



**SALDANHA** BAA  
BAY  
MUNISIPALITEIT | MUNICIPALITY | uMASIPALA

# **AGENDA**

**OF THE**

**SALDANHA BAY MUNICIPALITY**

**SPECIAL COUNCIL MEETING**

**ON**

**27 JULY 2017**

**AT**

**14:00**

**SALDANHA BAY MUNICIPALITY**

**NOTICE IS HEREBY GIVEN THAT A  
SPECIAL COUNCIL MEETING  
WILL BE HELD ON THURSDAY, 27 JULY 2017 AT 14:00  
IN THE COUNCIL CHAMBERS, VREDENBURG**

18 JULY 2017

  
SPEAKER

# **AGENDA**

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R1/7-17 OPENING

R2/7-17 OFFICIAL ANNOUNCEMENTS

R3/7-17 LEAVE OF ABSENCE

R4/7-17 DECLARATION OF INTEREST WITH REGARDS TO MATTERS  
FOR CONSIDERATION IN THIS AGENDA

## SALDANHA BAY MUNICIPALITY

### REPORT TO THE PORTFOLIO COMMITTEE/ MAYCO/ COUNCIL

**SUBJECT** : CAPITAL BUDGET 2017/18: REQUEST TO GO AHEAD WITH THE REPAIR OF THE 10MVA TRANSFORMER OF VREDENBURG 66KV SUBSTATION.

**FILE NO** : 16/5/171

**DIRECTORATE** : [INFRASTRUCTURE & PLANNING SERVICES [ELECTRO TECHNICAL]

**AUTHOR** : C DU PREEZ

**DATE** : 13 JULY 2017

**ITEM NUMBER** : R5/7-17

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#### **1. PURPOSE OF THE REPORT**

The purpose of the report is to inform Portfolio/Mayco/Council and to get council to approval Regulation 71 process for the repair of the faulty Transformer 3 (10MVA) in Vredenburg 66kV substation.

#### **2. BACKGROUND**

On 29 April 2017 transformer No3 at Vredenburg Substation tripped on Master trip, permission was granted by the Acting Director EPS via a WhatsApp at 13:31 to arrange for the necessary testing of the transformer. The Acting Municipal Manager was verbally informed about the situation and the permission was given to obtain quotations for Strip and Quote on Tuesday 2 May 2017.

Oil samples were taken from the transformer on 2 May 2017 and were analysed by the ESKOM laboratory in Brackenfell. Samples indicated discharges of high energy and an increase of acetylene gas concentration since the previous routine analysis.

Quotations was received from Reinhausen, LHMarthinusen and ARM COIL and the SCM prescribed deviation process was followed for the appointment of LHMarthinusen that was the successful contractor.

The report received from LHMartinusen after the strip and quoted indicated following was damages occurred to the transformer:

Rewinding of all coils (Coper).  
Fitting of top and bottom coil isolation.  
Tap Changer to be overhauled.  
All clamps to be replaced for the coils.  
New oil temperature indicators.  
Buchholz relay  
All gaskets  
9000 liters' oil  
Pressure relief valves  
Bushings

The total amount for the repair came to R 2 193 638.00 (Excl VAT). As this is an unforeseen failure that occurred during normal operation of the substation no provision was made on the budget process for 2017-18 financial year. The nature of the work to be done will result in the 10 MVA transformer's life span to be longer than it was originally anticipated.

### 3. **CONTENT**

As the repair of the transformer is an emergency and an essential part of service delivery which could lead to financial loss for the municipality and could cause disruption or suspension of basic municipal services.

### 4. **LEGISLATION**

MBRR Regulation 71

(1) The Mayor may authorise expenditure in terms of section 29 of the MFMA if:

- (a) The expenditure could not have been foreseen at the time the annual budget of the municipality was passed; and
- (b) The delay that will be caused pending approval of an adjustment budget by the municipal Council in terms of section 28(2)(c) of the Act to authorise the expenditure may –
  - i. Result in significant financial loss for the municipality
  - ii. Cause a disruption or suspension or serious threat to the continuation of basic municipal services;
  - iii. Lead to loss of life or serious injury or significant damage to property;or

- iv. Obstruct the municipality from instituting or defending legal proceedings on an urgent basis.

The Executive Mayor may not authorise expenditure in terms of section 29 of the MFMA if the expenditure –

- (a) Was considered by the Council, but not approved in the annual budget of the municipality;
- (b) Is required for –
  - i. price increases of goods or services during the year;
  - ii. new municipal services or functions during the financial year;
  - iii. the extension of existing municipal services or functions during the financial year;
  - iv. the appointment of personnel during the financial year; or
  - v. allocating discretionary appropriations to any vote during the financial year; or
- (c) Would contravene any existing Council policy; or
- (d) Is intended to ratify irregular or fruitless and wasteful expenditure.

Furthermore, Section 29 of the MFMA indicates that if the mayor of a municipality in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget;

29(2) Any such expenditure-

- a) Must be in accordance with any framework that may be prescribed;
- b) May not exceed a prescribed percentage of the approved annual budget;
- c) Must be reported by the mayor to the municipal council at its next meeting, and
- d) Must be appropriated in an adjustment budget.

3) If such adjustments budget is not passed within 60 days after the expenditure was incurred, the expenditure is unauthorised and section 32 applies.

**5. COMMENT: FINANCE (Sandiso Gcwabe 17 July 2017 at 08h35)**

The expenditure is capital in nature as it will result in the useful life of the 10 MVA transformer being extended. A New project containing the following information needs to be created in the Capital Budget and council approval is needed for the creation of a project that is more than R 100 000 in terms of the Budget Implementation Funds and Reserves and Virement policy. The detail of the project to be created are as follow:

<b>Project Description</b>	<b>Long</b> Capital: Infrastructure; Existing: Upgrading; Electrical Infrastructure: HV Substations: Upgrade 10 MVA Transformer 3 Vredenburg
<b>Function</b>	Electricity: DISTRIBUTION/MAINTENANCE (386)
<b>Item</b>	Cost: Acquisitions
<b>Funding</b>	CRR
<b>Costing</b>	Default
<b>Region</b>	District Municipalities: DC01 West Coast: Municipalities: WC014 Saldanha Bay: Whole of the Municipality
<b>Segment Description</b>	386-Upgr 10MVA Transformer 3 VBG-CRR
<b>Budget Amount</b>	R 2 193 640

The following IDP Information is also needed to create the project:

<b>National KPI</b>	Basic Service Delivery
<b>Strategic Objective</b>	To maintain and expand basic infrastructure for economic development and growth.
<b>Integrated Urban Development</b>	Inclusion and access
<b>Service Delivery Outcome</b>	An efficient, competitive and responsive economic infrastructure network
<b>Strategic Focus Area</b>	Customer Care
<b>GPS X Longitude in Decimal Degrees</b>	32°54'29.99"S
<b>GPS Y Latitude in Decimal Degrees</b>	18° 0'33.54"E

The Impact of the repairs on the bottom line of the Capital budget will be as follow:

<b>Capital Budget: Funding Source</b>	<b>2017/18 Approved Budget</b>	<b>2017/18 Adjustment Budget</b>
Capital Replacement Reserve	154 527 158	156 720 798
External Financing Fund	35 646 091	35 646 091
Government Grants: National	21 742 650	21 742 650
Government Grants: Provincial	12 88 2974	12 88 2974
Donations (Transnet and Afrisam)	2 000 000	2 000 000
<b>Total</b>	<b>226 798 873</b>	<b>228 992 513</b>

Furthermore, Section 29 of the MFMA indicates that if the mayor of a municipality in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget;

29(2) Any such expenditure-

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- c) Must be reported by the mayor to the municipal council at its next meeting, and
- d) Must be appropriated in an adjustment budget.

3) If such adjustments budget is not passed within 60 days after the expenditure was incurred, the expenditure is unauthorised and section 32 applies.

## **6. RECOMMENDATIONS**

[i] That the report be noted

[ii] That Council approve the Regulation 71 process repair of the 10MVA Transformer Vredenburg with funding source CRR

[iii] That the following project containing the strings and IDP details be created in the Capital Budget:

Project Long Description	Capital: Infrastructure: Existing; Upgrading; Electrical Infrastructure: HV Substations: Upgrade 10 MVA Transformer 3 Vredenburg
National KPI	Basic Service Delivery
Strategic Objective	To maintain and expand basic infrastructure for economic development and growth.
Integrated Development	Urban Inclusion and access
Service Delivery Outcome	An efficient, competitive and responsive economic infrastructure network
Strategic Focus Area	Customer Care
GPS X Longitude in Decimal Degrees	32°54'29.99"S
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Function	Electricity: DISTRIBUTION/MAINTENANCE (386)
Item	Cost: Acquisitions
Funding	CRR
Costing	Default
Region	District Municipalities: DC01 West Coast; Municipalities: WC014 Saldanha Bay; Whole of the Municipality
Segment Description	386-Upgr 10MVA Transformer 3 VBG-CRR
Budget Amount	R 2 193 640

[iv] That the expenditure be appropriated by Council through an adjustment budget within 60 days.

  
 DIRECTOR: INFRASTRUCTURE & PLANNING SERVICES

17/7/17  
 DATE

  
 PORTFOLIO COUNCILLOR:  
 INFRASTRUCTURE & PLANNING SERVICES

17 Jul 17  
 DATE



# Memorandum

**TO:** EXECUTIVE MAYOR; MR. MARIUS KOEN

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**FROM:** SENIOR MANAGER ELECTRICAL; JOHAN DU PLESSIS

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**DATE:** July 11, 2017

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**RE:** REQUEST TO GO AHEAD WITH THE REPAIR OF THE 10MVA  
TRANSFORMER OF VREDENBURG 66KV SUBSTATION.

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## I. BACKGROUND

On 29 April 2017 transformer No3 at Vredenburg Substation tripped on Master trip, permission was granted by the Acting Director EPS via a WhatsApp at 13:31 to arrange for the necessary testing of the transformer. The Acting Municipal Manager was verbally informed about the situation and the permission was given to obtain quotations for Strip and Quote on Tuesday 2 May 2017.

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- Rewinding of all coils (Coper).
- Fitting of top and bottom coil isolation.
- Tap Changer to be overhaul.
- All clamps to be replaced for the coils.

New oil temperature indicators.  
Buchholz relay  
All gaskets  
9000 liters' oil  
Pressure relief valves  
Bushings

The total amount for the repair came to R 2 193 638.00 (Excl VAT). As this is an unforeseen failure that occurred during normal operation of the substation no provision was made on the budget process for 2017-18 financial year. The nature of the work to be done will result in the 10 MVA transformer's life span to be longer than it was originally anticipated.

## 2. CONTENT

As the repair of the transformer is an emergency and an essential part of service delivery which could lead to financial loss for the municipality and could cause disruption or suspension of basic municipal services.

Adequate provision need to be made available for the repair of 10 MVA Transformer 3 for Vredenburg substation on the CRR of the 2017/18 financial year's

## 3. LEGISLATION

MBRR Regulation 71

- (1) The Mayor may authorise expenditure in terms of section 29 of the MFMA if:
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#### 4. COMMENT: FINANCE (Sandiso Gcwabe 13 July 2017 at 13h35)

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<b>Function Item</b>		Electricity: DISTRIBUTION/MAINTENANCE (386) Cost: Acquisitions
<b>Funding Costing</b>		CRR Default
<b>Region</b>		District Municipalities: DC01 West Coast: Municipalities: WC014 Saldanha Bay: Whole of the Municipality
<b>Segment Description</b>		386-Upgr 10MVA Transformer 3 VBG-CRR
<b>Budget Amount</b>		R 2 193 640

The following IDP Information is also needed to create the project:

<b>National KPI</b>	<b>Basic Service Delivery</b>
<b>Strategic Objective</b>	To maintain and expand basic infrastructure for economic development and growth.
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**RECOMMENDED/ NOT RECOMMENDED**

RECOMMENDED

NOT RECOMMENDED

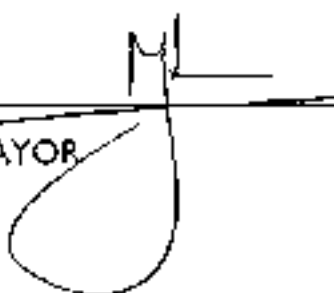
  
\_\_\_\_\_  
ACTING MUNICIPAL MANAGER

13/7/17  
DATE

**APPROVED/ NOT APPROVED**

APPROVED

NOT APPROVED

  
\_\_\_\_\_  
MAYOR

13 | 7 | 2017  
DATE

SALDANHA BAY MUNICIPALITY

REPORT TO THE MUNICIPAL COUNCIL

SUBJECT: OVERSIGHT ROLE OF COUNCIL:  
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT  
POLICY: 2016/17

DIRECTORATE: FINANCE

AUTHOR: H MEEDING

CONTACT DETAILS: 022 – 701 6196

DATE: 13 JULY 2017

FILE NO: 8/1

ITEM NUMBER: R6/17 - 17

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1. **PURPOSE OF THE REPORT**

The purpose of this report is to inform the Council regarding the implementation of the Supply Chain Management (SCM) Policy adopted on 26 May 2016, R5/5-16 to perform their oversight role for the 2016/17 financial year.

2. **BACKGROUND**

Regulation 8(1) of the SCM Regulations (GenN 888 in GG 27636 of 30 May 2005 as amended) states the following:

*"For the purposes of such oversight the accounting officer must –*

- (i) Within 30 days of the end of each financial year submit a report on the implementation of the supply chain management policy to the council of the municipality.\**

3. **DISCUSSION**

3.1 **Capacity of SCM Unit:**

The SCM unit has 12 funded posts. Various officials have left the municipality during the 2016/17 year and it was a major challenge to fill the vacancies. There are currently two funded vacancies, namely Accountant: Contract Management and SCM

Practitioner: Demand and Quotations and two unfunded vacancies in the Buyer Section. The funded positions were advertised and the long listing of the candidates by the Human Resource Department is in process. Funding to build capacity in the unit, was requested, but no funds were made available. The capacity is currently supplemented with the placement of interns on a rotational basis. This is not a sustainable solution to address capacity problems that exist in the SCM unit effectively.

### 3.2 Statistical information for the period 1 June 2016 till 30 June 2017:

#### 3.2.1 Acquisition (Deviations):

<u>Description</u>	<u>2016/17</u>	<u>2015/16</u>	<u>Increase / decline</u>
Number of deviations	2434	1419	1015 (Increase)
Value of deviations	R26 924 218	R 25 584 750	R1 339 468 (Increase)

There was a major increase in the number of deviations. The increase in the deviations is due to the change in process with regards to procurement of fuel in towns such as Hopefield, St Helenabay and Langebaan where only one fuel company exist. The Auditor General has given instruction that this type of procurement must be done via a deviation process and not in terms of clause 36(5) of the SCM Policy (direct procurement).

The table below provides information regarding the highest top 6 rand-values awarded to suppliers or service providers in terms of a deviation process:

<u>Awarded to:</u>	<u>Description:</u>	<u>Number of transactions:</u>	<u>Amount:</u>
Bitline 74 CC	Security services	2	R 1 281 952
Brodryk Bessenger	Professional services for construction of Saldanha Sport Field, Phase 2	1	R 1 164 366
Ignite Advisory services	Compilation of reports, plans and evaluations, fees	2	R 847 134
Rennle Scurr Adendorff	Fees for the alterations and additions to existing building for new SPCA dog boarding facility in Vredenburg	1	R 779 860
Nadeson Consulting	Professional fees (extension of a contract)	1	R 705 342
Servest	Security services	1	R 675 219
<b>TOTAL</b>		<b>2</b>	<b>R 5 453 893</b>

(20% of

<u>Awarded to:</u>	<u>Description:</u>	<u>Number of transactions:</u>	<u>Amount:</u>
			deviations)

There are only two buyers in the Buyer's Section (9 562 orders issued). This is a great concern and it has a direct impact on service delivery. Back logs exist on a permanent basis and are increased by absenteeism (sick leave, annual leave and training). Segregation of duties is also required for an efficient control environment and additional officials are needed to breach this gap.

The challenge is going to be addressed as follows:

- i) The database administrator's job description is going to be re-evaluated to include functions performed in the Buyer's Section;
- ii) Directorates will be requested to make provision to move their planning forward to accommodate the above.
- iii) Directorates will be requested to make provision in their planning for foreseen delays such as outstanding compulsory documentation that must be requested from suppliers, non-compliant tax matters, etc. They will therefore have to start earlier with their respective procurement processes.

The table below indicates the number of advertisements placed on the website for procurement between R30 000 and R200 000 during the 2016/17 financial year:

<u>Period</u>	<u>Number of advertisements placed for procurement between R30 000 and R200 000</u>
July 2016 – February 2017	201
March 2017 – June 2017	105
<b>Total</b>	<b>333</b>

Poor planning is still an issue. 32% of advertisements for procurement above R30 000 was placed during the last three months of the financial year. This impacts negatively on spending. Additional pressure is furthermore placed on SCM officials to perform their functions and this is a high risk which can result in mistakes or non-compliance.

### **3.2.2 Competitive bidding process**

The table below indicates the number and value of tenders awarded:

<u>Description</u>	<u>2016/17</u>	<u>2015/16</u>	<u>Increase / decline</u>
Number of Tenders Awarded	44	42	2 (Increase)

<b>Description</b>	<b>2016/17</b>	<b>2015/16</b>	<b>increase / decline</b>
Value of Tenders Awarded	R 213 081 372	R 187 406 887	R 25 674 245 (Increase)

**Note:** The above amounts are the amount that were awarded and not the capital spending amount.

The above table excludes the figures of all annual or repetitive tenders awarded.

The ePortal was implemented on 1 July 2017. Bids (excluding construction related bids) must be advertised on the ePortal and suppliers can generate the bidding documents at no cost.

The following risks remains:

- i) **No control over collection of bidding documents:**  
There is no control measure in place to make sure that all bidders have received amendments to specifications, changes in dates, etc. if necessary; and
- ii) **No control over amendments made to bidding documents by suppliers or service providers:**  
There is no control measure in place to make sure that a supplier has not made any changes to the content of the bidding document where as in the past bidders were only allowed to use documents issued by the municipality to circumvent any tampering with bidding documents.

### **3.2.3 Awards to persons in service of the state:**

Awards to persons in service of the state remain a challenge as long as municipalities do not have direct access to the PERSAL system and other public institutions. Provincial Treasury has included the ID numbers of officials and councilors in their system and provide feedback to municipalities.

The Central Supplier Database was implemented on 1 July 2017. Real time verification of persons in service of the state are done before an award is made.

### **3.2.4 Database administration:**

The Central Supplier Database (CSD) was implemented on 1 July 2016. The CSD is a real-time system that is used to verify supplier information before an award is made. The following information is verified by the CSD:

- (a) Business registration; including details of directorship and membership;
- (b) Bank account holder information;
- (c) In service of the state status (Persal);
- (d) Tax compliance status;

- (e) Identity numbers; and
- (f) Tender defaulting and restriction status.

The biggest challenge experienced is that the CSD is still not verifying the BEE status of suppliers. This functionality was supposed to be available since October 2016. Suppliers are thus still requested to submit their BEE status as prescribed in the Preferential Procurement Regulations, 2017.

The number of registered local suppliers has increased from 479 registered suppliers (first quarter) to 733 registered suppliers (fourth quarter) as per CSD report.

#### **4. VENDOR PERFORMANCE**

Reports on vendor performance are distributed on a monthly basis to all role players with information received. Quarterly reports are submitted to Council. This office is in the process of compiling a standard operating procedure to streamline the reporting process and to standardize actions lodged against suppliers.

#### **5. ADOPTION OF SCM POLICIES**

The SCM Policy was reviewed and adopted by Council on 25 May 2017, R10/5-17 and the Infrastructure Procurement and Delivery Management Policy was compiled and adopted by Council on 22 June 2017, R100/6-17.

The new Preferential Procurement Regulations were implemented on 1 April 2017.

#### **6. ACHIEVEMENTS**

The SCM unit has achieved the following goals during this financial year:

- i) Successful implementation of CSD;
- ii) Successful implementation of ePortal;
- iii) Successful implementation of rotation of procurement between local suppliers for procurement below R30 000 (registering and linking to commodities); and
- iv) Developed a paperless SCM Module for Munsoft for procurement above R30 000.

#### **7. OVERALL COMPLIANCE**

The detail of compliance in terms each of the clauses in the SCM Regulations are included in Annexure A.

#### **8. AUDIT FINDINGS**

No audit findings were raised against SCM.


**9. LEGISLATIVE COMPLIANCE**

Local Government: Municipal Finance Management Act (Act 56 of 2003);  
Supply Chain Management Regulations;  
Supply Chain Management Policy: Saldanhabay Municipality;  
Preferential Procurement Regulation, 2017; and  
All other relevant legislation, National Treasury guidelines and circulars.

**10. RECOMMENDATION**

- (i) That the report be noted; and
- (ii) That Annexure A be noted.

**OVERSIGHT ROLE OF COUNCIL: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY: 2016/17**

  
H MEEDING  
MANAGER, SUPPLY CHAIN MANAGEMENT

14/7/2017  
DATE

  
J LOUW  
SENIOR MANAGER: FINANCIAL OPERATIONS

14/7/2017  
DATE

  
S VORSTER  
CHIEF FINANCIAL OFFICER

17/7/2017  
DATE

  
G SMITH  
ACTING MUNICIPAL MANAGER

17/7/2017  
DATE

  
COUNCILLOR A VENTER  
PORTFOLIO COUNCILLOR: FINANCE

17/7/2017  
DATE

**ANNEXURE A**  
**SALDANHA BAY MUNICIPALITY**  
**IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT IN TERMS OF CLAUSE 6(2)(1)(a) OF**  
**THE SUPPLY CHAIN MANAGEMENT POLICY**

REG NO	CRYPTIC DESCRIPTION OF POWER OF DUTY	IMPLEMENTED (yes / no)	MILESTONES (if applicable)	CHALLENGES AND SOLUTIONS
3	Review of SCM policy	Yes	Policy was adopted by Council on 25 May 2017, R10/5-17. The Infrastructure Procurement and Delivery Management (IPDM) Policy was also adopted by Council on 22 June 2017, R100/6-17.	
5	System of delegations and report on awards made within 5 working days	Yes		
6	Oversight role of Council	Yes		
7	Supply chain management unit	Yes		<b>Challenges:</b> Insufficient capacity remains a challenge. No funding was received for any additional posts. This impacts negatively on service delivery.
8	Training of supply chain management officials	Yes	Various training was provided to engineers and SCM officials on IPDM.	
10	System of demand management	Yes	Progress reports (tender plan) are submitted to the Municipal Manager and Directors on a monthly basis.	
11	System of acquisition management (quotations)	Yes	The Manager: SCM has written a new module for Mursoft for Quotations above R30 000. Training was provided.	<b>Challenges:</b> Insufficient planning and incomplete documents leads to delays in processes and turnaround time. Internally the users do not make use of manuals to ensure that correct processes are followed and requests are completed correctly.  <b>Solutions:</b> SCM Helpdesk to assist departments with completion of documents.

REG NO	CRYPTIC DESCRIPTION OF POWER OF DUTY	IMPLEMENTED (yes / no)	MILESTONES (if applicable)	CHALLENGES AND SOLUTIONS
				Training was provided to officials on the system.
11	System of acquisition management (tenders)	Yes	We have implemented the ePortal to ensure that process is open, fair and competitive.	<b>Challenges</b> Planning is still an issue, but there is improvement.
14	Lists of accredited prospective providers	Yes	The CSD was successfully implemented from 1 July 2016.	<b>Progress</b> See par. 3.2.3.
16	Written quotations (reasons are recorded, authorized and monthly reports are submitted to CFO, MM and Council)	Yes	All reports were submitted within 3 days after the end of the month.	
17	Formal written quotations (reasons are recorded, authorized and monthly reports are submitted to CFO, MM and Council)	Yes	All reports were submitted within 3 working days after the end of the month.	
18	Notify the Accounting Officer or CFO in writing on a monthly basis of all written quotations and formal written price quotations accepted by the official acting in terms of a sub-delegation.	Yes	All reports were submitted within 3 working days after the end of the month.	
20	Competitive bidding process	Yes		
23	Procedure for handling, opening and recording of bids (i) record in a register all bids received in time; (ii) make the register available for public inspection (iii) Publish the entries in the register and the bid results on the website of the municipality.	Yes		
26	Committee system for competitive bids	Yes		
27	Bid specification committees	Yes		<b>Progress</b> User departments convene before the final Specification meetings to ensure that all

REG NO	CRYPTIC DESCRIPTION OF POWER OF DUTY	IMPLEMENTED (yes / no)	MILESTONES (if applicable)	CHALLENGES AND SOLUTIONS
				<p>issues are addressed. All role players such as Health and Safety (Mr. Makok) are involved. Minutes are presented to the Specification Committee for consideration.</p> <p><b>Challenges:</b> Insufficient planning and incomplete specifications lead to delays in the award of bids.</p> <p><b>Solutions:</b> The Manager, SCM has requested to build a specification library to save time on re-inventing the wheel each time a tender must be advertised. Feedback from Provincial Treasury is still outstanding.</p>
28	Bid evaluation committees	Yes		<p><b>Challenges:</b> Departmental Evaluation Reports are not received timely and putting pressure on committee system to finalize bids before validity lapse. Quorum problems.</p>
29	Bid adjudication committees	Yes	The Bid Adjudication Committee meetings were opened to the public.	
30	Procurement of goods and services under contracts secured by other organs of state	Yes		
35	Appointment of consultants	Yes		

REG NO	CRYPTIC DESCRIPTION OF POWER OF DUTY	IMPLEMENTED (yes / no)	MILESTONES (if applicable)	CHALLENGES AND SOLUTIONS
36	Deviation from, and ratification of minor breaches of, procurement processes	Yes		
38	Combating of abuse of supply chain management system	Yes	There were no cases brought against any official regarding abuse of the SCM system. Effective segregation of duties and delegations were implemented.	
40	Disposal: Moveable (Auction) Immovable (Corporate Services)	No		Corporate Services has developed a Policy for implementation. The Policy is not yet adopted by Council.
41	Risk management	Yes		
42	Performance management	Yes		
43	Ethical Standards	Yes		
45	Inducements, rewards, gifts and favours	Yes		
46	Objections and complaints (Appeals)	Yes	No successful appeals in a Court of Law were lodged against the municipality.	
50	Contract Administration	Yes	All awards on CIDB were made within 21 days after signing of contract.	
51	Management of expansion or variation of orders against the original contract	Yes	Parameters were included in the SCM Policy and are managed by the Manager. Expenditure (commitment register).	

**SALDANHA BAY MUNICIPALITY**

**REPORT TO MAYCO/MUNICIPAL COUNCIL**

**SUBJECT:                    PROGRESS REPORT: IDP/BUDGET PROCESS 2017/18**  
**DIRECTORATE:            FINANCIAL SERVICES**  
**AUTHOR:                    M CORNETT**  
**DATE:                        10 JULY 2017**  
**FILE                         5/1/1-2017/18**  
**ITEM NUMBER:            R 7 | 7 - 17**

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**1.    PURPOSE OF THE REPORT**

To submit a quarterly report to Council regarding the progress on the Integrated Development Plan (IDP)/Budget process for the 2017/18 budget cycle.

**2.    BACKGROUND**

The schedule of key deadlines for the 2017/18 IDP/Budget process was approved by Council on 25 August 2016 per council resolution R6/8-16. This schedule outlines the dates on which certain activities have to occur in order for the IDP and budget to be approved within the legislative timeframe as outlined in the Municipal Finance Management Act (MFMA).

**3.    LEGISLATIVE REQUIREMENTS**

(1)    The mayor of a municipality must-

(a) Co-ordinate the processes for preparing the annual budget and for the reviewing the municipality's IDP and budget-related policies to ensure that the tabled budget and any revisions of the IDP and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-

(i) the preparation, tabling and approval of the annual budget;

(ii) the annual review of-

(aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and

(bb) the budget-related policies;

#### 4. EXECUTIVE SUMMARY

The below mentioned activities up until end May 2017 had to occur according to the approved schedule of key deadlines:

Date	Action	Responsible Department	Target achieved	Target not Achieved	Reason for deviation
18/08/2016	IDP/Budget Process plan for deliberation <ul style="list-style-type: none"> <li>Prepare full IDP process</li> </ul>	IDP/Budget	✓		
23/08/2016	First IDP Representative Forum <ul style="list-style-type: none"> <li>Presentation of the Process Plan</li> <li>The provision of feedback on the <i>status quo</i> and strategic framework components of the IDP; i.e Key issues, Strategies and Objectives and other programs</li> </ul>	IDP		✓	The option to develop a new five year IDP was decided upon and therefore the re-establishment of the representative forum. The correction will be tabled and corrected based on the legislative process plan.
23/08/2016	Special Mayoral Committee Meeting: Consider the Roll Over Adjustments Budget Consider the schedule of key deadlines for the IDP/Budget process for 2017/18	Mayoral Committee	✓		

Date	Action	Responsible Department	Target achieved	Target not Achieved	Reason for deviation
25/08/2016	Special Council Meeting: Approve the Roll Over Adjustments Budget	Council	✓		
25/08/2016	Special Council Meeting: Adopt the budget and IDP time schedule	Council	✓		
30/08/2016	Submit IDP/Budget key deadlines to West Coast District Municipality	IDP	✓		Provided, however the formalised process plan to be considered by Council and subsequent advertisement.
01/09/2016	Publish IDP/Budget Schedule of key deadlines for 2017/18 in newspaper and on website	IDP	✓		
05/09/2016	Finance: Request input on the 2017/18 tariffs from Departments.	Finance	✓		
19/09/2016-7/10/2016	IDP Public Participation	IDP		✓	The time period was utilised to finalise the establishment of the ward committee and initial engagements. Ward committee training and a subsequent process on the ward public participations will have to be defined based on the new strategic intent (vision, mission and strategic objectives)
19/09/2016-7/10/2016	IDP Public Participation		✓		The meetings was postponed to November/December 2016 within all wards.
18/10/2016	Budget Steering Committee (Determining the	Finance	✓		

Date	Action	Responsible Department	Target achieved	Target not Achieved	Reason for deviation
	budget principles)				
18/10/2016	Special Mayoral Committee Meeting: Consider the budget principles	Council	✓		
13/10/2016	Finance: Submit Capital budget schedules to all Directorates for completion	Finance	✓		
14/10/2016	Finalisation of the Organisational Restructuring internal process for 2017/18	Human Resources		✓	Date have been changed by Management. Adjusted date is now 20 January 2017.
25/10/2016	Special Council Meeting: Adopt the 2017/18 budget principles	Council	✓		Date of meeting was 24 October 2016.
18/10/2016	Finance: Submit budget schedules to all Directorates for completion of Operating Budget Projects	Finance	✓		
18/10/2016	Finance: Submit operating budget schedules to all Directorates for completion	Finance		✓	The new Financial system was not yet set up to provide the budget schedules to all directorates.
24/10/2016	All Directorates: Provide revised sundry tariffs with motivations to Finance	All Directorates		✓	Not all information was received on the deadline. Some of the departments requested postponement due to certain internal processes not being finalised yet.
8/11/2016	IDP input following strategic sessions <ul style="list-style-type: none"> <li>• Presentation of Situational Analysis</li> <li>• IDP Vision and Mission</li> </ul>	IDP	✓		Strategic intent will be incorporated into the 4 <sup>th</sup> generation IDP

Date	Action	Responsible Department	Target achieved	Target not Achieved	Reason for deviation
10/11/2016	<ul style="list-style-type: none"> <li>Strategic objectives and key outcomes</li> </ul> All Directorates: Provide completed Capital budget schedules for 2017/18 with motivations to Finance	All Directorates		✓	Not all information was received from directorates on the deadline. The public participation process was still in process.
17/11/2016	All Directorates: Provide comments to Finance on the accuracy and completeness of capital budget input captured.	All Directorates		✓	Accuracy was confirmed and adjustments was made during budget cutting sessions before and after Budget Steering Committee meetings.
18/11/2016	All Directorates: Provide completed operating budget schedules for 2017/18 with motivations	All Directorates		✓	Not all information was received from directorates on the deadline. Uncertainty with regards to the new manner of budgeting caused a delay in information that was submitted.
24/11/2016	All Directorates: Provide comments to Finance on the accuracy and completeness of operating budget input captured.	All Directorates		✓	This could not be done due to the fact that the budget had to be processed on the new system and in mSCOA format. No report could be extracted at the time as processing took a very long time. Tender awarded to new system provider 3 months later than planned.
17/11/2016 and/or 18/11/2016	Budget Steering Committee Workshop: Salary and Capital budget	Finance	✓		
14/11/2016	Finance: Request inputs from Departments on the Adjustment budget	Finance		✓	Budget staff was busy with training and the setup of the new financial system

Date	Action	Responsible Department	Target achieved	Target not Achieved	Reason for deviation
					and requested inputs two days after target date.
23/11/2016	Mayoral Committee Meeting: Consider the approval of the draft Capital & Personnel Budget for incorporation in main budgets	Council		✓	Date was 29 November 2016.
02/12/2016	All Directorates: Provide completed adjusted budget schedules for 2016/17 with motivations to Finance	All Directorates		✓	Date was moved forward with one week due to problems with actual amounts on the financial system.
29/11/2016	Ordinary Council Meeting: Consider the approval of the draft Capital & Personnel Budget for incorporation in main budgets	Council		✓	Date of Council meeting was 6 December 2016.
08/12/2016	All Directorates: Provide comments to Finance on the accuracy and completeness of capital budget input captured.	Finance		✓	Budget staff was busy with the setup of the new financial system and schedules was only send out on 15 December 2016.
09/01/2017-12/01/2017	Budget balancing sessions with all Directorates			✓	Meetings did not take place due to the budget not being completed yet. Delays with the integration of systems was experienced.
23/01/2017	Submit Summary Draft Operating Budget to CFO		✓		
16/02/2017	Special Mayoral Committee: Consider Main Adjustments Budget			✓	The MAYCO did not take place as the budget was not yet completed. Delays with the integration of systems was

Date	Action	Responsible Department	Target achieved	Target not Achieved	Reason for deviation
					experienced
16/02/2017	Workshop with Budget Steering Committee and Mayoral Committee (All Councillors invited)			✓	The workshop did not take place as the budget was not yet completed. Delays was experienced with the integration of systems.
23/02/2017	Special Council Meeting: Consider approval of Main adjustment Budget		✓		
28/02/2017	IDP Rep Forum <ul style="list-style-type: none"> <li>• Presentation of the draft IDP and Budget ahead of public participation process</li> <li>• Prioritised Projects and Programs</li> <li>• Draft Revised Analysis</li> <li>• Draft Revised Objectives and Strategies</li> <li>• Draft Projects and Programmes linked to budget</li> </ul>		✓		No IDP rep forum have been established as existing structures was utilised. All other actions was achieved with the linkages and finalisation thereof to be done with the final submission of the draft IDP for adoption.
10/03/2017	Budget /IDP Agenda to be submitted to all Councillors			✓	The budget documents were not completed in time due to various delays with the integrated systems. Agenda was submitted to Admin for distribution on 22 March 2017.
16/03/2017	Special Mayoral Committee Meeting: Tabling of the 2017/18 draft Budget & IDP			✓	Mayco took place on 24 March 2017. The budget documents was not completed in time

Date	Action	Responsible Department	Target achieved	Target not Achieved	Reason for deviation
					due to various delays with the integration of systems.
27/03/2017	Special Council Meeting: Tabling of the 2017/18 draft Budget & IDP		✓		Meeting took place on 28 March 2017
29/03/2017	Distribute all budget related documents to all council's offices and libraries for public inspection,		✓		
29/03/2017	Submit budget to NT and PT in prescribed formats for inputs				
29/03/2017	Advertise budget for inputs and comments in local newspaper and place on municipal website;				
April 2017	Provincial IDP assessment week		✓		
03/04/2017 to 26/04/2017	Public Meetings: Announcement and discussion of budget for representations to be submitted for consideration		✓		Meetings took place from 3- 12 April 2017
28/04/2017	Closing of comments and representations on the Draft IDP and Budget @16 h 30		✓		
04/05/2017	Special Council workshop: Considering all inputs and/or objections on the budget and IDP, budget related policies and supply chain management policy.		✓		
	Special Mayoral Committee Meeting. Final consideration of		✓		

Date	Action	Responsible Department	Target achieved	Target not Achieved	Reason for deviation
19/05/2017	new IDP & Budget to be proposed to Council for adoption with due consideration of inputs received.				
25/05/2017	Special Council Meeting: Final consideration and adoption of new IDP and Budget.		✓		

**RECOMMENDED**

- (i) That the report be noted;

  
 \_\_\_\_\_  
**MANAGER: BUDGETS**  
**M CORNETT**


11.7.17  
 \_\_\_\_\_  
**DATE**

  
 \_\_\_\_\_  
**SENIOR MANAGER: FINANCIAL MANAGEMENT**  
**S ROETS**

11/7/17  
 \_\_\_\_\_  
**DATE**

  
 \_\_\_\_\_  
**CHIEF FINANCIAL OFFICER**

12/7/2017  
 \_\_\_\_\_  
**DATE**

  
 \_\_\_\_\_  
**PORTFOLIO COUNCILLOR: FINANCIAL SERVICES**  
**COUNCILLOR A VENTER**

17/07/2017  
 \_\_\_\_\_  
**DATE**

## REPORT TO THE MAYCO AND COUNCIL

### SALDANHA BAY MUNICIPALITY

SUBJECT: RESULTS OF INVENTORY STOCK COUNT  
PERFORMED IN JUNE 2017

DIRECTORATE: FINANCE

AUTHOR: C DE KOCK

DATE: 17 JULY 2017

FILE: 5/30

ITEM NUMBER: R5/7-17

#### **1 PURPOSE OF THE REPORT**

The purpose of the report is to table the results of the inventory stock take performed at the electrical and main municipal stores.

#### **2. DISCUSSION**

The annual stock take was performed during 13 to 15 June 2017. The result of the stock count at the electrical and main stores was as follows:

Description		Value
<b>Surpluses</b>	Main Store	708 490
	Electrical Store	9 280
	Petrol	5 158
	<b>Total of surpluses</b>	<b>722 928</b>
<b>Losses</b>	Main Store	370 112
	Electrical Store	10 714
	Diesel	77 029
	<b>Total of shortages</b>	<b>457 855</b>
<b>Net Surpluses</b>		<b>265 073</b>

The result of the previous stock takes were unsatisfactory. To ensure accurate counting and counting of the correct items, the store was re-arranged to accommodate the increased number of stock items. All stock items were neatly stacked and properly marked. Four in-dependended counting teams were appointed and the four stock clerks had to accompany the counting teams to

ensure counting of the correct items. The result was that a number of items that were identified as being lost during previous stock takes were now counted. When the sub stores were dissolved during 2015, the stock items were transferred to the main store and because of limited space, various items were stacked and it was not easy to identify the different items by the counting teams. The value of these items amount to R291 225. The outcome of the June 2017 stock count, when the value of these surpluses are reduced with the R291 225, amounts to a net loss of R26 152 (R265 073 – R291 225).

Control over the stock did improve considerably. One area of concern is still the stock issued after hours when standby duty is performed. A manual requisition is completed for stock issued after hours and the department must issue an electronic requisition as soon as possible thereafter to be captured on the financial system.

In order to improve control over the stock issued after hours, the stock clerks were instructed to sign off on the manual requisition to proof verification that the stock items and quantities correspond to the electronic requisition

Petrol showed a surplus of 433 litres. The value of this petrol amounts to R5 158.

The diesel shortage of 6 877 litres to the value of R77 029 was written off as shortages. The following was the result on 13 June 2017 and again on 30 June 2017.

Date of readings in respect of Diesel on hand	Munsoft (litres)	Electronic fuel system (litres)
Diesel 13/6/2017	29 721.78	22 843.9
Diesel 30/6/2017	23 087.98	22 477.8

In order to improve control over fuel, arrangements were made to take the electronic meter reading each day at 16h30 and 8h00 the following day. The variance must be compared to the fuel issued after hours and recorded in the posting schedule. In the event of any discrepancies two stores personnel must view the camera footage to ensure no fuel was taken in an unlawful manner. Record of the findings must be kept and in the event of fuel being stolen the prescribed procedure must be followed.

The following measures were implemented to combat the variances that occur in the fuel levels:

- A beam system that triggers an alarm with an armed response company to react.
- An electronic fuel gauging system was installed.
- A manual reconciliation to detect variances was implemented.
- The petrol pumps were calibrated.
- A valid calibration certificate is required for the pump on the fuel delivery truck.

- The opening in the fence was changed and a gate installed to ensure no fuel is wasted because of excess in the pipe that cannot be deposited in the tank.
- A camera system was installed to view footage if larceny is suspected and if the alarm is triggered.

The unexplained variances in the fuel quantities however still persisted. Upon an investigation, it was found that the fluctuation in temperature do have an impact on the fuel volumes due to the shrinkage and expansion thereof which may also be a reason for the experienced differences.

Everything possible will be done to prevent a re-occurrence of the current situation.

### 3. DAMAGED AND UNSERVICEABLE STOCK

Damaged and slow moving items to the value of R222 914, attached as Annexure E, were identified with assistance from the various departments as being no longer serviceable. These items should be written off and disposed with the rest of the obsolete assets.

During the stock take, the following additional items with a total value of R11 432 were also identified as damaged and unserviceable and should also be written off:

Stock Nr	Description	Quantity	Value R
M5295	JUNCTIONS-Y 150 x 100MM	5	212
M8501	PAY SLIPS	8	10 280
M6701	OVEN CLEANER 275ML	1	53
M7364	OVERALLS 2 PIECE BROWN	2	582
M7365	OVERALLS ZIP-UP 2 PIECE BLUE	1	305

The asbestos y - junction, item M5295, has to be dealt with according to the requirements of the applicable legislation as well as the municipality's asbestos policy.

The container of item M6701, oven cleaner is damaged and should therefore be destroyed as it may pose a danger to someone who comes in contact with the contents.

Items M8501, M7364 and M7365 are Saldanha Bay specific and should therefore be destroyed.

#### **4. LEGISLATIVE COMPLIANCE**

In terms of section 63(2) (a) of the MFMA the accounting officer must ensure that the municipality has and maintains a system that accounts for the assets which include the inventory stock of the municipality. In order to be able to comply with this requirement a stock count of the inventory in the main store was conducted

#### **5. FINANCIAL IMPLICATION**

On 30 June 2017 the inventory surpluses and losses for the 2016/17 financial year, as reflected on the line items, are as follows:

Line item nr	Description	Budget R	Accumulated total on 30/6/2017 R	In excess of 2016/2017 budget R
106 650048	Inventory Surpluses	18 100	879 066	760 966
106 140264	Inventory Losses	308 000	431 932	123 932

The abovementioned accumulated totals include adjustments made in respect of the whole financial year. A stock take was also performed in November 2016.

#### **COMMENTS: ACTING MUNICIPAL MANAGER**

The report and recommendations are supported.

#### **7. RECOMMENDATION**

- (i) That the report be noted;
- (ii) That the following stock adjustments done in June 2017 be condoned:

Description	Annexure	Amount
Main Store Surplus	A	708 490
Electrical Store Surplus	B	9 280
Petrol Surplus		5 158
Main Store Losses	C	(370 112)
Electrical Store Losses	D	(10 714)
Diesel Losses		(77 029)

- (iii) That the following additional identified obsolete stock items amounting to R11 432 be written off and be dealt with as indicated:


Stock No	Description	Quantity	Value	To deal with accordingly
M5295	JUNCTIONS- Y 150 x 100MM	5	211.70	Handle in terms of asbestos legislation and policy
M8501	PAY SLIPS	8	10 279.63	Destroy
M6701	OVEN CLEANER 275ML	1	53.29	Destroy
M7364	OVERALLS 2 PIECE BROWN	2	581.78	Destroy
M7365	OVERALLS ZIP-UP 2 PIECE BLUE	1	304.78	Destroy

- (iv) That the damaged and slow moving items to the value of R222 914 attached as Annexure E, be written off and sold in terms of Council's Asset and -SCM policies.



CHIEF FINANCIAL OFFICER

17/7/2017  
DATE



PORTFOLIO CHAIRPERSON COUNCILLOR D VENTER

17/7/2017  
DATE

MAIN STORE: SURPLUSES JUNE 2017

Annexure A

ART NUMB	DESCRIPTION	Items without value on Munsolt			Recounts		
		AVG COST	Final Diff	Surplus	Final Diff	Surplus	Total surplus
M06116	LINE A-FRAME SPECIAL 31.4MM CROSSARM	963.04	3	2 891.82			2 891.82
M02257	CIRCUIT BREAKERS T/P 40A GKA	332.4	2	664.80			664.80
M0264	METER SPLIT SP TYPE 20-100A:MP INCL REN	710.3077	40	28 412.31			28 412.31
M0268	CIRCUIT BREAKERS 10A:MP OF DUAL RAIL	68.8	4	963.20			963.20
M0289	CABLE LV 6MM X 4C	39,2099	98	3 842.57			3 842.57
M0292	CABLE LV 15MM X 4C	74,6038	289	21 560.50			21 560.50
M0295	CABLE LV 50MM X 4C	191,9230	78	14 970.06			14 970.06
M0296	CABLE HV 70MM X 3C PILC	492,86	10	4 928.60			4 928.60
M0297	CABLE LV 70MM X 4 C	277,2797	259	70 520.44			70 520.44
M0300	CABLE LV 150MM X 4C	644,5309	4	2 578.12			2 578.12
M0301	CABLE HV 35MM X 3C PILC	332.08	5	1 660.45			1 660.45
M0305	CABLE HV 185MM X 3 C XLPE	848,7548	81	58 749.14			58 749.14
M0307	CABLE LV 120MM X 4C	507.55	14	7 105.70			7 105.70
M0311	CABLE LV 10MM X 4C	58,3482	1	58.35			58.35
M0325	CONNECTORS PRATLEY & SHROUDS MD 2	16.67	561	9 351.87			9 351.87
M0304	LIME DEAD ENDS PINE	47,1618	57	2 688.22			2 688.22
M0586	LAMP FLUORESCENT TUBES 50W 5FT	11,9284	57	628.62			628.62
M0687	FUSZ LINKS 30A FAST CURVE		14	1/ 528.00	345 392.00		345 392.00
M0720	GEYSER ELEMENTS	186.1	5	940.50			940.50
M1185	JOINTS HV 16-50MM PILC HEATSINK	1542,735	1	- 542.73			1 542.73
M1187	JOINT HV 25-85MM XLPE HEATSINK	2405,787	2	4 811.57			4 811.57
M1200	K-CLAMPS 20MM	7.1	2	14.20			14.20
M1202	K-CLAMPS 37MM	8.93	1	8.93			8.93
M1399	LAMPS CTI 14W RC (SPIRAL OR COMPACT)	25.9	28	725.20			725.20
M1401	LAMPS 70W HPS 220 L27	51.32	1	51.32			51.32
M1413	LAMPS CFL 18W/20W BC (SPIRAL OR COMP)	29,61	18	532.98			532.98
M1505	LUGS CABLE 10 X 6MM	3,9318	41	161.20			161.20
M1508	LUGS CABLE 1.5 X 3 MM	0,3057	297	90.79			90.79
M1522	LUGS CABLE 25 X 16MM	2,974	1	2.97			2.97
M1527	LUGS CABLE 70 X 12MM (TINNED COPPER)	12	25	300.00			300.00
M1537	LUGS CABLE 50 X 16MM	1,1593	93	107.81			107.81
M1991	P. UGTOPS 15A (BLACK AND RED)	15,9270	5	75.14			75.14
M2052	POLES WOODEN 11M CLASS A4 160MM	1976.76	9	17 790.84			17 790.84
M2060	KIOSK 12-WAY	4125.71	2	8 251.42			8 251.42

MAIN STORE: SURPLUSES JUNE 2017

Annexure A

ART NUMBER	DESCRIPTION	Items without value on Mtransoft			Recounts		
		AVG COST	Final Diff	Surplus	AVG COST	Final Diff	Surplus
M2063	KIDCK 4-WAY						
M2069	POLES STEEL 11M	3415,435	6	23,908.05	2,677.00	15,732.00	15,732.00
M2175	LINE 7 X 4 STAY WIRE (100M COILS)	379.77	7	379.77			23,908.05
M2560	FERRULE JOINING 1.5MM	0.32	1	0.32			379.77
M2596	FERRULE JOINING 25MM	1,4826	35	52.89			0.32
M2260	SPINDLES M20 X 50	17,5362	3	53.01			51.89
M2438	PVC FITC TAPE-RED 3M-747-(0.18M)X18M	16,016	10	160.16			52.61
M2441	PVC FITC TAPE-BLACK 3M-747-(0.18M)X1	18,0	50	945.00			180.16
M3021	WATERMETER FLANGED 50MM = REVISION	1647,763	1	1,647.76			945.00
M3033	PIPE POLYCOB RED 150MM (100MT PER CO)	310,4699	1	310.47			1,647.76
M3284	CASCADE CLAMP 200MM (228-238MM)	397.9	3	1,193.70			310.47
M3287	SADDLES COMP HDPE 50MM X 1"	72	2	144.00			1,193.70
M3290	SADDLES COMP HDPE 110MM X 3/4"	94.31	2	188.62			144.00
M3291	SADDLES COMP HDPE 110MM X 1"	80.25	1	80.25			188.62
M3294	COUPLING VI RANGER 374-391MM FBE CT	1075,325	4	4,301.29			80.25
M3344	COUPLINGS COPPER - MALE IRON 15MM X	14,5224	8	116.18			4,301.29
M3348	COUPLINGS REDUCING COPPER COPPER 2	20,7015	3	116.28			116.18
M3350	BALLOON MUNICIPAL BRASS MXP 25MM X	492	20	4,920.00			116.28
M3357	SHORT COLLARS FITTINGS 150MM	604.2	1	604.20			4,920.00
M3350	SHORT COLLARS FITTINGS 75MM	728	1	228.00			604.20
M3460	V-JUNCTION PLAIN PVC 100MM X 110MM X	60.75	16	972.00			228.00
M3361	COUPLING REDUCING CXC 28MM X 22MM :	171	2	342.00			972.00
M3362	ELBOW BEND 1 X 28MM	136.8	5	684.00			342.00
M3366	COUPLING V. RANGER 250-267MM FBE CT	768,9086	6	4,613.45			684.00
M3451	ELBOWS PLASSON 25X25MM	14,8194	20	296.31			4,613.45
M3460	ELBOW CXF 15MM X 1/2"		3	863.51	1,405.00	4,215.00	796.51
M3465	PIPE CLASS 12 UPVC/JAC 75MM X 4MT	287,838	3	863.51			4,215.00
M3465	ELBOW MALE HDPE 25MM X 1/2"	16,0056	10	160.07			863.51
M3476	ELBOW 15MM CXF		5	40.36		701.8	160.07
M3477	ELBOW FEMALE HDPE 25MM X 3/4"	13,9521	2	27.90			40.36
M3478	ELBOW 90 DEGREE WITH THREADED FEMAL	13.8	30	414.00			27.90
M4282	JOINTS CI SHORT COLLARS 75MM X	198.9	3	596.70			414.00
M4283	JOINTS CI SHORT COLLARS 100MM	83,5279	30	2,505.66			596.70
M4668	MANHOLE COVERS & FRAMES 600 X 600 (98KG)		1	567.01		507.01	2,505.66
							567.01

MAIN STORE: SURPLUSES JUNE 2017

Annexure A

ART NUMB	DESCRIPTION	AVG COST	Final QTY	Surplus	Items without value on Mainsoft			Recounts	
					AVG COST	Surplus	Final Diff	Surplus	Total surplus
M4694	ADAPTOR MALE 3/2x3/4	13,68	2	27,36					27,36
M4695	GLOVES FREEZER PVC (SHORT+CLIFF)	54,4037	5	272,02					272,02
M4696	WATERMETER BULK 100MM		2		4 104,00	8 208,00			8 208,00
M4700	PVC CLASS 12 ADAPTER 75MM-MAL	76,6619	2	153,32					153,32
M4701	PIPT CLASS 16 AC/PVC 200MM X 4MM LEING	394,9334	10	3 949,33					3 949,33
M4702	PVC CLASS 16 ADAPTER 200MM		5		166,71	833,55			833,55
M4703	METERS WATER 15MM TYP C 3 DV 201	378,0277	2	756,06					756,06
M4709	ELBOW CXC 20MM CONEX	142,5	15	2 137,50					2 137,50
M4711	COUPLING 20MM-HDPE-STRAIGHT		27		9,53	257,51			257,51
M4727	CUTERN PLASTIC UNFIT 1 ELF		51		36,02	1 837,02			1 837,02
M4728	GEL LUBRICANT 1L		4						
M4722	CLAMP SADDLE 32MM X A		7		36,02	252,14			252,14
M4724	ELBOW SEWER PVC LG 110MM X 45 DEGR	39,6273	1	39,63					39,63
M4725	COUPLING VI RANGER TO AC 250MM	344,28	6	2 065,68					2 065,68
M4729	COUPLING VI RANGER 272-289MM FBE C10	619,2555	3	1 857,80					1 857,80
M5032	REDUCING COUPLING 20x25-HDPE		36			320,00			320,00
M5033	COUPLING REDUCING CXC 22MM X 15MM CONEX		3		17,04	51,12			51,12
M5039	COUPLING VI RANGER TO AC 200MM (2.8)	459,7998	2	919,60					919,60
M5045	PIPES HDPE 20MM CLASS 16 X 100M CO LS	446	3	892,00					892,00
M5067	COUPLINGS PLASSON 20MM	10,4944	20	209,89					209,89
M5068	COUPLINGS PLASSON 25MM	30,2511	11	332,76					332,76
M5078	TEES EQUAL PLASSON 20MM	27,0231	11	297,25					297,25
M5079	TEES EQUAL PLASSON 25MM	38,57	3	116,01					116,01
M5200	REPAIR KIT METERS	47,4819	10	474,82					474,82
M5272	SADDLES COMP HDPE 90MM X 1 1/4"	79,98	7	559,86					559,86
M5273	CAPNUTS CONEX 22MM	7,5524	6	45,31					45,31
M5291	PIPES SEWER 100MM	28,05	1	28,05					28,05
M5441	TEES C-C 22MM	45,0230	1	45,02					45,02
M5459	TEES HYDRANT GALV 100MM	1320	1	1 320,00					1 320,00
M5484	COUPLING STRAIGHT 75MM-MAL		97						
M5500	COUPLING VI RANGER 395-407MM FBE CT	1681,5	3	5 044,50					5 044,50
M5701	VALVE GATE AYK 85V FLANGED 50MM LHC	870,0012	1	870,00					870,00
M5703	COUPLING REPAIR CLASS 12 UPVC 110MM	72,5	6	435,00					435,00
M5715	BEND PLAIN PVC 40 X 90 DEGREE (VE)	10,8541	4	43,42					43,42

MAIN STORE: SURPLUSES JUNE 2017

Annexure A

ART NUMB	DESCRIPTION	Items without value on Munsoft			Recounts		
		AVG COST	Final Diff	Surplus	Final Diff	Surplus	Total surplus
M5724	PAINT HIGH GLOSS ENAMEL MIDHIGH BLUE	227	1	227,00			227,00
M5743	TAP MIXER BASIN 1 TAP HOLE WITH SWIPE	291,1789	2	582,36			582,36
M5772	HINGES CONICAL STRAIGHT (ELECTRO PIA	-1,9	6	-11,40			-11,40
M5787	TEES PLAIN PVC 50MM X 90 DEGREE	13,9038	4	55,62			55,62
M5795	SCREWS EASY DRIVE 8 X 100MM (PKT OF 1	190	1	190,00			190,00
M5803	CUTERN C/F 9LT COMPLETE (WHITE)	173,2222	6	1 039,33			1 039,33
M5827	DOOR HARD BOARD 813MM X 2032MM	185,9792	2	391,96			391,96
M5842	GLOVES LEATHER (PLAIN)	50,5	1	50,50			50,50
M5845	TOILET SEAT + COVER LUX 2000 WHITE (PL	59,39	7	699,93			699,93
M5850	MULTI VALVE 50XFA 228MM	805,93	5	4 029,65			4 029,65
M5857	BRUSHES PAINT 50MM	74,8003	4	99,20			99,20
M5858	BRUSHES PAINT 75MM	47	3	129,00			129,00
M5880	PAN COLLAR STRAIGHT 110MM PVC	57,6563	3	112,97			112,97
M5871	POWERMASTIK 3-LDMIL WHITE	55,6833	4	238,73			238,73
M5875	BEND PVC S/V 110MM X 90 DEGREE	47,5832	1	47,58			47,58
M5877	UNION TEE 110MM PVC	87	1	87,00			87,00
M5883	RAWL BOLTS 6 X 50MM ZINC PLATE	2,2643	10	22,64			22,64
M5885	BEND RIB PLAIN 110 X 90 DEGREE	28,07	2	56,14			56,14
M5887	RAWL BOLTS 8 X 65MM ZINC PLATED	3,7357	8	29,89			29,89
M5889	RODING EYE BODY 110 X 45 DEGREE PVC	33,0298	10	330,30			330,30
M5891	TAP PILLAR 15MM	113,15	8	905,20			905,20
M5911	WASTE SINK 40MM CHROME UNSLOTTED	45,6669	2	91,33			91,33
M5934	FLUSHPIPE RUBBER INSERT 40MM	12,2814	22	270,33			270,33
M5936	TOILET ROLL HOLDER WOODEN	35,0431	2	70,09			70,09
M5941	UNION NIGHT LATCH (STRAIGHT ROIT)	450,88	5	2 254,40			2 254,40
M5950	LIME WATER TREATMENT WHITE HYDRATT	53,64	7	375,48			375,48
M5951	JUNCTION Y-PVC 110 X 45 DEGREE	79,8	70	1 596,00			1 596,00
M5954	WINDOW HANDLE BRASS R/H STD SOLID	34,68	1	34,68			34,68
M5955	WINDOW HANDLE S/W BRASS C/FASTEN C	56,5	1	56,50			56,50
M5973	TROP SINK PVC 32MM	26,0016	4	104,02			104,02
M5977	PAINT THINNERS LAQUEUR 5L	126,1372	2	252,27			252,27
M5979	PAINT UNIVERSAL UNDERCOAT WHITE 5L	165,9988	5	829,99			829,99
M5980	PAINT GLOSS ENAMEL GOLDEN YELLOW 5L	227	2	454,00			454,00
M5992	PRO-NAIJS ADHESIVE 300ML	66,67	1	66,67			66,67

MAIN STORE SURPLUSES JUNE 2017

Annexure A

SRT NUMB	DESCRIPTION	AVG COST	Final Diff	Surplus	Items without value on Munsoft			Recounts	
					AVG COST	Surplus	Final Diff	Surplus	Total surplus
M6007	BARREL BOLT ELECTRO GALV 150MM	26,506	1	26,51					26,51
M6085	ANTI FREEZE 1L	32,7025	5	163,35					163,36
M6163	BOLTS & NUTS GALVANISED 150MM X 16 N	5,3643	96	514,97					514,97
M6200	CAR POLISH 300ML	35,09	1	35,09					35,09
M6205	CEMENT - BUILDING 50KG	120	7	240,00					240,00
M6221	SIGN KEEP RIGHT 1104	174,5617	1	523,09					523,09
M6269	SIGN W410/W410 DEAD END/ROAD CLOS	377,19	1	577,19					577,19
M6281	NO-U-TURN SIGN R213		36	177,20	178,00	6,408,00			6,408,00
M6292	SHARP CURVE RIGHT 3 GN W201/TW204	177,196	1	177,20					177,20
M6307	GRAVE SPIT	89,5	1	89,50					89,50
M6310	PIK STEEL	46,1468	2	92,29					92,29
M6311	HARKE STAAL	73,2869	1	73,29					73,29
M6310	PLASTER BLANK LARK MET HOUT STEEL 40	17,12	3	52,26					52,26
M6322	MASKS VALVED 3M FFP2 OR EQUIVALENT (	132,4327	17	2,251,15					2,251,15
M6338	FOJK GARDMINING (MIST G-LANC)	463,7	8	3,709,60	247,82	971,28			3,709,60
M6353	SPEED LIMIT R201		4		151,88	323,76			323,76
M6355	PARKING MOTOR VEHICLES ONLY R308		2						
M6358	NO FIRES	239,1	2	478,80					478,80
M6360	ROAD CROSSING (TRIANGULAR) W102/TW	239,1	1	239,40					239,40
M6379	POLICE STATION AHEAD R324 P	161,88	1	161,88					161,88
M6476	GLOBE DOUBLE PIN CLEAR 24V F21/SW BA	11,2	2	64,80					64,80
M6478	GLOBE SINGLE PIN CLEAR 12V 6W BA155 S1	11,2	1	11,20					11,20
M6480	GLOBE 24V 70W H7 HEAVY DUTY P2260 UN	91	2	182,00					182,00
M6496	FUEL FILTER	21,3551	44	3,141,38					3,141,38
M6497	OIL FILTERS	42,7952	1	62,30					62,30
M6501	SPRAY GALV 400ML	124,2012	1	124,20					124,20
M6631	HACKSAW BLADES 32 TEETH STEEL	19,76	20	395,20					395,20
M6678	LAUNDRY SOAP 250GR	13,9581	29	404,78					404,78
M6679	FURNITURE POLISH 275ML	31	6	186,00					186,00
M6682	WASHING POWDER 500GR	21,9889	6	131,81					131,81
M6683	BLEACH 750ML	12,3759	2	24,75					24,75
M6685	STEELWOOL 100GR	10,9357	1	10,94					10,94
M6686	AHURONGS DDEKE (DIK TIPE)	7,4101	5	37,07					37,07
M6687	FABRIC SOFTNER 500ML	15,5	7	108,50					108,50

MAIN STORE: SURPLUSES JUNE 2017

Annexure A

ART NUMB	DESCRIPTION	AVG COST	Final Diff	Surplus	Items without value on Munsoft			Recounts		Total Surplus
					AVG COST	Surplus		Final Diff	Surplus	
M6692	STOFLAPPE	5,4667	38	207,73						207,73
M6699	TOWEL ROLLS KITCHEN	30,9728	178	1 404,52						1 404,52
M6700	SKOPPIE & HAND BESEM	37,35	21	784,35						784,35
M6701	OVEN CLEANER 275ML	53,2874	5	159,86						159,86
M6704	OPVAVSLAPPE	6,6626	7	46,64						46,64
M6951	S.T SCHEW'S HI 58XCM		62		0,24		14,88			14,88
M7164	OVERALLS 2 PIECE BROWN	280,8895	3	872,67						872,67
M7373	PADLOCKS-LAMINATED-REF. S40 SHORT S	145	1	145,00						145,00
M7375	SPRAY PENETRATING OIL	26,5389	7	185,77						185,77
M7380	SPRAY DASHBOARD -VEHICLE 300ML	27,4393	5	137,20						137,20
M7381	SPRAY SILICONF 300ML	37,72	4	150,88						150,88
M7403	RAINSUITS X-LARGE	401,5	1	401,50						401,50
M7423	HAT BUSF-KHAKI S/M(55-58CM)	86,9808	1	86,98						86,98
M7430	GOLF SHIRT EMERALD GREEN XXL	114,1832	29	3 311,31						3 311,31
M7432	GOLF SHIRT EMERALD GREEN XXXL	126,0533	40	5 042,13						5 042,13
M7435	CONTI SUIT JACKET ROYAL BLUE 127	265,1833	6	1 591,10						1 591,10
M7585	SAFETY BOOTS NO 12	394,6149	1	394,61						394,61
M7601	CONTI SUIT JACKET NAVY BLUE 117	207,36	6	1 244,16						1 244,16
M7613	CONTI SUIT TROUSER NAVY BLUE 107	189,67	29	5 920,43						5 920,43
M7614	CONTI SUIT TROUSER NAVY BLUE 112	153,88	6	923,28						923,28
M7618	CONTI SUIT TROUSER NAVY BLUE 112	249,369	1	249,37						249,37
M7620	CONTI SUIT JACKET EMERALD 92	212,97	1	212,97						212,97
M7626	CONTI SUIT JACKET EMERALD 122	212,97	3	638,91						638,91
M7627	CONTI SUIT JACKET EMERALD 127	212,97	4	851,88						851,88
M7632	CONTI SUIT TROUSER EMERALD GREEN 82		10		382,77		3 472,63			3 472,63
M7634	CONTI SUIT TROUSER EMERALD GREEN 92	182,77	2	365,54						365,54
M7636	CONTI SUIT TROUSER EMERALD GREEN 102	182,77	4	731,08						731,08
M7661	CONTI SUIT TROUSER RED 107	169,9481	8	1 359,58						1 359,58
M7663	CONTI SUIT TROUSER RED 112	156,2834	1	156,28						156,28
M7671	CONTI SUIT JACKET WHITE 102		5		708,89		1 044,45			1 044,45
M7679	TIPS LOUVER	105,5880	1	105,59						105,59
M7683	CONTI SUIT TROUSER WHITE 87		2		185,94		371,88			371,88
M7685	CONTI SUIT TROUSER WHITE 97		4		185,94		743,76			743,76
M7700	CONTI SUIT JACKET GREY 112	709,93	1	209,93						209,93

MAIN STORE: SURPLUSES JUNE 2017

Annexure A

ART NUMID	DESCRIPTION	AVG COST	Final Diff	Surplus	Items without value on Munsoft		Recounts		Total surplus
					AVG COST	Surplus	Final Diff	Surplus	
M7703	CONTI SUIT JACKET GREY 127	209,93	6	1 259,58					1 259,58
M7724	CONTI SUIT JACKET DENIM 112	234,2015	2	468,40					468,40
M7726	CONTI SUIT JACKET DENIM 122	234,23	1	234,23					234,23
M7740	CONTI SUIT TROUSER DENIM 122	218,56	3	655,68					655,68
M7931	WASHERS FLAT 6MM	0,0567	3	0,17					0,17
M7936	WASHERS SPRING HT 8MM		100	-	3,00				3,00
M7964	GENERAL PURPOSE CLEANER - SLT	57	6	342,00					342,00
M7967	AEROSOL BOTTLES - PLASTIC - WITH TRIGG	26,7031	1	26,70					26,70
M8002	RECEIPTS COMI NUOUS (ACUD PER BOX)	486	10	4 860,00					4 860,00
M8450	LTR HEADS A4 105GRAM WHITE CTR PAPER	478,07	2	956,14					956,14
M9407	VFRIDRINK	95	1	95,00					95,00
M3349	ADAPTOR FT MALE FIBRE 20MM X 3/4"	10,38						92	955,39
Main Store Surpluses									708 489,68

**Electrical Store: Surpluses**

**Annexure B**

Part No	Descrip	Unit cost	Final Diff	Cost
E1003	LINE WRAPLOCK TIE PINE	39,4765	9	355,29
E1004	LINE STRUT POLE BRACKET 720X60	109,65	30	3 289,50
E1025	LINE WRAPLOCK TIE	30,7024	31	951,77
E1046	RMU MUND-8LOCK YIGER	394,7382	5	1 973,69
E1047	RMU MONO-BLOCKS G.E.C	394,7367	1	394,74
E1057	TAPE SCOTCH 24 MESH	30,7023	42	1 289,50
E1002	CABLE AIRDAC STRAIN CLAMP	12,546	1	12,55
E1215	POLE BRACKETS SWIVEL STRUT	144,7367	7	1 013,16
<b>Electrical Store: Surpluses</b>				<b>9 280,19</b>

MAIN STORE - JUNE 2017 - LOSSES

Annexure C

PART NUMBER		DESCRIPTION		AVG COST	Losses	Issues incorrectly included in losses written off	Actual Losses	Value of losses
						Requisition nr	Quantity	
M0117	LINE P-FRAMES STRAIN			949.20	3		3	2 847.59
M0141	ABC BUNDLE CONNECTORS TTD 201F			23.74	7		7	166.17
M0272	CIRCUIT BREAKERS QF 20A			49.55	56		56	2 791.50
M0277	CIRCUIT BREAKERS SF 60A GKA			100.80	12		12	1 209.60
M0276	CIRCUIT BREAKERS SF 30A GKA			95.45	24		24	2 290.80
M0278	CIRCUIT BREAKERS SF 20A C1 GKA			68.80	26		26	1 800.80
M0203	CIRCUIT BREAKERS 7P 60A GKA			375.63	1		1	275.63
M0286	CABLE LV 2.5MM X 3 CORE			24.71	3		3	74.13
M0290	CABLE LV 5MM X 2 CORE			32.70	168		168	5 513.62
M0295	CABLE LV 25MM X 4C			114.50	1		1	114.41
M0298	CABLE LV 95MM X 4 C			413.90	26		26	10 740.40
M0303	CABLE HV 70MM X 3C KEPT			527.34	65		65	46 385.45
M0304	CABLE LV 12MM X 2C			44.70	55		55	2 484.33
M0310	CABLE HV 240MM X 3C FEREX (XLPE)			878.58	21		21	18 450.28
M0381	CONDUCTORS 40A 4P 40KV WITH ADD 2ND-2NC CONT			217.89	3		3	6 530.66
M0382	CONDUCTOR AC 4 POLE 32A 25KV COIL			377.62	3		3	1 132.85
M0319	ABC CONDUCTOR 25MM 5L + C			23.03	175		125	1 628.59
M0350	ABC CONDUCTOR 95MM X 3C			72.45	50		50	3 622.14
M0403	LINE DEAD ENDS OAK			71.21	48		48	3 422.88
M0420	LINE 11KV CUT-OFF FUSE HOLDER ASSY			651.74	1		1	651.74
M0585	LAMP FLUORESCENT TUBES 36W 4"			32.15	5		5	162.77
M1001	REFUSE BINS GREEN 240 LITERS			465.00	3		3	1 395.00
M1246	LINE INSULATORS PORCH-AIN PIN 22KV			113.51	3		3	340.53
M1186	JOINT HV 50-95MM PLIC HEATS-HRINK			2 206.40	2		2	4 074.99
M1414	LUGS CABLE 10X 8MM			1.49	2		2	2.78
M1717	LUGS CABLE 10X 20MM			1.92	10		10	19.75
M1331	LUGS CABLE 95 X 15MM			10.32	5		5	51.63
M1340	LINE MAKE OFF P/N.F. TOP STEEL 2/4MM JGREG			53.00	2		2	106.00
M2057	POLES WOOD 9M CLASS B 140-160/M			1 479.61	1		1	1 479.61
M2058	KIOSK 2-WAY			2 029.92	4		4	8 139.80
M2060	PLUGS 5X 8 KFT 4X1 SINGLE AND PLAT			33.00	3		3	99.00
M2019	BASE PLATE FOR LINE ADJ. STAY ROD			184.01	2		2	368.02

MAIN STORE: JUNE 2017: LOSSES

Annexure C

PART NUMBER	DESCRIPTION	AVG COST	Losses	Requisition nr	Quantity	Actual Losses	Value of Losses	Issues incorrectly included in losses written off
								Losses identified during stock take
M2435	TAPE SCOTCH 23 BLACK	167,61	50			50	8280,50	
M2510	THERMOSTATS	99,36	1			1	99,36	
M2726	WIRE COPPER PVC CLASS 110 (1X1MM)	172,40	1			1	172,40	
M2846	LINE W/PAPLOCK TIES	80,62	70			70	5643,16	
M3029	COUPLING VJ RANGER 218-234MM	440,01	8			8	3520,10	
M3033	P/PE CLASS 12 UPVC/AC 200MM X 4MT LENGTH	1053,89	1			1	1053,89	
M3038	PVC CLASS 12 ADAPTOR 100MM	100,78	4			4	401,12	
M3056	BENDS COPPER-COPPER 15M/M	24,25	9	537	7	2	48,50	
M3150	BENDS COPPER - FEMALE IRON 15MM	24,60	13			13	319,80	
M3192	HOSE RINGS 15MM	109,75	3	537	3			
M3194	RINGS PLAIN 22MM FIG. 108	109,36	3					
M3285	CASCADE CLAMP ACS/STEEL 96MM (59 7/8MM)	127,41	2			2	254,82	
M3305	CONEX SPARE RINGS (OLIVES) 22MM	17,19	7			2	34,20	
M3307	VALVE GATE AVK RSV FLANGED 150MM LHC/CT	2939,25	1			1	2939,25	
M3318	CASCADE CLAMP (PNS-75) 10MM	335,18	5			5	1675,90	
M3330	COUPLINGS VJ RANGER 75MM 88-102MM	180,36	8			8	1442,88	
M3346	COUPLINGS REDUCING STRAIGHT C X F BRASS	55,86	200			200	11172,00	
M3337	COUPLINGS REDUCING STRAIGHT C X F BRASS	82,08	20			20	1641,60	
M3339	COUPLINGS COPPER-COPPER 22MM	32,14	2			2	64,28	
M3340	COUPLINGS COPPER - FEMALE IRON 15MM	21,13	14			19	401,41	
M3343	COUPLINGS COPPER - FEMALE IRON 22MM	21,35	21			21	448,35	
M3346	COUPLINGS REDUCING COPPER - MALE IRON 15X	21,62	6	537	2	4	86,48	
M3353	WATERMETER DN209	705,35	40			40	28214,10	
M3368	COUPLING VJ RANGER 10 AC 5012M	154,04	3			3	462,12	
M3400	ELBOWS WALL PLATES 15MM	31,14	18	537	3	15	467,13	
M3455	ELBOW HDPE PVC 32MM	21,14	1			1	21,14	
M3456	ELBOW FEMALE HDPE 25MM X 1/2"	21,93	5			5	109,65	
M3457	ELBOW CXF 22MM X 3/4" CONEX	23,04	1			1	23,04	
M3459	ELBOW CXF 22MM X 3/4"	35,59	1			1	35,59	
M3463	ADAPTOR CLASS 12 AC/PVC 160MM	138,46	5			5	692,30	
M3733	BALLOCKS MUNICIPAL BRASS 200MM MALE- FE	910,74	1			1	910,74	
M3738	VALVE HYDRANT 65/80MM F-FI HAND C/DH-RT	868,42	2			2	1736,85	
M4680	MANHOLE COVERS & FRAMES 600 X 640 (74KG)	297,43	1			1	297,43	
M4683	COUPLING VJ RANGER 235-252MM FBE CTD	660,66	1			1	660,66	

MAIN STORE - JUNE 2017: LOSSES

Annexure C

PART NUMBER	DESCRIPTION	AVG COST	Issues incorrectly included in losses written off			Actual Losses	Value of Losses
			Losses	Requisition nr	Quantity		
M4712	COUPLING GRC 38MM CONEX	1,9,96	1		1	1,9,96	
M5039	TEE FEMALE HDPE 25MM X 3/4"	20,66	40		40	826,56	
M5040	COUPLING W/ RANGER 40-41 /MM FBE CTD	1,332,26	1		1	1,332,26	
M5060	ADAPTORS PLASSON MALE 20 X HA 3"	9,82	21	1747	21		
M5061	ADAPTORS PLASSON MALE 20 X 3/4"	13,64	6		6	81,82	
M5064	ADAPTOR COMPRESSION FEMALE 2 1/2 X 3/4	19,69	4		4	78,74	
M5065	ADAPTOR FEMALE POLY PLASSON 2 5MM X 1"	1,116	6		6	137,36	
M5076	COUPLINGS REDUCING PLASSON 25X20	23,03	26	135	22	506,64	
M5278	SADDLE PIECE CAST IRON 75X22MM FOR A/C P	92,56	1		1	92,56	
M5280	SADDLE PIECE CAST IRON 108X22MM FOR A/C	300,39	6		6	602,31	
M5292	PIPES SEWFR 140MM	120,21	4		4	480,85	
M5294	COUPLINGS SEWFR 150MM	48,54	13		13	370,99	
M5344	SLIP TAP BRASS C-C 15MM	133,09	9		9	1,164,72	
M5345	SLIP TAP BRASS C-C 22MM	81,89	7		7	573,22	
M5416	TAPE THREAD SEAL (PTFE)	3,29	9		9	27,80	
M5481	TEE 15*15*15-CXCS 90 DEG	25,47	24	2128	5		
M5491	COUPLING W/ RANGER 266-304MM FBE CTD	640,14	1		1	550,91	
M5493	COUPLING W/ RANGER 244-463MM FBE CTD	1,881,50	7		7	640,14	
M5688	CI GATE VALVE 75MM ANK PLAIN ENDED	2,490,50	7		7	13,170,50	
M5692	RENK MALE 25*3/4-1HD-PC	15,89	3		3	4,981,00	
M5695	SADDLE GALV AD 152MM X 3/2"	114,57	2		2	59,68	
M5696	ELEW MALE HOPE 26MM X 3/4"	36,20	9		9	229,33	
M5712	PE POLY PVC 15MM X 50MT	236,05	1		1	57,20	
M5717	JUNCTION PLAIN PVC 40 X 90 DEGREE	3,07	2		2	236,05	
M5722	PAINT HIGH GLOSS ENAMEL HISTORICAL GREEN	227,00	1		1	6,14	
M5727	PAINT SATN SHEEN BROKEN WHITE 218	795,00	2		2	227,00	
M5728	PAINT SATN SHEEN KALANJA 20L	795,00	5	1443	3	1,550,00	
M5736	TAP HIGH 25MM PLAIN CHROME	193,00	1	1990	1	1,550,00	
M5742	LOCK NUT 1/2" 1 FVER	229,46	4		4		
M5744	TAP GIB 25MM EXTENDED W/T FLANGE	184,35	2		2	917,52	
M5760	HUIT HINGES 100MM BRASS (PH)	1,12,40	1	576	2	388,79	
M5764	GLOVES CHEMICAL RESISTANT INDUSTRIAL	66,32	1		1	112,40	
M5766	CISTERN RIMMER SETS L/L SISO	152,87	2		2	66,32	
M5775	TEES REDUCING 22 X 22 X 15MM CXC	50,61	3	537	2	365,80	
					1	50,61	

MAIN STORE: JUNE 2017: LOSSES

Annexure C

PART NUMBER	DESCRIPTION	AVG COST	Losses	Issues incorrectly included in losses written off		Actual Losses	Value of Losses
				Requisition nr	Quantity		
M578C	BLADE DIAMOND 115MM (CUT)	35,00	1		1	35,00	
M5781	BLADE DIAMOND 230MM (CUT)	96,49	2		2	192,98	
M5797	ROLLERS ECOPILE 225MM COMPLETE WITH HANDLE	24,85	24		24	591,52	
M5798	ROLLER REFILL ECOPILE 225MM	27,16	34		34	923,50	
M5799	DRILL BITS EDGE MASDNR 2.0MM	22,11	1		1	22,11	
M5828	ELECTRIC GRINDER WITH THERMOSTAT 2 KW	274,40	1		1	274,40	
M5825	BRUSHES PAINT 25MM	38,50	2		2	77,00	
M5824	BEVD PLAIN PVC 40 X 10 DEGREE	9,03	8		8	72,06	
M5826	BEVD 1.0MM X 3000mm U/G PVC	57,00	2		2	114,00	
M5828	PIPE SEWER U/G CLASS S1 NORMAL DUTY PLAI	289,99	7		7	2029,93	
M5906	SHOWER TRAP PVC PLAIN	88,80	4		4	355,20	
M5910	SINK MIXER WALLTYPE 150MM CHROME	386,45	1		1	386,45	
M5914	SOCKET STRAIGHT PVC 40MM	19,58	1		1	19,58	
M5923	DOOR SMALL W/ADJIN 803MM X 2032MM	932,71	2	576	2	1865,42	
M5932	ELBOW SWIVEL 15MM CSF	36,90	10	437	2	369,00	
M5938	LAP WASHER 40MM	43,82	1		1	43,82	
M5936	WINDOW P/P HANDLE BRASS LH STD SOLID	32,90	1		1	32,90	
M5932	SCREWS BRASS WOOD 5 X 20MM (PKT OF 300)	95,23	13		10	1238,01	
M5974	TRAP SINK PVC 40MM	34,43	5		5	172,15	
M5995	LOCK SET 3 LEVER UNION	278,71	8		6	1670,56	
M6003	MIXER 4 BAR W/IN FH (ELECTRO PLATE D)	15,95	4		4	63,80	
M6206	BARREL BOLT NECKED 63MM BRASS	30,70	1		1	30,70	
M6004	VALVES PRESSURE APEX 40MPA 2PC	743,33	4		4	2973,32	
M6028	PAINT GLOSS ENAMEL EG 100N 1110W	227,00	1		1	227,00	
M6095	TERMINALS BATTERY NEGATIVE	14,00	1		1	14,00	
M6153	ROLLS NUTS & WASHERS BRASS M6 X 40	4,50	133		103	463,50	
M6222	SIGN KEEP LEFT R108	174,56	3		3	523,68	
M6284	NO STOP SIGN R217 TR21	178,07	10		10	1780,70	
M6285	BICYCLE JAME R304/T3104	118,42	2		2	236,84	
M6325	SIGN SHARP CURVE C-ICVIRON W406	55,62	3		3	166,86	
M6328	BESKMS HARD (NYLON-GREEN) 300MM	60,41	22		22	1329,02	
M6321	GOGGLES SAFETY: STRATUS GREY	10,34	12		12	124,08	
M6329	HAMMER CLUB HANDLES WOOD	13,32	1		1	13,32	
M6339	FOAM GARDENING (5PIT) 4-TAIN	112,43	7		7	787,01	

MAIN STORE: JUNE 2012: LOSSES

Appendix C

PART NUMBER	DESCRIPTION	AVG COST	Losses	Issues Incorrectly included in losses written off		Value of Losses
				Requisition #	Quantity	
M7307	NAME SIGNS (PLACE AND STREET NAME E)	410.40	1		1	410.40
M7354	WINDING ROAD (FIRST LEFT) W208	239.40	1		1	239.40
M7360	DISABLED PARKING R323-2	161.85	1		1	161.85
M7365	NO PASSING R224	242.82	3		3	728.46
M7370	DRIFT R350	239.45	1		1	239.45
M7373	IN1 100 METRES	173.28	12		12	2079.36
M7382	VARNISH MAHOGANY SLT	168.05	3		3	504.15
M7489	GLOBE 12V (K/23W H4 HALOGEN	46.20	2		2	92.40
M7486	GLOBE SINGLE PIN CLEAR 12V P21W BALSSTR	8.19	11		11	90.09
M752	HACKSAW BLADES 16111F WOOD	10.12	2		2	20.24
M7576	REFUSE BAGS BLACK 75X111X 950MM - 62MICR	75.03	9	2495	1	525.24
M7677	DISHWASHING LIQUID 750ML	22.32	18	1474	5	296.13
M7682	IN-SECT KILLER 303ML	22.82	149	1523	4	3308.76
M7684	BOOY SOAP 100GR	7.26	29		29	210.48
M7688	AMMONIATED CLEANER 750ML	24.47	42	1503	3	905.51
M7691	SKURSPONSE (PKTS OF 3)	11.97	20		20	239.40
M7693	MOPS HEAVY DUTY COMPLETE WITH WOODEN-AND	57.32	2		2	114.64
M7694	SOFT BRDMS COMPLETE WITH WOODEN HANDLES	43.93	20	1524	1	834.62
M7696	LIQUID HAND SOAP SLT	92.43	2		2	184.86
M7260	MILNITIPAL 4 REST	49.83	5		5	249.15
M7346	OIL ENGINE 15W40 (2 LIT)	27.67	89		89	2450.83
M7354	OIL HYDRAULIC 68 (2:30 L)	21.51	73		73	1571.23
M7357	OIL SUPER TOW 20W40	439.01	1		1	439.01
M7365	OVERALL ZIP-UP 2 PIECE BLUE	304.78	1		1	304.78
M7366	OVERALLS 2 PIECE - ORANGE	229.82	3		3	689.46
M7367	OVERALLS ZIP UP - DENIM	296.15	4		4	1184.58
M7368	OVERALLS 2 PIECE - YELLOW	205.09	1		1	205.09
M7369	OVERALLS 2 PIECE - RED	290.31	7		7	2032.16
M7400	RAINSUITS SMALL	353.22	8		8	2825.75
M7402	RAINSUITS LARGE	365.30	2		2	730.60
M7411	CONTI SLIT JACKET EMERALD B2	219.00	8		8	1704.00
M7437	CONTI SLIT JACKET GREY B2	209.90	14		14	2938.55
M7438	CONTI SLIT TROUSER GREY 72	184.02	19		19	3496.39
M7422	GOLF SHIRT EMERALD GREEN S	105.75	2		2	211.51

MAIN STORE: JUNE 2017: LOSSES

Appendix C

Losses Identified during stock take										Issues Incorrectly included in losses written off		
PART NUMBER	DESCRIPTION	AVG COST	Losses	Requisition nr	Quantity	Actual Losses	Value of Losses					
M7424	HAT BUSH KHAK L/KL (5P-62CM)	84,50	24			24	2 027,89					
M7425	CONT. SUIT JACKET ROYAL BLUE B7	217,35	9			9	1 956,11					
M7426	CONT. SUIT JACKET ROYAL BLUE B2	211,40	6			5	1 270,23					
M7427	GOLF SHIRT EMERALD GREEN M	105,77	13			14	1 388,01					
M7428	GOLF SHIRT EMERALD GREEN	105,75	10			10	1 057,54					
M7429	GOLF SHIRT TRIM-HALO GREEN XL	119,66	1			1	119,66					
M7431	GOLF SHIRT EMERALD GREEN XXXL	121,27	18			18	2 187,94					
M7434	CONTI SUIT JACKET ROYAL BLUE 149	217,71	1			1	217,71					
M7437	CONTI SUIT TROUSER ROYAL BLUE 77	175,90	3	1916	2	1	178,00					
M7438	CONTI SUIT TROUSER ROYAL BLUE 82	176,37	20			20	3 527,37					
M7439	CONTI SUIT TROUSER ROYAL BLUE 87	176,49	3			2	351,19					
M7440	CONTI SUIT TROUSER ROYAL BLUE 92	176,95	5			5	890,32					
M7441	CONTI SUIT TROUSER ROYAL BLUE 97	178,90	2			2	356,80					
M7442	CONTI SUIT TROUSER ROYAL BLUE 102	178,90	2			2	356,80					
M7443	CONTI SUIT TROUSER ROYAL BLUE 107	195,76	3			3	587,29					
M7444	CONTI SUIT TROUSER ROYAL BLUE 112	204,70	4			4	818,80					
M7445	CONTI SUIT TROUSER ROYAL BLUE 117	195,98	3			3	586,95					
M7446	CONTI SUIT TROUSER ROYAL BLUE 122	196,31	1			1	396,61					
M7449	CONTI SUIT TROUSER ROYAL BLUE 97	215,71	4			4	847,84					
M7450	CONTI SUIT JACKET ROYAL BLUE 107	212,98	1			1	212,98					
M7451	CONTI SUIT JACKET ROYAL BLUE 107	212,90	7			7	1 486,13					
M7452	CONTI SUIT JACKET ROYAL BLUE 112	212,90	2			2	424,00					
M7453	CONTI SUIT JACKET ROYAL BLUE 117	216,43	1			1	218,93					
M7578	SAFETY BOOTS MD E	620,90	1			1	620,00					
M7579	SAFETY BOOTS MD F	602,55	1			1	602,55					
M7589	SAFETY T-SHIRT NO 7	597,00	1	1916	1	1	-					
M7597	CONTI SUIT JACKET NAVY BLUE 97	223,12	19			19	4 239,97					
M7598	CONTI SUIT JACKET NAVY BLUE 152	229,41	2			2	447,82					
M7602	CONTI SUIT JACKET NAVY BLUE 122	207,96	6			5	1 244,16					
M7603	CONTI SUIT JACKET NAVY BLUE 127	207,96	2			2	414,72					
M7610	CONTI SUIT TROUSER NAVY BLUE 97	184,72	2	1433	2	-	-					
M7611	CONTI SUIT TROUSER NAVY BLUE 97	184,72	3	1433	1	2	369,14					
M7612	CONTI SUIT TROUSER NAVY BLUE 107	184,72	1	1433	1	-	-					
M7623	CONTI SUIT JACKET EMERALD 107	213,97	8			8	1 701,76					

MAIN STORE: JUNE 2017: LOSSES

Annexure C

PART NUMBER	DESCRIPTION	AVG COST	Losses	Issues Incorrectly included in losses written off		Value of Losses
				Requisition nr	Quantity	
M7624	CONTI SUIT JACKET EMERALD 112	172,97	5			1 064,85
M7628	CONTI SUIT JACKET EMERALD 132	212,97	4			851,88
M7635	CONTI SUIT TROUSER EMERALD GREEN 97	182,77	1			182,77
M7637	CONTI SUIT TROUSER EMERALD GREEN 307	182,77	7			1 279,39
M7639	CONTI SUIT TROUSER EMERALD GREEN 117	182,77	3			548,31
M7648	CONTI SUIT JACKET RED 107	159,50	4			508,50
M7656	CONTI SUIT TROUSER RED 77	189,95	7			330,90
M7662	CONTI SUIT TROUSER RED 107	188,55	1			188,55
M7665	CONTI SUIT TROUSER RED 122	137,41	1			137,41
M7690	TO FLY 3015 WHITE 1 PLY	4,92	2 853	1495	144	13 328,28
M7695	CONTI SUIT JACKET GREY 107	209,93	3			629,79
M7701	CONTI SUIT JACKET GREY 137	205,93	1			205,93
M7702	CONTI SUIT JACKET GREY 172	209,93	1			209,93
M7708	CONTI SUIT TROUSER GREY 22	183,92	12			2 207,04
M7709	CONTI SUIT TROUSER GREY 87	181,92	1			183,92
M7710	CONTI SUIT TROUSER GREY 92	183,92	6			1 103,52
M7711	CONTI SUIT TROUSER GREY 97	183,92	18			3 310,56
M7713	CONTI SUIT TROUSER GREY 107	183,92	7			367,84
M7715	CONTI SUIT TROUSER GREY 117	183,92	7			367,84
M7717	CONTI SUIT TROUSER GREY 177	183,92	5			919,50
M7718	CONTI SUIT TROUSER GREY 132	183,92	1			183,92
M7720	CONTI SUIT JACKET DENIM 92	234,23	2			468,46
M7721	CONTI SUIT JACKET DENIM 97	234,21	1			234,21
M7722	CONTI SUIT JACKET DENIM 162	234,22	8	583	2	1 875,32
M7725	CONTI SUIT JACKET DENIM 117	234,23	1			234,23
M7727	CONTI SUIT JACKET DENIM 127	234,22	1			234,22
M7728	CONTI SUIT JACKET DENIM 132	234,22	1			234,22
M7733	CONTI SUIT TROUSER DENIM 87	218,42	3			655,27
M7734	CONTI SUIT TROUSER DENIM 92	218,56	5			1 092,80
M7735	CONTI SUIT TROUSER DENIM 97	218,56	2			437,13
M7736	CONTI SUIT TROUSER DENIM 162	218,16	12	1433	7	2 385,60
M7738	CONTI SUIT TROUSER DENIM 112	218,48	2			436,96
M7739	CONTI SUIT TROUSER DENIM 117	218,56	1			218,56
M7930	WASHERS FLAT HT 5MM	3,04	100			4,35

MAIN STORE: JUNE 2017: LOSSES

Annexure C

PART NUMBER	DESCRIPTION	Losses Identified during stock take			Issues incorrectly included in losses written off			Actual Losses	Value of Losses
		AVG COST	Losses	Requisition nr	Quantity	Actual Losses	Value of Losses		
M7362	TOILET WASH CIL AMFR 2L	41,43	3			3		123,08	
M7361	DISINFECTANT 5LT	48,14	14				14	674,00	
M7364	LIQUID FLOOR POLISH 5LT	150,40	13			13		1 504,00	
M7366	AIRFRESHENER 5LT	41,97	4	3095		2		83,94	
M8139	BUCKS LOG (HEAVY VEHICLE)	41,43	6				6	248,56	
M8143	BUCKS LOG (LIGHT VEHICLE)	63,12	4			4		252,48	
M8415	KOMPLEMENTERE STROOKIES (PKT OF 100)	190,67	8			8		1 525,28	
M9399	COPY PAPER A4 WHITE 80GR (BOX)	205,95	32			32		6 587,20	
M9400	COPY PAPER A4 PASTEL YELLOW (BOX)	472,83	4			4		1 891,34	
M9405	COPY PAPER A4 PASTEL BLUE (BOX)	489,55	1			1		489,55	
M9409	R.O.L.S HERMA: PEPAD EFC 40X80MM (50 P	483,26	1			1		483,26	
M0294	CABLE LV 15MM X 4C	158,89	3			3		476,01	
M1015	LAMPS CFL 14W/15W ES	24,7086	42			42		1 037,76	
M7371	OIL GEAR SAE 30 (21CAT)	23,4025	158			158		3 697,60	
M7370	OVERALLS 2 P ECE GREEN	293,2889	5			5		1 465,44	
M3474	ELBOW 22MM CVC	20	100			100		2 000,00	
M2053	BENDS COPPER-COPPER 22MM	25,3847	79			79		2 005,39	
M5729	PAINT SATIN VHHH PURF ACRYL WHITE	725	10			10		7 250,00	
M5730	PAINT SATIN VHTM W-HIT 2X	725	5			5		3 625,00	
M5796	SOCKET REDUCING SD X 40 PVC	4,9	23			23		112,70	
M0326	CONNECTORS PRATLEY & SHROUDS NO 3	21,879	140			140		3 063,06	
								370 112,61	
								Main Store losses	

Electrical store: June 2017: Losses Annexure D

Part No	Descrip	Unit cost	Final Diff	Cost
E1023	HEAT SHRINK SNMC 34/7-1000	15,351	20	307,02
E1030	LV HEATSHRING SHRUT 10X50MM	13,1504	2	26,32
E1089	BOLT & NUT 16MMX50MM	6,0973	1	6,10
E1127	CABLE TRANSITIONAL JOINT 50-95M	2412,28	1	2 412,28
E1140	FUSE LV BLADE VARIOUS	17,5437	8	140,35
E1150	LAMP 1000W ES LOHUIS	263,16	2	526,32
E1159	LAMP 400W 220V PHILIPS	87,72	19	1 666,68
E1179	LINE EYE NUTS	8,7725	1	8,77
E1184	LINE FUSE LINK 15A	13,55	3	40,65
E1186	LINE FUSE LINK 25A	17,5439	18	315,79
E1187	LINE FUSE LINK 30A	17,5443	11	192,99
E1189	LINE FUSE LINK 40A	17,5442	3	52,63
E1194	CABLE JOINT PILC 120 -185MM	75,25	6	451,50
E1203	LINE L-BRACKETS 100X110XMM 12 X	17,5441	2	35,09
E1205	LINE STAY WIRE 3 CORE	14,1702	50	708,51
E1224	LINE NON-TENSION JOINTS OAK/PI	14,83	6	88,98
E1228	LINE STRUT SWIVEL BRACKET	452,81	7	3 169,67
E1234	CADLE EARTHING KITS 16-170MM	170	1	170,00
E1296	STREETLIGHT BRACKETS	13,1582	16	210,53
E1304	LINE SOCKET TONGUE 70KN	30,7022	6	184,21
Electrical store:Losses				10 714,39

## UNSERVICEABLE AND DAMAGED STOCK

## Annexure E

ART NUMBER	DESCRIPTION	AVG COST	Quantity	Value
M0296	CABLE HV 70MM X 3C PILC	492,86	14	6,900,04
M0300	CABLE LV 150MM X 4C	644,5309	17	10,957,03
M0305	CABLE HV 185MM X 3 C XLPE	818,7548	140	118,825,67
M0345	CONDUCTOR ASH	32,5725	2,000	65,145,00
M0353	CONDUCTOR PINE	10,3881	1,500	15,582,15
M3287	SADDLES COMP HDPE 50MM X 1"	72	2	144,00
M3291	SADDLES COMP HDPE 117MM X 1"	80,25	1	80,25
M3301	CLAMPS SNAP 75 X 150MM	15,39	2	30,78
M4284	JOINTS C/SHORT COLLARS 150MM	301,77	4	1,207,08
M4665	MANHOLE COVERS & FRAMES 355 X 190 KG	770,2159	1	770,22
M4688	MANHOLE COVERS & FRAMES 600 X 600 (98KG)		1	-
M5082	TEES PULASSON 20X25MM	28,8923	1	28,89
M5271	SADDLES COMP HDPE 75MM X 3/4"	86,67	2	173,34
M5272	SADDLES COMP HDPE 90MM X 1 1/4"	79,98	3	239,94
M5276	SADDLE PIECE CAST IRON 50X22MM FOR A/C P	46,2554	3	138,77
M5284	SADDLE PIECE CAST IRON 200X22MM FOR A/C	68,0825	2	136,17
M5966	HAND BASIN WHITE (PORCELAIN)	318,56	1	318,56
M6205	CEMENT - BUILDING 50KG	120	12	1,440,00
M6308	RESINS HARD (NYLON-GREEN) 300MM	60,4148	1	60,41
M6690	SCOURING POWDER 500GR	15,2855	1	15,29
M5042	PIPES AC CLASS D 150MM	179,52	4	718,08
M5290	SADDLES SLEWER A/C 225 X 100MM	2,52	1	2,52
<b>Total</b>				<b>222,914,18</b>



## REPORT TO COUNCIL

### SECTIONS 11(4)(a) AND 52(d) FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017

DIRECTORATE: FINANCE

AUTHORS: S VORSTER, J LUUS; S ROETS, S GCWABE;  
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G SMIT; D SMITH; M DIRKS

DATE: 13 JULY 2017

FILE NO: 5/1/1 - 12/3

ITEM NUMBER: 29/7 - 17



## 1. Purpose of the report

To report to Council in terms of the legislative requirements and regulations of Section 11(4)(a) and 52(d) of the Municipal Finance Management Act no 56 of 2003 ("MFMA") as well as the relevant budget regulations.

## 2. Legislative compliance

<u>Reporting activity</u>	<u>Legislative requirements</u>	<u>Report to</u>	<u>Frequency</u>
Table in council a consolidated report of all withdrawals made from bank accounts during quarter	MFMA Section 11(4)(a)	Accounting Officer to Council	Quarterly, within 30 days after each quarter
Report to council on the implementation of the budget and financial state of affairs	MFMA Section 52(d)	Mayor to Council	Quarterly, within 30 days after each quarter

Section 11(4)(a) stipulates that the accounting officer must within 30 days after the end of each quarter table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter.

Section 52(d) stipulates that the mayor of the municipality must, within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality.

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### 3. Mayor's report

Council must take note that the report is based on preliminary figures due to the year-end process and preparation of the annual financial statements not being finalised. The spending of the capital budget and implementation plans reflects 80% as at the end of June 2017, or R184 745 070 out of the R232 280 911. The capital expenditure incurred for the month was R38 478 544 compared to the anticipated capital expenditure of R86 014 385, which should've been incurred in June 2017 to ensure that the capital budget was spent. We anticipate the capital expenditure to increase because of additional assets to be capitalised as part of our year-end procedures, however the spending is still below the target of 95%.

Total revenue is below budget by 3%, which are explained in 3.2 below.

Total operating expenditure is below budget by 15%, which are explained in 3.2 below.

The cash and cash equivalents are expected to decrease further in the future due to capital expenditure funded from own revenue.

The financial situation is still very sound. Refer to section 17, page 20 to 21 where a financial analysis with the focus on the Long Term Financial Plan was performed.

#### 3.1 Resolutions

The proposed resolutions will be included in the recommendations at the end of this report.

#### 3.2 Executive summary

In this report where the revenue and expenditure deviations are discussed, the explanations, if any, are highlighted in Table SC1. Refer to page 39.

With regard to the variances in revenue the following is highlighted:

- **Property rates:** A positive variance of 2% is recorded. This is mainly due to changes in the supplementary valuations and new properties added that could not have been foreseen thus not budgeted for.
- **Service charges:** A negative variance of 3% is recorded. This is due to the billing estimate for the period 16 June 2017 to 30 June 2017 not yet accounted for on the financial system and to be finalised by end of July as part of the year-end programme
- **Investment revenues:** A positive variance of 21% is recorded. The investments are dependent on the working capital requirements of the municipality and resulted in higher investments made than budgeted which resulted in higher interest for the month. Refer to section 8, page 14 to 15.

- **Transfers recognised – Operational:** A negative variance of 5% is recorded. This is mainly due to revenue for the month of June 2017 not yet recognised which will be finalised by end of July 2017 as part of the year-end procedures.
- **Other own revenue:** A negative variance of 25% is recorded. This is mainly due to traffic fines revenue which are budgeted on an accrual basis, while the monthly recognition is based on cash receipts which is materially less than the revenue to be recognised in terms of Generally Recognised Accounting Practice (GRAP). The accrual adjustment to actual amounts will only be performed after year-end.

With regard to the variances in respect of expenditure the following is highlighted:

- **Employee costs:** A positive variance of 4% is recorded. This is mainly due to vacancies which were not filled as originally planned for and unexpected resignations of employees.
- **Depreciation and asset impairment:** A positive variance of 32% is recorded. This is due to the low capital expenditure during the financial year and infrastructure assets included in work-in-progress only to be unbundled at year-end. The unbundling of capital assets and the full depreciation run for the year is still in process as per the year-end programme and anticipated to be finalised by end of July 2017.
- **Finance charges:** A positive variance of 8% is recorded. This is mainly due to interest on unspent grants and finance leases which were budgeted for, but no actual expenditure was incurred to date.
- **Materials and bulk purchases:** The payment for electricity bulk purchases will only be paid in July 2017. Therefore, a positive variance of 14% is recorded. This was not yet accrued for in June 2017.
- **Other expenditure:** A positive variance of 19% is recorded for the month of June 2017. The variance is mainly due to the traffic fines impairment which the municipality budgeted for during the Adjustment budget, but no actual impairment is included in the year-to-date as the actual impairment calculation will only be performed at year-end.
- **Capital expenditure:** The positive variance of 20% is due to low spending during the year. It is anticipated that the capital expenditure will increase as year-end journal entries and payment for expenditure will still take place as part of the preparation of the annual financial statements. See section 12 for more detailed explanations on page 16 to 18.

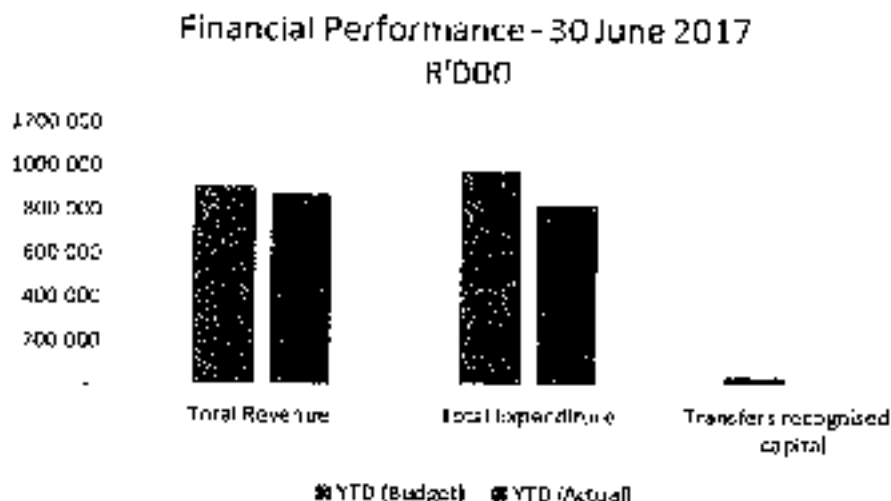
### 3.3 In-year budget statement tables

Although the numbers are populated, it does not take into account certain accruals, and therefore is not 100% accurate as referred to above.

- (a) Table C1 Monthly Budget Statement Summary - Refer to page 23;
- (b) Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Refer to pages 24 to 27;
- (c) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Refer to pages 28 to 31
- (d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Refer to page 32,
- (e) Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Refer to pages 33 to 36;
- (f) Table C6 Monthly Budget Statement - Financial Position - Refer to page 37; and
- (g) Table C7 Monthly Budget Statement - Cash Flow - Refer to page 38.

### 4. Monthly summary of Revenue and Expenditure

The year to date actual revenue and expenditure for the month varies with the budget and a negative variance was recorded (see below) The reasons for the significant variances are included in paragraph 3.2 above.



## 5. Withdrawals in terms of section 11(4)(a) of the MFMA

Refer to page 50 to 59 for a listing of withdrawals.

## 6. Debtors report

As per supporting table SC3 - Refer to page 40 for detail.

### 6.1 Debtors as at 30 June 2017

The total gross debtors outstanding as at 30 June 2017 is **R174 million**, which represents a **decrease of 4.93%** from the previous month.

### 6.2 Movement in arrear debtor's year-on-year

	30-Jun-16	31-May-17	30-Jun-17
Gross debtors	106 227 302	162 898 882	173 881 818
Less: Provision for bad debt	-102 281 465	-80 541 710	-85 053 060
<b>Net debtors</b>	<b>63 945 837</b>	<b>93 357 183</b>	<b>88 828 758</b>

Movement in net debtors	R	%
01 July 2016 - 30 June 2016	11 170 888	11.75%
01 July 2016 - 30 June 2017 (YTD)	(5 778 785)	-6.88%
01 June - 30 June 2017	3 641 561	3.99%

### 6.3 Debtors per category as at 30 June 2017

Category	30-Jun-17	31-May-17	Movement %
Government	5 577 864	5 712 677	-2.87%
Business	49 117 127	51 390 673	-4.42%
Households	118 803 132	125 361 664	-5.23%
Other	383 895	103 973	-1.87%
<b>Total</b>	<b>173 881 818</b>	<b>162 898 882</b>	<b>-4.93%</b>

### 6.4 Deposits

According to paragraph 6.4.4 of our Credit control and debt collection policy, a minimum deposit of **two months** is required to be provided by the consumer.

Our deposits do not currently reflect this and the total deposits held for water, electricity and refuse are:

Service	Current status
Water	6 804 496
Electricity	11 752 848
Refuse	872 331
<b>Total deposits</b>	<b>19 629 675</b>
Guarantees in lieu of services	4 148 346

## 6.5 The status of interest charged on arrear debtors

Period	Interest charged
For the period ending 30 June 2017	10 451 048
For the period ending 30 June 2016	6 784 035
For the period ending 30 June 2015	8 762 821

## 6.6 Cash collection

This ratio is based on property rates and service charges and **excludes housing and sundry debtors** and is an indication of the total collections received versus the billings.

### Debt collection rate (Rates, Electricity, Water, Sewerage and Refuse)

	YTD 2016/17	2015/16
Gross Debtors opening balance	166 227 302	170 348 788
Plus: Revenue from Rates + Services (billings)	708 861 370	668 325 595
: Interest on debtors	10 364 437	8 237 408
: Diff. Expected Provision, Year-End	8 578 072	-
Minus: Closing debtors balance	(161 523 646)	(166 227 302)
: Diff. Expected Provision, Year-End	(6 570 072)	-
: Bad debt written off	(16 915 576)	(8 340 718)
= Receipts	<u>724 803 898</u>	<u>858 343 752</u>
Divided by:		
Revenue from Rates & Services (billings)	708 861 370	668 325 595
Diff. Expected Provision, Year-End	8 578 072	-
Interest on debtors	10 364 437	8 237 408
= Billings	<u>725 593 898</u>	<u>677 863 003</u>
Accumulated debt collection rate	<u>99.9%</u>	<u>97.2%</u>

## 6.7 Meter reading cycle and date of accounts

The meter reading cycle for June 2017 was from 22 May 2017 till 14 June 2017.

Charges for services consumed were made on 21 June 2017 and the bulk of accounts went out on 28 June 2017. Accounts are payable immediately on receipt of the account with a final payment date of 17 July 2017. Interest will be charged on debt 30 days and older.

## 6.8 Number of customers

Number of accounts	40 940
Properties on valuation roll	40 796
Number of water meters	25 180
Number of electricity meters (1 + 2)	22 482
Number of prepaid electricity meters (1)	17 088
Number of conventional electricity meters (2)	5 394

## 6.9 Status on accounts handed over to debt collection agencies

According to Council's Debt Collection and Credit Control Policy, accounts must be handed over to external attorneys for collection after the legal process has been followed up to the point of judgement, or if a debtor has defended a debt collecting case.

## 6.10 Age analysis of debtors

SERVICE	Current	2017/15	2017/14	2017/01	2017/00	2017/11		INTEREST	TOTAL
		31 DAYS	60 DAYS	90 DAYS	120 DAYS	>120 DAYS	VAT		
DEBT PER SERVICE									
ELECTRICITY	15 392 237	296 437	95 773	78 333	52 707	1 451 571	2 465 742	375 045	20 448 121
RATES	12 860 439	1 762 511	1 107 054	887 176	751 880	20 939 065	744	6 140 769	42 355 506
REFUSE REMOVAL	1 566 838	371 696	503 291	511 468	455 284	14 436 185	2 829 527	4 234 625	28 211 285
SEWERAGE	2 471 315	492 351	496 462	425 770	334 283	14 363 806	2 821 721	5 111 405	29 777 857
WATER	4 403 013	1 649 421	725 106	421 914	482 163	12 044 821	4 637 633	7 735 355	43 437 871
SUNDRY	1 156 560	189 238	1 323 387	-35 187	86 453	1 827 152	1 140 573	1 035 917	8 289 260
UNALLOCATED	390 664	-	-	-	-	-	-	-	390 664
<b>TOTAL</b>	<b>42 348 545</b>	<b>4 549 842</b>	<b>4 347 128</b>	<b>2 383 689</b>	<b>2 049 692</b>	<b>75 261 438</b>	<b>12 966 033</b>	<b>28 621 714</b>	<b>174 136 306</b>
HOUSING	197 1	3 410	4 551	5 827	5 288	2 264 576	1 274	1 416 564	1 745 316
<b>TOTAL DEBT</b>	<b>42 545 646</b>	<b>4 553 252</b>	<b>4 051 679</b>	<b>2 389 516</b>	<b>2 054 980</b>	<b>77 526 014</b>	<b>13 353 237</b>	<b>29 037 678</b>	<b>175 881 622</b>

## 6.11 Status on employees' arrears

### Rates and services

Employee	90+ days outstanding	Total outstanding	Comments
Kokjela I	25 435	30 645	Arrangement: Increased to R1200.
Sivrye M	14 207	15 547	Arrangement: Current and R300 pm as from 25/9/2016.
Willemsse J	7 130	8 659	Arrangement: R1200 pm as from 25/8/2014.
Nwaziko S	3 475	4 665	Arrangement: Current and R400 pm from 25/3/2017.
Mjongesi N	2 747	3 608	Arrangement: Current account and R500 pm - Had a water leakage.
Gqwira X	171	1 804	Water on flow control, notice to pay was sent
<b>Total</b>	<b>58 157</b>	<b>68 607</b>	

### Housing loans

Employee	90+ days outstanding	Total outstanding	Comments
MKHULISI M	35 028	35 697	Stop Order of R800 pm from 25/10/2016.
MAART KC	18 620	19 142	Stop Order of R550 pm from 25/10/2016.
MARCUS BG	11 354	12 874	Stop Order of R2500 pm from 25/10/2016.
PAPIER RC	1 647	1 714	R500 pm from 25/10/2015 - Wife KE Paolus - Tabakwa
<b>Total</b>	<b>66 629</b>	<b>69 427</b>	

## 6.12 Status on councillor's arrears

Councillor	90+ days outstanding	Total outstanding	Comments
None			

## 6.13 Number of indigent households

Number of households that receives free basic water	7 432
Quantum of free basic water per household	6 kl
Total kl of water consumed by indigents	66 580
Number of households that receive free basic electricity	7 700
Number of households that receive FBE (prepaid)	6 598
Number of households that receive FBE (Eskom Prepaid)	664
Number of households that receive FBE (conventional)	434
Number of households that receive FBE (Eskom Conventional)	
Quantum of free electricity per household	50 kwh
Conventional electricity consumed	104 980 kwh
Prepaid electricity issued	1 621 776 kwh
Number of households receiving free basic sanitation	6 614
Number of households receiving free basic refuse removal	7 464

## 6.14 Current actions

### Debt collection actions

The debt collection processes can be accommodated by Munsoft but only up to the stage of final demand. The development of the system to accommodate the legal processes is in process and awaited.

### Top 20 Accounts

No	Account holder	Balance	Reason
1	Sae Harvest Corporation (Pty) Ltd	5 008 369	Effluent charges disputed
2	Municipal Strategy Innovation (Pty) Ltd	1 364 765	Account was handed over for legal proceedings
3	Nordje M	1 022 107	Account was handed over for legal proceedings
4	West Coast Miracles (Pty) Ltd	615 212	Pending court case
5	Saldanha Diesel (Pty) Ltd	584 335	Account was handed over for legal proceedings
6	Zeranza 18 (Pty) Ltd	480 721	Account was handed over for legal proceedings
7	Department Public Works	455 770	Payment arrangements are awaited
8	Western Hostel	411 574	Payment arrangements are awaited
9	Southern Shift Prop 112 (Pty) Ltd	406 518	Account was handed over for legal proceedings
10	One Vision 138 (Pty) Ltd	396 840	Dispute regarding rates
11	Southern Shift Prop 112 (Pty) Ltd	386 036	Account was handed over for legal proceedings
12	Camacho JMF	338 427	Account was handed over for legal proceedings
13	Britannia Bay Developers (Pty) Ltd	336 042	Payment arrangement in place
14	Consolidated Lime Works	315 688	Account was handed over for legal proceedings
15	West Coast Miracles (Pty) Ltd	306 722	Pending court case
16	Mobile Telephone Networks	295 420	Account was handed over for legal proceedings
17	Plastro Properties 7 (Pty) Ltd	285 502	Account was handed over for legal proceedings
18	Nkalshele M	285 403	All credit control measures taken
19	Valem M	275 813	All credit control measures taken
20	Niehaus It	271 075	Arrangement of R3500 p.m current included
<b>Total</b>		<b>13 935 447</b>	

### Corrective action been taken:

Many of the above accounts were handed over for legal proceedings whilst other accounts are defended or disputed. On some accounts payment arrangements were concluded and at other accounts the process up to judgement were already reached.

### Project activities

- Club Mykonos HOA – sewerage agreement
- Review of Hopefield charges
- Guest house / self-catering units review
- Vacant land stands assigned other than vacant rate tariff
- Electricity prepaid meters – review in progress
- General valuation 2017
- Sub-divisions review
- Water change over to SBM
- Further revenue opportunities
- Updating of 2016/17 dataset

### Additional revenue identified

Since inception till 31 January 2017 an additional income of ±R5.1 million per annum was agreed by SBM.

### Status of debt of government departments (State)

Departments	Rates	Services	Interest	Other (sundries, etc.)	Grand total
<b>National Departments:</b>					
National: Public Works	808 990	2 027 912	574 674	29 882	3 441 458
<b>Provincial Departments:</b>					
Transport & Public works	473 003	68 412	498 619	108 722	1 148 756
Education	-	661 120	43 570	-	704 690
Health	-	263 036	-	-	263 036
Housing	-	10 453	3 488	625	14 576
Rural Development	-	2 378	2 769	-	5 147
	473 003	1 005 400	548 458	109 347	2 136 208
<b>Total outstanding</b>	<b>1 281 993</b>	<b>3 033 312</b>	<b>1 123 130</b>	<b>139 228</b>	<b>5 577 663</b>

### Collection of outstanding debt on vacant erven

The two attorneys to which 35 accounts were handed as a trial, responded and some funds were collected. Some of the owners of property gave the attorneys' the full mandate to sell their property. The tracing of consumers living abroad is still a challenge. Further feedback from the attorneys are awaited.

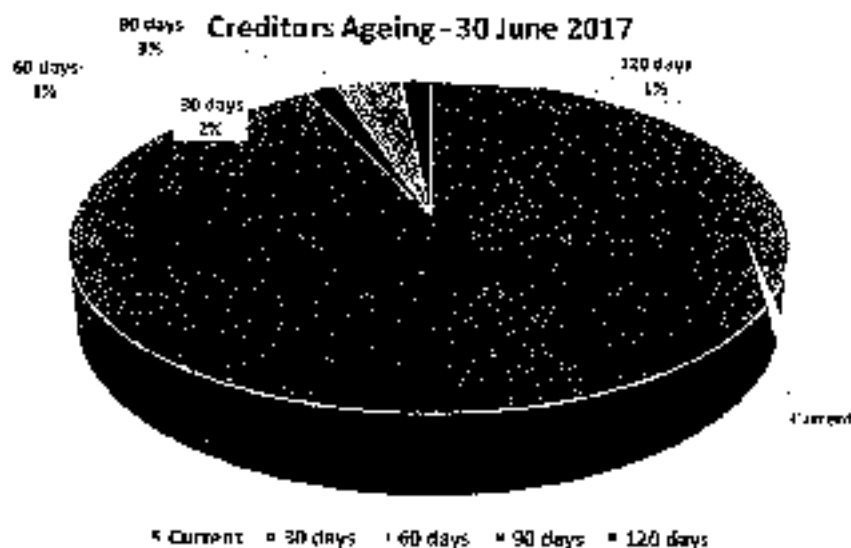
### Handing over of debt exceeding R200 000

18 Accounts with outstanding amounts exceeding R200 000 were handed over to attorneys via Council's Legal Services Department in order to collect. Reason for this, is that legal processes for amounts exceeding R200 000 should go through a Regional Court.

## 7. Creditors

As per supporting table SC4 - Refer to page 41 for detail.

The balance of creditors as at 30 June 2017 amounts to R3 806 981. The creditors consist out of suppliers which are providing services within the municipal area. No creditors are outstanding for a period longer than 30 days other than creditors amounting to R261 859 where there have been disputes over the amount payable or invoices for stock items (inventories) received more than 30 days after the stock was captured on the system and posted against the creditor. The municipality cannot make payments until the disputes are resolved.



Below is a list of the top 20 creditors as at 30 June 2017.

No	Creditor Name	Balance
1	Nedbank	580 168
2	WCC Cables & Electrical Wholes	410 239
3	Liquidize WCP Joint Venture	303 231
4	JHJ Hydraulics	210 534
5	Amaphisfinz CC	210 260
6	Merveca Verf En Hardware	171 675
7	Supreme Electrical Supplies	150 095
8	Gateway Metalworks	129 618
9	Comc Electrical & Commodities	115 086
10	Gemini Moon Trading 7	105 510
11	Sebenosana Trading 23 CC	105 188
12	Africa Hospital Supplies	100 317
13	Invula Trading CC	95 172
14	Weskus Erja Herbouers	93 654
15	Abacus Micro Systems Saldanha	80 574
16	Park Boulevard Trading 35 CC	79 880
17	L.H Mathrusen - Cape Town	72 675
18	Botes Onderdele	52 873
19	Bridgestone South Africa Comme	50 776
20	Re.nhausen South Africa	53 106
	<b>Total</b>	<b>3 188 962</b>

## B. Investments

Refer to page 42 for more detail.

Institution	Balance	Balance	Balance	Balance
	30-Jun-15	30-Jun-16	31-May-17	30-Jun-17
ABSA	86 070 921	86 975 329	118 528 422	119 330 751
First National Bank	30 509 795	82 928 008	90 953 644	70 878 274
Standard Bank	51 739 479	93 350 435	112 194 428	116 626 130
Nedbank	97 568 652	102 265 627	82 076 698	101 761 858
Investec	51 349 347	87 948 860	98 301 444	86 959 636
<b>Total Investments</b>	<b>318 328 694</b>	<b>433 369 259</b>	<b>500 054 636</b>	<b>505 593 448</b>
Cash on Hand	22 710	22 710	22 710	24 710
Cash Book	75 247 724	89 118 988	53 185 076	47 163 519
<b>Total Cash and Cash equivalents</b>	<b>396 599 128</b>	<b>502 510 957</b>	<b>553 262 422</b>	<b>552 781 677</b>

During the month of June 2017 call investments of R95 000 000 was made and call investments of R89 784 000 was received, which increased the total amount invested at 30 June 2017 to R505 593 448. The closing balance includes the interest earned.

On 30 November 2016, the municipality took out a guarantee amounting to R4 740 000 with Standard Bank for the transfer and registration of the property known as Erf 1750 Vredenburg from Nedbank Limited. The property was registered in the Deeds office thus the guarantee was transferred into the bank account of Nedbank Limited and interest deposited into the municipality's bank account amounting to R177 870.

The increase in investments from R500 054 636 to R505 593 448 is as follows:

Description	Amount
Actual investment 31/05/2017	500 054 636
Interest accrued	3 369 682
Interest received	(3 048 870)
Investments matured	(89 784 000)
Investments made	95 000 000
<b>Investments 30/06/2017</b>	<b>505 593 448</b>

## 9. Allocation and grant receipts and expenditure

Refer to pages 43 to 45 for detail. The grants register has been reconciled and balances as at the end of June 2017.

Below is a reconciliation of DORA Gazetted grants:

Reconciliation Grant Register 2016/17: 30 June 2017						
Name of Grant	Funding Source	Balance as at 1 July 2016	Res. Allocation	Total grant dis. during the year incl. interest	Expenditure to date, incl VAT	Total Balance per Grant Register
<b>Open grants, subsidies and donations</b>						
Finance Management Grant	FMD	-	-	(1 475 000)	475 000.00	-
Municipal Infrastructure Grant	MIG	-	-	(926 600)	926 600.00	-
Expanded Public Works Programme	EPWP	-	-	(1 071 000)	1 071 000.00	-
Library Grant	GPAWK	-	-	(8 288 000)	8 288 000.00	-
Training centre	GPAWK	(105 726)	-	-	-	(105 726)
Housing: Human Settlements Dev. Grant (Beneficiaries)	S	(2 145 270)	8 747 439	(37 682 900)	37 637 671.54	(9 006 146)
Maintenance of Provincial Roads	OPWR	-	-	(1 24 000)	126 000.00	-
Community Development Workers	CDW	-	-	(75 000)	73 000.00	(2 000)
Regional Socio-Economic Project (RSEP)	RSEP	(181 148)	(21 148)	-	-	(202 296)
Vredenburg Libren Renewal (VUR)	VUR	(1 000 000)	-	-	66 543.76	(933 456)
Financial Management Support Grant	FMSR	(1 000 000)	-	(200 000)	100 000.00	(900 000)
People's Development Framework Grant	PDF	(500 000)	-	-	-	(500 000)
Financial Management Capacity Building Grant	FMCDG	-	-	(120 000)	40 000.00	(80 000)
Graduate Masters Grant	SG	-	-	(50 000)	-	(50 000)
Transfer Funds	DUN	-	(750 000)	-	750 000.00	-
Wangie Funds	DF	(5 000)	-	-	5 200.00	200.00
Langobeni County Estate	COE	-	-	(25 000)	42 000.00	(13 000)
<b>Total of credit balances</b>		<b>(49 791 756)</b>	<b>7 926 882</b>	<b>(23 612 041)</b>	<b>36 224 274.54</b>	<b>(26 383 676)</b>
<b>Open grants, subsidies and donations</b>						
Municipal Infrastructure Grant	MIG	-	-	(17 605 400)	17 605 400.00	-
Integrated Economic Programme	IEP	-	-	(2 000 000)	2 504 889.76	(495 100)
Housing: Human Settlements Dev. Grant (Beneficiaries)	S	(7 445 248)	2 997 333	(8 148 111)	2 033 417.74	(17 288 880)
Housing: Core Towards Accelerator of Housing Delivery	S	(354 818)	-	-	354 516.28	-
Accelerate Community Infrastructure Programme	ACIP	-	-	(1 085 054)	1 085 050.00	-
Regional Socio-Economic Project (RSEP)	RSEP	(3 432 900)	(121 148)	(8 500 000)	6 439 168.82	(8 064 870)
Vredenburg Libren Renewal (VUR)	VUR	(9 200 559)	-	(473 000)	-	(9 673 559)
Transfer Funds	DUN	(8 603 500)	750 000	-	9 041 871.33	(1 811 627)
<b>Total of credit balances</b>		<b>(45 228 625)</b>	<b>1 744 444</b>	<b>(14 567 611)</b>	<b>26 691 417.94</b>	<b>(29 500 813)</b>
<b>Cash Contributions</b>						
Saldanha Steel Funds: Flexible		(761 657)	-	-	761 657.00	-
Saldanha Steel Funds: Patrons		(274 257)	-	-	674 257.00	-
Saldanha Steel Funds: Patrons		(107 437)	-	-	107 420.00	-
<b>Total of credit balances</b>		<b>(1 143 351)</b>	<b>0</b>	<b>(84 391 821)</b>	<b>26 372 136</b>	<b>(1 955 416)</b>
<b>Conditional and Unconditional Grants (Receivable)</b>						
Housing: Human Settlements Dev. Grant (Beneficiaries)	Open I	366 877	(649 410)	-	-	(282 533)
Housing: Human Settlements Dev. Grant (Beneficiaries)	Capital	254 388	(251 850)	-	-	(2 538)
<b>Total of debit balances</b>		<b>621 265</b>	<b>(901 260)</b>	<b>-</b>	<b>-</b>	<b>(279 995)</b>
<b>Net Credit balance</b>		<b>(45 133 341)</b>	<b>6 042 116</b>	<b>(84 881 621)</b>	<b>26 692 123</b>	<b>(29 333 811)</b>

Included in the total receipts above is an amount of R473 530 which relates to interest received on funds held in a trust account. This was due to the land not yet transferred into the name of the municipality relating to the Vredenburg Urban Renewal Project.

The municipality has received a total amount of R62 832 000 in respect of equitable share and R181 403 for a skills development programme subsidy which are unconditional grants.

#### **10. Councillor allowances and employee benefits**

The prescribed schedule SC8 is completed and in order, to comply with section 66 of the MFMA. Refer to page 46.

The total EPWP grant amounting to R1 071 000 was fully utilised as at 30 June 2017.

#### **11. Material variances to the service delivery and budget implementation plan**

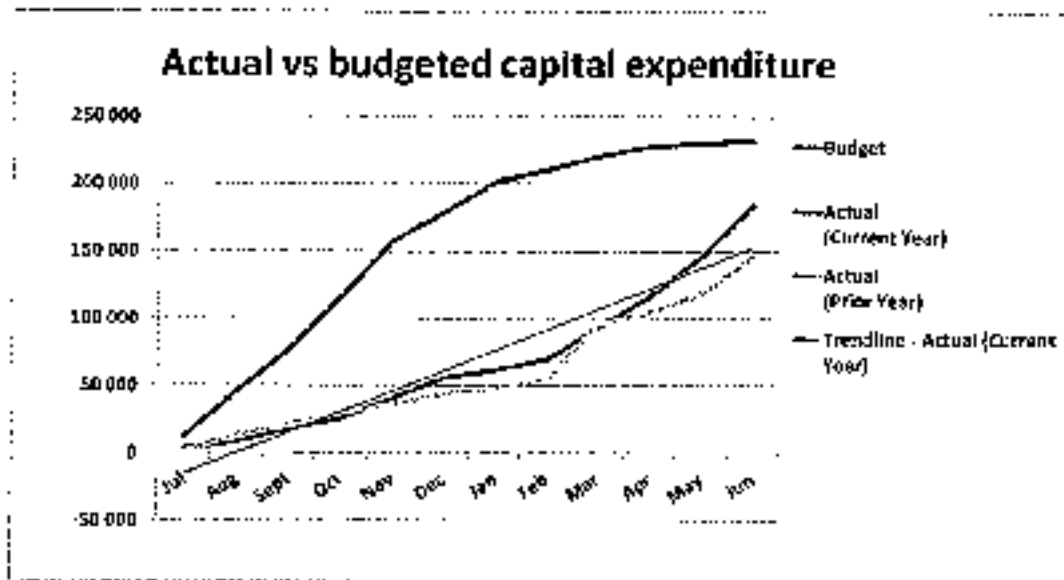
Capital expenditure for the month ended 30 June 2017 is 80% which already takes into consideration orders cancelled. We anticipate the capital expenditure to increase because of additional assets to be capitalised as part of our year-end procedures, however the spending is still below the target of 95%.

#### **12. Capital expenditure performance**

Refer to page 50 for SC 12 and detail of a capital summary per directorate and per funding source.

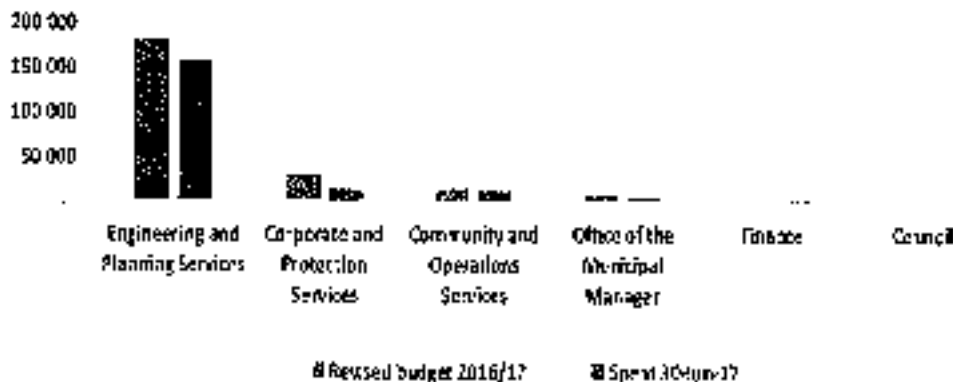
The year to date expenditure amounts to R184 745 070. This represents 80% of the capital budget of R232 280 911. The total actual expenditure-to-date compared to the Capital Budget reflects the following information which is also highlighted in the graph below:

Pro-rata budget	R 230 121 876
Actual Spent	R 184 745 070
<b>Pro Rata Budget under-spent</b>	<b>R 47 535 841</b>
<b>Percentage of Pro Rata Budget under-spent</b>	<b>20%</b>

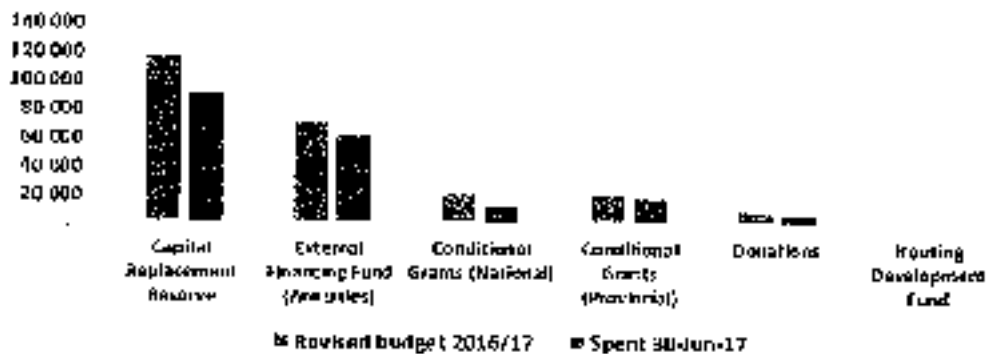


The current year's expenditure patterns are 12% above that of the previous year and with year-end journal entries and payments to still be performed it is expected to increase even more. The capital expenditure incurred for the month was R38 478 544 compared to the anticipated capital expenditure of R86 014 385 which should've been incurred in June to ensure that the capital budget is spend.

### Capital expenditure per directorate R'000



### Capital expenditure by funding source R'000



### 13. Supply Chain Management report

Below is a table that summarises the supply chain management process in terms of quotations and bids against the capital expenditure:

QUOTATIONS AND BIDS	Adjusted Budget	Bids Awarded vs Capital Budget	Capital Spending Year-to-Date (excl orders issued)	Orders issued
Quotations	25 131 324	10%	13 550 071	-
Bids	209 149 587	90%	171 194 999	-
<b>TOTAL: CAPITAL BUDGET</b>	<b>232 280 911</b>	<b>100%</b>	<b>184 745 070</b>	-

The orders issued amounts are excluded in the year-to-date capital spending.

The following table gives an indication of bids awarded versus capital spending. (It should be noted that the percentages must be based on the total budget of bids in the different categories and not actual expenditure as this is an indication of contracts awarded).

BIDDING PROCESS: CAPITAL BUDGET	Revised Budget	Percentage of adjusted budget	Capital Spending Year-to-date (excl orders issued)	Orders issued
Bids awarded	201 808 464	86.8%	166 981 533	-
Bids in process	4 426 633	2.1%	1 010 402	-
Bids in process and behind schedule	-	0.0%	-	-
Bids behind schedule	-	0.0%	-	-
Bids to be awarded	1 009 071	0.5%	522 270	-
Bids cancelled or removed on adjusted budget	1 745 419	0.8%	570 794	-
<b>TOTAL</b>	<b>209 149 587</b>	<b>100%</b>	<b>171 194 999</b>	-

The orders issued amounts are excluded in the year-to-date capital spending.

Bids that are behind schedule are due to user departments not adhering to the set dates on the tender plan for the submission of specifications and the finalization of reports to the Bid Evaluation Committee.

There was one bid awarded during June 2017. One bid was cancelled during the month of June 2017. This information reflects on our tender control plan on 11 July 2017.

There are currently 19 tenders in process. This information reflects on our tender register on 11 July 2017.

#### 14. Bank reconciliation

The bank reconciliation for 30 June 2017 has been completed on time.

Refer to pages 47 to 49 for cash flow reconciliation.

Cash book and bank balances are as follows:

	30-Jun-15	30-Jun-16	31-May-17	30-Jun-17
Cash Book Balance	R 76 247 724	R 68 118 888	R 53 185 076	R 47 163 519
Bank Balance	R 76 067 260	R 69 817 786	R 56 927 344	R 46 379 950

#### 15. Ring-fenced commitments and reserves

Item	30-Jun-17 R'000	31-May-17 R'000
Cash and Cash Equivalents	552 782	553 282
<b>Commitments</b>	<b>437 791</b>	<b>413 480</b>
Unspent conditional grants	37 555	47 120
Loan repayment due	-	4 821
Capital replacement reserve	47 919	64 135
Capital contributions	12 502	11 337
Housing development funds	3 208	3 208
Self insurance funds	2 690	2 690
Unspent loans	69 381	14 871
Property sales proceeds	4 818	4 618
Consumer deposits	19 530	19 215
Retirement benefit obligation	98 759	97 964
Long services awards	17 322	17 166
Leave and bonuses	21 998	21 884
Provision for environmental rehabilitation	102 110	104 191
<b>Surplus/(Deficit)(Working capital)</b>	<b>114 991</b>	<b>138 284</b>

#### 16. Actual borrowings

The total outstanding borrowings as at 30 June 2017 is R127 143 311. Borrowing amounting to R58 180 000 was received on the 26 June 2017 and loan repayments amount to R10 847 420 (including Interest of R 4 044 389) was made in June 2017. This excludes outstanding leases that are included in the C schedules.

## 17. Financial analysis

Refer to supporting table SC2 monthly budget statement on page 61 where detailed calculations are included. Below are the historical results of these ratios since 2013, as well as for the current month. Caution must be taken when interpreting the current month's ratio, as it will not be as accurate as audited year-end results.

### Liquidity:

This ratio is used to assess the municipality's ability to pay back its short-term liabilities with its short-term assets.

	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
Current Assets	641 637 984	534 836 975	504 097 793	644 931 914	658 479 226
Current Liabilities	121 161 901	137 766 855	145 526 878	175 433 864	152 484 355
Current ratio	4.47	3.88	3.47	3.68	4.05

### Water distribution losses:

The purpose of this ratio is to determine the percentage loss of potential revenue from water service through kilolitres of water purchased but not sold because of losses incurred through theft (illegal connections), non- or incorrect metering or wastage because of deteriorating water infrastructure.

	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
Water distribution losses	14.30%	16.86%	14.49%	14.39%	14.14%

### Gearing ratio:

This ratio is used to express the total long term liabilities of the municipality as a percentage of its total funds and reserves.

	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
Long Term Borrowings	53 659 596	42 950 360	35 117 096	72 605 116	127 143 310
Funds and Reserves	114 565 431	91 826 416	78 748 084	111 997 616	71 136 107
Gearing Ratio	0.47	0.47	0.46	0.65	1.79

Please note that the gearing ratio for the period ended 30 June 2017 does not agree to the supporting table SC2, as the ratio in SC2 does not take into consideration all the reserves of the municipality.

### Debt coverage ratio:

This ratio is used to indicate the level of revenue, excluding operating grants, that is available to service its debt payments for the year.

	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
Total Operating Revenue - Operating Grants	R 565 921 187	R 620 684 008	R 568 648 315	R 801 034 269	R 801 722 179
Debt service payments due within financial year	R 18 298 285	R 16 303 892	R 11 730 223	R 17 962 618	R 21 654 889
Debt Coverage Ratio	31.15	38.08	57.00	44.59	36.95

### Outstanding services debtors to Revenue:

This ratio is used to indicate the net service debtors outstanding as a percentage of the total annual service revenue.

	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
Total outstanding service debtors	61,090,153	66,646,207	68,332,179	71,339,831	62,346,389
Annual revenue received for services	374,479,056	419,179,158	441,827,445	497,434,919	511,255,615
Outstanding Service Debtors to Revenue	16.30%	18.06%	15.01%	14.33%	12.19%

Please note that the outstanding services debtors to revenue ratio for the period ended 30 June 2017 does not agree to supporting table SC2, as the total outstanding service debtors includes housing and other debtors which does not form part of service debtors

### Cost coverage ratio

The ratio indicates the municipality's ability to meet its monthly fixed operating commitments from cash and short-term investments, excluding conditional grants, i.e. how many months of cash is available to cover the fixed monthly commitments.

	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
(Available cash + investments)	432,251,320	420,427,711	365,899,129	502,510,957	552,781,677
Monthly fixed operations expenditure	54,078,592	56,102,463	61,254,507	68,438,502	69,279,124
Cost coverage ratio	7.99	7.49	6.45	7.24	7.98

## 18. Municipal Manager Quality certification

The signed quality certificate as required in terms of the Budget and reporting regulations for the budget statement is attached as page 66.

## 19. Recommendations

1. That the report in terms of section 11(4)(a) and 52(d) of the MFMA dealt with in this report be noted by the Council;
2. That Council takes note of the schedule C statement tables on page 23 to 65 attached;
3. That Council takes note of the signed quality certificate for the budget statement on page 66; and
4. That Council takes note that the report is preliminary, due to the process of preparation of the annual financial statements.

20. Approval of the report

  
\_\_\_\_\_  
T WILLIAMS  
CHIEF ACCOUNTANT: AFS & RETURNS

2017-07-13  
DATE

  
\_\_\_\_\_  
S GOWABE  
ACTING SENIOR MANAGER:  
FINANCIAL MANAGEMENT

2017/07/13  
DATE

  
\_\_\_\_\_  
S VORSTER  
CHIEF FINANCIAL OFFICER

13/7/2017  
DATE

  
\_\_\_\_\_  
G SMITH  
ACTING MUNICIPAL MANAGER

13/7/2017  
DATE

  
\_\_\_\_\_  
M KOEN  
EXECUTIVE MAYOR

13/7/2017  
DATE

WC014 Saldanha Bay - Table C1 Monthly Budget Statement Summary - M12 June

Description	2015/6	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	173 574	183 382	156 051	13 713	128 078	166 051	3 027	2%	156 051
Service charges	497 435	530 682	528 428	23 192	541 226	528 485	(17 202)	-3%	526 485
Investment revenue	13 345	24 810	36 757	3 777	44 379	36 707	7 671	21%	36 707
Transfers recognised - operations	26 415	74 318	77 816	772	73 454	77 615	(4 161)	-5%	77 615
Other own revenue	104 868	46 518	76 453	5 390	57 970	78 463	(20 493)	-26%	76 463
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>875 861</b>	<b>840 354</b>	<b>804 394</b>	<b>48 778</b>	<b>875 176</b>	<b>904 384</b>	<b>(29 213)</b>	<b>-3%</b>	<b>804 384</b>
Employee costs	265 400	291 234	209 750	23 315	207 332	259 756	(52 424)	-1%	209 750
Remuneration of Councilors	9 059	9 824	15 045	574	10 310	10 486	(1 56)	-1%	10 488
Depreciation & asset impairment	119 608	136 571	135 571	255	93 962	130 671	(44 712)	-32%	138 571
Finance charges	15 465	25 554	15 796	284	14 513	15 790	(1 274)	-8%	15 792
Materials and bulk purchases	206 713	297 620	297 520	27 083	255 771	257 620	(41 849)	-14%	297 620
Transfers and grants	2 215	2 215	2 518	135	2 375	3 518	(1 143)	-18%	2 518
Other expenditure	148 101	176 143	206 560	21 021	196 640	206 653	(10 013)	-15%	206 653
<b>Total Expenditure</b>	<b>833 399</b>	<b>941 228</b>	<b>972 420</b>	<b>74 028</b>	<b>831 149</b>	<b>972 420</b>	<b>(41 071)</b>	<b>-15%</b>	<b>972 420</b>
Surplus/(Deficit)	42 502	(60 872)	(68 027)	(27 249)	43 826	(68 027)	111 853	-164%	(68 027)
Transfers recognised - capital	63 035	51 455	38 906	-	2 085	35 936	(36 821)	-35%	38 906
Contributions & Contributions assets	-	8 000	7 354	-	-	7 854	(7 854)	-100%	7 354
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>106 197</b>	<b>(41 417)</b>	<b>(21 267)</b>	<b>(27 249)</b>	<b>45 912</b>	<b>(21 257)</b>	<b>67 179</b>	<b>-316%</b>	<b>(21 267)</b>
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>106 197</b>	<b>(41 417)</b>	<b>(21 267)</b>	<b>(27 249)</b>	<b>45 912</b>	<b>(21 267)</b>	<b>67 179</b>	<b>-316%</b>	<b>(21 267)</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	165 182	209 248	232 281	36 479	184 745	232 281	(47 536)	-20%	232 281
Capital transfers recognised	57 127	31 456	38 906	3 096	26 228	35 306	(10 678)	-27%	38 906
Public contributions & donations	26 275	8 000	7 854	-	6 042	7 854	(1 812)	-23%	7 854
Borrowing	38 277	67 841	69 344	15 535	80 326	59 344	(20 979)	-13%	69 344
Internally generated funds	43 484	101 952	116 177	19 747	90 110	118 177	(28 067)	-22%	116 177
<b>Total sources of capital funds</b>	<b>165 182</b>	<b>209 248</b>	<b>232 281</b>	<b>36 479</b>	<b>184 745</b>	<b>232 281</b>	<b>(47 536)</b>	<b>-20%</b>	<b>232 281</b>
<b>Financial position</b>									
Total current assets	644 832	486 517	707 512	-	658 478	-	-	-	707 512
Total non-current assets	2 323 748	2 338 185	2 429 288	-	2 443 336	-	-	-	2 429 288
Total current liabilities	175 436	153 141	164 722	-	162 434	-	-	-	164 722
Total non-current liabilities	274 079	345 773	343 085	-	344 315	-	-	-	343 085
Community wealth/Equity	2 549 165	2 328 791	2 624 393	-	2 399 035	-	-	-	2 624 393
<b>Cash flows</b>									
Net cash from (used) operating	206 531	112 630	128 080	(10 972)	205 565	128 082	(76 465)	-61%	128 080
Net cash from (used) investing	(252 346)	(150 750)	(150 288)	(38 475)	(195 554)	(190 365)	9 466	+5%	(150 288)
Net cash from (used) financing	39 206	53 135	53 650	10 051	43 560	53 552	9 990	15%	53 552
<b>Cash/cash equivalents at the month/year end</b>	<b>69 142</b>	<b>375 394</b>	<b>40 384</b>	<b>-</b>	<b>352 732</b>	<b>60 984</b>	<b>(492 368)</b>	<b>-855%</b>	<b>40 384</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Days</b>	<b>151-180 Days</b>	<b>181 Days + Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	47 757	8 005	6 434	3 438	3 127	17 071	91 055	-	173 852
<b>Creditors Age Analysis</b>									
Total Creditors	3 545	87	36	59	60	-	-	-	3 907

WC014 Saldanha Bay - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M12 June

Description	Ref	201x16		Budget Year 2016/17						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue - Standard</b>										
Governance and administration		274 310	359 121	283 526	19 083	272 134	283 626	(11 372)	-4%	263 420
Executive and council		34 380	20 805	25 434	356	31 624	29 404	2 220	6%	29 434
Budget and treasury office		211 934	214 089	233 877	18 640	238 657	226 877	11 820	5%	226 877
Corporate services		27 960	16 343	27 245	(113)	1 623	27 245	(25 422)	-52%	27 245
Community and public safety		55 453	71 588	63 246	1 021	22 403	53 248	(20 843)	-58%	53 246
Community and social services		7 318	6 719	6 030	545	5 618	5 986	(1 268)	-18%	6 030
Sport and recreation		21 116	14 303	15 050	49	6 641	15 300	(6 358)	-42%	15 300
Public safety		26 114	(75)	29 814	443	6 507	29 814	(23 207)	-70%	29 814
Housing		640	655	1 544	(16)	1 537	1 544	(7)	0%	1 614
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		20 620	23 976	20 528	1 468	13 508	22 524	(7 016)	-34%	20 528
Planning and development		6 564	5 809	7 343	348	7 255	7 240	(78)	-1%	7 343
Road transport		14 341	17 768	13 185	560	6 236	13 185	(6 950)	-62%	13 185
Environmental protection		-	0	0	-	10	0	0	300%	0
Trading services		589 137	586 209	553 854	25 207	568 190	583 354	(24 663)	-4%	583 854
Electricity		300 370	324 038	320 305	34 305	305 238	330 325	(25 087)	-8%	300 305
Water		189 173	131 209	134 700	1 408	133 352	134 700	(1 308)	-1%	134 700
Waste water management		64 309	59 509	52 641	4 250	50 614	59 041	(27)	0%	53 641
Waste management		63 271	70 260	70 207	4 345	72 013	70 207	1 805	3%	70 207
Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>139 545</b>	<b>339 108</b>	<b>361 154</b>	<b>48 779</b>	<b>337 281</b>	<b>351 154</b>	<b>(13 882)</b>	<b>-5%</b>	<b>351 154</b>
<b>Expenditure - Standard</b>										
Governance and administration		156 161	188 251	182 037	13 350	149 784	182 037	(32 330)	-10%	182 037
Executive and council		39 722	45 735	29 446	2 400	24 181	29 446	(6 260)	-19%	29 446
Budget and treasury office		50 475	77 584	73 455	6 215	64 233	73 456	(9 220)	-13%	73 456
Corporate services		60 362	72 351	79 125	4 977	61 347	79 145	(17 848)	-23%	79 125
Community and public safety		111 358	113 470	137 341	3 164	115 147	137 341	(22 201)	-15%	137 341
Community and social services		22 285	26 593	28 174	2 022	25 177	28 174	(2 996)	-11%	28 174
Sport and recreation		35 590	40 973	41 536	2 493	35 452	41 536	(6 106)	-12%	41 536
Public safety		44 462	39 516	59 747	3 013	49 279	59 747	(11 458)	-29%	59 747
Housing		8 911	5 602	7 962	563	5 932	7 982	(2 050)	-33%	7 962
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		116 452	129 003	137 708	8 263	114 627	137 708	(23 079)	-17%	137 708
Planning and development		34 922	41 133	44 146	3 584	38 621	44 446	(5 824)	-12%	44 446
Road transport		77 673	60 993	95 700	4 652	72 239	87 700	(17 460)	-19%	99 700
Environmental protection		2 055	3 477	3 560	248	2 656	3 560	(895)	-20%	3 560
Trading services		416 384	429 794	545 273	43 690	482 418	645 273	(162 854)	-12%	615 273
Electricity		249 333	283 278	282 324	5 258	241 127	285 324	(44 247)	-18%	285 324
Water		123 451	102 589	102 256	3 702	107 134	109 286	(2 102)	-2%	120 286
Waste water management		46 109	50 327	52 741	2 701	53 206	53 741	(434)	-1%	53 741
Waste management		57 498	63 092	65 371	4 841	50 730	65 371	(15 072)	-23%	66 371
Other		4	4	4	-	1	4	(3)	-68%	4
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>831 359</b>	<b>941 226</b>	<b>872 420</b>	<b>74 028</b>	<b>639 349</b>	<b>872 420</b>	<b>(141 071)</b>	<b>-16%</b>	<b>872 420</b>
<b>Surplus (Deficit) for the year</b>		<b>56 187</b>	<b>(41 417)</b>	<b>(21 267)</b>	<b>(27 249)</b>	<b>45 932</b>	<b>(21 267)</b>	<b>67 129</b>	<b>-316%</b>	<b>(21 267)</b>

WQ014 Salje:ra Bay - Table G2 Monthly Budget Statement - Financial Performance (standard classification) - M12 June

Description	Var	2017/18		Budget for 2017/18					YTD Variance	YTD Variance %	Full Year Forecast
		Actual Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget				
<b>Subtotals</b>											
<b>Capital - Capital</b>											
Municipal performance and administration		274 210	282 128	282 528	18 882	272 524	282 528	(10 004)	-4%	282 528	
Excuse and control		24 200	28 855	25 434	558	2 824	28 854	2 220	0	28 854	
Mayor and Council		24 200	28 855	25 179	558	2 834	28 176	2 458	0	28 176	
Manager/Manager		0	155	227	-	0	227	(227)	(0)	227	
Budget and Insurance Fee		211 934	214 089	225 877	13 540	238 682	225 810	11 320	0	225 810	
Corporate services		77 982	16 242	27 245	1 177	1 322	27 245	(25 422)	(0)	27 245	
Human Resources		12	413	413	(80)	66	412	(177)	(0)	412	
Information Technology		1 112	8 015	3 735	-	38	5 756	(5 701)	(0)	5 756	
Property Services		26 638	7 551	29 887	(17)	1 422	29 032	(19 370)	(0)	29 032	
Other Admin		34	14	215	-	251	212	16	0	212	
Community and public safety		25 193	21 548	23 246	1 321	22 402	23 246	(20 542)	(0)	23 246	
Community and social services		7 273	5 719	6 856	345	3 811	6 856	(4 286)	(0)	6 856	
Libraries and Archives		6 695	5 320	6 026	430	4 953	6 026	(1 269)	(0)	6 026	
Museums & Art Galleries etc		-	-	-	-	-	-	-	-	-	
Community halls and facilities		190	51	211	14	154	211	211	(0)	211	
Compliance & Regulatory		415	525	523	31	424	523	249	(0)	523	
Child Care		-	-	-	-	-	-	-	-	-	
Aged Care		-	-	-	-	-	-	-	-	-	
Other Community		-	-	-	-	-	-	-	-	-	
Other Social		27	25	22	0	17	22	(28)	(0)	22	
Sport and recreation		21 112	16 200	16 160	42	2 641	19 020	(5 252)	(0)	19 020	
Recreation		16 118	(29)	28 614	442	8 637	28 614	(20 221)	(0)	28 614	
Police		21 381	5 485	35 382	965	12 124	35 380	(21 266)	(0)	35 380	
Fire		25	-	-	-	-	-	-	-	-	
Civil Defence		-	-	-	-	-	-	-	-	-	
Street Lighting		(8 282)	(5 672)	15 672	(463)	15 446	15 672	163	(0)	15 672	
Other		0	7	7	3	3	7	(4)	(0)	7	
Planning		842	632	1 644	(16)	1 637	1 644	(7)	(0)	1 644	
Health		-	-	-	-	-	-	-	-	-	
Clinics		-	-	-	-	-	-	-	-	-	
Ambulance		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Economic and environmental services		23 326	23 526	26 226	489	13 305	26 226	(2 018)	(0)	26 226	
Planning and development		6 534	5 889	7 345	383	7 285	7 345	(78)	(0)	7 345	
Economic Development/Planning		1 311	1 270	1 834	-	1 265	1 264	(13)	(0)	1 264	
Town Planning/Building enforcement		1 307	1 156	2 776	478	1 761	2 776	(553)	(0)	2 776	
Licensing & Regulation		3 415	2 534	2 834	450	3 058	2 921	674	0	2 921	
Rate for sport		14 341	11 762	13 165	380	8 221	13 165	(5 490)	(0)	13 165	
Roads		9 727	13 255	8 816	50	1 201	8 816	(7 489)	(0)	8 816	
Public Buses		-	-	-	-	-	-	-	-	-	
Parking Garages		-	-	-	-	-	-	-	-	-	
Vehicle Licensing and Testing		4 644	4 038	4 038	309	6 102	4 038	456	0	4 038	
Other		(8)	(127)	(127)	27	(55)	(127)	53	(0)	(127)	
Environment protection		-	5	5	-	18	5	9	0	5	
Pest/vermin Control		-	5	5	-	18	5	9	0	5	
Biodiversity & Landscapes		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Trading services		22 127	22 249	22 824	23 207	22 185	22 824	(24 675)	(0)	22 824	
Electricity		20 875	20 634	20 888	14 285	20 284	20 888	(25 099)	(0)	20 888	
Electricity Distribution		20 875	20 634	20 888	14 285	20 284	20 888	(25 099)	(0)	20 888	
Electricity Generation		-	-	-	-	-	-	-	-	-	
Water		13 175	13 170	13 288	1 458	12 282	13 170	(1 288)	(0)	13 170	
Water Distribution		13 175	13 170	13 288	1 458	12 282	13 170	(1 288)	(0)	13 170	
Water Storage		-	-	-	-	-	-	-	-	-	
Waste water management		6 169	6 825	6 841	4 258	6 814	6 841	20	(0)	6 841	
Sewerage		6 169	6 825	6 841	4 258	6 814	6 841	20	(0)	6 841	
Storm Water Management		-	-	-	-	-	-	-	-	-	
Public Toilets		-	-	-	-	-	-	-	-	-	
Waste management		63 271	70 242	72 237	4 845	72 213	72 237	1 625	0	72 237	
Solid Waste		63 271	70 242	72 237	4 845	72 213	72 237	1 625	0	72 237	
Care		-	-	-	-	-	-	-	-	-	
Air Transport		-	-	-	-	-	-	-	-	-	
Hotels		-	-	-	-	-	-	-	-	-	
Tourism		-	-	-	-	-	-	-	-	-	



Nigeria										
Total Expenditure - Standard	3	223,329	141,726	972,430	74,328	851,348	302,428	(141,097)	(7)	572,430
Surplus/Deficit for the year		108,187	(41,417)	(21,297)	(27,743)	45,912	(21,267)	67,129	(3)	(21,267)

**Notes:**

1. Government Finance Statistics and Sub-indices are standardized to allow national and international comparability and comparison.
2. Total Revenue by Standard Description may reconcile to total operating revenue shown in Public Performance Indicators and reports.
3. Total Expenditure by Standard Description may reconcile to total operating expenditure shown in Public Performance Indicators and reports.
4. All in-cash and off-balance sheet (contingent liability) transactions are disclosed in the Government Finance Statistics and reports. Grants and loans are reported separately. Netting

WC014 Saldanha Bay - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - Finance	1	-	-	-	-	-	-	-	-	-
Vote 2 - Community		-	-	-	-	-	-	-	-	-
Vote 3 - Technical		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate		-	-	-	-	-	-	-	-	-
Vote 5 - Strategic		-	-	-	-	-	-	-	-	-
Vote 6 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 7 - 0		-	-	-	-	-	-	-	-	-
Vote 8 - 0		-	-	-	-	-	-	-	-	-
Vote 9 - 0		-	-	-	-	-	-	-	-	-
Vote 10 - Council		34 390	28 530	29 178	596	11 634	29 170	2 465	8.4%	29 170
Vote 11 - Finance		211 904	214 388	226 677	10 646	236 697	226 677	11 020	5.2%	226 677
Vote 12 - Community & Operations		22 163	15 365	16 322	115	6 688	15 222	(6 535)	-40.0%	16 271
Vote 13 - Engineering & Planning		699 042	615 567	616 673	25 620	573 258	616 328	(43 065)	-7.0%	616 328
Vote 14 - Corporate & Protection		70 713	17 155	33 338	1 646	23 069	63 338	(10 269)	-16.7%	63 338
Vote 15 - Office of the MM		1 020	9 063	7 015	-	915	7 016	(6 102)	-25.6%	7 016
<b>Total Revenue by Vote</b>	<b>2</b>	<b>875 505</b>	<b>893 949</b>	<b>961 154</b>	<b>43 178</b>	<b>872 281</b>	<b>961 154</b>	<b>(73 693)</b>	<b>-8.5%</b>	<b>961 154</b>
<b>Expenditure by Vote</b>										
Vote 1 - Finance	1	-	-	-	-	-	-	-	-	-
Vote 2 - Community		-	-	-	-	-	-	-	-	-
Vote 3 - Technical		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate		-	-	-	-	-	-	-	-	-
Vote 5 - Strategic		-	-	-	-	-	-	-	-	-
Vote 6 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 7 - 0		-	-	-	-	-	-	-	-	-
Vote 8 - 0		-	-	-	-	-	-	-	-	-
Vote 9 - 0		-	-	-	-	-	-	-	-	-
Vote 10 - Council		75 008	36 257	22 320	1 726	26 178	22 303	(2 175)	-6.0%	22 303
Vote 11 - Finance		61 757	75 652	75 620	5 351	66 205	75 609	(5 393)	-12.4%	75 609
Vote 12 - Community & Operations		110 684	123 265	128 725	6 820	118 675	128 725	(10 050)	-8.0%	128 725
Vote 13 - Engineering & Planning		537 161	591 151	610 170	47 360	519 772	610 170	(90 398)	-14.8%	610 170
Vote 14 - Corporate & Protection		65 371	81 219	111 998	7 009	92 284	111 966	(26 682)	-27.8%	111 966
Vote 15 - Office of the MM		13 372	17 762	17 621	1 752	14 285	17 650	(3 365)	-19.3%	17 650
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>855 368</b>	<b>941 238</b>	<b>972 420</b>	<b>74 028</b>	<b>851 543</b>	<b>972 420</b>	<b>(141 871)</b>	<b>-14.5%</b>	<b>972 420</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(66 197)</b>	<b>(41 471)</b>	<b>(21 267)</b>	<b>(27 242)</b>	<b>(45 842)</b>	<b>(21 267)</b>	<b>(67 179)</b>	<b>-31.6%</b>	<b>(21 267)</b>

WCC - 6 Saldanha Bay - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - A - N12 June

Vote Description	Ret	2016/17	Budget Year 2016/17						Full Year Forecast
			Actual Outcome	Original Budget	Adjusted Budget	Weekly actual	YearTD actual	YearTD budget	
<b>Revenue</b>									
<b>Revenue 2016/17</b>									
Vote 1 - Finance									
1.1 - Finance									
1.2 - Property Rates									
1.3 - Fees									
Vote 2 - Community									
2.1 - Library									
2.2 - Public Safety									
2.3 - Cemetery									
2.4 - Sports Recreation									
2.5 - Vehicle Licensing and Testing									
2.6 - Boat Yacht									
2.7 - Airport									
2.8 - Licensing									
2.9 - Community & Social services									
Vote 3 - Technical									
3.1 - Land Serv. & Admin									
3.2 - Solid Waste									
3.3 - Pollution control									
3.4 - HWYP									
3.5 - Sewerage									
3.6 - Roads									
3.7 - Electricity									
3.8 - Water									
3.9 - Mechanical Workshop									
3.11 - Technical Services									
Vote 4 - Corporate									
4.1 - Civic Affairs									
4.2 - Operational Health									
4.3 - Municipal Buildings									
4.4 - Legal Services									
4.5 - Property Services									
4.6 - Public Works									
4.7 - Information Systems									
4.8 - Information Technology									
Vote 5 - Strategic									
5.1 - Planning and Development									
5.2 - Economic Development									
5.3 - Strategic Development Admin									
5.4 - Strategic Support Services									
Vote 6 - Municipal Manager									
6.1 - Mayor and Council									
6.2 - Municipal Manager									
6.3 - Internal Audit									
Vote 7 - E									
7.1 - (Part of sub-vote)									
Vote 8 - E									
8.1 - (Part of sub-vote)									
Vote 9 - E									
9.1 - (Part of sub-vote)									
Vote 10 - Council									
10.1 - Council General Expenses	34 556	34 556	28 174	555	28 834	34 178	2 456	7%	28 174
10.7 - Executive Municipal Office	26 065	23 272	24 821	376	24 420	24 023	2 456	10%	24 023
10.8 - Ordinary Council Fees	4 045	5 159	5 159	-	5 159	5 159	0	0%	5 159
Vote 11 - Electricity	211 824	214 028	225 877	10 840	228 887	238 877	11 500	5%	228 877
11.1 - Finance	24 220	27 220	30 305	4 175	43 731	38 965	7 876	28%	38 935
11.2 - Property Rates	173 164	188 890	187 358	13 257	185 119	187 563	2 366	2%	187 853
11.3 - Stores	3	-	18	708	897	18	879	452%	18
Vote 12 - Community & Operations	22 185	15 565	15 222	815	9 988	18 222	16 533	-6%	18 222
12.1 - Engineering - Admin	28	-	-	-	28	-	28	100%	28
12.2 - Fuel and Transport	320	375	375	-	363	375	12	3%	375
12.3 - Community Hall	160	51	21	14	138	21	177	-35%	21
12.4 - Economic Promotion	21 053	14 572	14 368	40	8 222	14 868	12 347	-42%	14 963
12.5 - Roads	75	0	0	-	40	73	100	-37%	70
12.6 - Sewer	-	-	-	-	-	-	-	-	-
12.7 - Water	-	-	-	-	-	-	-	-	-
12.8 - Community Services	87	76	76	0	77	75	106	-11%	75
12.9 - Cemetery	415	523	529	51	674	523	169	-6%	523
Vote 13 - Engineering & Planning	549 342	613 587	618 323	25 822	573 238	618 373	145 293	3%	618 323
13.1 - Engineering Planning	2 227	2 257	3 795	476	2 703	3 785	11 292	-29%	3 795
13.2 - Building Inspections	3 450	2 634	2 534	430	3 928	2 634	874	33%	2 634
13.3 - Planning	300	250	1 170	(16)	1 170	1 170	5	0%	1 170
13.4 - Building Division (Seeds Market)	1 230	7 410	14 165	10	885	14 165	13 229	-9%	14 165
13.5 - Sewerage	64 899	59 679	58 841	4 596	58 514	58 841	127	0%	58 841
13.6 - Solid Waste	33 271	70 249	70 800	4 845	72 313	73 227	1 326	3%	73 207
13.7 - Electricity	295 990	288 494	324 120	18 920	293 691	324 232	124 236	-4%	324 232
13.8 - Water	151 173	121 700	124 100	1 406	123 362	124 759	11 237	-1%	124 700
13.9 - Mechanical Workshop	600	1173	1272	27	378	1120	53	-4%	1120



12.7 - Water	70 235	70 534	11 053	539	11 105	11 053	50	1%	11 359
12.8 - Continuity Services	7 817	9 316	10 465	647	7 797	10 465	(1 275)	-17%	10 465
12.9 - Caradima	4 492	4 664	5 211	336	4 893	5 211	(452)	-9%	4 761
Vote 13 - Engineering & Planning	517 051	501 154	616 179	47 469	518 722	616 179	(51 236)	-10%	510 170
13.1 - Corporate Planning	23 035	25 050	28 186	2 413	25 333	28 186	(1 439)	-6%	28 166
13.2 - B.I.S.I.y) Responses	3 777	6 181	8 581	582	4 923	6 181	(948)	-19%	5 361
13.3 - Pricing	4 757	1 583	2 517	774	7 396	3 547	11 421	43%	3 517
13.4 - Billing & Invoicing/Account	22 765	25 660	37 750	1 345	22 938	27 760	(5 155)	-23%	27 760
13.5 - Sewerage	34 182	37 699	38 246	2 284	33 971	38 345	(4 16)	-1%	29 345
13.6 - Storm water	59 468	63 022	66 271	4 841	60 720	68 371	(18 276)	-23%	66 271
13.7 - Electricity	297 775	287 643	293 034	12 464	244 428	288 034	(45 611)	-19%	288 034
13.8 - Water	53 189	52 225	43 239	11 964	36 276	48 232	(12 151)	-3%	58 232
13.9 - Mechanics Workshop	4 137	521	741	417	4 772	741	4 031	544%	741
13.10 - Roads	43 132	51 712	20 562	998	30 138	51 692	(20 226)	-40%	50 582
Vote 14 - Corporate IT Provision	83 371	91 219	117 961	7 008	82 264	117 961	(35 697)	-43%	117 961
14.1 - Other Admin	14 122	15 961	17 024	1 264	14 859	17 024	(2 125)	-14%	17 024
14.2 - Library	8 379	8 351	9 656	773	10 204	9 656	508	6%	8 656
14.3 - Safety	10 883	16 263	16 023	1 052	12 764	16 379	(4 061)	-24%	15 873
14.4 - Traffic	25 310	25 547	25 395	1 147	26 372	25 395	9 221	36%	25 395
14.5 - Land	1 035	1 006	1 264	(1)	1 265	1 266	26	1%	1 266
14.6 - Fire Brigade	38 921	5 788	5 955	637	3 624	4 299	(1 694)	-31%	3 299
14.7 - Public Relations	8 363	6 138	8 963	908	7 715	8 963	(1 248)	-16%	8 963
14.8 - Information Technology	16 543	13 013	22 620	871	11 002	20 638	(9 636)	-40%	20 638
14.9 - Cleaning	1 681	2 674	2 787	134	2 232	2 787	(555)	-25%	2 787
Vote 15 - Office of the MM	13 372	17 782	17 853	1 362	14 289	17 653	(3 364)	-19%	17 653
15.1 - Alcohol Violence	7 183	8 722	3 830	363	7 370	8 979	(1 609)	-18%	8 979
15.2 - Public Relations and Communication	1 517	1 123	1 126	128	671	1 125	(455)	-41%	1 125
15.3 - Internal Audit	2 651	2 471	1 970	291	2 858	2 523	365	14%	2 523
15.4 - Risk Management	1 563	1 235	1 330	136	2 400	1 260	1 140	92%	1 260
15.5 - Economic Development	2 970	1 621	1 330	438	4 371	1 047	7 421	129%	1 047
15.6 - Spatial Information	7 302	2 522	2 820	425	2 249	2 820	(571)	-25%	2 820
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>831 356</b>	<b>841 226</b>	<b>74 828</b>	<b>829 216</b>	<b>832 423</b>	<b>(3 207)</b>	<b>(0)</b>	<b>829 216</b>
<b>Expenditure (Deficit) for the year</b>	<b>2</b>	<b>(18 157)</b>	<b>(11 411)</b>	<b>(21 807)</b>	<b>(27 546)</b>	<b>(21 287)</b>	<b>(5 259)</b>	<b>(19)</b>	<b>(27 546)</b>

**Notes:**

1. Lower Vote(s) e.g. Department, if different to standard structure

2. Amounts are in Annual Performance Report (Revenue and Expenditure by Standard Classification) and Revenue and Expenditure

3. Assignments to 'responsible' to relevant 'Vote'

WC014 Saldanha Bay - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Kot	2014/15	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year to Date actual	Year to Date budget	YTD variance	YTD variance %	Full Year Forecast
<b>R mo:month</b>										
<b>Revenue By Source</b>										
Property rates		170 925	150 888	132 051	13 456	184 959	182 061	2 897	2%	182 061
Property rates - penalties & collection charges		2 806	3 000	2 000	257	3 175	3 000	175	6%	3 000
Service charges - electricity revenue		277 531	307 593	303 975	13 225	280 938	303 976	(19 038)	-7%	303 976
Service charges - water revenue		120 547	1 17 634	118 530	855	118 991	118 500	491	0%	118 500
Service charges - sanitation revenue		57 523	63 267	52 881	4 457	53 862	57 681	(3 819)	-6%	52 881
Service charges - refuse revenue		45 314	50 183	53 112	4 680	55 028	53 110	1 918	4%	53 110
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		12 368	13 548	5 904	282	4 569	5 204	(1 336)	-10%	5 904
Interest earned - capital investments		32 543	24 563	56 787	3 712	44 373	35 307	7 066	21%	56 787
Interest earned - outstanding debts		7 324	6 388	5 189	350	5 263	6 589	(1 326)	-21%	5 189
Dividends received		-	-	-	-	-	-	-	-	-
Fines		30 262	4 542	34 441	549	11 218	34 441	(32 223)	-73%	34 441
Licences and permits		1 202	1 258	1 238	81	1 058	1 230	(172)	-14%	1 238
Agency services		4 438	4 410	4 410	362	4 555	4 410	145	3%	4 410
Transfers, receipts - operational		56 475	74 316	77 615	772	75 454	77 615	(2 161)	-3%	77 615
Other revenue		45 748	35 974	23 750	2 162	26 670	23 150	2 020	9%	23 750
Gains on disposal of PPE		1 501	-	-	-	1 338	-	1 338	100%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>875 369</b>	<b>890 334</b>	<b>904 394</b>	<b>46 778</b>	<b>875 376</b>	<b>904 394</b>	<b>(28 918)</b>	<b>-3%</b>	<b>904 394</b>
<b>Expenditure By Type</b>										
Employee related costs		285 460	291 344	288 798	20 975	207 332	299 795	(112 404)	-41%	288 798
Formation of consortiums		5 053	5 584	10 486	674	10 330	10 488	(158)	-3%	10 486
Debt Impairment		22 727	15 388	20 337	5 376	24 582	20 332	4 250	21%	20 332
Depreciation & amortisation		118 006	138 571	138 571	245	93 866	130 571	(44 705)	-32%	138 571
Finance charges		19 485	25 554	15 786	1 284	14 513	16 796	(1 574)	-10%	15 786
Bank purchases		268 219	257 670	267 520	27 683	258 771	257 620	1 151	0%	267 520
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		5 476	1 900	80 444	7 757	57 140	80 444	(23 298)	-29%	80 444
Transfers and grants		2 215	2 215	3 518	136	2 378	3 510	(644)	-18%	3 518
Other expenditure		1 5486	156 180	53 354	7 688	67 308	45 354	(16 345)	-20%	53 354
Loss on disposal of PPE		391	181	22 553	-	17 910	22 553	(4 643)	-21%	22 553
<b>Total Expenditure</b>		<b>873 359</b>	<b>941 228</b>	<b>972 420</b>	<b>74 026</b>	<b>831 348</b>	<b>972 420</b>	<b>(141 072)</b>	<b>-16%</b>	<b>972 420</b>
<b>Surplus/(Deficit)</b>										
Transfers recognised - capital		62 532	(80 872)	(68 027)	(27 248)	43 326	(68 027)	111 653	100%	(68 027)
Contributions recognised - capital		62 035	31 456	38 935	0	2 086	38 906	(36 821)	0%	38 935
Capitalised assets		-	8 680	7 854	-	-	7 854	(7 854)	0%	7 854
<b>plus/(deficit) after capital transfers &amp; contributions</b>		<b>124 567</b>	<b>(41 417)</b>	<b>(21 267)</b>	<b>(27 248)</b>	<b>45 912</b>	<b>(21 267)</b>	<b>146 180</b>	<b>100%</b>	<b>(21 267)</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>124 567</b>	<b>(41 417)</b>	<b>(21 267)</b>	<b>(27 248)</b>	<b>45 912</b>	<b>(21 267)</b>	<b>146 180</b>	<b>100%</b>	<b>(21 267)</b>
Attributable to municipalities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>124 567</b>	<b>(41 417)</b>	<b>(21 267)</b>	<b>(27 248)</b>	<b>45 912</b>	<b>(21 267)</b>	<b>146 180</b>	<b>100%</b>	<b>(21 267)</b>
Share of surplus/(deficit) of associates		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>124 567</b>	<b>(41 417)</b>	<b>(21 267)</b>	<b>(27 248)</b>	<b>45 912</b>	<b>(21 267)</b>	<b>146 180</b>	<b>100%</b>	<b>(21 267)</b>



WCD14 Saldanha Bay - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - A - M12 June

Vote Description	Ref	2017/18	Budget Year 2018/17						YTD variance %	Full Year Forecast
			Actual Outcome	Original Budget	Adjusted Budget	Monthly actual	Year to actual	Year to Budget		
<b>Capital Expenditure - Municipal Vote</b>										
<b>Expenditure on capital expenditure</b>										
Vote 1 - Finance										
1.1 - Finance										
1.2 - Property Rates										
1.3 - Rates										
Vote 2 - Corporate										
2.1 - Utility										
2.2 - Public Safety										
2.3 - Cemetery										
2.4 - Sport & Recreation										
2.5 - Vehicle Licensing and Parking										
2.6 - Beaches										
2.7 - Airport										
2.8 - Housing										
2.9 - Community & Social Services										
Vote 3 - Technical										
3.1 - Civil Services Admin										
3.2 - Solid Waste										
3.3 - Pollution Control										
3.4 - EPWP										
3.5 - Sewerage										
3.6 - Roads										
3.7 - Electricity										
3.8 - Water										
3.9 - Municipal Workshop										
3.10 - Technical Services										
Vote 4 - Corporate										
4.1 - Other Admin										
4.2 - Congestion Mgmt										
4.3 - Municipal Buildings										
4.4 - Legal Services										
4.5 - Property Services										
4.6 - Health, Nursing										
4.7 - Human Resources										
4.8 - Information Technology										
Vote 5 - Strategic										
5.1 - Planning and Development										
5.2 - Economic Development										
5.3 - Strategic Development Areas										
5.4 - Strategic Support Services										
Vote 6 - Municipal Manager										
6.1 - Mayor and Council										
6.2 - Municipal Manager										
6.3 - Internal Audit										
Vote 7 - 0										
7.1 - (Name of subvote)										
Vote 8 - 0										
8.1 - (Name of subvote)										
Vote 9 - 0										
9.1 - (Name of subvote)										
Vote 10 - 0 (Land)										
10.1 - Council's Capital Expenditure										
10.2 - Executive Mayors Office										
10.3 - Council's Governance										
Vote 11 - Finance										
11.1 - Finance										
11.2 - Property Rates										
11.3 - Rates										
Vote 12 - Community & Social Affairs			5 015	5 236		5 236	(2 240)	-100%	2 236	
12.1 - Engineering - Admin										
12.2 - Health, Sport & Recreation			130	98		98	302	-100%	98	
12.3 - Community Affairs										
12.4 - Sport and Recreation			2 875	3 378		3 378	(1 503)	-100%	3 378	
12.5 - Roads										
12.6 - Sewer										
12.7 - Water										
12.8 - Community Services										
12.9 - Cemetery			500	262		262	238	-100%	262	
Vote 13 - Engineering & Planning			112 412	122 942		122 942	(10 530)	-100%	122 942	
13.1 - Corporate planning										
13.2 - Building Projects										
13.3 - Building										
13.4 - Building Services/Health/Municipal			79 817	45 540		45 540	34 277	-100%	45 540	
13.5 - Sewerage			32 042	21 742		21 742	10 300	-100%	21 742	
13.6 - Solid waste			3 353	779		779	2 574	-100%	779	
13.7 - Electricity			22 085	21 332		21 332	753	-100%	21 332	
13.8 - Water			680	2 371		2 371	(1 691)	-100%	2 371	
13.9 - West 1863 - Wobahop										

13.0 - Roads		25 153	21 142			21 142	(11.1%)	100%	21 142
13.1 - Corporate & Projects		5 508	4 534			4 534	(10.9%)	100%	4 534
14.1 - Other Agency		-	-			-	-	-	-
14.2 - Library		-	-			-	-	-	-
14.3 - Safety		6 690	6 134			6 134	(9.2%)	100%	6 134
14.4 - Traffic		-	-			-	-	-	-
14.5 - Land		-	-			-	-	-	-
14.6 - Road Design		-	-			-	-	-	-
14.7 - Human Resources		-	-			-	-	-	-
14.8 - Information Technology		500	504			504	0%	100%	504
14.9 - Library		-	-			-	-	-	-
Vote 15 - Office of the Mayor		-	1 500			1 500	(100%)	-	1 500
15.1 - Message Message		-	-			-	-	-	-
15.2 - Public Relations and Communication		-	-			-	-	-	-
15.3 - Internal Affairs		-	-			-	-	-	-
15.4 - Fleet Management		-	-			-	-	-	-
15.5 - Economic Development		-	-			-	-	-	-
15.6 - Spatial Information		-	1 500			1 500	(100%)	-	1 500
<b>Total multi-year capital expenditures</b>		<b>124 861</b>	<b>124 291</b>			<b>124 291</b>	<b>(0.5%)</b>	<b>100%</b>	<b>124 291</b>
<b>Capital Expenditures - Municipal Vote</b>									
<b>Administrative and Support Services</b>									
Vote 1 - Finance		-	-			-	-	-	-
1.1 - Finance		-	-			-	-	-	-
1.2 - Property Value		-	-			-	-	-	-
1.3 - Storm		-	-			-	-	-	-
Vote 2 - Community		-	-			-	-	-	-
2.1 - Library		-	-			-	-	-	-
2.2 - Public Safety		-	-			-	-	-	-
2.3 - Cemetery		-	-			-	-	-	-
2.4 - Open & Recreation		-	-			-	-	-	-
2.5 - Water Wastewater and Storm		-	-			-	-	-	-
2.6 - Education		-	-			-	-	-	-
2.7 - Arts and		-	-			-	-	-	-
2.8 - Planning		-	-			-	-	-	-
2.9 - Community & Social Services		-	-			-	-	-	-
Vote 3 - Technical		-	-			-	-	-	-
3.1 - Civil Service Admin		-	-			-	-	-	-
3.2 - Field Work		-	-			-	-	-	-
3.3 - Pollution Control		-	-			-	-	-	-
3.4 - EPP/PP		-	-			-	-	-	-
3.5 - Sewerage		-	-			-	-	-	-
3.6 - Parks		-	-			-	-	-	-
3.7 - Facilities		-	-			-	-	-	-
3.8 - Water		-	-			-	-	-	-
3.9 - Mechanical Workshop		-	-			-	-	-	-
3.10 - Technical Services		-	-			-	-	-	-
Vote 4 - Corporate		-	-			-	-	-	-
4.1 - Other Admin		-	-			-	-	-	-
4.2 - Computerized Health		-	-			-	-	-	-
4.3 - Technical Buildings		-	-			-	-	-	-
4.4 - Legal Services		-	-			-	-	-	-
4.5 - Property Services		-	-			-	-	-	-
4.6 - Health Planning		-	-			-	-	-	-
4.7 - Human Resources		-	-			-	-	-	-
4.8 - Information Technology		-	-			-	-	-	-
Vote 5 - Strategic		-	-			-	-	-	-
5.1 - Economic Development		-	-			-	-	-	-
5.2 - Economic Development		-	-			-	-	-	-
5.3 - Strategic Development Admin		-	-			-	-	-	-
5.4 - Strategic Support Services		-	-			-	-	-	-
Vote 6 - Municipal Manager		-	-			-	-	-	-
6.1 - Mayor and Council		-	-			-	-	-	-
6.2 - Municipal Manager		-	-			-	-	-	-
6.3 - Internal Audit		-	-			-	-	-	-
Vote 7 - E		-	-			-	-	-	-
7.1 - (Name of subvote)		-	-			-	-	-	-
Vote 8 - E		-	-			-	-	-	-
8.1 - (Name of subvote)		-	-			-	-	-	-
Vote 9 - E		-	-			-	-	-	-
9.1 - (Name of subvote)		-	-			-	-	-	-
Vote 10 - Colwell		314	28			-	-	-	-
10.1 - Colwell General Expenses		314	28			-	-	-	-
10.2 - Executive Mayor's Office		-	-			-	-	-	-
10.3 - Advisory Committee		-	-			-	-	-	-
Vote 11 - Finance		588	714	208		588	714	(15%)	291
11.1 - Finance		588	513	196	488	413	(18%)	4%	513
11.2 - Property Value		-	-	-	-	-	-	-	-
11.3 - Storm		-	218	11	86	218	(100%)	40%	218
Vote 12 - Community & Operations		22 226	15 784	4 948	24 093	12 762	(53%)	60%	12 802
12.1 - Engineering - Admin		291	280	-	221	221	(76%)	9%	221
12.2 - Engineering - Water Wastewater		30	-	-	70	-	(0%)	23%	-
12.3 - Community Value		130	18	2	191	191	(146%)	15%	191
12.4 - Storm and Recreation		23 810	18 476	4 624	24 381	12 468	(51%)	54%	10 498
12.5 - Roads		227	706	853	-	653	(29%)	2%	653
12.6 - Sewer		29	-	-	-	-	-	-	-
12.7 - Other		-	-	-	-	-	-	-	-

12.4 - Consulting Services	26	-	-	-	-	-	-	-	-
12.5 - Contracts	1,820	340	607	112	581	827	(90)	-3%	607
<b>Vote 12 - Engineering &amp; Planning</b>	<b>115,963</b>	<b>23,382</b>	<b>36,475</b>	<b>31,425</b>	<b>163,815</b>	<b>58,478</b>	<b>57,223</b>	<b>100%</b>	<b>51,428</b>
12.1 - Conceptual Planning	56	7	25	-	63	75	54	7100%	25
12.2 - Building Inspections	-	-	-	-	-	-	-	-	-
12.3 - Planning	-	-	-	-	-	-	-	-	-
12.4 - Building Director/Architect	16,467	2,658	17,007	3,318	40,625	17,227	18,824	93%	12,007
12.5 - Sewerage	25,273	2,887	21,633	5,215	32,430	17,323	18,858	91%	17,535
12.6 - Sewer main	2,137	1,480	6,231	357	8,157	6,227	164	-7%	6,227
12.7 - Electric	11,024	8,799	7,656	11,723	28,434	7,386	17,538	224%	7,853
12.8 - Water	23,050	1,123	5,416	273	8,831	5,113	321	7%	2,419
12.9 - Wastewater Treatment	61	17	111	4	92	113	(12)	-10%	126
12.10 - Roads	48,426	3,716	1,282	4,482	21,811	1,566	24,402	234%	7,296
<b>Vote 48 - Corporate &amp; Protection</b>	<b>35,273</b>	<b>4,167</b>	<b>23,452</b>	<b>725</b>	<b>12,742</b>	<b>23,493</b>	<b>(10,662)</b>	<b>-42%</b>	<b>23,493</b>
14.1 - Other Admin	32	66	345	35	67	143	(10)	54%	345
14.2 - Library	143	67	117	-	5	117	(117)	69%	311
14.3 - Safety	168	473	378	214	2,671	470	2,201	66%	473
14.4 - Youth	203	-	-	-	-	-	-	-	-
14.5 - Food	9,153	-	8,458	-	363	8,458	6,155	-19%	8,458
14.6 - Fairgrounds	237	308	763	-	43	708	272	34%	763
14.7 - Human Resources	-	13	30	2	11	16	(7)	-44%	30
14.8 - Information Technology	8,871	3,157	2,482	308	9,042	15,452	(6,410)	-31%	6,410
14.9 - Licensing	-	-	-	-	-	-	-	-	-
<b>Vote 15 - Office of the City</b>	<b>26</b>	<b>8,690</b>	<b>5,230</b>	<b>278</b>	<b>4,276</b>	<b>5,258</b>	<b>(714)</b>	<b>-14%</b>	<b>5,230</b>
15.1 - Intergovernmental	-	-	-	-	-	-	-	-	-
15.2 - Public Relations and Communication	-	-	-	-	-	-	-	-	-
15.3 - Internal Audit	2	-	-	-	-	-	-	-	-
15.4 - Risk Management	56	-	-	-	-	-	-	-	-
15.5 - Economic Development	-	-	-	-	-	-	-	-	-
15.6 - Special Information	-	1,523	5,230	278	4,276	5,258	(714)	-14%	5,230
<b>Total City/County Capital Expenditures</b>	<b>162,162</b>	<b>81,281</b>	<b>89,052</b>	<b>58,475</b>	<b>188,743</b>	<b>92,482</b>	<b>63,338</b>	<b>0</b>	<b>58,475</b>
<b>Total Capital Expenditures</b>	<b>335,167</b>	<b>295,149</b>	<b>292,284</b>	<b>28,475</b>	<b>188,743</b>	<b>232,281</b>	<b>(47,538)</b>	<b>0</b>	<b>292,281</b>

1. Fiscal Year 2023 Departmental Allocation to General Fund

WC014 Saldanha Bay - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		60 142	48 273	60 331	47 188	60 384
Call investment deposits		133 368	327 123	520 330	506 503	520 000
Consumer debtors		91 457	04 522	87 927	72 068	87 627
Other debtors		39 663	29 003	29 300	21 203	29 000
Current portion of long-term receivables		-	-	-	-	-
Inventory		11 268	10 601	10 607	12 345	10 001
<b>Total current assets</b>		<b>844 932</b>	<b>499 517</b>	<b>707 912</b>	<b>659 478</b>	<b>707 812</b>
<b>Non-current assets</b>						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		15 220	23 153	23 133	15 220	20 133
Investments in Associates		-	-	-	-	-
Property, plant and equipment		2 336 578	2 331 145	2 337 577	2 418 309	2 357 577
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		1 951	6 510	11 675	10 127	11 678
Other non-current assets		-	-	-	-	-
<b>Total non-current assets</b>		<b>2 353 748</b>	<b>2 359 188</b>	<b>2 429 388</b>	<b>2 443 336</b>	<b>2 429 388</b>
<b>TOTAL ASSETS</b>		<b>2 998 680</b>	<b>2 857 705</b>	<b>3 137 201</b>	<b>3 102 814</b>	<b>3 137 201</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		9 572	8 936	6 131	174	8 131
Consumer deposits		17 234	17 500	17 500	19 530	17 500
Trade and other payables		121 532	58 300	112 257	119 704	112 257
Provisions		26 977	28 835	28 835	23 017	28 835
<b>Total current liabilities</b>		<b>175 436</b>	<b>153 141</b>	<b>164 722</b>	<b>162 484</b>	<b>164 722</b>
<b>Non-current liabilities</b>						
Borrowing		72 000	123 584	125 896	127 543	125 090
Provisions		201 474	222 108	222 180	217 172	222 193
<b>Total non-current liabilities</b>		<b>273 474</b>	<b>345 773</b>	<b>348 085</b>	<b>344 715</b>	<b>348 085</b>
<b>TOTAL LIABILITIES</b>		<b>448 910</b>	<b>498 914</b>	<b>512 807</b>	<b>506 800</b>	<b>512 807</b>
<b>NET ASSETS</b>	<b>2</b>	<b>2 549 770</b>	<b>2 358 791</b>	<b>2 624 393</b>	<b>2 595 935</b>	<b>2 624 393</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		2 605 557	2 350 531	2 616 133	2 581 827	2 616 133
Reserves		3 208	8 260	8 260	3 208	8 260
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>2 549 765</b>	<b>2 358 791</b>	<b>2 624 393</b>	<b>2 595 035</b>	<b>2 624 393</b>

WCD14 Saldanha Bay - Table C7 Monthly Budget Statement - Cash Flow - (M12 Jun)

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges		179 744	176 474	179 536	23 257	201 214	179 536	22 379	12%	179 5
Service charges		479 044	514 743	511 357	43 187	920 553	511 387	110 834	-2%	511 3
Other revenue		26 222	37 613	37 613	1 048	66 758	37 613	29 145	7%	37 6
Government - operating		86 628	109 026	100 203	(511)	111 263	100 233	10 850	11%	100 2
Government - capital		91 771	31 405	34 955	-	35 138	34 955	1 181	3%	34 9
Interest		51 503	31 352	43 236	3 712	44 179	43 276	1 123	2%	43 2
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Supplies and employees		(859 310)	(779 740)	(756 523)	(74 427)	(742 905)	(766 623)	(22 714)	3%	(766 6
Finance charges		(1 200)	(8 573)	(9 728)	(4 125)	(8 455)	(9 725)	(1 271)	15%	(8 7
Transfers and Grants		(2 215)	(2 215)	(1 516)	(135)	(2 875)	(3 515)	(640)	15%	(3 5
<b>NET CASH FROM(USED) OPERATING ACTIVITIES</b>		<b>203 531</b>	<b>112 688</b>	<b>121 380</b>	<b>(10 972)</b>	<b>206 565</b>	<b>198 091</b>	<b>(78 481)</b>	<b>61%</b>	<b>121 3</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		4 825	-	-	-	1 531	-	1 531	#DIV/0!	
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments		(112 000)	-	-	-	-	-	-	-	
<b>Payments</b>										
Capital assets		(1 45 808)	(192 738)	(150 389)	(28 478)	(201 385)	(150 389)	10 957	-6%	(150 3
<b>NET CASH FROM(USED) INVESTING ACTIVITIES</b>		<b>(212 983)</b>	<b>(198 738)</b>	<b>(190 389)</b>	<b>(28 478)</b>	<b>(199 854)</b>	<b>(190 389)</b>	<b>9 466</b>	<b>-5%</b>	<b>(190 3</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	
Borrowing from external financing		47 960	58 180	58 180	53 180	58 180	53 150	-	-	58 1
Increase (decrease) in bank and deposits		-	1 500	1 500	314	2 236	530	735	49%	1 5
<b>Payments</b>										
Repayment of borrowing		(7 772)	(3 540)	(5 130)	(6 533)	(18 035)	(6 136)	12 755	-175%	(6 1
<b>NET CASH FROM(USED) FINANCING ACTIVITIES</b>		<b>39 288</b>	<b>55 139</b>	<b>53 550</b>	<b>(9 611)</b>	<b>42 381</b>	<b>53 590</b>	<b>9 990</b>	<b>15%</b>	<b>53 5</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(7 124)</b>	<b>(29 990)</b>	<b>(1 259)</b>	<b>494</b>	<b>50 271</b>	<b>(8 798)</b>	<b>10 075</b>	<b>11%</b>	<b>(8 7</b>
Cash/bank equivalents at beginning:		76 270	411 386	68 142	68 142	502 511	59 162	502 511		502 5
Cash/bank equivalents at month/year end:		69 146	375 324	66 064	68 636	552 782	50 364	552 782		493 7

WY2018 Sutherland Bay - Supporting Table 6C1 - Material variances explanation - 30/06/2018

Ref	Description	Variance	Reason for material variances	Revised or corrective capital works
	<b>6 Electricity</b>			
	<b>6.1.1000 Available balance</b>			
	Property rates	7307	A positive variance of 7% is recorded. This is mainly due to changes in the budgeted rate structure and some charges added that could not have been forecast in the budgeted for	
	Service charges	177 202	A positive variance of 2% is recorded. This is due to the billing schedule for the period 10 June 2017 to 30 June 2017 not yet transferred to on the financial system and to be finalised by end of July as part of the year end reporting	
	Insurance premium	1071	A positive variance of 21% is recorded. The increases are explained on the existing policy requirements of the council, and resulted in higher insurances costs than budgeted of \$100,000 for the month.	
	Transfer of net asset value	31 471	A positive variance of 2% is recorded. This is mainly due to increase in the cost of the 2017 net asset value which will be finalised by end of July 2017 as part of the year end reporting	
	Other non revenue	113 893	A negative variance of 25% is recorded. This is mainly due to audit fees revenue which are audited on an accrual basis, while the monthly recognition is based on cash receipts which is usually not till the revenue to be recognised in terms of Generally Recognised Accounting Practice (GRAP). The actual revenue in actual accounts will only be performed after year end.	
7	<b>Construction Costs</b>			
	Employee costs	115 474	A positive variance of 4% is recorded. This is mainly due to increases which were not due to arbitrary pay rises for any one based on previous of employees.	
	Depreciation impairment	104 123	A positive variance of 25% is recorded. This is due to the level of expenditure during the financial year and information used a limited number of assets which is the primary of repair and the amortising of capital assets and the full depreciation of the year's 10% provision for the year-end programme and amortising of the remaining part of July 2017	
	Finance charges	11 270	A positive variance of 2% is recorded. This is mainly due to interest on a supply of 400 000 (three years) which was completed, on an accrual basis and was recorded as an expense.	
	Materials and sub purchase	101 300	The payment for electricity sub purchase will only be paid in July 2017. Therefore, a positive variance of 14% is recorded. This was not performed until June 2017.	
	Other expenditure	103 042	A positive variance of 12% is recorded for the month of June 2017. This variance is mainly due to the higher expenses when the monthly budgeted for during the 2017, however, budget, but no net of impairment is included in the year-end as the actual expenditure is not yet performed a year-end.	
8	<b>Capital Expenditure</b>			
	Capital expenditure	107 232	The positive variance of 20% is due to the spending during the year. A number of the type of expenditure will increase in year-end journal entries and payments to suppliers will not be done as one of the completion of the annual financial statements.	
9	<b>Transfer of Assets</b>			
5	<b>Capital</b>			
6	<b>Material Expenditure</b>			
7	<b>Material Expenditure</b>			

WFO14 Saldanha Bay - Supporting Table S03 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2018/17										Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debt LAD Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-210 Days	Over 210 Days	Total						
<b>Receivables</b>																
<b>Debtors Age Analysis By Income Source</b>																
Trade and Other Receivables from Exchange Transactions - Water	1200	9 787	1 253	855	520	556	5 426	19 328					23 876	2 593	(100)	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	17 783	524	100	88	72	274	1 359					20 075	15	(134)	
Receivables from Air-charge Transactions - Property Rates	1400	10 540	1 704	1 107	667	882	3 840	17 128					36 299	944	(301)	
Receivables from Exchange Transactions - Waste Water Management	1500	2 314	500	58	503	652	2 520	14 659					27 657	380	(1 440)	
Receivables from Exchange Transactions - Waste Management	1600	4 103	940	686	585	532	2 824	13 614					31 375	187	(1 050)	
Receivables from Exchange Transactions - Supply Services	1700	20	7	5	5	5	29	2 356					2 397	82	(6)	
Interest Arise - Debtor Accounts	1800	540	916	805	823	915	3 754	19 020					27 178			
Provisional (unsubscribed) liability funds and loss of deposits/June	1820	-	-	-	-	-	-	-					-	-	-	
Other	1900	1 353	742	5 217	27	457	294	4 218					13 878			
<b>Total By Income Source</b>	<b>2000</b>	<b>47 757</b>	<b>6 005</b>	<b>5 424</b>	<b>3 433</b>	<b>5 835</b>	<b>17 671</b>	<b>91 655</b>					<b>173 880</b>	<b>3 378</b>	<b>(887)</b>	
<b>2018/16 - totals only</b>																
<b>Debtors Age Analysis by Customer Group</b>																
Debtors of 2016	2200	1 827	118	135	51	73	585	2 071					5 573			
Commercial	2300	24 885	1 444	1 800	528	526	4 522	15 200					43 117			
Household	2400	21 017	4 379	3 367	2 825	2 431	12 045	72 137					133 803			
Other	2500	28	23	22	22	21	117	128					284			
<b>Total By Customer Group</b>	<b>2600</b>	<b>47 757</b>	<b>6 005</b>	<b>5 424</b>	<b>3 433</b>	<b>5 835</b>	<b>17 671</b>	<b>91 655</b>					<b>173 880</b>	<b>3 378</b>	<b>(887)</b>	

WC014 Saldanha Bay - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2016/17								Total
		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	
Customers Age Analysis By Customer Type										
Bulk Electricity	0100									
Bulk Water	0200									
PAYE deductions	0300									
VAT (output less input)	0400									
Personal / Retirement deductions	0500									
Loan repayments	0600									
Trade Creditors	0700	3 545	67	26	99	60				3 897
Auction General	0800									
Other	0900									
<b>Total By Customer Type</b>	<b>1000</b>	<b>3 545</b>	<b>67</b>	<b>26</b>	<b>99</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 897</b>

WC014 Saldaña Bay - Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M12 June

Investments by maturity Name of Institution & Investment ID	Ref	Period of Investment	Type of Investment	Expiry date of Investment	Accrued interest for the month	Yield for the month (%)	Market value at beginning of the month	Change in market value	Market value at end of month	
<b>R. Incurros</b>										
<b>Municipality</b>										
FNB	71444325250	10Mths	Short Term	20160722	-	7.5%	-	-	-	
INVESTEC	110045844540	10Mths	Short Term	20160722	-	7.6%	-	-	-	
FNB	71444325250	6Mths	Short Term	20160622	-	7.7%	-	-	-	
NEDBANK	03788153035000285	3Mths	Short Term	20160623	-	8.2%	-	-	-	
AUSA	207873130	5Mths	Short Term	20160623	-	8.1%	-	-	-	
INVESTEC	110045844540	9Mths	Short Term	20161105	-	8.3%	-	-	-	
STANDARD	288503235105	9Mths	Short Term	20161105	-	8.5%	-	-	-	
ASSA	2078821075	8Mths	Short Term	20161028	-	8.5%	-	-	-	
NEDBANK	03788153035000285	9Mths	Short Term	20161028	-	8.5%	-	-	-	
ASSA	2078821075	9Mths	Short Term	20161102	-	8.7%	(1)	-	-	
NEDBANK	03788153035000285	9Mths	Short Term	20170123	-	8.7%	(1)	-	-	
INVESTEC	110045844540	9Mths	Short Term	20170123	-	8.7%	(1)	-	-	
AUSA	207873130	6Mths	Short Term	20170223	-	8.7%	(1)	-	-	
FNB	71444325250	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
STANDARD	288503235105	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
NEDBANK	03788153035000285	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
AUSA	207873130	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
STANDARD	288503235105	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
NEDBANK	03788153035000285	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
AUSA	207873130	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
STANDARD	288503235105	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
NEDBANK	03788153035000285	5Mths	Short Term	20170323	-	8.7%	(1)	-	-	
INVESTEC	110045844540	9Mths	Short Term	20170423	-	8.5%	-	-	-	
STANDARD	288503235105	4Mths	Short Term	20170423	-	7.5%	-	-	-	
FNB	71444325250	7Mths	Short Term	20170423	-	7.2%	-	-	-	
INVESTEC	110045844540	6Mths	Short Term	20170423	-	8.5%	-	-	-	
INVESTEC	110045844540	6Mths	Short Term	20170525	-	8.4%	(1)	-	-	
NEDBANK	03788153035000285	5Mths	Short Term	20170525	-	8.5%	(1)	-	-	
ASSA	2078821075	5Mths	Short Term	20170623	62	8.6%	88 091	-	88 666	
STANDARD	288503235105	5Mths	Short Term	20170623	69	8.6%	10 367	-	10 442	
NEDBANK	03788153035000285	8Mths	Short Term	20170623	176	8.7%	25 948	-	26 124	
INVESTEC	110045844540	8Mths	Short Term	20170623	143	8.6%	20 721	-	20 864	
FNB	71444325250	8Mths	Short Term	20170623	107	7.8%	20 558	(20 641)	20 517	
STANDARD	288503235105	5Mths	Short Term	20170623	226	8.2%	41 128	(41 365)	40 763	
INFORMA	01788153035000285	9Mths	Short Term	20170623	142	8.9%	25 718	(25 058)	20 660	
INFORMA	288503235105	5Mths	Short Term	20170724	135	8.2%	20 437	-	20 572	
ASSA	207873130	7Mths	Short Term	20171023	208	8.4%	36 437	-	36 645	
STANDARD	288503235105	7Mths	Short Term	20171023	100	8.4%	15 215	-	15 315	
NEDBANK	03788153035000285	7Mths	Short Term	20171023	311	8.6%	20 443	-	20 754	
STANDARD	288503235105	7Mths	Short Term	20171023	48	8.1%	4 914	(4 842)	5 072	
FNB	71444325250	8Mths	Short Term	20171023	339	8.3%	30 407	-	30 746	
INVESTEC	110045844540	5Mths	Short Term	20180325	344	8.4%	36 433	-	36 777	
STANDARD	288503235105	196days	Short Term	20171115	138	8.2%	20 131	-	20 269	
INVESTEC	110045844540	190days	Short Term	20171115	171	8.5%	25 168	-	25 339	
FRD	74600575735	43days	Short Term	20170717	124	7.2%	20 004	-	20 128	
STANDARD	288503235105	203days	Short Term	20170717	41	7.3%	-	(50 000)	(49 959)	
NEDBANK	03788153035000285	230days	Short Term	20170717	42	8.5%	-	(45 000)	(44 958)	
<b>Municipality to whom</b>										
<b>Expays</b>										
<b>Expays sub-total</b>										
<b>TOTAL INVESTMENTS AND INTEREST</b>					<b>2</b>		<b>\$ 1.0</b>	<b>500 095</b>	<b>2 165</b>	<b>505 96</b>

WCD14 Sp'andanu Bay - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - as of 2 June

Description	Ry	2015/16		Budget Year 2017						
		Actual Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD Budget	YTD Variance	YTD Variance %	Fair Year Forecast
<b>RECEIPTS</b>										
<b>Statutory Transfers and Grants</b>										
National Government:										
Local Government Equitable Share		28 962	68 326	66 246	-	68 243	68 243	0%	8.8%	66 246
Fishing Management		60 082	51 374	51 074	-	51 074	51 074	0	0.0%	51 074
Municipal Systems Improvement		1 430	1 474	1 474	-	1 474	1 474	-	-	1 474
Eq. Liability Share, Cont. Towards Councils Forum		1 545	5 159	5 159	-	5 158	5 158	0	0.0%	5 158
Municipal Infrastructure Grant (MIG)		345	857	821	-	821	821	-	-	821
HMV Income		1 000	1 871	1 371	-	1 001	1 071	-	-	1 071
Other transfers and grants (inter-department)										
Provincial Government:		51 353	41 289	45 326	311	44 322	48 733	2 100	-4.7%	45 724
Housing		43 744	35 800	31 266	511	33 683	37 280	1 273	0.3%	37 300
Cultural Affairs and Sport, Library Services		5 839	6 264	6 264	-	6 263	6 260	-	-	6 263
Subsidy, Main Roads										
Maintenance and Construction of Transport Infrastructure		101	125	125	-	126	126	-	-	126
Community Development Block (CUM)		38	75	65	-	75	75	-	-	75
Theatrical Centre		100	-	906	-	-	124	(940)	-100.0%	124
Transport of Commuters to Service										
Cont. Towards Acceleration of Housing Delivery										
Economic Development and Job-hub (SM-R)										
Marine Management Capacity Grant			121	125	-	123	120	-	-	120
Housing Management Support		230	618	623	-	623	673	(700)	-78.2%	623
Regional Social Economic Project (RSEP)		330	623	-	-	-	-	-	-	-
Wood Resilience Grant		1 000	-	1 000	-	-	1 000	(1 000)	-100.0%	1 000
Government Informing Grid Action			-	10	-	60	60	-	-	60
Municipal Social Development Framework Grant		500	-	500	-	-	500	(500)	-100.0%	523
Other transfers and grants (inter-department)										
District Municipality:										
Bundamba										
Other grant providers:										
Zulu Gov. Prov. /SETG		371	413	2 028	-	295	2 891	(1 000)	-30.1%	2 891
National Development Corporation		64	47	47	-	33	413	(211)	-50.0%	413
Langkuan County Estate /CCF				25	-	25	25	-	-	25
Wazeni				5	-	5	5	(5)	-100.0%	5
Garden Transport Transit House				260	-	-	212	(750)	-100.0%	260
Computer Management System										
Sustainable Local Needs Response Unit										
Contribution Saboteur Steel				68	-	-	830	(866)	-100.0%	686
Commercial Mediation		12								
<b>Total Operating Transfers and Grants</b>	<b>6</b>	<b>111 147</b>	<b>112 116</b>	<b>113 123</b>	<b>210</b>	<b>108 263</b>	<b>115 123</b>	<b>(4 070)</b>	<b>-3.5%</b>	<b>115 123</b>
<b>Capital Transfers and Grants</b>										
National Government:										
Municipal Infrastructure Grant (MIG)		23 778	19 606	19 326	-	19 606	19 603	-	-	19 326
Municipal Systems Improvement		17 389	17 624	17 025	-	17 624	17 666	-	-	17 325
HMV Income		320	-	-	-	-	-	-	-	-
Local Government Equitable Share										
Fishing Management		58	-	-	-	-	-	-	-	-
Integrated Marine Ecosystem Programme		2 030	2 300	2 030	-	2 300	2 000	-	-	2 030
Other capital grants (inter-department)										
Provincial Government:		49 623	11 859	23 934	-	16 331	28 994	(12 457)	-63.0%	23 934
Housing		2 937	4 000	3 632	-	5 148	2 830	1 510	61.8%	2 620
Housing Cont. Towards acceleration of Housing delivery		7 000	-	-	-	-	-	-	-	-
Sports and Recreation Funding										
Cultural Affairs and Sport, Library		1 172								
Cultural Affairs and Sport, Library, Marketing /Projects										
Cultural Affairs and Sport, Library, Design /Exhibitions										
Regional Space-Connect Project (RSEP)		3 500	7 900	11 134	-	8 900	15 101	(2 604)	-21.5%	11 101
Housing Management Support			50	0	-	0	0	(50)	-100.0%	0
Local Resilience Grant		14 257	-	40 393	-	-	10 822	(13 283)	-100.0%	10 822
Academic Community Infrastructure Programme				382	-	1 082	1 663	(30)	1.5%	1 663
District Municipality:										
Bundamba										
Other grant providers:										
Saverio Fournet		8 898	8 830	7 864	-	-	7 854	(7 864)	-100.0%	7 854
Bundamba		8 830	6 000	5 748	-	-	5 748	(8 142)	-100.0%	5 748
Garden Transport Transit House			2 000	2 138	-	-	2 106	-	-	2 106
<b>Total Capital Transfers and Grants</b>	<b>5</b>	<b>79 307</b>	<b>18 465</b>	<b>95 413</b>	<b>-</b>	<b>26 136</b>	<b>21 443</b>	<b>(23 304)</b>	<b>-10.0%</b>	<b>26 443</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>5</b>	<b>190 454</b>	<b>130 581</b>	<b>208 536</b>	<b>210</b>	<b>134 399</b>	<b>136 566</b>	<b>(24 578)</b>	<b>-18.2%</b>	<b>141 566</b>

WDM Saldanha Bay - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M:2 June

Description	Ref	2017/18	Budget Year 2018/19							Full Year Forecast
		Actuals Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD Variance	YTD Variance %	
<b>Expenditure</b>										
<b>General operational transfers and grants</b>										
National Government		88 892	88 906	88 906	4 408	41 091	46 305	(25 214)	-33.1%	66 305
Local Government: Cape West Group		53 642	57 274	57 074	2 465	32 783	27 894	(24 837)	-43.2%	57 674
Finance Management		420	1 415	1 475	381	1 475	1 475	-	-	1 475
Municipal Systems Improvement		700	-	-	-	-	-	-	-	-
Establishment Cost Towards Councils (M:2)		4 545	5 158	5 158	442	4 935	5 158	(223)	-4.2%	5 158
Municipal Infrastructure Grant (M:2)		918	907	907	-	207	207	-	-	907
EPWP Initiative		1 000	1 011	1 011	129	1 374	1 011	-	-	1 011
Other transfers and grants (not described)		-	-	-	-	-	-	-	-	-
Provincial Government:		46 223	43 309	44 739	2 157	22 574	44 537	(5 013)	-13%	44 223
Health		37 515	28 290	27 590	826	37 298	27 543	76	1.2%	37 565
Cultural Affairs and Sports Library Services		5 258	5 299	5 258	1 188	5 258	5 253	-	-	5 258
Safety and Pools		-	-	-	-	-	-	-	-	-
Vaiverance and Collaboration Transport Initiative		107	105	105	-	126	176	11	9.1%	106
Community Development North (CDM)		37	75	75	25	73	69	4	6.2%	75
Therapy Centre		-	-	106	-	-	97	(107)	-100.0%	106
Transport of Commensal Service		-	-	-	-	-	-	-	-	-
Costs Towards Acceleration of Housing Delivery		-	-	-	-	-	-	-	-	-
Economic Development and Tourism (M:2)		-	-	-	-	-	-	-	-	-
Human Resource Capacity Grant		-	123	125	(10)	40	110	(70)	-59.5%	120
Finance Management Support		1 044	512	503	85	379	246	(487)	-55.2%	503
Regional Social Economic Project (RSEP)		726	500	-	-	-	-	-	-	-
Urban Revitalisation Grant		-	-	1 000	-	-	917	(177)	-131.0%	1 000
Government Internship Schemes		-	-	83	-	-	83	-	-100.0%	83
Municipal Spatial Development Framework Grant		-	-	503	-	-	503	(500)	-130.0%	500
Other grant providers:		835	413	2 391	11	1 611	2 391	(861)	-23.0%	2 391
State Dev. Prog. (BETA)		538	413	413	38	82	413	(261)	-55.0%	413
Industrial Development Corporation		-	-	-	-	-	-	-	-	-
Langkooer Country Estate (LCE)		-	-	25	3	12	25	(17)	-52.0%	25
Wegco		10	-	5	-	3	5	-	-	5
Division: Transport Ticket Allowance		-	-	750	4	750	750	-	-	750
Compliance Management System		-	-	-	-	-	-	-	-	-
Standard Bank Social Responsibility		53	-	-	-	-	-	-	-	-
Contributor: Saldanha Steel		-	-	658	-	70	698	(117)	-17.7%	698
Contributor: Nasiona		13	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>163 836</b>	<b>154 165</b>	<b>155 333</b>	<b>5 653</b>	<b>81 226</b>	<b>114 633</b>	<b>(27 907)</b>	<b>-28.1%</b>	<b>155 333</b>
<b>Capital expenditure (Transfers and Grants)</b>										
National Government		20 718	20 305	20 625	1 304	15 171	15 635	(463)	-2.2%	19 625
Municipal Infrastructure Grant (MIG)		7 940	7 000	7 525	1 064	17 665	17 617	0	0.1%	17 625
Municipal Systems Improvement		300	-	-	-	-	-	-	-	-
EPWP Initiative		-	-	-	-	-	-	-	-	-
Local Government: Etropole Shire		-	-	-	-	-	-	-	-	-
Finance Management		30	-	-	-	-	-	-	-	-
Integrated National Biodiversity Programme		2 000	2 000	2 000	-	1 555	2 000	(425)	-21.2%	2 000
Other capital transfers (not described)		-	-	-	-	-	-	-	-	-
Provincial Government:		22 237	14 858	28 044	1 221	1 420	26 204	(12 731)	-45.5%	28 044
Health		2 247	4 530	2 427	37	2 339	2 630	(1 949)	-55.7%	2 427
Health: Cape Town: Housing acceleration (housing delivery)		1 700	-	-	-	300	-	255	100.0%	-
Sports and Recreation Facilities		1 124	-	-	-	-	-	-	-	-
Cultural Affairs and Sports Library		8 120	-	-	-	-	-	-	-	-
Cultural Affairs and Sport: Library Non-Funding Purposes		-	-	-	-	-	-	-	-	-
Cultural Affairs and Sport: Library: Energy Langkooer		-	-	-	-	-	-	-	-	-
Regional Socio-Economic Project (RSEP)		17	1 910	12 124	951	2 855	12 154	(10 205)	-84.4%	12 104
Finance Management Support		309	30	0	-	-	4	(0)	-100.0%	0
Urban Revitalisation Grant		24 623	-	10 225	-	-	12 243	(10 205)	-100.7%	10 225
Accelerated Community Infrastructure Programme		-	-	1 825	-	1 885	1 885	(10)	0.7%	1 885
Other grant providers:		5 744	8 000	7 854	5 744	5 842	7 854	(1 812)	-23.1%	7 854
Donor: Transport		5 744	8 000	5 744	5 744	5 748	5 749	(1)	0.0%	5 749
Donor: Transport Ticket Allowance		-	-	-	-	283	-	283	100.0%	-
Donor: African		-	-	2 110	-	-	2 106	-	-	2 110
<b>Total capital expenditure of Transfers and Grants:</b>		<b>59 839</b>	<b>23 433</b>	<b>46 442</b>	<b>8 644</b>	<b>22 520</b>	<b>26 443</b>	<b>(17 623)</b>	<b>-47.2%</b>	<b>59 442</b>
<b>TOTAL (CAPM) USE OF TRANSFERS AND GRANTS</b>		<b>163 796</b>	<b>143 572</b>	<b>151 518</b>	<b>14 297</b>	<b>103 746</b>	<b>141 076</b>	<b>(37 530)</b>	<b>-30.7%</b>	<b>171 576</b>

WCDM Saldanha Bay - Supporting Table 5C7(2) Monthly Budget Statement - Expenditure against approved rollovers - H17 June

Description	Rf	Budget Year 2017/18				
		Approved rollover 2016/17	Monthly actual	Year to date actual	YTD variance	YTD variance %
<b>R thousands</b>						
<b>EXPENDITURE</b>						
<b>Operational expenditure of Approved Rollovers</b>						
<b>National Government:</b>						
Local Government Equitable Share		-	-	-	-	
Finance Management		-	-	-	-	
Municipal Systems Improvement		-	-	-	-	
Eq. Share: Cont. Towards Councils Form A		-	-	-	-	
Municipal Infrastructure Grant (MIG)		-	-	-	-	
EPWP incentive		-	-	-	-	
Other transfers and grants (given description)		-	-	-	-	
<b>Provincial Government:</b>		1 611	84	632	979	60.7%
<b>Municipal:</b>						
Capital Affairs and Sport Library Services		-	-	-	-	
Subsidy: Vols Roads		-	-	-	-	
Maintenance and Construction of Transport Infrastructure		-	-	-	-	
Community Development Worker (CDW)		-	-	-	-	
Theory Centre		100	-	-	-	
Transfer of Constructional Services		-	-	-	-	
Cont. Towards Acquisition of Housing Inventory		-	-	-	-	
Financial Management and Transport (MTR)		-	-	-	-	
Financial Management Capacity Grant		-	-	-	-	
Finance Management Support		75	-	11	-	
Regional Social Economic Project (RSEP)		-	-	-	-	
Urban Revitalisation Grant		1 000	84	321	679	40.9%
Municipal Special Development Framework Grant		666	-	-	666	100.0%
Other transfers and grants (given description)		-	-	-	-	
<b>Municipal Municipality:</b>		-	-	-	-	
(given description)		-	-	-	-	
<b>Other grant providers:</b>						
Skills Dev. Prog. (SETA)		-	-	-	-	
Industrial Development Corporation		-	-	-	-	
Langenhoven County Table 1 (LCT)		-	-	-	-	
Wetigo		-	-	-	-	
Donors: Transport Through House		-	-	-	-	
Compliance Management System		-	-	-	-	
Standard Bank Social Responsibility		-	-	-	-	
Contributor: Saldanha Bay		-	-	-	-	
Community Institute		-	-	-	-	
<b>Total operational expenditure of Approved Rollovers</b>		1 611	84	663	949	60.4%
<b>Capital expenditure of Approved Rollovers</b>						
<b>National Government:</b>						
Municipal Infrastructure Grant (MIG)		-	-	-	-	
Municipal Systems Improvement		-	-	-	-	
EPWP incentive		-	-	-	-	
Local Government Equitable Share		-	-	-	-	
Finance Management		-	-	-	-	
Integrated National Development Programme		-	-	-	-	
Other capital transfers (given description)		-	-	-	-	
<b>Provincial Government:</b>		11 253	-	3 664	-	
<b>Municipal:</b>						
Housing		-	-	-	-	
Housing: Cont. Towards meeting accommodation shortage (ongoing delivery)		-	-	-	-	
Subsidy: Recreation Facilities		-	-	-	-	
Capital Affairs and Sport Library		-	-	-	-	
Capital Affairs and Sport Library New Building - Finance		-	-	-	-	
Capital Affairs and Sport Library to merge Langenhoven		-	-	-	-	
Region Social Economic Project (RSEP)		2 631	-	2 664	-	
Finance Management Support		-	-	-	-	
Urban Revitalisation Grant		6 660	-	-	-	
Accelerated Community Infrastructure Programme		-	-	-	-	
<b>Municipal Municipality:</b>		-	-	-	-	
(given description)		-	-	-	-	
<b>Other grant providers:</b>						
Donors: Transport		-	-	-	-	
Donors: Transport Through House		-	-	-	-	
Donors: Wetigo		-	-	-	-	
<b>Total capital expenditure of Approved Rollovers</b>		11 253	-	3 664	-	
<b>TOTAL EXPENDITURE OF APPROVED ROLL OVERS</b>		14 864	84	4 327	949	6.4%

2024 Salary Survey - Supporting Table 001 Monthly Budget Statement - covers all staff benefits - W12 Ave

Agency or Employee Classification	Rate	2019				Budget Year 2020				
		Approved Employee	Original Budget	Adjusted Budget	Monthly Salary	New Hires	Open to Change	RTI Savings	TOT Savings	Payable Percent
Account		A	B	C						
<b>Department: Police Officer/Recruit at 1.0000</b>										
Basic Salaries and Payroll		6,588	7,138	7,138	598	2,012	7,155	240	2%	7,105
Payroll and OPI Contributions		2,111	2,268	2,111	176	2,111	2,111	(88)	(4%)	2,023
Medical Aid Contributions		121	118	121	10	121	121	0	0%	121
Police Vehicle Allowance		1,108	1,107	1,108	93	1,108	1,108	25	2%	1,133
Cellular Allowance		173	225	173	14	173	173	22	13%	195
Health Allowance		143	113	143	12	143	143	(18)	(13%)	125
Other benefits and allowances		58	0	58	5	58	58	(13)	(23%)	45
<b>Sub Total - Department</b>		<b>10,362</b>	<b>10,849</b>	<b>10,849</b>	<b>874</b>	<b>10,268</b>	<b>10,068</b>	<b>(200)</b>	<b>(2%)</b>	<b>10,068</b>
Non-recurring	4									10,068
<b>Police Administration of P.I. &amp; Safety</b>	3									10,068
Basic Salaries and Payroll		4,113	4,765	4,682	387	4,113	4,682	(244)	(6%)	4,438
Payroll and OPI Contributions		96	100	96	8	96	96	(10)	(10%)	86
Medical Aid Contributions		112	108	111	9	112	111	0	0%	111
Cellular		0	0	0	0	0	0	0	0%	0
Performance Bonus		0	0	0	0	0	0	0	0%	0
Police Vehicle Allowance		1,652	1,648	1,654	137	1,652	1,652	(13)	(1%)	1,639
Cellular Allowance		41	48	41	3	41	41	(2)	(5%)	39
Health Allowance		245	217	245	20	245	245	(23)	(9%)	222
Other benefits and allowances		34	10	34	3	34	34	(11)	(32%)	23
Payroll in lieu of leave		0	0	0	0	0	0	0	0%	0
Long service awards		0	0	0	0	0	0	0	0%	0
Future medical benefits program		0	0	0	0	0	0	0	0%	0
<b>Sub Total - Police Administration of P.I. &amp; Safety</b>		<b>5,231</b>	<b>5,131</b>	<b>5,131</b>	<b>427</b>	<b>5,231</b>	<b>4,993</b>	<b>(238)</b>	<b>(5%)</b>	<b>4,993</b>
Non-recurring	4									4,993
<b>Other Municipal Staff</b>	4									15,061
Basic Salaries and Payroll		10,188	11,279	10,127	847	10,188	10,127	(71)	(1%)	10,056
Payroll and OPI Contributions		2,281	2,342	2,128	177	2,281	2,128	(153)	(7%)	2,075
Medical Aid Contributions		414	425	414	34	414	414	(2)	(1%)	412
Cellular		22	18	22	2	22	22	0	0%	22
Performance Bonus		0	0	0	0	0	0	0	0%	0
Police Vehicle Allowance		1,652	1,648	1,654	137	1,652	1,652	(13)	(1%)	1,639
Cellular Allowance		152	104	152	12	152	152	(2)	(1%)	150
Health Allowance		214	224	214	18	214	214	(2)	(1%)	212
Other benefits and allowances		1,092	2,174	1,092	90	1,092	1,092	(10)	(1%)	1,082
Payroll in lieu of leave		0	100	0	0	0	0	0	0%	0
Long service awards		0	100	100	8	100	100	0	0%	100
Future medical benefits program		0	0	0	0	0	0	0	0%	0
<b>Sub Total - Other Municipal Staff</b>		<b>15,177</b>	<b>16,372</b>	<b>15,125</b>	<b>1,264</b>	<b>15,177</b>	<b>14,953</b>	<b>(224)</b>	<b>(1%)</b>	<b>14,953</b>
Non-recurring	4									14,953
<b>Total Personnel Benefits</b>		<b>25,769</b>	<b>27,171</b>	<b>25,974</b>	<b>2,165</b>	<b>25,769</b>	<b>24,914</b>	<b>(855)</b>	<b>(3%)</b>	<b>24,914</b>
<b>Departmental - Police Officer/Recruit at 1.0000</b>										10,068
<b>Departmental - Police Administration of P.I. &amp; Safety</b>										4,993
<b>Departmental - Other Municipal Staff</b>										14,953
<b>Total Municipal Benefits</b>										29,914
<b>TOTAL SALARY, ALL CATEGORIES &amp; BENEFITS</b>		<b>29,110</b>	<b>30,117</b>	<b>29,212</b>	<b>2,179</b>	<b>29,110</b>	<b>27,242</b>	<b>(1,868)</b>	<b>(6%)</b>	<b>27,242</b>
Non-recurring	1	1,111,327,1	0%	1,111,327,1						1,111,327,1
<b>TOTAL SALARY &amp; BENEFITS</b>		<b>30,221,437</b>	<b>30,117,117</b>	<b>29,123,539</b>	<b>2,179</b>	<b>30,221,437</b>	<b>27,242,484</b>	<b>(2,978,953)</b>	<b>(10%)</b>	<b>27,242,484</b>



## RECON CASH FLOW: JUNE 2017

### Opening balance: cash/cash equivalents

<b>As at 01/07/2016</b>	<b>502 510 957</b>
Investments	433 369 250
Cash on hand	22 710
Cash book	69 118 988

### Closing balance: Cash/cash equivalents

<b>As at 30/06/2017 - YTD</b>	<b>552 781 677</b>	Code CFA 4200
Investments	505 593 448	
Cash on hand	24 710	
Cash book	47 163 519	

### Balance for Month : Inc/Decr in Cash Held

<b>As at 30/06/2017 - MTD</b>	<b>-480 745</b>	Code CFA 4180
Movement: Investments	5 538 812	
Movement: Cash on hand	2 000	
Movement: Cash book	-6 021 557	



## SALDANHA BAY MUNICIPALITY

## Bank Reconciliation Summary

Bank Code : 7422066 000090      Aa At : 01/07/2017  
 Period : 201706

Balance as per Bank Statement	46,370,859.64 -
Outstanding Deposits Plus	1,412,385.46
BANK STATEMENT	0.00
CHEQUE EXPENSE	0.00
DEPOSIT	1,412,385.46
ELECTRONIC TRANSFER	0.00
RD CHEQUES	0.00
REVERSALS	0.00
TRANSFER TO BANK ACC	0.00
TRANSFER IN	0.00
TRANSFER OUT	0.00
OTHER TRANSACTIONS	0.00
Outstanding Payments Minus	171,379.63 -
BANK STATEMENT	0.00
CHEQUE EXPENSE	171,379.63
DEPOSIT	0.00
ELECTRONIC TRANSFER	0.00
RD CHEQUES	0.00
REVERSALS	0.00
TRANSFER TO BANK ACC	0.00
TRANSFER IN	0.00
TRANSFER OUT	0.00
OTHER TRANSACTIONS	0.00
Calculated Balance	47,620,845.67 -
B/S Outstanding Payments Minus	0.00
B/S Outstanding Deposits Plus	457,426.38
Final Calculated Balance	47,168,519.28 +
Balance as per Cash Book	47,168,519.28
Difference	0.00

Compiled By

*[Signature]* 2017.06.30 *[Signature]* M. Vergele

Reviewed By 1

*[Signature]* (E. VERGATE)

Reviewed By 2

*[Signature]* 30-6-2017

**BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET**  
 Municipal Finance Management Act, section 11(4)  
 Consolidated Quarterly Report for period 01/07/2016 to 30/09/2016



Date	Payee	Amount in R'000	Description and Purpose (including section reference e.g. sec 11(f))	Authorised by (name)
07/08/2017	PROV GOV OF THE WCAPPE MOTOR V	324.76	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
07/08/2017	PROV GOV OF THE WCAPPE MOTOR V	405.17	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
24/08/2017	PROV GOV OF THE WCAPPE MOTOR V	583.98	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
16/08/2017	PROV GOV OF THE WCAPPE MOTOR V	545.33	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
07/08/2017	PROV GOV OF THE WCAPPE MOTOR V	18.23	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
07/08/2017	PROV GOV OF THE WCAPPE MOTOR V	20.32	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
24/08/2017	PROV GOV OF THE WCAPPE MOTOR V	35.24	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
15/08/2017	PROV GOV OF THE WCAPPE MOTOR V	28.48	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
05/04/2017	PROVINCIAL GOVERNMENT OF THE W	900.91	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
12/04/2017	PROVINCIAL GOVERNMENT OF THE W	660.53	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
16/04/2017	PROVINCIAL GOVERNMENT OF THE W	478.84	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
28/04/2017	PROVINCIAL GOVERNMENT OF THE W	848.16	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
03/05/2017	PROVINCIAL GOVERNMENT OF THE W	287.47	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
17/05/2017	PROVINCIAL GOVERNMENT OF THE W	547.24	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
17/05/2017	PROVINCIAL GOVERNMENT OF THE W	521.42	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
05/04/2017	PROVINCIAL GOVERNMENT OF THE W	581.00	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
12/04/2017	PROVINCIAL GOVERNMENT OF THE W	30.79	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
19/04/2017	PROVINCIAL GOVERNMENT OF THE W	21.21	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
26/04/2017	PROVINCIAL GOVERNMENT OF THE W	32.34	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
03/05/2017	PROVINCIAL GOVERNMENT OF THE W	23.69	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
17/05/2017	PROVINCIAL GOVERNMENT OF THE W	2.87	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
17/05/2017	PROVINCIAL GOVERNMENT OF THE W	28.63	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
10/05/2017	PROVINCIAL GOVERNMENT OF THE W	30.28	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
31/05/2017	PROVINCIAL GOVERNMENT OF THE W	308.78	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
22/06/2017	PROVINCIAL GOVERNMENT OF THE W	308.38	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
25/06/2017	PROVINCIAL GOVERNMENT OF THE W	636.13	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
22/06/2017	PROVINCIAL GOVERNMENT OF THE W	23.44	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
25/06/2017	PROVINCIAL GOVERNMENT OF THE W	34.73	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
26/04/2017	PROVINCIAL GOVERNMENT OF THE W	56.58	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
31/05/2017	PROVINCIAL GOVERNMENT OF THE W	42.30	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
22/06/2017	PROVINCIAL GOVERNMENT OF THE W	52.61	Motor vehicle registration fees Section 11 (e)(i)	H DAMONS
30/06/2017	A GAMFRON	6.32	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
31/06/2017	A COETZEE	4.08	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
28/06/2017	A DE BEER	47.24	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	A FREDERICKS	1.04	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/04/2017	A ISPACS	0.90	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	A KAMEEL	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	A NOVEMBER	1.41	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

4/05/2017	A PAPER		0.98	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	A PRE TORIUS		1.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	A QUILA		39	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/05/2017	A SUMMERS		0.98	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/04/2017	A VAN ZYL		1.23	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	A VORSTER		1.53	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	AA OBERHOLZER		2.73	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
13/05/2017	AB JANSSEN		2.08	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	AB VAN ZYL		3.17	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	AC SCROEDMAN		0.23	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
13/05/2017	ACTIVE MECHANICAL SERVICES GRO		1.21	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	AD ANTHONY		0.52	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
15/05/2017	AD BEKEUR		1.03	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	ADV STRYDOM		4.01	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
26/04/2017	AE DELL		8.80	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/05/2017	AE SAULSE		0.12	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
29/05/2017	AELJPFOLD		0.44	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	AHE PRETORIUS		6.51	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/05/2017	AJ LUDICK		6.11	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	AK MARKER		1.52	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	ALISON FAGAR		1.25	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	AM HARTMANN		1.36	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/06/2017	AR ALICAMP		0.83	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
13/05/2017	AS ILUMAN		2.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/06/2017	ATLANTIC DERIVATIVES PTY LTD		1.04	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	AV SMEDA		0.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
28/04/2017	BA BOTHA		2.14	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/04/2017	BANDKORP PTY LTD		2.67	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
13/04/2017	BC DOETZEE		3.90	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/04/2017	BEADWAY (PTY) LTD		1.27	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/04/2017	BEADWAY (PTY) LTD		0.88	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	BEADWAY (PTY) LTD		1.45	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	BEADWAY (PTY) LTD		1.79	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/06/2017	BETTER BEST SKILLS DEVELOPMENT		8.28	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/06/2017	BIVEST BANK LIMITED		1.97	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/05/2017	BLUE BAY LODGE (PTY) LTD		1.10	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
04/04/2017	BOEIJL J NEL		1.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/05/2017	BRENDA HUGO PROPERTIES PTY LTD		3.17	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	BRIUS FAMILY TRUST		0.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/06/2017	BUSINESS ESSENTIALS CONSULTING		2.09	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	C ABRAMS		0.23	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	C CRUYFVAGEN		0.64	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	C DIEFDRICKS		0.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
28/04/2017	C DIEGDRICKS		0.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	C FISHER		9.48	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/05/2017	C JOUW		9.35	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/05/2017	C KOOLMAN		1.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/02/2017	C TAUTE		0.84	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	C VAN DER SPIJY		0.97	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	C VAN DER SPIJY		0.87	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

48/06/2017	LAITE LUKASZ YKALIH		0.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	CAPE COUNTRY INVESTMENTS (PTY)		3.37	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
16/05/2017	CC SIMPSON-HEATH		4.5	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/05/2017	CG STONE		2.65	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/06/2017	COMA		0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	CJ MELONAS		2.81	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	CJ SCHREUDER		4.42	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	CJ TIMMS		2.70	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	CL ROUX		2.40	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/06/2017	CLAUSEN DIAMOND DEALERS AND IN		1.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/06/2017	CLIFFE DEKKER HOFMEYR INC		47.87	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/04/2017	CM LABUSCHAGNE		1.07	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	CO CARSTENS		1.06	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	D DIRKS		0.37	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	D EBERLE		0.66	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	D GOVENDER		1.71	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/03/2017	D MAARMAN		0.74	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	D MOSES		1.37	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/08/2017	D PRETORIUS		2.35	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	D VAN DER MERWE		1.89	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/03/2017	D VAN NIEUWENHUIZEN		1.82	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	D VAN ZYL		0.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/03/2017	D&E STEEL (PTY) LTD		6.92	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/03/2017	DA CLUNIE		2.64	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/04/2017	DA CLUNIE		3.73	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/04/2017	DA WRIGHT		3.89	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/05/2017	DB EDSMAN		0.71	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	DCS NAIDOO		5.89	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	DD GROWE		4.55	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
07/06/2017	DE JAGER FAMILIE TRUST		3.24	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	DE LA PLAINE TRUST		2.08	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
15/06/2017	DE VILLIERS & STEMMET		0.14	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/08/2017	DEPARTMENT OF HUMAN SETTLEMENTS		3 567.60	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/08/2017	DG VAN DER MERWE		7.74	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	DH DEARHAM		1.30	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	DH VAN NIEKERK		0.57	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/06/2017	DIE RETIEF FAMILIE TRUST		0.34	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
25/05/2017	DJ BAKKER		0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
26/04/2017	DJ BAKKER		0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/04/2017	DJ SENEKAL FAMILIE TRUST		0.53	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	DJ VACCARI		3.87	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/03/2017	DK LAKORAL		0.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	DL DEMPERS		2.91	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	DUNE RIDGE RENTALS		10.55	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/05/2017	DWM AUSTEN		0.71	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/05/2017	DWM AUSTEN		1.04	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/03/2017	E BRINK		2.40	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/06/2017	F GAREY		3.58	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	F HILTON		0.39	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

19/04/2017	E KRUGER	1.10	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/04/2017	E LAWRENZ	2.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	E MOSTERT	11	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	E NIEHOUD	0.65	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
11/04/2017	E PEARSON	0.76	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/08/2017	E PEUTT	2.33	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/09/2017	E WIKOTH	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	FEDERSONS	2.19	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/03/2017	FEBERSONS PROKUREURS	4.65	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	EDWSTRYDOM	1.19	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	EJ VAN DER MERWE	1.01	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	EJH VAN DER WIFSTHUIZEN	1.98	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/08/2017	EL HUSO	31.32	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	EM VAN BOWEN	0.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	EP REYNDERS	1.33	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
11/04/2017	ERF 1050 PATERKOSTER (PTY) LTD	7.87	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
11/04/2017	ES VAN ZYL	1.82	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/08/2017	EX BHF NGU	1.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
11/04/2017	FY HENDRICKS	0.61	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/08/2017	F DE V LOUW	11.65	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	F DU PLESSIS	5.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
3/04/2017	FAG VISSER	5.7	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
2/05/2017	FDJ BAARD	2.51	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	FJC VAN WYK	3.25	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/08/2017	FR VAN ZANTEN SOLLEVELD	1.01	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/08/2017	G DORMAN	13.86	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	G TROMP	0.18	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	G TROMP	3.18	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	G VAN ZYL	4.02	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/08/2017	GA HUYSAMEN	2.62	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/08/2017	GA VISAGIE	14.28	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	GC VELDSMAN	0.30	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	GELDENHUYSE INC	5.16	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/05/2017	GSHLE ROUX	4.74	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/08/2017	GSI MULLER	1.39	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
2/05/2017	GM PIENAAR	0.80	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/08/2017	GORAN PALMSKREI FAMILY TRUST	5.68	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
11/04/2017	G P DU PREEZ	12.04	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/08/2017	GR ENDLEY	1.34	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
9/08/2017	GREYSTONE TRADING BECC	1.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/08/2017	GWJ (PTY) LTD	1.68	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	GMM VISSER	2.19	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	H EHLERS	2.97	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
26/08/2017	H SAMSON	2.09	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/08/2017	H SWART	12.84	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/04/2017	HAW & INGLIS PROJECTS	2.49	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/04/2017	HAW & INGLIS PROJECTS	3.47	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	HJ FRYER	0.29	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	HJ LOUW	7.41	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

2005/2017	H.M. THERON	2.45	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/05/2017	H.M. MAARMAN	1.80	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/06/2017	J.F. STER	7.34	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/04/2017	D.E. VILLIERS	2.01	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/05/2017	I. STORM	0.34	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/03/2017	ID. MAY	2.76	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	IG. HIGH	0.33	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/06/2017	I.H. VISAGIE	1.10	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
22/05/2017	INVESTMENT'S CC	1.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
26/04/2017	IR. ESNU	1.60	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/04/2017	J.A. HEATHER	1.02	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	J.F. COER	0.41	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	J.B. STER	1.21	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	J.C. CRYSTAL	0.62	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/03/2017	J.D. WEE	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/04/2017	J.J. JOUBERT	3.27	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	J.K. LOPPER	2.61	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	J.L. OOTS	1.48	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
21/04/2017	J.R. FID	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/03/2017	J. HILLING	0.92	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/03/2017	J. VAN DER WORM	3.47	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/05/2017	J. VAN HEERDEN	0.30	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	J. VAN RYEN	1.16	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/05/2017	J. VAN ROOY	1.15	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	J.A. BOONZAAIER	1.70	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	J.A. BOONZAAIER	1.10	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	J.H. ENGELBRECHT	1.45	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/03/2017	J.B. FOUICHE	0.74	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/05/2017	J.B. LINKS	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/05/2017	J.C. HIPPOLITE	1.98	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	J.C. LAW	5.28	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	J.C. MILLS	5.19	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	J.C. RUTHVEN	1.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/06/2017	J.C. SCHOEMAN	9.67	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
25/03/2017	J.F. DREYER	0.71	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	J.G. ERASMUS	6.67	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	J.G. SMIT	1.01	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/06/2017	J.G. TERBLANCHE	2.68	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	J.H. BARKHOJZEN	7.05	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	J.H. POSTHUMUS	3.32	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
28/04/2017	J.I. DU PREEZ	1.83	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	J.J. VISSER	7.36	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	J.J.F. TEIXEIRA	7.52	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	J.M. BRADFORD	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/06/2017	J.M. MOUTON	1.58	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/09/2017	JOHNNY BRAVO TRUST	1.90	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
10/04/2017	J.P. ROSSOUW	2.34	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	J.P. STEYN	2.23	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	J.P. VAN NIEKERK	5.18	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

24/06/2017	JR ELSEY				1.48	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/06/2017	JR STRYDOM				0.74	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
13/04/2017	JS TALMAKIES				1.90	Sect on 11(g) - Refund guarantees, sureties and sec. deposits	H DAMONS
15/06/2017	JULIES TRANSPORT				0.54	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/06/2017	JV HENDRICKS				0.13	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/06/2017	JW ROOI				1.10	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/06/2017	KA WILLIAMS				0.72	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/06/2017	KJ PAZIER				0.12	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/04/2017	KJ WEIL				1.26	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	KLOOFFZICHT LOGISTICS CC				2.80	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/06/2017	KW VAN WYK				1.21	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
28/08/2017	KONKOL FAMILY TRUST				1.40	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	L DAVIELS				0.71	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/03/2017	L HAGEN				0.75	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	L SMITH				4.00	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	L VAN ZYL				1.12	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	L VENTER				0.91	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
28/04/2017	L VOKSTER				13.11	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	LAGUNA SANDS ERF 8483 (PTY) LTD				4.19	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	LANGEBAAAN SPAR				4.07	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	LE AURET				4.83	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	LE MDUKIVA				2.08	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/06/2017	LE ROUX FAMILY TRUST				1.97	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	LJ JACK				1.61	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
	LJ KAROLUS				0.72	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	LS BOCK				3.82	Sect on 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	MICAS DYSEL CROUSE ING.				3.97	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	LYP STEVENS				0.59	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/06/2017	M DE VILLIERS				2.71	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/04/2017	M DON				0.54	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/06/2017	M ECKSTEIN				0.95	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	M FOUJHE				1.44	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	M GWANYA				0.39	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/04/2017	M JANSON				0.00	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	M LEKHAFIANYA				2.57	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/06/2017	M MAARJENS				0.57	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/06/2017	M MAKWENKWE				1.23	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	M MALAN				1.26	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	M MEERAN				0.21	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/06/2017	M MOHAMMED				1.23	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/06/2017	M NEI				2.76	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	M NEL				1.31	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/06/2017	M ROODE				3.00	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/06/2017	M SHERRIFFS				0.65	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	M SWANHOPEL				0.42	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/06/2017	M VAN DAALLEN				1.50	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/06/2017	M VAN EEDEN				1.83	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	M VENTER				2.35	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	MADELEYN INC				1.10	Secton 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

19/04/2017	MAMLEY INGELYE	0.80	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	MARLEYN INCELYE	1.43	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/08/2017	MAM DALVI	3.41	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	MAM DALVI	4.31	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	MAM DALVI	5.47	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	MIC BARKES	6.49	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	MIC JANSEN VAN RENSBURG	2.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/08/2017	MIC PORTER	2.31	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
04/06/2017	MIL HUSAIN	2.14	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/08/2017	MJ LE ROUX	2.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	MJ TIFFANY	1.83	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
26/06/2017	MJ WILLIAMS	0.80	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	MJE BURMEISTER	1.13	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/08/2017	MAK BRANDT	0.84	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	MAK DE JONG	0.30	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	MAM GROBBELAAR	0.25	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/06/2017	MM JULIUS	0.30	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/05/2017	MIN CHIBINI	0.36	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/05/2017	MOSTERT & BOSMAK	12.23	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/05/2017	MP DAVIDS	2.53	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	MRA STEFFENKAMP	0.56	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	MIS AWLEY	2.00	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	MURHEAD & ROUX CC	4.91	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	MIRKUDJEM AHMED KAGEE ATTORNEYS	2.31	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/04/2017	MVE KRIEL	2.32	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	MV SLINGERS	2.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	N FRYLICK	1.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/04/2017	N GELDENHUIS	0.78	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/06/2017	N IARRIS	3.00	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/04/2017	N LIGHTBODY	0.92	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/08/2017	N PRAKMLLE	0.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/04/2017	N WAN	1.76	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/04/2017	NSG ATTORNEYS	3.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
07/06/2017	NE KINYS	1.87	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
17/04/2017	NIVALDA FERNANDES FAMILY TRUST	5.96	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/03/2017	NJ GRAHAM	2.76	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	NR DANIELS	0.89	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	O JACOBS	0.11	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
16/04/2017	DAO KLEYNHANS	7.30	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	P DAMINGO	0.52	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	PA ALLSOP	2.00	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/04/2017	PA JANUARIE	2.36	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/08/2017	PD BRAND	0.85	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/04/2017	PD KRUGER	2.34	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/08/2017	PD PIETILLES	2.88	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/03/2017	PG DU PLESSIS	1.35	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	PJ ELS	1.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	PM WEYERS	0.85	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/05/2017	PP CHAMBERS	3.13	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

01/05/2017	PHILIPUS PROSPECT TRADING 215	3.83	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/04/2017	PHILIPUS PROSPECT TRADING	3.46	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/05/2017	PG FARMER	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	R ERASMUS	0.26	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	R HAUSER	0.51	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
28/05/2017	R MUNKIK	21.40	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	R PAPIER	0.52	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	R POTTGIETER	2.66	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/05/2017	RA KESTER	1.56	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/05/2017	RAJ MARTINS	1.53	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/05/2017	RC KILKENS	3.37	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	RCK LOGISTICS CC	1.41	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	RE JULIES	5.36	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	RH KNEE	1.70	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/06/2017	RM DE BRUIK	1.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
11/04/2017	RMD GRIER	0.60	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	RMR TRUST	4.85	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	RM LJTH	0.34	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/05/2017	ROSE & OAK (PTY) LTD	2.27	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/04/2017	RS JULIES	0.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	RS MARMAN	4.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/04/2017	RS MATHYS	0.69	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/05/2017	RUESSHANA EDERIFS	1.46	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	RUST LIVING TRADING 4B BK	4.33	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
21/05/2017	S CLEOPHAS	0.54	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	S FITCHET	0.57	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/05/2017	S HAGEN	1.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/04/2017	S HAYWOOD	0.90	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/04/2017	S HUMAN	2.17	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/06/2017	S KLEINSMITH	0.51	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/04/2017	S KRIGER	2.58	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
21/04/2017	S LOYZ	1.66	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
05/05/2017	S LOUISFR	0.52	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
24/04/2017	S WAY	0.87	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	S OZROVECH	1.85	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
11/04/2017	S SMAI	0.85	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/05/2017	S SOLOMONS	0.49	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	S SUMMERS	0.45	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/04/2017	S VAN TURA	0.35	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/04/2017	S VILJOEN	2.32	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/06/2017	S VILJOEN	1.05	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/06/2017	SAINT MOTORS	2.69	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	SANTANA FAMILY TRUST	3.17	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/06/2017	SCHOEMAN & HAMMAN ING	0.87	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/06/2017	SD WHITTLE	0.56	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	SF JACOBS	1.52	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	SHOSHOLA OZA TRUST	1.50	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	SJ DU PLESSIS	5.39	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	SJ MATTHEE	0.32	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

23/03/2017	SJ RAVILLY	3.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	SL ANDERSON	0.63	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	SLETTEI AND TRUST	0.64	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	SM LOUISER	0.90	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	SM YON	1.45	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/06/2017	SMITH TABATA RUCHAMN BOYES	2.50	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/06/2017	SOS CHILDRENS VILLAGES	4.02	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	SR ENGELBRECHT	2.28	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/06/2017	ST HELENA TYRES PTY LTD	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	T DALCINGO	0.68	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	T DALCINGO	0.68	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/06/2017	T DOLOSI	4.27	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
28/06/2017	T JULYAN	0.55	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/06/2017	T KAROLUS	1.45	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	TC COFTZE	0.65	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
26/04/2017	TEXTRAX INV/CC	-1.79	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	THE MARAIS FAMILY TRUST	4.98	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
26/04/2017	TJ HICK	0.53	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	TJ SOLOMON	0.83	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/05/2017	TJA TRUST	2.32	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
23/05/2017	TP RUDDEN	3.78	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
09/05/2017	TRACKSTAR TRADING PTY LTD	2.15	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/05/2017	TRYMORE INVESTMENTS 255 (PTY)	1.39	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	UCE ARRIES	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	UW BECK	0.42	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
12/04/2017	V ANTHONY	0.75	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	VC ESAU	1.74	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
18/06/2017	VC KRUGER	5.16	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
29/06/2017	W HAYES	0.78	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
30/06/2017	W KLESER	8.15	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	WA MARITZ	0.96	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
06/06/2017	WA NORVAL	6.25	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	WC FISHER	1.20	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
27/06/2017	WCS VAN ZYL	0.58	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/04/2017	WESKUS FRUIT AND VEG MARKET (P	1.38	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	WESKUS SIEPLOTTIE	1.42	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/04/2017	WEST COAST LEISURE (PTY) LTD T	3.77	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	WEST POINT PROCESSORS (PTY) LT	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	WJ KEIZER	0.58	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	WJ WENJAR	1.32	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	WJ STANDER	0.34	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
26/04/2017	WJ WILLEMS	0.72	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
03/05/2017	WJ ROETS	2.45	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/06/2017	Y CLOETE	0.18	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
08/05/2017	Y SIEMBA	0.66	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
20/06/2017	Y VAN JAARSVELD I	0.28	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
02/05/2017	YA HARRINGTON	0.44	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
04/06/2017	YENDIS TRUST	0.63	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
19/05/2017	Z DII PRFFZ	2.01	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS
01/06/2017	Z DYANI	1.63	Section 11(g) - Refund guarantees, sureties and security deposits	H DAMONS

**Instructions for completing this report:**

The Accounting Office must include information detailing the non-budgeted withdrawal, action taken to rectify the breach and identify how funding will be sourced through an Adjustment Budget. This information can be an additional report to cover or incorporated into the table above by inserting a reference to the additional report.

This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

Withdrawals that must be reported each quarter:

1. Section 11(6) - Expenditure authorized by the MEC for finance in terms of section 25(4) when a municipality has failed to approve a budget by 30 June;
2. Section 11(7) - Unrecoverable and unavoidable expenditure authorized by the mayor in terms of section 25(1);
3. Section 11(8) - Payments from a trust, charitable or relief fund without budget approval in terms of section 12(4);
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including:
  - (i) money collected by the municipality on behalf of that person or organ of state by agreement; or
  - (ii) any insurance or other payments received by the municipality on that person or organ of state;
5. Section 11(f) - Refund money incorrectly paid into a bank account;
6. Section 11(g) - Refund gratuities, salaries and security deposits;
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;
9. Section 11(j) - Payments for such other purposes as may be prescribed from time to time.

Distribution:

1. Table this report in a full council meeting, including additional information on action taken to rectify, within 30 days after the end of each quarter; section 11(4)
2. Submit a copy to the relevant National Treasury, provincial treasury and the Auditor-General

WC014 Saldanha Bay - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>Other funds</b>									
<b>Monthly expenditure performance trend</b>									
July	1 622	4 351	4 489	2 933	2 533	4 489	1 956	34.7%	1%
August	9 787	14 834	12 922	5 982	8 015	17 411	9 396	54.3%	4%
September	9 219	19 165	17 503	5 237	13 251	35 924	17 653	50.9%	0%
October	5 095	25 102	24 065	7 501	25 178	59 130	34 057	57.5%	12%
November	6 470	25 910	26 390	16 376	41 001	85 588	44 567	52.1%	20%
December	7 343	21 710	21 871	14 628	55 629	107 459	51 830	48.2%	27%
January	4 058	19 074	22 908	6 514	61 543	129 965	58 425	52.8%	29%
February	5 750	18 657	21 500	8 269	85 611	154 405	69 667	54.9%	33%
March	42 449	15 950	15 053	23 357	90 239	169 521	76 313	45.0%	45%
April	8 481	18 841	15 861	23 375	116 534	185 482	68 948	37.1%	0
May	13 744	14 715	15 178	29 682	146 257	201 680	55 394	27.5%	0
June	47 147	19 500	31 421	35 479	184 745	232 251	47 506	26.5%	0
<b>Total Capital expenditure</b>	<b>168 152</b>	<b>209 748</b>	<b>232 281</b>	<b>184 745</b>					

WC014 Saldanha Bay - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 June

Description of financial indicator	Basis of calculation	Ref	2015/16	Budget Year 2016/17			
			Audited Outcome	Original Budget	Adjusted Budget	Year To actual	Full Year Forecast
<b>Performance Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		1.40%	17.44%	15.97%	6.75%	2.70%
Borrowing of own capital expenditure	Borrowing/Capital expenditure excl transfers and grants		25.18%	32.42%	28.85%	32.67%	29.85%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		7.59%	9.77%	9.21%	8.57%	9.21%
Gearing	Long Term Borrowing/ Funds & Reserves		22.63	14.96	15.24	39.64	15.24
<b>Liquidity</b>							
Current Ratio	Current Assets/Current Liabilities		3.63	3.26	4.30	4.06	4.30
Liquidity Ratio	Monetary Assets/Current Liabilities		2.06	2.46	3.52	3.40	3.52
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Late %)	Last 12 Mths Receivables/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors (> Annual Revenue)		14.37%	13.19%	17.59%	10.67%	12.92%
Outstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		3.04%	7.37%	2.33%	0.00%	0.00%
<b>Customer Management</b>							
Debtors System Efficiency	% of Debtors Paid Within Terms (within MFRM & 55%)		96.15%	100.00%	100.00%	99.12%	100.00%
<b>Funding of Provisions</b>							
Percentage of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/Units purchased and generated	2	10.91%	10.00%	10.00%	11.25%	10.00%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Units purchased and own source	2	14.36%	11.50%	9.53%	7.69%	9.53%
Employee costs	Employee costs/Total Revenue - capital revenue		30.3%	31.8%	32.1%	32.3%	31.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	IBD/Total Revenue - capital revenue		5.8%	19.1%	17.1%	1.7%	2.5%
<b>DP regulation financial liability indicators</b>							
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		23.00	23.30	20.34	56.24	23.34
i. O&S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		15.61%	15.53%	9.71%	16.74%	9.71%
ii. Debt coverage	(Available cash + investments)/monthly fixed operational expenditure		7.52	6.44	1.85	7.47	1.86

WC014 Saldanha Bay - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

Description	R'000	Budget Year 2018/19								
		2018/19	Original Budget	Adjusted Budget	Monthly actual	Year To Date actual	Year To Date budget	YTD variance	YTD variance %	Full Year Forecast
<b>Infrastructure</b>										
Infrastructure - Road network	53 741	88 600	37 463	12 622	33 284	37 463	-4 180	11.1%	37 463	
Waste, Paved roads & Bridges	16 272	7 593	4 491	438	3 627	4 881	1 254	16.4%	4 881	
Storm water	10 112	3 628	3 305	458	3 627	3 806	179	0.1%	3 806	
Infrastructure - Electricity	11 382	25 212	21 396	11 300	20 571	23 586	3 015	14.1%	23 586	
Substation	-	-	-	-	-	-	-	-	-	
Transmission & Retention	10 669	20 715	18 462	9 724	15 893	15 455	-2 634	13.8%	15 455	
Street lighting	614	4 497	2 934	2 306	5 073	5 144	71	1.4%	5 144	
Infrastructure - Water	22 128	1 006	2 377	217	2 624	2 017	-2 271	-9.6%	2 377	
Dams & Reservoirs	22 128	-	1 271	-	-	1 271	1 271	100.0%	1 271	
Water purification	-	-	-	-	-	-	-	-	-	
Pretreatment	-	1 006	1 006	517	2 104	1 006	-1 098	-108.3%	1 006	
Infrastructure - Sewerage	1 266	20 153	1 890	75	2 657	1 380	-1 467	-110.1%	1 380	
Sanitation	1 266	19 433	610	75	2 657	510	-2 247	-588.3%	510	
Sewerage purification	-	720	750	-	-	720	720	100.0%	750	
Infrastructure - Other	2 582	12 540	5 426	280	3 025	5 425	2 405	44.3%	5 425	
Waste Management	1 382	12 800	2 651	154	3 230	2 631	-361	12.9%	2 631	
Transportation	-	250	145	-	145	145	0	1.2%	145	
Gas	-	-	-	-	-	-	-	-	-	
Other	1 199	2 860	2 681	127	650	2 681	2 031	75.5%	2 681	
<b>Community</b>	48 516	19 742	33 387	9 394	68 752	33 387	-26 426	-79.2%	33 387	
Parks & gardens	276	540	190	157	535	160	-143	-211.5%	160	
Sportsfields & clubs	15 963	-	1 500	3 185	14 455	1 300	-12 355	-433.2%	1 300	
Swimming pools	-	-	-	-	-	-	-	-	-	
Community halls	-	-	-	4 218	33 102	-	-	100.0%	33 102	
Libraries	-	-	-	-	-	-	-	-	-	
Recreation facilities	394	10 282	21 431	1 170	1 028	21 431	17 373	81.1%	21 431	
Fire, safety & emergency	201	-	-	-	-	-	-	-	-	
Security and guarding	225	-	710	-	-	710	710	100.0%	710	
Buses	-	-	-	-	-	-	-	-	-	
Chairs	-	-	8	-	-	8	8	100.0%	8	
Museums & Art Collections	-	-	-	-	-	-	-	-	-	
Cemeteries	-	-	-	-	-	-	-	-	-	
Social welfare housing	-	-	-	-	-	-	-	-	-	
Other	1 796	2 302	2 067	1 254	3 581	4 267	3 780	61.4%	4 267	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Housing development	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	92 854	46 336	9 603	5 648	16 308	41 021	43 893	72.4%	41 021	
General vehicles	367	4 435	1 758	-	-	5 553	3 568	100.0%	5 553	
Specialised vehicles	-	-	-	-	-	-	-	-	-	
Plant & equipment	7 677	301	1 092	301	1 231	1 522	292	19.2%	1 522	
Computers - hardware/equipment	4 660	1 028	1 596	-	-	1 528	1 528	122.0%	1 528	
Furniture and other office equipment	2 954	1 441	415	672	1 534	410	-1 174	-285.7%	410	
Assets	-	-	-	-	-	-	-	-	-	
Vehicles	-	-	-	-	-	-	-	-	-	
Civil Land and Buildings	-	34 513	-	4 574	4 781	-	-	-	4 781	
Other Buildings	19 333	-	18 488	-	-	48 468	48 468	100.0%	48 468	
Open land	-	-	-	-	303	-	-	-	303	
Special Assets - investment or inventory	-	-	-	-	-	-	-	-	-	
Other	17 473	1 019	3 114	190	6 204	1 114	-5 090	-132.7%	3 114	
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-	
Machinery/equipment	-	-	-	-	-	-	-	-	-	
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-	
Landscape class	-	-	-	-	-	-	-	-	-	
<b>Intangible</b>	2 197	1 070	3 385	20	9 127	3 385	-5 760	-172.5%	3 385	
Computers - software & programming	2 070	1 070	3 385	20	9 127	3 385	-5 760	-172.5%	3 385	
Other	127	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on new assets</b>	<b>124 926</b>	<b>136 774</b>	<b>124 774</b>	<b>27 865</b>	<b>118 921</b>	<b>124 774</b>	<b>15 853</b>	<b>11.8%</b>	<b>124 774</b>	

WAT014 Saldanha Bay - Reporting Table SC012b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	Net	Budget Year 2016/17								
		2015/16 Actual Outcome	Original Budget	Adjusted Budget	Monthly av. 2016	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>0 thousand</b>										
<b>Capital Expenditure on renewal of existing assets by asset class collection</b>										
<b>Infrastructure</b>		21 972	21 737	22 871	9530	23 421	24 474	1 053	30.1%	79 214
Infrastructure - Road network		21 556	21 481	23 761	4 080	23 173	23 381	208	1.0%	23 381
Road Pavements & Drivays		21 278	18 312	20 386	4 030	25 203	24 965	(238)	-7.3%	24 965
Open water		-	2 169	3 785	-	-	4 186	1 786	100.0%	4 758
Infrastructure - Electricity		4 416	4 000	4 600	178	1 802	4 540	2 740	61.5%	4 540
Distribution & Rehabilitation		4 214	4 280	4 241	175	1 425	4 241	2 816	67.1%	4 241
Development		202	-	359	-	377	299	(78)	-8.0%	278
Infrastructure - Water		679	600	4 477	90	2 171	4 477	1 900	42.5%	4 477
Distribution & Rehabilitation		-	-	4 477	-	-	4 477	4 477	100.0%	4 477
Water purification		-	-	-	-	-	-	-	-	-
Water supply		679	600	600	90	1 671	600	(757)	-12.6%	600
Infrastructure - Sewerage		2 084	22 247	26 818	2 172	26 234	26 646	412	26.2%	26 646
Distribution		2 084	19 730	19 927	2 152	26 234	26 234	0	0.0%	26 234
Sewerage purification		-	2 517	24 891	-	-	4 412	2 408	93.0%	24 408
Infrastructure - Other		5	-	-	-	1 723	-	(1 723)	-100.0%	-
Water management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Other		5	-	-	-	1 723	-	(1 723)	-100.0%	-
<b>Community</b>		2 724	2 328	2 256	194	1 112	1 254	1 421	57.4%	2 154
Public parks		172	490	680	-	14	29	441	75.6%	585
Sports fields & aquatic		1 257	-	428	147	209	432	24	17.6%	427
Recreating public		-	-	-	-	-	-	-	-	-
Community halls		-	-	156	-	128	70	70	45.0%	128
Dormers		-	-	-	-	-	-	-	-	-
Non-sports facilities		118	480	731	-	110	60	(50)	-27.0%	110
Recreation & employment		-	-	-	-	-	-	-	-	-
Sports & recreation		118	480	731	-	110	60	(50)	-27.0%	110
Buses		-	-	-	-	-	-	-	-	-
Clubs		-	-	-	-	-	-	-	-	-
Education & Art Collection		-	-	0	-	-	0	0	100.0%	0
Gymnasiums		-	-	-	-	-	-	-	-	-
Social & cultural		-	-	-	-	-	-	-	-	-
Other		1 036	1 758	625	21	172	634	248	41.4%	525
<b>Health &amp; social</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Health &amp; social facilities</b>		-	-	-	-	-	-	-	-	-
Child development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		1 844	4 492	2 889	432	1 058	2 862	1 804	64.4%	2 862
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		59	-	-	-	105	-	(246)	-100.0%	-
Computers - systems & equipment		-	265	416	-	-	416	151	100.0%	416
Furniture and other office accessories		30	257	257	262	483	257	(226)	-31.6%	257
Assets		-	-	-	-	-	-	-	-	-
Machines		-	-	-	-	-	-	-	-	-
Cars, Land and Buildings		-	2 239	-	-	-	-	-	-	-
Other buildings		264	-	1 172	65	609	1 172	1 865	158.6%	1 172
Other - land		-	-	-	-	-	-	-	-	-
Special Assets - (discussed in 10.10.1)		-	-	-	-	-	-	-	-	-
Other		1 061	660	456	129	361	632	271	20.8%	456
<b>Appropriations</b>		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
<b>Direct cost</b>		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
<b>Indirect</b>		-	1 520	12 571	-	-	12 571	12 571	100.0%	12 571
Computer - software & programming		-	1 520	12 571	-	-	12 571	12 571	100.0%	12 571
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>2</b>	10 238	73 454	91 281	46 995	68 124	92 167	24 043	28.5%	92 907
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Trucks		-	-	-	-	-	-	-	-	-
Construction		-	-	-	-	-	-	-	-	-
Tractors		-	-	-	-	-	-	-	-	-

1. Total Capital Expenditure on renewal of existing assets (SC012b) plus Total Capital Expenditure on renewal of existing assets (SC012c) is consistent with the total capital expenditure in Table CS.

WOC14 Seaside Bay - Supporting Table 30 to Monthly Budget Statement - expenditure on repairs and maintenance by asset class - FY2 June

Description	Ref	2015-6		Budget Year 2016-7						Full Cost Forecast
		Actual Outcome	Original Budget	Adjusted Budget	Monthly Actual	Year To Date Actual	Year To Date Budget	YTD Variance	YTD Variance %	
<b>Business</b>		-	-	-	-	-	-	-	-	-
<b>Structure and equipment expenditure by Dept (Excludes 0018)</b>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		12,438	18,344	16,986	1,514	11,504	15,969	4,465	37.1%	15,688
Infrastructure - Road Network		4,131	5,327	4,779	364	3,614	4,779	1,165	23.6%	4,779
Roads, Pavements & Bridges		3,480	4,748	4,379	352	3,141	4,379	1,238	27.9%	4,379
Signage		181	779	-	3	715	-	(712)	(90.0%)	-
Infrastructure - Electricity		4,703	5,104	5,132	629	4,461	5,132	671	13.1%	6,182
Services		-	-	-	-	-	-	-	-	-
Transmission & Distribution		4,703	5,104	4,217	629	4,258	4,217	(87)	-1.7%	4,217
Street Lighting		-	121	815	55	163	602	794	61.4%	815
Infrastructure - Water		1,272	1,528	1,539	122	222	1,549	321	20.9%	1,666
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Wastewater		1,272	1,528	1,539	122	222	1,549	321	20.9%	1,596
Infrastructure - Sanitation		3,236	2,237	2,235	247	757	2,235	(1)	-0.1%	3,235
Rubbish		1,707	1,145	1,170	155	496	1,173	28	2.3%	1,823
Wastewater purification		1,529	1,092	1,065	92	261	1,062	(3)	-0.3%	1,412
Infrastructure - Other		31	121	1,211	13	64	1,123	1,059	84.4%	1,101
Waste Management		21	135	311	12	62	314	229	73.0%	311
Transportation		1	13	730	2	12	780	777	59.6%	730
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		1,513	4,131	2,425	362	2,367	2,429	(72)	-2.2%	2,425
Parks & Gardens		172	221	-	25	174	-	(172)	(100.0%)	-
Sports/Golf & other		400	421	412	46	342	412	(9)	-2.1%	412
Council Offices		3	47	59	3	33	59	26	42.6%	59
Community Clubs		14	135	152	12	82	153	39	48.1%	152
Libraries		-	-	36	-	-	36	36	100.0%	36
Recreational facilities		-	-	1,224	-	-	1,260	1,260	100.0%	1,260
Financial Management		-	-	2	-	-	2	2	100.0%	2
Security and parking		-	-	92	-	-	100	100	100.0%	100
Buses		-	-	-	-	-	-	-	-	-
Cafes		-	-	6	-	-	6	6	100.0%	6
Museums & Art Galleries		41	75	-	9	41	-	(41)	(100.0%)	-
Services		-	-	71	-	-	71	71	100.0%	71
Social Welfare		-	-	-	-	-	-	-	-	-
Other		752	2,384	845	286	1,894	443	(1,451)	(26.5%)	419
<b>Office assets</b>		-	32	-	3	32	-	(32)	(100.0%)	-
IT Equip		-	16	-	2	12	-	(12)	(100.0%)	-
Other		-	16	-	1	20	-	(16)	(100.0%)	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Client assets</b>		16,287	22,522	22,762	2,481	18,478	21,752	3,274	29.3%	22,762
Construction		8,238	12,877	17,274	1,420	10,118	17,329	7,211	51.8%	17,329
Specialist services		-	-	-	-	-	-	-	-	-
Plant & equipment		2,749	4,672	-	215	3,481	-	(3,267)	(100.0%)	-
Computers - hardware & software		217	600	-	76	542	-	(542)	(100.0%)	-
Furniture and other office equipment		427	724	-	81	384	-	(383)	(100.0%)	-
Accidents		-	-	-	-	-	-	-	-	-
Murder		-	-	-	-	-	-	-	-	-
Civil and other litigations		-	-	-	-	-	-	-	-	-
Other litigations		4,329	3,462	4,074	282	2,723	4,074	1,351	39.3%	4,074
Other Land		180	987	1,474	129	724	1,474	689	47.4%	1,474
Special Assets - (Preservation of Work)		-	-	-	-	-	-	-	-	-
Other		77	83	834	9	87	638	771	92.6%	834
<b>Assets for sale</b>		-	-	-	-	-	-	-	-	-
For sale		-	-	-	-	-	-	-	-	-
<b>Regulatory assets</b>		-	-	-	-	-	-	-	-	-
Litigation		-	-	-	-	-	-	-	-	-
<b>Intangible</b>		2,211	1,076	1,311	262	400	1,311	2,634	245.4%	1,311
Computer - software (100% owned)		982	1,358	1,311	149	1,062	1,311	249	18.3%	1,311
Other		1,229	(282)	-	113	338	2,600	1,323	100.0%	-
<b>Total Repairs and Maintenance Expenditure</b>		32,367	45,467	49,447	5,225	25,519	45,447	8,883	19.3%	49,437
<b>Recoverable costs</b>		-	-	-	-	-	-	-	-	-
Rents		-	-	-	-	-	-	-	-	-
Fees		-	-	-	-	-	-	-	-	-
Recovery		-	-	-	-	-	-	-	-	-
Amortisation		-	-	-	-	-	-	-	-	-

MU04 Sakinba Bay - Supporting Table 5013# Monthly Budget Statement - depreciation by asset class - 31/12/19

Description	Flur	2019/20		Budget FY2019/20						
		Actual Volume	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Final Year Forecast
<b>R Unmanned</b>										
<b>Construction/Structure/Class/Sub-class</b>										
<b>Infrastructure</b>										
Infrastructure - Core Manager		42 814	42 460	42 460	-	-	42 420	42 460	100.0%	42 420
Pavement Maintenance & Safety		28 185	27 071	27 271	-	-	27 071	27 071	100.0%	27 071
Sewerage		8 806	8 804	8 804	-	-	8 804	8 804	100.0%	8 804
Miscellaneous - Electricity		12 724	7 885	11 585	-	-	11 511	11 511	100.0%	11 511
Collection		-	-	-	-	-	-	-	-	-
Treatment & Effluent		12 262	16 943	15 083	-	-	15 033	15 033	100.0%	15 033
Street Lighting		15	1 349	1 349	-	-	1 349	1 349	100.0%	1 349
Infrastructure - Water		10 012	10 721	10 721	-	-	10 721	10 721	100.0%	10 721
Drains & Stormwater		7 065	4 230	4 230	-	-	4 230	4 230	100.0%	4 230
Water purification		-	-	-	-	-	-	-	-	-
Pumping		7 047	11 491	11 491	-	-	11 491	11 491	100.0%	11 491
Infrastructure - Concrete		12 727	10 394	10 394	-	-	10 394	10 394	100.0%	10 394
Retaining		8 199	8 808	8 808	-	-	8 808	8 808	100.0%	8 808
Sewerage collection		4 528	7 382	7 382	-	-	7 382	7 382	100.0%	7 382
Infrastructure - Other		44 950	11 721	11 721	-	-	11 721	11 721	100.0%	11 721
Waste Management		14 001	774	774	-	-	774	774	100.0%	774
Transportation		304	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		2 054	343	343	-	-	343	343	100.0%	343
Community		7 043	5 380	5 380	-	-	5 380	5 380	100.0%	5 380
Public gardens		299	299	299	-	-	299	299	100.0%	299
Sports clubs & sheds		30	436	436	-	-	436	436	100.0%	436
Swimming pools		1 293	48	48	-	-	48	48	100.0%	48
Community halls		540	785	785	-	-	785	785	100.0%	785
Lobbies		476	734	734	-	-	734	734	100.0%	734
Recreational facilities		925	20	20	-	-	20	20	100.0%	20
Fire safety & emergency		-	-	-	-	-	-	-	-	-
Security and parking		-	-	-	-	-	-	-	-	-
Zones		-	-	-	-	-	-	-	-	-
Clubs		42	-	-	-	-	-	-	-	-
Museums & Art Galleries		7	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social volunteering		-	-	-	-	-	-	-	-	-
Other		3 654	2 182	2 182	-	-	2 182	2 182	100.0%	2 182
<b>Heritage assets</b>										
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Inventory properties</b>										
Leasing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>										
General vehicles		22 067	3 441	4 491	-	-	3 491	3 491	100.0%	3 491
Specialised vehicles		153	89	21	-	-	86	86	100.0%	86
Plant & equipment		4 099	7 839	7 432	-	-	7 404	7 408	100.0%	7 408
Computers - hardware/software		2 273	2 434	2 434	-	-	2 434	2 434	100.0%	2 434
Furniture and other office equipment		1 826	2 046	2 043	-	-	2 045	2 041	100.0%	2 040
Assets		-	-	-	-	-	-	-	-	-
Alloys		-	-	-	-	-	-	-	-	-
Ducts, Lines and Bunkers		-	2 730	2 730	-	-	2 730	2 730	100.0%	2 730
Other buildings		1 321	4 668	4 669	-	-	4 668	4 668	100.0%	4 668
Other land		-	4 260	4 267	-	-	4 267	4 267	100.0%	4 267
Special Assets - (Investment or treasury)		-	-	-	-	-	-	-	-	-
Other		3 665	108	100	-	-	108	105	98.0%	105
<b>Infrastructure assets</b>										
Infrastructure		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>										
Infrastructure		-	-	-	-	-	-	-	-	-
<b>Intangible</b>										
Computers - software & programming		1 887	1 633	1 693	-	-	1 633	1 633	100.0%	1 633
Data		1 887	1 670	1 690	-	-	1 670	1 670	100.0%	1 670
<b>Total Depreciable</b>		<b>149 806</b>	<b>138 811</b>	<b>139 978</b>	<b>-</b>	<b>-</b>	<b>138 571</b>	<b>139 571</b>	<b>100.0%</b>	<b>138 571</b>
<b>Specialised equipment</b>										
Rabies		30	28	25	-	-	25	25	0	90
Fire		-	88	88	-	-	88	88	0	88
Generators		-	-	-	-	-	-	-	-	-
Archives		-	-	-	-	-	-	-	-	-



## QUALITY CERTIFICATE

I, **Gerrit Smith**, the acting municipal manager of Saldanha Bay Municipality, hereby certify that

(mark as appropriate)

- The monthly budget statement
- Quality report on the implementation of the budget and financial state affairs of the municipality
- Mid- year budget and performance assessment

For the month of June 2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name -----**Gerrit Smith**-----

Acting Municipal Manager of ----**Saldanha Bay Municipality (WC014)**----

Signature ----------

Date -----**13/7/17**-----

## **SALDANHA BAY MUNICIPALITY**

### **REPORT TO THE MAYCO AND COUNCIL**

**TOPIC:** VISIT ABROAD TO FRANCE  
**DIRECTORATE:** FINANCE  
**AUTHOR:** STEFAN VORSTER  
**DATE:** 17 JULY 2017  
**FILE:** 11/3/5  
**ITEM NUMBER:** R 10/7 - 17

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#### **1. PURPOSE**

In accordance with paragraph 8 of the Subsistence and Travel policy of Council a comprehensive exposition is required for official international business travels. The following must be included in the exposition:

- The nature and reasons for official business travel;
- Outcomes and benefits derived; and
- Expenses Incurred.

This must be reported to the Speaker/ Mayoral Committee at the first meeting after the date of return and the report must then also serve before Council.

The Executive Mayor has in terms of its delegated authority approved this overseas trip on 2 May 2017.

The purpose of this report is therefore to provide the required feedback to all councillors on the France study tour.

#### **2. BACKGROUND**

I have attended the Summer School for key municipal role players that was held in Randburg, Johannesburg from 3 – 5 April 2017 on behalf of Saldanha Bay municipality. This event has been held since 1999, and 2017 was the 13th Summer School held.

The 2017 theme of the summer school was "The Growth Agenda", and focused on:

- The key role of Long Term Financial Planning;
- Optimising available resources through alternative service delivery mechanisms and shared services; and
- The issue of accelerating inclusive growth and the municipality's role.

A comprehensive report of the summer school is attached as **Annexure A**.

As in previous years, the Summer School was followed by a study tour to France for 5 delegates chosen from the April 2017 summer school. The France study tour has proved in the past to be a good opportunity for South African municipal officers to learn best practices from their French counterparts.

I was fortunate to be selected as 1 of the 5 delegates for the French study tour. The other 4 delegates selected were:

- The Finance Portfolio chairperson of the City of Tshwane;
- The Municipal Manager of the Stellenbosch municipality;
- The Chief Financial Officer of Theewaterskloof municipality; and
- The Deputy-Chief Financial Officer of George municipality.

The study tour took place from 28 June 2017 – 7 July 2017.

### 3. COST

The majority of the study tour cost was carried by the INCA Capacity Building Fund.

The cost for the study tour for the municipality was as follows:

Detail	<u>Total cost</u>
Travel and accommodation cost to France (carried by INCA Capacity Building Fund)	-
Visa application fees	1 599
Travel cost from OR Tambo back to Cape Town International Airport	2 287
Subsistence allowance 30 June 2017 - 8 July 2017 (9 days x 129 EURO x R14,35)	16 660
Airport parking fees	1 120
<b>TOTAL</b>	<b>R21 666</b>

#### 4. DISCUSSION

The study tour focused on:

- A practical exposure to Long Term Planning and integrated development to ensure sustainability;
- Public transport as a catalyst for inclusive economic growth and urban densification;
- Public Private Partnerships and Public Partnership as an alternative service delivery mechanism; and
- Collaboration amongst municipalities and shared services to optimise resource utilisation.


The tour itinerary is attached as **Annexure B**.

A feedback of the study tour report was prepared by the 5 municipal officials who attended the tour. This consolidated report is attached as **Annexure C**.

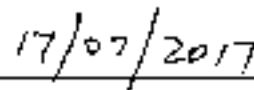
I would like to express my gratitude to the Mayor and Council who allowed me to partake in the 2017 INCA Capacity Building Fund study tour. It was an experience that I will remember for a long time.

#### 5. RECOMMENDATION

- (i) That the report be noted.



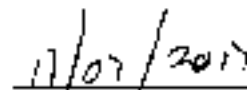
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MR S VORSTER  
CHIEF FINANCIAL OFFICER



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DATE



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COUNCILLOR A VENTER  
PORTFOLIO COUNCILLOR: FINANCE



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DATE



**INCA**  
CAPACITY  
BUILDING FUND

**REPORT**  
on the  
**SUMMER SCHOOL**  
**2017**

**THEME:**  
*"THE GROWTH AGENDA"*

**9 – 5 April 2017**  
**The Fairway Hotel, Setperk Street, Randpark, Johannesburg, SA**



Submitted by  
**Anita Botha – Programme Director / Facilitator**

## **EXECUTIVE SUMMARY**

### **INTRODUCTION:**

*The ICBF Local Government Summer School of 2017 took place from 3 – 5 April 2017 at the Fairway Hotel, Randpark, Johannesburg. The three-day Summer School focused on the theme 'The Growth Path' and proved to be extremely valuable to the municipal practitioners and other stakeholders who attended it, as confirmed by the feedback received.*

### **PRESENTATIONS AND PANEL DISCUSSIONS:**

*The topics and speakers were carefully selected to ensure the delegates is provided with insightful presentations focused on long-term financial planning to unlock and optimise the funding sources of local government; alternative service delivery mechanisms and shared services to expand and optimise municipal resources; the realities underpinning the growth agenda to be pursued in SA and business/government interaction and relationships.*

*Reggie Boga, Group CFO of the City of Johannesburg, delivered the keynote address on 'Long Term Financial Plans are Key to Accelerated and Sustainable Growth'. He shared the City's journey from being in a liquidity crisis in 2009 to having achieved financial stability and predictability through the implementation of a Long-Term Financial Plan which facilitated a turnaround strategy. In the process the City's capital budget funding mix of own, fiscal and borrowed funds changed considerably with much less dependence on grants and an increased capacity to spend better to improve service delivery in the long term.*

*The topic 'Effective Engagement of the Fiscus' was presented by Ulrike Britton, Chief Director Urban Development Infrastructure of National Treasury. Ulrike explained the formulation and structuring of the national budget; the division of revenue amongst the various spheres of government; the local government fiscal framework and local government transfers with emphasis on the Local Government Equitable Share formulas and the changes that followed on the infrastructure grants review which was done in 2014. She also discussed the 'game changers' that were identified to improve municipal financial management.*

*Ben Dorfling, Specialist Advisor to Grant Thornton and previous IMFO President, talked about 'Prioritising Own Financial Resources and Revenue Enhancement in dealing with the budget. Ben looked at the planning cycle and value chain, prerequisites, budget details, what is a funded and balanced budget and own revenue and capital investment. He further expanded on revenue by discussing revenue and debtors' management, the billing value chain and tariff schedules and codes and emphasized the importance of long-term financial planning to bring all these components together in a coherent strategy.*

*Attie van Zyl, CEO of IPM dealt with 'Municipal Borrowings within the Context of Government Policy'. Attie reflected on the importance of municipal borrowings as a source of funding and to make it real he discussed the current state of borrowings pertaining to the municipalities and metros that attended the summer school. He furthermore provided a typical assessment of a municipality's credit worthiness and used a practical example of long-term financial planning to indicate how the funding mix can be managed.*

*Director of Gapp Architects and Urban Designers, Erky Wood, spoke about Spatial Planning with a Long-Term Focus. As background, he discussed why good plans fail by the wayside and what needs to happen to ensure good plans do get implemented. He then shared first-hand experience via various case studies with the delegates, inter alia the Victoria & Alfred Waterfront in Cape Town, the Mandela Square in Sandton, Johannesburg and the Gauteng Spatial Development Framework.*

Turning to other resources, **Anita Botha**, Local Government and PPP Specialist, dealt with the topic 'Expanding Resources – Alternative Service Delivery Mechanisms. She looked at the concept of 'expanded resources'; the scope for alternative service delivery mechanisms; when and why to consider these; the different types and the process to follow to explore and implement such alternative mechanisms. She also provided various examples of PPPs and dealt with the challenges and constraints involved.

**Stan Wallace**, Shared Services Specialist and previous Municipal Manager of Theewaterskloof, addressed 'Optimisation of Own Resources. He looked at the history of shared services; the need and purpose thereof and the different models. He explained who are the key stakeholders and their roles as well as the key principles and deliverables. The typical functions which could be included as shared services were discussed and the risks, pitfalls and reasons for failure. Lastly, he spoke about the Service Level Agreement for shared services and what should be the contents thereof.

The plenary session on 'Expanding and Optimisation of Resources was moderated by **Albert de Klerk**, Municipal Manager of the Midvaal Local Municipality. The practicalities of alternative service delivery mechanisms and shared services were further fleshed out and specific emphasis was placed on the essence of good feasibility studies and contract management.

Speaking about the Key Insights and Recommendations of the Growth Agenda was **Ann Bernstein**, Executive Director of the Centre for Development and Enterprise. Ann provided a sobering outline of the realities facing SA; the requirements for effective reform and the priorities to be addressed. It was clearly pointed out that SA needed a new approach to transformation to ensure unemployment and inequalities are addressed through inclusive growth and development.

**Arthur Germond**, AFD Regional Director for Africa moderated the plenary session dealing with 'Contributing to the Growth Agenda'. It was a lively, interactive session of sharing in the local economic development experiences and challenges of the represented municipalities/metros. The importance of gearing and structuring the economic agenda to make the most of partnering with investors and broadening the economic base were debated and a number of good suggestions were discussed.

The **Breakaway Groups** were given the opportunity to internalise the information received through the presentations and in the plenary discussions and gave feedback on the questions posed to them. The presenters for the Red Dot Group was **Juggie Scholtz** and **Geraldine Mettler**, respectively Municipal Manager of Swartland and Stellenbosch Local Municipalities. **Albert de Klerk** acted as the spokesperson of the Blue Dot Group. Both groups did excellent presentations which captured the essence of the debates of the summer school and linked to these the value-add of practical experience. The absolute essence of having Long-Term Financial Plans to direct and steer development and enable financial sustainability and resilience was clearly articulated.

**Dr Len Mortimer** from the Stellenbosch University's School of Public Leadership, spoke about 'Applying the Principles of Business to Local Government. Len spoke about why municipalities matter; the differences between government and business and the drivers of discontent in local government. He provided thought-provoking content on how municipalities can become good and great and the role of leadership and innovation therein. He gave a number of examples of 'smart cities' which can serve as a role-model to cities and secondary cities in SA and challenged the delegates to put the type of long-term planning in place to become such smart cities.

The topic 'Drivers of Effective and Accountable Business Engagement with Local Government' was presented by **Jannie Moolman**, Executive Chairman of the Moolman Group. Jannie clearly articulated the concept of collective responsibility of business and government to work towards a sustainable economic future in SA. He spoke about the criteria which will enable investment; the shortcomings

that both business and local government must address and the way forward to initiate and implement joint business/government responsibility for development.

*Johann Mettler, City Manager of Nelson Mandela Bay Metro, moderated the plenary session which discussed 'A New Matrix for Government/Business Co-operation. From the discussion, it became clear that municipalities need champions, i.e. individuals that has continuity of tenure and the trust of business, government and communities as well as long term IDPs and financial plans to create and cement a shared vision and goals to enable inclusive growth.*

#### **SPECIFIC POINTERS EMANATING FROM THE SUMMER SCHOOL:**

1. *A Long-Term Financial Plan (LTFP) is the essential tool that a municipality needs to facilitate financial sustainability and resilience and the capacity to deliver on its developmental and service delivery mandate on a sustainable basis. It is then essential to obtain the buy-in of all role-players, i.e. the politicians, executive team and other stakeholders to the strategies and goals therein so that it becomes institutionalised and obtain collective accountability. Furthermore, to review it on a continuous basis to re-confirm or adjust longer term assumptions in order for the plan to maintain its predictive ability and credibility and for it to remain the municipality's ultimate financial guide.*
2. *It is essential for municipalities to unlock and optimise all the funding sources available to local government, i.e. own revenue, fiscal transfers/grants and borrowing from the market and then to have the correct mix of funding to maintain the required liquidity and to show stability in the municipality's funding strategy. Many municipalities are creditworthy but still under-borrowed. The game plan has changed, the national fiscus is facing an increase in debt repayment and the effect thereof will spill over to the division of revenue and the grants available. In short, municipalities will need to take more responsibility for its funding. With a long term financial plan, a number of current non-creditworthy municipalities will also become more attractive to lenders and must be ready to make use of the opportunity.*
3. *As important as the quantum of investment is the nature and the sequencing of the infrastructure investment needs to be emphasised in order to have a positive impact on the build environment. The maximisation of capital investment is dependent on how well municipalities understand the environment they operate in and how well it knows its communities and cultivate trust within its communities. Public consultation with the view to unearth the DNA of communities is key to meaningful, focused strategies and planning goals and the effective implementation thereof. The correct sequencing of projects depends on centrally managed projects within new adhocacies/matrix structures that criss-cross the existing hierarchical structures and break through silos to accomplish the type of interface management which can achieve the best operational success.*
4. *To supplement the funding resources available, municipalities must be open to explore alternative service delivery mechanisms. These could but need not be PPPs. They could be management contract is aimed to capacitate the operation and maintenance of bulk infrastructure with technical and operational skills and expertise. The aperture point for exploring such possibilities is a diagnostic study within all functions within the municipality to identify potential services/support activities that can be further investigated.*
5. *Optimisation of municipal resources is irrefutably on the agenda of each municipality. Operating on its own, a municipality must do more with what it has often within strict confines. Together*

*through shared services municipalities can extend their own boundaries and bridge over their shortcomings to benefit from the best expertise collectively available or collectively insourced in respect of a number of municipal activities. It is not the time to function in isolation. It is a time to be supportive and cooperative for the best of all the communities involved.*

- 6. Sustainable development and growth cannot possibly be accomplished by municipalities acting on its own and with its own limited resources and capacity. Municipalities need to cooperate, collaborate and partner with other stakeholders and interest groups. Inclusive growth is a collective, joint responsibility. It is multi-faceted and multi-disciplinary. It incorporates many sectors and should not confine itself to any one municipal area when a regional approach makes more sense. It is municipalities who will need to take the initiative, show the leadership, select the champions and drive an agenda seeking for stakeholders to work with. To be successful all the role-players in the municipality, politicians and executives, will need to be on-board, committed and capable.*
- 7. The summer school does not need to confine itself to an annual physical event. Technology allows it to become a virtual learning platform and there is definitely a need for it. Perhaps first on an informal basis through a spontaneously developed 'community of practice' but open to the possibility of structuring a virtual classroom with monthly webinars and other value-added learning opportunities using the many communication channels that are available.*

*Anita Botha  
April, 2017*

## ACRONYMS & ABBREVIATIONS

AFD	-	GRUPE AGENCE FRANCAISE DE DEVELOPPEMENT
ASDM	-	ALTERNATIVE SERVICE DELIVERY MECHANISMS
BOOT	-	BUILD, OWN, OPERATE AND TRANSFER
BRT	-	BUS RAPID TRANSIT
CAPEX	-	CAPITAL EXPENDITURE
CDE	-	CENTRE FOR DEVELOPMENT AND ENTERPRISE
CEO	-	CHIEF FINANCIAL OFFICER
COCT	-	CITY OF CAPT TOWN
COGTA	-	DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
COJ	-	CITY OF JOHANNESBURG
COT	-	CITY OF TSHWANE
CPI	-	CONSUMER PRICE INDEX
DEA	-	DEPARTMENT OF ENVIRONMENTAL AFFAIRS
DFI	-	DIRECT FOREIGN INVESTMENT
DM	-	DISTRICT MUNICIPALITY
DOE	-	DEPARTMENT OF ENERGY
DORA	-	DIVISION OF REVENUE ACT
DWS	-	DEPARTMENT OF WATER AND SANITATION
EPWP	-	EXPANDED PUBLIC WORKS PROGRAMME
FDP	-	FINANCIAL DEVELOPMENT PLAN
FFC	-	FINANCIAL AND FISCAL COMMISSION
GDP	-	GROSS DOMESTIC PRODUCT
GDS	-	GROWTH AND DEVELOPMENT STRATEGY
ICF	-	INCA CAPACITY BUILDING FUND
IP	-	INTEGRATED DEVELOPMENT PLAN
IPSA	-	INFRASTRUCTURE INVESTMENT PROGRAMME FOR SOUTH AFRICA
IPM	-	INCA PORTFOLIO MANAGERS
ISE	-	JOHANNESBURG STOCK EXCHANGE
KPI	-	KEY PERFORMANCE INDICATOR
LED	-	LOCAL ECONOMIC DEVELOPMENT
LGES	-	LOCAL GOVERNMENT EQUITY SHARES
LGFF	-	LOCAL GOVERNMENT FISCAL FRAMEWORK
LM	-	LOCAL MUNICIPALITY
LTFP	-	LONG TERM FINANCIAL PLAN
MFMMA	-	LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003
MIG	-	MUNICIPAL INFRASTRUCTURE GRANT
MISA	-	MUNICIPAL INFRASTRUCTURE SUPPORT AGENCY
MLM	-	MIDVAL LOCAL MUNICIPALITY
MDE	-	MUNICIPAL OWNED ENTITIES
MEA	-	LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 32 OF 2000
MSCOA	-	MUNICIPAL STANDARD CHARTER OF ACCOUNTS
MTEF	-	MEDIUM TERM EXPENDITURE FRAMEWORK
MREF	-	MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK
NDP	-	NATIONAL DEVELOPMENT PLAN
NERSA	-	NATIONAL ELECTRICITY REGULATOR OF SOUTH AFRICA
NMB	-	NELSON MANDELA BAY METRO
NT	-	NATIONAL TREASURY
OPEx	-	OPERATIONAL EXPENDITURE
PFMA	-	PUBLIC FINANCE MANAGEMENT ACT
PMS	-	PERFORMANCE MANAGEMENT SYSTEM
PPP	-	PUBLIC PRIVATE PARTNERSHIP
PT&G	-	PUBLIC TRANSPORT NETWORK GRANT
R&M	-	REPAIRS AND MAINTENANCE
RDIG	-	REGIONAL BULK INFRASTRUCTURE GRANT
RSOP	-	REGIONAL SERVICES COUNCIL LEVY REPLACEMENT GRANT
SACN	-	SOUTH AFRICAN CITIES NETWORK
SALSA	-	SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
SIDZ	-	SANDAN-A BAY INDUSTRIAL DEVELOPMENT ZONE
SCM	-	SUPPLY CHAIN MANAGEMENT
SDBIP	-	SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN
SDP	-	SPATIAL DEVELOPMENT PLAN
SFTA	-	SECTOR EDUCATION AND TRAINING AUTHORITY
SLA	-	SERVICE LEVEL AGREEMENT
SDE	-	STATE OWNED ENTITIES
SS	-	SHARED SERVICES
Tvr	-	TREASURY VIEWS AND RECOMMENDATIONS
VM	-	VALUE FOR MONEY
WB	-	WORLD BANK
WSA	-	WATER SERVICES AUTHORITY
WSIG	-	WATER SERVICES INFRASTRUCTURE GRANT

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## 1 Introduction

The ICBF Local Government Summer School of 2017 was held from 3 - 5 April 2017 at the Fairway Hotel, Randpark, Johannesburg. The three-day summer school was attended by Municipal Managers and CFOs as well as representatives of the National Treasury ("NT"), the SA Cities Network ("SACN"), the World Bank ("WB") and the SA Local Government Association ("SALGA"). Refer to Annexure 1.

## 2 Purpose and Outcome of the Summer School

The theme of the Summer School was "The Growth Agenda". To play its rightful role in ensuring sustainable growth takes place, local government needs to be equipped with the right tools and use suitable mechanisms to facilitate accelerated development. An Integrated Development Plan ("IDP") which is not supported by a Long Term Financial Plan ("LTFP") has proven to be inadequate to enable the sustainable growth SA urgently needs. Municipalities have three possible sources of income, i.e. fiscal support, own revenue and borrowings. The topics chosen for the summer school dealt with each one of these sources of funding and highlighted the essentiality of using a LTFP as the tool to facilitate the correct mix of these funding sources in pursuit of a stable funding strategy while maintaining the required liquidity. A LTFP serves to direct the quantum and nature of investment to have an optimal positive impact on the build and socio-economic environments and as such a LTFP becomes the essential guide for sustainability.

Since it has become abundantly clear that local government cannot accomplish what is expected from it on its own, the summer school programme looked at the use of optimised resources through shared services to enable municipalities to do more with what they have as well as exploring the use of alternative service delivery mechanisms in terms of which municipalities can expand their own resources by inter alia partnering with the private sector.

A third focus area was the relationship between business and local government. It is clear that we need a new matrix for government/business co-operation in SA to achieve the growth figures set out in the National Development Plan ("NDP"). Besides, government can benefit from applying the principles of business to its own systems and processes and business needs to engage with government in an accountable and effective manner to create a trusting partnership focused on inclusive growth.

In line with these focus points, the programme (refer to Annexure 2) included the following topics, each of which was handled by speakers well versed in the underlying theory, policy and legal environment governing these instruments while also having many years of expertise in the practical implementation thereof:

- LTFPs are key to accelerated and sustainable growth
- Effective engagement of the fiscus to obtain optimal fiscal support
- Prioritising own financial resources and revenue enhancement
- Municipal borrowing within the context of government policy
- Spatial planning with a long-term focus
- Expanding resources through alternative service delivery mechanisms
- Optimisation of own resources through shared services
- Key insights and recommendations of the growth agenda based on in-depth research
- The role of municipalities in accelerating inclusive growth
- Applying the principles of business to local government
- Drivers of effective and accountable business engagement with local government.

03 April 2017:

### 3 Note of Welcome

*Atlie van Zyl, CEO of IFM*

*Anita Botha, Programme Director and Facilitator*

Atlie welcomed all the delegates and explained the structure of the programme; the reasons underlying the chosen topics and how these interlinked to provide guidance on how municipalities can maximise their service delivery impact and affect sustainable growth and development over the medium to longer term.

He said that the main emphasis of the conference will be on long-term financial planning by taking an in-depth look at the three main pillars of funding, i.e. own resources, the national fiscus and own borrowing. A further focus will be on the expansion of own resources by using alternative service delivery mechanisms including external service providers and the optimisation of own resources through shared services.

He briefly mentioned how the City of Johannesburg got its mix of sources right and referred to the effective use of management contracts in France. He mentioned that having AFD as a partner makes it possible to take a small group of municipal practitioners on a study tour to France in 2017 as much can be learned from the ability of the French to do long-term planning and shape their built environment amongst others through partnerships between the public and private sector.

Lastly, he introduced Anita Botha from Pro-Active Management Services along with a short summary of her local government expertise which inter alia included being a transaction advisor for Public Private Partnerships, especially the legal environment governing these processes.

Anita welcomed the delegates, congratulated the ICBF on its 14<sup>th</sup> Summer School and handed all the logistical arrangements.

### 4 Keynote Address: Long Term Financial Plans are Key to Accelerated and Sustainable Growth – Reggie Boqo

*Reggie Boqo, Group CFO of City of Johannesburg (CoJ)*

Reggie started by sharing the CoJ story. He explained that in 2009/10 while preparing for the World Cup, CoJ faced a liquidity crisis and as a result thereof identified financial sustainability and resilience as the number one priority – a key dependency for attainment of the long-term vision as outlined in the Growth and Development Strategy focused on 2040 (“GDS2040”) and realised that it needed to sustain CoJ’s financial position in order to be resilient. Since then it has been an ongoing journey. The CoJ work in integrated teams, put everything to strategy, built with the community focused on GDS2040 and then resource the strategy. With the long-term plan the CoJ has established the outlines of its future city and put a base for all industries to operate in. All investment is then measured against the city’s future plans and not accepted at random. It also ensures alignment between politicians and the administration as the goals are clear. The administration is sometimes accused of holding back so politicians don’t achieve their goals but once one gets over the accusation bridge, the conversation improves.

The CoJ’s approach to financial sustainability and resilience includes the following key imperatives:

- Shake off old habits and address the culture of a bulge;
- Increase productivity – doing more with less and managing human resources effectively;
- Shift from consumption (opex focus) to investment (capex focus);
- Spend R100 billion over 10 years on capital expenditure for infrastructure replacement and expansion while maintaining a much-improved level of service delivery;
- Meet all the requirements of the ratings agencies so that funding of capital expenditure is not compromised;
- Create a sound financial management environment that is resilient and able to meet the changing needs of the City as it evolves towards 2040 goals;
- Strengthen the finance operating environment (skills & systems) through efficient accounting and administration (quality information with which to manage effectively).

The LTFF or as termed the Financial Development Plan ("FDP") was developed and approved to strengthen the City's ability to generate cash backed internal surpluses that enable the City to afford the R100 billion capital investment program. It focused on ensuring the right systems, procedures, processes, and controls are in place to respond to matters of:

- Resource allocation
- Cash management
- Revenue optimization
- Expenditure management
- Debt management
- Asset management
- Accounting and Financial reporting

At the same time, the City needed to meet all the requirements of the ratings agencies so that funding of capital expenditure is not compromised

CoJ further embedded a set of ratios to determine continued financial sustainability into its Service Delivery Budget Implementation Plans ("SDBIP") targets and budget allocations. These key budget drivers were the following:

- |                                     |   |           |
|-------------------------------------|---|-----------|
| • Current ratio                     | - | Above 1:1 |
| • Solvency ratio                    | - | Above 2:1 |
| • Debt to revenue ratio             | - | Below 45% |
| • Remuneration to expenditure ratio | - | Below 30% |
| • Maintenance to PPE ratio          | - | 3%        |
| • Interest to expenditure ratio     | - | Below 7%  |
| • Net operating margin              | - | Above 15% |
| • Cash cover                        | - | 45 days   |

The attitude was simply to meet all the drivers otherwise to tweak the budget and not only cut parts of it. The modus operandi was to identify parts where there was unnecessary expenditure. Managers had to bring a case for each line item. New revenue sources had to be identified and the latter motivated the city to expand its existing revenue base.

The FDP had a number of strategic interventions and required end targets. Since the adoption of the FDP the City has implemented and achieved 5 of the 15 Strategic Objectives that had been outlined namely:

- Elimination of unnecessary expenditure;
- Improvement in monthly operational information to enhance management result-based decision-making;
- Improvement in the accuracy of long-range financial forecasting and projections;
- Institutional review and financial reporting lines;
- Strategic and budget planning processes.

Specific financial sustainability interventions were the following:

#### Cost containment Measures

- Conduct Expenditure Review and eliminate unnecessary expenditure;
- Systematic implementation of zero based budgeting approach and justification of all expenditure during budgeting process;
- Conduct an institutional review to assess capacity requirements.

#### Sustainable development and service delivery

- Improve quality of service delivery to ensure that customers' perception of how public funds are utilized and enable them to be more willing to pay for services;
- Develop a programme to minimise unaccounted for losses;
- City wide roll out of the pre-paid and smart metering to improve collection ratio and manage consumption.

#### Revenue maximisation Initiatives

- Actively improving the level of confidence that indigents are not targeted through credit control processes thereby making it easier to develop and implement a comprehensive credit control policy. The result is an effective "zero tolerance" attitude towards the non-payment of debtors' balances and therefore improved collection rates and cash inflows;
- Implement customer awareness that is aimed at encouraging good payment habits. Customer Satisfaction survey to establish why customers do not pay and address the issues that arise from such a survey;
- Integrated management of customers and query resolution (quality of customer service within agreed service standards);
- Improved management of meter reading process to ensure accuracy of billing and reduce level of estimates and customer queries;
- Data clean-up to ensure accuracy of billing data;
- Ensure payment channels for services billed are convenient and easily accessible.

#### Tariffs

Ensure that Tariff proposals take into account the following aspects:

- Cost recovery;
- Affordability;
- Competitive pricing by comparison to peers (other SA like sized municipalities);
- Provision of free basic services in line with indigent policy with emphasis on being pro-poor.

#### Rates & taxes

- Rates and taxes policy review that ensures competitive pricing when one considers the rate in the rand, value exclusion and rebates offered by the City by comparison to other municipalities, while ensuring alignment to the cost drivers in the City that are funded from the rates account (public goods).

#### Capital budget management

- Review other sources of funding and consider possibility of new sources of funding;
- Maintain a balance between investment in productive economic infrastructure, basic needs and social facilities.

#### Repairs and maintenance ("R&M") expenditure in favour of new capital projects

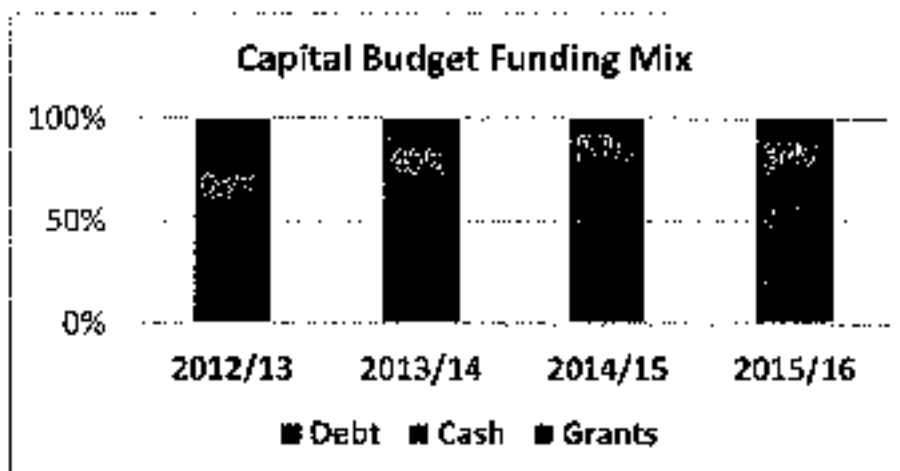
- Need an intentional increase in R&M especially if investment in CAPEX reduces in the medium to long term,
- Target significant year on year allocation towards R&M towards achieving benchmark of 8% of PPE;
- Develop a 5-year R&M programme informed by asset plans;

- Roll out the Implementation of Comprehensive infrastructure plans that inform future capital investment and repairs and maintenance plans.

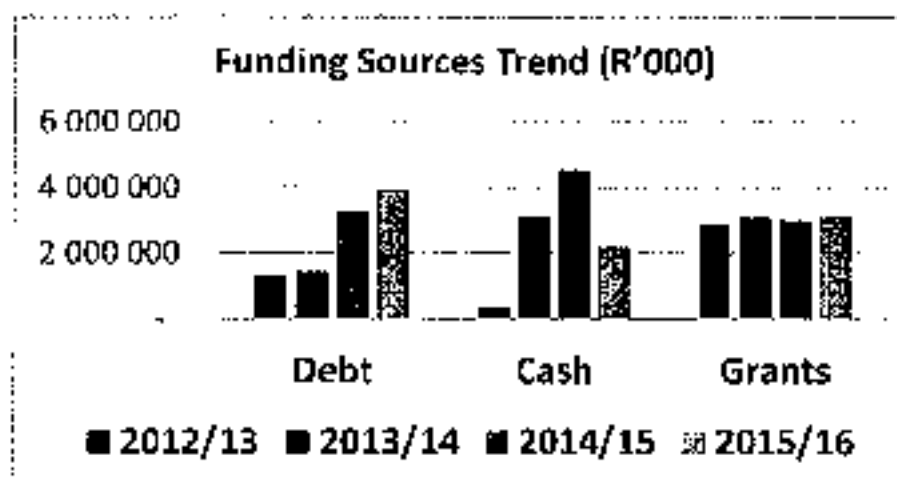
The EDP has proven to be very beneficial and successful to date. In discussing the successes to date Reggie pointed out the surpluses that were achieved. No budget is passed that does not yield a surplus. Grants and debts are raised or operations managed to drive the strategy. Non-technical and technical electricity losses were identified and the non-technical losses were brought down considerably. The physical water losses were also brought down but not enough has been achieved in terms of commercial water losses.

The CoJ's liquidity position went from R306m in June 2010 to R5,401m in June 2013 and was 4,370m in June 2016. Capex increased over time and since 2013 it has almost doubled from R4,3bn to R8,4bn. All the ratios are kept in the green. The shift was made from a consumption to an investment budget. Reggie also pointed out how the funding mix has changed over time with borrowing picking up considerably since 2013 and grants reducing considerably since that time. He presented the following graphs to illustrate the funding movement.

Graph 1: CoJ funding mix



Graph 2: CoJ funding sources trend



He said that 'cash is king' and the CoJ succeeded in building its cash reserves. Over the past 5 years the City has intentionally worked towards building up cash resources through the

Implementation of more stringent cash management practices including weekly and monthly cash projections which are proactively monitored. The high cash balance has been maintained in 2015/2016 financial year. The increase of assets over the years was mainly due to the growth in PPE and increase in cash and cash equivalents over the past years. PPE increased from R36 billion in 2011 to R61 billion in 2016 and Cash balances have increased from R695 million in 2011 to R4,4 billion in 2016.

In conclusion, Reggie said that the City's Financial Development Plan has played an essential role to ensure continued financial sustainability and effective financial planning through:

- prudent borrowing,
- generation of annual operating surplus, and
- the creation of cash reserves to increase the level of infrastructural spending to improve service delivery.

Long term financial planning within the context of set parameters not only stabilised the City's finances in the short term, but also increased capacity to spend better to improve service delivery in the long term.

#### **Question & Answer Session**

*The following were some of the points discussed:*

- CoJ has recently taken the decision to re-absorb the municipal entities that were established in 1998/9 given that it considers this the best route for better service delivery and is sure that this move will not cause any disruption in services.
- There are so many challenges facing cities, e.g. migration, globalisation, climate change, resource scarcity, densification, in order to play its role in a new economic environment reflecting "disruptive" approaches to business like optic fibre, Uber, Airbnb's, etc. The CoJ is focused on innovation, i.e. partnering with academic institutions and is open to public-private partnerships but the view is to take on a directing role, governing the broader structure thus creating the space and framework for the private sector resources to fit in.
- Municipalities are facing a decrease in revenue from electricity if people start to feed back into the grid, i.e. co-generation via renewable energy sources. According to the CoJ research, renewable energy currently only covers 3% of the total energy supply but if energy feed-in becomes more widespread, City Power, as it is structured now, might not be viable anymore. It is prudent for municipalities to prepare themselves for this and decide what its structures should look like in future, e.g. focusing more on supplying infrastructure for those feeding into the grid.
- CoJ is dead against credit holidays.
- It is essential to coordinate all infrastructure planning and implementation centrally to ensure correct sequencing of projects, for instance to prevent a new road being dug up to lay water pipes. CoJ has appointed PWC to assist it with setting up a central project coordination office and it has proven very valuable to have this capacity to match operations with strategy. In the process PWC has produced 20 practice notes which will assist CoJ when it takes over from PWC as this is the intention.

#### **5 Effective Engagement of the Fiscus – Ulrike Britton**

*Ulrike Britton, Chief Director Urban Development Infrastructure, National Treasury*

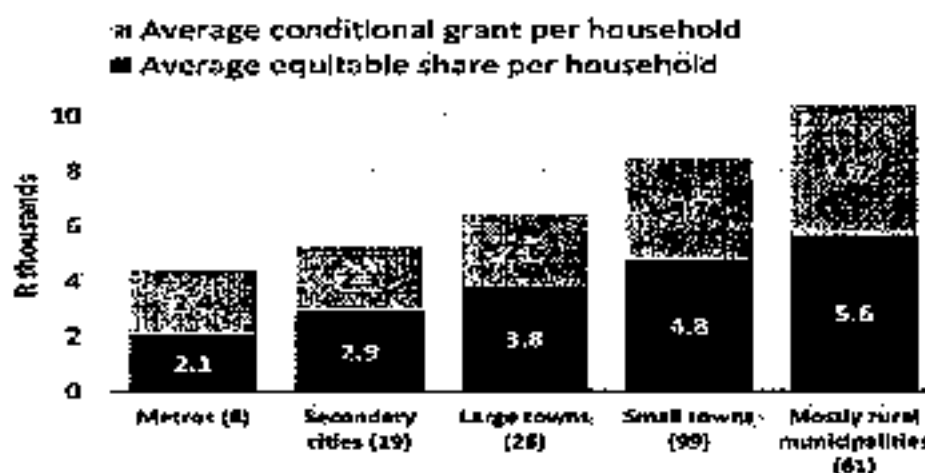
Ulrike started off by explaining the legislation regulating the fiscus with the Division of Revenue Act ("DORA") being the superior act as it sets out how nationally raised revenue should be split between provinces and municipalities. She explained that formulation of the budget always

starts with the previous year's DORA and invitations to the national departments, provinces, SALGA and the Financial and Fiscal Commission ("FFC") to propose changes. Allocation baselines are based on the Indicative Medium Term Expenditure Framework ("MTEF") allocations in the previous DORA and a new outer year allocation, i.e. the previous year increased by the Consumer Price Index ("CPI"). A really tedious process with extensive consultations through a system of technical committees feeding in to political level meetings until the DORA is ready to be tabled on budget day. To a great extent, the budget process is actually a political decision-making process. Almost half of the main budget expenditure of R1,4tn goes to national. Within the DORA is the equitable shares determined through formulas and conditional grants.

Some of the changes this year included R4.2bn added to the Local Government Equitable Share ("LGES") based on data updated from the 2016 Community Survey; changes to the Regional Services Council Levy Replacement Grant ("RSLRG") to assist district municipalities with the lowest allocations; money allocated to the top ten district municipalities and R409m allocated to the Municipal Demarcation Transition Grant. Reforms to infrastructure grants included greater emphasis on refurbishing and sustaining infrastructure; consolidating water sector grants and enhancing differentiation for urban and rural grants.

In 2017/18, 9.1% of nationally raised revenue goes to local government. Of all revenue collected by the public sector thus including, e.g. liquor, gambling and motor licensing fees, local government gets about 25%. Basically, the DORA is a powerful tool for redistribution between urban and rural areas and its purpose is to provide a stable flow of allocations to provinces and municipalities. Thus, it is the key component to provide stability within the fiscal framework. The following graph indicates the per household allocations to municipalities.

Graph 3: Allocations to municipalities

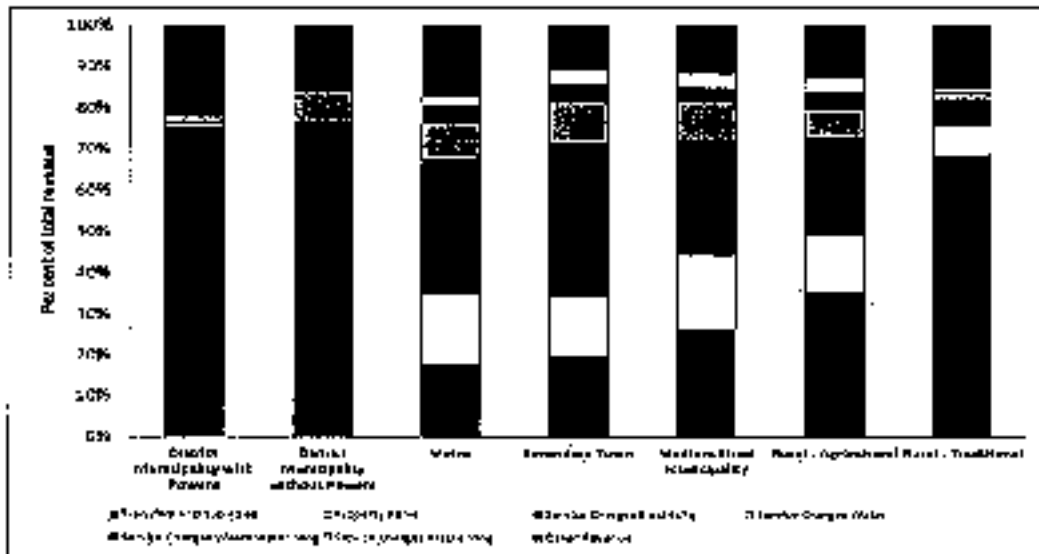


She said that the efforts to improve municipal financial management will focus on four 'game changers', i.e.:

- The new Municipal Standard Chart of Accounts ("MSCOA") to be implemented from 1 July 2017;
- Improved Supply Chain Management ("SCM");
- Improved revenue management due to the requirement of cost-reflective tariffs; and
- Improved asset management due to the requirement that municipalities spend at least 8% of the value of their assets on maintenance.

Ulrike said that new cost containment guidelines for municipalities will be issued and further explained how the local government fiscal framework supports different households. She said that for the whole of local government own revenue funds 70% of budgets but in the rural areas with high poverty rates, transfers can fund up to 80% of budgets. To illustrate how different the sources of revenue is for different types of municipalities she used the following graph.

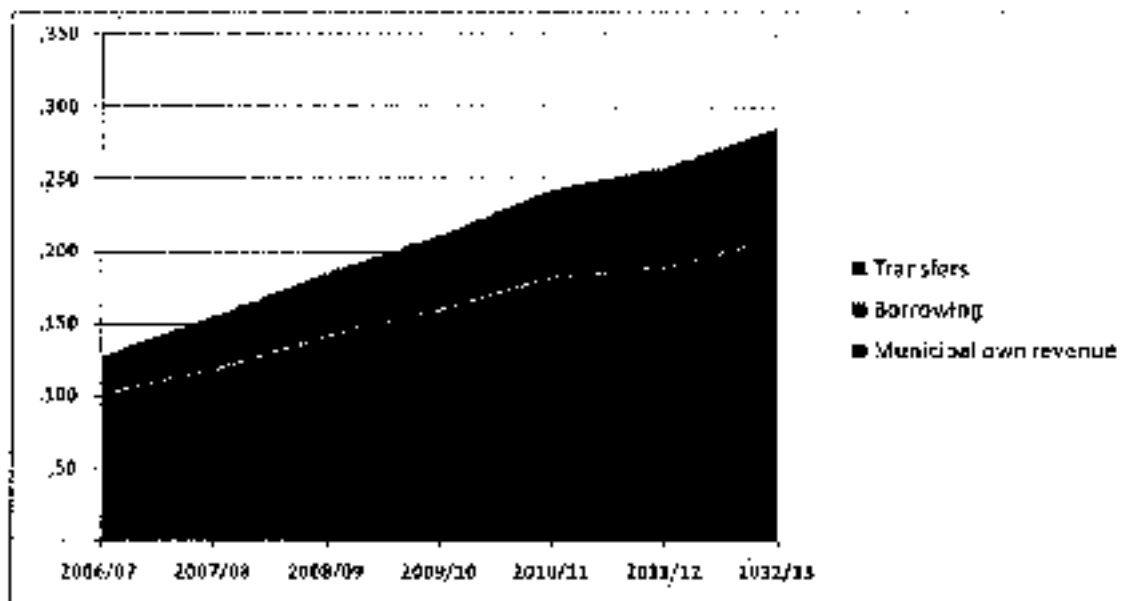
*Graph 4: Municipal Revenue Sources (percentage) per type of municipality, 2010/11*



Essentially the national fiscus supports the poor households but as these households move up the value chain, i.e. Improvements to RDP houses, it is important that the Local Government Fiscal Framework ("LGFF") sufficiently adapt to access the rates and service that must come from these households.

She pointed out how transfers have become a larger part of the LGFF over time and provided the following graph to illustrate that such growth was 18% per annum for the six years up to 2013.

*Graph 5: Composition of the LGFF, 2006/07 – 2012/13*



She further pointed out the rules governing transferable funds and noted that the DORA and the Local Government: Municipal Finance Management Act, 2003 ("MFMA") have extensive reporting requirements allowing national government to monitor municipal spending which rules, if broken, may lead to funds being withheld (delayed) or even stopped and reallocated.

Returning to the LGES, Ulrike said that the formula applicable since 2013 is much simpler and more transparent but the challenge is still to ensure that once funds reach municipalities such are used to deliver services that benefit poor households. Effectively the allocation provides R335 per month per poor household for the latter to receive water, sanitation, electricity and refuse removal services.

In summary, she looked at the changes which are being made to implement the infrastructure grants review done in 2014. These include:

- Allowing municipalities to use conditional grant funds to repair and refurbish existing infrastructure.
- Grant consolidation to reduce the number of water and sanitation grants from four to two: the Regional Bulk Infrastructure Grant ("RBIG") to fund large projects, and the Water Services Infrastructure Grant ("WSIG") to fund reticulation schemes and on-site services in rural municipalities.
- Increased differentiation, including amending the Municipal Infrastructure Grant ("MIG") to require secondary cities to plan how infrastructure investments will contribute to urban development that breaks down apartheid spatial patterns.
- A new formula to allocate the Public Transport Network Grant ("PTNG"). The previous system incentivised cities to plan overly expensive systems in the hope of receiving more funding. The new formula provides greater certainty about the long-term support; allowing cities to plan affordable and sustainable infrastructure upgrades.

#### **Question & Answer Session**

*The following were some of the points made and discussed:*

- Unfunded and underfunded mandates were flagged as a huge problem for municipalities and it was pointed out that various regulations increase this burden on municipalities, e.g.

housing regulations. It does not appear as if there is currently a solution to this matter – it is a broader policy issue.

- It is acknowledged that SA has norms and standards that are unaffordable, e.g. the Department of Water and Sanitation (“DWS”) is currently reviewing the water standards. SA simply does not have enough money to do what our policies tell us to do.
- There is a built-in stabilisation factor within the LGES to assist with the absorption of any shocks that may come to municipalities if their share is adjusted downward following a data update.
- One of the prime reasons for increasing the LGES funding was the realisation that municipalities have a huge financial burden to operate and maintain all the infrastructure linked to the basic services provided to poor households.
- In respect of RBIG, only Water Services Authorities (“WSA”) may receive it but it appears that there is no sensible allocation system within the DWS in terms of which WSAs receive these grants. In fact, NT is worried about how these allocations are determined as it does not seem to be done in a transparent, equitable or efficient manner.
- It was noted that the operating deficits which seem to be inherent to the Bus Rapid Transit (“BRT”) systems is one of the largest fiscal risks for municipalities. It appears that the financial modelling of these systems has now proven to have definite shortcomings.
- The inclusion of maintenance costs in the MIG funding is applauded. Provision for electricity maintenance however remains a huge problem. There is a need to merge electricity grants into infrastructure grants.
- Municipalities are not allowed to apply for electrification funding from the Department of Energy (“DOE”) unless the top structure of RDP houses has been completed. The waiting period is then up to 36 months. In other words, for the latter period the RDP house owners must wait to be connected to electricity. This misalignment between local and national policies has a huge social impact. It is unfair towards communities, creates dissatisfaction towards the municipalities and has an impact on human surveys.
- There is sincere doubt amongst municipalities whether cost-reflective tariffs can be implemented at this point in time.
- One of the big issues that NT has to deal with is how to create a registry for tribal land and set rates for such land.

## 6 Prioritising Own Financial Resources and Revenue Enhancement – Ben Dorfling

*Ben Dorfling, Previous IMFU President, currently Specialist Advisor to Grant Thornton*

Ben emphasized that a municipality must be run as a business with planning and the implementation of these plans key thereto and a SWOT analysis at the core thereof, i.e. a known status quo including an independent financial assessment to enable the setting of a well-defined outcome, the formulation of a purpose-driven business plan and a LTFF to achieve this outcome. Expanding on the planning cycle and value chain, Ben emphasized that pre-budget indabas with the community is critical to really listen and determine their needs. These must then be evaluated and costed in accordance with a LTFF and coincide with the municipality’s business plan. The business plan indicates what should be done and the LTFF indicates when and how such can be done in a sustainable manner. It is then also essential to review and update the Spatial Development Plan (“SDP”) and the IDP. The latter should not be done as a compliance issue by a few officials but should involve all units and departments with departmental plans that align with the IDP. The same type of consultation and broad buy-in apply to an upgraded organogram to ensure the human resources exist for giving effect to these essential plans. Ben clearly indicated the difference between an IDP and a business plan, with the latter being the tool to run the daily activities of the municipality in order to give effect to the objectives and goals set out in the IDP.

The most critical process is drafting the budget policy which should be in line with a tariff and rates policy allowing for surpluses in order to have adequate revenue to service all the essential needs of the people. The budget policy must be clear on not allowing activities falling outside of municipal mandates, e.g. beauty contests. He referred to the old practice of having a capital development fund and said he would welcome a treasury policy which makes it obligatory to set aside a percentage for capital investment to curb the overdependence on grant funding that has taken hold of municipal funding practices. He explained the importance of the rates and tariffs policies and the need to have cost-reflective tariffs. Knowing the costs of services and understanding where losses are occurring could assist to curb these through effective operational programmes. He cited examples of municipalities having water losses of up to 73% and electricity losses of up to 68%. The importance of having categories of user codes which are aligned to the tariff codes in the rates policy was also emphasized.

It is of utmost importance to control staff expenditure. Where staff expenditure used to be on average 25% of the operating budget, it has risen to on average 45%, leaving less and less room for expenditure on service delivery priorities such as capital investment and maintenance.

Ben spoke out against budgeting for a deficit, saying that a budget is balanced if there is no deficit in the current year activities and a budget is funded if there is no deficit in the current year activities and it covers all cash shortfalls required for the previous year. He said that the last time he looked 72% of municipalities had a liquidity ratio of less than 1,5:1, i.e. a dangerous position to be in. Even more scary a large percentage of municipalities had a liquidity ratio of less than 1:1, i.e. their current assets could not cover their current liabilities. Ben still believes in the safe way of collecting money in one year and then spending it in the following year, cutting out the uncertainties that leads to an underfunded budget.

Ben is critical of SDBIPs given that many of these plans are purely compliance driven and shy away from anything which may cause people not to get performance bonuses. He said that revenue management must be done on a day to day basis and verified monthly. It will include checking debtor payment levels, cash flow management, calculation of distribution losses for water and electricity, assessment rates and refuse and sanitation. The same applies to debtor management. It should only be owners that receive municipal bills and the vetting of indigent status is of paramount importance given the abuse of the system. Of necessity, the credit control policy and by-law should be in place and applied consistently.

It is disconcerting to know that as many as 60% of municipalities do not have a property master file given the role thereof in the valuation of stands, land use management, etc. He mentioned that a large municipality without such a master file found that they are not levying 25% of the properties in their jurisdiction. Similarly, the treasury office of the municipality must be constantly aware of constructions and demolitions and put pressure on the engineering departments to check all meters, replace dysfunctional meters, obtain meter readings from all meters and act decisively against illegal connections. If need be a stand to stand verification process must be followed and, if possible, a system of on-site billing should be implemented. The latter takes some planning but can affect large cost savings and shorter turnaround times in respect of revenue collection. The latter will cut the time between the municipality having to pay service providers, e.g. Eskom and it being able to collect payment for those services from consumers from 45 to 10 days.

In dealing with revenue improvement, Ben revisited the importance of knowing exactly what the municipal status quo, the need for a SWOT analysis, an independent financial assessment, a financial recovery plan, a LTFP and a business plan which includes effective revenue management with revenue enhancement, protection and growth strategies as set out in the

discussion. This business plan can address unfunded and underfunded mandates. For revenue management, it is essential that the finance department being totally up to date with anything that happens in respect of town planning, building inspections, etc. so that debtors files can be up to date for billing purposes. Ben advocates that each municipality should have a revenue protection division as this could assist to address dwindling own resources.

#### **Question & Answer Session:**

*The following were some of the points made and discussed:*

- Swartland Municipality managed to increase its revenue with R2m in the previous financial year just by insisting that other spheres of government submit and pay for building plans.
- Municipalities are experiencing much frustration in respect of joint planning between spheres of government given that the allocations for such joint plans are unilaterally changed by national or provincial government leaving municipalities not being able to deliver on their IDPs. E.g. national budget for the building of a school may decrease from one year to a next or simply be postponed leaving the municipality to explain unmet expectations to its communities.
- The encroachment of Eskom in municipal licensed areas happens all over the country and deprives those municipalities of much needed revenue. In effect Eskom gets the revenue and the municipality must deliver all the non-revenue services. It is time that Eskom be held accountable for part of that service delivery costs.
- Some municipalities are budgeting for a deficit due to its depreciation not been fully cash-backed. Unfortunately, this kind of budgeting leaves the CFO exposed.
- Moving to GRAP and the way in which it dealt with the evaluation of assets has created many problems and the fact that real cost reflective tariffs for electricity will not get NERSA approval further exacerbate an already problematic budgeting process.
- Migration to cities and secondary cities also makes it a real challenge to have a balanced and funded budget due to the backlogs in respect of housing and other services created by such migration.
- To move from an unfunded budget to a funded budget is a process which critically includes a properly done asset register to arrive at real values and cutting down on expenditure. This is undoubtedly necessary for responsible accounting because a budget that is not credible will simply end up in a situation where over-expenditure becomes a reality.
- However, apart from asset re-evaluation just when GRAP was implemented, GRAP standards do not now allow for a re-evaluation of historical assets values.
- The problem carries over to budgeting for replacement as these values are now also not up to date and since there is a very restrictive capping on electricity increases this year and other rates should stay affordable, it becomes a virtual impossibility to budget the percentage for maintenance required by NT.
- The regulatory framework introduced by the Electricity Act, has skewed tariff setting to the extent that it is as if NERSA is acting as the third tier of government by dictating municipal tariffs.
- It was pointed out that NERSA's capping of the electricity increase for municipalities this year to 2.2% came about as it could not make the deadline of 15 March. However, the situation will be corrected next year with an increase of 13% allowed by NERSA.

#### **7 Municipal Borrowings within the Context of Government Policy – Attie van Zyl**

*Attie van Zyl, CEO of IPM*

Attie reflected on the importance of municipal borrowings as a source of funding using some of the participant municipalities at the summer school to make it practical. He also dealt with a

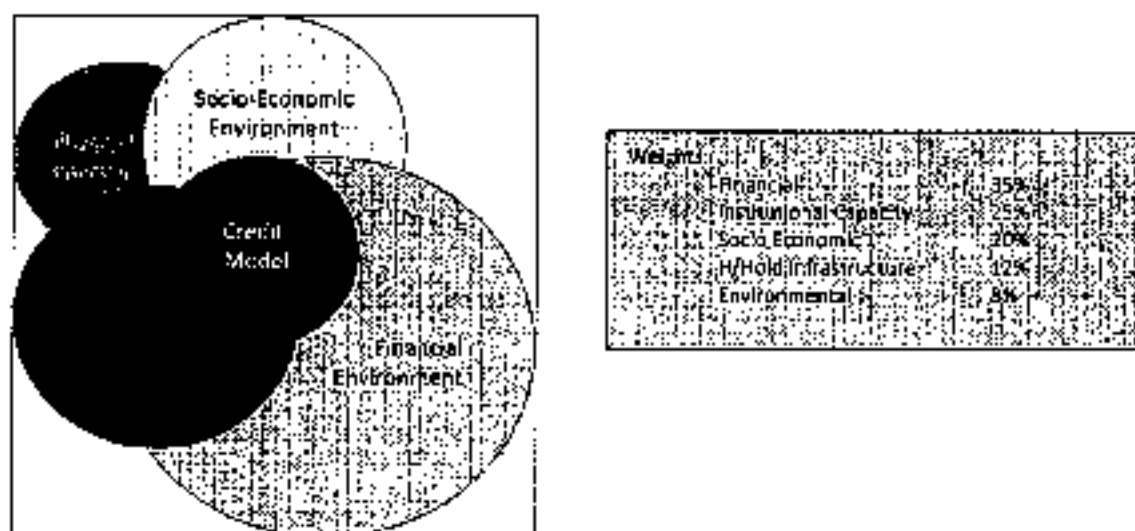
potential lender's typical assessment of a municipality's credit worthiness and provided a practical example of how to manage a funding mix consisting of the three sources of funding accessible to municipalities.

Putting municipal borrowings in perspective, Attie indicated that the total long-term debt of municipalities amounted to R57,4bn in 2015/6, of which the metros represented 87% (R49,8bn); the 19 secondary cities 6,5% (R3,8bn) and all other municipalities 6,5% (R3,8bn). It shows that metropolitan municipalities are significantly more leveraged than other municipalities with the CoJ being the largest borrower, however the City of Tshwane ("CoT") is the most leveraged as it borrows the most per capita. The share of borrowing in capital expenditure has declined from 24% in 2009 to 18% in 2015 and there is a drive from NT's side to reverse the trend so that municipalities move away from grant dependency to using municipal borrowing as a more prominent source of funding.

Interesting is the contrast between the metros (CoJ and CoT) external debt figure which amounts to 81% vis-a-vis the 19% of the other 13 municipalities' present at the summer school. Important is also to look at the debt to revenue (gearing ratio) which for the CoJ and CoT is 42,9% and 22,3% for the other municipalities at the summer school. These figures translate into R3,045.45 per capita head for the metros and R1,059.37 per capita head for the local municipalities, i.e. approximately a third of that of the metros. From the figures presented by Attie it was clear that the average gearing of non-metropolitan municipalities present at the summer school is far below the NT norm and the majority of municipalities reflect positive in respect of low gearing and debt service cover ratios while having an adequate liquidity ratio. Given that the trend of migration is to the cities around metros, it certainly will start to put pressure on the secondary cities to expand on their borrowing capacity to fund their capital expenditure as the national fiscus' ability to assist is declining. It then becomes essential to have a LTFP to provide guidance on what the mix of funding sources should be to ensure sustainable development and growth.

Next Attie dealt with the integrated risk assessment process by presenting a credit model (refer figure 1 below) used by lender institutions and the weights assigned to the main components. In terms thereof, a lender will scrutinise the financial, institutional, socio-economic and physical infrastructure environments of a municipality. Included therein is to look at backlogs and spending in respect of basic service delivery and what the impact of spending would be.

Figure 1: Integrated risk assessment components



In terms of the financial assessment, some of the key aspects considered by lenders are:

- The ability to repay loans and how predictable this ability is going forward;
- Management stability and does management instill confidence, e.g. by having clear long-term strategies and targets reflecting on performance;
- Strong liquidity, in fact, the weight attached to liquidity is prominent, i.e. 42%, since cash is king.

Attie related the example of the first LTFP he did for a municipality. Heeding his advice to cut the capital budget and take R10m thereof to build liquidity resulted in the municipality having a R200m unincumbent cash situation four years later. They can now drive a capital budget of R100m with ease. Referring to the Col presentation, Attie said the confidence built on having a vision, a clear roadmap and the predictability that targets are met as stated year-on-year, provide lenders with a picture of stability that unlocks long-term capital loan funding.

He said that NT places a specific focus on credit enhancement and holds a strong view that there should be a liquid municipal market and, based on the policy papers from NT, it appears that the latter thinks the absence of these elements explains the absence of a larger extent of lending to municipalities. Attie disagrees with NT that credit enhancement of municipalities is needed to unlock more lender funding. He argues that municipalities with borrowing capacity are not under-borrowed due to the market not wanting to lend money to them but that it is rather a case of municipalities getting their own mix of funding sources correct. In fact, with the economy becoming sluggish and less corporate deals going on, municipalities that have a LTFP will have an instrument to secure good lending agreements.

Using the example of George, he set out and discussed the various alternatives explored as part of the LTFP, i.e. the base case, maximisation of MTREF loans or a sculpted funding mix to allow for external financing of R200m per annum in 2017/18 and 2018/19 and spreading the budgeted internally generated funding over 3 years.

In conclusion, Attie said that the secondary cities are under-borrowed and the market is willing to lend. The more predictable the performance of a municipality, the larger the exposure level and the better the lending rate will be. As the fiscus is coming more and more under pressure, municipalities will have to borrow more and with the right profile using a LTFP as its tool to get the funding mix and timing of borrowing correct, municipalities will benefit. It is wise to review the LTFP every year at the start of the budget cycle.

## 8 Spatial Planning with a Long Term Focus – Erky Wood

*Erky Wood, Director Gapp Architects and Urban Designers*

Erky started his presentation by taking a good look at why good plans die since growing the urban economy is most fundamental to the business plan of metros and secondary cities and imperative for SA's survival. He referred to planning taken over by changing political agendas without getting the job done, as planning by sloganeering which he calls the 'lowest form of pseudo-planning'. This often happens in the municipal environment because real planning is hard. It requires adherence to a longer-term vision; it is often not popular because of the short-term medicine dictated by it and it often drives home inconvenient truths that requires real commitment to capacity and capacity-building and needs the buy-in of all line functions. Further essential components of workable long-term planning are political buy-in; policy support and policy alignment of all role-players; an acceptance and steadfast commitment to deliver over a longer term including commitment of the necessary resources; having a project

champion; rulling out political meddling in favour of political integrity and achieving critical mass, i.e. a real group effort across political and administrative levels. He provided a few case studies to illustrate the points made about planning.

- 1) The Rosebank Redevelopment Plan which started in 1978 and proved to be a very successful long-term involvement of the Col with its chief town planner acting as the champion together with a remorseless designer who did a number of clever things to ensure profitable property developments took place.
- 2) The Newton Cultural Project which over 30 years have shown sporadic success but due to a lack of policy and resources support is still fairly fragile in reaching the goals set for it.
- 3) Mandela Square where the chairman of the management committee had the absolute conviction that if the Council got the square right it will lead to the growth of an entire new rate base around it. Thus, the land identified was not to just be sold to a shopping centre but to be used to create an urban space with a 'heart' and this is what happened. Eventually the space planned for an opera house became the Gautrain station adding another dynamic to the development.
- 4) V&A Waterfront – literally a 'rags to riches' project which took place over 22 years of transforming a place where bodies used to wash up in the harbour to its current splendour and the most visited tourist destination in SA. A long-term vision was necessary and the commitment of the City of Cape Town and those the developers got. Synergy had to be created with the CBD and once the convention centre was also build near the waterfront, the overall city development strategy fell into place with inter alia also linking-in many hotels and the UCT Business School.
- 5) Umhlanga Ridge Town Centre, a near Greenfields development, which came about as Tongaat Hulett's opened up 140ha of land given the pressure of growing Umhlanga Rocks. Since shopping centres are not always the catalysts that people think they are, the shopping centre was designed in an outlook way, externalising itself to include the various city blocks and fitting in with the bigger mixed use development. The local authority was very helpful as it also realised the positive impact of expanding its rates base.
- 6) Durban Point Development Company – where it was easy enough to develop and sell land which faced the ocean but having a challenge to develop and sell the land not in view of the ocean. This challenge was addressed through a canal system. A problem occurred when a planned small craft harbour and waterfront was to be created since such required an EIA which the Council as a 50% shareholder in the company did not want to push through due to its fear of political heat. Seven years later the EIA was obtained but by then it was useless to the company. Thus, in some respects a failed project due to a lack of Council policy support and the courage to stand up against political pressure.
- 7) Dunkeld Precinct Plan – the wealth belt of the northern suburbs with many ego driven, pompous and bullying people. Since the Council decided about the change the consultants' task was simply to give the message through and this led to awful public participation exercises. Despite this, the project was nearly pulled off as the owners started to see the value of the development but it was the lack of capacity and support from the Council's engineering services that sunk the project. It pointed to the very important lesson that all engineering services and other departments involved should be aligned in their actions and timeframes and sing off the same sheet.
- 8) Gauteng Spatial Development Framework whereby the province requested an urban structure that is robust enough to cope with 30 million people over the next 30 – 40 years. It needed a re-think of the city, on how to turn it into something which is equalitarian and getting people to live close to work opportunities rather than on the boundaries of the city and most certainly putting a stop to the current urban sprawl which is exacerbated by the current policies. He said a sustainable city needs densification of huge proportions in consolidated zones and corridors connected by public transport (specifically rail as in London) and intensified infrastructure provision in compact, incremental ways. It does not

require optimisation of architecture that create alone standing masterpieces but mixed developments focused on the optimisation of connectivity. Given the maps shown by Erky, it is quite daunting to see the infrastructure development that is needed and must still take place in Gauteng. Of cardinal importance is the harmonisation of local, provincial and national policies aligned to the development of a consolidated, complex, compact city, i.e. a smart city. Essentially the great medieval cities are still growing economies due to work, play and home being in close proximity.

#### **Question & Answer Session:**

*The following were some of the points made and discussed:*

- Urban economic development follows very clear spatial fundamentals and geography is a remorseless indicator. It has to do with why do we live in cities. No matter how digital we get or live in cyberspace, our lives take place in form, space and scape. We are consumers and we have to consume in very physical ways and the only way we can do it in sound scale of economy is to live very close together. Besides cities are very efficient in terms of getting productive forces in very limited spaces. We need to understand that there is nothing ugly about compaction. The fundamentals of economies are all about access to markets, other means of production, etc. These are the factors to be taken into account when considering spending money on economic development with the latter more feasible where there is already sufficient footfall as it is notoriously difficult create a footfall. If, however, localised economic development is considered, one needs to select as the hub of such, places where there is already a footfall, e.g. a railway station. Probably the greatest example is Copenhagen which has a strong city centre and five replicated economic nodes with people effectively oscillating along the corridors and not only moving in or out the city. Putting people outside the fringe of the city and trying to stimulate economic development on such outskirts, is notoriously difficult.
- In the case of the CoT however, there are various housing settlements, e.g. Soshanguve and Hammanskraal where there is infrastructure and industrial development. The challenge is really to take economic development back to these areas as that was the original state of those areas. Thus, to uplift and recreate those areas to be connective economic hubs inclusive of work, home and play areas. The pieces of land in the middle of connective transport networks then could lend itself to urban agricultural development so that the latter becomes part of the integrated urban economy.
- One of the great urban debates is – how does property value locks some people in and others out. The nature of cities is that they are commonwealth and people need to find their way into that commonwealth. Thus, one would find lower income areas turned into middle to lower income areas as people move in and upgrade, e.g. Triomf in Johannesburg. Another example is where Mayfair in Johannesburg turned from a blue collar white area to a mixed area and various other examples which essentially means that it often naturally happens in especially very complex cities that certain places becomes higher or lower value as migrations of people take place according to socio-economic dynamics. E.g. in New York around Central Park which is very high quality value there is at three sides equally high value development but on one side there is Harlem which is substantially different from the rest. This might be an indication of how to look at Zoo Lake. It is in the complexity of urban and socio-economic dynamics that often naturally occurring solutions take place.

4 April 2017

9 Re-cap of the First Day's Proceedings – Attie van Zyl  
*Attie van Zyl, CEO of IPM*

According to NT the investment in infrastructure in the metros alone will be in the order of R430bn over the next 10 years. Within a fast-changing municipal environment, integrated development and the convergence of infrastructure investment in a way that yield the best results in terms of inclusive, coherent, complex and consolidated growth calls for instruments and support mechanisms that will assist the municipal executive with a vision and a roadmap that provides some measure of predictability. Such can be found in a LTFF which, if embedded in a long-term strategy, enables an incremental optimisation of all three the sources of funding and the right mix of these to ensure sustainable development, as in the case of Col.

NT has clear policies but acknowledges that it does not have the resources to back up these policies. This is a stark reality which impacts on municipalities who are faced with unfunded and underfunded mandates. For municipalities, it is best to go 'back to basics' and deal with those matters that are within their control, i.e. knowing and managing their tax base well to derive optimum revenue and using a LTFF to leverage their borrowing capacity. Most importantly is the institutionalisation of a LTFF to the extent that it becomes a game-changer. It also requires the honesty to know when and what choices to make. Such choices might include alternative service delivery mechanisms involving the private sector and optimisation of own resources by implementing shared services.

#### **10 Expanding Resources – Alternative Service Delivery Mechanisms – Anita Botha**

*Anita Botha, Local Government and PPP Specialist, Pro-active Management Services*

Anita pointed out that the growth agenda will not be possible unless municipalities expand their own resources and the private sector becomes involved through alternative service delivery mechanisms ("ASDM"). This needs to be done in a structured way which serves all parties involved, on the one hand respecting municipalities' governance function and on the other, accepting the private sector's profit motive and finding the balance between these to serve communities well.

She explained that 'expanding resources' mainly refers to financial, technical and human resources and embedded therein should be managerial, administrative and operational expertise and experience as well as effective and efficient systems, processes and procedures. She argued that a large number of municipalities no longer has the internal financial and/or human resources capacity to render basic services well. She however, emphasized that an external mechanism is not an end goal as municipalities should be enabled to take over a service/function after an outsourced contract comes to an end.

The scope for ASDMs was explained making a distinction between municipal services and municipal support activities as different legislation applies to the process to be followed. The various instances when a municipality is allowed to look at an ASDM were highlighted, these being summarised as: when a new service must be rendered; an existing service be significantly upgraded, expanded or improved or a review requires it whether be demanded by the province, the community or the IDP and in the case of re-demarcation, re-division of powers and functions. In all cases the key considerations are that the ASDM should provide value for money ("vfm"); be affordable to the municipality and its community and transfer significant risk to the external party.

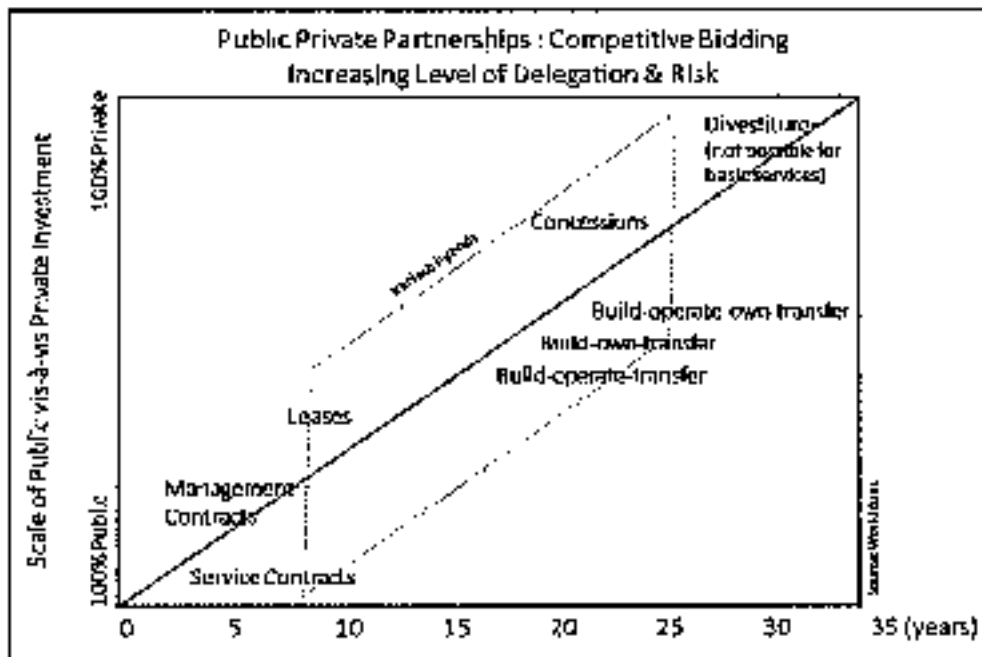
She gave various reasons why ASDMs should be considered including the findings of the Municipal Infrastructure Support Agency ("MISA") about lacking, overloaded and ageing infrastructure (e.g. of the 824 waste-water treatment works in SA, 212 are in a critical condition

and 259 are high risk); insufficient government funding (e.g. the funding deficit for water service infrastructure is R805bn over the next 10 years) and a lack of technical skilled staff.

Anita explained the various ASDMs allowed in SA for municipal services/support functions, i.e. municipal entities, another municipality or organ of state (public-public partnerships) and private entities that include community based organisations and non-governmental organisations. She pointed out that municipal entities, wholly owned by a municipality/ties are not the answer if the solution sought is an expansion of financial, technical or human resources and entities are often costly due to a board of directors, etc., tend to become bloated and often become kingdoms not welcoming their parent municipality's oversight despite total financial dependence on the latter.

She outlined the various ASDM type of arrangements and the circumstances under which each of these should typically be suitable. Anita made it very clear that divestiture / privatisation of municipal basic services is not allowed in SA. She said anyone referring to privatisation in the municipal context, as trade unions often do, has the devious agenda of derailing such processes.

Diagram 1: Public vis-a-vis Private Investment



She debunked any thought that the process of investigating, procuring and implementing ASDMs, especially those covering extensive scope of works, is a walk in the park and provided a detailed discussion of the acts, legal stipulations, processes and role-players involved.

Using her extensive experience of Public-Private Partnership type of projects over a span of 15 years, she discussed a number of such projects briefly giving the rationale, process and type of arrangements. In her opinion there is much scope for 5 – 8 year management contracts in terms of water and sanitation and solid waste services, e.g. the operation and maintenance of water treatment works, wastewater treatment works and landfill sites. She also felt strongly that ASDMs should be investigated for electricity distribution services as many municipalities are not maintaining their networks as they should with electricity losses often very high and health and safety potentially a huge issue.

She discussed the challenges and constraints of embarking on the ASDM route citing the lack of reliable information; the lack of internal capacity and political will; non-adherence to timeframes; personnel turnover and a loss of institutional memory; management continuity problems; the lack or difficulty of external consultations; exceeding scope and budget; preconceived solutions; the lack of skills transfer and misperceptions or resistance in respect of PPPs as some the biggest areas of concern. She pointed out that inadequate feasibility studies and contract management are big culprits of unsuccessful or troublesome projects.

Lastly, she briefly looked at some of the key success factors of ASDM projects, these being, the good statutory environment in respect of PPPs in SA, although too overregulated; the need for a champion and conducive political culture; a project structure including knowledgeable internal management; thorough conceptualisation, planning and reliable, thorough feasibility study; vfm, affordability and transfer of risk properly established; risks well defined in a detailed contract; a clearly defined revenue stream; stakeholder support; contract management and careful selection of a partner.

*Question & Answers were dealt with in the plenary session.*

## 11 Optimisation of Own Resources – Stan Wallace

*Stan Wallace, Previous Municipal Manager of Theewaterskloof Municipality and Shared Services Specialist*

Stan pointed out that the biggest challenge facing local government is institutional capacity thus, how can LG improve and build on its capacity. He shared a few historical cases of shared services ("SS") in LG which he was directly or indirectly involved in but none of these were sustainable and currently no properly constructed shared services model exists in municipalities. Referring to Durban, 1991, a contracted city shared services unit with 10 directors housing all the internal support services, e.g. revenue collection, printing, mechanical workshop, management support, survey services, etc. Only the main finance and human resources departments were excluded. The SS unit was given five years to prove it can provide a service competitive with the private sector. Unfortunately, there was a decision to outsource IT and in the process, the ANC government who took over, used the opportunity to not only reject outsourcing IT but also to close down shared services as the trade unions were against it arguing that it is the first step of privatisation. The conclusion being that the opinion of labour in respect of shared services is important and such buy-in to be sought.

In the Cape Town example, a shared services model was implemented after the amalgamation of the various administrations. It involved five functions in an internal strategic corporate service but eventually fizzled out. The problem was territorial jealousy. In the Gauteng provincial model, it was more a centralisation of support services of which the current status is unclear. In Overberg district a risk SS was established between all the municipalities and it is working well.

The need for SS, is due to the complexity, financial constraints and scarce specialised skills faced by municipalities. It becomes more emphasized as performance, competitiveness and the need for continuous improvement becomes more pronounced and to empower customers. SS might be the impetus to give district municipalities a reason for existence. It most often refers to sharing people expertise but can also be sharing equipment such as a pothole repair truck.

In short a SS aims to 'provide a competitive standardised support service to multiple empowered customers'. There are a few models, i.e.:

- specialised shared services model internal to a municipality but possibly having secondary external customers, e.g. IT providing a service to the SAPS and Stellenbosch when Stan was working for the City of Cape Town ("CoCT");
- district shared service provided by a District Municipality ("DM") to all or a few of the Local Municipalities ("LM") in its district and perhaps to a few outside its district, e.g. legal services;
- hosted, shared services whereby each municipality in a district host one of the functions needing the SS model; and
- privatised shared service whereby a number of municipalities use the services of a private company to fulfil a function for them.

Stan cautioned that there is a difference between a SS and a co-operative agreement, i.e. the land invasion units that Theewaterskloof established and other municipalities are in the process of establishing, to assist each other should occasions for concerted action arise.

The principal municipality in a SS model should, have a shared services board to regulate the functions in terms of tariffs, performance, remedial actions, etc. Important is to separate the corporate function from the SS as the latter is about operational matters and should not get

involved in policy-making, administrative governance, etc. In respect of human resources, for instance, recruitment and selection, training and development can belong in a shared service. Especially the latter as it is shocking to see how LG neglect training and development. A SS training centre for one or two DMs could make a substantial difference.

The key principles to be borne in mind are inter alia that the SS should be performance driven and competitive; for a specific contracted period; based on a certain standard and not customised for each participant; deliver in the main support services; is more than a cost cutting exercise; the corporate and service functions for the SS must be separated and be regulated by a charter and a service level agreement. It is not about centralisation.

At least the majority of the following requirements should be met:

- Quality services, i.e. a basic service provided in a way that gives it an advanced value, e.g. striving for excellence;
- Quantity services, i.e. performing a range of related services;
- Flexibility, i.e. to assist whenever required;
- Response time, speed and cost, i.e. a good, agreed standard at a competitive but affordable cost.

Stan said that typical functions to which the SS model could apply include risk management, training, legal services, cost and management accounting, assessment centres and selection assistance, disciplinary processes, staff administration and payroll, building maintenance, internal audit, work study and management support services. More complex and challenging options include IT, SCM, pothole repair, tourism, LED, fleet, mechanical workshop, human settlements building teams or implementing agency.

Stan discussed the pitfalls, risks and reasons for failure as including different client needs; territorial jealousy and turf protection; host and shared services not sufficiently empowered and protected thus a strong corporate structure being a necessity; making the mistake not to clearly separate the corporate and service component of the support service, excessive, unreasonable, unrealistic or unaffordable expectations; trying to be everything to everybody; a SS not being sufficiently competent and resourced; client interference in the SS operations and staff management; political differences between client municipalities; going too big too soon; oversimplification of the concept; not being clear about asset sharing and ownership and labour resistance.

He explained that the Service Level Agreement ("SLA") will include the service menu, the standards of services in measurable terms, an assessment rating and remedial planning. In terms of the roll-out, Stan provided the delegates with some guidelines and a list of frequently asked questions and answers. Refer to Annexures 3 and 4.

*Question & Answers were dealt with in the plenary session.*

## **12 Plenary Session: Expanding and Optimisation of Resources – Moderator: Albert de Klerk**

*Albert de Klerk, Municipal Manager Midvaal Municipality*

*Panelists: Anita Botha & Stan Wallace*

Albert related some examples of out-of-the-box thinking arguing that SA municipalities urgently need to go the innovative thinking route in order to salvage their own existence. He spoke about the challenges that Midvaal Local Municipality ("MLM") face being a medium sized municipality abutting two metros and as such having challenges in terms of residential and industrial development. The majority of municipalities, including some metros, do not have an

electrical engineer on-board. MLM does but he is at retirement age. Added to that is the reality of electricity operating at a consistent deficit for the last eight years due to municipalities not being allowed to increase their tariffs equivalent to the Eskom increases while all other expenses are increasing, e.g. a 7,36% salary increase as of 1 July 2017 with a minimum wage of R6,845 pm prescribed. These kind of costs and limitations are not comparable with the private sector. These factors, the limited number of electricity staff per household (165 households per staff member) and developments like Savanna City which will double the number of consumers in MLM, are at the core of MLM now investigating the outsourcing of the electricity distribution service. He confirmed that PPPs are not a 'walk in the park' and said that the current exercise already brought to the fore that a municipality does not necessarily 'know what it does not know' which is a huge risk in itself.

**Question & Answer session:**

*The following were some of the points made and discussed:*

- Swartland and other smaller municipalities did not have a good experience with a SS for risk management due to the service provider selected not fulfilling the function, as was expected. It then took considerable effort to get out of the arrangement and establish a more feasible arrangement with another outsourced service provider. It brings to the fore the care that should be taken to get the right service provider on-board.
- Municipalities must be very careful when they receive an unsolicited bid. If such a bidder is not clearly the sole provider or providing a unique concept, the bid cannot be accepted but should go out to market on a competitive tender including public participation where required. Section 37 of the SCM Regulations does not always provide enough guidance therefore municipalities are directed to use Practice Note 11 issued by NT under the Public Finance Management Act ("PFMA") for more detailed guidance.
- Embarking on a PPP process is expensive thus, although a long process, municipalities are advised to secure project development funding from NT to pay the transaction advisors it will need to appoint and it is essential for a municipality to also have the right skills on-board to manage the process. Throughout the process labour must be carefully managed because they are in principle against outsourcing and tend to think of any such venture as privatisation.
- It is simply a reality that the private sector manages operating and staff costs better and dedicate much resources to the training of their staff for higher efficiencies. Unfortunately, municipalities cut the costs of repairs, maintenance and training when faced with financial constraints.
- It is foreseen that shared services will need to occur more and more where there are pockets of excellence that municipalities can share or where there is the possibility of creating such, e.g. training. Especially capacity building could be an excellent shared service, albeit having to secure a very reliable, municipal conversant service provider and managing it well.
- It is also foreseen that more and more services will need to be contracted out, i.e. a case of the municipality owning the property but the private sector operating it on a long-term contract. This will of necessity include good contract management on the municipality's side
- With reference to the above, contract management is of the utmost importance and could also be a shared service as it is a scarce skill in municipalities. Essential is to realise that the contract management of a project needs to be put in place while the project is still in its development phase in order to ensure the operational take-over is smooth, all necessary management expertise is on-board and continuity exist between the contract development and the contract implementation.

- The new government of the CoT has inherited a number of illegal PPPs that were procured irregularly and is costing the CoT a fortune. This is unfortunate and gives the concept of PPPs a bad reputation. It underlines the fact that a municipality must understand its objective of going for a PPP and what it is it wants to achieve. Essentially, metros should be able to do all services internally. For instance, the creation of municipal entities by a metro must be thought through very carefully given that such entities have exactly the same resources and are bound by the same compliance issues, thus it must really be clear where the efficiencies will come from, if any. Unfortunately, corruption often plays a role in the irregular procurement of PPPs, leaving a new government with no cost advantage, rather a huge loss and an expensive legal battle to get out of the contract.
- PPPs should not be pursued to solve internal managerial or other inefficiencies that could and should be rectified by the municipalities.
- Municipalities should also not use PPPs to abdicate their own responsibilities. Especially if paid a concession fee to monitor the private party, a proper concession monitoring office staffed with adequate and suitable skills should be set up. Otherwise the concession fee must be used to insource external expertise.
- The importance of a thorough, legally compliant feasibility study cannot be overemphasized. A thorough feasibility study lies at the crux of successful PPPs as well as shared services, actually any services looking at alternative service delivery, because such a study leads a municipality to ask the right questions which then makes the convenient as well as the inconvenient truths to come to the fore and be open for proper assessment.
- The Dolphin Coast water concession (managed by Hlabbe District Municipality) can provide valuable lessons in terms of the way in which a PPP should and should not be contract managed and the aspects to be included in a contract of such a long duration in an area where many new developments are taking place requiring the PPP contract to offer some flexibility in respect of the extension of service delivery to new areas without the managing municipality having to incur large and unexpected costs.
- Currently the Hlabbe District Municipality is embarking on a solid waste PPP and the lessons learnt from the Dolphin Coast concession are heeded. The project which has received TVR1 and TVR11 approvals from NT, has learned that public consultation and labour consultation is extremely important. It is clear that labour is naturally opposed to these processes but legislation does not require for them to agree only that they be consulted.
- Wi-fi contracts are specifically problematic and should be approached with utmost care as there are many role-players involved which might not even be visible at the start and then surface at a later stage.
- Essentially PPPs are a good vehicle if a municipality wishes to significantly expand, upgrade or improve its services, not just for bailing out a dysfunctional municipality.
- Management contracts for the operation and maintenance of landfills or treatment plants are not necessarily a PPP unless the private sector also invests in the infrastructure and takes considerable financial risk. The transfer of risk must include financial, technical and operational aspects.
- SA can learn much from the French as just in France alone there are 30 000 active PPPs in the government sphere. The same applies to Brazil. Nairobi in Kenya is picking up speed as their regulatory environment has become more stabilized thus giving comfort to the private sector.
- The MFMA makes provision for a three-year review of outsourced contracts specifically to ensure that a long-term contract keeps on working for both parties. It is not to re-write the contract but to tweak it sufficiently so that it remains workable. At the same time the MSA makes performance management of service providers obligatory with such reports to be part of the annual report. Unfortunately, this is not done and leads to flawed contract management practices.

- Of concern is the aging corps of municipal engineers without a vibrant younger generation following in their footsteps.

### 13 Growth Agenda – Key Insights and Recommendations – Ann Bernstein

*Ann Bernstein, Executive Director, Centre for Development and Enterprise (“CDE”)*

Ann said that South Africa is one of the most unequal societies in the world. As many as half of the population is poor with 54% earning less than R/50 pm. The principal reason for this is an unemployment rate of around 35% of working age people (9 million) and a struggling school system that has left about half of all working age adults without the equivalent of a high school diploma. Around 19 million SA adults do not have a matric.

Despite many achievements, SA is in deep trouble. In 2016 SA had 0,3% growth, i.e. stagnant economy. Since 2009 every government prediction of growth has revised downwards. SA is nowhere near the NDP growth figures and the International Monetary Fund (“IMF”) predicts per capita growth for 2017 to fall to 2010 levels. Without growth, our democratic order could unravel. Growth, should be, but is not SA’s top priority. Government wants state-led development while most municipalities cannot deliver services. In many areas, the state is in decline and many parts of the state are deeply corrupt. SA has three different documents for growth with different assumptions and contradictory outcomes. In other words, SA does not have a single-minded focus on growth.

SA is 22 years past apartheid and has built one of the most redistributive states in the developing world, so why does SA have so much inequality and poverty? None of the housing, free education, etc. programmes provides a way out of poverty. The good story of SA is that of the insiders, i.e. the affluent, those with jobs and those with reasonable education. However, this has left behind the millions who are uneducated and jobless. SA has made bad policy decisions and created its own problems. SA’s can now make different choices and, although hard, these would still be easier than the circumstances SA’s will find themselves in if they do not now make hard choices. SA has an economy that needs over-skilled people and is capital intensive. But what SA needs is work for those that are unskilled. The global norm is 60% employed. SA has 42% employed. If SA moves to 60%, it will create another 6 million jobs.

The current strategy is no wage is better than a low wage. Only the Expanded Public Works Programme (“EPWP”) may pay low wages, i.e. R82 per day without imparting any skills. Why not allow the private sector to do the same? SA needs labour intensive growth. A job is the best route out of poverty. Expanding the civil service will not do it. Rapid growth, vastly improved employment, better education and training are the vital foundations of a steady elimination of poverty and building a more middle class society. Too few white SA’s talk about transformation while the latter should happen inclusively. I.e. to fix quality issues SA has to implement performance management for better schooling and health care but this is derailed by the ruling party’s alliance with the trade unions. SA needs to align transformation with economic expansion and mass inclusion and needs to do urbanisation well.

SA needs a new approach, fixing the basics. For two years’ the CDE has worked on SA’s big challenges, commissioned research, consulted widely, and produced seven documents outlining recommendations for how to achieve rapid, inclusive growth. CDE advocates a route that is urban-led, private sector driven, enabled by a smart state and targeted at mass employment. The Growth Agenda series of documents outlining its plans are available on [www.cde.org.za](http://www.cde.org.za)

Requirements for effective reform include:

- Capable, effective, smart state at all levels of government.
- Professional civil service appointed on merit that understands how to manage markets.
- Competitive markets, lifting the barriers sector by sector for black entrepreneurs.

- Country should stop playing to its weaknesses and focus on its strengths which inter alia include an excellent constitution, the rule of law and a wide spread legitimate legal system, world class companies, integrity and credibility of key public institutions, e.g. NT (albeit at risk) and the Reserve Bank.
- We already have a system of cities.

Priorities are vital to direct reform. CDE's proposals include:

- Government must place accelerated growth and employment at the top of the policy agenda.
- Transformation and growth should work together for all SA's.
- SA should agree on one credible strategy for growth based on markets and improving the effective state.
- Jobs for the labour force it has not 'the one it really wishes it had'.
- Export processing zone for Nelson Mandela Bay Metro cashing in on the jobs leaving China by attracting low skill manufacturing companies.
- Pro-growth does not mean anti-business, this must change – SA now has a government that is *crony-capitalist* and anti-business at the same time – it is a worst-case scenario.
- The entire skills pipeline must be reformed – this means SA has to focus on the quality of its schools including private players to upskill the trainers.
- SA should recruit foreign skills in large numbers in order to train SA's, e.g. in Silicon Valley over 45% of the companies were started by skilled immigrants. Remember, it was the Huguenots who brought winemaking to SA.
- SA's future is urban, over 63% in 2011 and the trend is clear. However, SA cities are behind. In CoF and Ekurhuleni Metro it takes 46 days and 6 procedures to start a new business. In the eThekwin, NMB and CoCT Metros it takes 56 days while the global average in terms of developing countries points to 30 days in Kenya and less than 10 days in Malaysia, Mexico and Chile. Thus, SA has to reprioritise the national led policy agenda to promote urban-led growth.
- In the same vein, cities must have more say in how state-owned enterprises allocate investment. SA needs to rethink how its cities are financed to make the cities more in control of their own destiny with a supportive national policy. SA should not focus on township economies in isolation but integrated cities thus think bigger about township economies.
- Addressing the apartheid spatial legacy by reconfiguring the housing policies. No more peripheral settlements, rather *in situ* upgrading and incentivised rental stock on existing plots. This also means re-balancing the spending on bulk infrastructure.
- Rethinking transport policies to enable access to economic opportunities, subsidising passengers rather than the bus companies.
- Allowing the power and efficiency of the markets to drive urban economies, i.e. enabling housing and commercial property markets to function efficiently rather than officials building and managing housing stock.
- A more intense focus on business rather than bureaucratic interests.
- SA needs growth and employment coalitions, i.e. powerful people to get together to persuade citizens in respect of densification and other perhaps unpopular policy decisions.

#### **Question & Answer session:**

*The following were some of the points made and discussed:*

- Although densifying the SA cities is called for, strict urban boundaries may not be enforceable given the rate of urbanisation. As the latter unfolds, there will be instances

where the neighbouring smaller towns will become incorporated into a metro but each city and community circumstances will dictate the city's growth boundaries.

- The consequences of expensive debt will overshadow the SA budget for the next few years to come due to the junk status just afforded by Standard & Poor to SA. The economic and political repercussions will still pan out but will be immense. It is the task of all SA citizens to connect the dots around state capture and become informed and act thereon. One should make sure the unacceptability of the irresponsible action of public representatives is communicated to all members of legislatures at all levels of government. Mass organising and pressure by all citizens against the current state of affairs are called for.
- In some cities it may seem as if the middle class is leaving the cities as these become populated by the poor but it needs to be understood that there are many different city scenarios and in any growing economy there would be a growth in urban poverty. For instance, in India such urbanisation has led to many people being led out of poverty, i.e. 250 million over the last 20 – 25 years. Secondly, what looks like appalling urban poverty is often still much better than the dreadful situation in many rural areas.
- With reference to the growth of populism, it should not be forgotten that the SA voters are mainly conservative with over 90% being Christian but if the growth of the populism and state capture is not stymied, SA is in for a rocky ride.
- The national downgrade will have a definite impact due to the Fiscus having to cut back on expenditure to pay the rising debts, with less national revenue thus available for provinces and municipal services. Secondly, businesses will be reluctant to expand and thirdly, households will face higher interest rates and find it more and more difficult to meet their expenses. The current scenario provides an opportunity to cities to speak out and make their voices heard.

#### 14 Plenary Session: Contributing to the Growth Agenda – Moderator: Arthur Germond

*Arthur Germond, AFD Regional Director for Africa  
Panelists: Anta Batha & Stan Wallace*

Arthur posed three questions to the delegates, i.e. 1) What strategies have municipalities developed to achieve inclusive growth? 2) How do we achieve inclusive growth, i.e. each municipality doing its own thing or working in collaboration more on a regional scale? 3) How do municipalities link up and engage with the private sector to communicate the municipality's priorities and also understand business' priorities?

##### **Question & Answer session:**

*The following were some of the points made and discussed:*

- Inclusive growth is a complex objective for cities to address particularly the spatial layout, transport systems, etc. Partnerships are needed but do not necessarily have to be PPPs, these could also be co-operative agreements – formalised and non-formalised. E.g. the CoT has formed reference groups with for instance their top 50 water consumers. In determining their needs, the CoT was able to secure private sector funding to upgrade three boreholes to produce an additional and quite substantial volume of water. The costs were sponsored and the assets donated to CoT. A win-win situation enabling the CoT to be less reliant on Rand Water and the companies to have more water available for own production processes. Such mutually beneficial partnerships are also forged with academic institutions, the CSIR, etc. The CoT also has a programme termed 'adopt a spot'. It implies citizens assisting the City to maintain a particular area, e.g. sidewalks, parks, etc. This enables the City to focus on services' development with its scarce resources. Forming these

kind of partnerships is part of the strategy to achieve inclusive growth. Bottom line – the goodwill of the private sector to assist must not be underestimated especially if a municipality is prepared to communicate its challenges frankly and openly.

- The only way a city/municipality can arrive at a long term economic plan focused on inclusive growth is to talk widely to its stakeholders. In Nelson Mandela Bay Metro ("NMB"), ten clusters were identified for facilitated discussions. The input received was so rich that a second round of discussions followed to consolidate the communicated needs into a strategy and plan. It is clear that the development of a port will be the major catalyst to unlock development potential. To achieve the latter, NMB will need to go into partnership with Transnet, Kouga, etc. The challenge is to get all these stakeholders to agree on a common vision. This has led to NMB now being in the process of developing a strategy around partnerships. It is thus recognised that these consultation exercises need to be substantial and is a process taking considerable time and effort.
- Linked to the above, it is critically important that stakeholder meetings focused on development and growth partnerships, be attended by senior officials who have the perspective to see the potential of initiatives and run with the strategic plans.
- It can be argued that LED is not municipalities' core business but a secondary function shared with many others. However, it should not be relegated to a junior official or only one division, it is the concern of the whole municipality and other provincial and national stakeholders, e.g. human settlements, roads, etc.
- A municipality's main role is to create a safe destination for investors. A friendly investor environment would include no serious protest actions, reliability and easy accessibility of infrastructure and services, affordable services.
- In Theewaterskloof, the municipality created an investor/development committee where all relevant divisions are represented to create a one-channel access for investors. It is also in the process of creating macro matrix structures for each of the five strategic priorities, e.g. LED, that will function alongside the formal hierarchical structure of the municipality.
- Municipalities must however be careful not to let development needs be dictated by the private sector. Government must take the lead to ensure the cost of infrastructure remains affordable and work places accessible to its community without having to change transport routes. It entails well communicated policies and regulations. If a one stop structure is created, measures must still be taken to root out silo mentalities within the municipal team.
- Swartland is growing at a rate of 4,7% per annum. In 14 years' the population increased from 65 000 to 133 000 people. LED is practiced across the whole municipality. Fortunately, a 2008 vision to invest in bulk services, the landfill, etc. has made it possible to accommodate this type of growth as long as water availability and Eskom power availability also remains reliable. Internal arrangements also kept up given that it only took 9 days to approve building plans, down from 72 days in 2009. Development contribution policies are now referred to as development charges and organs of state also pay for building plans. Also in place is an electronic platform, i.e. easyED (economic development) assisting developers to communicate with the municipality thus getting answers within a week.
- In rating municipalities' ability to deliver services and attract investment, it is only fair to be cognisant of the location of the municipality, i.e. abutting cities or more rural based, the size of the area to be serviced and the rate of employment as these dictate the challenges faced.
- Residential development is still thriving. However, more attention must be paid to commercial and industrial development as these are the job providers. Especially the warehouse industry is fast growing but real manufacturing capacity shows a negative growth.
- As pointed out by the growth path presentation, every city/town must understand its weak and strong points including their 'competitive edges' and focus on the latter. E.g. the CoT

focuses on motor manufacturing and industries secondary to this industry and Swartland, for instance, sees their strengths as their infrastructure, proximity to Cape Town and lower labour rates with the biggest game changer being the doubling of the N7 highway.

- Dictating Investment means that the municipality understands its core industries and direct investment to these in a manner that will allow for inclusive growth. Also focus on developing industry potential in areas where labour is already available. This does not imply that a city/municipality ignores the development of its CBD or densification programmes, it only means that home & work is combined in a rational manner alleviating more pressure on the transport system.
- Municipalities should not only look at their communities as being unemployed and needing employment, housing and services. Municipalities must become aware of the DNA of their communities. The Department of Science and Technology ("DST") is driving a process aimed at adding 'innovation' as an essential element of LED. Innovation inter alia speaks to the traditional knowledge and practices embedded in those communities that must not get lost for future generations and may add valuable knowledge as to the 'how' and 'what' of the LED that will be workable in communities.
- Mbombela is also experiencing much growth, both from the public and private sectors, e.g. being a host city in 2010, the seat of the provincial legislature and now housing new courts, etc. These developments have seen quite an influx also since the city is on route to Maputo but the roads upgrade of 2010, taking traffic past instead of through the city, prevents congestion. Most importantly, these developments have created a competitive edge for the city stimulating much growth.
- Saldanha Bay Industrial Development Zone ("SBIDZ") was created five years ago and for four years nothing happened. Now various pieces of land are available for renting to investors. These investors need a competitive edge. They expect a direct line to the highest office of the municipality with quick, reliable service delivery and special tariffs. To meet demands municipal officers must become more diligent and have direction.
- From a developer's perspective, there is an understanding that the approval of development plans do take time. However, the expectation is that municipalities must continuously communicate progress and this is where municipalities are lacking.
- The question was raised to what extent do the provinces through their human settlement subsidies, mess up municipalities' vision? Often there is a lack of coordination between local and provincial government which has a negative impact, e.g. RDP housing in traditional areas where the municipality is not included in the initial negotiations but only when services are needed. On the other hand, such subsidies could also have a positive impact. Especially if extensive and rolled out over a number of years, the subsidised development could make way for the establishment of other businesses such as hardware and brick-making facilities. It is for the municipalities to align their LED initiatives with these housing projects and make provision for the maintenance responsibilities, which could have quite a big financial impact.

Summarised important points were:

- Municipalities to know how to gear and structure themselves to make the most of discussions with investor stakeholders and how to streamline the economic agenda.
- For these discussions people with suitable expertise, capabilities, capacity, passion and enthusiasm for the development agenda should be used and senior officials to be highly accessible.
- Making it possible for investors to not only invest but also assist, requires the establishment of programmes which clearly indicate the municipal need and mutual benefits to be derived.
- Building strategies around partnerships are essential in order to spell out roles, responsibilities and implementation measures.

- Most striking, was that inclusivity did not feature as central to the discussions. It was clear that municipalities' main driving force is to be attractive and economically competitive and not necessarily to ensure inclusive growth is achieved or to do this on a regional rather than a local basis.
- The impression is then left that, except for one or two delegates, municipalities might not have reached a stage where there is broad understanding of and commitment to inclusive growth even through the planning phases, i.e. IDPs do include community consultation.
- As also pointed out in the Growth Agenda books produced by the CDE, it is especially small businesses that are at a disadvantage and must feature in inclusive growth.

5 April 2017:

## 15 Re-cap of the Second Day's Proceedings – Joggle Scholtz

*Joggle Scholtz, Municipal Manager of Swartland Municipality*

Joggle gave a very comprehensive feedback of the proceedings of the previous day. He spoke about a LTFP as being a tool which can provide predictability in a world of constant change and said that ASDMs, although a long and arduous process, provide a way to expand resources. He gave a brief outline of the scope, processes, role-players and challenges of these service delivery mechanisms.

Turning to shared services as a way of optimising scarce resources, he pointed out the reasons, benefits, constraints and types of shared services which can be explored. With reference to the first plenary session he invited the delegates to again contemplate the question: "Are we able to articulate what we don't know?"

With respect to the growth path facts and figures which were presented, he quoted various statistics as provided and reiterated that the accelerated growth we need in SA is dependent on mass employment and inclusion of all our people.

## 16 Breakaway Groups

The breakaway groups dealt with the following questions:

1. *What do you expect from a LTFP? What should it consist of and what should be included?*
2. *How would you institutionalize a LTFP, i.e. embed it into the municipal system to serve as a tool for growth and development?*
3. *What do you identify as practical challenges to alternative service delivery mechanisms and shared services?*
4. *What opportunities do alternative service delivery mechanisms and shared services offer to stimulate growth and development?*

### 16.1 Feedback Breakaway Group 1 – Joggle Scholtz & Geraldine Mettler

*Joggle Scholtz, Municipal Manager of Swartland Municipality*

*Geraldine Mettler, Municipal Manager of Stellenbosch Municipality*

As an opening statement, Joggle said; "Time is against us with the development of long-term financial plans. What you see equals your attitude with regards to a LTFP, thus what you are striving for, will inform your LTFP". He said leadership and teamwork based on knowledge, hard work and attitude is essential especially attitude and the level of sustainable performance with regards to a LTFP, is determined by leaders. Such sustainability is derived

from a good organisational and a good operational focus embedded in a LTFP driven by a team which includes the council, administration and community. To develop, execute and implement a LTFP there must common ground and a shared will between these parties.

The scenario facing municipalities today is one of increasing unemployment, environmental decay and poverty. But all is not doom and gloom. Through an embedded LTFP based on their IDPs, SDFs and other sectoral plans, municipalities can decide what their future looks like. By embracing the four "E"s of Jack Walsh, former CEO of General Electric, i.e. energy, energise, edge and execute a better future is possible. It's about an energetic team that energises all other parties, thus creating an edge and then using a LTFP to enable execution. The latter is extremely important given the overall lack of ability in local government to execute strategies. The departure points are: "where are we; where do we want to go and how do we get there" with a LTFP navigating the direction.

In respect of LTFP expectations, the group pointed out that it should provide:

- A roadmap to achieve sustainability and financial viability;
- An economic outlook and growth objectives that will lead to revenue generating infrastructure; and
- A risk assessment including a determination of the risk appetite of the area.

To this end, a LTFP should include:

- Status quo evaluation;
- Strategic focus i.e. of spatial, infrastructure, economic growth, social development, SWOT;
- Stabilized and optimized sources of resources, i.e. an economic outlook;
- Cost containment measures;
- Revenue protection;
- Revenue growth;
- Revenue enhancement;
- Revenue management;
- Sustainability and viability; and
- Risk assessment with different scenarios.

To enable institutionalisation of a LTFP, i.e. embedding it into the municipal system as a tool for growth and development, the group advised the following:

- Make it part of the municipal performance management system;
- Develop KPI's and measurable targets based on it;
- Align planning and the budget with the vision of the municipality;
- Incorporate everything into the LTFP;
- Be aware and bring across the awareness that finance is the business of the entire organisation in particular the top management and governance structures;
- Enable finance to be the cross cutting coordinators;
- Create and demand co-accountability of all stakeholders involved thus everyone must own the LTFP.

The group looked at ASDMs and came to the conclusion that:

- ASDMs is not a "walk in the park" but a comprehensive process with a lot of pitfalls that demands a level of maturity within an implementing municipality;
- Internal and external stakeholders are all very important but be reminded that trade unions must be consulted not negotiated with;
- Often the process of ASDMs is hindered by a lack of institutional capacity, information and the will to implement the process.

- Adherence to timeframes is difficult and made even more so if there is a high personnel and management turnover;
- External consultation with communities holds its own challenges but is essential for buy-in to the process and the eventual outcomes;
- Scope & budget are further challenges; and
- Often there are preconceived ideas about the solution that might create obstacles in the way of reaching the best outcome.
- Skills transfer to municipal officials is necessary but not always so easy;
- PPPs face much resistance and are plagued with misperceptions;
- The legal / operational interface, i.e. putting legal contracts into operation has various challenge which must be mitigated by adequate transfer of knowledge to the implementers;
- Contract management is essential but often not done well and it should be decided if internal expertise for it exists or if external management & monitoring might not be a better option;
- Labour will always be a challenge given the ideological differences in terms of outsourcing that persist and the political environment should be stable enough to see the process out;
- The silo mentality of municipal departments and divisions works against a good ASDM process and contract management; and
- The absolute necessity of a good feasibility study cannot be overemphasized.

The group identified the following opportunities offered by ASDM and shared services to stimulate inclusive growth and development:

- Value for money and adding to the municipality's resources
- Affordable services for the municipality and its community;
- Transfer of financial, operational, technical risk for a service to a private party;
- Upgrade and maintenance of ageing infrastructure;
- Increase bulk infrastructure capacity;
- Enabling the municipality to be more competitive;
- Neighbouring municipalities can complement each other for the benefit of the region, rather than competing with each other, e.g. (Overstrand vs Botrivier);
- Economy of scale improves if you work together, e.g. landfill sites;
- Redirection of resources for own unique municipal requirements;
- The private sector may offer scarce and unique skills and expertise and is generally known for good training of their workforce; and
- Improved access to technology.

#### Comments:

It was stressed that a LTFP must have the buy-in of all the stakeholders including all staff, councillors and, through the IDP, the community. When translated into KPIs and targets, the latter should not be only for the sake of compliance and thus drafted in easily achievable terms but should be based on all the strategic objectives set in the IDP, be smart and stretch all concerned to do exceedingly well. To avoid performance management being used in the wrong manner, it is advisable not to link performance bonuses to it. Another measure to implement is the setting of personal performance indicators which are not audited but focused on whether the individual is really stretching him/herself by enhancing what the organisation set out to achieve. KPIs with a strong strategic content must be the standard. Crucial is a well done and well owned IDP that dictates the KPIs and targets to be achieved so that KPIs cannot be manipulated. Thus, the IDP is the source document driven by the executive team and which indicates baseline, inputs, outputs and outcomes and the LTFP is not a second IDP but an internalised, valuable enabling tool to accomplish what an organisation/individual sets out to achieve. The LTFP allows for these outcomes to be put in

place bit by bit through short term targets, progressively moving forward to sustainable development and growth.

## 16.2 Feedback Breakaway Group 2 – Albert de Klerk

*Albert de Klerk, Municipal Manager of Midvaal Municipality*

Albert also emphasized that a LTFP has become an essential tool for municipalities. Discussing the expectations of a LTFP he highlighted that:

- It should provide direction and guidance to achieve the strategic outcomes;
- It must ensure sustainability;
- Be for a duration of between 10 and 15 years but broken down to 3 year short-term, 10 year medium-term and 15 year long-term goals thus not missing out on the immediate things to be done;
- The engineers & planners must be part of plan to ensure implementation thereof;
- Operational & CAPEX
- The level of detail will be different for every municipality based on what is needed;
- It should be done or reviewed at the beginning of a political term to be optimally beneficial;
- It must find its home in the very first IDP, stay aligned to the IDP, and link with the budget and Service Delivery and Budget Implementation Plan ("SDBIP").

In identifying the components of a LTFP, Albert said that it should include:

- An assessment of environment history, i.e. where the organisation comes from, aspects of its history that still has a fundamental impact whether it be spatial, socio-economic and also the capabilities of its human resources component;
- Status quo of all services including planning and engineering master plans (note: when it comes to the latter, a municipality must look at who owns these masterplans, i.e. the intellectual property of essentially the town/city since in most instances it would be external consultants and this is quite a risk which should ideally be mitigated by the municipality having the software and ability to own the masterplans directly even if external expertise is needed to update these);
- Socio-economic data
- SWOT analysis which is driven by MM and team, they must do the work and own it to ensure its credibility;
- Creditable assumptions - as the LTFP will unavoidably need to deal with assumptions beyond five years these cannot be flawed;
- Strategies to do corrective measures which fundamentally calls on the CFO and team to do budgeting in a way to ensure all imperatives are met;
- Incorporation of a financial recovery plan (short term actions) if such exist;
- Audit outcomes and management letters must find their way into the corrective measures and strategies of the LTFP;
- Inclusive of risks which are identified adequately quick enough;
- Targets, indicators and outcomes which are tested annually, i.e. be honest about for instance things in the annual report that indicates some tweaking to be done;
- Financial outcome must be aligned with Medium Term Revenue Framework ("MTRF") (the Division of Revenue Act ("DORA") gives only a 3-year window which must be carefully managed); and
- Careful management of own funding as this is the only funding really under own control.

With reference to the institutionalisation of a LTFP, the group highlighted essential measures:

- The LTFP to be approved via a Council resolution and owned by politicians and management;
- Ultimately the MM is the owner of the LTFP and it must find its home in the personal score cards of the management team -- not only on an institutional level but also on a personal level;
- Institutionalization of the SWOT;
- Come up with hard figures;
- It must start with the IDP, finds its way into the budget and be translated into the SDBIP;
- The manager who introduces the LTFP must have credibility and the trust of all parties who must buy into it;
- Ensure the activities, outcomes and strategies are assigned to individuals with due dates and tasks;
- Dashboards, quarterly reports, performance reports, etc. must include an adequate level of expression of how the LTFP is being met;
- Since the annual "bosberaad" is where the broader planning is done, the LTFP must be dealt with there to ensure the 100% buy-in that is required

On the topic of 'limited resources call for innovative thinking and alternative measures' the team discussed the challenges to ASDMs and shared services as being:

- Lack of leadership & change of champions;
- Political differences especially with shared services;
- Aim of shared service being revenue enhancement – which it is not, it is broader than that;
- Lack of a common vision, e.g. shared service for one but not for the other one
- The municipal environment is loaded with people who perceive themselves to be 'the boss' and other adjacent local municipalities are not as good – this is not fruitful ground for a shared service to be established;
- Stakeholder resistance, e.g. internal, service providers, etc.;
- Perception of complexity in terms of both PPPs and shared services which make municipalities to rather steer away from it;
- Regulatory environment of municipalities acts as a barrier for the private sector to enter the municipal functions and space;
- ASDMs are time consuming, specifically the lengthy decision periods.

On inclusive growth, the group feels that:

- It is a multi-faceted, multi-party focus that must take all sectors into account, deal with urban/rural, etc. thus the challenge is the identification and structuring of projects which will enable inclusivity;
- Important is to include small and medium enterprises;
- It will need to be targeted and phased in, very carefully articulated and the outcomes well defined. The departure point must then be to really understand what the needs of the various communities are to have a skills' based and resources' based approach.

On opportunities in respect of ASDMs and shared services, the group identified that:

- Shared responsibilities shared services could be very beneficial if costs are shared and innovation is pursued, e.g. training;
- These could increase the level of service delivery and assist to fill the capacity gaps in municipalities;
- It stimulates the sharing of best practice through peer learning and knowledge sharing.

#### Comments:

It is fundamental to the success of any strategy and plan to do good internal interface management to break down the silo mentality hampering local government and it is not

always about 'what' is said but by whom and how thus municipalities must choose their messengers well. Training staff to become multi-skilled to understand the workings of the whole municipality and becoming mobile within the structure as well as creating matrix teams, could assist with breaking down silos and address the problem of retaining staff. The power of communities of practices must not be underestimated.

National Treasury has received funding from the Infrastructure Investment Programme for South Africa ("IPSA") to assist selected municipalities to develop LTFPs. Five municipalities have been selected and the second phase of selection will be 10 – 15 municipalities, depending on the funding. The focus is mostly on secondary cities. Key to this initiative is the ability to create bankable projects. Thus, NT is assisting the municipalities who already have LTFPs to access IPSSA funding for identified projects. In other words, the message is that LTFP can help municipalities to unlock the funding that they need.

## 17 Applying the Principles of Business to Local Government – Les Mortimer

*Dr Len Mortimer, School of Public Leadership, Stellenbosch University*

Len started out by pointing out that success of municipalities matter to the future of SA as it is at this tier of government where service delivery and quality of life happens. He pointed out the link between the objects of local government as enshrined in the Constitution, the IDP and the Performance Management System ("PMS") at municipalities. Similarly, business matters as a party to sustainable economic development and growth and a partnering between the parties is very important. He emphasized the importance of community participation, quality of life and sustainability and these can only happen through successful resource utilisation and mobilisation.

He advocated that municipalities should measure themselves in terms of the Efficiency Factor which include criteria indicating the Liveability of municipal areas and also benchmark themselves with the view to be competitive. This however did not mean municipalities should be run as businesses as their primary aim is not profit-making but to take social responsibility for the common good, thus providing services well. The latter requires good planning and management. Thus, in essence, municipalities exist to ensure the sustainability of developmental local government by using business practices. The key to this according to Dr Mortimer is in optimizing the return. Thus, municipalities must compare themselves, do benchmarking; manage their knowledge base; find individualized solutions; invest in skills and succession planning and do performance management correctly. Innovation is key to make municipalities smarter while mentorship and coaching are also key success factors. Investment in the organisation's culture is as important as strategic planning. He explained how far behind SA is in terms of the use of technology and smart cities and said the results will be astounding if SA cities embraced the smart city route.

Len explained how the silo issue within municipalities is of grave concern. He referred to Peter Senge who introduced the concept of the learning organization where the main aim is make sure that institutional memory is not lost and knowledge shared and transferred over time. Referring to the book, *Built to Last* by Jerry Collins, he said companies that have been around for about 150 years were compared to other companies and it was found that these old companies had long serving CEO's and proper succession planning i.e. on average it took 10 years to groom and coach their successors properly. Also important is if municipalities have a clear picture of the needs of their communities. Without proper public participation, it is not possible to determine community needs and obtain their buy-in. Turning to performance management, Len made the point that municipalities have started to measure too many things

that are not relevant to strategy since performance management is all about the achievement of strategic goals.

In discussing the drivers of discontent, he mentioned red tape; overregulation; fruitless and wasteful expenditure and protest actions. Focusing on red tape, he said it is a definite barrier to government / business relations and mentioned that in 2004 the cost of compliance was found to be R79bn or 6,5% of the GDP and these findings did not even include the MFMA and its regulations. He cited distrust, narrow black economic empowerment and the ideological differences of trade unions as some of the main reasons why PPPs are not taking off in SA.

Inter alia referring to the McKinley report on 'How to make a city great', Len said the following can make a municipality great, i.e. smart growth; do more with less and win support for change. The underlying principles are:

- Better evidence for decision-making;
- Greater engagement and empowerment of citizens (co-design and co-deliver);
- Investment in expertise and skills building;
- Closer collaboration with the private and social sectors.

He stated that 'the builders of visionary companies tend to be clock builders not time tellers, i.e. people who leave a legacy that outlasts them.'

Talking about the systems that are at risk, Len spoke at the water, energy and food security nexus which means that the three sectors, i.e. water security, energy security and food security are inextricably linked and that actions in one area more often than not have an impact in one or both of the others. With this nexus (i.e. water, food and energy scarcity) being very evident in our current time, extraordinary leadership and innovative thinking are required to work hand in hand with smart growth; doing more with less and winning support for change. Innovation would include institutional, organisational, process, conceptual and technological as well as non-technological solutions and drivers for innovation are:

- effective leaders;
- capacitated public sector employees;
- organisational culture;
- promotion of team-work and partnership;
- an orientation to achieve measurable progress;
- space and opportunities for knowledge exchange.

At the same time government must genuinely improve the capacity of the public sector by ensuring merit plays a much greater role in appointments; seriously deal with corruption and waste and become more accountable while cutting the costs of doing business.

Lastly, Len dealt with a few examples of the role played by 'smart government'. For instance, Colombia which was seen as the most violent city in the world is now 20 years later the most innovative city in the world and in Rio de Janeiro innovation was used to bring basic high quality services into the slums.

He ended off his presentation with the following quote:

*Managers are not employed to make the inevitable happen. They are employed to make happen what otherwise would not happen." Or Heike Bruch.*

## **18 Drivers of Effective and Accountable Business Engagement with Local Government – Jannie Moolman**

Jannie Moolman, Executive Chairman, Moolman Group

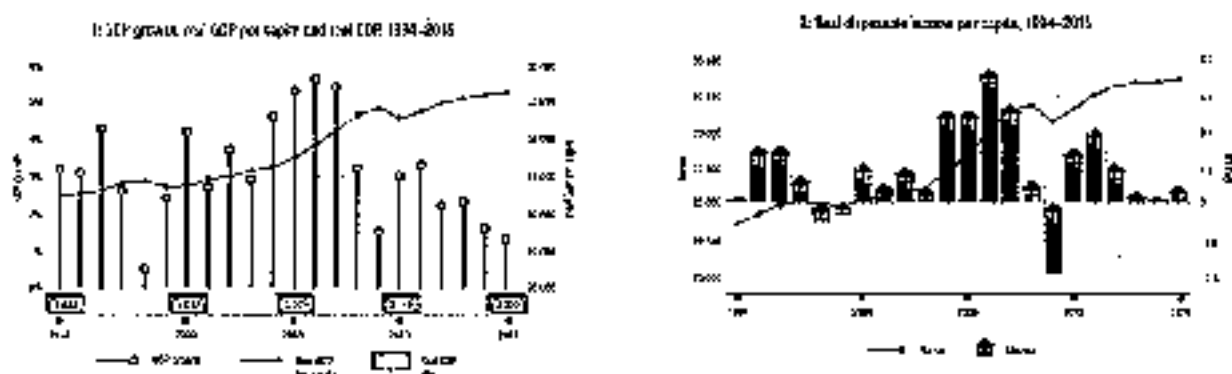
Jannie said that the Moolman Group is commercial property investors with investments in approximately 45 municipal areas who is, despite SA's many challenges, still positive about doing business in SA. He said that it is a collective responsibility to get growth going in SA with business and government both wanting to see the country succeed with successful municipalities and successful communities. This is the departure point of engagement between business and municipalities. To illustrate his viewpoint, he shared the following quote:

*"Our future – make it work. South Africa belongs to all its people and the future of our country is our collective future. Making it work is our collective responsibility. All South Africans seek a better future for themselves and their children. The National Development Plan is a plan for the country to eliminate poverty and reduce inequality by 2030 through uniting South Africans, unleashing the energies of its citizens, growing and inclusive economy, building capabilities, enhancing the capability of the state and leaders working together to solve complex problems."* Trevor A. Manuel, MP, Chairperson, National Planning Commission.

The following main point of his focus was 'fixed capital formation'. It means the 'capital budget' for municipalities, i.e. its investment in infrastructure and for business it refers to property, plant and equipment, i.e. its investment in productive assets. He said that the current capital formation of ±17% of the Gross Domestic Product ("GDP") needs to rise to 30% for SA to grow sustainably with the public sector having to invest ±10% of this amount. The world average of such investment is 23-25% with the European Union at ±20% and China investing about 40% of their GDP in fixed infrastructure.

He said that although SA is facing difficulties, the economic progress that we have made as a country must also be acknowledged. To illustrate he used a graph to indicate how the GDP grew as well as the levels of real disposable income. He also referred to the doubling of black professionals and pointed out that amidst the large employment we have, the labour market participation has risen albeit by far not enough. Also, the advances in access to housing and other services paint a picture of a country that has accomplished much.

Graph 6: SA Economic growth indicators



Turning to local authorities he pointed out the real tragedy of monies allocated to municipalities not being spent. He implored municipalities to spend more money to establish the infrastructure and conditions in which businesses can flourish. There is also a huge opportunity for business to become involved in creating this infrastructure.

He mentioned the following 6 steps which should be taken to address problem areas:

- Policy certainty – It must be understood that investment is not an act of charity or a moral decision, business people are profit-driven. Utterances such as land appropriation without compensation, etc. limits Foreign Direct Investment (“FDI”) and takes SA money off-shore.
- The state must acknowledge its limitations and cooperate more with the private sector, e.g. in respect of renewable energy, SA has being very successful to attract private sector funds and expertise.
- State-owned entities (“SOE”) must perform much better and get rid of the corruption scandals dragging them down.
- The NDP must be implemented and cadre-deployment does not offer us the best people to do the job.
- Deregulation is urgently needed. Too many regulations and slow turnaround times have made obtaining approvals of building plans a nightmare with a tremendous amount of political interference going on. He related an incident 30 years ago where he got approval of the building plans of a shopping centre in Duiwelskloof the same day as it was submitted.
- Dependable statistics are also sorely required as many are outdated and painting a very skewed picture of the SA transformation landscape. E.g. the race-based holding of farmland is outdated and the Johannesburg Stock Exchange (“JSE”) is 50% foreign investors and not at all the picture of a white-owned monopoly. The total value of the JSE is R12,37tn and about half of the ‘free float’ is held by foreigners. In the last 12 months’ the net sale of SA stocks by foreigners was R150bn which represents only 2% of the total holdings by foreigners and the result thereof shows how vulnerable SA is as a country in terms of capital flows by foreigners. The downgrading of SA will increase this volatility and uncertainty and will lead to an increase in interest rate.

Real estate is least controlled by foreigners. The total size of listed real estate makes up 6% of the JSE, i.e. R740bn, and only 22% thereof is held by foreigners. The SAPY index represents the top 20 property stocks on the JSE, 56% thereof is locally listed and 44% is inward listed by market capitalisation which means that half the savings of people and institutions in the SAPY are invested in overseas bricks and mortar. SA investors have a huge appetite for rand hedge stocks, e.g. Naspers, Richmond dominate the JSE. The big real estate funds are increasingly turning away from the SA market, looking for investment offshore. And then foreigners have also come here and took our savings abroad. E.g. there are two listed funds through which SA’s can buy a share in shopping centres and office blocks in Poland. They specialise only in Polish real estate. Thus, the SA government must not make the mistake to think SA investors will not take their money offshore – there are certainly enough opportunities. There are funds that specialise in German property and others that specialise in property in the United Kingdom. In some of the Eastern European jurisdictions about 30% of the dual funds are SA developers who are establishing themselves in those destinations as opportunities in SA become harder to manifest.

Very importantly, Jannie discussed the impact of a small regional or community shopping centre of 30,000m<sup>2</sup> in a SA community. He said it creates ±1000 jobs during construction and ±600 permanent jobs when open; the average rates & taxes will be between R10 – R15 per m<sup>2</sup> which means an income of R300,000 to R400 000 per month. To be added is income from the sales of electricity, water, sewerage and refuse removal.

He posed the question of how do we get local authorities and businesses in SA to talk and develop trust to tackle the crucial task of steering our future together. He provided the following drivers:

- Apart from agreeing on a common future, there must be acceptance of joint responsibility, a meeting of the minds. It will not help if any one party is expecting the other to take the lead.
- The parties should develop a common vision that from a business perspective recognises the crucial importance of capital formation and investments and it should be measured. It

should be recognized that 30% of GDP is subscribed for in NDP and local authorities must measure this in conjunction with business. The turnaround time of building plans is another measure.

- Local authorities should take note of the realities and shortcomings listed in the reports of independent rating agencies such as Rating Africa and embraced these as independent assessment is necessary and healthy. It is advisable to empower political and other local stakeholders with the information contained in these indices.
- Both parties should make an honest assessment and acknowledge their shortcomings in order to set up a common vision and targets.

On the side of local authorities, the above would for instance include:

- The dismal to average performance by local authorities to invest in new and maintaining existing infrastructure, lack of capacity and lack of financial strength;
- Poor service delivery with horror stories going around;
- Weak collection of income streams;
- Too much political interference and infighting in local government that impacts on investment;
- Outside of metros there are very weak channels of communication to attract and guide investors as found through a simple google exercise. Recently, the national government opened what they call 'one stop shop for investors' but there is still no uniform approach.

Business' shortcomings in being ready for better engagement with government include:

Outside of national bodies who interact with local government, Jannie's experience is one of weak communication and engagement between local business bodies and their municipalities, business bodies in itself being badly organised and represented as well as apathetic to engage and the captains of industry do not make time to be involved. He said business leaders are time-constrained, often self-centred and it will be difficult to unearth the leadership required.

In dealing with solutions, Jannie said that:

- Local government should take the initiative.
- There should perhaps be a uniform approach which could be debated at SALGA.
- There should be no talk shops to start with and no overseas trips as the solutions should be home-grown.
- Strategy should be devised to create effective communication with local business.
- One idea is to emulate the President's engagement with business in every local authority by the formation of a local economic advisory council – this will also unite the business bodies.
- Ask for representatives from the various business bodies but the Mayor should be able to approach or nominate a few choices of his own so the real captains of industry could be involved. It should of course be non-partisan and nobody should be paid to do this duty.
- Every council should not run off and do its own thing - a special strategy is required to involve business per se. The processes surrounding IDPs and budgets where anyone can attend is not sufficient.
- There may be some prestige build into people serving on a LED advisory council. Some people are attracted to the money but vanity no one can resist.

## **19 Plenary Session: A New Matrix for Government/Business Co-operation – Moderator: Johann Mettler**

*Johann Mettler, City Manager, Nelson Mandela Bay Metro*

*Panelists: Len Mortimer & Jannie Maalman*

Johann said building government/business cooperation ties in with the development of IDPs and LTTPs for the latter to reflect the needs identified in proper discussions with sectors, local businesses and residents.

**Question & Answer session:**

*The following were some of the points made and discussed:*

- Overregulation stifles initiatives that could address inclusive growth and in the process of being focused on compliance, innovation and service delivery have taken the back seat. It is not to say that local government should be run like a business but it must certainly apply business principles.
- Due to overregulation municipalities have created a situation where they perpetuate staff turnover by limiting the ability of good senior managers to do long-term career planning through five-year contracts, which incidentally is no longer regulated, but still held in place by political motivations grounded in the five-year term of office of councillors. This does not assist with long-term planning which requires the retention of skills built through investment and capacity building. Unfortunately, politicians are not focused on governance but game-playing. These are the realities, thus, within the confines of the regulatory environment and limited resources, the best options must still be sought.
- It was pointed out that the economic services rendered by municipalities are supposed to give a reasonable, defensible and accountable profit to assist with other services and the other business services must be rendered on a cost-reflective basis, i.e. a building plans to offset the costs of partly and fully subsidised community services such as cemeteries.
- In the process of service delivery, local government is in the people business thus must learn to communicate better.
- The transformation of Colombian cities, especially Medellin, was driven by elected officials, e.g. the mayor walked the streets to talk to all people and so came up with highly innovative solutions in respect of social urbanism and developmental local government. For instance, where people had to walk long distances uphill, they built cable cars and established hubs at the cable car stations where citizens can engage with government services and other commercial interests and have access to communication. Listening to the people means there is buy-in and by creating a continuous loop of listening-planning-implementation-listening, transformation of even the most problematic and haphazard cities occurs.
- Unfortunately, in SA, politicians are not motivated to leave a long-term legacy, they are only concerned with their immediate five-year term. Real visionary long-term planning does not really feature in local government because politicians do not want to lay the foundation of anything that they will not be able to claim credit for, thus taking shape past their term of office.
- Local government needs champions, individuals who has continuity and the trust of all parties concerned. As it is now, local government is very immature with an absence of trust between political parties, members of political parties, politicians and administrations, within administrations, politicians and communities, communities and staff, etc. It is not possible to adopt and implement long-term strategies in such an environment. However, it all starts with proper community participation, since without community buy-in projects simply become derailed whether dissatisfaction is orchestrated by communities themselves or hi-jacked by politicians.
- Establishing an advisory LED council with the right mix of people (current and prospective investors) and for such to have continuity (not linked to current politicians and administrations) will be challenging but worthwhile. Municipalities that do embark on this road needs to be persistent to break down the mistrust of business but the latter will come

to the table if it is in their interest and that of the long-term future of their businesses. However, very important, for such a forum to be sustainable depends on proper communication and also whether the inputs provided are used and make a difference otherwise the members thereof become disillusioned and abort the initiative. On the other hand, such a forum must also accept that it is not there to run the municipality. Thus, the terms of reference and expectations of all parties must be managed carefully.

- Research indicates that it is not incentives and rebates which attract investors to local municipalities but service delivery, turnaround times of building plans and a well-educated labour market. From an investor's point of view, incentives are not the draw card to use. It is better for a local municipality to understand and economise on its unique strengths, e.g. the availability of raw materials, a large agricultural community, potential created by a big road intersection, to have a reasonable rates dispensation, etc. It is then important to identify the potential investors and pursue them and be able to negotiate well. Also look at the Liveability Index, which says it is about the attractiveness not only of the municipality but the area as a whole, including schools, housing, safety, etc. LED and growth happens as a result of an accepted level of liveability.

In summary, municipalities need to have a LYFP, a common vision with all stakeholders build on the premise 'what is in it for us', i.e. for the whole. This will include partnerships with parastatals, business groups and coalitions with interest groups so that the latter can become ambassadors. Furthermore, the plan needs to be outward-focused, developmentally-oriented. The latter defines the gap between the current state and the pursued state and application of the budget to close the gap. Internal buy-in is also essential, each staff member must be able to locate their function in the IDP and in this manner, share in the ownership of it. The Mayor must be a champion and the executive team should play a leading and galvanising role, managing interfaces and breaking down silos. The mindset of transformation, LED and inclusive growth starts at the top but all staff must be on-board with 'a can do' attitude, an organisational culture of self-empowerment. Using technology and innovations especially, to communicate effectively. Lastly, it is about doing the basics excellently.

## 20 Conclusion / Closing Remarks

In her closing remarks, Anita implored municipalities to invest in the training of staff, not necessarily through the Sector Education and Training Authorities ("SETA") but customised capacity building and on-the-job training. Secondly, to really investigate if the staff identifies with the municipality, if they understand the reason for existence of a municipality and their role in it and then to cultivate such organisational identification. It is with a solid skills base and staff's dedication to service delivery that a LYFP will have the best chances of success.

Attie said the ICBF as a grant fund was established by INCA with AFD's assistance. The purpose was to do capacity building and the result was the establishment of the Summer School as a platform for stimulation and sharing of knowledge. He said that the ICBF is confident the difference lies in changing the mindset of municipal executives and that the delegates have the ability to implement best practices within their organisations. He thanked all the delegates and specifically also Sandra from NT for attending and NT for the assistance given to municipalities in funding LYFPs. He appealed to the delegates to use the power of municipalities to make a difference in our country. He briefly spoke about the tour to France and announced who will be going with on the tour which will take place during July 2017.

## 21 Specific Pointers emanating from the Summer School

1. A Long-Term Financial Plan (LTFP) is the essential tool that a municipality needs to facilitate financial sustainability and resilience and the capacity to deliver on its developmental and service delivery mandate on a sustainable basis. It is then essential to obtain the buy-in of all role-players, i.e. the politicians, executive team and other stakeholders to the strategies and goals therein so that it becomes institutionalised and obtain collective accountability. Furthermore, to review it on a continuous basis to re-confirm or adjust longer term assumptions in order for the plan to maintain its predictive ability and credibility and for it to remain the municipality's ultimate financial guide.
2. It is essential for municipalities to unlock and optimise all the funding sources available to local government, i.e. own revenue, fiscal transfers/grants and borrowing from the market and then to have the correct mix of funding to maintain the required liquidity and to show stability in the municipality's funding strategy. Many municipalities are creditworthy but still under-borrowed. The game plan has changed, the national fiscus is facing an increase in debt repayment and the effect thereof will spill over to the division of revenue and the grants available. In short, municipalities will need to take more responsibility for its funding. With a long term financial plan, a number of current non-creditworthy municipalities will also become more attractive to lenders and must be ready to make use of the opportunity.
3. As important as the quantum of investment is the nature and the sequencing of the infrastructure investment in order to have a positive impact on the build environment. The maximisation of capital investment is dependent on how well municipalities understand the environment they operate in and how well it knows its communities and cultivate trust within its communities. Public consultation with the view to unearth the DNA of communities is key to meaningful, focused strategies and planning goals and the effective implementation thereof. The correct sequencing of projects depends on centrally managed projects within new adhocacies/matrix structures that criss-cross the existing hierarchical structures and break through silos to accomplish the type of interface management which can achieve the best operational success.
4. To supplement the funding resources available, municipalities must be open to explore alternative service delivery mechanisms. These could but need not be PPPs. They could be management contract aimed to capacitate the operation and maintenance of bulk infrastructure with technical and operational skills and expertise. The departure point for exploring such possibilities is a diagnostic study within all functions within the municipality to identify potential services/support activities that can be further investigated.
5. Optimisation of municipal resources is irrefutably on the agenda of each municipality. Operating on its own, a municipality must do more with what it has often within strict confines. Together through shared services municipalities can extend their own boundaries and bridge over their shortcomings to benefit from the best expertise collectively available or collectively insourced in respect of a number of municipal activities. It is not the time to function in isolation, it is a time to be supportive and cooperative for the best of all the communities involved.
6. Sustainable development and growth cannot possibly be accomplished by municipalities acting on its own and with its own limited resources and capacity. Municipalities need to cooperate, collaborate and partner with other stakeholders and interest groups. Inclusive growth is a collective, joint responsibility. It is multi faceted and multi-disciplinary. It incorporates many sectors and should not confine itself to only one municipal area when a regional approach makes more sense. It is municipalities who will need to take the initiative, show the leadership, select the champions and drive an agenda seeking for stakeholders to work with. To be

successful all the role-players in the municipality, politicians and executives, will need to be on-board, committed and capable

7. The summer school does not need to confine itself to an annual physical event. Technology allows it to become a virtual learning platform and there is definitely a need for it. Perhaps first on an informal basis through a spontaneously developed 'community of practice' but open to the possibility of structuring a virtual classroom with monthly webinars and other value-added learning opportunities using the many communication channels that are available.

## 22 Annexure 1: List of Delegates

### Delegate List

Municipality	Delegate	Position
Nelson Mandela Bay Metro	Jobann Mettler	MM
uMhlatuze LM	Mr Mxalisi Kunene	CFO
Steve Tshwete LM	Mrs Elmarl Wassermann	CFO
Saldanha Bay LM	Mr Stefan Vorster	CFO
Mbombela LM	Mr Drupa Makgona	CFO
Drakenstein LM	Jacques Carster	MM
Swartland LM	Mr Jogan Schmitz	MM
Midvaal LM	Mr Albert de Klerk	MM
Langaberg LM	Mr Bradley Brown	Director, Financial Services
National Treasury	Sandra Sekgetle	Senior Economist, Local Government Infrastructure
Stellenbosch LM	Geralaine Mettler	MM
World Bank	Joao Tinga	Senior Financial Management Specialist
KwaDukuzi LM	Mr NJ Mlakane	MM
Theewaterskloof LM	Mr Davy Louw	CFO
Lephalale LM	Sakkie Jooste	Acting CFO
George	Zanda Van Rooyen	Deputy CFO
Tshwane	Mare-Lise Fourie	MEC Finance
SALGA Gauteng	Lucky Leseane	Provincial Executive Officer
Cities Network	Mr Danga Mughogho	Programme Manager
INCA Portfolio Managers	Ardie van Zyl	CEO
INCA Portfolio Managers	Joanne Pouller	Executive Director
INCA Portfolio Managers	Silva Mavotoko	Executive Director
INCA Portfolio Managers	Charl Bouwer	Financial Manager
INCA Portfolio Managers	Heige Swataz	Head, Special Projects
INCA Portfolio Managers	MTK Phakalini	Credit Analyst
INCA Portfolio Managers	Rosa Segallo	Credit Analyst
PAMS	Arita Botha & Grethe Doubell-Schussler	Facilitator
AFD	Arthur Germond	AFD South Africa
AFD	Pauline Boulanger	AFD South Africa
Speaker (Day 1)	Ben Dorring	Previous IMFD President
Speaker (Day 1)	Reggie Bogo	CFO City of Joburg
Speaker (Day 1)	Ulrika Britton	Chief Director: Urban Development Infrastructure (National Treasury)
Speaker (Day 1)	Erly Woods	Director Gapp Architects & Urban Designers
Speaker (Day 2)	Stan Wallace	Previous MM of Theewaterskloof & Shared Services Specialist Consultant
Speaker (Day 2)	Anne Bernstein	Executive Director, Centre for Development and Enterprise
Speaker (Day 2)	Pascal Molot	Group CEO, Housing Development Agency
Speaker (Day 3)	Dr Len Mortimer	School of Public Leadership, Stellenbosch University
Speaker (Day 3)	Jannie Moolman	CEO, Moolman Group

## LOCAL GOVERNMENT CAPACITY BUILDING SUMMER SCHOOL 2017 "The Growth Agenda"

### Fairway Hotel, Setperk Street, Randpark, Johannesburg

DATE	SUBJECT	RESPONSIBILITY
<b>SUNDAY, 2 APRIL 2017</b>		
14H00 Onwards	Arrive & book into Fairway Hotel Spend afternoon/evening at leisure	



## GOVERNMENT CAPACITY BUILDING SUMMER SCHOOL 2017 “The Growth Agenda”

**Fairway Hotel, Setperk Street, Randpark, Johannesburg**

DATE	SUBJECT	RESPONSIBILITY
<b>MONDAY, 3 APRIL 2017</b>		
07H30 – 07H45	BREAKFAST	
07H45 – 08H15	Registration	Conference venue
08H15 – 08H30	Welcome & Domestic arrangements	Attie van Zyl, CEO Inca Portfolio Managers Anita Botha – Facilitator
08H30 – 09H30	<i>Keynote address: Long term Financial Plans are Key to Accelerated and Sustainable Growth</i>	Reggie Broon, Group CFO, City of Johannesburg
09H30 – 10H15	<i>Effective Engagement of the Fiscus</i>	Ulrike Britten, Chief Director Urban Development: Infrastructure, National Treasury
10H15 – 10H30	Question & Answer Session	Speaker & Facilitator
10H30 – 10H45	REFRESHMENTS	
11H00 – 11H45	<i>Privatising Own Financial Resources and Revenue Enhancement</i>	Ben Dierling, previous IMFQ President and Practitioner
11H45 – 12H15	Question & Answer Session	Speaker & Facilitator
12H15 – 13H00	<i>Municipal Borrowings within the context of Government Policy</i>	Attie van Zyl, CEO IPM
13H00 – 13H15	Question and Answer Session	Speaker & Facilitator
13H15 – 14H00	LUNCH AT THE GALATA RESTAURANT (HOTEL DINING ROOM)	
14H00 – 14H45	<i>Spatial Planning with a Long-Term Focus</i>	Erky Wood, Director Gapp Architects & Urban Designers
14H45 – 15H15	Question and Answer Session	Speaker & Facilitator
15H15 – 15H30	REFRESHMENTS	
15H30 – 15H50	<i>Plenary</i>	Moderator: Attie van Zyl, CEO IPM
16H30 – 18H00	Concluding Remarks & Wrap up Breakaway Groups Convene	Facilitator Breakaway Group Facilitators
19H00	Networking Drinks & Braai	

## TUESDAY, 4 APRIL 2017

07H00 – 08H00	BREAKFAST	
08H00 – 08H15	Re-cap of 1 <sup>st</sup> Day	Abie van Zyl, CEO IPM
08H15 – 09H00	<i>Expanding Resources – Alternative Service Delivery Mechanisms</i>	Anita Botha, Local Government & PPP Specialist
09H00 – 09H15	Question and Answer session	Speaker / Facilitator
09H15 – 10H00	<i>Optimisation of Own Resources - Shared Services</i>	Stan Wallace, previous Municipal Manager, Theewaterskloof Municipality & Shared Services Specialist
10H00 – 10H10	Question and Answer session	Speaker & Facilitator
10H30 – 11H00	<i>Plenary</i>	Moderator: Albert de Klerk, Municipal Manager, Midvaal Municipality
11H00 – 11H30	REFRESHMENTS	
11H30 – 12H15	<i>Growth Agenda – Key Insights &amp; Recommendations</i>	Ann Bernstein, Executive Director Centre for Development and Enterprise (CDE)
12H15 – 12H45	Question and Answer session	Speaker & Facilitator
12H45 – 13H45	LUNCH 'N THE BALATA RESTAURANT	
13H45 – 15H15	<i>Plenary</i>	Moderator: Arthur Gernonq, AFD Johannesburg
15H15 – 15H45	REFRESHMENTS	
15H45 – 17H30	Concluding Remarks & Wrap up Breakaway Groups Convene	Facilitator Breakaway Group Facilitators
18H00	Bus departs for French Toast, Hartbeespoort Dam	
19H00	Welcoming Function hosted by AFD/IPM	
22H00	Bus departs for Fairway Hotel, Randpark	

## WEDNESDAY, 5 APRIL 2017

07H30 – 08H00	Breakfast	
08H30 – 08H45	Re-cap of 2 <sup>nd</sup> Day	Shiva Makotso, Executive Director, IPM
08H45 – 09H45	Feedback – breakaway groups (45 min each)	Facilitator
09H45 – 10H30	<i>Applying the Principles of Business to Local Government</i>	Dr Len Mortimer, School of Public Leadership, Stellenbosch University
10H30 – 11H35	<i>Drivers of Effective and Accountable Business Engagement with Local Government</i>	Jannie Moolman, Executive Chairman, Moolman Group
11H15 - 11H30	REFRESHMENTS	
11H30 – 12H45	<i>A New Matrix for Government/Business Co-operation</i> Interactive panel discussion with speakers & selected municipal officials	Moderator: Johan Mettler, City Manager, Nelson Mandela Bay Metropolitan Municipality
12H45 – 13H00	Vote of thanks / Conclusion	Attie van Zyl
13H00	Closing lunch	

## 24 Annexure 3: Process in Initiating a Shared Services

The process will vary from case to case. The format of the Shared Service will also determine the nature of the process. These should accordingly be seen as general guidelines only.

1. The first step is for the MMs within a district to discuss the principle in the first Instance.
2. If the SS model is adopted in principle the next step is a workshop at which:
  - a. The SS model and all of its available formats are explained.
  - b. Potential services or functions are identified and prioritised. Advisable to do this in terms of specific criteria agreed upon.
  - c. A joint task team can then be established to investigate and established the reasons and need for a shared service in providing a particular function or service. Such a need will determine the format and nature of the shared service. More than one Task Team can be established i.e. one for each of the potential shared services.
  - d. Establish whether or not a big bang approach should be followed or whether a pilot approach should rather be followed in the first instance. In other words starting small in terms of the number of services to be provided by a shared service or limiting the service menu of a particular shared service and later on and gradually expanding such service and the shared service operation. Separate Shared Services can be established and hosted by different Municipalities or one Shared Service can be established within one of the municipalities and which will be required to provide a range of services.
  - e. Report back to the plenary for further mandating purposes. Should the findings of the Task Team be in support of a Shared Service and accordingly accepted by the Plenary Session then it should mandate the Task Team to continue with its investigation and which should inter alia deal with specifics like for example:
    - i. The service menu and related standards and the drafting of an SLA for each of the services to be provided by a Shared Service.
    - ii. The resources requirements i.e. management capacity, staff capacity, funding, processes, technological and IT requirements, office and related facilities, equipment, fleet etc.
    - iii. A Budget for the Shared Service and the contribution required from each of the client municipalities
    - iv. The establishment of a Shared Services Board and its ToR. Such a Board could be responsible for the approval of the draft budget, service menu and standards reviews, performance reviews, resolving operational matters, policy making related issues, approval of processes and systems to be used etc. The Municipal Manager of the Municipality that will be hosting the Shared Service should act as the Chair of such a Board. Such a Municipality will also be responsible for the Secretarial Services.
    - v. Drafting of a Shared Service Charter and or MOU.
    - vi. The drafting of an organogram, job descriptions, grading of the posts etc.
    - vi. Implementation date.
    - viii. Establish whether or not the shared service should be approved as a permanent arrangement or for a trial period of say three years only. Agree up front what the criteria should be in terms of which the performance and

success of the Shared Service will be evaluated and which will serve as a guideline when a decision has to be made whether or not a trial period should be extended or even converted into a permanent arrangement.

- ix. Draft a report which needs to be presented to the DCF and to the Councils of the respective Municipalities. All municipalities within a district do not have to make use of the shared service or of all of the services to be provided by the Shared Service.
- f. Report back to the plenary and if adopted the report should go to the DCF for adoption before referring it to the respective Councils for adoption and inclusion in their budget. Such a report should include the SLA, MOU and the Charter in other words all of the frameworks in terms of which the Shared Service will be managed and function.
- g. Sign the MOU, Shared Services Charter and the SLA. This will inter alia deal with the role and function of the host municipality.
- h. Proceed with the adoption of the organogram by the host municipality
- i. Advertise the position(s) and follow the normal selection process. The Selection Panel may consist of the Shared Services Board Members referred to above.
- j. Once the manager of the shared service has been appointed his or her first function will be to establish the shared service organisation and this may take several months.
- k. The Manager may be required to present his or her business plan for the first year and this may even require a strategic workshop of the board and during which the main challenges of the Shared Services will be established and prioritised and responded to.

Stan Wallace

## 25 Annexure 4: Shared Services FAQs

### 1. *Is the Shared Services model about cost savings?*

Not necessarily-it is about building affordable institutional capacity and more specifically in respect of support services. As an example, when the Overberg Municipalities had to establish a Risk Management function they could either have used somebody within the organisation on a part time basis to perform such a function like for example the Occupational Health and Safety Practitioner, create a full time position or establish a Shared Services function for such a purpose. The latter was chosen. In the process a full time professional could be employed at an affordable rate. Such skills are in any event scarce and these municipalities would have had to compete with each other in obtaining the services of a limited number of professional risk management practitioners and some would in the process have lost out.

### 2. *Will the Municipality not lose control over the provision of a particular support service or over a particular operation performed on a shared basis?*

No - bear in mind that the corporate function remains with a municipality i.e. setting strategies, policies, standards, etc. That is not given to the shared services. The municipality will still have to decide what its IT, HR, Legal Services, Training Strategies, Policies etc. should be in spite of the consultancy and/or operational components of such functions being performed by a Shared Service. Such a corporate function is also responsible for the oversight and corporate governance functions in respect of the services or operations assigned to the Shared Service. Then there is the Shared Services Charter that clarifies the rules to the game and the SLA that is stating the service menu and the standards in respect of such services and that need to be managed through inter alia the Shared Services Board.

### 3. *Is the Shared Services about the centralisation of support services?*

Not at all. A decentralised service can be provided on site if necessary. It is the management of a shared service and the overheads that is being centralised not the service as such. The more decentralised the service the more expensive the service would become though.

### 4. *Will the shared service provide a service in accordance with the unique requirements of each client municipality?*

No - one of the rules to the game is that a standardised service needs to be provided and the shared services cannot be everything to everybody. Would make it unaffordable. However, if there is surplus capacity individual municipalities may negotiate higher service standards or additional services. Such municipalities will however have to pay an additional charge.

### 5. *Is the services of a Shared Service limited to the municipalities of a particular district area only?*

The primary client will be the municipalities from a particular district. Should any surplus capacity be available then it is strongly recommended that additional clients outside the district be recruited. In the process, such additional and secondary clients will be required to contribute towards the costs of the shared service and make the shared service even more affordable. Capacity can however be added in order to provide a service to other clients as well and that would be in order as long as such additional clients will not add to the costs of the primary clients or impact on the service or its standards.

### 6. *Position of the Unions?*

The potential threat of privatisation i.e. should the Shared Services not succeed resulted in the closure of the Shared Service in Durban. It is suggested that the format of the shared service be consulted on. I would also not, as we used to do in the past, include competitiveness with the private sector as a performance criteria. It has created too much tension and unrest.

7. *Who does a decentralised official of the shared service report to.*

The relationship is similar to when a consultant of a consultancy company is working within an organisation. The client will be represented by somebody and such a somebody will have a dotted line relationship with the decentralised official. It will be the task of such a representative to provide guidance, support and oversight. This will however have to take place within the parameters of the Charter and the SLA and any other agreements that are regulating the decentralised provision of a service.

8. *What happens should a Municipality decide that it wants to opt out of the Shared Service agreement or arrangement.*

This is the main challenge because should any of the Municipalities decide to opt out then the shared service may become unaffordable to the remaining ones. In my view, all municipalities need to commit themselves to the Model for an initial trial period of 5 years' minimum. If expensive capital investments were required then the period may even be for a longer period. Should a municipality decide to bail out then such a municipality may have to buy itself out of such a contract. A majority decision of the Shared Services Board may also for example be required before a municipality will be allowed to bail out. I would suggest that a contract similar to any normal contract with any other private service provider be entered into and that specifically deals with this issue.

Should the Shared Service however be failing as a service provider then a process should be put in place through which sub performance needs to be remedied. The host municipality has a special responsibility in managing a shared service successfully and will have to accept this accountability and risk and needs to upfront have risk mitigation plans in place to protect itself against such an eventuality. It may even have to charge an additional fee in order to fund such risk mitigation action. The legal people of each municipality will have to assess the risk, the likelihood and the impact. This will also inform the viability assessment before parties can agree to the shared services model. If the risk is too high then the shared services model is not viable. It will also inform the contract I have referred to above.

9. *Who does Shared Services assets and information belong to.*

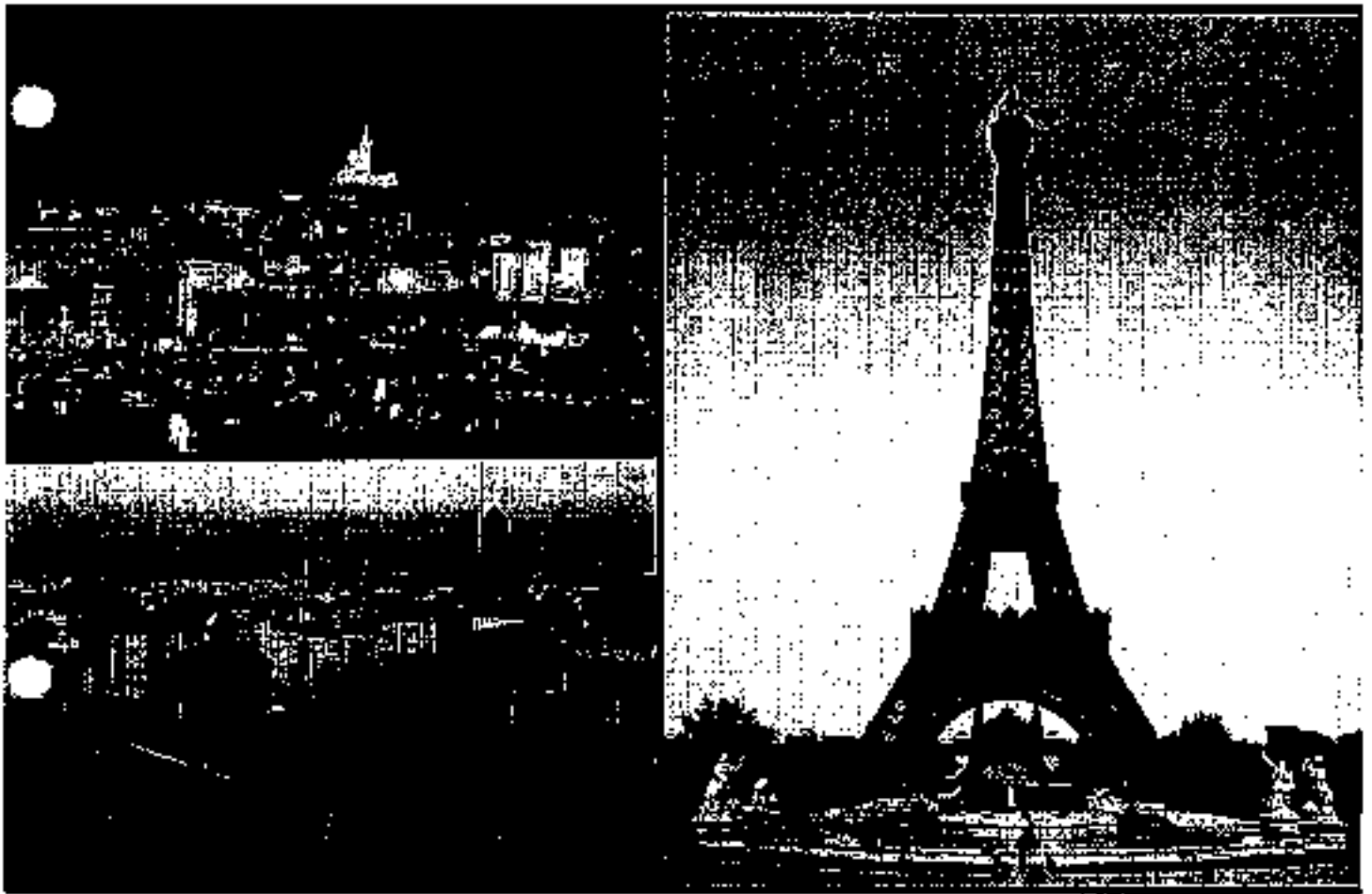
Normally this will belong to the host municipality and appear on the asset register of the host municipality. If the shared service is however for whatever reason disbanded, then this will remain the property of the host municipality. The host municipality will have to fund such assets and related capital investments and provide for the financing thereof when calculating its tariffs.

If all of the Municipalities have made a contribution towards such an investment then some pay out may be required. This will however all form part of the contract referred to above and the viability assessment.

Stan Wallace

# ICBF Study Tour

Marseille – Lyon – Paris, France  
28 June – 08 July 2017



Funded and hosted by  
INCA Capacity Building Fund



## Resume of Delegates

### **Attie van Zyl - CEO, INCA Portfolio Managers**

In 1985 Mr van Zyl (a Development Economist by training) joined the Development Bank of Southern Africa (DBSA) where he established the international relations unit and was responsible for spearheading the mobilization of international development finance for development in South Africa. In 1996 he was one of the founding members that established Infrastructure Finance Corporation Limited (INCA), a company that became the second corporate bond issuer on BESA, and who raised and invested ZAR 15,3 billion in municipal infrastructure. Mr van Zyl, who was appointed CEO of INCA in 2004, spearheaded the mobilization of international development finance for INCA, and was responsible for managing the INCA portfolio which at its height, had over R7 billion assets on balance sheet. In 2010 Mr van Zyl established INCA Portfolio Managers, where he holds the position of CEO and shareholder.

### **Mare-Lise Fourie - MMC Finance, Tshwane Metro**

After a successful career spanning 32 years as a municipal finance practitioner, the last five years as Chief Finance Officer in the city Council of Pretoria, Mare-Lise Fourie joined the private sector consulting on various projects in the local sphere of government. During this period she co-authored a textbook on municipal financial management which is currently in its third edition. She also served as Director on the Board of the INCA Capacity Building Fund from 2001 until 2016 as a technical advisor. She was elected as a public representative for the City of Tshwane Metropolitan Municipality in 2014, re-elected in 2016 and is currently serving as the Member of the Executive Mayor's Committee responsible for Finance.

### **Davy Louw - CFO, Theewaterskloof Municipality**

Davy Louw started his career in 1994 as a bookkeeper for a pharmacy after which he joined the local municipality in 1995 as an accountant. He became Town Treasurer in 2000 and assumed duties as Chief Financial Officer during 2002. He then continued to work for different municipalities as Chief Financial Officer and is still employed in the local government sector as a Chief Financial Officer. He holds a Hons B.Compt degree with CTA endorsement and has also served articles with PriceWaterhouseCoopers during 2011. He wrote and passed the South African Institute of Chartered Accountant's Board examination (Part 1) and holds membership of the South African Institute of Professional Accountants as well as the Chartered Institute of Government Finance, Audit and Risk Officers. Davy Louw is currently the Chief Financial Officer of Theewaterskloof Municipality.

### **Geraldine Mettler - Municipal Manager, Stellenbosch Municipality**

Geraldine Mettler is a LL.M graduate and an admitted Attorney in the High Court. Over and above her qualification Ms Mettler finished her Minimum Municipal Competency with the University of Stellenbosch last year. Before joining Stellenbosch Municipality as Municipal Manager in 2017, Ms Mettler served as Chief Director at the Department of Local Government in Johannesburg; Transformation Manager at Drakenstein Municipality and more recently; Director; Councilor Support and Sub Councils at the City of Cape Town. She has a total of 16 years' experience in local government - with 12 years at a senior level. Ms Mettler focuses on success achieving results with a special interest in the field of public administration, governance and public accountability.

### **Zanda van Rooyen - Deputy CFO: Expenditure & SCM, George Municipality**

Zanda Van Rooyen started her career in local government in 1991 as HOD Data processing at Eden District Municipality and made a switch to the finance side of local government in 1997 as appointed Assistant Chief Financial Officer until 2003 and joined Development Bank of SA in 2006 as part of the Siyenza Manje project that were supportive to struggling municipalities. In 2012 she has been appointed as Deputy Director: Expenditure & Supply Chain at the George Municipality.

### **Stefan Vorster - CFO, Saldanha Bay Municipality**

Stefan Vorster started his career in 2000 as an article clerk at Mazars audit firm in Pretoria, South Africa. He then did contract work for Deloitte working, inter alia, at a construction company and a wealth management company. After that he held various senior management positions in both the public and private sector. He was appointed in October 2011 as the Chief Financial Officer of Saldanha Bay municipality and is currently still in this position. Stefan holds a M.Com degree in Taxation and is registered as both a Chartered Accountant and Chartered Management Accountant under the respective designations of CA(SA) and ACMA/CGMA.

Thursday, 29<sup>th</sup> June 2017

## Arrive Paris

10h35 - A van Zyl; M Fourie; Z van Rooyen  
11h15 - D Louw; G Mettler; S Vorster

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13h58 - D Louw; G Mettler; S Vorster  
Train Number: 5028 to Marseille  
Coach no. 17

## Take TGV Train to Marseille

Once through customs follow the signs to the train station. You will find your train ticket with this pack.

## Take Flight to Marseille

15h10 - A van Zyl; M Fourie; Z van Rooyen  
Flight Number AF7666 to Marseille  
Air France

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## Arrive Marseille

16h30 - A van Zyl; M Fourie; Z van Rooyen  
17h49 - D Louw; G Mettler; S Vorster

Take taxi to hotel.

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19h30 Informa! Dinner in the harbour.

## Hotel accommodation



Golden Tulip Marseille Euro Med  
6, Place Henri Verneuil  
Marseille

Phone: +33 488912270

Friday, 30<sup>th</sup> June 2017

## Marseille

**Dress code:** Smart Casual (no jeans or takkies)  
Men: Jacket but no tie required

**06h30 – 07h30**

A continental breakfast at the hotel.

**07h45**

To be collected from the hotel by  
**Ms Aurélie Guilford** of City of Marseille

**09h00**

Presentation of the Euroméditerranée Project  
General overview explanation of the Long Term  
Strategy and Plan of the development of Marseille  
and City Model. (Refer to document in pack).

**12h30**

Lunch

**14h00**

Presentation of CEFEB – **Dominique Hautbergue**

**14h30**

Metropolis of Marseille – Creation process,  
challenges and perspectives – **Marie Baduel**,  
Director of Strategy at Avitem, Agence des  
Villes et Territoires Méditerranéens

**15h30**

Presentation of Société des Eaux de Marseille  
(SEM/Metropolis Water Board) – **Catherine  
Lagarde**, Director of SEM

## The Old Port

The Old Port of Marseille is a natural harbor, opened in 600BC and owned by the State. It is 200,000 square meters and has 3,500 berths.



## Notre Dame de la Garde

In 1214 maître Pierre, a priest of Marseille, was inspired to build a chapel dedicated to the Virgin Mary on the hill known as La Garde. The sanctuary became too small for the number of pilgrims visiting it by the mid-19th century so Monseigneur de Mazenod decided to build the great Notre-Dame de la Garde basilica. The Notre-Dame de la Garde or "La Bonne Mère" watches over sailors, fishermen and the entire city.



Saturday, 1<sup>st</sup> July 2017

## Marseille & Aix-en-Provence

**Dress code:** Casual & comfortable walking shoes/takkies

**07h00 – 08h00**

A continental breakfast at the hotel.

○ Please pack and check out at hotel. Luggage can be stored at the hotel reception.

**08h00 – 16h00**

Catch bus to Aix-en-Provence.

Spend day of leisure seeing the town of Aix-en-Provence.

**16h00**

Catch bus back to Marseille. Collect luggage from hotel and head to the train station.

**18h14**

Take Train to Lyon/Paris  
Train number 5180  
Coach 7

○ **20h00**

Arrive in Lyon / Paris

Check into hotel.

**Citadines Presqu'île Lyon**  
2 Rue Thomassin  
2<sup>nd</sup> arr., Lyon, 69002

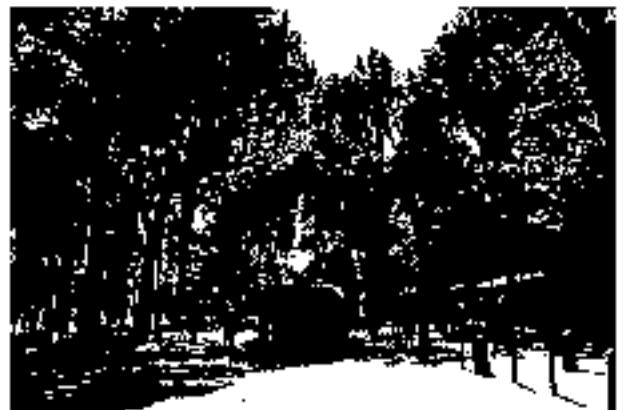
**Tel: +33472404050**

**20h30**

Meet for dinner

## Aix-de-Provence

Well-known as the city of art and lights, Aix or Aix-en-Provence is a city in southern France, situated about 30 km north to Marseille.



## Lyon

**Dress code:** Casual

**07h30 – 08h30**

A continental breakfast at the hotel.

**09h00 – 16h00**

Sightseeing in Lyon

**19h30**

Meet for dinner

Perhaps the best way to begin a trip to Lyon is to start at **Place Bellecour**, the great piazza in the city centre, between the Rhône and the Saône. Walk west from the northwest corner of the square, then cross the river Saône on the Pont Bonaparte bridge, and continue straight on for 100 metres until you see the station for the **funicular railway**. Take line F2 up to the hill top of **Fourvière**. From here, you can get your bearings as you look out over the city of Lyon on your feet.

Fourvière is home to Lyon's most emblematic monument, **Notre Dame de Fourvière**. The basilica Notre Dame de Fourvière, a late-19th century basilica built in shimmering white stone in the neo-Byzantine style, and very similar in this respect to the Sacré-Coeur basilica of Montmartre, in Paris.

Interesting facts about the City of Lyon:

- Lyon is France's second-largest city with 1.7 million people in the Metropolitan area.
- More than 120,000 students flock to Lyon every year.
- There are more than 360 foreign capital companies in the Lyon region.
- Lyon has the #1 French mass public transit system outside of Paris.
- Lyon's Jête d'Or Park is the one of the world's largest urban parks.
- Lyon is recognized as a World Heritage Site by UNESCO.
- Lyon was the centre of the French Revolution.

Lyon is shaped by its two rivers, the Rhône River (to the East) and the Saône (to the West), which both run North-South. The main areas of interest are:

- **Fourvière hill** - Also known as "the hill that prays" due to the numerous churches and religious institutions it hosts. The hill was also the place where the Romans settled.
- **Vieux Lyon (Old Lyon)** - The Renaissance area, along the right bank of the Saône.
- **Presqu'île** - Between the two rivers, the real heart of the city.
- **Croix-Rousse** - North of Presqu'île between the two rivers, it is known as "the hill that works" because it was home to the silk workers (canuts) until the 19th century. Its industry has shaped the unique architecture of the area.
- **Confluence** - An emerging district with great contemporary architecture in a former industrial area.
- **Part-Dieu** - The main business district and home to the main train station of Lyon.
- **Brotteaux** - The wealthiest district, next to the beautiful Tête d'Or park.
- **Guitaillière** - A picturesque district with a large immigrant population.
- **Etats-Unis** - An interesting 1920s housing project.
- **Voise** - Another developing district.



Monday, 3<sup>rd</sup> July 2017

## Lyon

**Dress code:** Smart Casual (no jeans or t-shirts)  
Men: Jacket but no tie required

**07h00 – 08h00**

A continental breakfast at the hotel.

**09h00**

Meet the Finance Team at City of Lyon  
(Agenda to be advised)

**12h30 – 13h30**

Lunch

**14h30**

Maison Confluence - **Stephanie Chemtob**  
Site visit to Urban Project of Lyon Metropole

**19h30**

Meet for Dinner



## Lyon

**Dress code:** Smart Casual (no jeans or takkles)  
Men: Jacket but no tie required

**07h30 – 08h30**

A continental breakfast at the hotel.

**09h00**

Meet Mobility & Transport Department  
– City of Lyon

**13h04**

Take train to Paris

**15h01**

Arrive Paris

Check into hotel

**Millennium Hotel Paris Opera**  
12 Boulevard Haussmann  
9<sup>th</sup> arr., Paris, 75009

**Tel: +33149491600**

**16h30 – 22h00**

Sightseeing in Paris / Dinner

## Paris Information

**Paris** is the capital and most populous city of France. It has an area of 105 square kilometres and a population of 2,229,621 in 2015 within its administrative limits.<sup>1</sup> The city is both a commune and department and forms the centre and headquarters of the Île-de-France, or Paris Region, which has an area of 12,012 square kilometres (4,638 square miles) and a population in 2016 of 12,142,802, comprising roughly 18 percent of the population of France. By the 17th century, Paris was one of Europe's major centres of finance, commerce, fashion, science, and the arts, and it retains that position still today. The Paris Region had a GDP of €624 billion in 2012, accounting for 30.0 percent of the GDP of France.

The City of Paris is but the core of a built-up area that extends well beyond its administrative limits.

Although joined in a single urban tissue, Paris' lack of administrative and economic cohesion with its suburbs has been a longstanding problem, but a 2016 'Metropole of Grand Paris' economic and environmental initiative<sup>2</sup> covering an 814 square kilometres (314 square miles) area and a population of 7 million, exists since 2016.

The city is also a major rail, highway, and air-transport hub served by two international airports: Paris-Charles de Gaulle (the second busiest airport in Europe after London Heathrow Airport with 63.8 million passengers in 2014) and Paris-Orly. Opened in 1900, the city's subway system, the Paris Métro, serves 5.23 million passengers daily. It is the second busiest metro system in Europe after Moscow Metro. Notably, Paris Gare du Nord is the busiest railway station in the world outside of Japan, with 262 millions passengers in 2015.

In 2015, Paris received 22.2 million visitors, making it one of the world's top tourist destinations. The association football club Paris Saint-Germain and the rugby union club Stade Français are based in Paris. The 80,000-seat Stade de France, built for the 1998 FIFA World Cup, is located just north of Paris in the neighbouring commune of Saint-Denis. Paris hosts the annual French Open Grand Slam tennis tournament on the red clay of Roland Garros. Paris hosted the 1900 and 1924 Summer Olympics and is bidding to host the 2024 Summer Olympics. The 1938 and 1998 FIFA World Cups, the 2007 Rugby World Cup, and the 1960, 1984, and 2016 UEFA European Championships were also held in the city, and every July, the Tour de France bicycle race finishes in the city.

Wednesday, 5<sup>th</sup> July 2017

## Lille Metropole

**Dress code:** Smart Casual (no jeans or takkies);  
Men: Jacket but no tie required.

**6h30-07h00**

A continental breakfast at the hotel.

**07h46**

Depart Paris for Lille via TGV from Gard de Nord.  
(Trains leave promptly so please be in the lobby  
of hotel by 07h00)  
Train No 7513 Coach 7

**09h45**

Arrive Lille Train Station  
Meet by **Mr David Queinnec**, International  
Project Manager

**09h15 – 10h30**

General Presentation of the MEL Territory &  
Institution  
Meeting and discussion with **Mr Romain Roguet**,  
MEL France General Manager

**10h30**

Depart for Roubaix

**11h15 – 12h30**

Presentation of the "Campus Station Project"  
and the semi-public company "SEM Ville  
renouvelée" – **Ms Jocteur-Montrozier**, Operations  
Manager

**12h30 – 14h00**

Lunch at "La Piscine" Museum Restaurant  
(former 1930's Roubaix municipal swimming pool  
transformed into an art and industry museum)

**15h15**

Back to Lille

**16h00 – 17h15**

Presentation of the Biogaz Project

**18h11**

Depart Lille Flandres for Paris  
Train no 7076 Coach 1

**19h20**

Arrive Paris (Gard de Nord)

**20h00**

Meet in the lobby for dinner



Thursday, 6<sup>th</sup> July 2017

**Dress code:** Smart Casual (no jeans or takkies);  
Men: Jacket but no tie required.

**6h30-07h00**

A continental breakfast at the hotel.

**07h46**

Depart Paris for Lille via TGV from Gard de Nord.  
(Trains leave promptly so please be in the lobby  
of hotel by 07h00)  
Train No 7513 Coach 3

**08h45**

Arrive Lille Europe  
Met by David Queinnec / MEL

**09h00 – 10h30**

Presentation of Euralille – **M Fabrice Veyron-  
Churlet**, General Manager

**10h30 – 12h30**

Old city visit (English speaking guide)

**13h13**

Depart Lille Flandres for Paris  
Train no 7552 Coach 13

**14h23**

Arrive Paris (Gard de Nord)

**20h00**

Meet in the lobby for dinner

Situated in France's northern Nord-Pas-de-Calais region and close to the Belgian border, Lille is a small and cosy city despite being France's fourth largest metropolitan area. Tourists descend on Lille in the summer mainly for its quaint old town, which has a laid-back feel and a distinct classical Flemish architectural heritage.

Lille has always been known for its heavy industry. However, there is little evidence of this today with high-tech industry now occupying the modern commercial quarter. As a result, Lille has an exciting buzz to it: a modern driverless train, the vast Euralille shopping centre, two great art museums and plenty of stylish shops, cafes and restaurants.

Friday, 5<sup>th</sup> July 2017

**Agence Française de Développement**

5, rue Roland Barthés, 75598 Paris cedex 12

**Dress code:** Smart Casual (no jeans or takkies); no tie required.

**PLEASE TAKE YOUR PASSPORT WITH. YOU WILL NEED IT TO GAIN ACCESS TO AFD OFFICES.**

**09h00**

Breakfast with CLD Department (Anne Odic & Laurent Amar)

**09h30**

Presentation of the new country strategy of AFD in RSA

**11h00**

Debrief of Study Tour and discussion

**12h45**

Departure to 121 Avenue de France

**13h30 – 15h30**

↳ Mobility Agency – City of Paris (Cancelled)

**19h30**

Take taxi to airport

**23h25**

AF990 – Air France



**AFD**, one of the two members of the INCA Capacity Building Fund, are a public development finance institution that has been working to fight poverty and foster economic growth in developing countries and the French Overseas Provinces for seventy years.

AFD has been entrusted with a mandate by the French national authorities to contribute to economic and social development in its geographical areas of operation. It achieves this by financing and supporting development projects and programs, participating in the debate, research and dialogue with the relevant stakeholders.

The aim of these actions is to contribute to more sustainable and shared economic growth, improve living conditions in the poorest regions and countries, contribute to preserving the planet and help stabilize fragile or post-conflict countries.

Willing to support local and regional development, the **Johannesburg agency** now funds more than thirty projects and has increased its activity four fold between 2004 and 2008 to meet the financing needs of projects for the region's development.

07 June 2014 – Friday

## Flight information from Paris to South Africa:

Depart from CDG Paris for Johannesburg Airport (OR Tambo) international on Air France.

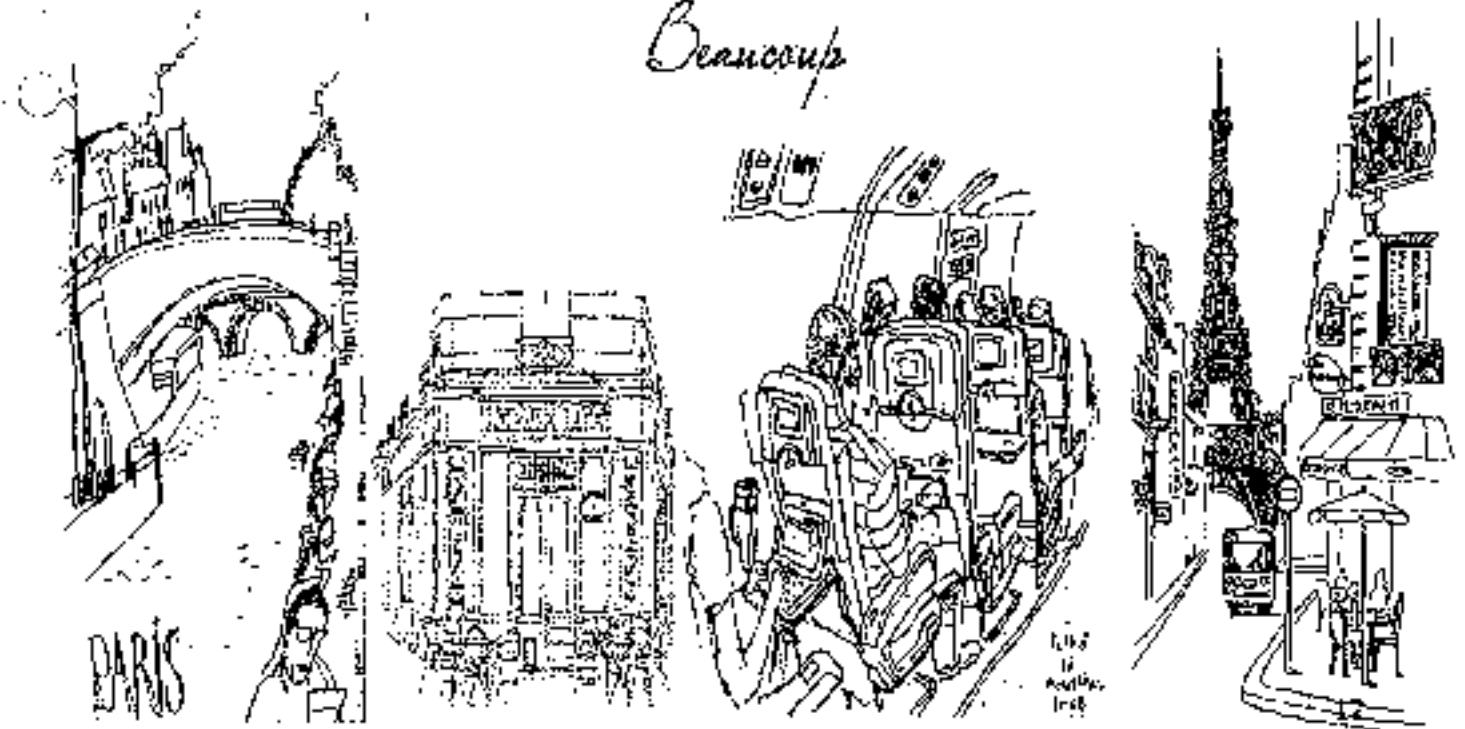
Flight: AF990 CDG-J to JNB  
Time: 23:30

Check in 3 hours before departing for Johannesburg  
Arriving in South Africa 08 July 2017 at 09:55

**NOTE:** Departure from Hotel to Airport at 19h30

**ICBF would like to thank you  
for participating in the 2017 Study Tour!**

*Merci  
Beaucoup*



**REPORT**  
on the  
**LOCAL GOVERNMENT CAPACITY BUILDING**

**STUDY TOUR TO FRANCE**  
Marseille – Lyon – Lille - Paris

28 June 2017 – 8 July 2017



Prepared by:  
the Study Tour Group

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## 1 INTRODUCTION

The INCA Capacity Building Fund (ICBF) Study Tour to France took place from 28<sup>th</sup> June to 8<sup>th</sup> July 2017. The tour took place in three cities, namely Marseille, Lyon and Paris, with delegates also visiting Lille Metropole.

## 2 DELEGATES AND FOCUS OF THE STUDY TOUR

The tour group consisted of:

- Attie van Zyl – INCA (Tour leader)
- Mare-Lise Fourie – Tshwane Municipality
- Davy Louw – Theewaterskloof Municipality
- Geraldine Mettler – Stellenbosch Municipality
- Zanda van Rooyen – George Municipality
- Stefan Voreter – Saldanha Municipality

The delegates were given the weekend days to explore Marseille and Lyon, and also spent the evenings in Paris discovering the rich historic and cultural heritage and vibrancy of the French capital city. The focus of the Study Tour 2017 was on integrated urban development within the context of Long Term Strategic Planning. Specific focus was placed on how best to utilise integrated urban mobility systems and catalytic projects to have a positive impact on the built environment and to contribute to efficiency gains. Given the history of partnership function between public and private in delivering infrastructure and public sector services it was the intention of the Study Tour to expose the delegation to this partnership approach.

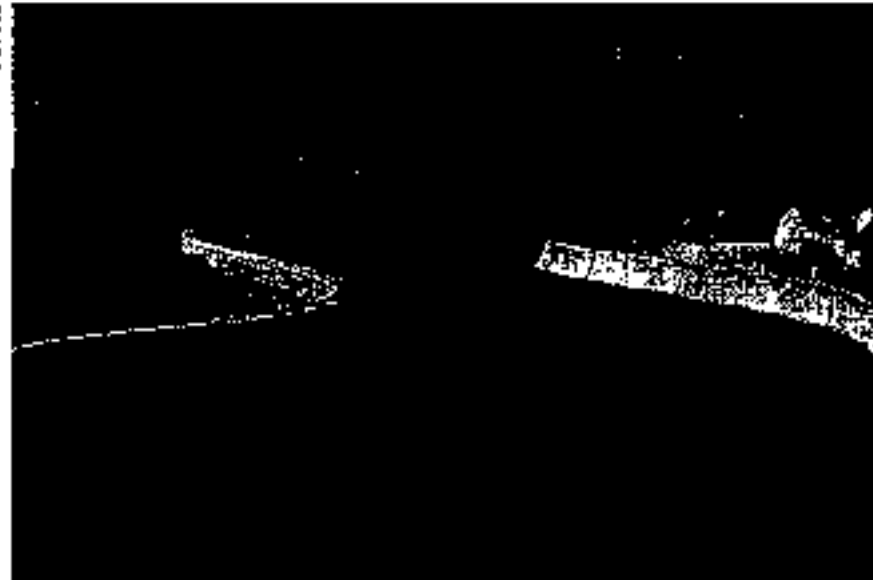
## 3 CITY OF MARSEILLE

<b>City</b>	<b>Marseille</b>
<b>Date and time</b>	<b>Friday 30 June 2017, 10:00 – 13:00</b>
<b>Presenter</b>	<b>Alexandre Sorrentino: Euroméditerranée Urban Development Agency</b>
<b>Description of project</b>	<p>The Euroméditerranée Project was launched in 1995 with the initiative of the former Mayor of Marseille, and the State. The agreement for the establishment of a public agency of development was signed in 1994, working on an area of 310 hectares. Since 2007 the project was extended with 170 more hectares. This project is funded by the European Union, the State, the Regional Council, the Departemental Council, the urban community and the City of Marseille.</p> <p>Among the achievements of Euroméditerranée project was the Docks renovation into offices, the renovation of the silo into a theater, the renovation of the Rue de la République, the construction of the <u>CMA-CGM tower</u> (33 floors, 147m tall). The budget of the project amounts to €7 billion investment, of which €5 billion of private investment.</p> <p>The Marseille-Euroméditerranée urban renewal and economic development project was the largest urban renewal project in Southern Europe.</p>
<b>Discussion</b>	<p>During the discussion, Mr. Alexandre Sorrentino mentioned, amongst others:</p> <ol style="list-style-type: none"> <li>1. It is important for local government to retain possession of the land, but the private sector must fund and manage such projects.</li> <li>2. The Euroméditerranée project was initiated to "save" Marseille and to make it an attractive and influential city between Europe and the Mediterranean.</li> <li>3. Three key aspects are important for the project to be a success being, <b>time</b>, to <b>retain land ownership</b> and <b>context</b> (geographical, social, economic and history).</li> </ol>
<b>Importance for municipalities in South Africa</b>	<p>The following message from the presentation is relevant to municipalities in South Africa:</p> <ol style="list-style-type: none"> <li>1. Think BIG and start small;</li> <li>2. Local authority must remain in control and not the private sector, i.e. municipality must determine the type of development.</li> <li>3. The private sector must fund and manage the project.</li> <li>4. Partner with the private sector through PPP's.</li> </ol>

<b>City</b>	<b>Marseille</b>
<b>Date and time</b>	Friday 30 June 2017, 14:00 – 15:30
<b>Presenter</b>	Mr. Dominique Hautbergue from <b>Agence Francaise De Development (CEFEB)</b>
<b>Description of Agence Francaise De Development</b>	Agence Francaise De Development is a public financial institution that implements the policy defined by the French Government. It works to fight poverty and promote sustainable development. This public institution is active in Africa, Asia, the Middle East, Latin America, the Caribbean and the French overseas territories where it finances and supports projects that improve living conditions for populations, promote economic growth and protect the planet.
<b>Historical context</b>	<p>During the discussion, Mr. Dominique Hautbergue mentioned, amongst others:</p> <ol style="list-style-type: none"> <li>1. City of Marseille is France's largest city on the <u>Mediterranean</u> coast and the largest <u>port</u> for commerce, freight and cruise ships.</li> <li>2. City of Marseille is the country's <u>second largest city</u>, after <u>Paris</u>, with a population of 852,516 and an area of <u>241 km<sup>2</sup></u> the <u>3rd-largest metropolitan area</u> in France after Paris and <u>Lyon</u>.</li> <li>3. There are 36,569 municipalities (communes) in France</li> <li>4. France has more than 150 years of experience of Public Private Partnership (PPP) agreements</li> <li>5. France has 15 metropolises and 3 metropolises with special status.</li> </ol>
<b>Training</b>	<p>Mr. Dominique Hautbergue spoke at large about the training initiatives, to strengthening capacities of individuals and organisations.</p> <p>It comprises a team of 23 agents divided into a training division and a support division</p> <p>The training is build on two building blocks:</p> <ul style="list-style-type: none"> <li>- Long diploma cycle (Master),</li> <li>- Short qualifying courses.</li> </ul> <p>He also spoke about their advanced e-learning platform, which comprises of moocs (massive open online course), serious game to make learning interactive, virtual classes and webinars.</p>
<b>Importance for municipalities in South Africa</b>	There are many benefits to provide an advanced e-learning platform to municipal officials and councillors. In South Africa there are advanced legislation and compliance and an advance e-learning platform could be investigated.

<b>City</b>	<b>Marseille</b>
<b>Date and time</b>	<b>Friday 30 June 2017, 15:30 – 16:30</b>
<b>Presenter</b>	<b>Ms Marie Baduel from Villa Méditerranée</b>
<b>Description of Villa Méditerranée</b>	Ms Marie Baduel is a director for this entity who purpose is to look after urban development, territorial attractiveness, sustainable development, economic development and entrepreneurship, creative industries, solidarity economy, geopolitics, civil society and youth.
<b>Discussion</b>	<p>During the discussion, Ms. Marie Baduel mentioned, amongst others:</p> <p>In France, the Government has opened a new page of decentralization aimed at adaptation to the reality of contemporary territories.</p> <p>Polycentric restructuring of the smaller 6 municipal areas in Marseille was done, in order to deal with fiscal unification between the different areas.</p> <p>A multi-disciplinary committee was established in order to facilitate this process focussing on the following 4 strategic main lines:</p> <ul style="list-style-type: none"> <li>- Recognised the diversity of the population and its areas;</li> <li>- Integrate the metropole in a generalist (position (physical integration of region infrastructure);</li> <li>- Moving from a generous metropole to sustainability</li> <li>- Moving from a de facto metropole to an organised and linked metropole</li> </ul> <p>The project intentions must be clearly articulated and new project assumptions must be in a coherent way.</p> <p>It is important that the start and completion of the project receives equal priority. Two-way communication during the project is imperative with all stakeholders on a continuous basis.</p>

<b>City</b>	<b>Marseille</b>
<b>Date and time</b>	Friday 30 June 2017, 16:30 – 17:30
<b>Presenter</b>	Catherine Lagarde, Manager Public Relations from <b>Eaux de Marseille group</b>
<b>Description of Eaux de Marseille Group</b>	<p>The group has 1943 employees, and gross turnover of € 329 million and is represented in over 200 municipalities in France. The group has 17 subsidiary companies, and the three main main business activities are Water, Environment and Services.</p> <p><u>Water</u></p> <ul style="list-style-type: none"> <li>- The management of public water supply, production, distribution, customer management;</li> <li>- The management of public wastewater utility, collection and treatment;</li> <li>- The consulting and operation of water treatment plants and networks for industry;</li> <li>- Leak detection and customer relations with norms and standards responsiveness.</li> </ul> <p><u>Environment</u></p> <ul style="list-style-type: none"> <li>- Waste collection and treatment;</li> <li>- Sorting and reuse;</li> <li>- Urban hygiene and cleaning</li> </ul> <p><u>Services</u></p> <ul style="list-style-type: none"> <li>- Information systems for utilities and public services;</li> <li>- Street lighting and industrial electricity management;</li> <li>- Energy costs control.</li> </ul>
<b>Discussion</b>	<p>During the discussion, Ms. Catherine Lagarde mentioned, amongst others:</p> <ol style="list-style-type: none"> <li>1. Marseille was founded 26 centuries ago, on the banks of the Lacydon;</li> <li>2. Marseille had a long history of water provision and supplying the city with water was difficult up to the mid-19th century;</li> <li>3. In 1835 the Council decided to build a canal (canal de Marseille) – see photo below.</li> <li>4. Marseille is commonly known as the “water capital of the world”. In 1996, Marseille was chosen as headquarter of the World Water Council.</li> </ol>

**Canal de  
Marseille**

80% of the water source of the canal is derived from the Durance river. This river is a major river in south-eastern France and its source of water is in the south-western Alps. The Durance itself is a tributary of the Rhône river in France and flows into the Rhône near Avignon. The Durance is the second longest tributaries of the Rhône river.

**Potable water in  
Marseille**

The water in Marseille is known as the best in France.

The following are interesting facts of the water network managed by the Eaux de Marseille Group:

- Management of water utility for 72 municipalities;
- Operation of 50 water production plants,
- 6,300 kilometres network;
- 1,37 million people served;
- 147 million cubic metres produced per year.

**Sanitation**

The Eaux de Marseille Group also provide the following sanitation services:

- Sanitation management for 62 municipalities
- Operation of 52 wastewater treatment plants
- 27 million cubic meters are treated each year
- It comprises of a 4 200 kilometers network.

**Importance for  
municipalities in  
South Africa**

The following message from the presentation is relevant to municipalities in South Africa:

- Municipality must remain the owner of the project and land, i.e. delegate not privatise.
- The decision making power on strategy, tariffs, policy and investment must remain with municipality.
- There must be a battery of indicators in the contract.

- The contract must be performance based and profit sharing principles must be provided in the contract.
- Penalty clauses must be included in contracts.
- Forward planning to deal with the realities that are still to come in 30 years' time must be considered.

The private operator is responsible for -

- The technical aspect and implementation of the strategy.
- The maintenance and renewal of investment.
- Innovation and research responsibility.
- The operator must apply the required norms and standards which is aligned to the ISO standards.

There must be a dedicated steering committee, with various sub-committees.

## 4 LYON

<b>City</b>	<b>Lyon</b>
<b>Date and time</b>	Monday 3 July 2017, 11:00 – 13:00
<b>Presenters</b>	Richard Brumm (Deputy Mayor and councillor responsible for Finance) and Catherine Alberti (Chief Financial Officer) from the <b>Metropole of Lyon</b>
<b>Discussion</b>	<p>It was a general discussion about the finances of the City of Lyon and its budget allocations.</p> <p>The following, amongst other were said:</p> <ul style="list-style-type: none"> <li>- The total revenue for the City of Lyon is €700 million.</li> <li>- 50% of the total revenue (€350 million) is property tax.</li> <li>- The property rates payable on residential properties comprises two different taxes, called residential taxes <i>taxe d'habitation</i> and ownership taxes <i>taxe foncière</i>.</li> <li>- Rebates may be provided on property rates based on certain criteria, such as the number of children you have and value of the property, provided that the applicant meets certain income limits. This only applies if the property is the owner's principal residence.</li> <li>- Property rates is collected by National Government on behalf of municipalities. Any shortfall is covered by the National Government and not municipalities. However, unlike South Africa, there is not a culture of non-payment in France.</li> <li>- Allocation from National Government to the City of Lyon is €100 million annually.</li> <li>- The total outstanding external borrowing is €420, giving a gearing ratio of 60%.</li> <li>- The gearing ratio is high in comparison to municipalities in South Africa. However, the City of Lyon capped it at this level and redeem any new loans within a period of 5 years.</li> <li>- Salary cost comprises 56% of the total expenditure. Cost saving measures has been implemented to ensure ratio is not increased.</li> <li>- The City recently had a reorganisation restructuring which resulted in an overall reduction of 20 jobs in the workforce, coupled with the creation 39 new jobs. The total salary cost did not increase with the reorganizations restructuring.</li> <li>- The City of Lyon refrains from entering Public Private Partnerships (due to their view) the exorbitant cost associated with this.</li> <li>- Due to the global financial crisis, the national government grants to municipalities in France were reduced. The City</li> </ul>

of Lyon received €40 million less between 2013 and 2017.

- As a cost saving measure, the services offering to the public was reduced. An example of this is the library services hours which were reduced.
- To counter for this loss of grants, the City adopted the "margins of manuever" plan and was able to compensate for a loss of government funding of € 8.8 million In 2017
- Due to the 2008 banking crisis, banks was hesitant to issue new loans and it also comes at a higher cost. As a result of this the City of Lyon diversified its sources of financing by giving itself the possibility of raising funds directly on the financial markets via the use of the bond market.

**Importance for municipalities in South Africa**

Tough economic times requires municipalities to adopt. The effect of tight fiscal strain must be passed on to the taxpayer. Municipalities must become more efficient. The service delivery offering to ratepayers can even be lowered to reduce cost. Personnel cost must not be increased.

<b>City</b>	<b>Lyon</b>
<b>Date and time</b>	<b>Monday 3 July 2017, 14:00 – 16:00</b>
<b>Presenter</b>	<b>Stéphanie Chemtob, the Project Manager Communication and Consultation from Lyon Confluence.</b>
<b>About Lyon Confluence</b>	<p>The Confluence project is a project in the new southern sector of Lyon, located, near the confluence of the Rhone and the Saône rivers where profound changes are being done.</p> <p>The Confluence project's objective is to double the area of Lyon's city center by urbanizing the area.</p> <p>The Confluence project radically changed the sociology of this neighborhood, prompting rapid gentrification such as:</p> <ul style="list-style-type: none"> <li>- The wholesale market and prisons were relocated.</li> <li>- The port was reconverted</li> <li>- Industrial buildings and wastelands were replaced by residential buildings.</li> <li>- Offices and commercial shops are integrated with the residential development.</li> </ul>
<b>Discussion</b>	<p>This project is currently the biggest of its kind in Europe, being the availability of land in proximity to the CBD. The statistics of this development are:</p> <ul style="list-style-type: none"> <li>- Total project area: 1 500 000 m<sup>2</sup> (150 hectares).</li> <li>- Phase 1 of the project: 400 000 m<sup>2</sup> (is currently 80% complete).</li> <li>- The mix of phase 1: <ul style="list-style-type: none"> <li>- 145 000 m<sup>2</sup> housing</li> <li>- 130 000 m<sup>2</sup> service and other business premises</li> <li>- 95 000 m<sup>2</sup> shops, hotels and consumer facing services</li> <li>- 30 000 m<sup>2</sup> public amenities</li> </ul> </li> </ul> <p>The development of the Confluence district means that it is able to double the size of the central city of Lyon by 2025, welcoming 16,000 residents, 25,000 workers and almost 10,000 students.</p> <p>The project goals were:</p> <ul style="list-style-type: none"> <li>- New forms of mobility, such as a transport network of non-car alternatives.</li> <li>- A smart sustainable city.</li> <li>- A response to nature's request.</li> <li>- Creative urbanism.</li> <li>- A city for everyone.</li> <li>- Social mixing with many criteria for success</li> <li>- A city for all with various backgrounds to stimulate vitality</li> </ul> <p>The infrastructure is provided by City of Lyon, which is approximately 30% of total cost of entire development.</p>

**Image of the confluence area (where the two rivers meet (Rhône and Saône))**



**The confluence area is on the island between the two rivers**

**Images of the sustainable mobility**

The area has many "docking stations" for the rent of bicycles and electric cars as per the images below.




**Conservation**

During 2010 a partnership between the World Wide Fund for Nature (WWF) and the Greater Lyon was entered into, with the objective not to emit more greenhouse gases in 2020 than in 2000 (beginning of project).

It consisted of 10 targets:

1. Zero carbon
2. Zero waste
3. Sustainable mobility

<p><b>Costing of property in the Confluence area</b></p>	<ol style="list-style-type: none"> <li>4. Local and sustainable materials</li> <li>5. Local and sustainable food</li> <li>6. Sustainable water management</li> <li>7. Natural habitats and biodiversity</li> <li>8. Local culture and heritage</li> <li>9. Economic Equity and Development</li> <li>10. Quality of life and wellbeing</li> </ol> <p>The average cost price per square metre is approximately €5,000 and more luxury apartments can go up to €7,000 per m<sup>2</sup>. First time buyers receive a subsidy from the government.</p>
<p><b>Importance for municipalities in South Africa</b></p>	<ul style="list-style-type: none"> <li>- New approach to the build environment, being integrated mixed development, encompassing innovation and urban quality.</li> <li>- Non-motorised transport;</li> <li>- All development in France is based on densification, creating a work and live environment.</li> <li>- Mixed development housing (social housing and private ownership) is incorporated in the development. The municipality only approves building plans if it adheres to its integration standards.</li> <li>- Municipality uses a dedicated state-owned entity to execute and manage the project.</li> <li>- New approach to sustainable green development for building (WWF approach).</li> <li>- Electricity - solar panels are used for buildings.</li> <li>- Waste management. Efforts are made to change the behaviour of the consumer to reduce waste to a minimum.</li> </ul>

City	Lyon
Date and time	Tuesday 4 July 2017 11:00 – 13:00
Presenter	Pierre Soulard, Director, Urban Mobility Department, Lyon Métropole
Discussion	<p>The discussion focussed on mobility and smart city concept for the City of Lyon. The City of Lyon has 1.3 million inhabitants and there are 4.2 million public transport trips on a daily basis.</p> <p>The budget for public transport infrastructure in Lyon for the next 6 years is €1 billion. The operating expenditure is €1 million per day.</p> <p>The message from the presenter was for municipalities to own their public space and use relevant joint-utilisation models.</p> <p>In Lyon public space is limited and innovation is required to optimally use these space. For example, in summer certain public space is used for restaurants and in winter it is used for parking.</p> <p>Another important innovation aspect of public transport is the optimal use of its streets. The bus lane is also available for motor vehicles, but as soon as a bus enters the bus lane, motor vehicles must within a minute change lanes. This is regulated through various electronic networks.</p> <p>It is required to change the behaviour of the users of public transport through:</p> <ul style="list-style-type: none"> <li>- To penalise users for certain behaviour such to make the inner-city parking very expensive.</li> <li>- Give access to public transport everyone.</li> <li>- The system must be time-efficient and travel time must be predictable.</li> </ul> <p>The City understands that culture change is a long term process.</p>  <ul style="list-style-type: none"> <li>- Ensure accessibility of the towns for their economic development and to facilitate the movement of people and goods;</li> <li>- Reduce environmental and socio-economic impacts of transport; and</li> <li>- Re-conquer public space from private car use to eco-friendly modes with urban planning.</li> </ul>
Type of public mobility infrastructure in Lyon	
Objective	
Policy	There must be a mobility policy in place which is linked to the urban policy.

Public transport in Lyon

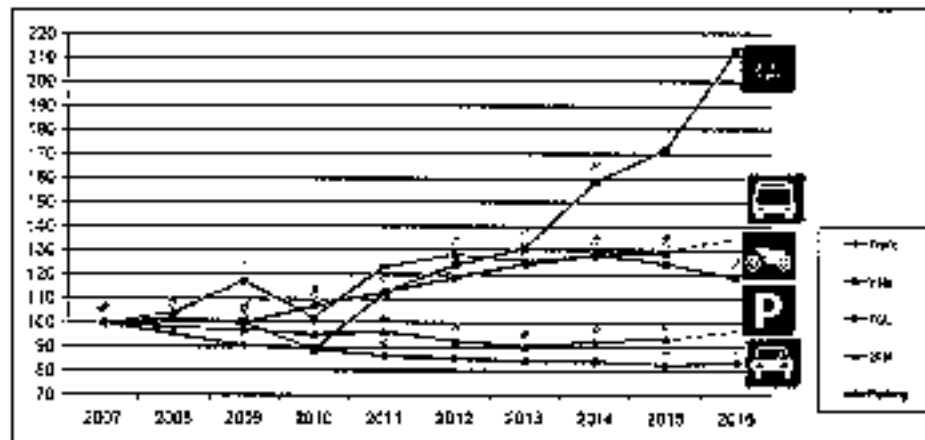
There are 4 pillars of an urban mobility policy:

1. Build credible alternatives to minimize excessive car use;
2. Move from a silo approach to an integrated approach;
3. Connect transportation modes by communicating various information to the users; and
4. Set up an integrated mobility funding policy and a multimodal integrated ticketing system, the so-called "Urban pass".

The Urban pass is the creation of a single account for users that can be used for all forms of public services.

The image below depicts the statistics of the change in the public transport of the City between 2007 and 2016.

As can be seen, the use of bicycles has increased the most, whilst the use of motor vehicles decreased the most since 2007.



The objective for the City is to increase the use of bicycles from 2% in 2006 to 8% by 2030 and to decrease the use of motor vehicles from 50% in 2006 to 35% in 2030.

Use of data

The City of Lyon has implemented various interactive data collection instruments throughout the City and are linked on a smart database where datamining is being done.

The database received its data through the following:

- 2000 sensors to measure the various transport statistics.
- 300 cameras.
- 1600 traffic lights.

Different algorithms are used to optimal the use of public transport, with the overall benefit that it reduced the investment in new infrastructure.

Data collection is central to planning. An advanced IT

infrastructure was developed by City the of Lyon.

The smart use of IT means that the investment in new infrastructure is delayed.

Mobile application

The application below was developed for users of public transport to aid in determining the most optimal choice for public transport. The name of the application is "Optymod'Lyon"



When users enter their destination it will help them to pick the best public transport option (bus, train, tram, plane, bicycle, taxi etc.)

Importance for municipalities in South Africa

1. Most municipalities, especially metro municipalities have peak traffic congestion problems. In peak traffic hours, the synchronization of traffic lights should be adjusted to allow for better flow of the traffic.
2. More optimal use of technology and software applications.
3. An investigation should be done to determine which type of transport is relevant for each individual municipality. A dedicated plan is required.
4. Partner with institutions to change behaviours, walk and use public transport instead of cars.
5. Sharing of public space – buses and cars in one line and regulated through intelligent IT infrastructure.
6. Standardisation and optimization of 'street furniture' (signature, advertising).

## 5 LILLE

<b>City</b>	<b>Lille</b>
<b>Date and time</b>	Wednesday 5 July 2017 9:30 – 11:00
<b>Presenter</b>	Mr. Romain Roguet, the Chief Financial Officer of Lille Metropole
<b>Discussion</b>	<p>A comparison was made between the City of Lille and City of Lyon. The following significant differences were noted:</p> <ul style="list-style-type: none"> <li>- The salary expenses for Lille is significant lower compared to Lyon (10% of the total expenditure compared to 65% of total expenditure).</li> <li>- The reason for this is the City of Lille outsource most of its services to external parties.</li> <li>- Lyon also provide provincial functions which Lille does not have.</li> <li>- Industrial focus of metropole of Lille is digital image, innovative textiles, health and food, retail, real estate, research and higher education (the above is based on a SWOT of the Metropole).</li> <li>- Lille is more open for the use of partnerships (PPP and long term contracts) as Lyon due to the cost. Capacity is needed to manage contracts but not in the extend where services is done by the authority as it is done by the City of Lyon.</li> <li>- The Lille metropole uses long term financial planning. This enables them to have a clear perspective regarding gearing and their debt service ability.</li> <li>- The financial model plots the impact of their preparation and implementation phases of their capital programs and the utilisation of own resources and borrowings. The model is kept updated on a quarterly basis.</li> </ul>
<b>Importance for municipalities in South Africa</b>	<ul style="list-style-type: none"> <li>- Acceptability to other forms of service delivery mechanisms.</li> <li>- Greater focus on quantifiable long term financial planning.</li> </ul>

<b>City</b>	<b>Lille</b>
<b>Date and time</b>	Wednesday 5 July 2017 11:00 - 12:30
<b>Presenter</b>	Ms Jocteur-Montrozier, Operational Manager of the semi-public company <b>SEM Ville renovee</b>
<b>Discussion</b>	<p>Campus station project</p> <ul style="list-style-type: none"> <li>- Roubaix, a district in Lille is one of the poorest municipalities in the MEL (Metropole of Lille), with the highest unemployment levels within and requires specific interventions to stimulate economic growth and development.</li> <li>- The campus station project was initiated to rejuvenate the inner city of Roubaix, centred around the railway station.</li> <li>- The project has a social impact and was not designed to be profitable.</li> <li>- Integrated approach to development with the focus on housing, offices and public places.</li> <li>- The long term objective is to stimulate economic growth through the private sector and the involvement of the public.</li> <li>- This project is a good example of the utilisation of the transport infrastructure to rejuvenate urban economic development.</li> </ul>
<b>Importance for municipalities in South Africa</b>	<ul style="list-style-type: none"> <li>- This is a good example of how to use catalytic projects to stimulate economic growth.</li> <li>- The creation of infrastructure projects will stimulate the economy.</li> <li>- New though process is needed on the usage of facilities, for example an indoor swimming pool that was no longer in use was converted into an art gallery and is now a main attraction.</li> </ul>

<b>City</b>	<b>Lille</b>
<b>Date and time</b>	Wednesday 5 July 2017 16:00 – 17:00
<b>Presenter</b>	Mr. Frederick Joubert, Engineer Technician for the Centre for Biogas for the <b>Lille metropole</b>
<b>Discussion</b>	The presentation information regarding the biogas project is to be provided in English later due to translation difficulties. It wasn't possible to benefit from this project. (As soon as information is obtained it will be made available to the participants)
<b>Importance for municipalities in South Africa</b>	To be added later.

<b>City</b>	<b>Lille</b>
<b>Date and time</b>	Wednesday 5 July 2017 9:30 – 11:00
<b>Presenter</b>	Mr. Fabrice Veyron-Churlet, Director-General of Eura Lille SPL
<b>Discussion</b>	<p>The objective was for the Study Group to be exposed to the integrated development around the new TGV development, the latter which was a catalytic project that changed the future of the City and rescued the economy from the economic imploded as a result of the down turn in textile and mining industry.</p> <p>The identification of the catalytic projects (new TGV station) was sparked by the EURO tunnel and the fact that this further enhanced the position of Lille to reach the major cities in the world.</p> <p>Of importance is the political will that drove the project to the City of Lille. The institutional arrangement was specifically noted in that it expedited development.</p> <p>The developer is a private company with 100% public shareholding control. Further to note that the company consists of approximately 20 project managers, who manages horizontally mobilising individual expertise within public sector.</p> <p>It was stated that the project managing company (SPL) is solely focussed on delivering the project and saw economic and political changes as part of the normal landscape in which various projects is implemented over aspan of 30 years.</p> <p>A last point to mention is that the mind-set of the project management company is that the existence coincides with the delivery of the project, i.e. as soon as the project is finalised it is handover to the public sector and company is disbanded.</p>
<b>Importance for municipalities in South Africa</b>	<p>Lessons to be learnt from this project, which was the third of it kind that the study group was exposed to are the following:</p> <p>To deliver a major impact project in the shortest time possible; an institutional model like this would seem to be a perquisite (a local example would be the Gautrain).</p> <p>Care should be taken not to confuse this institutional model with the creation of a development agency task to do special development projects as its mandate.</p> <p>It is possible to implement such a modern project within a built environment that maintain and integrate with existing and heritage buildings. Again the importance of an integrated mobility model cannot be emphasis enough.</p>

## 6 PARIS

<b>City</b>	<b>Paris</b>
<b>Date and time</b>	<b>Friday 7 July 2017 9:30 – 13:00</b>
<b>Presenters</b>	Mr. Laurent Amar, Deputy Director <b>Agence Française de Développement</b> , and Ms. Clemence Vidal de La Blanche, Program Manager Local Authorities And Urban Development, Agence Française de Développement.
<b>About AFD</b>	A summary of Agence Française de Développement (AFD) and its operations was provided: <ul style="list-style-type: none"> <li>- 2,400 employees;</li> <li>- 80 nationalities;</li> <li>- 85 branches;</li> <li>- 100 languages spoken;</li> <li>- 108 countries in which AFD works.</li> </ul>
<b>Green bonds</b>	The majority of their operations (50%) are focused in Africa. AFD also prepared a separate presentation on "green bonds" and its rapid recent growth.  A green bond is an innovative financial instrument issued by qualified institutions, or by municipalities for the development of brownfield sites. Brownfield sites are areas of land that are underutilized, have abandoned buildings or are underdeveloped, often containing low levels of industrial pollution.  These green bonds are only for qualified green building and sustainable design project bonds.  In 2016, green bond issuance soared to a record high, accounting for \$93.4 billion worth of investment globally and is expected to surge to \$200 billion in 2017.
<b>Experienced gained on study tour</b>	At the end of the presentations by the AFD, the South African study group shared their experiences gained during the France study tour.  The South African study group also expressed their gratitude for the opportunity to learn and interact with all the various French professionals on the tour.

7 COMPARISON BETWEEN FRANCE AND SOUTH AFRICA

	France	South Africa
Leader	<p>President Emmanuel Macron (age 39)</p> <p>France also has a Prime Minister which is appointed by the President. The President himself is directly elected by the French people every five years. The French Constitution declares him head of state and gives him control over foreign policy and defence.</p> <p>The current Prime Minister is Édouard Philippe. The Prime Minister is the head of government and of the Council of Ministers of France</p>	President Jacob Zuma
Total area (approximately)	640 679 square km	1 219 090 square km
Coastline (approximately)	3 427 km	2 798 km
Population (2015)	67 million	55 million
Elevation extremes	<p>Lowest point: Rhône river delta -2 m</p> <p>Highest point: Mont Blanc 4,808 m</p>	<p>Lowest point: Atlantic Ocean 0 m</p> <p>highest point: Njesuthi, (Drakensberg) 3,408 m</p>
Life expectancy (2014)	82 years	57 years
Largest city	Paris - 2.2 million people	Cape Town -3.4 million people
Number of municipalities	36 569	257
Number of metropolises	15 + 3 with special status	8
Human Development Index (2015)	0.90 (ranked 21) out of 188 countries	0.87 (ranked 119) out of 188 countries
Human Development Index (HDI) is a composite index measuring average achievement in three basic dimensions of human development,		

<p>being: a long and healthy life; knowledge; and a decent standard of living.</p> <p>GDP (2017 forecast)</p> <p>GDP (Gross Domestic Product) is the total market value of all final goods and services produced in a country in a given year.</p>	<p>\$2 420 billion</p>	<p>\$334 billion or R4 339 billion</p>
<p>GDP growth rate (2017)</p>	<p>0.4%</p>	<p>0.7%</p>
<p>Government debt (2016)</p>	<p>\$2 323 billion</p>	<p>\$169 billion, or R2 200 billion</p>
<p>Government debt to GDP ratio (2016)</p> <p>In economics, the debt-to-GDP ratio is the ratio between a country's cumulative government debt and its gross domestic product (GDP). A low debt-to-GDP ratio indicates an economy that produces and sells goods and services sufficient to pay back debts without incurring further debt.</p>	<p>96%</p> <p>Government Debt to GDP averaged 56% from 1980, reaching an all-time high of 96% percent in 2016 and a record low of 20.70% percent in 1980.</p>	<p>50%</p> <p>Government Debt to GDP in South Africa averaged 37.89% from 2000, reaching an all-time high of 50% in 2016 and a record low of 27.80% in 2008.</p>
<p>Corruption perception index 2016</p> <p>Based on expert opinion from around the world, the Corruption Perceptions Index measures the perceived levels of public sector corruption worldwide. The scale of 0 means highly corrupt</p>	<p>69 point (ranked 23 out of 176 countries)</p>	<p>45 point (ranked 64 out of 176 countries)</p>

and 100 means very clean <b>Wealthiest citizens</b>	<b>Bernard Arnault</b> \$41 billion worth (ranked 12 <sup>th</sup> in the world)	<b>Nicky Oppenheimer</b> \$6 billion worth (ranked 247 <sup>th</sup> in the world)
<b>Exchange rate (30 May 2017)</b>	1 Euro	R14.67
<b>Balance of trade account</b>  The trade account (net exports), is the difference between the monetary value of a nation's <u>exports</u> and <u>imports</u> over a certain period. If a country exports a greater value than it imports, it is called a trade surplus, and conversely, if a country imports a greater value than it exports, it is called a trade deficit.	The trade deficit narrowed to EUR 5.4 billion in March 2017. Exports rose to EUR 39.3 billion while imports increased to EUR 44.6 billion.  Balance of Trade in France averaged -1124.09 EUR Million from 1970 until 2017, reaching an all time high of 2674 EUR Million in October of 1997 and a record low of -8090 EUR Million in January of 2017.	A trade surplus of ZAR 11.4 billion in March 2017 was recorded compared to a downwardly revised ZAR 4.78 billion surplus in February.  Balance of Trade in South Africa averaged -10.84 ZAR Million from 1957 until 2017, reaching an all time high of 18730.94 ZAR Million in May of 2016 and a record low of -23426.17 ZAR Million in January of 2015.
<b>Rugby statistics between the two nations</b>	11 wins	25 wins
<b>Unemployment rate 2017</b> Employed Unemployed	9.6% 25.4 million people 2.7 million people	27.7% 18.2 million people 6.2 million people
<b>Religion (estimate)</b>	45% of the French are Christians (almost all are Roman Catholics), 35% are atheist, 3% are Muslims, 1% are Buddhists, 6% adhere to other religions, and 10% are unknown	82% of South Africans are Christians, 7.1% are indigenous religions, 5.4% are atheist, 2.4% are Hindu, 1.7% are Muslim, 0.5% are Bahá'í, 0.3% each identified as Buddhist and atheist, 0.2% identified as Jewish, and less than 0.1% identified with each other group.



**SALDANHA** BAAI BAY  
MUNISIPALITEIT | MUNICIPALITY | UMASIPALA

This item has been received on 24 July 2017 after the Agenda has been distributed on 18 June 2017. Apologies for the late submission.

## **ADDENDUM 1**

### **SPECIAL COUNCIL MEETING**

**ON 27 JULY 2017 AT 14:00**

<b>ITEM NR</b>	<b>SUBJECT</b>	<b>PAGE</b>
R11/7-17	ORGANISATIONAL REDESIGN	219

## SALDANHA BAY MUNICIPALITY

### REPORT TO THE COUNCIL

**TOPIC:** ORGANISATIONAL REDESIGN

**DIRECTORATE:** FINANCE

**AUTHOR:** STEFAN VORSTER

**DATE:** 24 JULY 2017

**FILE:** 4/1/3/2

**ITEM NUMBER:** R11/7 - 17

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#### 1. PURPOSE

On 15 June 2017, under item R10/6-17 Organisational redesign, Council approved this item, with the following resolutions:

- i) That the report be noted;
- ii) That the micro organisational structure as contained in the report be approved;
- iii) That the placement policy be submitted to council after consultation with labour;
- iv) That the Acting Municipal Manager, in consultation with the relevant directors, be mandated to staff the micro structure within the approved personnel budget and in line with the staffing policy and any other relevant legislation and policy.

The purpose of this report is to inform Council that the implementation of this decision will most likely result in unauthorised expenditure and to make an appropriate proposal how to remedy it.

#### 2. BACKGROUND

The review of the organisational structure commenced in October 2016. The deadline for the completion of this process for budget purposes was determined to be 20 January 2017, so that all changes can be incorporated into the March 2017 tabled budget.

On 19 January 2017 the then acting Municipal Manager, after a lengthy workshop with the Mayco, sent the organisational structure changes to the budget office that had to be included in the tabled budget.

These changes were also discussed at the budget steering committee meeting of 24 January 2017 and it was then captured in the tabled budget and approved by Council on 28 March 2017. The changes to the organogram that was included in the approved tabled budget comprised of the following:

<u>Directorate where the function previously resided</u>	<u>Function</u>	<u>Directorate where the function was moved to from 1 July 2017</u>
Community Operations & Community Operations	Indigent & Housing demand management: North	Engineering & Planning Services
Community Operations & Corporate & Protection	Indigent & Housing demand management: South	Engineering & Planning Services
Office of the MM	Legal Services	Office of the MM
Office of the MM	Risk Management	Economic Development & Strategic Services
Office of the MM	Local Economic Development	Economic Development & Strategic Services
Office of the MM	Spatial information and interventions	Economic Development & Strategic Services
Office of the MM	IDP / PMS	Economic Development & Strategic Services
Council	Tourism	Economic Development & Strategic Services

After the council approved the tabled budget, more changes to the organogram were made which subsequently resulted in a misalignment with the approved budget. The misalignment is summarised below:

Department	Transfers between "votes"		Expenditure Budget R '000	Capital Budget R '000
	From	To		
Cultural Matters: Community Development North (205)	Vote - Community and Operations	Vote - Economic Development and Strategic Services	1 817	60
Cultural Matters: Community Development South (206)	Vote - Community and Operations	Vote - Economic Development and Strategic Services	668	-
Information Technology: IT Services (403)	Vote - Corporate and Protection Services	Vote - Economic Development and Strategic Services	26 379	6 741

Department	Transfers between "votes"		Expenditure Budget	Capital Budget
	From	To	R '000	R '000
Economic Development/Planning: Spatial Info/Interventions (721)	Vote - Economic Development and Strategic Services	Vote - Engineering and Planning Services	4 321	9 900
<b>Total</b>			<b>33 185</b>	<b>16 701</b>

Furthermore, the employees employed under the "Council vote" were moved to the "Municipal Manager vote", however the approved budget still reflect these under the Council vote.

The final budget for the 2017/18 financial year was approved by Council on 28 May 2017. A summary of the operating expenditure budget and capital expenditure per vote is as follows:

2017/18 Operating Expenditure Budget	R '000
Vote - Financial Services	78 388
Vote - Community and Operations	140 708
Vote - Engineering and Planning Services	646 173
Vote - Corporate and Protection Services	126 664
Vote - Office of the Municipal Manager	13 343
Vote - Council	20 424
Vote - Economic Development and Strategic Services	14 002
<b>Total</b>	<b>1 039 702</b>

2017/18 Capital Expenditure Budget	R '000
Vote - Financial Services	373
Vote - Community and Operations	9 877
Vote - Engineering and Planning Services	190 891
Vote - Corporate and Protection Services	15 618
Vote - Office of the Municipal Manager	40
Vote - Council	50
Vote - Economic Development and Strategic Services	9 950
<b>Total</b>	<b>226 799</b>

### 3. LEGISLATION

#### 3.1 UNAUTHORISED EXPENDITURE

In section 1 of the MFMA, definitions, it is stated that:

**"vote"** means –

- a) *one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*
- b) *which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.\**

**"unauthorised expenditure"**, in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11 (3), and includes –

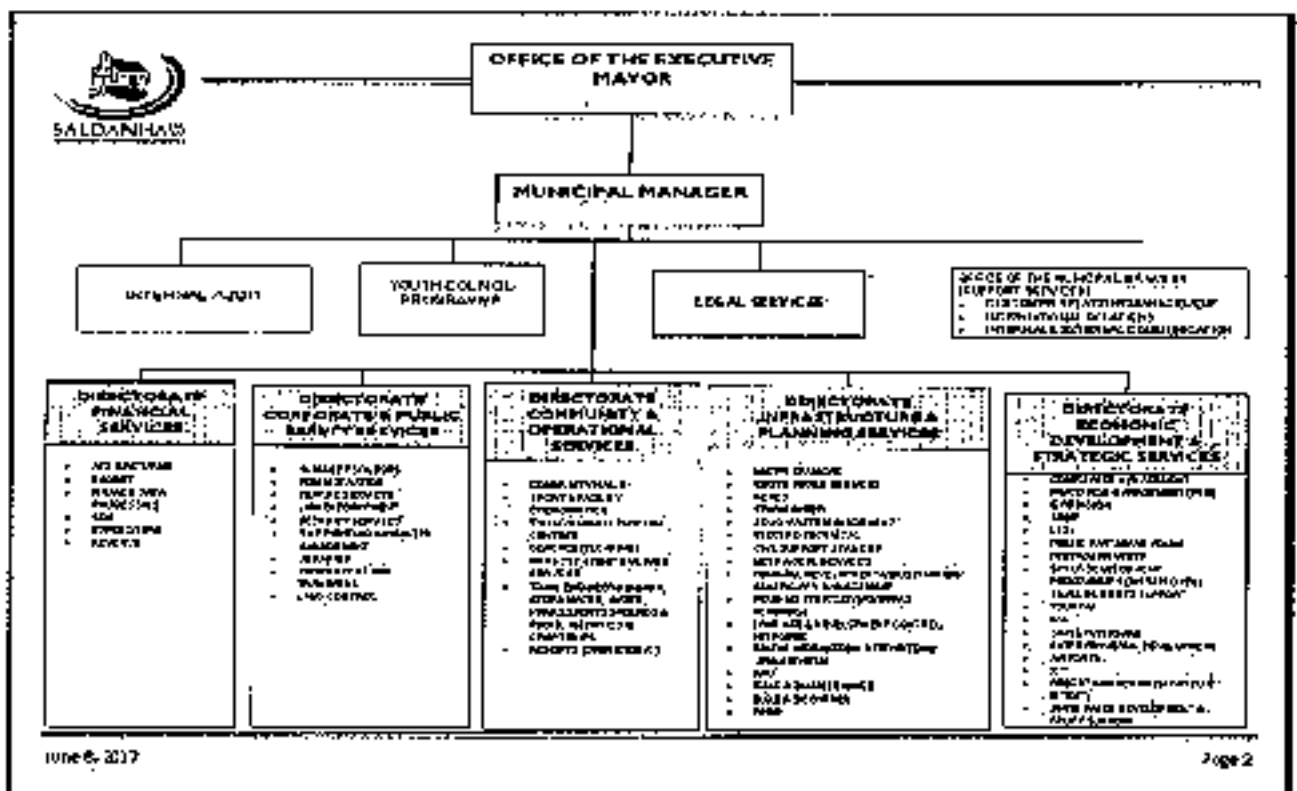
- a) *overspending of the total amount appropriated in the municipality's approved budget;*
- b) *overspending of the total amount appropriated for a vote in the approved budget;*
- c) *expenditure from a vote unrelated to the department or functional area covered by the vote;*
- d) *expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;*
- e) *spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or*
- f) *a grant by the municipality otherwise than in accordance with this Act.*

Saldanha Bay municipality has 7 votes being:

- Council;
- Municipal Manager;
- Infrastructure and Planning Services;
- Financial Services;
- Corporate and Public Safety Services;
- Community and Operational Services; and
- Economic Development and Strategic Services.

With reference to MFMA section 1(c) – funds appropriated in a vote for a functional area (department) may not be used for purposes unrelated to the functions of that department. In other words, an accounting officer or any other official may not use funds allocated to one department for purposes of another department or for purposes that are not provided for in the budget.

When the functions were moved by the Council decision of 15 June 2017, the votes from which they were moved from, no longer cover those functional areas. The votes they were moved to are thus the only votes which have the authority to incur expenditure. The expenditure may therefore only be incurred in line with the functional areas in the specific votes as illustrated in the approved organisational structure below:



Any expenditure incurred in a vote that doesn't cover that functional area will be unauthorised expenditure as defined.

### 3.2 APPROPRIATION OF FUNDS FOR EXPENDITURE

Section 15 of the MFMA, Appropriation of funds for expenditure, states that;

*"A municipality may, except where otherwise provided in this Act, incur expenditure only—*

- a) in terms of an approved budget; and*
- b) within the limits of the amounts appropriated for the different votes in an approved budget."*

Incurring the expenditure for the affected departments in line with the organisational redesign will result in the expenditure not being incurred in line with the approved budget, resulting in contravention of sections 15(a) and 15(b) of the MFMA.

### 3.3 SECTION 32 OF THE MFMA

Section 32(1) of the MFMA, *Unauthorised, irregular or fruitless and wasteful expenditure*, states that;

*"Without limiting liability in terms of the common law or other legislation –*

- a) a political office-bearer of a municipality is liable for unauthorised expenditure if that office-bearer knowingly or after having been advised by the accounting officer of the municipality that the expenditure is likely to result in unauthorised expenditure, instructed an official of the municipality to incur the expenditure;*
- b) the accounting officer is liable for unauthorised expenditure deliberately or negligently incurred by the accounting officer, subject to subsection (3);"*

Section 32(3) of the MFMA states that;

*"If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the accounting officer is not liable for any ensuing unauthorised, irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure."*

The acting Municipal Manager has therefore a duty to inform the Council, the Mayor and Mayo of the unauthorised expenditure.

### 3.4 MUNICIPAL BUDGET AND REPORTING REGULATIONS

Regulation 14 (1)(b) of the Municipal Budget and Reporting Regulations, 2008 determines that *"an annual budget and supporting documentation tabled in a municipal council must be credible and realistic such that it is capable of being approved and implemented as tabled"*.

The Budget and Reporting Regulations, 2008 requires that, after the draft budget is tabled, but before the final approved budget, Council must consider the views of –

- The local community;
- The National Treasury;
- The Western Cape Provincial Treasury; and
- Any other municipalities and government departments that may make submissions on the budget,

The time period between the tabled budget and final budget does not provide an opportunity for a municipality to change the tabled budget, it is intended for public participation and an opportunity for input from the abovementioned stakeholders.

### 3.5 VIREMENT POLICY

Paragraph 10 of the Budget implementation and management, funds and reserves and virement policy determines how virements can be done. In short:

*10.5.2 In order for a "vote" (Directorate) to transfer from one cost element or capital project to another cost element or capital project, a saving has to be identified within the monetary limitations of the approved "giving" cost element or capital allocations on the respective budgets.*

*10.5.3 Sufficient, (non-committed) budgetary provision should be available within the "giving" vote's cost element or project concerned to give effect to the budgetary transfer (virement). In addition, the transferring function must clearly indicate to which cost element or capital project the budget provision will be transferred to and provide a clear motivation for the transfer. All 7 segments must be addressed if funds are to be transferred from one project to another.*

Most of the organisational changes that occurred after the tabled budget can be accommodated within the virement policy of Council. The only change that cannot be accommodated, without incurring unauthorised expenditure is the following cost centre: **403 Information Technology Services**

The affected directors and acting Municipal Manager have confirmed that the appropriate virements can be done within the requirements of the Council approved policy for the other amendments to the organisational structure.

#### 4. COMMENTS: BUDGET OFFICE (Mandy Cornett, 24 July 2017)

In order for a virement to be done to accommodate the changes as indicated in the report, the following restrictions within the approved Budget Implementation and Management, Funds and Reserves and Virement Policy should be taken into account:

10.5.8 Virements per line item above R 250 000 must be signed by the Portfolio Councillor,

10.5.9 Virements from operating maintenance projects either to typical work stream projects or municipal running cost are not permitted,

10.6.3.7 Virements may not be made in respect of ring – fenced allocations,

10.6.3.8.1 Virements are allowed between cost elements of – and if these virements are within – this subjective category (Employment cost),

10.6.3.8.2 Virements to and from this subjective expenditure category are not permitted to inter alia avoid the creating of recurring expenses not planned for, without the approval of the Mayor.

Also refer to 10.6.3.10.1 of the policy for the cost element categories that are not to be used as sources of virements

**Note of the following should also be taken:**

An amount of R 75 000 has been budgeted for as revenue as well as expenditure under function Cultural Matters: Community Development North (205). The revenue and expenditure relates to the Community Development grant. The expenditure and revenue can therefore not be moved as this would be a transfer between Votes.

A Virement amounting to R 75 000, funded from own funds for the expenditure part of the grant must therefore be done within the Economic Development and Strategic Services Directorate. The seven segments that was created during the original budget should be the same, except for the funding and the function. The funding of the expenditure will then have to be corrected during the Main adjustment budget in February 2018.

An amount of R 8.4 million in the capital budget and R 500 000 in the operating budget for RSEP under function Economic Development/ Planning: Spatial Info/Interventions (721) is budgeted. The revenue and expenditure cannot be moved as this would be between Votes which is not allowed.

A Virement amounting to R 8.4 million, funded from own funds for the capital expenditure part and R 500 000 funded from own funds for the operating expenditure part of the RSEP grant should therefore be done within the Engineering and Planning Services Directorate (EPS). The seven segments that was created during the original budget should be the same, except for the funding and the function.

The funding of the expenditure will then have to be corrected during the Main adjustment budget in February 2018.

The operating budget for Information Technology Services (R 26.3 m) is more than the operating budget for the Economic Development and Strategic Services Directorate (R 14.0m). Virements within the Economic Development and Strategic Services Directorate to accommodate the shift of IT to this directorate will therefore not be possible.

**6. COMMENTS: DIRECTOR: ECONOMIC DEVELOPMENT AND STRATEGIC SERVICES**

Incurring of possible unauthorised expenditure will be detrimental to the organisation and might have far reaching implications for Council. The internal discussions with regard to the organisational structure commenced early, with in essence appropriate budgets to be finalised and allocated during the March 2017 tabling. The change on ICT however, occurred post the budget been adopted and the resulting effect is that

any expenditure to be incurred under either Corporate or Economic will be deemed unauthorised

Whilst care must be taken in resolving this aspect, the working relationship in terms of the operational and strategic intent must be the end goal. The recommendations are therefore supported and should be corrected at the earliest convenient reporting date.

#### **6. COMMENTS: DIRECTOR: CORPORATE AND PUBLIC SAFETY SERVICES**

A thorough process of initial pre-drafting consultations took place which. This Council approved structure was workshopped and consulted with Management and Council. A workshop was conducted with all role players on the 1st of June 2017 and an opportunity was granted until 06 June 2017 to submit written submission on the proposed structure. Unions were also consulted with Unions and the same consultation process was followed with meetings, workshopped and written submission. Furthermore, a placement guideline was approved by Council in terms of placing staff on the approved structure. In terms of the placement policy that was approved by Council, after consultation affected staff were issued with placement letter. It is therefore recommended that a thoroughly consultation with all role players should commence immediately after the Council has rescinded the resolution about ICT. After the consultation, placement letter should be withdrawn and the ICT staff be issued with letters placing them back at Corporate Services. Also it is further recommended that rescinding this Council resolution should also indicate when this resolution can be effectively implemented without incurring or resulting into unauthorised expenditure.

#### **7. COMMENTS: ACTING MUNICIPAL MANAGER**

The expenditure of functions must be within the approved budget and according to the votes/directorate and if not the expenditure will be deemed as unauthorized. The recommendations are supported to ensure compliance in terms of the Act.

**8. RECOMMENDATION**

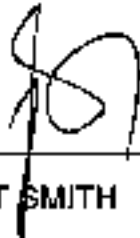
- a) That the report be noted.
- b) That Council take note that the Council decision of 15 June 2017, if implemented, is likely to result in unauthorised expenditure.
- c) That Council rescind the decisions of 15 June 2017 under item R10/6-17, but only insofar it relates to the organisational redesign of 403 Information Technology Services.
- d) That it be noted that the other organisational changes approved by Council in June 2017 can be accommodated within the Council approved virement policy.



\_\_\_\_\_  
MR S VORSTER  
CHIEF FINANCIAL OFFICER

24/07/2017

DATE



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GERRIT SMITH  
ACTING MUNICIPAL MANAGER

24/7/17

DATE



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COUNCILLOR A VENTER  
PORTFOLIO COUNCILLOR: FINANCE

24/7/2017

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