** | **9 832 639** | **- 112 721 004** | **- 160** | **171 673 146** |
| | | | | | | |
| **INVESTMENT** | **Balance as at 30 June 2019** | **INVESTED** | **INTEREST** | **WITHDRAWN** | **CHARGES** | **Balance as at 31 May 2020** |
| General Account | 90 965 278 | 5 370 069 | 5 055 979 | - | - | 101 391 326 |
| Conditional Grants | 109 654 154 | 68 565 000 | 4 776 275 | 112 721 004 | - | 70 274 426 |
| Housing Funds | 7 170 | - | 385 | - | - | 7 555 |
| | | | | | | |
| **Total** | **200 626 602** | **73 935 069** | **9 832 639** | **- 112 721 004** | **-** | **171 673 306** |
| | | | | | | |
| Bank | 13 600 946 | | - 6 240 580 | | | 7 360 366 |
| | | | | | | |
| **Total** | **214 227 548** | **73 935 069** | **3 592 059** | **- 112 721 004** | **-** | **179 033 672** |

The decrease in the investment portfolio since 30 June 2019 amounts to R 35,193,876. The following analysis indicates the extent to which the investments are committed:

**Cash backed Reserves**

| | |
|---|---|
| Bank Balances and Cash | R 7,360,366 |
| Short-term Investment Deposits | R 171,673,306 |
| | **R 179,033,672** |

**Application of Cash**

| | |
|---|---|
| Unspent Conditional Grants | 74,618,514 |
| Internally Generated Funds | 28,502,653 |
| Outstanding Creditors Liability | 24,525,378 |
| | **127,646,545** |
| **Reserves in excess of commitments** | **51,387,127** |

The cash backed reserves exceed the commitments at this stage by an amount of R 51,387,127. It should be noted that the excess of reserves over commitments as at 31 May 2020, is mainly due to an amount of R 31,234 million in respect of the Equitable share allocation received on 16 March 2020, but not yet fully spent.

These funds are already committed towards spending in the 2019/20 Operating budget.

## 9. Allocation and Grants receipts and expenditure for the 2019/2020 financial year

## Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M11 May 2020

| Description | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | % | |
| RECEIPTS: | | | | | | | | |
| | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | |
| National Government: | 129 297 | 129 608 | – | 129 608 | 129 608 | – | | 129 608 |
| Operational Revenue:General Revenue:Equitable Share | 124 938 | 124 938 | – | 124 938 | 124 938 | – | | 124 938 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 1 000 | 1 000 | – | 1 000 | 1 000 | | | 1 000 |
| Local Government Financial Management Grant [Schedule 5B] | 1 770 | 1 770 | – | 1 770 | 1 770 | | | 1 770 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 589 | 1 900 | – | 1 900 | 1 900 | | | 1 900 |
| Provincial Government: | 2 050 | 2 352 | – | 2 352 | 2 352 | – | | 2 352 |
| Sport and Recreation | 2 050 | 2 050 | – | 2 050 | 2 050 | – | | 2 050 |
| Greenest Municipality Award | | 302 | | 302 | 302 | – | | 302 |
| District Municipality: | 1 765 | 1 765 | 655 | 2 619 | 2 619 | – | | 1 765 |
| *Environment Health Subsidy* | 1 765 | 1 765 | 655 | 2 619 | 2 619 | – | | 1 765 |
| Other grant providers: | – | – | 175 | 582 | 582 | – | | – |
| *Skills Development Grant* | | | 175 | 582 | 582 | – | | – |
| Total Operating Transfers and Grants | 133 112 | 133 725 | 830 | 135 161 | 135 161 | – | | 133 725 |
| Capital Transfers and Grants | | | | | | | | |
| National Government: | 56 098 | 54 490 | 1 192 | 54 490 | 54 490 | – | | 54 490 |
| Municipal Infrastructure Grant (MIG) | 36 096 | 36 096 | – | 36 096 | 36 096 | – | | 36 096 |
| Integrated National Electrification Programme | 6 002 | 3 202 | – | 3 202 | 3 202 | – | | 3 202 |
| Water Service Infrastructure Grant | 10 000 | 10 000 | – | 10 000 | 10 000 | – | | 10 000 |
| Energy Efficiency and Demand Side Management Grant | 4 000 | 4 000 | – | 4 000 | 4 000 | – | | 4 000 |
| Municipal Disaster Relief Fund | | 1 192 | 1 192 | 1 192 | 1 192 | – | | 1 192 |
| Provincial Government: | – | – | – | 321 | 321 | – | | – |
| Human Settlement | | | | 321 | 321 | – | | – |
| District Municipality: | 1 965 | 1 965 | – | 714 | 714 | – | | 1 965 |
| Fire Subsidy | 1 965 | 1 965 | – | 714 | 714 | – | | 1 965 |
| Total Capital Transfers and Grants | 58 063 | 56 455 | 1 192 | 55 525 | 55 525 | – | | 56 455 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 191 175 | 190 181 | 2 022 | 190 686 | 190 686 | – | | 190 181 |

**Below is an analysis of the spending associated with the grants as at 31 May 2020:**

**Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M11 May 2020.**

| Description | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | % | |
| EXPENDITURE | | | | | | | | |
| | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | |
| National Government: | 129 297 | 129 608 | 909 | 129 148 | 129 148 | – | | 129 608 |
| Operational Revenue:General Revenue:Equitable Share | 124 938 | 124 938 | | 124 938 | 124 938 | – | | 124 938 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 1 000 | 1 000 | – | 1 000 | 1 000 | – | | 1 000 |
| Local Government Financial Management Grant [Schedule 5B] | 1 770 | 1 770 | 764 | 1 471 | 1 471 | – | | 1 770 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 589 | 1 900 | 145 | 1 739 | 1 739 | – | | 1 900 |
| Provincial Government: | 2 050 | 2 352 | – | 2 352 | 2 352 | – | | 2 352 |
| Sport and Recreation | 2 050 | 2 050 | – | 2 050 | 2 050 | – | | 2 050 |
| Greenest Municipality Award | – | 302 | | 302 | 302 | – | | 302 |
| District Municipality: | 1 765 | 1 765 | – | 2 619 | 2 619 | – | | 1 765 |
| *Environment Health Subsidy* | 1 765 | 1 765 | – | 2 619 | 2 619 | – | | 1 765 |
| Other grant providers: | – | – | – | 582 | 582 | – | | – |
| *Skills Development Grant* | – | | – | 582 | 582 | – | | – |
| Total operating expenditure of Transfers and Grants: | 133 112 | 133 725 | 909 | 134 702 | 134 702 | – | | 133 725 |
| Capital expenditure of Transfers and Grants | | | | | | | | |
| National Government: | 56 098 | 54 490 | 2 095 | 25 464 | 25 464 | – | | 54 490 |
| Municipal Infrastructure Grant (MIG) | 36 096 | 36 096 | 903 | 17 934 | 17 934 | – | | 36 096 |
| Integrated National Electrification Programme | 6 002 | 3 202 | – | 2 439 | 2 439 | – | | 3 202 |
| Water Service Infrastructure Grant | 10 000 | 10 000 | – | 517 | 517 | – | | 10 000 |
| Energy Efficiency and Demand Side Management Grant | 4 000 | 4 000 | – | 3 381 | 3 381 | – | | 4 000 |
| Municipal Disaster Relief Fund | – | 1 192 | 1 192 | 1 192 | 1 192 | – | | 1 192 |
| Provincial Government: | – | – | – | 321 | 321 | – | | – |
| Human Settlement | – | | – | 321 | 321 | – | | – |
| District Municipality: | 1 965 | 1 965 | – | 714 | 714 | – | | 1 965 |
| *Fire Subsidy* | 1 965 | 1 965 | – | 714 | 714 | – | | 1 965 |
| Total capital expenditure of Transfers and Grants | 58 063 | 56 455 | 2 095 | 26 498 | 26 498 | – | | 56 455 |
| | | | | | | | | |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | 191 175 | 190 181 | 3 005 | 161 200 | 161 200 | – | | 190 181 |

**Note:** The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations

## Grants received from National Government

### DORA Operating Grants

**Financial Management Grant (FMG)**
The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

| | |
|---|---|
| DORA Allocation: | R 1,770,000 |
| Amount of Grant Received: | R 1,770,000 |
| Expenditure to date: | R 1,470,917 |
| Unspent as at 31 May 2020: | R 299,083 |

The spending of the grant amounted to 83.10% as at 31 May 2020, compared to the amount of the grant received.

**Expanded Public Works Programme (EPWP)**
The purpose of this grant is to provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive methods can be maximised.

| | |
|---|---|
| DORA Allocation: | R 1,000,000 |
| Amount of Grant Received: | R 1,000,000 |
| Expenditure to date: | R 1,000,000 |
| Unspent as at 31 May 2020: | R 0 |

### DORA Capital Grants

**Municipal Infrastructure Grant (MIG)**
The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

| | |
|---|---|
| DORA Allocation: | R 37,684,750 |
| Amount of Grant Received: | R 37,996,000 |
| Expenditure to date: | R 19,672,953 |
| Unspent as at 31 May 2020: | R 18,323,047 |

The spending of the grant amounted to 51.78% as at 31 May 2020, compared to the amount of the grant received.

**Integrated National Electrification Programme (INEP)**
The purpose of this grant is to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.

| | |
|---|---|
| Revised DORA Allocation: | R 3,202,000 |
| Amount of Grant Received: | R 3,202,000 |
| Expenditure to date: | R 2,439,404 |
| Unspent as at 31 May 2020: | R 762,596 |

The spending of the grant amounted to 76,18% as at 31 May 2020, compared to the amount of the grant received.

**Energy Efficiency and Demand Side Management Grant (EEDSM)**
The purpose of this grant is to implement energy efficiency measures within municipality's own operations.

| | |
|---|---|
| DORA Allocation: | R 4,000,000 |
| Amount of Grant Received: | R 4,000,000 |
| Expenditure to date: | R 3,380,863 |
| Unspent as at 31 May 2020: | R 619,137 |

The spending of the grant amounted to 84,52% as at 31 May 2020, compared to the amount of the grant received.

**Water Services Infrastructure Grant (Kwanomzamo Wastewater Treatment Works)**
The purpose of this grant is to upgrade and refurbish the existing Kwanomzamo Wastewater Treatment Works located in Humansdorp. Decommissioning and dismantling of disused equipment; emptying and cleaning of out structures; site measurements; design.

| | |
|---|---|
| DORA Allocation: | R 10,000,000 |
| Amount of Grant Received: | R 10,000,000 |
| Expenditure to date: | R 517,467 |
| Unspent as at 31 May 2020: | **R 9,482,533** |

The spending of the grant amounted to 5,17% as at 31 May 2020, compared to the amount of the grant received.

**Water Services Infrastructure Grant (Drought Funding)**
The purpose of this grant is to implement the meter and internal leak audit, repairs of leaks and water meters, reticulation pipe replacement and reservoir level control.

| | |
|---|---|
| Unspent Grant as at 30 June 2019 | R 98,017,338 |
| Expenditure to date: | R 56,675,823 |
| Unspent as at 31 May 2020: | **R 41,341,515** |

The spending of the grant amounted to 57.82% as at 31 May 2020, compared to the amount of the grant received.

## 10. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

### Table SC8 Monthly Budget Statement – Councillor and staff benefits – M11 May 2020

| Summary of Employee and Councillor remuneration | Budget Year 2019/20 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | % | |
| **Councillors (Political Office Bearers plus Other)** | | | | | | | | |
| Basic Salaries and Wages | 8 800 | 8 800 | 1 003 | 7 981 | 8 067 | (85) | -1% | 8 800 |
| Medical Aid Contributions | – | – | 8 | 52 | – | 52 | | – |
| Motor Vehicle Allowance | 2 889 | 2 889 | 334 | 2 662 | 2 648 | 14 | 1% | 2 889 |
| Cellphone Allowance | 1 374 | 1 374 | 107 | 1 176 | 1 259 | (83) | -7% | 1 374 |
| **Sub Total - Councillors** | **13 063** | **13 063** | **1 453** | **11 872** | **11 974** | **(103)** | **-1%** | **13 063** |
| **Senior Managers of the Municipality** | | | | | | | | |
| Basic Salaries and Wages | 4 923 | 7 770 | 486 | 5 087 | 7 123 | (2 035) | -29% | 7 770 |
| Pension and UIF Contributions | | 23 | 9 | 34 | 21 | 13 | 65% | 23 |
| Medical Aid Contributions | | – | 4 | 13 | – | 13 | #DIV/0! | – |
| Performance Bonus | | 169 | – | 413 | 155 | 259 | 167% | 169 |
| Motor Vehicle Allowance | | 804 | 56 | 584 | 737 | (153) | -21% | 804 |
| Cellphone Allowance | | 7 | 1 | 5 | 7 | (2) | -30% | 7 |
| Other benefits and allowances | 3 282 | 51 | 3 | 43 | 47 | (4) | -9% | 51 |
| Payments in lieu of leave | | 1 762 | – | 4 | 1 615 | (1 610) | -100% | 1 762 |
| **Sub Total - Senior Managers of Municipality** | **8 204** | **10 586** | **559** | **6 183** | **9 704** | **(3 520)** | **-36%** | **10 586** |
| **Other Municipal Staff** | | | | | | | | |
| Basic Salaries and Wages | 173 244 | 183 138 | 14 651 | 163 937 | 167 877 | (3 940) | -2% | 183 138 |
| Pension and UIF Contributions | 29 339 | 29 339 | 2 509 | 27 711 | 26 894 | 817 | 3% | 29 339 |
| Medical Aid Contributions | 15 119 | 15 119 | 1 380 | 14 366 | 13 860 | 506 | 4% | 15 119 |
| Overtime | 27 259 | 32 833 | 5 821 | 29 893 | 30 097 | (204) | -1% | 32 833 |
| Performance Bonus | 12 972 | – | – | – | – | – | | – |
| Motor Vehicle Allowance | 7 551 | 7 551 | 701 | 8 035 | 6 922 | 1 114 | 16% | 7 551 |
| Cellphone Allowance | 1 | 1 | – | – | 0 | (0) | -100% | 1 |
| Housing Allowances | 992 | 992 | 71 | 757 | 910 | (152) | -17% | 992 |
| Other benefits and allowances | 14 858 | 22 239 | 679 | 22 000 | 20 386 | 1 614 | 8% | 22 239 |
| Payments in lieu of leave | – | 18 | 16 | 1 055 | 17 | 1 039 | 6249% | 18 |
| Long service awards | 1 403 | 1 403 | 28 | 1 159 | 1 286 | (127) | -10% | 1 403 |
| **Sub Total - Other Municipal Staff** | **282 737** | **292 633** | **25 856** | **268 914** | **268 247** | **667** | **0%** | **292 633** |
| **Total Parent Municipality** | **304 004** | **316 282** | **27 868** | **286 969** | **289 925** | **(2 956)** | **-1%** | **316 282** |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | **304 004** | **316 282** | **27 868** | **286 969** | **289 925** | **(2 956)** | **-1%** | **316 282** |
| **TOTAL MANAGERS AND STAFF** | **290 942** | **303 219** | **26 415** | **275 097** | **277 951** | **(2 853)** | **-1%** | **303 219** |

## 6. Key performance indicators

The table below reflects the key performance indicators as per the 2019/20 Budget and the associated performance to date.

| **Borrowing Management** | | **Actuals as at 30 June 2016** | **Actuals as at 30 June 2017** | **Actuals as at 30 June 2018** | **Actuals as at 30 June 2019** | **Adjusted Budget 2019/20** | **Actuals as at 31 May 2020** |
|---|---|---|---|---|---|---|---|
| Capital Charges to Operating Expenditure | Interest & principal paid/Total Operating Expenditure | 3.67% | 2.51% | 1.78% | 1.29% | 1.22% | 1.27% |
| Borrowed funding of "own" capital expenditure | Borrowings/Capital expenditure excl. transfers & grants | 0% | 0% | 0% | 0% | 0% | 0% |
| Debt Servicing Costs to Operating Revenue | Debt Servicing Costs / Total Operating Revenue - Conditional Grants | 0.04 | 0.03 | 0.02 | 0.01 | 0.01 | 0.01 |
| **Liquidity** | | | | | | | |
| Current Ratio | Current assets / current liabilities | 0.85 | 0.97 | 1.58 | 1.44 | 0.95 | 1.77 |
| Liquidity Ratio | Monetary assets / current liabilities | 0.40 | 0.47 | 0.75 | 0.87 | 0.39 | 1.15 |
| **Revenue Management** | | | | | | | |
| Annual Debtors Collection Rate | Billed Revenue / Receipted Revenue | 97.60% | 95.81% | 90.73% | 97,62% | 96% | 95.51% |

| Other indicators | | Actuals as at 30 June 2016 | Actuals as at 30 June 2017 | Actuals as at 30 June 2018 | Actuals as at 30 June 2019 | Adjusted Budget 2019/20 | Actuals as at 31 May 2020 |
|---|---|---|---|---|---|---|---|
| Cost coverage | (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) | 1.60 | 1.62 | 1.73 | 1.90 | 1.10 | 1.72 |
| Employee Costs | Employee Costs / Total Operating Expenditure | 35.62% | 33.39% | 33.21% | 33.39% | 32.96% | 37.33% |
| Capital Expenditure | Capital Expenditure / Capital Budget | 81.97% | 72.92% | 72.98% | 44.59% | 95% | 48.85% |
| Repairs and Maintenance as % of Total Operating Expenditure | Repairs and Maintenance / Total Operating Expenditure | 4.61% | 4.94% | 3.82% | 5.63% | 6.04% | 4.32% |
| Repairs and Maintenance as % of PPE (Book Value) | Repairs and Maintenance / Net PPE | 1.17% | 1.65% | 1.41% | 2.29% | 2.63% | 1.58% |
| Own Revenue Sources / Total Operating Revenue (Including operating grants) | Own Revenue Sources / Total Operating Revenue (Including Conditional Grants) | 74.74% | 78.69% | 80.22% | 75.36% | 84.24% | 82.20% |

The above table is discussed in detail below.

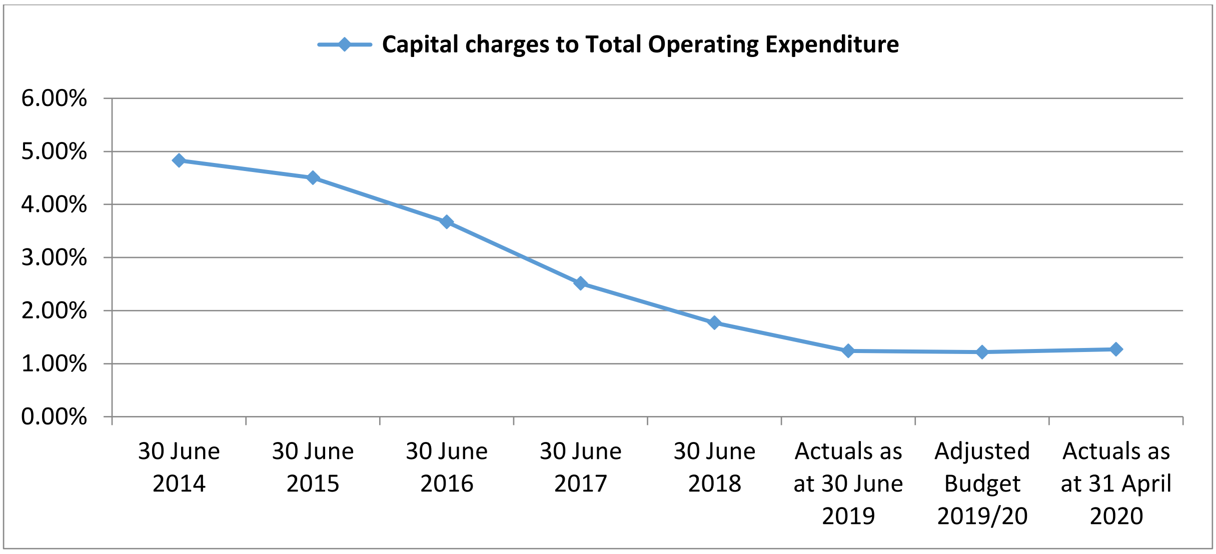
### 10.1. Borrowing Management

#### 10.1.1. Capital charges to Operating Expenditure

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

**Capital charges/Total Operating Expenditure to date**

The ratio indicates that 1.27% of the Total Operating Expenditure was utilised for capital charges as at 31 May 2020, compared to the adjusted budget ratio of 1,22%.




#### 10.1.2. Borrowed funding of capital expenditure

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

**Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)**

The ratio is 0% as no capital expenditure was funded from borrowings, which is in line with the budgeted target as per the 2019/20 Operating Budget as no borrowing is planned for the 2019/20 to 2021/22 financial years.

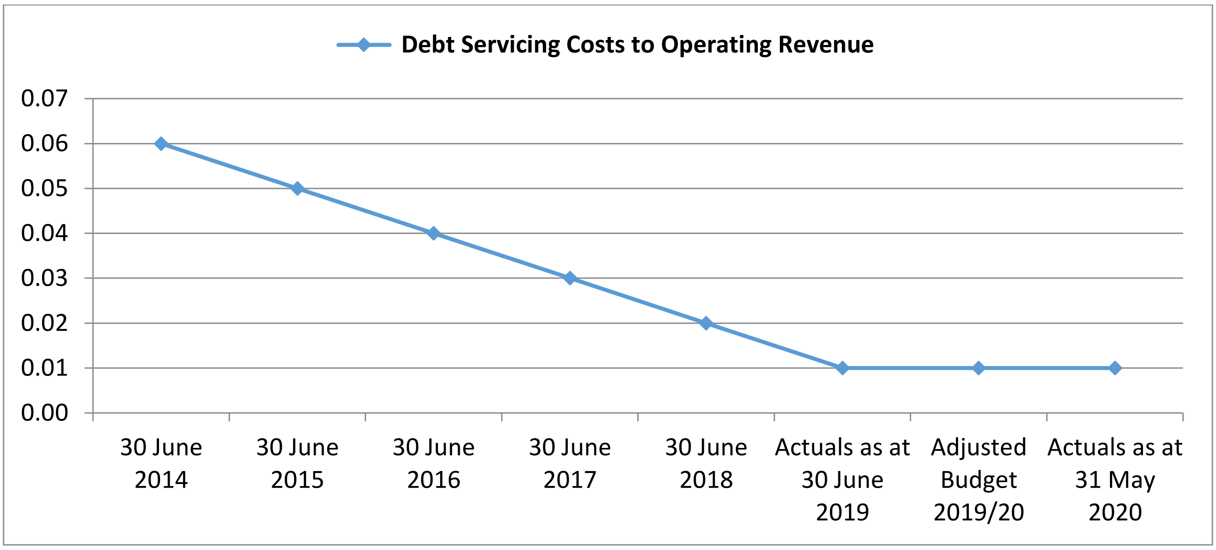
### 10.1.3. Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

**Debt Servicing Costs/Operating Revenue**

As at 31 May 2020, the ratio was 0.01:1, compared to the adjusted budget ratio of 0.01:1.




### 10.2. Liquidity

### 10.2.1. Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

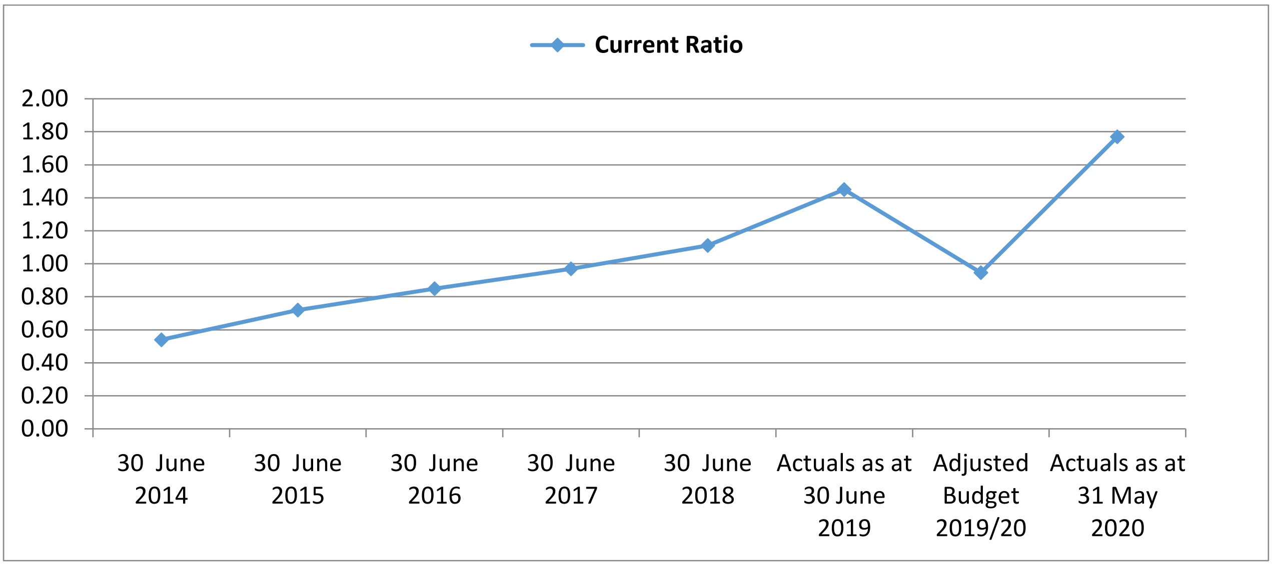
**Current assets/Current liabilities**

The ratio as at 31 May 2020 was 1.77:1, compared to the adjusted budget ratio of 0.95:1.

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.




### 10.2.2. Liquidity Ratio

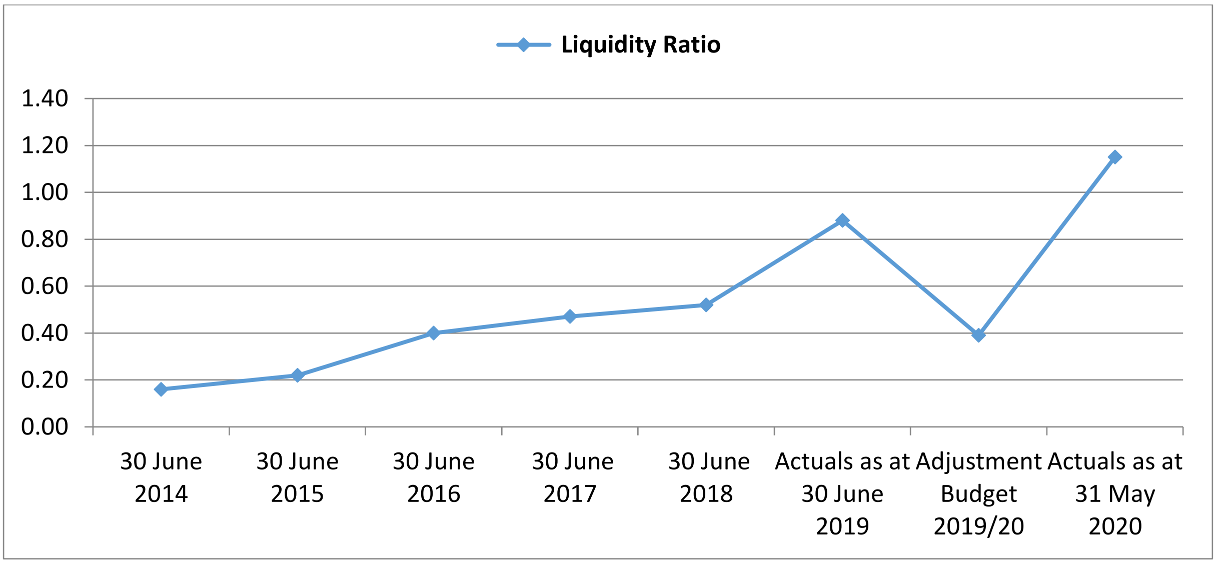
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

**Monetary assets/Current liabilities**

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 May 2020 was 1.15:1, compared to the budgeted ratio of 0.39:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



## 10.3. Revenue Management

### 10.3.1. Annual Debtors Collection Rate

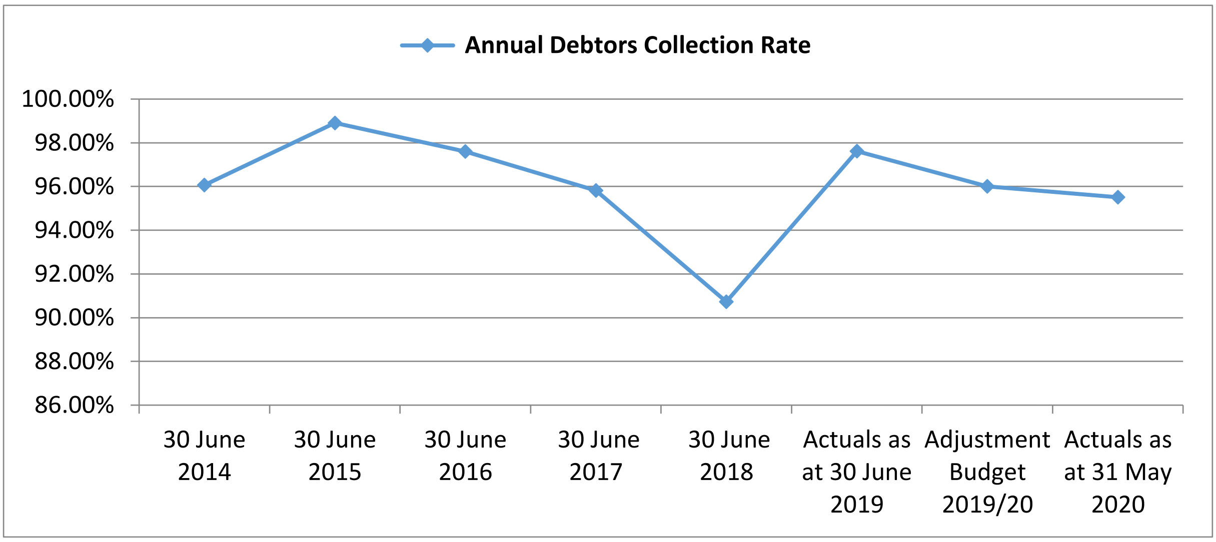
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

**Total Payments Received in Current month/Total Value of Accounts Rendered in the Previous Month X 100**

**Note:** the reason for using the previous month's billing is due to the accounts only being payable the following month (i.e. accountholders are given one calendar month to pay their current accounts).

The average collection rate as at 31 May 2020 was 95.51%, compared to the adjusted budget collection rate of 96%. The actual collection rate for April is 89%. The collection rates have been calculated, based on the revenue receipted, compared to the revenue billed on a month – to - month basis.




## 10.4. Other indicators

### 10.4.1. Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

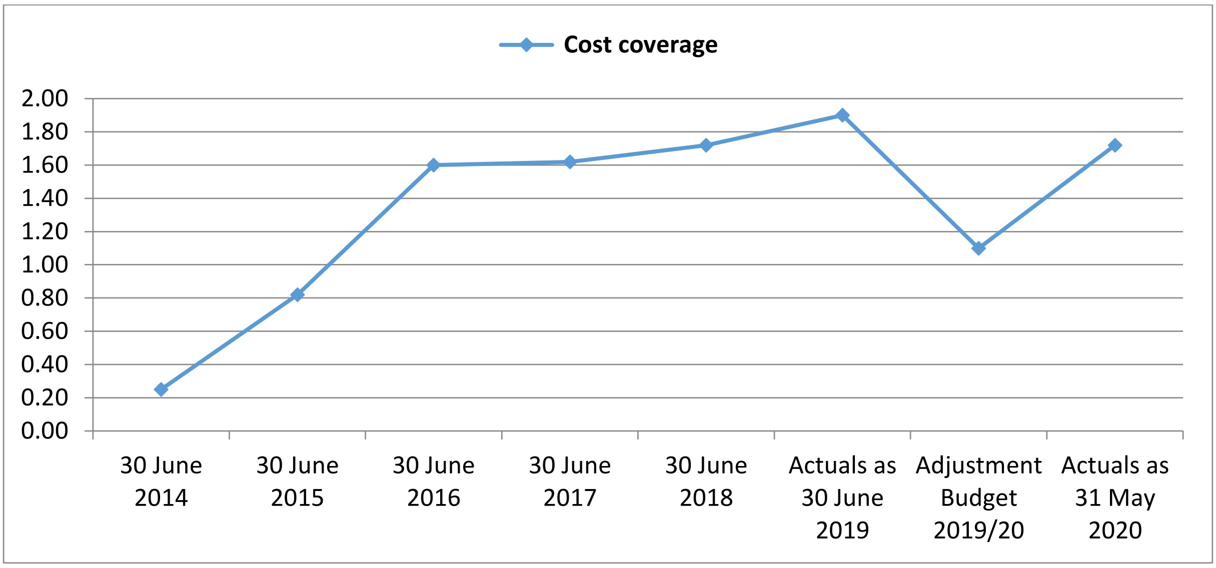
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

**Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)**

As at 31 May 2020, the Ratio was 1.72 months, compared to the adjusted budget ratio of 1.10 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months



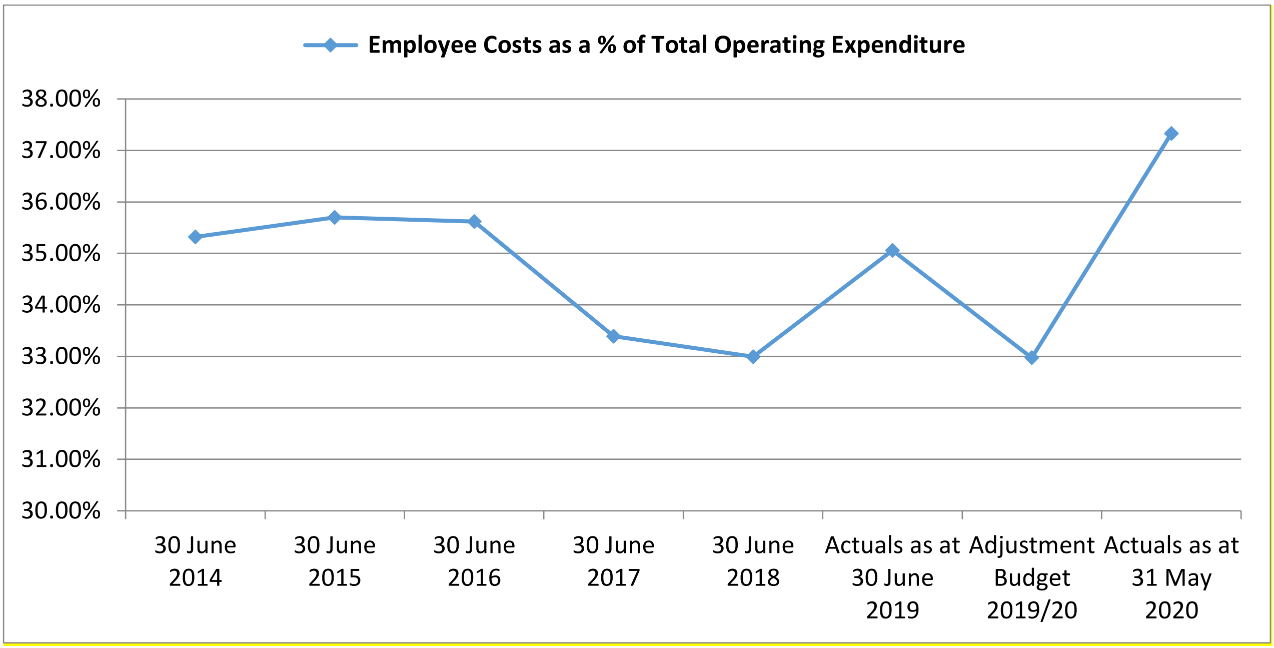

### 10.4.2. Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

**Employee Costs to date/Total Operating Expenditure to Date**

As at 31 May 2020, Employee Related Costs constituted 37.33% of the Total Operating Expenditure, compared to the adjusted budget ratio 32,97%.



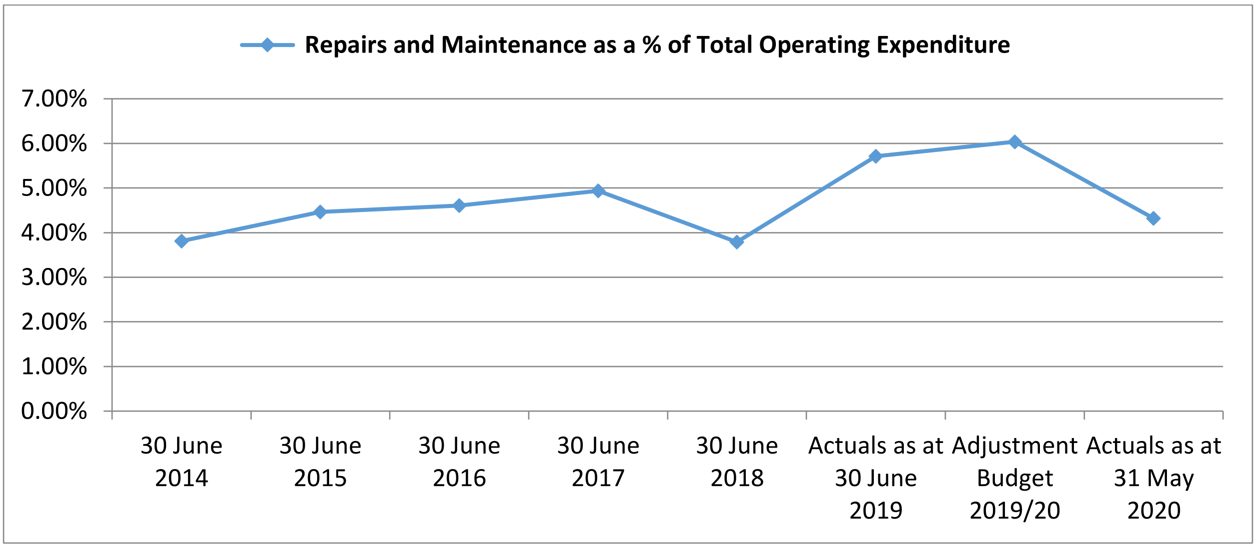

### 10.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

**Repairs and maintenance expenditure to date / Total Operating Expenditure to date**

As at 31 May 2020, the ratio was 4.32%, compared to the adjusted budget ratio of 6.04%.



### 10.4.4. Repairs and Maintenance as a % of the book value of Property, Plant and Equipment (PPE)

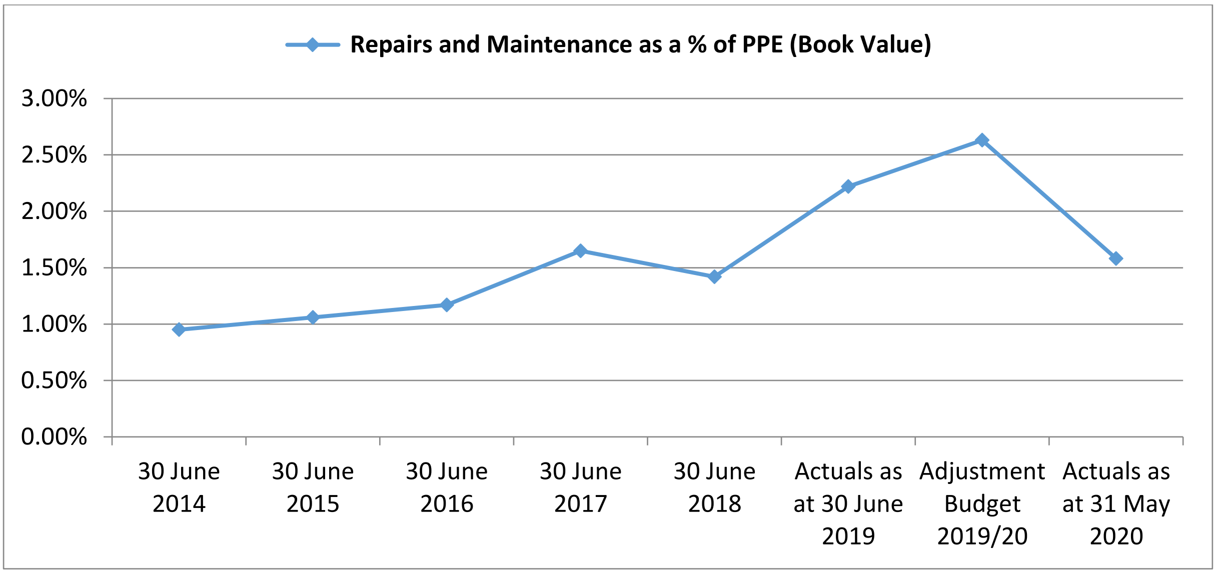
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

**Repairs and maintenance expenditure to date / Book value of PPE to date**

As at 31 May 2020, repairs and maintenance expenditure constituted 1.58% of the book value of PPE, compared to the budgeted ratio of 2.63%.

In terms of the MFMA Circular No.71, the norm is 8%.



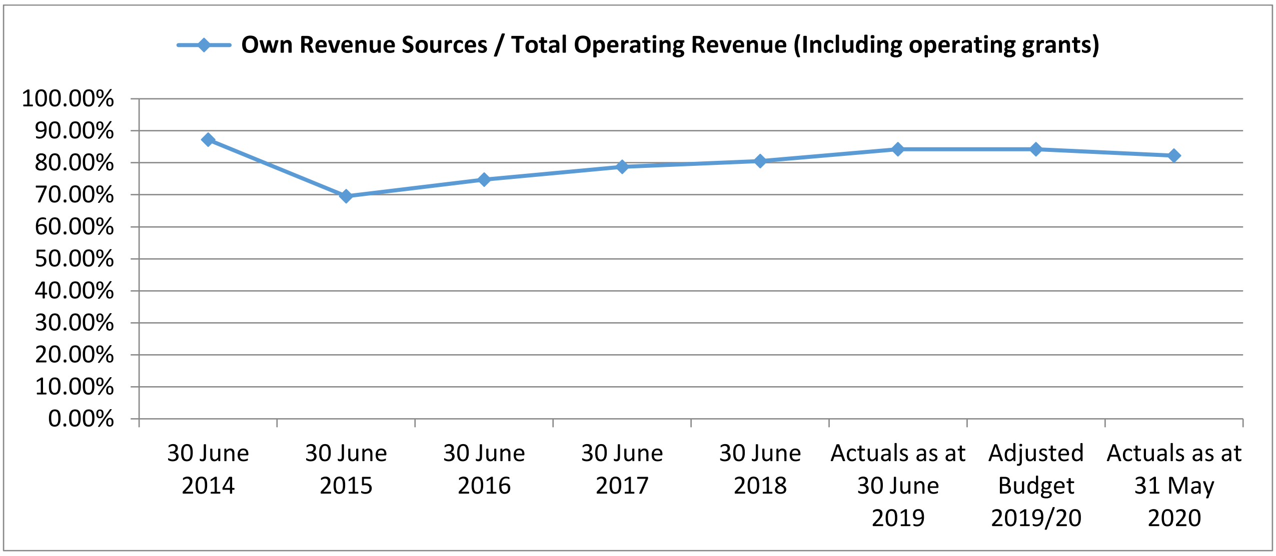

### 10.4.5. Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

**Own Revenue Sources / Total Operating Income (includes operating grants)**

As at 31 May 2020, the Municipality's own revenue sources constituted 82.20% of its total Operating Income, compared to the adjusted budget ratio of 84.27%.



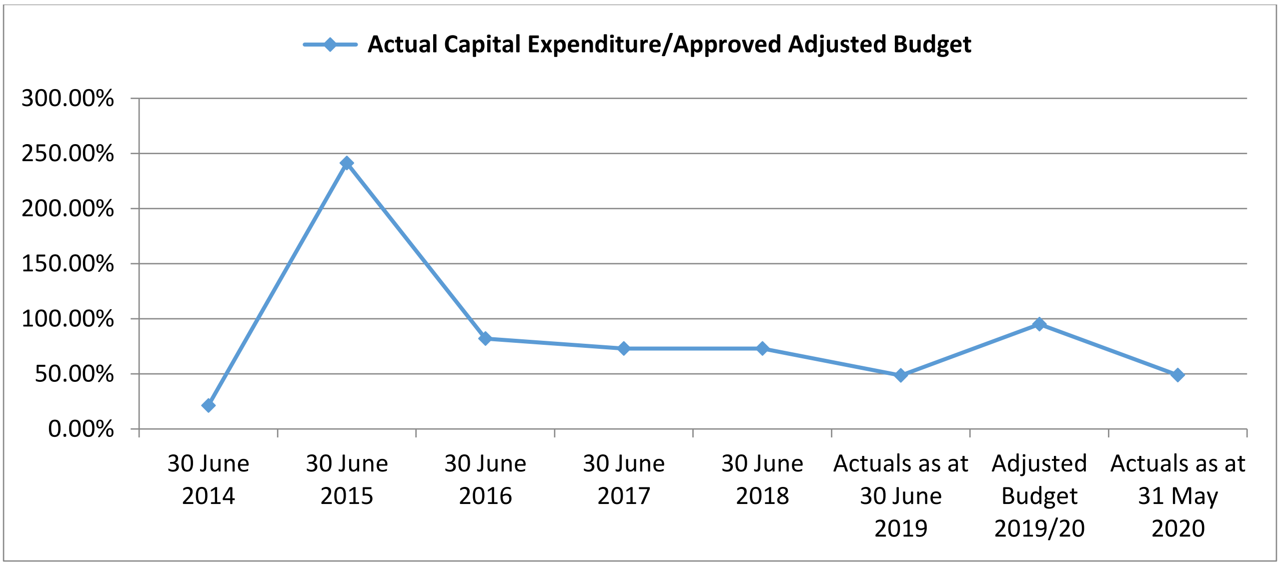

### 10.4.6. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

**Actual Capital spending / Approved Capital Budget**

The actual spending as at the end of May 2020 amounted to 48.85% compared to the adjusted budget ratio of 95%.



**KOUGA MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**FINANCE**

**DATE: 26 JUNE 2020** **ITEM: 20/06/F32**

**WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE**

1. Introduction

The purpose of this report is to inform Council of the Equitable share write-offs for the period, March 2020.

For the period, March 2020, an amount of R2 780 777.18 must be written off against the Provision for Doubtful Debts, in accordance with the Council's Indigent Policy.

The relevant documentation is attached.

2. Background

The Council's Indigent Policy makes provision for writing off debts of residents that qualify for indigent subsidies. The outstanding debts must be written off against the Provision for Doubtful Debts.

Details of the individual names are available, in the office of the Senior EQS clerk, for perusal.

3. Comments by the Directorates

None.

4. Financial implications

None.

5. Legal implications

None.

6. Other implications

None.

7. Recommendation

7.1 That the Equitable Share write-offs for the period March 2020, amounting to R2 780 777.18, be approved.

Drafted by Manager Revenue:

R van Heerden :.............................................................

Approved by CFO:

Mr. R Lorgat:.............................................................

Endorsed by Municipal Manager:

Mr. C Du Plessis:.............................................................

Noted by Portfolio Councillor:.............................................

**EQS WRITE-OFFS**
**Financial Year 2019/2020**

**March 2020**

| UNIT | Electricity | EMF | Sundries | Rates | Refuse | Sewerage | Water | Total |
|---|---|---|---|---|---|---|---|---|
| Cape St Francis | | | | | | | | |
| Hankey | | 24,515.81 | | 12,488.50 | 102,811.67 | 52,803.32 | 146,322.37 | 338,941.67 |
| Humansdorp | 11,639.14 | 152,587.31 | | 7,229.62 | 560,180.49 | 434,851.65 | 630,748.43 | 1,797,236.64 |
| Jeffreys Bay | 29,025.54 | 22,007.82 | 657.36 | 40,703.49 | 93,564.29 | 94,036.24 | 181,537.96 | 461,532.70 |
| Loerie | | 2,172.78 | 34.77 | 0.16 | 8,912.29 | 6,948.12 | 30,099.22 | 48,167.34 |
| Oyster Bay | | 1,827.35 | | | 7,530.20 | | 7,876.83 | 17,234.38 |
| Patensie | | 1,007.11 | | 0.09 | 4,078.20 | 3,498.40 | 5,483.69 | 14,067.49 |
| St Francis Bay | | 4,232.31 | | 0.08 | 17,428.20 | 22,493.08 | 56,663.26 | 100,816.93 |
| Thornhill | | | 34.77 | | | | | 34.77 |
| Rural | 2,697.37 | | | | | | 47.89 | 2,745.26 |
| **TOTAL** | **43,362.05** | **208,350.49** | **726.90** | **60,421.94** | **794,505.34** | **614,630.81** | **1,058,779.65** | **2,780,777.18** |

| | |
|---|---|
| **Included in the above Amounts :** | |
| Services | 2,157,506.24 |
| Penalties | 314,117.96 |
| VAT | 309,152.98 |
| **Total** | **2,780,777.18** |

# REPORTS BY THE PORTFOLIO CHAIRPERSON: PLANNING AND DEVELOPMENT

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCIL MEETING**

**PLANNING AND DEVELOPMENT**

**DATE: 26 JUNE 2020** **ITEM NO: 20/06/PD3**

**APPLICATION FOR WAIVING OF PENALTIES IMPOSED ON BUILDING PLAN SUBMISSIONS TO THE DEPARTMENT PLANNING & DEVELOPMENT: UNAUTHORISED BUILDING WORK IN TERMS OF THE NATIONAL BUILDING REGULATIONS AND STANDARDS ACT, ACT 103 OF 1977: EXTENSION OF PERIOD FROM 30 JUNE 2020 to 30 JUNE 2021**

1. Introduction

Kouga Municipal Council has approved exemption of fines and penalties imposed when building plans are submitted for approval to comply with the Act. The period ends now on30 June 2020 and due to the implementation of the "lockdown period" in term of the National Disaster Management Act , the request from the professional architects, Technologists and persons in the buildering industry is to extent the period.

2. Background

The Department Planning & development received numerous applications from property owners in the Kouga Municipal area for exemption of fines and penalties imposed on them for not complying to the National Building Regulations.

The problem emanated from historical reasons such as:

- previous owners build or extent their buildings without approved plans.
- Did revisions/Alterations without approved plans.
- Inspections by the municipal officials in the past not done properly and final inspections was not done, and occupation certificates not issued.
- Building plans never returned by architects or draught person to the Municipality for final approval.
- Building Plans got lost during removal from Jeffreys Bay offices to Humansdorp.

The new owners envisaged a problem of non-compliance when they submit new plans for alterations or additions to their buildings. The Building Control Officer, when receiving plans for alterations or additions then have to impose penalties in terms of the National Building Regulations and the Municipality Standard application fee structure. (4 Times the plan fee amount for penalties)

The Department Planning, Development & Tourism has received many applications during the past year and gave amnesty to many applicants not to pay the penalties and only pay normal application fees.

The period ending at the end of June 2020 and after this period lapse, penalties will then again be enforced by the Building Control Section. Therefore, the proposal by the Department for the extension of the period.

3. Legal Implications

None.

4. Financial Implications

(Jan-March 2019) = R 233 877.00
(April -June 2019) = R111 014.00
(July-Sept 2019) = R326 944.00
(Oct.-Dec 2109) = R 173 220.00
(Jan– March 2020 = R132 684.00

5. Recommendation

5.1 That the extension period from **30 June 2020 until 30 June 2021** on the waiver of penalties on existing applications (BEFORE THE INCEPTION PERIOD) for exemption of these penalties and that the normal build plan application fee be applicable and be paid by the applicant, be approved.

5.2 That the applicant shall, where applicable, be required to comply with the National Building Regulations and Standards Act ,1977(Act 103 of 1977, as amended) to ensure sound building control management, be approved.

5.3 The Council shall reserve the right to impose conditions to ensure compliance to other legislation.

5.4 The proposed period for exemption determined by the Council and that this period be publish in the local newspaper to inform all residents of the waiver period for penalties, be approved.

**Item prepared by : The Manager: Planning & Development**

**Item approved by : The Director: Planning, Development & Tourism**

**Item noted by the Portfolio Chairperson**

**KOUGA MUNICIPALITY (EC 108)**

**COUNCIL MEETING**

**PLANNING AND DEVELOPMENT**

**DATE: 26 JUNE 2020** **ITEM NO. 20/06/PDT4**

**DEVELOPMENT PROPOSAL: PRECINCT PLAN FOR ERF 8783: OCEAN VIEW, JEFFREYS BAY**

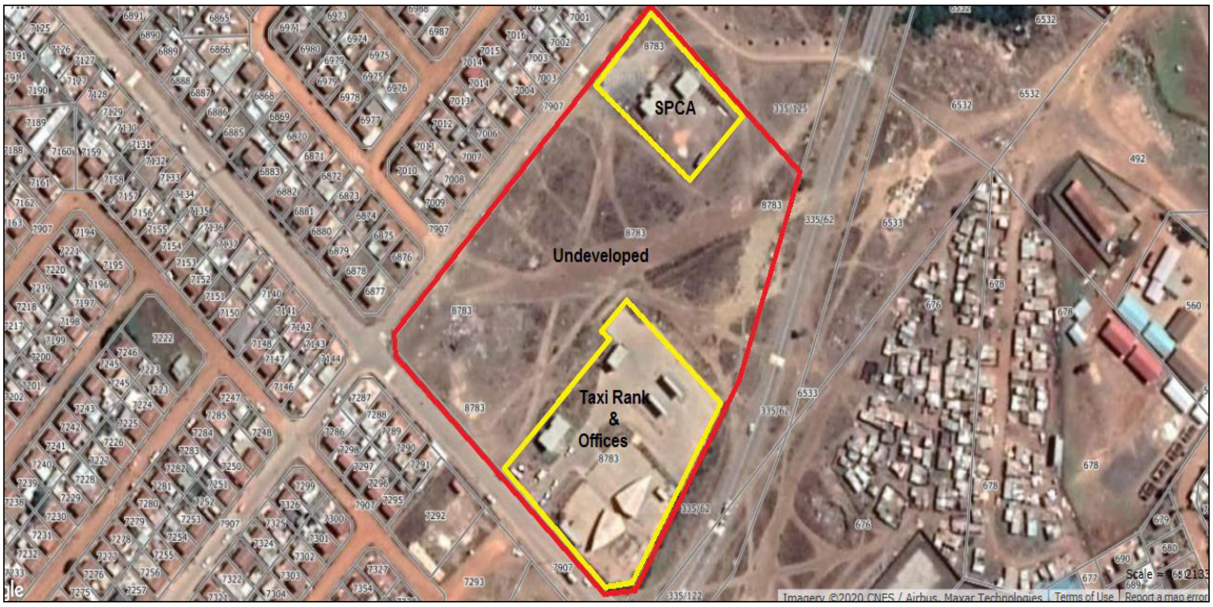
1. Introduction

The purpose of the item is to request the Council to grant approval for the development proposal of Erf 8783 Ocean View, Jeffreys Bay as reflected on the precinct plan prepared by the Directorate.

2. Background

Provisional layout, No. 1056E/l1/5 was prepared by Urban Dynamics in May 2011 which illustrated the existing housing developments as well as proposed future housing development with different amenities, which includes erf 8783 (Multi-Purpose Centre).


Erf 8783 is zoned as "Authority" and 2.6211 hectares in extent, it is currently being under-utilized with current uses being taxi rank, offices and animal sanctuary (SPCA). The developed portion makes up 9440m$^2$ of the property, whilst the remaining 1,6771 hectares of the land are not being utilized at this stage.

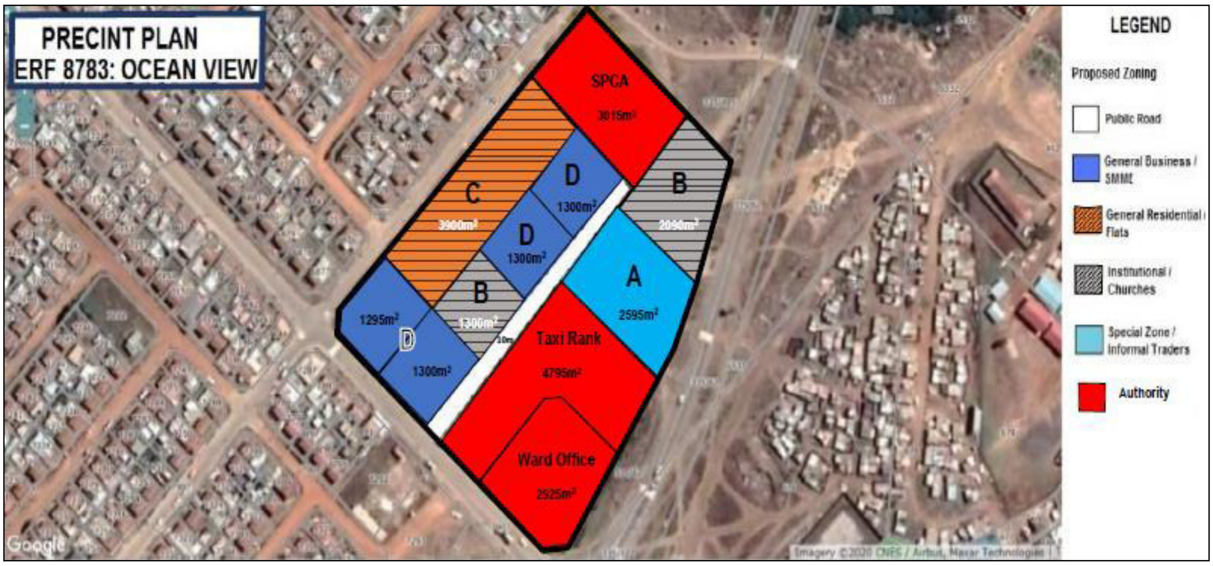



This above situation has persisted for many years whilst there has been keen interest and desperation from the public to obtain a portion of this land for different development initiatives, e.g. small businesses, restaurants, youth development initiatives, informal traders

The property is favorably located and will unlock various socio-economic opportunities and will contribute to local economic development of the area and surrounding communities.

In an effort to turn the current situation around and optimizing the development potential of erf 8783 a precinct plan has been prepared that will cater for different opportunities. The precinct plan that has been prepared will accommodate the current activities whilst incorporating the following uses:

- General Business (SMME)
- General Residential (Flats)
- Institutional (Churches)
- Special Zone (Informal Traders)
- Authority (Existing Activities)
- Public Road (Access)




It is also worth noting that the development proposal and precinct plan has been included in the Spatial Development Framework (SDF) and the Integrated Land Use Scheme (ILUS), which is currently in the process to being reviewed (SDF) and developed (ILUS).

3. Recommendation

3.1 That Council grants approval for the precinct plan and development proposal for erf 8783, Ocean View.

3.2 That the precinct plan and development proposal of erf 8783 Ocean be subject to public participation.

3.3 That the registration of erf 8783, Ocean View to Kouga Municipality be continued and concluded.

3.4 That a land surveyor be appointed to finalize the subdivision of erf 8783 on final approval of the precinct plan.

**Item prepared by** : **The GIS Administrator**

**Item approved by** : **The Director: Planning, Development and Tourism**

**Endorsed by** : **The Municipal Manager**

**Item noted by the Portfolio Chairperson**

# REPORTS BY THE PORTFOLIO CHAIRPERSON: LOCAL ECONOMIC DEVELOPMENT & TOURISM

**KOUGA MUNICIPALITY (EC 108)**

**ORDINARY COUNCL MEETING**

**LOCAL ECONOMIC DEVELOPMENT & TOURISM**

**DATE: 26 JUNE 2020** **ITEM NO: 20/06/LED&T1**

**FINAL DRAFT OF THE KOUGA LOCAL ECONOMIC DEVELOPMENT STRATEGY FOR COUNCIL ADOPTION**

1. Introduction

The purpose of this report is seek Council's approval and adoption of the Local Economic Development (LED) Strategy annexed hereto.

2. Background

The Municipality appointed a Service Provider to develop a Kouga LED Strategy. A Steering Committee encompassing Municipality reps and external members was established, whose responsibility was to oversight and guide the processes. Workshops were held with the sector representatives from various sectors during the drafting process, input which is covered in one of the chapters of the Strategy. Councillors were also afforded a session to participate and engage with the consultant's team during drafting stages.

A resolution was taken that a consultative workshop where key industries and relevant government stakeholders. This follows a dissatisfaction with the final draft submitted by the Service Provider. The main issue over and above the minor errors on document being lack of time frames linked to actions.

The intended outcomes of the workshop were:

- *An implementation or Action Plan that outlines key projects/ interventions for implementation in the Short, Medium & Long Term.*

- *Confirmation of the challenges identified in the Draft LED Strategy Report and propose recommendations.*

Due to the Covid -19 pandemic outbreak the government issues directive to put on hold to all gatherings, the workshop was cancelled at last minute. As an effort to ensure the participatory approach is followed, the Local Economic Development Office developed an online LED Strategy Survey which was shared with the steering committee and the relevant stakeholders for inputs. (see annexure).

3. Financial Implications

Budget: R 366,223.00
Ukey: 20190307104331
Expenditure: R322 000.00

4. <u>Legal Implications</u>

None

5. <u>Recommendation</u>

5.1 That the Final Draft for the Kouga Local Economic Strategy as tabled, be approved.

**Item prepared by** **: The Director: Planning, Development & Tourism**

**Approved by** **: The Municipal Manager**

**Item noted by the Portfolio Chairperson**

KOUGA
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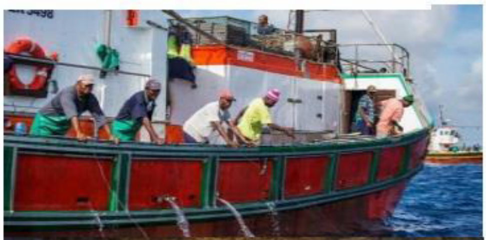

# KOUGA LOCAL ECONOMIC DEVELOPMENT STRATEGY

2019

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## List of Acronyms and Abbreviations

| | |
|---|---|
| ASGISA | Accelerated and Shared Growth Initiative for South Africa |

| | |
|---|---|
| BFAP | Bureau for Food and Agriculture Policy |
| CA | Comparative Advantage |
| CBD | Central Business District |
| COGTA | Cooperative Governance Trading Affairs |
| CWP | Community Works Program |
| DAFF | Department of Agriculture, Forestry and Fisheries |
| DBSA | Development Bank of Southern Africa |
| DED | Department of Economic Development |
| DEDAT | Department of Economic Development and Tourism |
| DLG | Department of Local Government |
| DM | District Municipality |
| DMO | District Municipality Objectives |
| DPLG | Department of Provincial and Local Government (now COGTA) |
| DRDLR | Department of Rural Development and Land Reform |
| DSBD | Department of Small Business Development |
| DT | Department of Tourism |
| Dti | Department of Trade and Industry |
| E | Estimate |
| e.g. | Exempli gratia (for example) |
| EC | Eastern Cape |
| EPWP | Expanded Public Works Program |
| etc. | Et cetera |
| FET | Further Education and Training |
| FPL | Food Poverty Line |
| GDP | Gross Domestic Product |
| GDPR | Gross Domestic Product for a Region |
| GDS | Gross Domestic Savings |
| GFCF | Gross Fixed Capital Formation |
| GGP | Gross Geographic Product |
| GNI | Gross National Income |
| GNP | Gross National Product |

| | |
|---|---|
| GVA | Gross Value Added |
| HDI | Human Development Index |
| i.e. | Id Est (that is) |
| i.t.o. | In terms of |
| ICT | Information and Communication Technology |
| IDC | Industrial Development Corporation |
| IDP | Integrated Development Plan |
| ILO | International Labour Organisation |
| KLM | Kouga Local Municipality |
| KMSDF | Kouga Municipality Spatial Development Framework |
| KPA | Key Performance Area |
| LBPL | Lower Bound Poverty Line |
| LED | Local Economic Development |
| LM | Local Municipality |
| LQ | Location Quotient |
| LRC | Local Representative Committee |
| MERO | Municipal Economic Review and Outlook |
| MLL | Minimum Living Level |
| MOA | Memorandum of Agreement |
| MOU | Memorandum of Understanding |
| MTB | Mountain Bike |
| n.e.c. | Not elsewhere classified |
| N/A | Not Applicable |
| NDP | National Development Plan |
| NDT | National Department of Tourism |
| NFLED | National Framework of Local Economic Development |
| NGP | New Growth Path |
| NKPA | National Key Performance Area |
| NOC | National Outcome |
| NRTS | National Rural Tourism Strategy |
| NSDP | National Spatial Development Perspective |

| | |
|---|---|
| NTSS | National Tourism Sector Strategy |
| NYDA | National Youth Development Agency |
| p.a. | Per annum |
| PERO | Provincial Economic Review and Outlook |
| PGDP | Provincial Growth and Development Plan |
| PPP | Private Public Partnership |
| PSO | Provincial Strategic Objective |
| Pty Ltd | Proprietary Limited |
| R | Rand |
| REIPPP | Renewable Energy Independent Power Producer Program |
| RLED | Regional Local Economic Development |
| RSA | Republic of South Africa |
| SA | South Africa |
| SAMPI | South African Multidimensional Poverty Index |
| SAT | South African Tourism |
| SBDM | Sarah Baartman District Municipality |
| SCM | Supply Chain Management |
| SCPDU | State Coastal Property Development Unit |
| SDG | Sustainable Development Goals |
| SEDA | Small Enterprise Development Agency |
| SEFA | Small Enterprise Funding Agency |
| SMME | Small, Medium and/or Micro Enterprise |
| SO | Strategic Objective |
| SOEs | State Owned Enterprises |
| Stats SA | Statistics South Africa |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |
| UBPL | Upper Bound Poverty Line |
| UNEP | United Nations Environmental Programme |
| USP | Unique Selling Proposition |
| VFR | Value for money |
| VICs | Visitor Information Centres |