

REPORT TO COUNCIL: 26 FEBRUARY 2020

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2019/20 MID-YEAR ADJUSTMENTS BUDGET REPORT

1. PURPOSE

The purpose of the report is for the Council to **consider** and **approve** the Mid-Year Adjustments Budget of Buffalo City Metropolitan Municipality for the 2019/20 financial year in terms of section 28 of the MFMA.

2. AUTHORITY

Buffalo City Metropolitan Council.

3. LEGAL / STATUTORY REQUIREMENTS

3.1 The Constitution of the Republic of South Africa, 1996

3.2 Municipal Finance Management Act No 56, 2003

3.3 Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

In terms of Section 28, of the Municipal Finance Management Act No. 56, 2003, Chapter 4, the following applies: -

(1) "A municipality may revise an approved annual budget through an adjustment budget.

(2) An adjustments budget—

(a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;

(b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;

- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.
- (3) An adjustments budget must be in a prescribed form.
- (4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)(b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.
- (5) When an adjustments budget is tabled, it must be accompanied by—
- (a) an explanation how the adjustments budget affects the annual budget;
 - (b) a motivation of any material changes to the annual budget;
 - (c) an explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
 - (d) any other supporting documentation that may be prescribed.
- (6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.”

According to the Municipal Budget and Reporting Regulations (MBRR), 2009, (Reg. 23)

“(1) an adjustments budget referred to in Section 28(2)(b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.”

“An adjustment budget and supporting documentation of a must be in the format specified in Schedule B and include all the required tables, charts and explanatory

information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act” (MFMA).

In terms of Section 54(1) on receipt of a statement or report submitted by the Accounting Officer of the municipality and in terms of Section 71 or 72, the Mayor must

–

“(c) consider and, if necessary, make any revisions to the Service Delivery and Budget Implementation Plan, provided that the revision to the service delivery targets and performance indicators in the plan may only be made with the approval of the Council following approval of an adjustment.”

This report responds to the above sections of MFMA (28(2)(e)) and follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule B format).

5. EXPOSITION OF FACTS

The mid-year budget adjustment is being prepared as informed by the Mid-Year Budget and Performance Assessment and certain adjustments have been identified in terms of Section 28(2) of the MFMA. The Mid-Year Budget and Performance Assessment was tabled at Council on 29 January 2020. The main reason for this adjustment budget is the revision and re-allocation of budget between capital and operating budget, votes, expenditure categories and revenue sources in order to improve operational efficiencies and service delivery.

A. The following table provides a high-level summary of the Operating and Capital Budget Adjustments for the Parent Municipality (BCMM):

OPERATING AND CAPITAL BUDGET EXPENDITURE	2019/2020 APPROVED BUDGET	2019/2020 FIRST ADJ. BUDGET	ADJUSTMENTS	2019/2020 MID-YEAR ADJ. BUDGET	2020/2021 FINAL BUDGET	2021/2022 FINAL BUDGET
Total Revenue	-7.081.316.350	-7.074.532.427	23.270.183	-7.051.262.244	-7.645.928.912	-8.234.482.712
Total Operating Expenditure Excluding Operating Projects	6.667.660.759	6.607.568.928	26.631.635	6.634.200.563	7.195.736.966	7.712.877.978
Operating Projects	412.948.389	466.256.300	-50.096.817	416.159.483	449.119.371	520.352.948
Total Operating Expenditure Including Operating Projects	7.080.609.148	7.073.825.228	-23.465.182	7.050.360.046	7.644.856.337	8.233.230.926
(Surplus) / Deficit	-707.202	-707.199	-194.999	-902.198	-1.072.575	-1.251.786
Total Capital Expenditure	1.673.214.910	1.878.549.674	19.978.574	1.898.528.248	1.883.649.555	2.002.097.572
Total Opex and Capex Budget	8.753.824.058	8.952.374.902	-3.486.608	8.948.888.294	9.528.505.892	10.235.328.498

B. The following table provides a high-level summary of the Operating and Capital Budget Adjustments for the Municipal Entity (BCMDA):

OPERATING AND CAPITAL BUDGET EXPENDITURE	2019/2020	2019/2020	ADJUSTMENTS	2019/2020	2020/2021	2021/2022
	APPROVED BUDGET	FIRST ADJ. BUDGET		MID-YEAR ADJ. BUDGET	FINAL BUDGET	FINAL BUDGET
Total Revenue	-61.692.114	-61.692.114	-25.831.825	-87.523.939	-52.381.499	-54.334.687
Total Operating Expenditure Excluding Operating Projects	61.488.686	61.488.686	-3.766.746	57.721.940	50.995.516	52.355.643
Operating Projects	0	0	24.500.000	24.500.000	0	0
Total Operating Expenditure Including Operating Projects	61.488.686	61.488.686	20.733.254	82.221.940	50.995.516	52.355.643
(Surplus) / Deficit	-203.428	-203.428	-5.098.571	-5.301.999	-1.385.983	-1.979.044
Total Capital Expenditure	59.282.000	76.717.399	-74.435.399	2.282.000	47.510.200	47.761.220
Total Opex and Capex Budget	120.770.686	138.206.085	-53.702.145	84.503.940	98.505.716	100.116.863

C. The following table provides a high-level summary of the Consolidated Operating and Consolidated Capital Budget Adjustments:

OPERATING AND CAPITAL BUDGET EXPENDITURE	2019/2020	2019/2020	ADJUSTMENTS	2019/2020	2020/2021	2021/2022
	APPROVED BUDGET	FIRST ADJ. BUDGET		MID-YEAR ADJ. BUDGET	FINAL BUDGET	FINAL BUDGET
Total Revenue	-7.143.008.464	-7.136.224.541	-2.561.642	-7.138.786.183	7.642.810.411	8.228.617.399
Total Operating Expenditure Excluding Operating Projects	6.729.149.416	6.669.057.615	47.364.889	6.716.422.504	7.191.232.493	7.705.033.563
Operating Projects	412.948.389	466.256.300	-50.096.817	416.159.483	449.119.371	520.352.948
Total Operating Expenditure Including Operating Projects	7.142.097.805	7.135.313.915	-2.731.928	7.132.581.987	7.640.351.864	8.225.386.511
(Surplus) / Deficit	-910.659	-910.626	-5.293.570	-6.204.196	15.283.162.275	16.454.003.910
Total Capital Expenditure	1.737.412.866	1.955.267.075	-54.456.825	1.900.810.250	1.936.159.755	2.054.858.792
Total Opex and Capex Budget	8.879.510.671	9.090.580.990	-57.188.753	9.033.392.237	9.576.511.619	10.280.245.303

Further details on exposition of facts are detailed below for the Consolidated adjustments in the prescribed format.

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ABBREVIATIONS AND ACRONYMS

ASGISA	Accelerated and Shared Growth Initiative South Africa	GDP	Gross Domestic Product
BCMM	Buffalo City Metropolitan Municipality	GFS	Government Financial Statistics
BCMDA	Buffalo City Development Agency	GRAP	Generally Recognized Accounting Practice
BEPP	Built Environment Performance Plan	HR	Human Resources
BSC	Budget Steering Committee	HSDG	Human Settlement Development Grant
CBD	Central Business District	HSRC	Human Science Research Council
CFO	Chief Financial Officer	ECPTA	Eastern Cape Parks & Tourism
CM	City Manager	IDP	Integrated Development Plan
CoGTA	Cooperative Government & Traditional Affairs	ELIDZ	East London Industrial Development Zone
CPI	Consumer Price Index	EU	European Union
CRRF	Capital Replacement Reserve Fund	ELIDZ	East London Industrial Development Zone
DBSA	Development Bank South Africa	INEP	Integrated National Electrification Programme
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism	IT	Information Technology
DoRA	Division of Revenue Act	kℓ	Kilolitre
DRDLR	Department of Rural Development and Land Reform	ICDG	Integrated City Development Grant
DTI	Department of Trade & Industry	ISUPG	Informal Settlements Upgrading Partnership Grant
DWA	Department of Water Affairs	KFA	Key Focus Area
ECDC	Easter Cape Development Corporation	Km	Kilometre
EE	Employment Equity	KPA	Key Performance Area
EEDSM	Energy Efficiency Demand Side Management	KPI	Key Performance Indicator
EM	Executive Mayor	kWh	Kilowatt hour
EPWP	Expanded Public Works Programme	ℓ	Litre

FBS	Free Basic Services	LED	Local Economic Development
FMG	Finance Management Grant	MBRR	Municipal Budgeting and Reporting Regulations
GAMAP	Generally Accepted Municipal Accounting Practice	MDGS	Metro Growth and Development Strategy
MEC	Member of the Executive Committee	PTIS	Public Transport Infrastructure System
MFMA	Municipal Finance Management Act	SALGA	South African Local Government Association
MIG	Municipal Infrastructure Grant	SAT	South African Tourism
MMC	Member of Mayoral Committee	SDBIP	Service Delivery Budget Implementation Plan
MPRA	Municipal Property Rates Act	SDF	Spatial Development Framework
MSA	Municipal Systems Act	SMME	Small Micro and Medium Enterprises
MTEF	Medium-term Expenditure Framework	UK	United Kingdom
MTREF	Medium-term Revenue and Expenditure Framework	US	United States
NDPG	Neighbourhood Development Partnership Grant	USDG	Urban Settlement Development Grant
NERSA	National Electricity Regulator South Africa	VAT	Value Added Tax
NGO	Non-Governmental Organisations	WSA	Waster Services Authority
NKPIs	National Key Performance Indicators	WSDP	Water Services Development Plan
NT	National Treasury	UK	United Kingdom
OP	Operational Plan	US	United States
PMS	Performance Management System	USDG	Urban Settlement Development Grant
PPE	Property, Plant and Equipment	VAT	Value Added Tax
PPP	Public Private Partnership	WSA	Waster Services Authority
PT	Provincial Treasury	WSDP	Water Services Development Plan

5.1 EXECUTIVE MAYOR'S REPORT

The 2019/2020 mid-year budget adjustment is being prepared as informed by the mid-year budget and performance assessment and in terms of the MFMA, Municipal Budget and Reporting Regulations. The main reason for this adjustment budget is the revision and re-allocation of budget between capital and operating budget, votes, expenditure categories and revenue sources in order to improve operational efficiencies and service delivery. The following table provides a high-level summary of the Consolidated Operating and Capital Budget Adjustments:

Table 1: High Level Summary of Consolidated Operating and Capital Budget Adjustments

OPERATING AND CAPITAL BUDGET EXPENDITURE	2019/2020 APPROVED BUDGET	2019/2020 FIRST ADJ. BUDGET	ADJUSTMENTS	2019/2020 MID-YEAR ADJ. BUDGET	2020/2021 FINAL BUDGET	2021/2022 FINAL BUDGET
Total Revenue	-7.143.008.464	-7.136.224.541	-2.561.642	-7.138.786.183	7.642.810.411	8.228.617.399
Total Operating Expenditure	7.142.097.805	7.135.313.915	-2.731.928	7.132.581.987	7.640.351.864	8.225.386.511
Total Capital Expenditure	1.737.412.866	1.955.267.075	-54.456.825	1.900.810.250	1.936.159.755	2.054.858.792
Total Opex and Capex Budget	8.879.510.671	9.090.580.990	-57.188.753	9.033.392.237	9.576.511.619	10.280.245.303

The following factors were considered in the formulation of the mid-year adjustment budget:

- (a) Projected annual revenue for all revenue sources after taking into consideration the actual revenue realised in the mid-year.
- (b) Ability to improve revenue performance.
- (c) Identified potential savings versus additional budget requests received.
- (d) Adjustments between the different expenditure types as requested by directorates.
- (e) Adjustments between the different expenditure types for correct classification.
- (f) Continuous enforcement of cost containment measures.

- (g) Potential to achieve the collection rate target of 92.5% (current as at 2019/20 mid-year 85.71% versus 81.9% as at 2018/19 mid-year).
- (h) Funding availability and affordability.
- (i) Status of implementation readiness for each project.

Therefore, the proposed adjustments are mainly re-allocations within and across directorates and expenditure types as well as revenue sources.

5.2 COUNCIL RESOLUTIONS

On 29 May 2019 the Council of Buffalo City Metropolitan Municipality met to consider, approve and adopt the 2019/20 – 2021/22 MTREF Budget. The Council further met on 23 August 2019 to consider and approve the roll-over adjustment budget. In terms of Chapter 4, Section 28 (1) to (7) of the Municipal Finance Management Act No. 56 of 2003, "A municipality may adjust an approved budget through an adjustment budget."

It is therefore recommended that the BCMM Council approves and adopts:

- A. The adjusted budget of the Parent municipality (BCMM) for the 2019/2020 Mid-year adjustment budget as follows:
 - i. The adjustment from R7 074 532 427 to R7 051 262 244 of the BCMM 2019/20 Operating Revenue Budget.
 - ii. The adjustment from R7 073 825 228 to R7 050 360 046 of the BCMM 2019/20 Operating Expenditure Budget.
 - iii. The adjustment from R1 878 549 674 to R1 898 528 248 of the BCMM 2019/20 Capital Budget.

- B. The adjusted budget of the municipal entity (BCMDA) for the 2019/2020 Mid-year adjustment budget as follows:
 - i. The adjustment from R61 692 114 to R87 523 939 of the BCMDA 2019/20 Operating Revenue Budget.
 - ii. The adjustment from R61 488 686 to R82 221 940 of the BCMDA 2019/20 Operating Expenditure Budget.
 - iii. The adjustment from R76 717 399 to R2 282 000 of the BCMDA 2019/20 Capital Budget.

C. The consolidated adjusted budget for the 2019/2020 Mid-year adjustment budget as follows:

- i. The adjustment from R7 136 224 541 to R7 138 786 183 of the consolidated 2019/20 Operating Revenue Budget.
- ii. The adjustment from R7 135 313 915 to R7 132 581 987 of the consolidated 2019/20 Operating Expenditure Budget.
- iii. The adjustment from R1 955 267 075 to R1 900 810 250 of the consolidated 2019/20 Capital Budget.


D. Council note that, in order to improve operational efficiency, the consolidated detailed schedules of operating projects and capital projects that are attached as annexure 1 and 2 respectively have been rolled up to project and or programme level to allow budget transfers between vote/account numbers that make up that particular project or programme to be managed at administrative level rather than being treated as a virement or an adjustment budget (annexure 1.1 and 2.1 are provided for information only).



X. PAKATI

EXECUTIVE MAYOR

BUFFALO CITY METROPOLITAN MUNICIPALITY



DATE

5.3 EXECUTIVE SUMMARY

The Buffalo City Metropolitan Municipality is still taking tune from the latest National Medium-Term Budget Policy Statement (MTBPS) which highlighted the economic challenges that are still experienced by South Africans as cited by the Honourable Minister of Finance when he presented the Medium-Term Budget Policy Statement on 30 October 2019. The MTBS detailed government's fiscal goals and projections for the economy, as well as the risks facing the country. The MTBS highlighted South Africa's state of finances, with a growing budget deficit, even lower GDP growth and state-owned entities in financial crisis.

BCMM continues to take a more conservative approach in the manner in which it approaches the budgeting including this mid-year adjustment budget. This approach involved an intensive internal process of assessing and determining whether the budgeted programs and projects are responding to the City's strategic needs and priorities. This process further assessed the implementation readiness of the budgeted programs and projects and the re-allocation of the expenditure budget was informed by this assessment. The assessment also indicated low collection rate which requires close focus. The City is still committed to putting all necessary revenue collection measures to achieve the set target of 92.5%.

The debtor's collection rate for the period ending 31 December 2019 is 85.71% (2018/19: 81.9%). This indicator has improved compared to last financial year around the same period, thus the indication is that the Metro is more likely to achieve the set target of 92.5%.

The key liquidity financial indicators are currently deemed to be adequate at 1.91:1 as at 31 December 2019 and within the set norms. It is however a concern that this ratio is indicating a decline when compared to the previous year around the same period when it was 2.64:1. This requires financial discipline to avoid further decline, it also requires measures to improve our financial performance to strengthen the liquidity position.

The consolidated capital budget spending as at 31 December 2019 was 30% (R592.54 million, inclusive of reclaimed vat) of its 2019/20 adjusted capital budget of R1.95 billion. This reflects a slight increase when compared to the same period in the previous financial year where 29% (R584.48 million, inclusive of reclaimed vat) of the adjusted budget of R1.99 billion was spent.

Having assessed the consolidated mid-year performance of the City, the operating revenue budget has been increased by R2 561 642 from R7 136 224 541 to R7 138 786 183. The operating expenditure budget has been reduced by R2 731 928 from R7 135 313 915 to R7 132 581 987. These are detailed in section 5.4 and 5.5 of the report. The overall operating surplus before capital transfers recognised has slightly increased by R5 293 570 from R910 626 to R6 204 196.

The capital expenditure budget has been reduced by R54 456 825 from R1 955 267 075 to R1 900 810 250. This is detailed in section 5.6 of the report.

5.3.1 Budget Adjustment Summary

The main reason for this adjustment budget is the revision and the re-allocation of budget between capital and operating budget, votes, expenditure types, revenue sources to improve operational efficiencies and service delivery. The table below indicates the summary of the 2019/2020 Consolidated Mid-year budget adjustments.

Table 2: 2019/2020 Consolidated Mid-Year Adjustment Budget Summary

OPERATING AND CAPITAL BUDGET EXPENDITURE	2019/2020 APPROVED BUDGET	2019/2020 FIRST ADJ. BUDGET	ADJUSTMENTS	2019/2020 MID-YEAR ADJ. BUDGET	2020/2021 FINAL BUDGET	2021/2022 FINAL BUDGET
Total Revenue	-7.143.008.464	-7.136.224.541	-2.561.642	-7.138.786.183	7.642.810.411	8.228.617.399
Total Operating Expenditure Excluding Operating Projects	6.729.149.416	6.669.057.615	47.364.889	6.716.422.504	7.191.232.493	7.705.033.563
Operating Projects	412.948.389	466.256.300	-50.096.817	416.159.483	449.119.371	520.352.948
Total Operating Expenditure Including Operating Projects	7.142.097.805	7.135.313.915	-2.731.928	7.132.581.987	7.640.351.864	8.225.386.511
(Surplus) / Deficit	-910.659	-910.626	-5.293.570	-6.204.196	15.283.162.275	16.454.003.910
Total Capital Expenditure	1.737.412.866	1.955.267.075	-54.456.825	1.900.810.250	1.933.649.555	2.052.097.572
Total Opex and Capex Budget	8.879.510.671	9.090.580.990	-57.188.753	9.033.392.237	9.574.001.419	10.277.484.083

5.4 OPERATING REVENUE FRAMEWORK

The following factors were taken into consideration in arriving to the proposed adjustments in the City's Revenue Framework:

- (a) Projected annual revenue for all revenue sources after taking into consideration the actual revenue realised in the mid-year.
- (b) Ability to improve revenue performance.
- (c) Potential to achieve the collection rate target of 92.5% (current as at 2019/20 mid-year 85.71% versus 81.9% as at 2018/19 mid-year).

The following table (Table 3) depicts adjustments to the consolidated operating revenue budget per source. Table 3 below reflects that there has been an increase in revenue totalling to R2 561 641. The details of the revenue adjustments are reflected below table 3.

Table 3: 2019/20 Consolidated Mid-Year Adjusted Revenue per Source

2019/2020 MID-YEAR ADJUSTMENT BUDGET REVENUE & EXPENDITURE FRAMEWORK	2019/2020 APPROVED BUDGET	2019/2020 FIRST ADJUSTMENT BUDGET	TRANSFERS	2019/2020 MID-YEAR ADJUSTMENT BUDGET
Revenue by Source				
Property rates	1.552.050.927	1.552.050.927	0	1.552.050.927
Service charges - electricity revenue	2.161.342.096	2.110.128.954	0	2.110.128.954
Service charges - water revenue	583.148.545	583.148.545	0	583.148.545
Service charges - sanitation revenue	363.587.047	363.587.047	0	363.587.047
Service charges - refuse revenue	310.977.934	310.977.934	0	310.977.934
Rental of facilities and equipment	19.213.628	19.213.628	0	19.213.628
Interest earned - external investments	110.024.611	110.024.611	-20.470.857	89.553.754
Interest earned - outstanding debtors	59.464.733	59.464.733	21.500.000	80.964.733
Fines, penalties and forfeits	18.134.443	18.134.443	0	18.134.443
Licences and permits	15.955.025	15.955.025	0	15.955.025
Agency services	34.333.894	34.333.894	-495.000	33.838.894
Transfers and subsidies - Operating	1.136.152.437	1.180.581.656	51.215.339	1.231.796.995
Other revenue	778.623.144	778.623.144	-49.187.840	729.435.304
Total Direct Operating Expenditure	7.143.008.464	7.136.224.541	2.561.642	7.138.786.183

The reasons of the revenue adjustments are as follow:

Upward adjustments totalling to R2 561 642, made up of:

- (a) Interest Earned on External Investments is adjusted downwards by R20 470 857 due to projected interest not being realised as a result of a decrease in cash reserves.
- (b) Interest earned on outstanding debtors is adjusted upwards by R21 500 000, this is after the analysis of the actual revenue recognised against the budgeted revenue which is an indication of debtors taking longer to settle their accounts.
- (c) Agency Services that were projected for the entity are adjusted downwards by R495 000, some of the work that was to be implemented by the entity on behalf Department of Environmental Affairs has been rolled over to the next financial year.
- (d) Transfers and subsidies have been adjusted upwards by R51 215 339, this is a net effect of the following adjustments:
 - i. A reduction in Urban Settlement Development Grant of R80 000, the funding is re-allocated to capital budget.
 - ii. A decrease in Public Transport Network Grant (PTNG) of R12 000 000, the funding is re-allocated to PTNG capital budget.
 - iii. A decrease in Finance Management Grant (FMG) of R58 000, the funding is re-allocated to FMG capital budget.
 - iv. A decrease in the Human Settlement Development Grant of R12 327 183 as informed by the project readiness status.
 - v. A decrease amounting to R94 861 in the budgeted grant to be obtained by the entity (BCMDA) from the Department of Environmental affairs (DEA). The entity could not determine the exact grant to be received from DEA at the beginning of the 2019/2020 financial year because this amount is determined by DEA based on their assessments and costings performed.

- vi. An increase of an amount of R45 255 383 in the budgeted revenue of the entity (BCMDA), this budget has been reclassified from Other revenue to Transfers & subsidies (Operating) to comply with mSCOA requirements.
- vii. An increase in the budgeted revenue of the entity amounting to R30 500 000 in order to correct the accounting treatment (GRAP 109) of the projects that are implemented by BCMDA on behalf of BCMM.
- viii. An increase of R20 000 in the budgeted grant to be received by the entity (BCMDA) from the Local Government SETA. This budget has been reclassified from Other revenue to Transfers & Subsidies (Operating) to comply with mSCOA requirements.

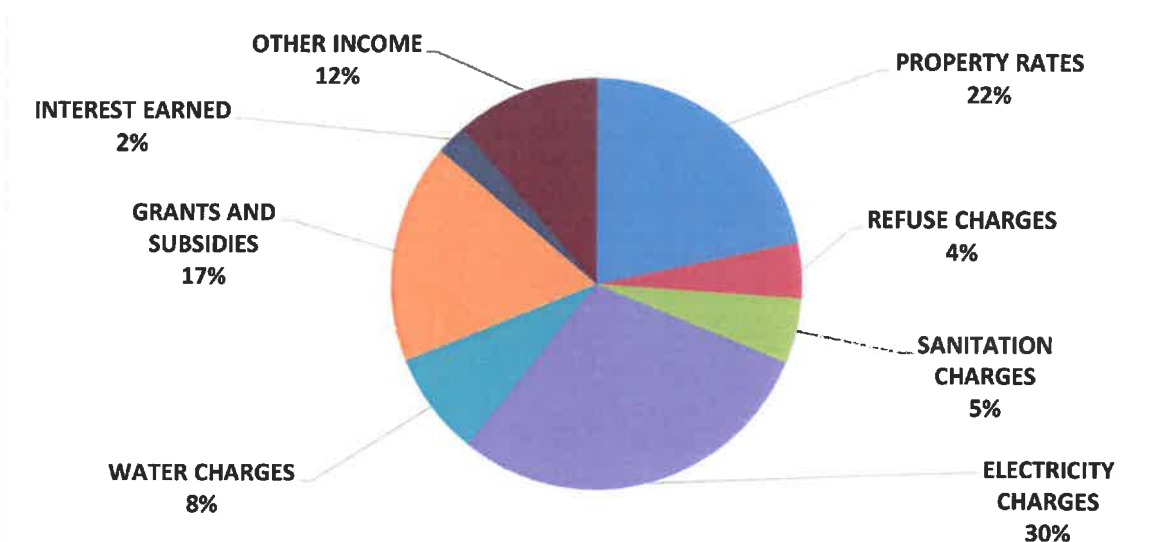
(e) Other revenue is being adjusted downwards by R49 187 840, this is a net effect of the following adjustments:

- i. A reduction of an amount of R45 255 383 in the budgeted revenue of the entity (BCMDA), this budget is to be transferred to Transfers & subsidies (Operating) to comply with mSCOA requirements.
- ii. A reduction of R3 932 457 in the Other revenue of the entity (BCMDA) due to underperformance on this revenue source.

The pie chart (Figure 1) below depicts operating revenue budget per source. In terms of service revenue, electricity remains the main contributor to the revenue of the municipality by generating 30% of the total revenue, this is followed by water tariffs at 8%, sanitation tariff at 5% and refuse tariff at 4%. The Property Rates revenue totals 22% of the total municipal revenue.

The municipality receives operating grants and subsidies totalling 17% of the total revenue, interest earned is 2% of the total revenue. Other revenue contributes 12% of the total revenue.

Figure 1: 2019/20 Consolidated Operating Revenue per Source



5.5 OPERATING EXPENDITURE FRAMEWORK

In arriving to the proposed operating expenditure framework adjustments in the mid-year adjustment budget, the following factors were considered:

- (a) Identified potential savings versus additional budget requests received.
- (b) Adjustments between the different expenditure types as requested by directorates.
- (c) Adjustments between the different expenditure types for correct classification.
- (d) Continuous enforcement of cost containment measures.
- (e) Potential to achieve the collection rate target of 92.5% (current as at 2019/20 mid-year 85.71% versus 81.9% as at 2018/19 mid-year).
- (f) Funding availability and affordability.
- (g) Status of implementation readiness for each project.

The following table (Table 4) details adjustments to the consolidated operating expenditure budget per category. Table 4 below reflects that there is a total reduction of R2 731 929. The adjustments in table 4 below are mainly due to the reallocation of the budget to fund critical expenditure items. It also reflects reallocation of funding between the expenditure types to improve operational efficiency. The details of the reallocations are reflected below the table.

Table 4: 2019/20 Consolidated Mid-Year Adjusted Expenditure Budget per Category

2019/2020 MID-YEAR ADJUSTMENT BUDGET EXPENDITURE FRAMEWORK	2019/2020 APPROVED BUDGET	2019/2020 FIRST ADJUSTMENT BUDGET	ADJUSTMENTS	2019/2020 MID-YEAR ADJUSTMENT BUDGET
Expenditure Per Category				
Employee related costs	2.259.758.947	2.259.758.947	3.562.835	2.263.321.782
Remuneration of councillors	68.485.444	68.485.444	0	68.485.444
Debt impairment	372.832.991	368.992.005	0	368.992.005
Depreciation & asset impairment	918.128.117	870.755.961	-801.781	869.954.180
Finance charges	41.004.000	41.004.000	-8.001.000	33.003.000
Bulk purchases:				
Electricity Bulk Purchases	1.686.924.914	1.673.046.226	-8.220.944	1.664.825.282
Water Bulk Purchases	251.536.226	251.536.226	5.000.000	256.536.226
Contracted services	167.230.579	167.230.579	29.209.490	196.440.069
Transfers and grants	42.024.691	42.024.691	35.686.814	77.711.505
Repairs and Maintenance	392.583.435	392.583.435	5.026.700	397.610.135
Operating projects	412.948.389	466.256.300	-50.096.817	416.159.483
Other expenditure	457.937.864	462.937.864	-13.603.625	449.334.239
Other materials	70.702.237	70.702.237	-493.601	70.208.636
Total Direct Operating Expenditure	7.142.097.834	7.135.313.915	-2.731.929	7.132.581.986

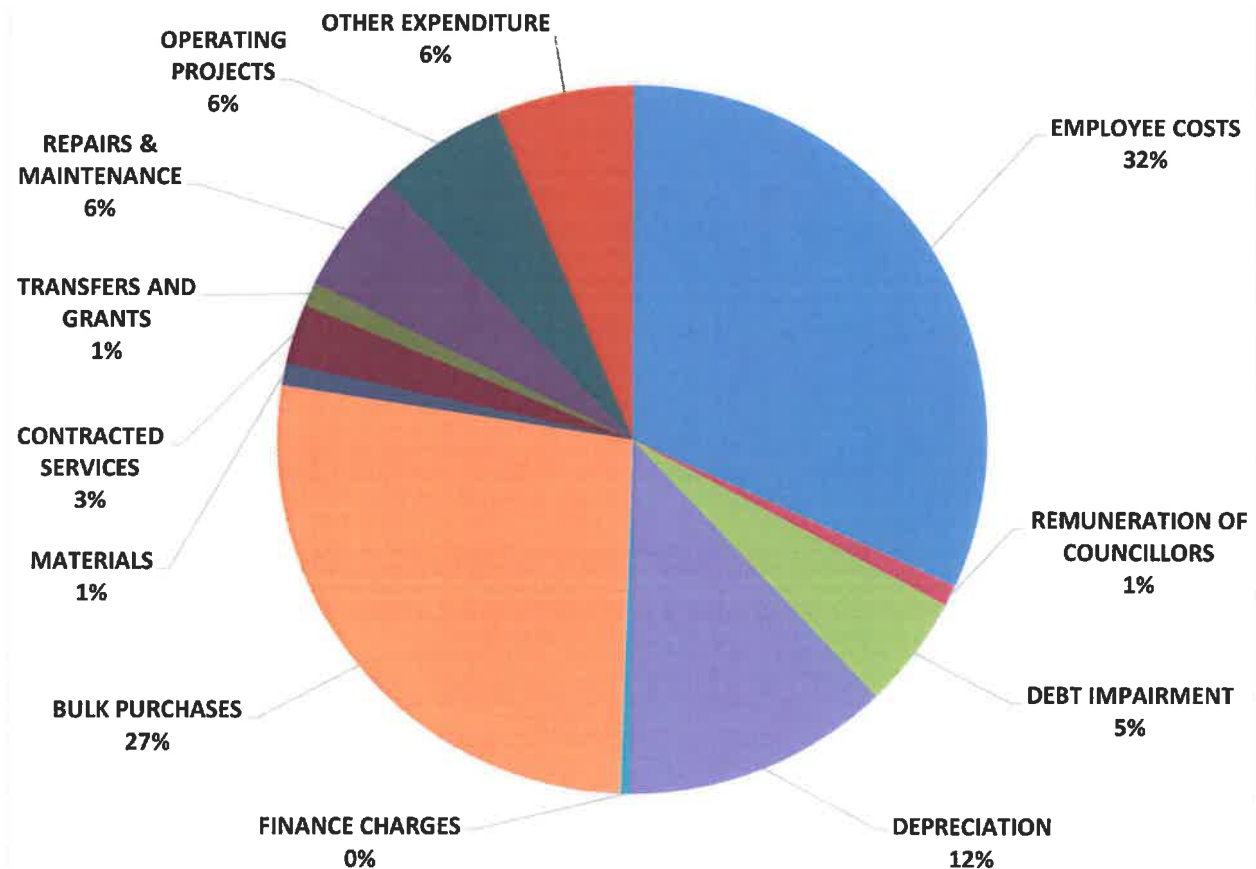
After assessing the mid-year performance of the City and taking into account the considerations that are indicated above, it has been necessary that the following adjustments on the Operating Expenditure Budget be made:

- i. Employee Related Costs have been adjusted upwards by R3 562 835, critical posts were identified and funded through reallocation of funds within the operating expenditure budget.
- ii. Depreciation & Asset impairment has been adjusted downwards by R801 781. The budget for this item is being reduced for the entity (BCMDA) after analysing the budget against the projected expenditure.

- iii. Finance Charges have been adjusted downwards by R8 001 000 as withdrawals on the new loan have not yet commenced.
- iv. Electricity Bulk Purchases have been adjusted downwards by R8 220 944 as it has been assessed that there was over provision in the original budget.
- v. Water Bulk Purchases have been adjusted upwards by R5 000 000 in order to fund the projected budget shortfall as informed by the expenditure incurred to date.
- vi. Contracted Services have been adjusted upwards by R29 209 490, this is a reallocation of funds from various expenditure types to fund projected budget shortfall.
- vii. Transfers and Grants have been adjusted upwards by R35 686 814, this is a reallocation of funds from other expenditure line item that mainly relate to BCMDA allocation is addressing mSCOA classification and GRAP standards.
- viii. Repairs and Maintenance have been adjusted upwards by R5 026 700 through reallocation of funds within operating expenditure budget.
- ix. Operating Projects have been adjusted downwards by R50 096 817. Refer to section 5.5.1.1 and 5.5.1.2 of this report for the detailed narration on this item. The details of adjustments per projects are reflected in the schedule of operating projects that is attached as Annexure 1.
- x. The Other Expenditure has been adjusted downwards by R13 603 625, these are reallocation of funds within the operating expenditure budget.
- xi. Other Materials have been adjusted downwards by R493 601, these are reallocation of funds within the operating expenditure budget.

The pie chart (Figure 2) below depicts split of operating expenditure budget per category. Employee Costs and Bulk Purchases represent the largest cost of the municipality, 32% and 27% of the total operating expenditure respectively. Depreciation totals 12% of the total cost base for the institution. This represents the proportional funding requirements for the replacement of existing infrastructure assets. General Expenses/Other Expenditure account for 6% and Other Materials account for 1% of the total operating budget. Repairs and Maintenance is equal to 6% of the operating expenditure budget. Transfers and Grants paid account for 1%. Debt impairment also account for 5%. Finance Charges account for 0%, Contracted Services account for 3%, and Remuneration of Councillors account for 1%.

Figure 2: 2019/20 Consolidated Operating Expenditure per Type



5.5.1 Mid-Year Budget Adjustment on Operating Projects

The following tables (table 5 and 6) tabulates adjustments to the operating projects expenditure budget per funding source and per directorate respectively. It shows a total reduction of R50 096 817 (a decrease of R25 631 634 to Own Funding and a reduction of R24 465 183 in grant funding). Further details are provided below table 5.

5.5.1.1 Operating Projects adjustments per funding source

Table 5: 2019/20 Consolidated Mid-Year Adjustments to Operating Projects - Funding Source

FUNDING SOURCE	2019/2020 APPROVED OPEX BUDGET	2019/2020 FIRST ADJUSTMENT BUDGET	ADJUSTMENTS	2019/2020 MID-YEAR ADJUSTMENT BUDGET
OWN FUNDING	152.452.438	161.226.129	-25.631.634	135.594.495
TOTAL OWN FUNDING	152.452.438	161.226.129	-25.631.634	135.594.495
			0	
URBAN SETTLEMENT DEVELOPMENT GRANT	79.522.960	79.522.960	-80.000	79.442.960
PUBLIC TRANSPORT INFRASTRUCTURE GRANT	15.850.000	15.850.000	-12.000.000	3.850.000
FINANCE MANAGEMENT GRANT	1.000.000	1.000.000	-58.000	942.000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	11.150.000	11.150.000	0	11.150.000
EXPANDED PUBLIC WORKS PROGRAMME	9.956.000	9.956.000	0	9.956.000
HUMAN SETTLEMENTS DEVELOPMENT GRANT	143.121.991	187.115.522	-12.327.183	174.788.339
SALAIDA C/O	0	435.689	0	435.689
TOTAL GRANTS	260.600.951	305.030.171	-24.465.183	280.564.988
TOTAL OPERATING PROJECTS BUDGET	413.053.389	466.256.300	-50.096.817	416.159.483

Table 5 above depicts that the overall consolidated operating projects expenditure budget is adjusted downwards by R50 096 817 from R466 256 300 to R416 159 483. It reflects that the total own funding budget is decreasing by R25 631 634 from R161 226 129 to R135 594 495. The overall grant funding that is allocated to the operating projects is decreasing by R24 465 183 from R305 030 171 to R280 564 988.

The decrease on grant funding is the net effect of the following adjustments:

- i. A reduction in Urban Settlement Development Grant of R80 000, the funding is re-allocated to capital budget.
- ii. A decrease in Public Transport Network Grant (PTNG) of R12 000 000, the funding is re-allocated to PTNG capital budget.
- iii. A decrease in Finance Management Grant (FMG) of R58 000, the funding is re-allocated to FMG capital budget.
- iv. A decrease in the Human Settlement Development Grant of R12 327 183 as informed by the project readiness status.

The details of adjustments per programme/ project are reflected on the schedule of operating projects that is attached as **Annexure 1** where the projects have been rolled up at programme level (**Annexure 1.1** has also been attached and provides details of accounts / votes that make up a programme / project).

5.5.1.2 Operating Projects adjustments per Directorate

Table 6: 2019/20 Consolidated Mid-Year Adjustments to Operating Projects – Directorate

DIRECTORATE	2019/2020 APPROVED OPEX BUDGET	2019/2020 FIRST ADJUSTMENT BUDGET	ADJUSTMENTS	2019/2020 MID-YEAR ADJUSTMENT BUDGET
EXECUTIVE SUPPORT SERVICES	57.643.860	66.958.240	-934.000	66.024.240
CITY MANAGER'S OFFICE	37.478.960	37.478.960	-80.000	37.398.960
CORPORATE SERVICES	30.153.578	30.153.578	-15.328.578	14.825.000
SPATIAL PLANNING & DEVELOPMENT	31.050.000	31.050.000	-16.349.056	14.700.944
ECONOMIC DEVELOPMENT & AGENCIES	20.000.000	20.000.000	0	20.000.000
FINANCE SERVICES	20.500.000	20.500.000	-4.758.000	15.742.000
HEALTH/PUBLIC SAFETY & EMERGENCY SERVICES	1.105.000	1.000.000	280.000	1.280.000
HUMAN SETTLEMENTS	145.121.991	189.115.522	-12.827.183	176.288.339
INFRASTRUCTURE SERVICES	60.000.000	60.000.000	0	60.000.000
MUNICIPAL SERVICES	10.000.000	10.000.000	-100.000	9.900.000
TOTAL OPERATING PROJECTS BUDGET	413.053.389	466.256.300	-50.096.817	416.159.483

Table 6 above reflects that the overall consolidated operating projects expenditure budget is adjusted downwards by R50 096 817 from R466 256 300 to R416 159 483.

The adjustments between directorates are detailed below:

- (a) The budget for the following directorates has been adjusted downwards mainly due to programs / projects that are not yet ready for implementation and or moving slow on implementation than other projects:
- i. Executive Support Services own funded budget decreases by R934 000, the budget is being reallocated to operating budget.
 - ii. City Manager's office budget decrease by R80 000, USDG reallocated to capital budget.
 - iii. Corporate Services budget decreases by R15 328 578, own funding reallocated to operating budget.
 - iv. Spatial Planning and Development decreases by R16 349 056:
 - a. Own funding amounting to R4 349 056 reallocated to operating budget to fund various budget requests.
 - b. PTNG amounting to R12 000 000, the funding is transferred to PTNG capital budget.
 - v. Directorate of Financial Services decreases by R4 758 000:
 - a. Own funding amounting to R4 700 000 reallocated to operating budget to fund various budget requests.
 - b. FMG amounting to R58 000, the funding is transferred to FMG capital budget.

- vi. The budget for Health, Public Safety & Emergency Services has been adjusted upwards by R280 000 in order to fund the Security Analysis project.

- vii. Human Settlements decreases by R12 827 183:
 - a. Own funding amounting to R500 000 reallocated to operating budget.
 - b. HSDG decreases by R12 327 183 as informed by project readiness status.

- viii. Municipal Services decreases by R100 000, own funding reallocated to operating budget.

The details of adjustments per programme/ project are reflected on the schedule of operating projects that is attached as **Annexure 1** where the projects have been rolled up at programme level (**Annexure 1.1** has also been attached and provides details of accounts / votes that make up a programme/ project).

5.6 CAPITAL EXPENDITURE FRAMEWORK

The following factors were considered in arriving in the proposed adjustments on the capital expenditure framework:

- (a) Identified potential savings versus additional budget requests received.
- (b) Continuous enforcement of cost containment measures.
- (c) Funding availability and affordability.
- (d) Status of implementation readiness for each project.

Therefore, the proposed adjustments are mainly re-allocations within and across directorates.

The tables (table 7 and 8) below indicate adjustments to the capital expenditure budget per funding source and per directorate respectively. To arrive in the adjustments that are summarised in the below two tables (table 7 and 8), a detailed analysis was undertaken to determine those projects that are having challenges and identify those that are progressing at a pace that is above the original anticipation and therefore requiring additional funding. This was used as the basis for re-allocating funding without compromising the municipality's strategic objectives and priorities as set up in the IDP. Details of reallocation of funding are provided below.

5.6.1 2019/2020 Mid-Year Adjustments to Consolidated Capital Expenditure Budget per Funding Source

Table 7: 2019/20 Mid-Year Adjustments to Consolidated Capital Expenditure Budget – Funding

CAPITAL BUDGET PER FUNDING	2019/2020 APPROVED CAPITAL BUDGET	2019/2020 FIRST ADJUSTMENT BUDGET	ADJUSTMENTS	2019/2020 MID-YEAR ADJUSTMENT BUDGET
OWN FUNDING	694.366.046	909.555.722	0	909.555.722
LOAN	69.581.825	69.581.825	-69.581.825	0
TOTAL OWN FUNDING	763.947.871	979.137.547	-69.581.825	909.555.722
LGTH C/O	0	1.580.488	0	1.580.488
BCMET	0	0	487.000	487.000
FINANCE MANAGEMENT GRANT	0	0	58.000	58.000
URBAN SETTLEMENT DEVELOPMENT GRANT	737.900.040	737.900.040	80.000	737.980.040
PUBLIC TRANSPORT INFRASTRUCTURE GRANT	218.616.000	218.616.000	12.000.000	230.616.000
INTERGRATED CITY DEVELOPMENT GRANT	10.383.000	10.383.000	0	10.383.000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	7.500.000	7.500.000	2.500.000	10.000.000
INFRASTRUCTURE SKILLS DEVELOPMENT GRANT	150.000	150.000	0	150.000
TOTAL GRANTS	974.549.040	976.129.528	15.125.000	991.254.528
TOTAL CAPITAL BUDGET	1.738.496.911	1.955.267.075	-54.456.825	1.900.810.250

Table 7 above indicate that the overall consolidated capital expenditure budget is adjusted downwards by R54 456 825 from R1 955 267 075 to R1 900 810 250. It reflects that the loan funding of R69 581 825 that was budgeted is taken off the budget as the procurement process for the implementation of the Sewer Diversion Tunnel project is projected to be concluded towards the end of the current financial year. This result in the total own funding budget decreasing from R979 137 547 to R909 555 722. The overall grant funding allocated to the City's capital budget is increased by R15 125 000 from R976 129 528 to R991 254 528. The increase of R15 125 000 in grant funding is the net effect of the following adjustments:

- (a) An increase to BCMET projects (traffic signals project) amounting to R487 000, reallocation from own funding savings.
- (b) An increase in Finance Management Grant of R58 000, the funding is re-allocated from FMG operating budget.
- (c) An increase in Urban Settlement Development Grant of R80 000, the funding is re-allocated from USDG operating budget.
- (d) An increase in Public Transport Network Grant of R12 000 000, the funding is re-allocated from PTNG operating budget.
- (e) National Treasury has allocated BCMM an additional allocation amounting to R2 500 000 for the Neighbourhood Development Partnership Grant.

The details of adjustments per programme/ project are reflected on the schedule of capital projects that is attached as **Annexure 2** where the projects have been rolled up at programme level (**Annexure 2.1** has also been attached, it provides the detail of accounts / votes that make up the programme / project).

Table 8: 2019/20 Consolidated Mid-Year Adjustments to Capital Expenditure Budget - Directorate

CAPITAL BUDGET PER DIRECTORATE	2019/2020 APPROVED CAPITAL BUDGET	2019/2020 FIRST ADJUSTMENT BUDGET	ADJUSTMENTS	2019/2020 MID-YEAR ADJUSTMENT BUDGET
EXECUTIVE SUPPORT SERVICES	500.000	3.500.000	0	3.500.000
CITY MANAGER'S OFFICE	7.748.090	6.664.045	80.000	6.744.045
CORPORATE SERVICES	45.910.000	46.023.896	0	46.023.896
SPATIAL PLANNING & DEVELOPMENT	307.351.141	328.975.088	14.487.000	343.462.088
ECONOMIC DEVELOPMENT & AGENCIES	33.687.799	63.221.908	30.500.000	93.721.908
FINANCE SERVICES	141.858.342	159.982.264	-27.511.030	132.471.234
HEALTH/PUBLIC SAFETY & EMERGENCY SERVICES	24.650.000	28.306.810	0	28.306.810
HUMAN SETTLEMENTS	252.781.590	252.781.590	0	252.781.590
INFRASTRUCTURE SERVICES	700.606.490	785.856.682	-21.191.825	764.664.857
MUNICIPAL SERVICES	158.121.458	203.237.393	23.614.429	226.851.822
TOTAL CAPITAL BUDGET: BCMM	1.673.214.910	1.878.549.675	19.978.574	1.898.528.249
BCMDA	65.282.001	76.717.400	-74.435.399	2.282.001
TOTAL DRAFT CAPITAL: CONSOLIDATED	1.738.496.911	1.955.267.075	-54.456.825	1.900.810.250

Table 8 above depict that the overall consolidated capital expenditure budget is adjusted downwards from by R54 456 825 from R1 955 267 075 to R1 900 810 250. It reflects that the total funding allocated to BCMM directorates has increased by R19 978 574 from R1 878 549 675 to R1 898 528 249. The table also indicates that the capital budget for BCMDA has been adjusted downwards by R74 435 399 from R76 717 400 to R2 282 001.

The adjustments between directorates are detailed below:

- i. City Manager's Office budget increased by R80 000 - This USDG funding has been transferred from Operating projects to Capital projects.
- ii. Spatial Planning & Development increased by R14 487 000 - The capital budget for this directorate has increased because of the following reasons:
 - a. An amount of R12 000 000 from PTNG is being transferred from operating projects to capital projects to fund Mdantsane Access Road.
 - b. An increase to BCMET projects (traffic signals project) amounting to R487 000, reallocation from own funding savings.
 - c. Additional own funding amounting to R2 000 000 is being allocated to fund the alterations to newly purchased building.
- iii. Economic Development & Agencies increased by R30 500 000 - The capital budget for this directorate has increased because of the reclassification of the capital project that is implemented by BCMDA on behalf of BCMM. To correctly comply with GRAP standards this project is no longer classified as a BCMDA capital project and is now classified as a BCMM Capital project.

- iv. Financial Services budget decreased by R27 511 030 due to the following capital projects:
 - a. A decrease of R10 000 000 from own funds on Acquire ERP System – ERP system was awarded three months later than projected.
 - b. A decrease of R4 873 156 from own funds on Construction of Office Accommodation (Customer Care Office) - Expenditure relating to designs has been incurred to date. The actual construction is expected to commence during the 2020/21 financial year.
 - c. A decrease of R15 000 000 from own funds on Smart Metering Solution – There were technical delays in the conclusion of the water smart meters SLA.
 - d. A decrease of R5 000 000 from own funds on Cost Reflective Tariff Solution - This project is phased in over the MTREF and in the current year, electricity was prioritised. In the bid response for the electricity cost of supply, the project will only utilise the operating budget and not Capital, thus the shifting to the outer years.
 - e. An increase in Finance Management Grant of R58 000, the funding is re-allocated from FMG operating budget.
 - f. An amount of R5 350 000 from own funds is being reallocated to fund purchase of Generators for Cash Points and Munifin Payment Hall Upgrading.
 - g. An amount of R650 000 from own funds is being reallocated to fund Security System & CCTV Cameras.
 - h. An amount of R1 304 126 from own funds is being reallocated to counter Meter Reading System.

- v. Infrastructure Services decreased by R21 191 825 - decrease is due to the following:
 - a. Reduction of R69 581 825 from Loan funding - The loan funding is taken off the budget as the procurement process for the

implementation of the Sewer Diversion Tunnel project is projected to be concluded towards the end of the current financial year.

- b. An increase of R 41 890 000 from own funding to fund Settlers Way Street - The funding allocation of this project was a resolution by the Mayoral Lekgotla. This project is supporting the Mercedes Benz of South Africa Project for the making of a new Mercedes Benz in 2022.
 - c. An increase of R4 000 000 from own funding to fund Security Systems (CCTV cameras).
 - d. National Treasury has allocated BCMM an additional allocation amounting to R2 500 000 for the Neighbourhood Development Partnership Grant.
- vi. BCMDA decreased by R74 435 399 due to the following reasons:
- Funding reallocated to fund other critical capital projects amounting to R43 935 399. Contractors were appointed in December 2019, legal compliances, i.e. permits from Department of Labour are currently in process to be received by end of February, after which site establishment will start.
 - Re-classification of the Capital project amounting to R30 500 000 that is implemented by BCMDA on behalf of BCMM. This project is now being recorded as part of the capital projects of BCMM to comply with GRAP standards.
- vii. Municipal Services increased by R23 614 429 from own funding, allocated to the following projects:
- a. A reallocation of R12 884 987 from own funds to fund Security System (CCTV cameras) – To prevent theft and damage to municipal property.
 - b. A reallocation of R9 000 000 from own funds to fund fleet for Landfill Sites & Transfer Stations – shortage of fleet resulting in excessive costs being incurred on hiring.

- c. A reallocation of R1 000 000 from own funds to fund Sports Equipment - For the purchase of three bomag rollers for cricket pitch for all three regions.
 - d. A reallocation of R729 442 from own funds to fund Refurbishment of Swimming Pools.
- viii. The budget for BCMDA has decreased by R74 435 399 – This decrease relates to the capital projects that are implemented by BCMDA on behalf of BCMM.
 - a. The budget amounting to R43 935 399 has been reallocated to other critical capital projects because Contractors were appointed in December 2019, legal compliances, i.e. permits from Department of Labour are currently in process & are to be received by end of February, therefore site establishment will only start after February 2020.
 - b. The remaining R30 500 000 of these capital projects have been reclassified to be budgeted and allocated to the Parent Municipality capital projects under the same project name.

The details of adjustments per programme/project are reflected on the schedule of operating projects that is attached as **Annexure 2** where the projects have been rolled up at programme level (**Annexure 2.1** has also been attached, it provides the detail of accounts / votes that make up the programme / project).

6. CHALLENGES

None.

7. STAFF IMPLICATIONS

The adjustment budget is linked to the Performance Plans of Heads of Directorates and are therefore responsible to spend the revised budget.

8. FINANCIAL IMPLICATIONS

The mid-year adjustments to the 2019/20 budget do not have an impact on tariffs as these are funded from current operating revenue that was already approved by Council, conditional grants and own funding reserves. The effects of the adjustments to the 2019/20 Capital and Operating Budget are outlined below:

- A. The total adjustments in the budget of the Parent municipality (BCMM) for the 2019/2020 Mid-year adjustment budget are as follows:
 - i. The reduction from R7 074 532 427 to R7 051 262 244 of the BCMM 2019/20 Operating Revenue Budget.
 - ii. The reduction from R7 073 825 228 to R7 050 360 046 of the BCMM 2019/20 Operating Expenditure Budget.
 - iii. An increase from R1 878 549 674 to R1 898 528 248 of the BCMM 2019/20 Capital Budget

- B. The total adjustments in the budget of the municipal entity (BCMDA) for the 2019/2020 Mid-year adjustment budget are as follows:
 - i. An increase from R61 692 114 to R87 523 939 of the BCMDA 2019/20 Operating Revenue Budget.
 - ii. An increase from R61 488 686 to R82 221 940 of the BCMDA 2019/20 Operating Expenditure Budget.
 - iii. The reduction from R76 717 399 to R2 282 000 of the BCMDA 2019/20 Capital Budget.

- C. The total adjustments in the Consolidated budget of the Municipality for the 2019/2020 Mid-year adjustment budget are as follows:
 - i. An increase from R7 136 224 541 to R7 138 786 183 of the consolidated 2019/20 Operating Revenue Budget.
 - ii. The reduction from R7 135 313 915 to R7 132 581 987 of the consolidated 2019/20 Operating Expenditure Budget.
 - iii. The reduction from R1 955 267 075 to R1 900 810 250 of the consolidated 2019/20 Capital Budget.

9. OTHER PARTIES CONSULTED

- 9.1 All Directorates.
- 9.2 Budget Steering Committee.
- 9.3 Mayoral Committee.

10. CITY MANAGER'S QUALITY CERTIFICATE

I Appana Sooriah Naidoo, Acting City Manager of Buffalo City Metropolitan Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Appana Sooriah Naidoo

Acting City Manager of Buffalo City Metropolitan Municipality (BUF)

Signature



Date

19/02/2020

ANNEXURES:

Annexure 1: Schedule of Operating Projects per Programme/Project

Annexure 1.1: Detailed Schedule of Operating Projects

Annexure 2: Schedule of Capital Projects per Programme/Project

Annexure 2.1: Detailed Schedule of Capital Projects

Annexure 3: National Treasury B Schedules (Parent Municipality)

Annexure 4: National Treasury B Schedules (Municipal Entity)

Annexure 5: National Treasury B Schedules (Consolidated)