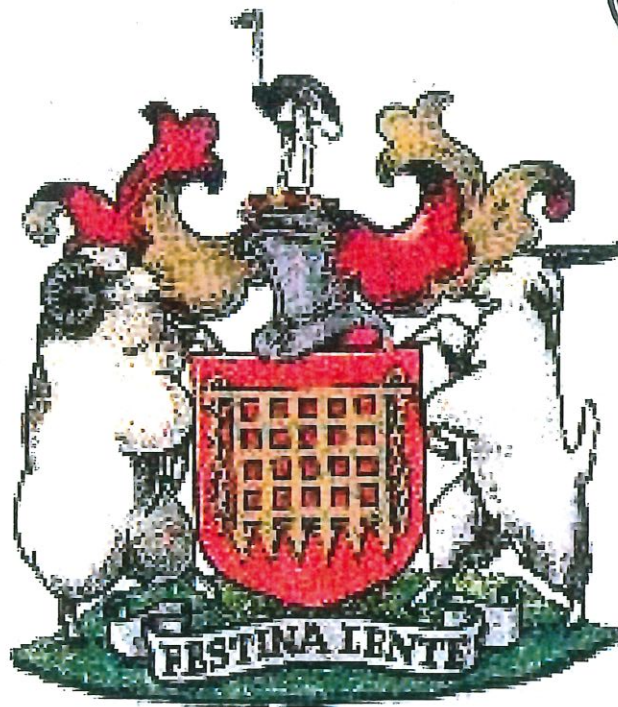




# BEAUFORT WEST MUNICIPALITY



## DRAFT ANNUAL BUDGET 2021 / 2022

SIRKULASIE	OPDRAG
11 <sup>de</sup> Spesiale Rd: 16/04/21 Item. 4	

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**ANNUAL BUDGET**

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## **Annual Budget**

### **1.1 Mayor's Report**

Honourable Speaker and Council, as required by section 3 of Schedule A of the Municipal Budget Regulations, I hereby wish to report in summary as follows on the annual budget of the municipality.

An overview of the 2021/22 Medium Term Revenue & Expenditure Framework are as follows:

<b>Description</b>	<b>Budget Year 2021/22</b>	<b>Budget Year +1 2022/23</b>	<b>Budget Year +2 2023/24</b>
Total Operating Revenue	337,174,560	357,497,155	359,394,285
Total Operating Expenditure	354,392,161	375,527,797	377,722,597
Operating Surplus / Deficit	-17,217,601	-18,030,642	-18,328,312
Transfers and subsidies - capital	19,894,950	25,587,250	22,058,450
<b>Surplus/(Deficit) for the year</b>	<b>2,677,349</b>	<b>7,556,608</b>	<b>3,730,138</b>

The draft total operating revenue budget for 2021/22 amounts to R 337,175 million and the draft total operating expenditure budget amounts to R 354,392 million for the 2021/22 budget year.

A capital budget amounting to R 23,465 million is proposed for 2021/22 budget year. The capital budget over the MTREF will be financed primarily from grants.

That being said Honourable Speaker and Council, our financial position remains vulnerable and risky and therefore we need to persist with cost saving measures in order to turn around our current financial position.



**Clr. N Constable**

**Executive Mayor**

## 1.2 Council Resolutions

In terms of section 16 (2) of the MFMA The mayor must table the annual budget at a council meeting at least 90 days before the budget year. The annual budget had been prepared and it is accordingly tabled in Council for approval.

Council acting in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

\* a) That the annual budget of Beaufort West Municipality for the Financial year 2021/2022; and indicative for the two projected years 2022/23 and 2023/24, as set out in the Annual Budget Tables, be approved:

- Table A1: Budget Summary;
- Table A2: Budgeted Financial Performance (expenditure by standard classification);
- Table A3: Budgeted Financial Performance (expenditure by municipal vote);
- Table A4: Budgeted Financial Performance (revenue and expenditure);
- Table A5: Budget Capital Expenditure by vote, standard classification and funding;
- Table A6: Budgeted Financial Position;
- Table A7: Budgeted Cash Flows;
- Table A8: Cash backed reserves/accumulated surplus reconciliation

b) Council approves and adopts with effect of 1 July 2021 the increase in tariffs as reflected in **Annexure A** – Increase in Tariffs for Rates, Service Charges and Other Sundry Tariffs.

c) Council approves and adopts the detailed capital projects are shown in Annexure B.

d) It is also recommended that Council approve the submission of the annual budget to the Provincial Treasury and the National Treasury after tabling in Council.

e) It is also recommended that the annual budget be made public.



WC053 Beaufort West - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		-	-	-	-	-	-	69,668	72,322	72,308
Executive and council		-	-	-	-	-	-	14,143	14,771	15,120
Finance and administration		-	-	-	-	-	-	55,526	57,552	57,189
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	76,888	78,716	78,708
Community and social services		-	-	-	-	-	-	12,374	7,530	7,436
Sport and recreation		-	-	-	-	-	-	3,169	6,016	4,290
Public safety		-	-	-	-	-	-	60,812	63,906	63,906
Housing		-	-	-	-	-	-	532	1,264	3,075
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	1,658	6,105	9,009
Planning and development		-	-	-	-	-	-	1,608	884	909
Road transport		-	-	-	-	-	-	50	5,221	8,100
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	208,855	225,941	221,427
Energy sources		-	-	-	-	-	-	111,188	122,162	116,418
Water management		-	-	-	-	-	-	43,606	43,705	46,478
Waste water management		-	-	-	-	-	-	32,778	37,175	35,089
Waste management		-	-	-	-	-	-	21,284	22,899	23,442
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	-	-	-	-	-	-	357,070	383,084	381,453
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		-	-	-	-	-	-	71,753	74,505	74,505
Executive and council		-	-	-	-	-	-	19,633	20,749	20,749
Finance and administration		-	-	-	-	-	-	50,233	51,726	51,826
Internal audit		-	-	-	-	-	-	1,887	2,029	2,029
<i>Community and public safety</i>		-	-	-	-	-	-	90,837	94,793	96,863
Community and social services		-	-	-	-	-	-	10,970	11,245	11,504
Sport and recreation		-	-	-	-	-	-	11,591	12,179	12,179
Public safety		-	-	-	-	-	-	65,842	68,097	68,097
Housing		-	-	-	-	-	-	2,434	3,271	5,082
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	31,109	33,328	33,353
Planning and development		-	-	-	-	-	-	7,965	8,405	8,429
Road transport		-	-	-	-	-	-	23,144	24,923	24,923
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	160,694	172,903	172,903
Energy sources		-	-	-	-	-	-	99,514	106,708	106,708
Water management		-	-	-	-	-	-	34,149	36,531	36,531
Waste water management		-	-	-	-	-	-	12,495	13,795	13,795
Waste management		-	-	-	-	-	-	14,535	15,869	15,869
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	-	-	-	-	-	-	354,392	375,528	377,723
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	2,677	7,557	3,730

WC053 Beaufort West - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand										
<b>Revenue by Vote</b>	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - DIRECTORATE: CORPORATE SERVICES		-	-	-	-	-	-	21,276	21,887	22,142
Vote 3 - DIRECTORATE: FINANCIAL SERVICES		-	-	-	-	-	-	45,118	47,186	47,286
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES		-	-	-	-	-	-	194,891	210,002	207,850
Vote 5 - DIRECTORATE: COMMUNITY SERVICES		-	-	-	-	-	-	95,785	104,009	104,174
		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	-	-	-	-	-	-	357,070	383,084	381,453
<b>Expenditure by Vote to be appropriated</b>										
	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	7,117	7,585	7,585
Vote 2 - DIRECTORATE: CORPORATE SERVICES		-	-	-	-	-	-	41,242	43,375	43,634
Vote 3 - DIRECTORATE: FINANCIAL SERVICES		-	-	-	-	-	-	26,390	27,566	27,666
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES		-	-	-	-	-	-	180,795	194,252	194,277
Vote 5 - DIRECTORATE: COMMUNITY SERVICES		-	-	-	-	-	-	98,848	102,750	104,561
		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	-	-	-	-	-	354,392	375,528	377,723
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	-	-	-	2,677	7,557	3,730



WC053 Beaufort West - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	42,948	45,096	45,096
Service charges - electricity revenue	2	-	-	-	-	-	-	-	89,536	96,699	96,699
Service charges - water revenue	2	-	-	-	-	-	-	-	24,215	25,911	25,911
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	19,353	20,708	20,708
Service charges - refuse revenue	2	-	-	-	-	-	-	-	10,258	11,182	11,182
Rental of facilities and equipment									1,426	1,497	1,497
Interest earned - external investments									1,271	1,398	1,398
Interest earned - outstanding debtors									5,086	5,391	5,391
Dividends received									-	-	-
Fines, penalties and forfeits									59,142	62,099	62,099
Licences and permits									609	639	639
Agency services									1,065	1,171	1,171
Transfers and subsidies									81,306	84,707	86,604
Other revenue	2	-	-	-	-	-	-	-	959	1,000	1,000
Gains									-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>									<b>337,175</b>	<b>357,497</b>	<b>359,394</b>
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	-	-	-	-	126,652	132,753	132,815
Remuneration of councillors									6,752	6,999	6,999
Debt impairment	3								55,312	58,720	58,720
Depreciation & asset impairment	2	-	-	-	-	-	-	-	24,739	24,693	24,693
Finance charges									1,464	1,151	1,151
Bulk purchases - electricity	2	-	-	-	-	-	-	-	81,303	87,627	87,627
Inventory consumed	8	-	-	-	-	-	-	-	9,577	11,680	11,680
Contracted services									20,219	21,865	23,885
Transfers and subsidies									550	600	600
Other expenditure	4, 5	-	-	-	-	-	-	-	27,825	29,440	29,553
Losses											
<b>Total Expenditure</b>									<b>354,392</b>	<b>375,528</b>	<b>377,723</b>
<b>Surplus/(Deficit)</b>									<b>(17,218)</b>	<b>(18,031)</b>	<b>(18,328)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									19,895	25,587	22,058
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6										
Transfers and subsidies - capital (in-kind - all)									2,677	7,557	3,730
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>											
Taxation											
<b>Surplus/(Deficit) after taxation</b>									<b>2,677</b>	<b>7,557</b>	<b>3,730</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>									<b>2,677</b>	<b>7,557</b>	<b>3,730</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>									<b>2,677</b>	<b>7,557</b>	<b>3,730</b>



Budget Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - DIRECTORATE: CORPORATE SERVICES		-	-	-	-	-	-	-	439	365	465
Vote 3 - DIRECTORATE: FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES		-	-	-	-	-	-	-	2,267	6,787	7,000
Vote 5 - DIRECTORATE: COMMUNITY SERVICES		-	-	-	-	-	-	-	2,060	5,495	3,769
		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	4,765	12,647	11,234
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - DIRECTORATE: CORPORATE SERVICES		-	-	-	-	-	-	-	20	-	-
Vote 3 - DIRECTORATE: FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES		-	-	-	-	-	-	-	10,899	13,610	10,756
Vote 5 - DIRECTORATE: COMMUNITY SERVICES		-	-	-	-	-	-	-	7,781	987	533
		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	18,700	14,598	11,289
<b>Total Capital Expenditure - Vote</b>		-	-	-	-	-	-	-	23,465	27,245	22,523
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		-	-	-	-	-	-	-	459	365	465
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	459	365	465
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	9,841	6,482	3,769
Community and social services		-	-	-	-	-	-	-	9,841	6,482	3,769
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	-	5,171	8,050
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	5,171	8,050
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	13,166	15,227	10,239
Energy sources		-	-	-	-	-	-	-	10,042	13,092	7,000
Water management		-	-	-	-	-	-	-	3,124	-	2,706
Waste water management		-	-	-	-	-	-	-	-	2,135	-
Waste management		-	-	-	-	-	-	-	-	-	533
Other		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	-	-	-	-	-	-	-	23,465	27,245	22,523
<b>Funded by:</b>											
National Government		-	-	-	-	-	-	-	19,895	25,587	22,058
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	-	-	-	-	-	-	-	19,895	25,587	22,058
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	3,570	1,657	465
<b>Total Capital Funding</b>	7	-	-	-	-	-	-	-	23,465	27,245	22,523

WC053 Beaufort West - Table A6 Budgeted Financial Position

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>ASSETS</b>											
<b>Current assets</b>											
Cash									7	426	6,634
Call investment deposits	1								1,000	1,500	3,500
Consumer debtors	1	-	-	-	-	-	-	-	21,588	25,906	27,201
Other debtors									18,093	18,213	19,124
Current portion of long-term receivables									1,233	1,294	1,359
Inventory	2	-	-	-	-	-	-	-	2,879	3,023	3,174
<b>Total current assets</b>		-	-	-	-	-	-	-	<b>44,800</b>	<b>50,364</b>	<b>60,993</b>
<b>Non current assets</b>											
Long-term receivables									5,614	5,895	6,189
Investments									-	-	-
Investment property									5,139	4,235	3,286
Investment in Associate									-	-	-
Property, plant and equipment	3	-	-	-	-	-	-	-	541,135	544,590	543,369
Biological									-	-	-
Intangible									160	18	18
Other non-current assets									5,225	5,225	5,225
<b>Total non current assets</b>		-	-	-	-	-	-	-	<b>557,273</b>	<b>559,963</b>	<b>558,088</b>
<b>TOTAL ASSETS</b>		-	-	-	-	-	-	-	<b>602,073</b>	<b>610,327</b>	<b>619,082</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1								5,369	-	
Borrowing	4	-	-	-	-	-	-	-	759	734	658
Consumer deposits									2,054	2,136	2,243
Trade and other payables	4	-	-	-	-	-	-	-	28,419	31,261	34,387
Provisions									31,657	33,604	36,834
<b>Total current liabilities</b>		-	-	-	-	-	-	-	<b>68,259</b>	<b>67,735</b>	<b>74,122</b>
<b>Non current liabilities</b>											
Borrowing									4,523	3,789	3,131
Provisions									52,976	55,031	54,513
<b>Total non current liabilities</b>		-	-	-	-	-	-	-	<b>57,499</b>	<b>58,819</b>	<b>57,644</b>
<b>TOTAL LIABILITIES</b>		-	-	-	-	-	-	-	<b>125,758</b>	<b>126,555</b>	<b>131,766</b>
<b>NET ASSETS</b>	5	-	-	-	-	-	-	-	<b>476,316</b>	<b>483,772</b>	<b>487,316</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)									472,481	480,038	483,768
Reserves	4	-	-	-	-	-	-	-	3,834	3,734	3,548
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	-	-	-	-	-	-	-	<b>476,316</b>	<b>483,772</b>	<b>487,316</b>



WC053 Beaufort West - Table A7 Budgeted Cash Flows

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates									40,801	42,841	42,841
Service charges									138,881	149,675	149,675
Other revenue									12,559	16,308	19,308
Transfers and Subsidies - Operational	1								81,306	84,707	86,604
Transfers and Subsidies - Capital	1								19,895	25,587	22,058
Interest									6,356	6,788	6,788
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees									(272,327)	(290,363)	(292,558)
Finance charges									(1,464)	(1,151)	(1,151)
Transfers and Grants	1								(550)	(600)	(600)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	-	-	-	-	-	25,457	33,792	32,966
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE									-	-	-
Decrease (increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
<b>Payments</b>											
Capital assets									(23,465)	(27,245)	(22,523)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	-	-	-	-	(23,465)	(27,245)	(22,523)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
<b>Payments</b>											
Repayment of borrowing									(1,503)	(759)	(734)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	(1,503)	(759)	(734)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>											
Cash/cash equivalents at the year begin:	2								489	5,788	9,708
Cash/cash equivalents at the year end:	2								(5,858)	(5,369)	420
									(5,369)	420	10,128

WC053 Beaufort West - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	(5,369)	420	10,128
Other current investments > 90 days		-	-	-	-	-	-	-	1,007	1,507	7
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		-	-	-	-	-	-	-	<b>(4,362)</b>	<b>1,926</b>	<b>10,134</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	-	-	-	-	(5,783)	(7,223)	(6,601)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		-	-	-	-	-	-	-	<b>(5,783)</b>	<b>(7,223)</b>	<b>(6,601)</b>
<b>Surplus(shortfall)</b>		-	-	-	-	-	-	-	<b>1,421</b>	<b>9,149</b>	<b>16,735</b>

## 2.11 Municipal manager's quality certificate

I Jackson Penxa, acting municipal manager of Beaufort West Municipality, hereby certify that the draft 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

JACKSON MUYAMBEZI PENXA

Municipal Manager of: Beaufort West Municipality (WC053)

Signature



Date

15/04/2021

**Annexure A**

**Increases in Tariffs for Rates, Service Charges and Other  
Sundry Tariffs**



## Annexure A – Increases in Tariffs for Rates, Service Charges and Other Sundry Tariffs

### 1. Tariffs for Rates with effect from 1 July 2021:

1.1 the tariffs for property rates – 5% increase;

#### Beaufort West, Merweville, Nelspoort and Murraysburg

The Rate in the Rand for Property Rates for 2021/2022 financial year are:

RATING CATEGORY	21/22 RATE IN RAND
Residential Properties	0.020066
Business Properties	0.028092
Industrial Properties	0.028092
Agricultural Properties	0.005017
Public service purposes	0.002007
National Monuments	0.028092
Multiple use Properties	As per allocation
Municipal Properties	0.0
Nature Reserve Properties	0.0

The rates levied per individual property will be calculated based on the value of that property and multiplied by the rate-in-rand set out in the document. Rebates are also taken into consideration.

### RATES RATIOS

The residential category is used as the base rate. The rates ratio per rating category are:

RATING CATEGORY	RATIO TO RES (RES:RC)
Residential Properties	1:1
Business Properties	1:1.4
Industrial Properties	1:1.4
Agricultural Properties	1:0.25 plus additional 70% discount
Public service purposes	1:0.10

National Monuments	1:4
Multiple use Properties	1:2
Municipal Properties	1:0
Nature Reserve Properties	1:0
Vacant land	1:2

## **EXEMPTIONS, REDUCTIONS AND REBATES**

### **RESIDENTIAL PROPERTIES**

The first R15 000,00 of the market value as per the valuation Roll on Residential Properties as set out in Section 17(1)(h) of the MPRA is exempted from paying property rates; and R4000 reduction determined in the Rates Policy.

Rebates in respect of a category of owners of property are as follows:

Owners of National Monuments qualify for a 10% rebate on the business tariff provided that the rebate will only be granted if –

- The buildings is in a satisfactory condition, and
- The Director Engineering Services has during the second Month of each financial year submitted a report that the building is in a satisfactory condition in order that the municipality may consider whether or not to grant a rebate.

### **AGRICULTURAL**

As a result of, and taking into account, limited rate-funded services supplied to such properties in general, the contribution of agriculture to the local economy, the extent to which agriculture assists in meeting the service delivery and development obligations of the community, and the contribution of agriculture to the social and economic welfare of farm workers, the council bills a reduced rate (as set out below) in respect of properties subject to agricultural use. This rate rebate is 75% of the rate levied on Residential Properties, which rate on properties subject to agricultural use does not exceed the maximum ratio to the rate on Residential Property prescribed in the MPRA Rate Ratio Regulations.

The council will, when it imposes rates and sets tariffs for the budgeted year, grant a rebate of 70% on the rates payable in respect of agricultural properties where –

- there are no municipal roads next to the property;
- there are no municipal sewerage to the property;
- there are no municipal electricity to the property;
- water is not supplied by the municipality;
- refuse removal is not provided by the municipality.

No other rebates will be granted to properties that qualify for the Agricultural rebate. For the avoidance of doubt properties that qualify for the agricultural rebate will not be entitled to the residential rate rebate.

### **Pensioners**

Registered owners of Residential Properties who are pensioners qualify for special rebates according to gross monthly household income of all Pensioners permanently residing on that property. To qualify for the rebate a property owner must be the registered owner of a property which satisfies the requirements of the definition of residential Property. This property owner must on 1 July of the financial year:

- Occupy the property as his/her Primary Residence, and
  - Be at least 60 years of age, or
  - Has been declared medically unfit even if not yet 60 years of age, and
  - Be in receipt of a gross monthly household income not exceeding the amount determined by Council during the Municipality's budgeted process.
  - Must annually submit proof to the CFO that he or she is registered with the Department of Social Development as a recipient of an old age or disability grant.
  - Market value of the property not exceeding R750 000
- |                  |     |
|------------------|-----|
| R1 890 and under | 30% |
| R1 891 to R3 780 | 20% |
| R3 781 to R7 500 | 10% |

An owner must annually provide credible proof of his or her economic/financial position to the CFO.

## **SCHOOL**

- The municipality will grant a rebate of 20% on the rates payable in respect of property used for a public school.
- The municipality will also grant a rebate of 20% on the rates payable in respect of property used as an independent school.

An owner of the property on which a public school is operated must annually submit proof to the CFO that the school is registered with the Provincial Department of Education as an independent school.

Rebates in respect of residential properties will be granted in accordance with the municipality's rates policy.

### **2. Tariffs and other sundry tariffs increases from 1 July 2021:**

2.1 the tariffs for electricity – **14.59%**. NERSA approved Eskom's Retail Tariff Structural Adjustment (ERTSA) (Bulk Purchases) on 5 March 2021, which resulted in an increase of **17.8%** to municipalities. This increase is in line with Consultation Paper – Municipal Tariff Guideline, Benchmarks and Proposed Timelines for FY 2021/22 published on 12<sup>th</sup> of March 2021.

2.2 the tariffs for water – **6%**;

2.3 the tariffs for sanitation – **6%**;

2.4 the tariffs for refuse removal – **9%**;

2.5 Other sundry tariffs – **6%**;

2.6 Interest on outstanding debtors be levied monthly at prime plus one percent (1%).

### **3. Indigent Subsidy from 1 July 2021:**

#### **Category: A**

- Household monthly income is not more than one state old age pension of R 1,890; than such a household will qualify for the following subsidy:

<b>Component</b>	<b>Subsidy</b>
Electricity Consumption	50 kWh electricity usage
Water Consumption	6 kl
Sanitation	100% subsidy
Refuse removal	100% subsidy

### **Category B**

Household monthly income is R 1891 but not more than R 3,780, household income should not be more than two state old age pensions; than such a household will qualify for the following subsidy:

<b>Component</b>	<b>Subsidy</b>
Electricity Consumption	50 kWh electricity usage
Water Consumption	6 kl
Sanitation	70% subsidy
Refuse removal	70% subsidy

## **Annexure B**

### **Detailed capital projects over the 2021/22 Medium Term Revenue & Expenditure Framework**



**Annexure B**

Vote	Project Name	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Funding Source	Capital Expenditure Functional
Vote 2 - DIRECTORATE: CORPORATE SERVICES	Computer equipment Project	388,500	365,000	465,000	CRR	Finance and administration
Vote 2 - DIRECTORATE: CORPORATE SERVICES	Computer equipment Project	50,000	-	-	CRR	Finance and administration
Vote 2 - DIRECTORATE: CORPORATE SERVICES	Furniture and Office Equipment Project	20,000	-	-	CRR	Finance and administration
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	20 MVA 22/11 KV Upgrading of Main Substation Phase IV	6,100,000	-	-	INEP	Energy sources
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	20 MVA 22/11 KV Upgrading of Main Substation Phase V	-	4,300,000	6,000,000	INEP	Energy sources
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Upgrading of Louw Smit Substation Phase III	-	2,000,000	-	INEP	Energy sources
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Pre Engineering Plans Murraysburg Line	-	700,000	1,000,000	INEP	Energy sources
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	LED Lights for High Mast Lights : Murraysburg	-	2,700,000	-	EEDSMIG	Energy sources
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	LED Lights for High Mast Lights : Merweville	-	1,300,000	-	EEDSMIG	Energy sources
Vote 5 - DIRECTORATE: COMMUNITY SERVICES	Upgrade Sport Stadium - Kwa Mandlenkosi	613,712	-	-	MIG	Community and social services
Vote 5 - DIRECTORATE: COMMUNITY SERVICES	Extension of Goue Akker Cemetery : Beaufort West	4,846,372	-	-	MIG	Community and social services
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Murraysburg: Construction of Two (2) New Reservoirs	1,690,251	-	-	MIG	Water management
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Murraysburg (Additional Fund Application; project 328491): Construction of Two (2) New Reservoirs	960,882	-	-	MIG	Water management
Vote 5 - DIRECTORATE: COMMUNITY SERVICES	Upgrade Existing Regional Sport Stadium Ph2 : Rustdene	2,059,827	2,059,827	-	MIG	Community and social services
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	New High Mast Lighting - Nelspoort	1,857,111	-	-	MIG	Energy sources
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	New High Mast Lighting - Rustdene, Prince Valley, Lande	2,266,795	1,786,823	-	MIG	Energy sources
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Rehabilitation Sanitation: Oxidation Ponds : Nelspoort	-	2,134,647	-	MIG	Waste water management
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Rehabilitate Roads & Stormwater - Murraysburg	-	1,346,930	-	MIG	Road transport
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Upgrade Streets - Murraysburg: Settlaars, Parden & Pot Roads	-	2,549,448	-	MIG	Road transport
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Rehabilitate Gravel Roads: Rustdene, Kwa-Mandlenkosi & Hillside 2	-	1,274,292	-	MIG	Road transport
Vote 5 - DIRECTORATE: COMMUNITY SERVICES	Upgrade Sport Stadium - Nelspoort	-	3,435,283	3,769,467	MIG	Community and social services
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Beaufort West: Klein Hans River: New Water Supply Pipelines & Upgrade Boreholes & Pump Station	-	-	1,894,966	MIG	Water management
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Nelspoort: New Bulk Water Supply	-	-	810,960	MIG	Water management
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Kwa-Mandlenkosi: Diliso Ave & Matshaka St: Upgrade Streets	-	-	1,354,192	MIG	Road transport
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Nelspoort: Freddie Max Crescent: Upgrade Roads	-	-	436,565	MIG	Road transport
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Rustdene: Pieter Street: Upgrade Gravel Roads	-	-	1,073,542	MIG	Road transport
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Hillside: New Stormwater Retention Pond Ph2	-	-	3,786,167	MIG	Road transport
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Murraysburg: New Stormwater Drainage	-	-	1,399,716	MIG	Road transport
Vote 5 - DIRECTORATE: COMMUNITY SERVICES	Beaufort West: New Refuse Transfer Station	-	-	532,875	MIG	Waste management
Vote 5 - DIRECTORATE: COMMUNITY SERVICES	Upgrade Sport Stadium - Kwa Mandlenkosi	357,390	-	-	CRR	Community and social services
Vote 5 - DIRECTORATE: COMMUNITY SERVICES	Extension of Goue Akker Cemetery : Beaufort West	1,963,335	-	-	CRR	Community and social services
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	Murraysburg: Construction of Two (2) New Reservoirs	472,551	-	-	CRR	Water management
Vote 5 - DIRECTORATE: COMMUNITY SERVICES	Upgrade Existing Regional Sport Stadium Ph2 : Rustdene	-	987,232	-	CRR	Community and social services
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	New High Mast Lighting - Nelspoort	318,335	-	-	CRR	Energy sources
Vote 4 - DIRECTORATE: INFRASTRUCTURE SERVICES	New High Mast Lighting - Rustdene, Prince Valley, Lande	-	305,111	-	CRR	Energy sources
<b>Total Capital Expenditure</b>		<b>23,465,061</b>	<b>27,244,593</b>	<b>22,523,450</b>		