

2019-20 OPERATING BUDGET SUMMARY OF CHANGES FROM DRAFT TO FINAL

Row Labels	Sum of 2017-18 Actuals	Sum of 2018-19 Original Budget	Sum of 2018-19 Adjusted Budget	Sum of 2018-19 YTD Actuals	Sum of 2019-20 Tabled Budget	Sum of Changes	Sum of 2019-20 Final Budget	Sum of 2020-21 Final Budget	Sum of 2021-22 Final Budget	COMMENTS
1 Revenue										
Agency services	(3,095,516)	(2,909,000)	(2,909,000)	(2,727,963)	(3,000,000)	-	(3,000,000)	(3,213,000)	(3,437,900)	
Fines, penalties and forfeits	(84,679,406)	(110,607,220)	(110,607,220)	(12,413,632)	(84,707,500)	-	(84,707,500)	(90,637,000)	(96,528,500)	
Gains on disposal of PPE	-	(1,000,000)	(1,000,000)	(29,739)	(6,000,000)	-	(6,000,000)	(500,000)	(500,000)	
Interest earned - external investments	(10,301,782)	(11,760,000)	(11,760,000)	(7,731,072)	(9,000,000)	-	(9,000,000)	(9,000,000)	(9,000,000)	
Interest earned - outstanding debtors	(15,152,067)	(12,445,160)	(12,445,160)	(13,440,670)	(14,980,600)	-	(14,980,600)	(16,029,000)	(17,071,100)	
Licences and permits	(1,671,680)	(1,572,000)	(1,572,000)	(1,335,100)	(1,663,900)	-	(1,663,900)	(1,780,400)	(1,896,200)	
Other revenue	(13,403,973)	(12,161,190)	(11,461,190)	(11,631,682)	(7,972,800)	-	(7,972,800)	(8,530,700)	(9,084,700)	
Property rates	(203,443,082)	(215,403,157)	(215,703,157)	(212,045,941)	(228,833,000)	-	(228,833,000)	(244,847,100)	(260,761,100)	
Rental of facilities and equipment	(4,510,120)	(6,657,056)	(6,657,056)	(4,220,283)	(5,441,400)	-	(5,441,400)	(5,822,200)	(5,795,100)	
Service charges - electricity revenue	(225,416,289)	(250,864,793)	(251,864,793)	(206,651,031)	(275,791,948)	(8,410,695)	(284,202,643)	(310,907,523)	(340,131,699)	The increase is as a result of the final consultation paper issued by NERSA on Electricity increases dated 29 March 2019 which was after the budget was tabled vs what they've initially proposed as increases for the Municipalities when tabling draft budget. Percentage increases on these consultation papers vary significantly
Service charges - refuse revenue	(21,114,194)	(26,323,320)	(29,723,320)	(22,050,371)	(32,547,036)	698,336	(31,848,700)	(35,386,973)	(37,871,460)	The decrease relates to 2.5% relief for consumers when looking at total basket of services increase as well as the impact of Electricity final increase.
Service charges - sanitation revenue	(16,941,011)	(29,482,000)	(33,682,000)	(29,837,247)	(35,900,550)	-	(35,900,550)	(36,746,715)	(37,621,415)	
Service charges - water revenue	(69,695,958)	(79,542,000)	(79,542,000)	(60,022,602)	(86,660,200)	-	(86,660,200)	(92,725,000)	(98,750,000)	
Transfers and subsidies	(106,740,927)	(157,599,550)	(175,804,767)	(120,980,188)	(164,949,550)	(2,350,000)	(167,299,550)	(163,531,000)	(171,434,000)	The increase relates to the additional R1.2 million Housing grant for the Director Integrated Human Settlement grant as well as changes between Opex and Capex Grant.
2 Expenditure										
Bulk purchases	156,923,413	177,274,270	169,328,370	125,831,621	181,350,700	14,444,000	195,794,700	209,355,840	222,887,378	The increase is as a result of the final consultation paper issued by NERSA on Electricity increases dated 29 March 2019 which was after the budget was tabled vs what they've initially proposed as increases for the Municipalities when tabling draft budget. Percentage increases on these consultation papers vary significantly
Contracted services	117,979,880	171,602,228	220,156,037	115,730,275	143,117,989	64,531,759	207,649,748	139,408,170	146,538,013	
Debt impairment	109,716,975	108,874,932	85,027,932	17,434,916	75,033,307	(47,852,557)	27,180,750	80,257,642	85,463,842	The reduction related to the R54 million reversal of the water write-off.
Depreciation & asset impairment	28,989,600	31,510,869	32,225,564	26,154,222	33,423,800	-	33,423,800	27,925,100	27,104,400	
Employee related costs	216,306,215	254,199,498	251,109,171	198,824,913	281,165,618	9,308,650	290,474,268	307,327,372	328,508,859	To cater for additional staff as per critical new position on new approved organisational structure.
Finance Charges	25,556,647	14,395,110	14,177,564	8,882,206	31,267,980	-	31,267,980	32,806,180	35,793,580	
Other expenditure	56,403,509	58,297,723	92,424,199	40,915,501	87,804,723	49,447,582	137,252,305	75,110,439	75,110,439	Relates to contribution of bad debts written-off of R54 million on water accounts.
Other materials	48,971,714	50,308,474	42,329,647	38,250,331	77,186,701	(49,619,400)	27,567,301	74,874,020	74,764,025	Total Housing Grant was allocated under Other Materials for the acquisition of materials. Breakdown of projects was received and bulk of the funds moved to Contracted Services.

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Remuneration of councillors	8,468,976	8,652,500	9,351,450	7,118,269	9,981,800	-	9,981,800	10,680,600	11,374,600	
Transfers and subsidies	4,699,141	3,150,000	3,694,400	2,357,648	3,906,200	411,100	4,317,300	3,985,426	4,032,368	Correction of item for the Finance Management Capacity Grant allocation from other expenditure to bursaries that will be issued.
3 Revenue										
Transfers and subsidies	(65,528,264)	(49,582,450)	(70,175,617)	(34,878,429)	(51,279,450)	1,150,000	(50,129,450)	(29,928,000)	(31,580,000)	Correct alignment of Housing Grant as per final business plan. Funds were moved between Opex and Capex budget.
4 Dept Charges										
Departmental Charges	(0)	-	-	216,125	-	-	-	-	-	
Grand Total	(67,678,195)	(89,643,291)	(95,082,946)	(158,279,923)	(84,489,116)	31,758,775	(52,730,341)	(87,853,822)	(109,885,670)	