

**SENQU**

**MUNICIPALITY**

**MEDIUM TERM REVENUE AND  
EXPENDITURE FRAMEWORK**

**2024/2025 TO 2026/2027**



**SENQU**  
MUNICIPALITY

**ANNUAL BUDGET OF**  
**SENQU**  
**MUNICIPALITY**

**2024/25 TO 2026/27**  
**MEDIUM TERM REVENUE AND**  
**EXPENDITURE FORECASTS**

**Copies of this document can be viewed:**

- **In the foyers of all municipal buildings**
- **All public libraries within the municipality**
- **At [www.Senqumunicipality.co.za](http://www.Senqumunicipality.co.za)**



# Table of Contents

**PART 1 – ANNUAL BUDGET.....2**

1.1 MAYOR’S REPORT..... 2

1.2 COUNCIL RESOLUTIONS ..... 4

1.3 EXECUTIVE SUMMARY ..... 5

1.4 OPERATING REVENUE FRAMEWORK .....21

1.5 OPERATING EXPENDITURE FRAMEWORK .....32

1.6 CAPITAL EXPENDITURE .....37

1.7 ANNUAL BUDGET TABLES.....39

**PART 2 – SUPPORTING DOCUMENTATION .....54**

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS .....54

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....57

2.3 OVERVIEW OF BUDGET RELATED-POLICIES AND MUNICIPAL BY-LAWS .....69

2.4 OVERVIEW OF BUDGET ASSUMPTIONS .....71

2.5 OVERVIEW OF BUDGET FUNDING .....74

2.6 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS .....82

2.7 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY .....84

2.8 COUNCILOR AND EMPLOYEE BENEFITS .....85

2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW .....87

2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....94

2.11 CAPITAL EXPENDITURE DETAILS .....94

2.12 LEGISLATION COMPLIANCE STATUS .....100

2.13 OTHER SUPPORTING DOCUMENTS.....101

2.14 SERVICE DELIVERY STANDARDS .....101

2.15 MUNICIPAL MANAGER’S QUALITY CERTIFICATE .....104

**PART 3 – APPENDICES..... 105**

3.1 APPENDIX A – A-SCHEDULES.....105

3.2 APPENDIX B – ANNUAL PROCUREMENT PLAN .....105



## Abbreviations and Acronyms

MM	Municipal Manager	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
FBS	Free basic services	MTREF	Medium-term Revenue and Expenditure Framework
GDP	Gross domestic product	NERSA	National Electricity Regulator South Africa
IDP	Integrated Development Strategy	PMS	Performance Management System
KPA	Key Performance Area	PPE	Property Plant and Equipment
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget Implementation Plan
kWh	kilowatt		
LED	Local Economic Development		
MFMA	Municipal Financial Management Act Programme		



## **Part 1 – Annual Budget**

### **1.1 Mayor’s Report**

Honourable Speaker,

Honourable Chief Whip,

Honourable, Councilors,

Traditional Leaders serving in the Council,

Municipal Manager, Directors and staff members,

Representatives of organized business and all stakeholders,

Illustrious Members of the Community,

Ladies and Gentlemen,

I would like to take this opportunity to welcome everyone present. It is my duty and privilege to present the 2024/2025 Medium Term Revenue and Expenditure Framework (MTREF) to Council for consideration.

In terms Section 152 of the Constitution of the Republic of South Africa, the objectives of local government are as follows:

- a) To provide democratic and accountable government for local communities;
- b) To ensure the provision of services to communities in a sustainable manner;
- c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.

A municipality must strive, within its financial and administrative capacity, to achieve these objectives set out in Section 152.

The objectives of Senqu Local Municipality continue to be the creation of a sustainable “people-centred approach”. The goal remains to be “community-oriented” so that it can ensure that the municipality improves on the quality of life of all those that reside within it.

After eight consecutive years of securing a clean audit, Senqu municipality faced a temporary setback with an audit opinion of unqualified with findings for the 2021/2022 financial year. Undeterred and committed to transparency and excellence, the municipality has reclaimed its stellar reputation by achieving a clean audit once again for the 2022/2023 financial year. This noteworthy achievement comes after a period of introspection, strategic reforms and tireless efforts to address the concerns raised in the previous audit. The Senqu municipality’s resilience and unwavering dedication to good governance are evident in its swift and effective response to rectify the issues identified, leading to the restoration of a clean audit status.



Apart from the difficult domestic and global economic environment we are currently in, we also face challenges such as:

- old and ageing infrastructure,
- high rates of unemployment,
- a poor rates base (leading to financial resource challenges),
- challenges relating to other resources generally (human resources – scarce skills) and extreme weather conditions.

Ladies and Gentlemen,

This budget is largely based on submissions from the communities during the IDP process. Our capital budget totals R142,99 million for the 2024/25 budget year, from which a total of 60,99 per cent, or R87,21 million, of the capital budget is funded from our own cash-backed Capital Replacement Reserve (or CRR). The other capital is funded from National and Provincial grants.

It is important that there is implementation of what has been planned. We never, and still, believed in expenditure wish-lists and unrealistic revenue budgets which are in any case not allowed but being practiced, and it is exactly for that reason that I believe that we are in a financially sound position and our aim is to keep it as such.

Finally, I would like to thank the Community, the Councilors and the officials for their input into this budget. I believe it is really a community driven budget and although much more is needed, we can only do what our finances allow us to do. I hope this budget will make a significant difference in our people's lives. Indeed, together we are building a better Senqu.

All of us, regardless of party affiliation from across the political spectrum, let's throw ourselves into the task of implementing this budget.

I thank you.

Enkosi!



## 1.2 Council Resolutions

**(The following resolutions must be taken at the final budget approval. It is listed here as required by the Budget & Reporting Regulations and it is recommended that the Council approves and adopts the following resolutions for the annual budget, in accordance with section 24 of the Municipal Finance Management Act)**

The Council of Senqu Municipality, acting in terms of section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003) hereby tables the following draft budget resolutions:

- 1.1. The annual budget of the municipality for the financial year 2024/25 and the multi-year and single-year capital appropriations as set out in the following tables:
  - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
  - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
  - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
  - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables attached in the budget documentation:
  - 1.2.1. Budgeted Financial Position;
  - 1.2.2. Budgeted Cash Flows;
  - 1.2.3. Cash backed reserves and accumulated surplus reconciliation;
  - 1.2.4. Asset management; and
  - 1.2.5. Basic service delivery measurement.
2. The Council of Senqu Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables for approval and adoption the following tariffs, related by-laws and related policy changes as attached in the budget documentation, with effect from 1 July 2024:
  - 2.1. the tariffs for property rates, related by-laws and related policy changes
  - 2.2. the tariffs for electricity, related by-laws and related policy changes
  - 2.3. the tariffs for solid waste services, related by-laws and related policy changes
  - 2.4. the summary of policy changes and summary of by-law changes
  - 2.5. the draft procurement plan for 2024\_2025 FY
  - 2.6. the draft Revenue Enhancement Strategy for the 2024\_2025 FY
3. The Council of Senqu Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) tables for approval and adoption with effect from 1 July 2024 the tariffs and related by-laws for other services, as set out in the attached budget documentation.



4. To give proper effect to the municipality's annual budget, the Council of Senqu Municipality approves:
  - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
  - 4.2. That the Draft Budget be advertised for public comments in accordance with chapter 4 of the Municipal Systems Act (Act 32 of 2000) and sections 22 & 23 of Municipal Finance Management Act, (Act 56 of 2003)

### 1.3 Executive Summary

South Africa's economy is forecasted to grow at an average of 1.6 per cent over the next three years. This is a moderate improvement on the 1.4 per cent average expected at the time of the 2023 MTBPS. The outlook is supported by an expected recovery in household spending as inflation declines, and an increase in energy-related fixed investments.

Power cuts are expected to continue and to gradually ease in 2024. Faster, determined implementation of energy and logistics reforms remains critical to boosting economic growth.

Employment growth continues to lag South Africa's post-COVID-19 economic recovery, with 74 000 fewer people in employment in the second quarter of 2023 than in the fourth quarter of 2019. Improving employment growth sustainably over the long term requires faster GDP growth and improved education and skills development.

The current economic challenges in the country place pressure on households' ability to pay municipal accounts, therefore municipal own revenue generation gets affected.

Despite these challenges, the municipality is in a healthy financial position, however, it needs to at least stabilize and further strive to continuously better its financial position, coupled with acceptable levels of service delivery at affordable tariffs. The retention of sufficient cash-backed reserves is critical for the long-term sustainability of the municipality.

With the compilation of the 2024/25 Medium-Term Revenue and Expenditure Framework (MTREF), each department had to review its business planning processes taking into account their individual departmental strategies. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital program.



In view of the aforementioned, the following table is a consolidated overview of the proposed 2024/25 Medium-term Revenue and Expenditure Framework:

**Consolidated Overview of the 2024/25 MTREF (R'000)**

R thousand	Adjustments Budget	Budget Year	Budget Year +1	Budget Year +2
	2023/24	2024/25	2025/26	2026/27
Total Operating Revenue	335 429	351 394	349 700	350 535
Total Operating Expenditure	379 990	414 124	418 977	439 800
<i>Surplus/(Deficit) for the year</i>	(44 561)	(62 730)	(69 278)	(89 265)
Total Capital Revenue recognised	44 349	55 783	41 588	46 249
<i>Surplus/(Deficit) for the year</i>	(212)	(6 946)	(27 690)	(43 015)

As can be seen from the table above, the municipality will operate at an operating deficit throughout the MTREF. An operating deficit is an indication that the municipality is not generating sufficient revenue to sustain its operating expenditure, let alone the fact that the operating budget is not contributing any revenue at all towards the capital program. It should also be noted that the operating budget also includes items such as depreciation and debt impairment which are not considered to be a “cash” expense. These items will not result in an immediate cash outflow.

The municipality remains committed to a large capital program with a significant portion funded by grants from National Government.

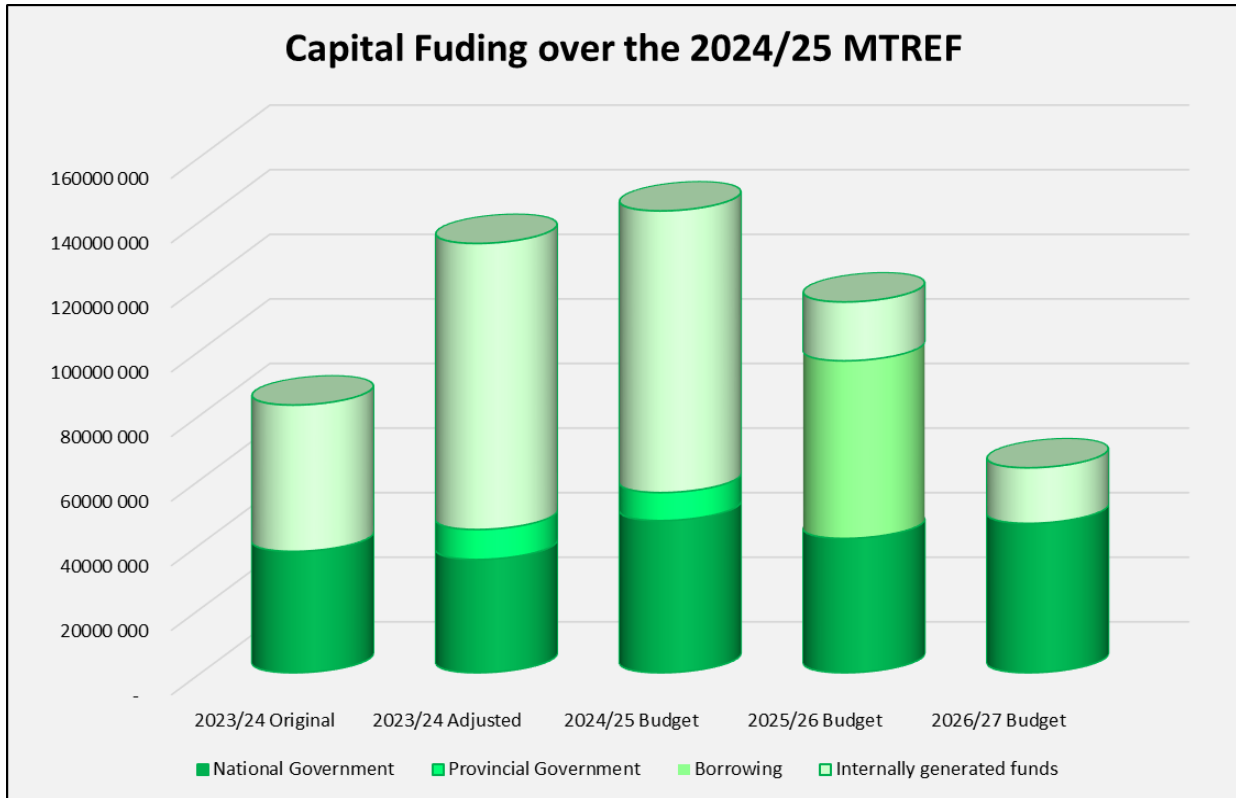
**Total Capital Funding of the 2024/25 MTREF (R'000)**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2024/25	2025/26	2026/27
<b>Funded by:</b>								
National Government	13 583	24 572	29 883	37 575	35 062	47 100	41 588	46 249
Provincial Government	-	-	-	-	9 287	8 684	-	-
<b>Transfers recognised - capital</b>	<b>13 583</b>	<b>24 572</b>	<b>29 883</b>	<b>37 575</b>	<b>44 349</b>	<b>55 783</b>	<b>41 588</b>	<b>46 249</b>
<b>Borrowing</b>	-	-	-	-	-	-	55 000	-
<b>Internally generated funds</b>	5 575	11 414	5 696	45 307	88 565	87 207	18 213	17 198
	<b>19 158</b>	<b>35 986</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>

The capital budget of R142,99 million for 2024/25 is 7,58 per cent more when compared to the 2023/24 Adjustment Budget. The capital program decrease to R114,80 million in 2025/26 and decrease further to R63,45 million in 2026/27. This movement in the capital budget is directly related to the movement in proposed expenditure to be financed from internally generated funds.

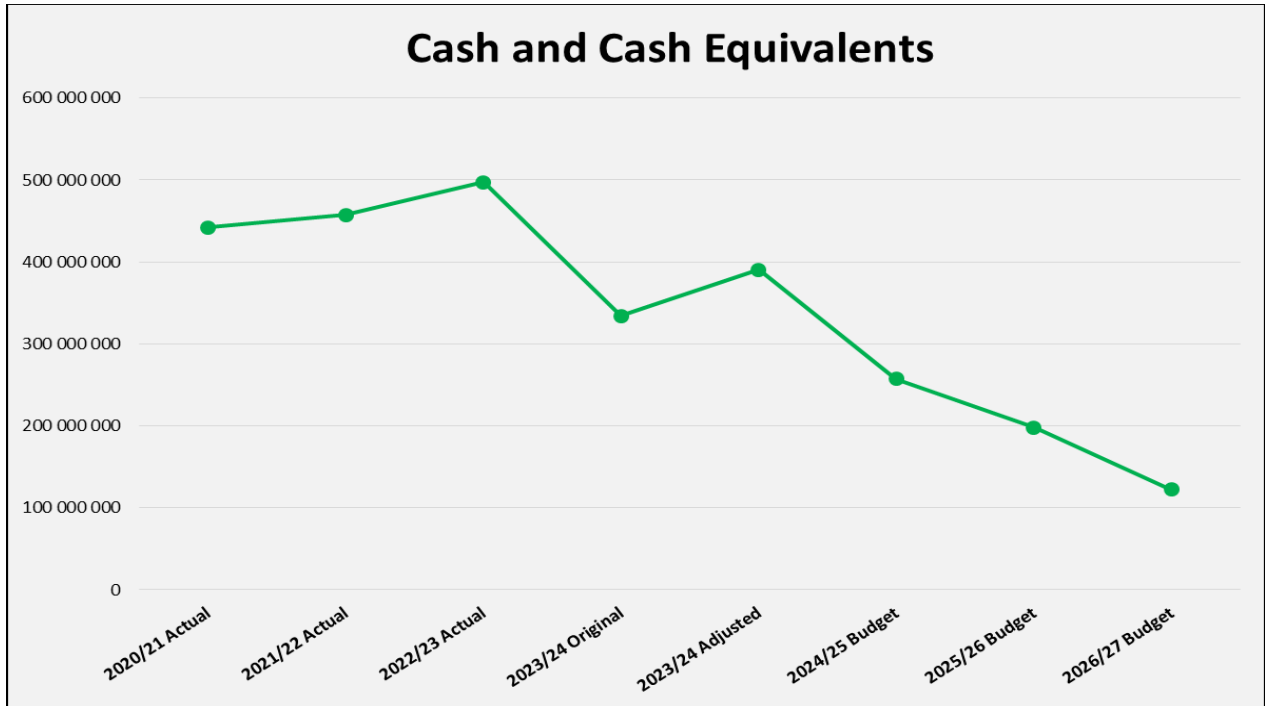


A large portion of the capital budget will be funded from own revenue (R122,62 million or 38,17%) over the MTREF with anticipated borrowings of R55 million in the 2025/26 financial year. The portion of the capital budget funded from National and Provincial Government Grants amounts to R143,62 million (44,71%) over the MTREF.



The municipality should be mindful of the fact that the large capital program, especially from internally generated funds, places enormous pressure on the accumulated cash reserves of the Senqu Municipality. This could significantly impact on the long term sustainability and viability of the entity.

Currently, although still a funded budget, the proposed budget will have a negative impact on the projected cash position of the municipality as illustrated in the following graph:



It should be emphasised that the projections above is based on the fact that we recover revenue in line with historical actual trends and that we fully utilise all allocations made towards capital and operating programs.

It is expected that the cash resources of the municipality will decrease by R133,25 million during 2024/2025 and by R59,38 million and R75,41 million during 2025/2026 and 2026/2027 respectively. This significant downward trend can mainly be attributed to the inability of the municipal budget to produce significant revenues to cover main cost drivers such as bulk purchases and employee related costs. This inability of revenue growth to keep track with operating expenditure will also negatively impact on the contribution that the operating budget will have towards to capital program over the MTREF as highlighted below:

#### Summary of available funding for capital program

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2024/25	2025/26	2026/27
Net Cash from/(used) Operating Activities	110 487	52 284	76 251	20 877	26 181	10 584	1 816	(10 490)
Funding Available	13 583	24 572	29 883	37 575	44 349	55 783	96 588	46 249
Capital Program	(19 158)	(35 986)	(35 579)	(82 881)	(132 913)	(142 990)	(114 802)	(63 448)
<b>Surplus/(Shortfall)</b>	<b>104 912</b>	<b>40 870</b>	<b>70 554</b>	<b>(24 430)</b>	<b>(62 384)</b>	<b>(76 623)</b>	<b>(16 398)</b>	<b>(27 688)</b>

This will result in accumulated cash reserves being utilized to fund the capital program, resulting in the illustrated downward trend in cash resources over the MTREF.



### 1.3.1 Financial Viability

Financial viability is imperative to ensure that high quality services are delivered to the community on a sustainable manner. In order to achieve financial viability, the municipal budget is guided by the approved long-term financial plan of the municipality.

The municipality further assesses their viability on the model jointly developed by Swartland Municipality and the Western Cape Provincial Treasury. This model assesses 10 key ratios that is considered the most important indicators when assessing the long term viability of the municipality. A weighting is attached to each indicator that will eventually provide the municipality with a viability score out of 100. The municipality should always strive for the maximum score of 100. Any score below 100 will be indicative of “sustainability cracks” that could eventually negatively impact on service delivery in the municipal area.

The 10 indicators, along with the proposed benchmark and weight are included in the following table:

ITEM	Benchmark	Viability Weight	Std 1	Measurement 1	Std 2	Measurement 2	Std 3	Measurement 3	Std 4	Measurement 4	Std 5	Measurement 5
Acid Test Ratio	2	10	2	10	1.5	8	1	5	0.5	2	-	0
Payment Level (Excluding write-off of bad debts)	> 95%	15	95%	15	90%	11	85%	6	80%	3	75%	0
Cash Generated from Operations as % of Revenue	> 20%	8	20%	8	15%	6	10%	4	5%	2	0%	0
Purchase of PPE as % of Cash Generated	< 100%	8	100%	8	110%	6	120%	4	135%	2	150%	0
Cost Coverage (Excluding Unspent Grants)	4	15	4	15	4	10	3	5	2	2	1	0
Debtors Turnover (days) (Before impairment)	< 45 days	2	75	2	90	1	110	0	130	0	150	0
Long-term debt as % of Revenue	< 40%	5	40%	5	50%	4	75%	3	95%	2	100%	0
Debt servicing cost to Revenue	< 7,5%	8	5%	8	7.50%	6	10%	4	12.50%	2	15%	0
Short-term debt as % of Cash	< 100%	4	50%	4	70%	3	80%	2	100%	1	125%	0
Cash Funded Budget over MTREF	> R0	25	Yes	25	No	0	0	0	0	0	0	0

The 10 indicators provide the municipality with an assessment of the following major areas:

- Revenue Management
- Expenditure Management
- Debtor and Creditor Management
- Cash Management
- Asset Management
- Funding and Reserve Strategy

All the indicators will be discussed below.

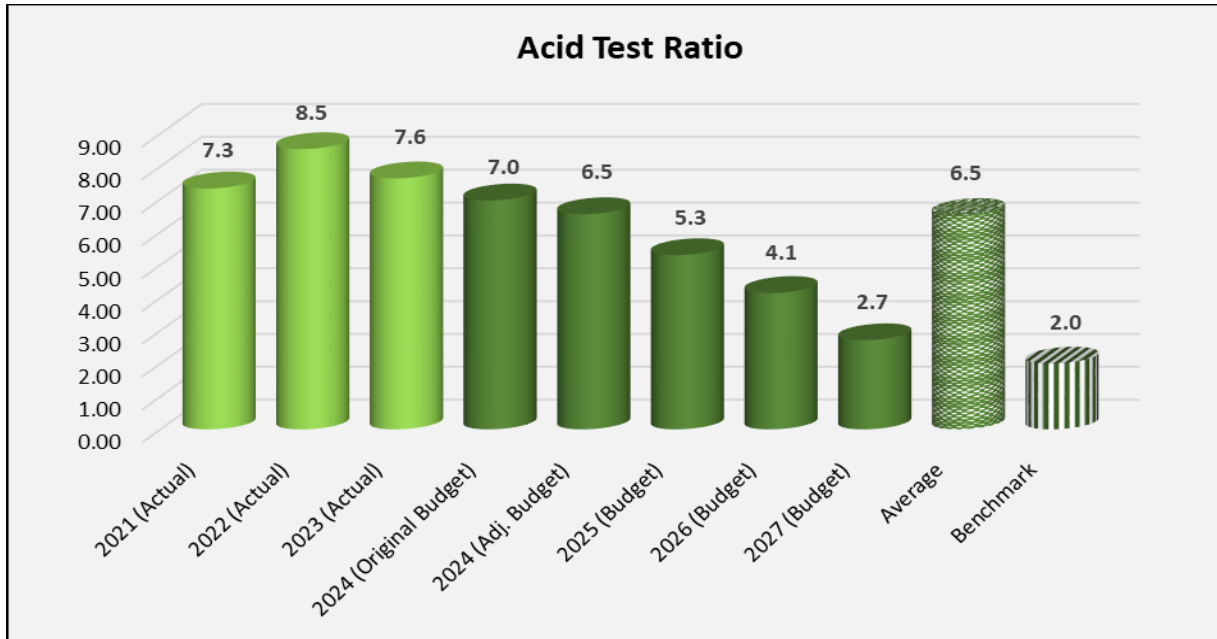
It should be noted that these ratios are based on the full implementation of the proposed capital and operating program and that revenue realise in line with the most recent actual audited results.



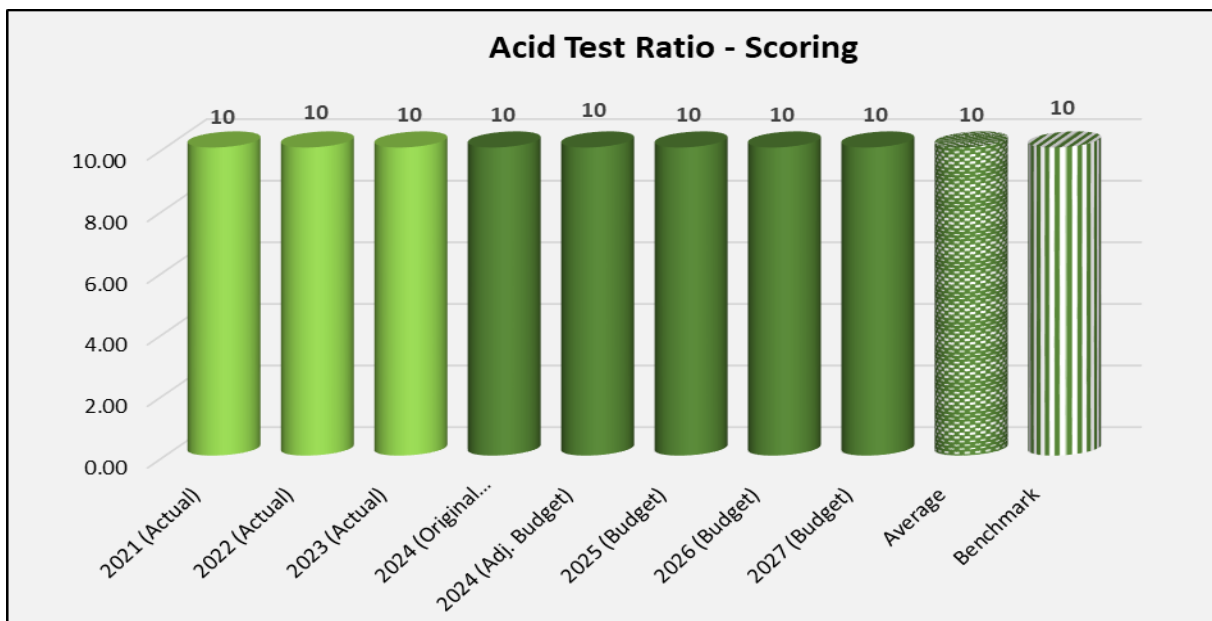
### 1.3.1.1 Acid Test Ratio

The acid test ratio provides an indication of the municipality’s ability to settle commitments if and when they become due. It is calculated as the ratio between current assets (excluding inventory) and current liabilities. A ratio of 2:1 is considered to be appropriate.

The downward trend can mainly be attributed to the decline in cash resources as discussed in the previous section of this report.



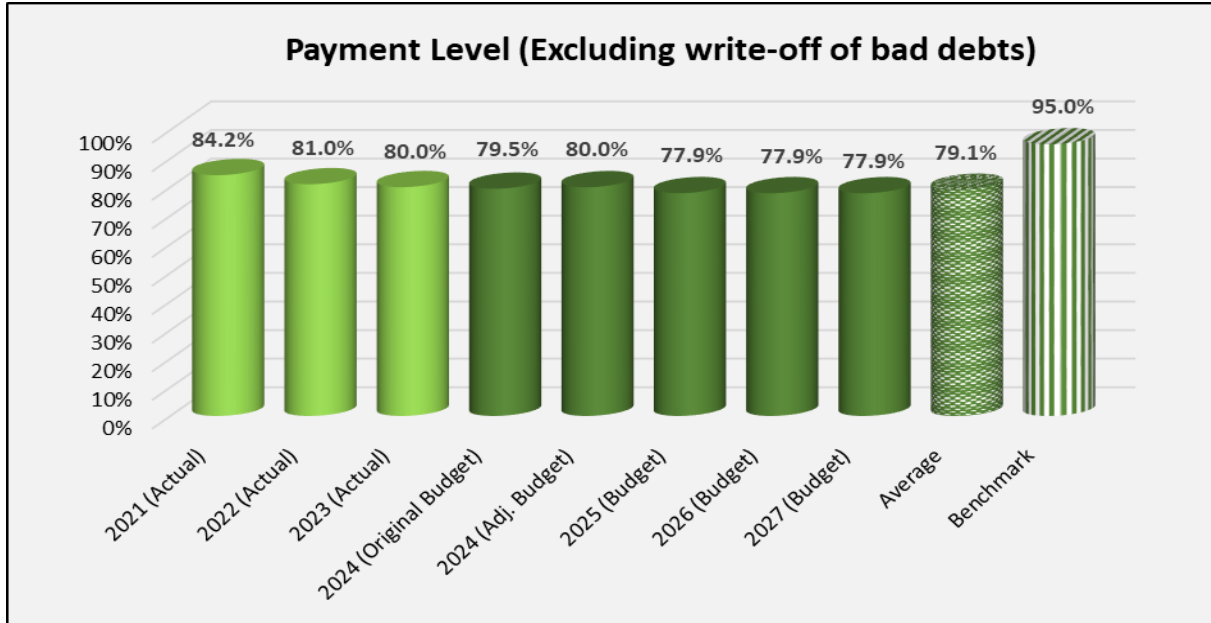
From a viability scoring out of 10 for this indicator, the following is allocated for this indicator:



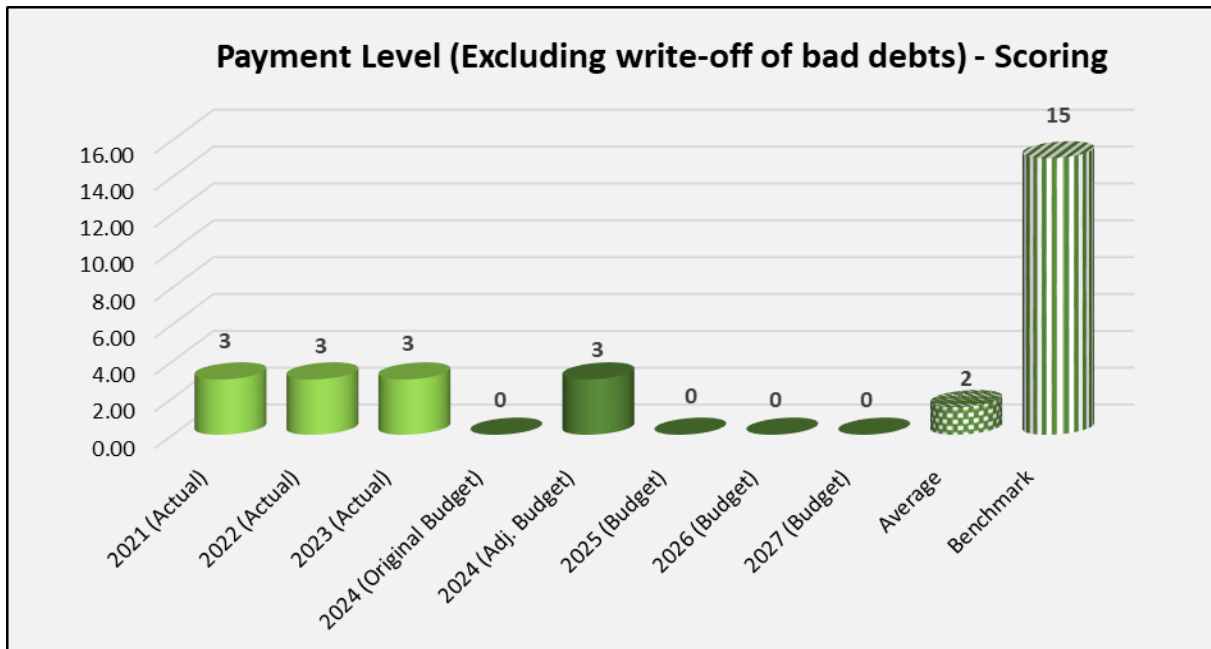


### 1.3.1.2 Payment Level

The payment level of the municipality remains fairly consistent throughout the entire period under review. As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.



The following score is allocated to this indicator:

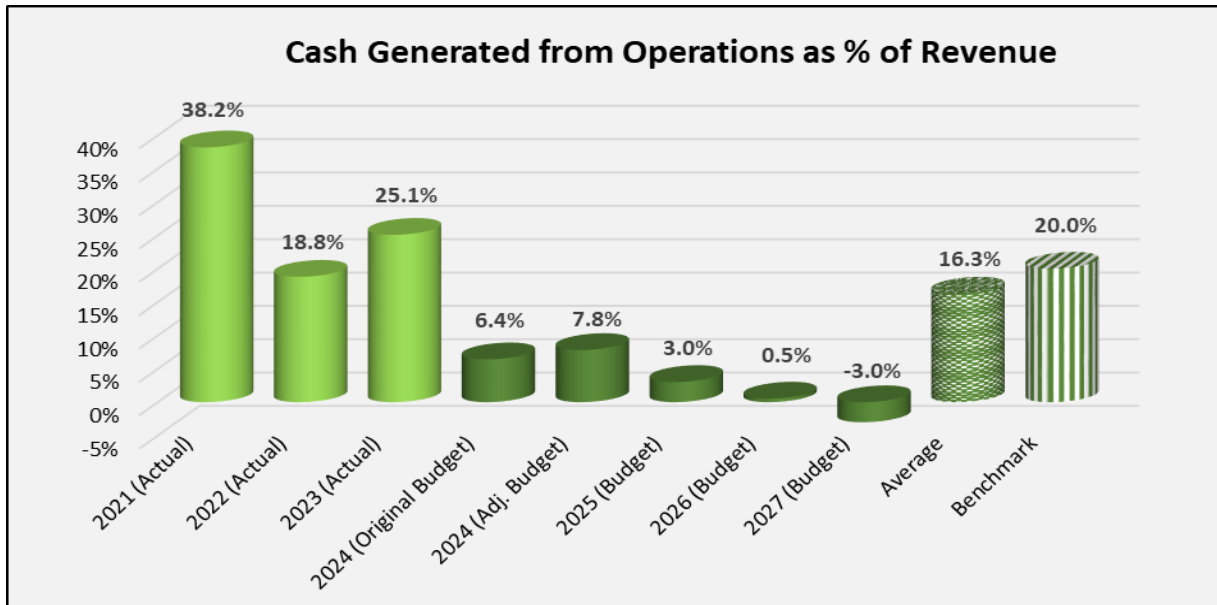




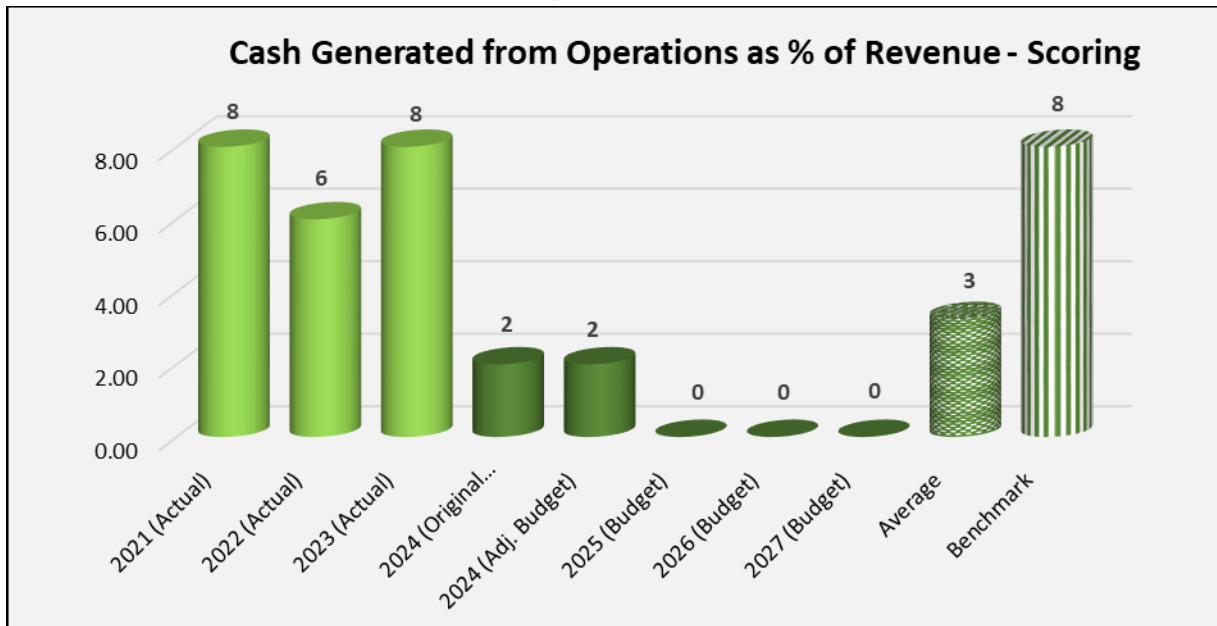
### 1.3.1.3 Cash Generated from Operations as % of Revenue

The ratio indicates the ability to convert revenue raised into cash. The trend is more an indication of the municipality’s inability to pass on increases in major expenditure line items (ie Employee Related Costs, Bulk Purchases etc) to the consumer in the form of tariff and rates increases.

A ratio of 20% (Cash generated by operations vs Revenue) is deemed to be appropriate. It is quite evident that the municipality is not generating appropriate levels of cash that will enable the municipality to contribute to the capital program of the municipality. Municipality should explore options to cut back on operating expenditure to improve this indicator.



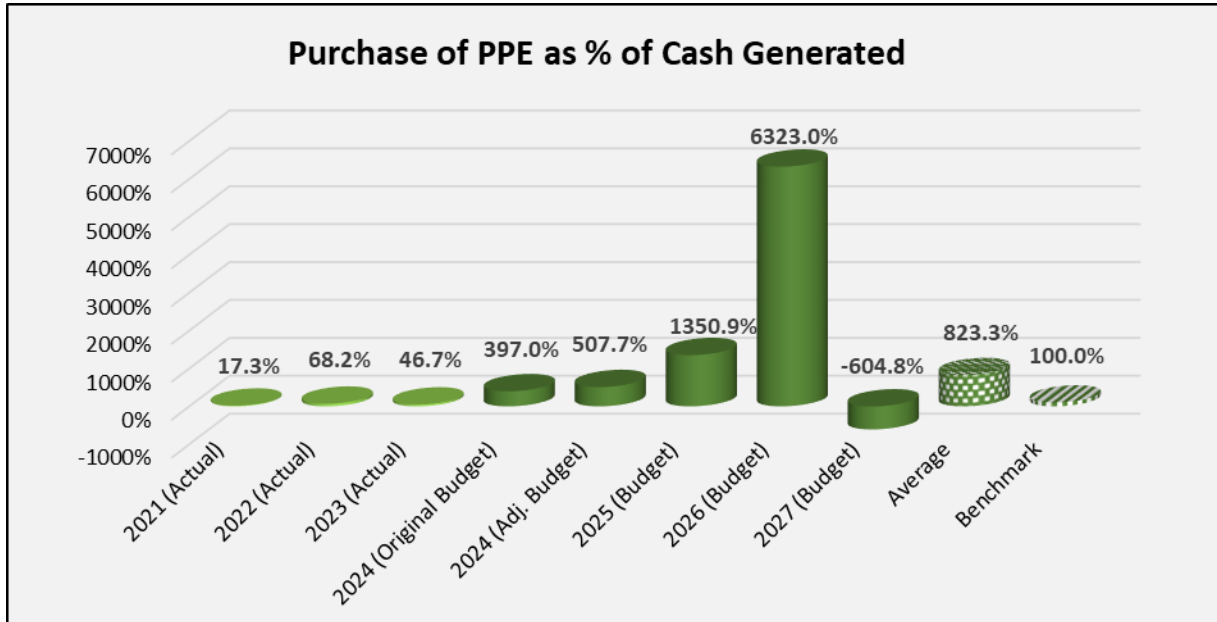
From a possible score of 8, the municipality will score limited points over the MTREF.



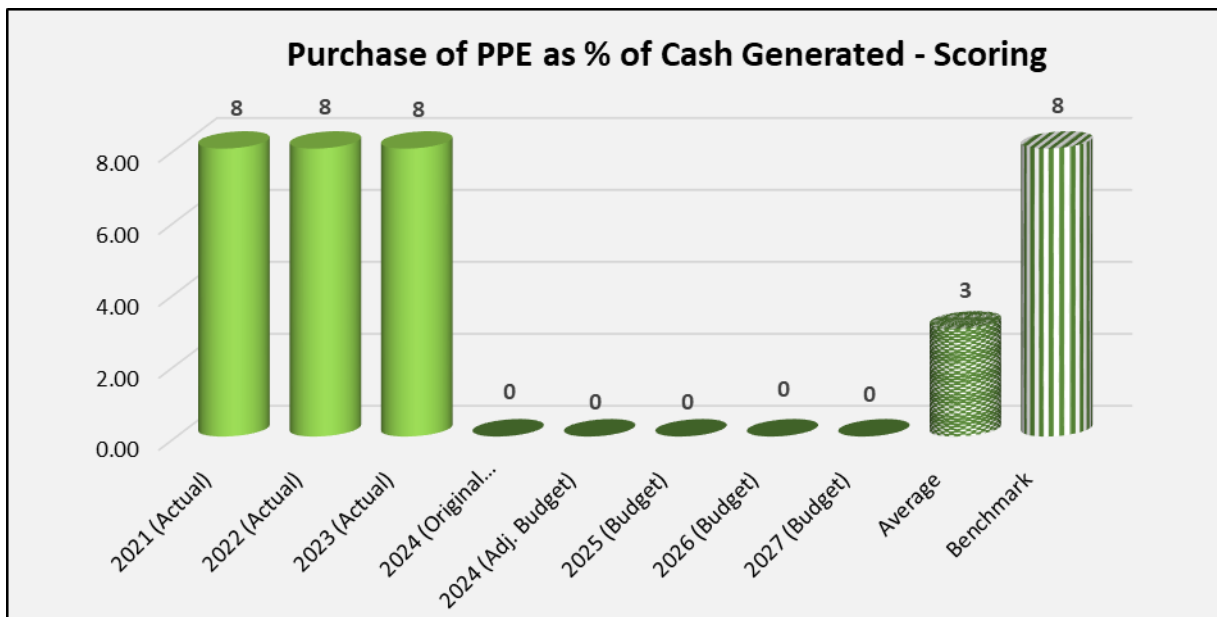


### 1.3.1.4 Purchase of PPE as % of Cash Generated

This indicator measures the ability of the municipality’s operations to generated sufficient cash to fund the capital program of the municipality. Any ratio in excess of 100% entails that insufficient cash is generated to meet the proposed capital outflow. Any shortfall will need to be financed using accumulated cash reserves or new external financing in the form of loans. As discussed in the previous section of this report, the capital program is placing enormous pressure on the accumulated cash reserves of the municipality.



This indicator does not contribute to the financial viability scoring of the municipality and should be addressed.

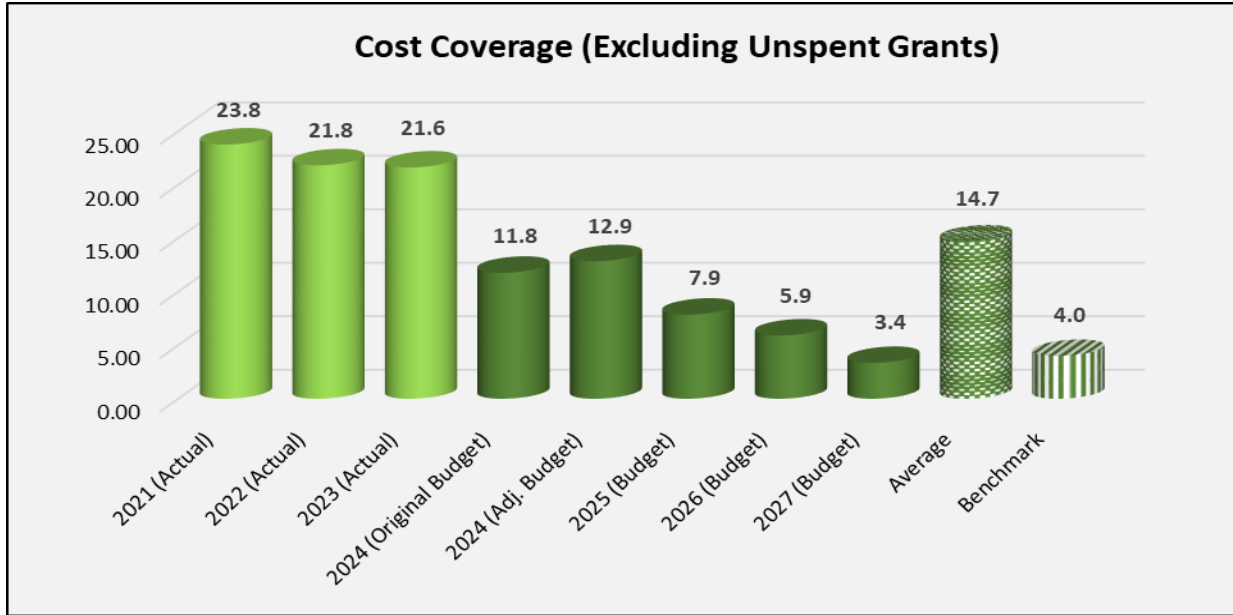




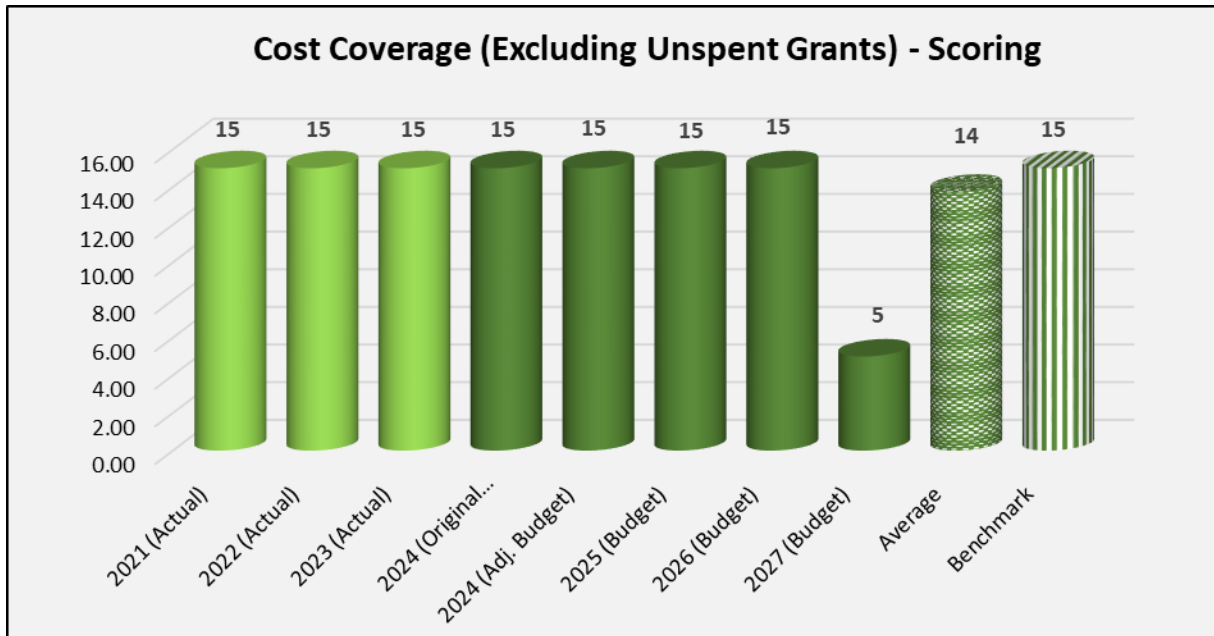


### 1.3.1.5 Cost Coverage

This ratio measures the amount of months' operating expenditure for which cash is available. This indicator will also provide a good indication of how the municipality will be able to react to financial "shock/setbacks" that is beyond the control of the municipality (for example - National Treasury delays the payments of grants or a sudden drop in payment levels from consumers/rate payers). The guidelines provided by National Treasury indicate that a level of 1 to 3 months is considered to be acceptable.



The downward trend is in line with the projected decline in cash resources over the MTREF.

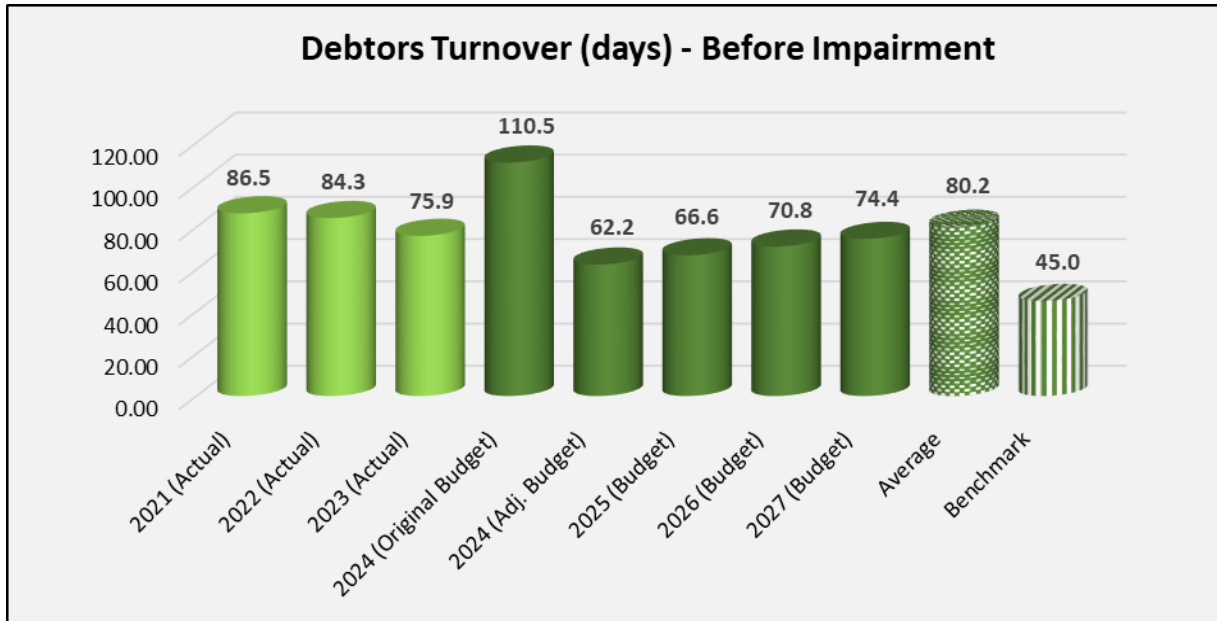




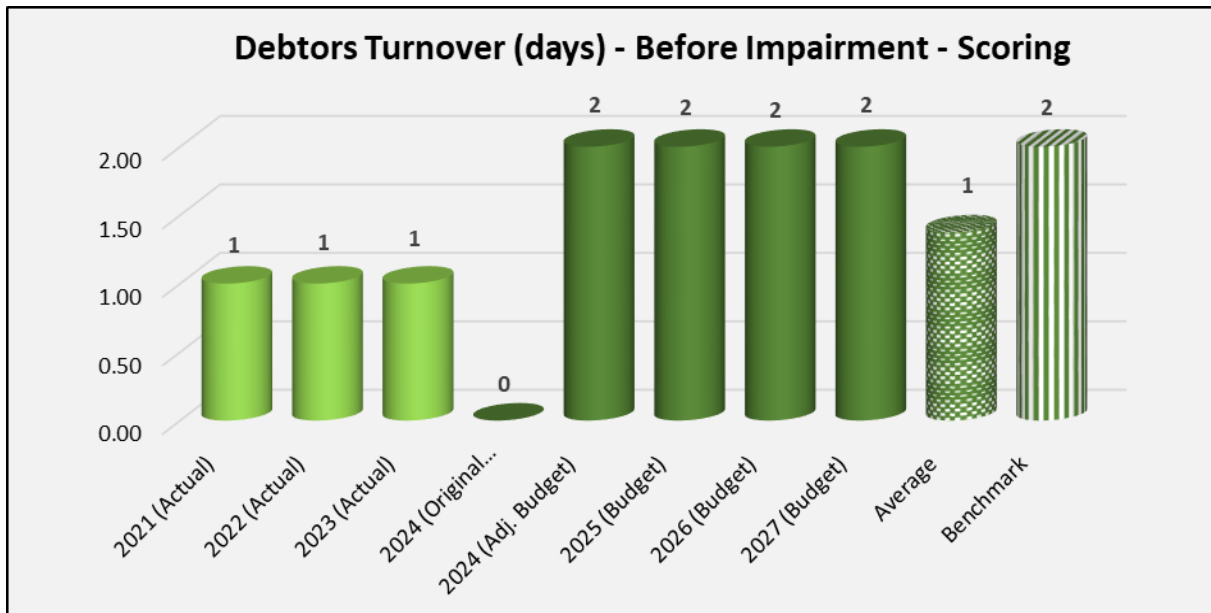
### 1.3.1.6 Debtor Turnover Days

In short, the indicator provides an indication of how many days it takes to convert billed revenue into cash. Thus, it is a good indicator of how credit control and debt collection measures are being implemented at the municipality. It also provides an indication of the municipality’s write off policy.

Improved debt collection procedures and processes could significantly improve this focus area.



A total score of only 2 is available for this indicator.

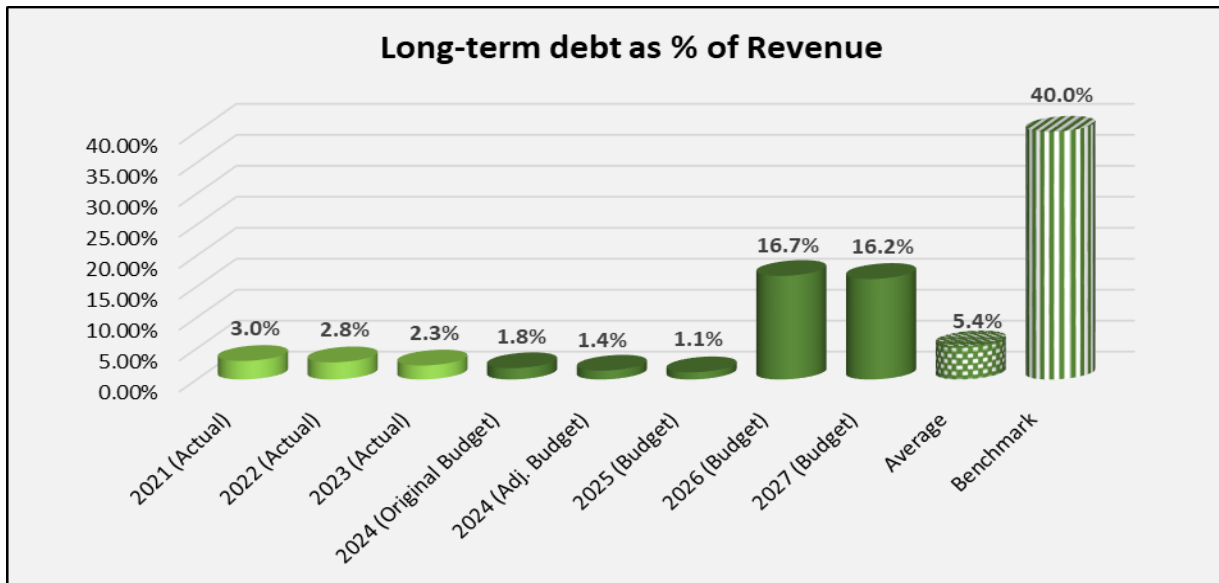




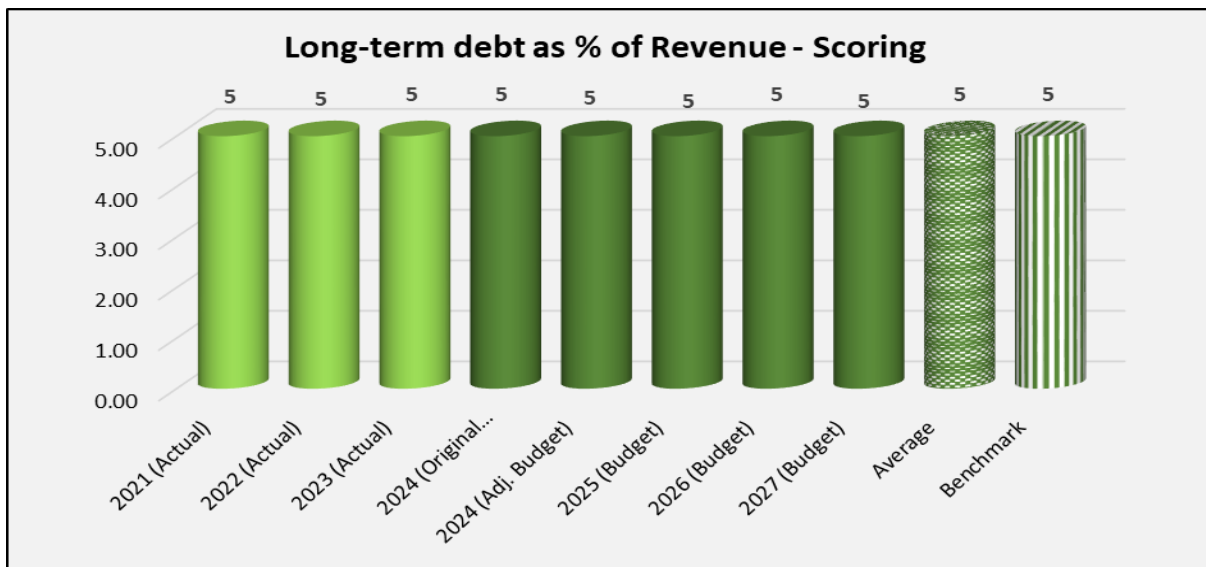
### 1.3.1.7 Long Term Debt as % of Revenue

External borrowing is an important part of the funding model of the municipality. Not only does it instantly provide the municipality with relatively inexpensive capital to fast-track service delivery and infrastructure backlogs, but it also ensures that the user of the infrastructure pay for the use over the lifetime of the asset.

This indicator provides the municipality with a debt ceiling – the maximum level of external borrowing that the municipality will be able to accommodate in the in the statement of financial position before the “affordability” factor becomes a concern.



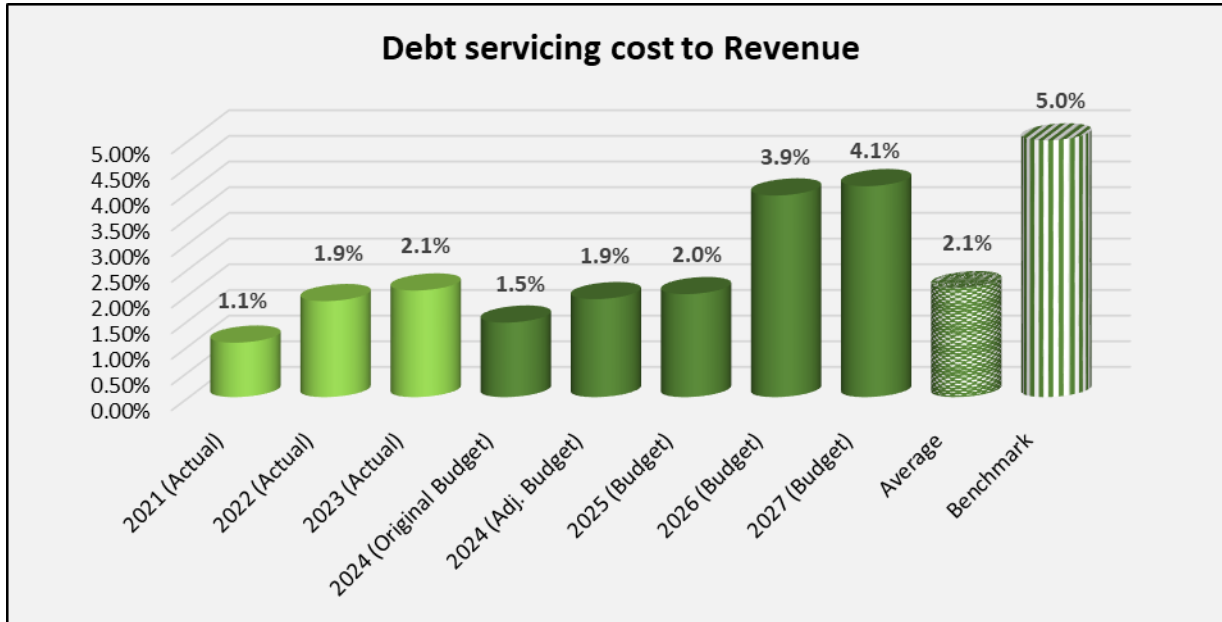
After the anticipated annuity loan of R55 million in 2025/2026, the municipality will still be operating well below the debt ceiling of 40%.



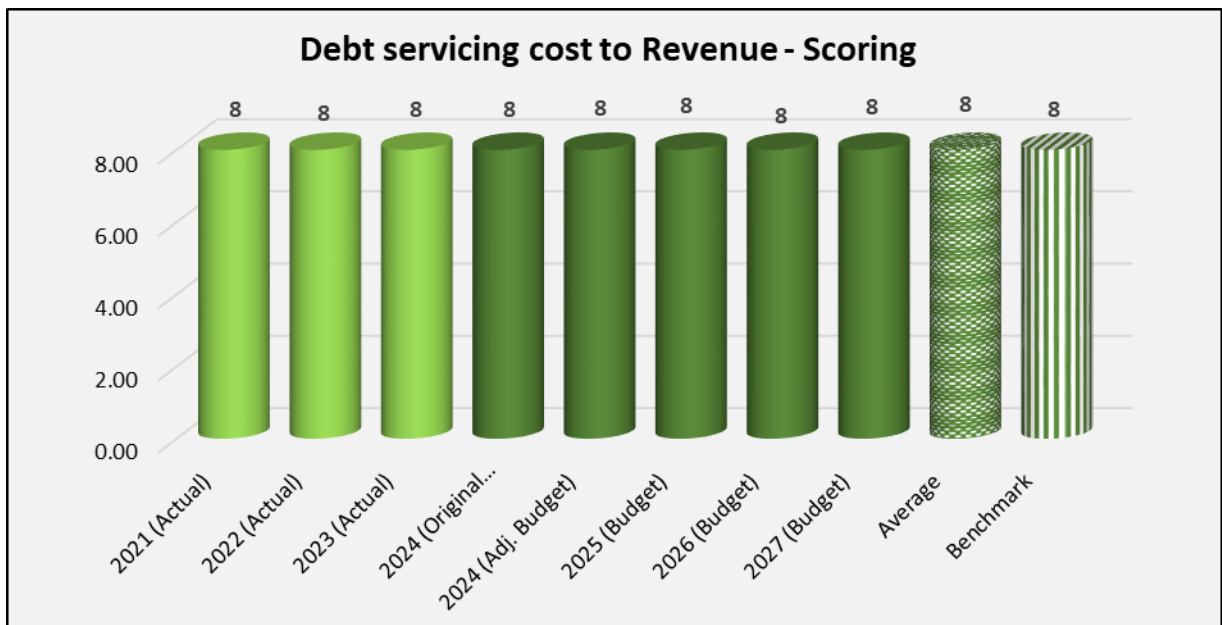


### 1.3.1.8 Debt Servicing Cost to Revenue

This indicator measure the portion of revenue spent on the repayment of borrowing and should be reviewed in conjunction with the debt ceiling indicator in section 1.3.1.7. It is projected that the municipality will be well below the limit of 5% throughout the period under review.



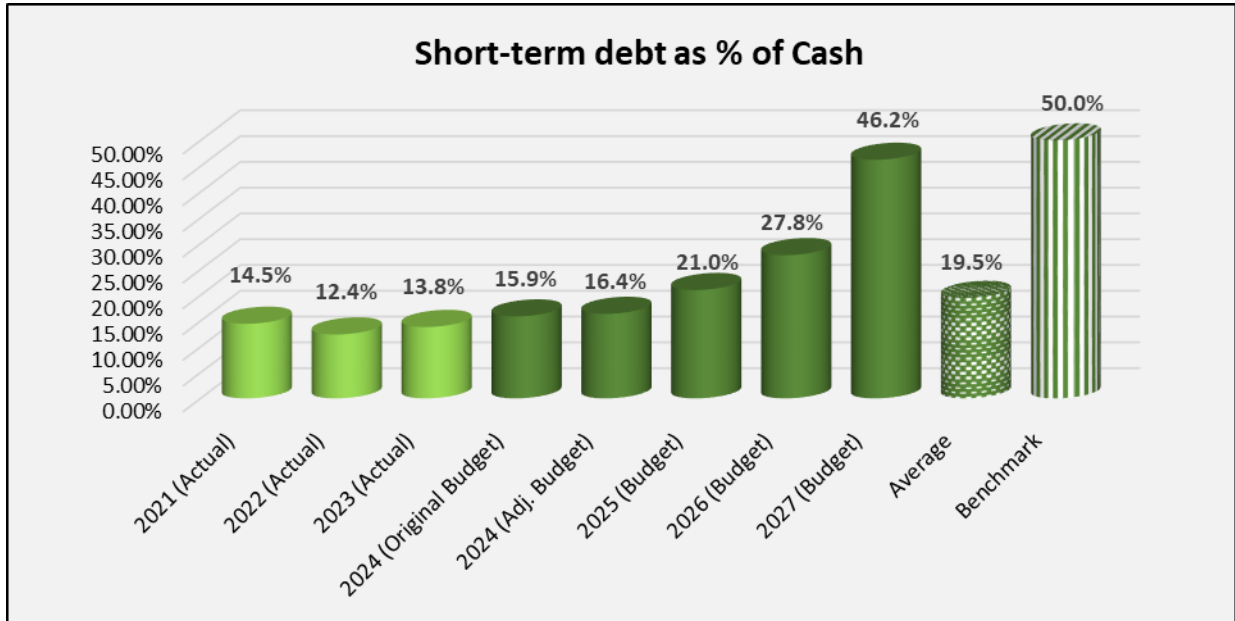
From a possible score of 8, the municipality will be allocated a full score in all periods under review.





### 1.3.1.9 Short Term Debt as % of Cash

This indicator provides a measure of the municipality's ability to settle short term liabilities when they become due and payable. A level below 50% is considered to be acceptable.



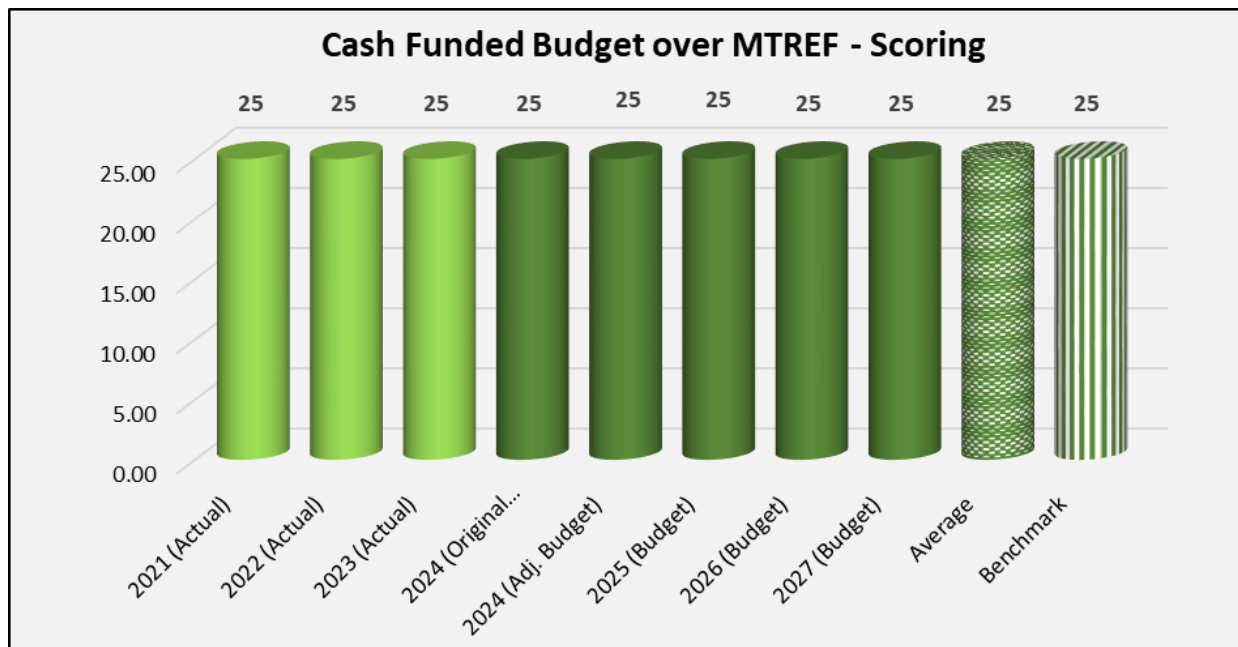
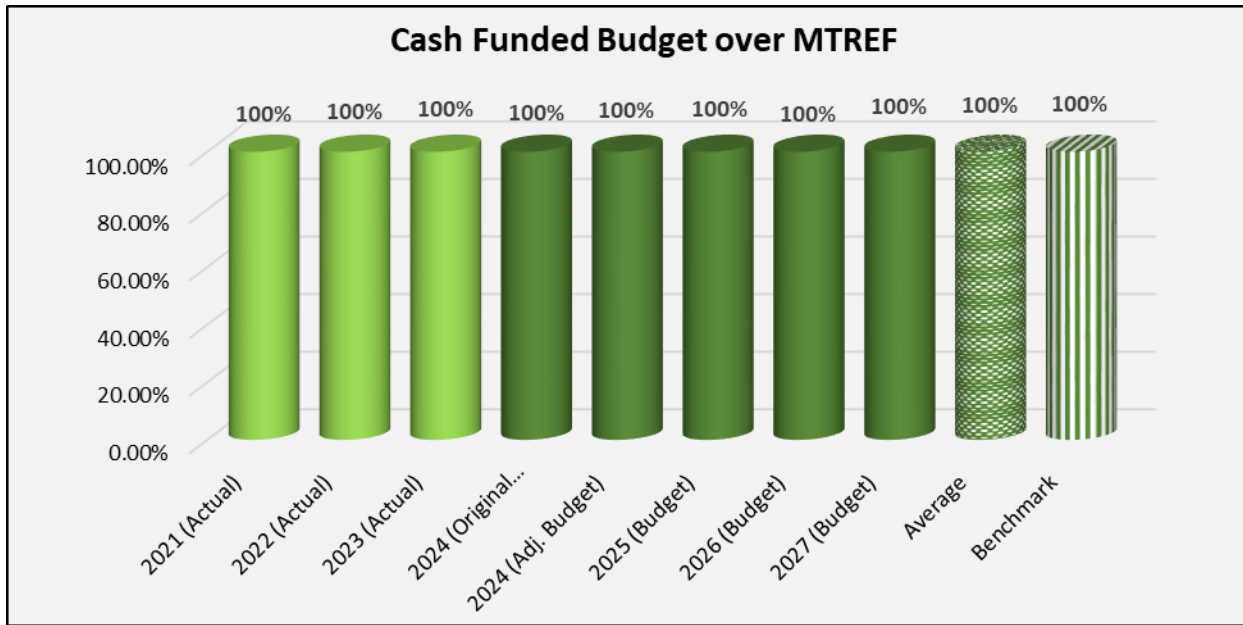
Similar to the Acid Test Ratio (Section 1.3.1.1) and the Cost coverage (Section 1.3.1.5), this ratio is negatively affected by the declining trend in cash and cash equivalents.





### 1.3.1.10 Cash Funded Budget over the MTREF

A cash funded budget is arguably the most important indicator for a credible budget that is aligned to the funding requirement in MFMA Section 18 and for this reason the indicator carries the largest weighting in the financial viability scoring model.





### 1.3.1.11 Total Viability Scoring

Based on the outcome of the 10 indicators above, it is expected that the viability scoring will regress over the MTREF when compared to the last audited year, being 2022/23. This decline can mainly be attributed to the projected decline in cash reserves resulting from a full implementation of the operating and capital budget. The municipality should strive to implement spending programs that contribute to an upward trend in the total viability scoring.



Despite the many challenges identified in this report, the municipality will still be in a position to present a cash funded budget by 2026/2027.



## 1.4 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) “An annual budget may only be funded from –
- (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
  - (b) Cash-backed accumulated funds from previous financial years’ surpluses not committed for other purposes; and
  - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
- (a) projected revenue for the current year based on collection levels to date; and
  - (b) actual revenue collected in previous years.”

The following table is a summary of the 2024/25 MTREF (classified by main revenue source):

### Summary of revenue classified by main revenue source

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2024/25	2025/26	2026/27
<b>Revenue</b>								
<b>Exchange Revenue</b>								
Service charges - Electricity	44 115	48 684	44 526	61 638	59 664	62 647	65 466	68 740
Service charges - Waste Management	8 818	8 420	9 117	10 151	10 151	10 658	11 191	11 751
Sale of Goods and Rendering of Services	256	162	110	128	277	291	305	320
Agency services	1 481	1 200	1 204	1 540	1 465	1 538	1 615	1 680
Interest earned from Receivables	3 011	3 075	4 752	4 419	5 442	5 659	5 886	6 121
Interest earned from Current and Non Curr	16 040	17 806	32 209	23 819	33 167	31 509	32 769	34 080
Rent on Land	511	–	0	3	3	3	3	3
Rental from Fixed Assets	49	1 482	1 475	1 778	1 668	1 751	1 830	1 912
Licence and permits	1 392	1 256	1 301	1 433	1 437	1 508	1 569	1 632
Operational Revenue	649	551	549	767	767	805	837	871
<b>Non-Exchange Revenue</b>								
Property rates	12 830	15 497	17 331	17 048	17 048	17 901	18 617	19 361
Fines, penalties and forfeits	112	476	915	74	589	589	613	637
Transfer and subsidies - Operational	199 215	179 409	188 852	200 984	201 863	214 655	207 044	201 395
Interest	820	1 201	1 720	1 791	1 791	1 880	1 955	2 034
Gains on disposal of Assets	12	–	–	–	100	–	–	–
Other Gains	917	832	5 635	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>290 227</b>	<b>280 052</b>	<b>309 696</b>	<b>325 572</b>	<b>335 429</b>	<b>351 394</b>	<b>349 700</b>	<b>350 535</b>





In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

**Summary of revenue classified by municipal vote (including capital transfers)**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	Outcome	Outcome	Outcome	Budget	Budget	2024/25	2025/26	2026/27
<b>Revenue by Vote</b>								
Vote 1 - Executive & Council	48	11	264	7 167	7 167	7 550	7 490	7 231
Vote 2 - Planning & Development	3 992	10 121	6 953	9 874	9 185	11 238	8 277	8 957
Vote 3 - Corporate Services	1 375	2 469	2 663	1 874	1 764	1 851	1 934	2 019
Vote 4 - Budget & Treasury	220 781	199 618	230 071	152 158	161 508	166 542	167 795	166 241
Vote 5 - Road Transport	19 456	30 389	39 091	42 309	50 401	60 505	42 519	45 870
Vote 6 - Waste Water Management	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-
Vote 8 - Health	-	-	-	-	-	-	-	-
Vote 9 - Community & Social Services	1 568	1 592	1 569	1 665	1 686	1 695	1 704	1 714
Vote 10 - Sport & Recreation	2	2	1	2	2	2	2	2
Vote 11 - Public Safety	47	43	59	83	158	163	170	178
Vote 12 - Electricity	46 505	49 580	50 113	98 671	96 697	103 756	107 506	111 212
Vote 13 - Waste Management	11 256	10 799	13 277	49 343	51 209	53 875	53 892	53 362
Vote 14 - Water	-	-	-	-	-	-	-	-
Vote 15 - Other	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>305 030</b>	<b>304 623</b>	<b>344 062</b>	<b>363 147</b>	<b>379 778</b>	<b>407 178</b>	<b>391 288</b>	<b>396 785</b>



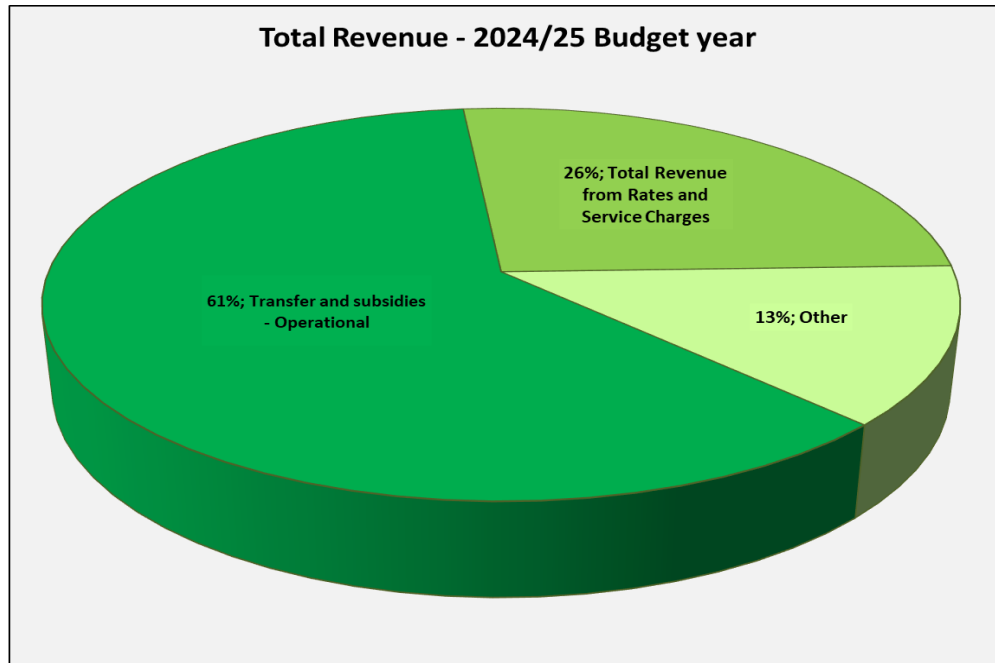
**Percentage growth in revenue base by main revenue source**

Description  R thousand	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework					
	Adjusted	%	Budget Year	%	Budget Year	%	Budget Year	%
	Budget		2024/25		2025/26		2026/27	
<b>Revenue</b>								
<b>Exchange Revenue</b>								
Service charges - Electricity	59 664	17.8%	62 647	17.8%	65 466	18.7%	68 740	19.6%
Service charges - Waste Management	10 151	3.0%	10 658	3.0%	11 191	3.2%	11 751	3.4%
Sale of Goods and Rendering of Services	277	0.1%	291	0.1%	305	0.1%	320	0.1%
Agency services	1 465	0.4%	1 538	0.4%	1 615	0.5%	1 680	0.5%
Interest earned from Receivables	5 442	1.6%	5 659	1.6%	5 886	1.7%	6 121	1.7%
Interest earned from Current and Non Current Assets	33 167	9.9%	31 509	9.0%	32 769	9.4%	34 080	9.7%
Rent on Land	3	0.0%	3	0.0%	3	0.0%	3	0.0%
Rental from Fixed Assets	1 668	0.5%	1 751	0.5%	1 830	0.5%	1 912	0.5%
Licence and permits	1 437	0.4%	1 508	0.4%	1 569	0.4%	1 632	0.5%
Operational Revenue	767	0.2%	805	0.2%	837	0.2%	871	0.2%
<b>Non-Exchange Revenue</b>								
Property rates	17 048	5.1%	17 901	5.1%	18 617	5.3%	19 361	5.5%
Fines, penalties and forfeits	589	0.2%	589	0.2%	613	0.2%	637	0.2%
Transfer and subsidies - Operational	201 863	60.2%	214 655	61.1%	207 044	59.2%	201 395	57.5%
Interest	1 791	0.5%	1 880	0.5%	1 955	0.6%	2 034	0.6%
Gains on disposal of Assets	100	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Gains	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>335 429</b>	<b>100%</b>	<b>351 394</b>	<b>100%</b>	<b>349 700</b>	<b>100%</b>	<b>350 535</b>	<b>100%</b>
<b>Total Revenue from Rates and Service Charges</b>	<b>86 863</b>	<b>25.9%</b>	<b>91 206</b>	<b>26.0%</b>	<b>95 274</b>	<b>27.2%</b>	<b>99 852</b>	<b>28.5%</b>

Revenue generated from rates and services charges forms an important percentage of the revenue basket for the Municipality, but measured against other municipalities, the percentage is relatively low. Rates and service charge revenues comprise between 25 and 29 per cent of the total revenue mix over the MTREF period.

Senqu municipality is to a very large degree dependent on grants (Equitable share) to sustain the budget (as illustrated on the graph below). The unconditional Equitable Share Grant is a grant growing annually according to a formula determined nationally and such formula is applicable to all local authorities on an equal basis.

Approximately 56% of the revenue basket can be attributed to equitable share. This, together with the lower percentage for rates and service charge revenues, is an indication of the high unemployment rate in the area and the focus on job creation projects were therefore treated as a priority in this budget.



The table below gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term (Please note that a portion of the Equitable share grant as per Dora is allocated to “Nat Gov: Councillor Remuneration” grant):



### Operating Transfers and Grant Receipts

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b>RECEIPTS:</b>					
<b>Operating Transfers and Grants</b>					
<b>National Government:</b>	<b>197 564</b>	<b>197 035</b>	<b>209 848</b>	<b>205 544</b>	<b>199 895</b>
Local Government Equitable Share	179 593	179 593	189 174	187 672	181 189
Finance Management	1 700	1 700	1 700	1 800	2 000
Nat Gov: Councillor Remuneration	7 167	7 167	7 550	7 490	7 231
Municipal Infrastructure Grant (MIG)	7 910	7 381	9 529	8 151	8 825
EPWP Incentive	1 194	1 194	1 620	-	-
Integrated National Electrification Programme	-	-	276	430	650
<b>Provincial Government:</b>	<b>1 830</b>	<b>3 361</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>
Libraries	1 500	1 500	1 500	1 500	1 500
EPWP	330	-	-	-	-
Municipal Disaster Relief Grant	-	1 861	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>199 394</b>	<b>200 396</b>	<b>211 348</b>	<b>207 044</b>	<b>201 395</b>
<b>Capital Transfers and Grants</b>					
<b>National Government:</b>	<b>37 575</b>	<b>35 062</b>	<b>47 100</b>	<b>41 588</b>	<b>46 249</b>
Municipal Infrastructure Grant (MIG)	37 575	35 062	45 260	38 719	41 918
Integrated National Electrification Programme	-	-	1 839	2 870	4 331
<b>Provincial Government:</b>	<b>-</b>	<b>12 405</b>	<b>-</b>	<b>-</b>	<b>-</b>
Municipal Disaster Relief Grant	-	12 405	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>37 575</b>	<b>47 467</b>	<b>47 100</b>	<b>41 588</b>	<b>46 249</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>236 969</b>	<b>247 863</b>	<b>258 448</b>	<b>248 632</b>	<b>247 644</b>

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band, therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2024/25 in their budget narratives and pay careful attention to tariff increases across all consumer groups.

The municipality budgets for the non-payment of accounts based on past experience of recovery rates. The municipality applies its Credit Control Policy stringently, but there are always situations where there are defaults on payment. The contribution for bad debt equates to R15,98 million in 2024/2025 increasing to R17,62 million in 2026/2027. This increase forms part of the revenue enhancement strategy that the municipality is busy implementing.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.



### 1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy to a maximum valuation of R60 000;
- The limit for indigent households is twice the amount of government pension grant.

The municipality applied a differential rating system whereby the cent amount in the rand for different categories of property may differ. Relief measures related to different categories of properties and different categories of owners of properties are used when the following is taken into consideration:

- The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes;
- Promotion of social and economic development of the municipality; and
- Promotion of job creation.

Vacant properties are rated higher, as the municipality is encouraging owners of vacant land to develop it and that the vacant land should not be used for speculation purposes by owners.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2024/25 financial year are as follows:

**Comparison of proposed rates to be levied for the 2024/25 financial year**

No	Tariff Code	Property Category	Rate Ratio (to residential rate)	Tariff 2023/2024 R	Tariff 2024/2025 R
01	RES001	Residential properties	1: 1	0.008859	0.009346
02	IND001	Industrial properties	1: 1,33	0.011782	0.012430
03	BUS001	Business and Commercial properties	1: 1,30	0.011516	0.012150
04	AGR001	Agricultural properties used for Agricultural Purpose	1: 0,25	0.002215	0.002336
05	AGR002	Agricultural Properties used for Industrial Purposes	1: 1,33	0.011782	0.012430
06	AGR003	Agricultural Properties used for Eco- Tourism, Conversation, Trading In or Hunting of Game	1: 0,25	0.002215	0.002336
07	AGR004	Agricultural Properties not used for Any Purpose/ Purpose Unknown to Municipality	1: 0,25	0.002215	0.002336
08	AGR005	Agricultural Properties used for Business and Commercial Purposes	1: 1,30	0.011516	0.012150
09	PSI001	Public Service Infrastructure properties	Exempt	0.000000	0.000000
10	PSP001	Properties owned by an municipality and used by state Provincial/National purposes	1: 1,30	0.011516	0.012150
11	PSP002	Properties owned by Public Benefit Organisations and used for specified public benefit activities	Exempt	0.000000	0.000000
12	PSP003	State- Owned Properties that Provide Local Services	1: 1,30	0.011516	0.012150
13	PSP004	State/ Owned Properties that Provide Regional/ Municipal District- Wide Services	1: 1,30	0.011516	0.012150
14	PSP005	State/ Owned Properties that Provide Provincial/ National Services	1: 1,30	0.011516	0.012150
15	PRA001	Protected areas	Exempt	0.000000	0.000000
16	MUN001	Municipal properties	Exempt	0.000000	0.000000
17	PMM001	Public monuments and memorials	Exempt	0.000000	0.000000
18	UPA001	Unregistered Properties (Administrative Purposes)	Exempt	0.000000	0.000000
19	CLR001	Communal land and Land Reform Beneficiaries	Exempt	0.000000	0.000000
20	PWV001	Place of Worship and Vicarage	Exempt	0.000000	0.000000
21	VAC001	Vacant Land	0:0,15	0.013288	0.014019

**1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases**

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The Water-and Sanitation function was transferred to Joe Gqabi District Municipality on 1 July 2012 and for that reason Senqu Municipality does not advertise or consult on the tariffs for these services.



### 1.4.3 Sale of Electricity and Impact of Tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2023/24, bulk electricity costs increased significantly at 15.1 per cent, compared to 8.61 per cent in the 2022/23 municipal financial year. There has been no change to the second year of the Multi-Year Price Determination (MYPD 5), as such bulk electricity costs are to be calculated using an increase of 12.7 per cent as per MYPD-5 in the 2024/25 financial year.

#### Electricity Surplus/(Deficit)

Description	Current year 2024 (Adj. Budget)	2025 (Budget)	2026 (Budget)	2027 (Budget)
Revenue - Electricity	96 696 578	103 755 664	107 505 721	111 211 583
Expenditure - Electricity	85 684 365	90 810 747	94 476 930	100 996 787
<b>Surplus/(Deficit)</b>	<b>11 012 214</b>	<b>12 944 917</b>	<b>13 028 791</b>	<b>10 214 797</b>
<b>Gross Profit %</b>	<b>11.4%</b>	<b>12.5%</b>	<b>12.1%</b>	<b>9.2%</b>

Compared to the revenue and expenditure per function in Schedule A2, it should be noted that the revenue figures above does not include indigent rebates financed from equitable share (refer to Schedule SA1) as well as any capital grant revenue (if any). Expenditure only relates to operating expenditure.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for customers over the MTREF period:



**Comparison between current electricity charges and increases**

DESCRIPTION	Tariff 2023/2024 "R"	Tariff 2024/2025 "R"
<b>Domestic (Pre-paid metering) single phase 0-60 AMP FBS</b>		
Basic / Availability Charge – per month	-	-
Energy Charge – per Unit (kWh) (1 – 50kWh)	-	-
Energy Charge – per Unit (kWh) (51 – 350kWh)	193.69	218.29
Energy Charge – per Unit (kWh) (351 - 600kWh)	281.65	317.42
Energy Charge – per Unit (kWh) (> 600kWh)	331.68	373.80
<b>Domestic (Pre-paid metering) single phase 0-60 AMP NONE FBS</b>		
Basic / Availability Charge – per month	-	-
Energy Charge – per Unit (kWh) (1 – 50kWh)	150.61	169.74
Energy Charge – per Unit (kWh) (51 – 350kWh)	193.69	218.29
Energy Charge – per Unit (kWh) (351 - 600kWh)	281.65	317.42
Energy Charge – per Unit (kWh) (> 600kWh)	331.68	373.80
<b>Domestic (Pre-paid metering) three phase 0-60 AMP</b>		
Basic / Availability Charge – per month	-	-
Energy Charge – per Unit (kWh) (1 – 50kWh)	152.87	172.28
Energy Charge – per Unit (kWh) (51 – 350kWh)	196.61	221.58
Energy Charge – per Unit (kWh) (351 - 600kWh)	309.31	348.59
Energy Charge – per Unit (kWh) (> 600kWh)	338.07	381.00
<b>Domestic : Demand 0 -60 Amp (Credit Metering)</b>		
Basic / Availability Charge -per month	246.55	277.86
Energy Charge – per Unit (kWh) (1 – 50kWh)	150.61	169.74
Energy Charge – per Unit (kWh) (51 – 350kWh)	189.59	213.67
Energy Charge – per Unit (kWh) (351 - 600kWh)	272.17	306.74
Energy Charge – per Unit (kWh) (> 600kWh)	316.47	356.66
<b>Domestic : Demand 60 Amp + (Credit Metering)</b>		
Basic / Availability Charge -per month	582.01	655.93
Energy Charge – per Unit (kWh) (1 – 50kWh)	150.61	169.74
Energy Charge – per Unit (kWh) (51 – 350kWh)	189.59	213.67
Energy Charge – per Unit (kWh) (351 - 600kWh)	272.17	306.74
Energy Charge – per Unit (kWh) (> 600kWh)	316.47	356.66
<b>Commercial (Pre -paid metering) 0 -60 AMP - Single Phase</b>		
Energy Charge -per Unit (KWh) consumed	334.94	377.48
<b>Commercial (Pre -paid metering) 0 -60 AMP - Three Phase</b>		
Energy Charge -per Unit (KWh) consumed	346.52	390.53
<b>Commercial: Small / Medium - (Credit Metering) 0-60 AMP</b>		
Basic / Availability Charge - per month	720.90	812.45
Energy Charge - per unit (KWh) consumed	279.09	314.53
<b>Commercial: Large - (Credit Metering) 0 to undifined AMP</b>		
Basic / Availability Charge - per month	2 104.62	2 371.91
Energy Charge - per unit (KWh) consumed	281.34	317.07
Network / Demand Charge - per unit (KVA) consumed	113.96	128.43
<b>Farms 0 to undifined AMP</b>		
Basic / Availability Charge per month	706.54	796.27
Energy Charge -per Unit (KWh) consumed	272.93	307.59
Network Demand Charge - (KVA) per Unit	112.62	126.93
<b>Consumer Deposits (to be paid prior to connection)</b>		
Domestic / Residential	2 778.13	3 130.96
Business / Commercial (Small / Medium): 0 - 60 Amp	6 945.33	7 827.39
Business / Commercial / Industrial: 60 -150 Amp	18 983.94	21 394.90
Businesses / Commercial / Industrial: 150 Amp +	34 726.89	39 137.21
Other		
Re - connecting existing connection	694.57	782.78
Re - connecting (after default / dis-connection )	764.04	861.08
Test Meter (Not Refundable)	694.57	782.78
Illegal Connection or tempering of KWH Meter	5 755.00	6 485.89





#### 1.4.4 Waste Removal and Impact of Tariff Increases

An average tariff increase of 5,50 per cent for refuse removal services from 1 July 2024 is proposed. This increase was required to ensure that the tariff charged is more cost reflective due to the increase in fuel and other costs involved to provide these services. There are also significant rehabilitation provisions included in the budget that needs to be funded.

#### Waste Management Surplus/(Deficit)

Description	Current year 2024 (Adj. Budget)	2025 (Budget)	2026 (Budget)	2027 (Budget)
Revenue - Waste Management	51 209 392	53 875 163	53 892 195	53 361 805
Expenditure - Waste Management	50 072 658	47 678 466	47 491 433	50 106 763
<b>Surplus/(Deficit)</b>	<b>1 136 734</b>	<b>6 196 697</b>	<b>6 400 762</b>	<b>3 255 042</b>
<b>Surplus/(Deficit) %</b>	<b>2.2%</b>	<b>11.5%</b>	<b>11.9%</b>	<b>6.1%</b>

Compared to the revenue and expenditure per function in Schedule A2, it should be noted that the revenue figures above does not include indigent rebates financed from equitable share (refer to Schedule SA1) as well as any capital grant revenue (if any). Expenditure only relates to operating expenditure.

The following table compares current and proposed amounts payable from 1 July 2024:

#### Comparison between current waste removal fees and increases

	Tariff 2023/2024 " R"	Tariff 2023/2024 " R"
	EXCL VAT	
<b>Domestic Consumers</b> (per month for one removal per week)	<b>179.74</b>	<b>189.63</b>
Additional removal (per load or part thereof)	<b>179.74</b>	<b>189.63</b>
<b>Commercial Consumers</b> (per month for two removals per week)	<b>384.68</b>	<b>405.84</b>
Additional removal (per load or part thereof)	<b>384.68</b>	<b>405.84</b>
<b>Public Service Purpose Departments (Schools, hotels, SAPS, prison, hospitals, etc)</b> ( per month for two removals per week)	<b>2 280.89</b>	<b>2 406.34</b>
Additional removal (per load or part thereof)	<b>384.68</b>	<b>405.84</b>
<b>Garden Refuse</b> (per load) (to be paid in advance )	<b>384.68</b>	<b>405.84</b>
<b>Building Rubble</b> (per load) (to be paid in advance )	<b>666.90</b>	<b>703.58</b>
<b>Cleaning of erven</b>	<b>384.68</b>	<b>405.84</b>



**Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on various households.

**Impact of tariff increases on households**

Description	2024/25 Medium Term Revenue & Expenditure Framework		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Rand/cent</b>			
<b><u>Monthly Account for Household - 'Middle Income Range'</u></b>			
<b>Rates and services charges:</b>			
Property rates	650.00	687.05	726.21
Electricity: Basic levy	325.15	343.68	363.27
Refuse removal	189.63	200.44	211.86
<b>Total large household bill:</b>	<b>1 164.78</b>	<b>1 231.17</b>	<b>1 301.35</b>
<b>% increase/-decrease</b>	<b>-</b>	<b>5.7%</b>	<b>5.7%</b>
<b><u>Monthly Account for Household - 'Affordable Range'</u></b>			
<b>Rates and services charges:</b>			
Property rates	650.00	687.05	726.21
Electricity: Basic levy	325.15	343.68	363.27
Refuse removal	189.63	200.44	211.86
<b>Total small household bill:</b>	<b>1 164.78</b>	<b>1 231.17</b>	<b>1 301.35</b>
<b>% increase/-decrease</b>	<b>-</b>	<b>5.7%</b>	<b>5.7%</b>
<b><u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u></b>			
<b>Rates and services charges:</b>			
Electricity: Basic levy	325.15	343.68	363.27
<b>Total small household bill:</b>	<b>325.15</b>	<b>343.68</b>	<b>363.27</b>
<b>% increase/-decrease</b>	<b>-</b>	<b>5.7%</b>	<b>5.7%</b>



## 1.5 Operating Expenditure Framework

Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation. With the implementation of cost containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential and non-priority activities.

The following table is a high level summary of the 2024/25 budget and MTREF (classified per main type of operating expenditure):

### Summary of operating expenditure by standard classification item

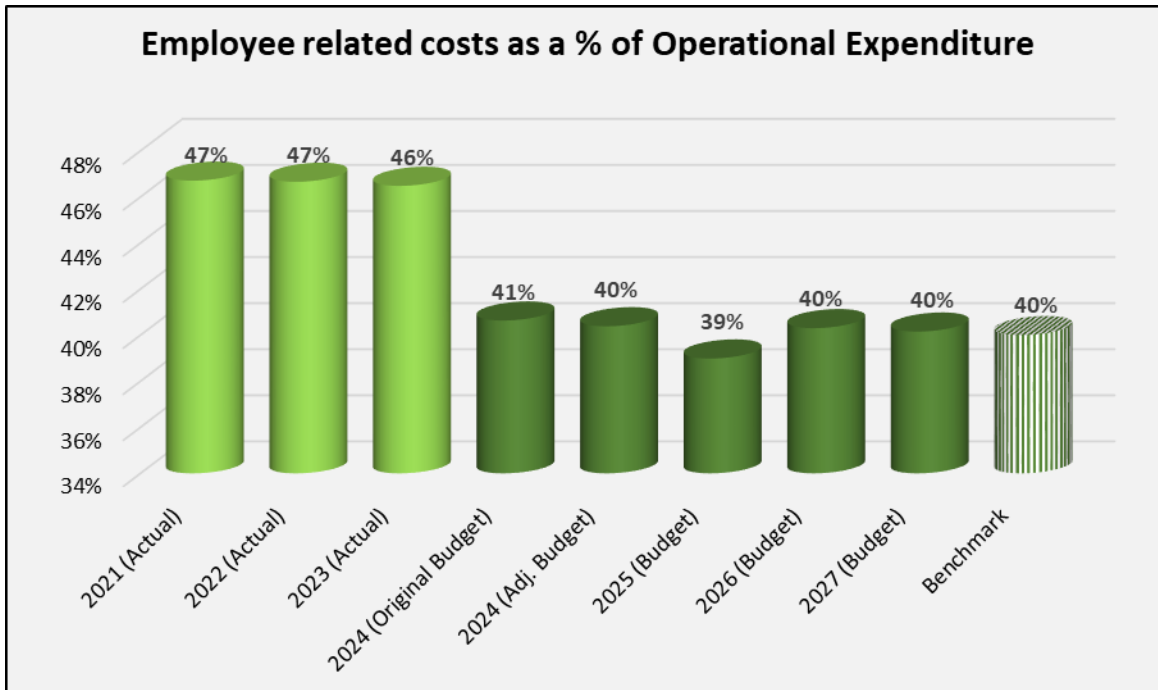
Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Budget Year	Budget Year	Budget Year
	R thousand	Outcome	Outcome	Outcome	Budget	Budget	2024/25	2025/26
<b>Expenditure By Type</b>								
Employee related costs	99 860	112 976	124 616	130 324	139 519	146 669	153 418	160 459
Remuneration of councillors	12 663	12 761	12 976	17 055	13 939	14 776	15 441	16 136
Bulk purchases - electricity	39 533	44 034	45 499	61 537	61 537	55 383	58 153	61 060
Inventory consumed	9 953	10 754	10 139	18 820	21 535	25 339	24 067	27 323
Debt impairment	11 951	12 679	16 641	14 562	17 222	15 983	16 782	17 621
Depreciation and amortisation	18 548	17 084	17 306	18 833	18 693	19 624	20 606	21 636
Interest	2 197	2 660	5 397	3 802	5 476	6 106	12 231	12 821
Contracted services	21 606	30 847	31 251	59 044	58 993	72 726	64 682	67 927
Transfers and subsidies	-	42	42	36	46	49	44	45
Irrecoverable debts written off	-	-	-	-	-	2 100	2 205	2 315
Operational costs	19 666	23 637	31 329	36 682	41 030	53 270	49 145	50 141
Losses on disposal of Assets	3 042	389	833	2 000	2 000	2 100	2 205	2 315
Other Losses	1 899	348	3	-	-	-	-	-
<b>Total Expenditure</b>	<b>240 918</b>	<b>268 210</b>	<b>296 032</b>	<b>362 697</b>	<b>379 990</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>

The budgeted allocation for employee related costs for the 2024/25 financial year totals R146,67 million, which equals 35,42 per cent of the total operating expenditure. This percentage is set to remain constant at 36 per cent over the MTREF.

A detailed analysis regarding employee related costs as set out in MBRR Tables SA22 - 24 in this document.

The cost associated with the Remuneration of Councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The expenditure on Employee Cost and Remuneration of Councillors is still towards the upper limits of the industry norms (between 25% and 40%) as depicted in the graph below. However, before the municipality reaches any conclusions with regards to levels of employee related costs of the municipality, the municipality should assess the impact of any items that could distort these figures. The municipality should for example exclude any non-cash expenditure (Depreciation and Debt Impairment) in order to compare it with other municipalities on a more equal basis.



The provision of debt impairment was determined based on an annual collection rate of 80 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality’s realistically anticipated revenues.

Provision for depreciation and amortisation has been informed by the Municipality’s Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard totals R19,62 million for the 2024/25 financial year and equates to 4,74 per cent of the total operating expenditure. The appropriation increases to R21,64 million over the MTREF.

The Municipality is limiting its borrowing in order to keep interest charges to the absolute minimum. Interest charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Interest charges make up 1,47 per cent (R6,11 million) of operating expenditure excluding annual redemption for 2024/25. This percentage increase to 2,92 per cent in the two outer years of the MTREF as a result of the additional annuity loan of R55 million in 2025/26.

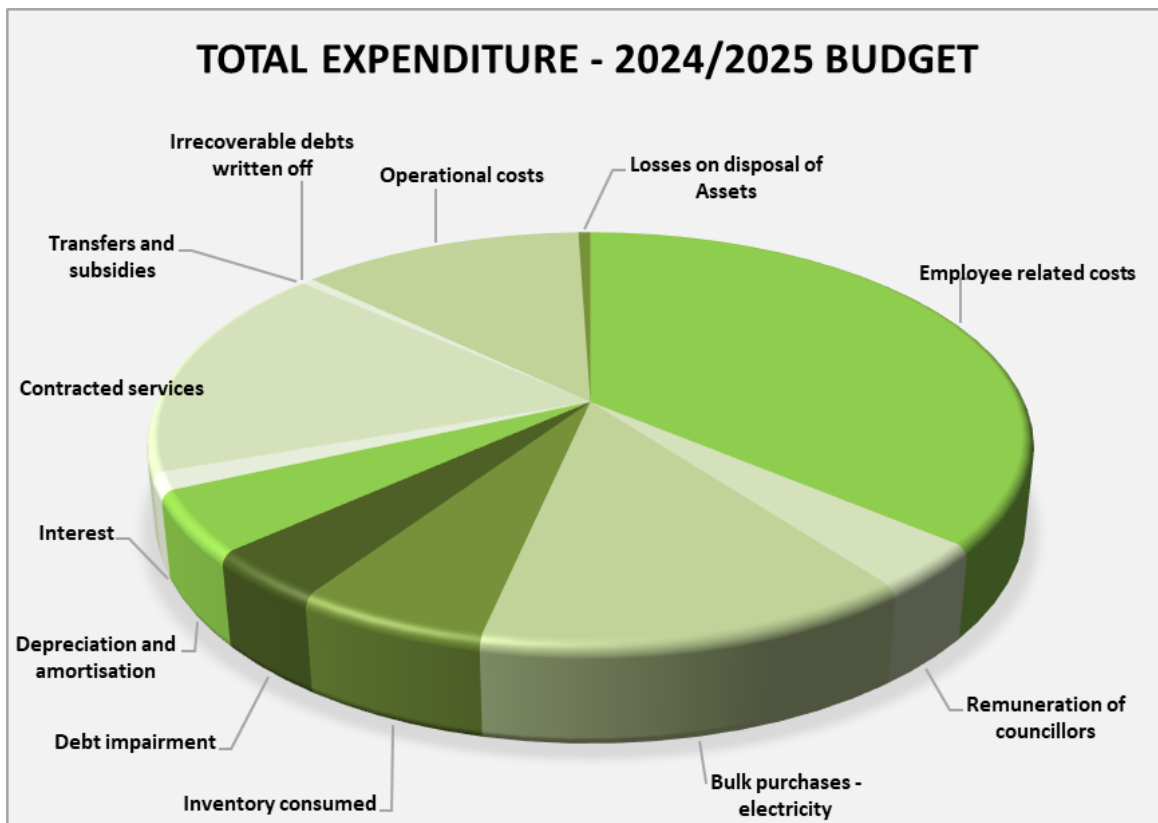
Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Although the municipality is not in control of the increase in the cost of bulk purchases, the municipality could still implement measures to reduce distribution losses as well as internal consumption. Electricity bulk purchases represents 13,37 per cent of expenditure for 2024/25 and this percentage increase over the MTREF to 13,88 per cent for 2026/27.

Inventory consumed consists out of consumables, fuel and oil as well as materials and supplies that is used in repairs and maintenance projects.

Contracted services consists of the delivery of primary services and the classification was largely influenced by the mSCOA chart of accounts. Approximately 26% of the Contracted Services for 2024/2025 relates to Repairs and Maintenance projects and a total of R53,71 million over the MTREF.

Operational Costs comprises of various line items relating to the daily operations of the municipality (including repairs and maintenance). This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

### Main operational expenditure categories for the 2024/25 financial year





### 1.5.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital program and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritized as a spending objective in the budget of municipalities.

Municipalities must ensure they prioritize asset management and take into consideration the following:

- 1) 40 per cent of its Capital Budget should be allocated to the renewal/upgrading of existing assets it.
- 2) Operational repairs and maintenance should not be less than 8 per cent of the asset value (write down value) of the municipality's Property Plant and Equipment (PPE)

### Repairs and maintenance per asset class

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Repairs and Maintenance by Asset Class</b>	10 278	13 978	11 619	20 992	20 883	27 477	22 331	29 458
<i>Roads Infrastructure</i>	2 100	3 710	4 593	7 704	5 194	7 726	5 907	7 564
<i>Storm water Infrastructure</i>	289	404	184	442	12	464	420	433
<i>Electrical Infrastructure</i>	600	821	548	1 007	1 147	2 552	2 378	4 035
<i>Solid Waste Infrastructure</i>	155	373	106	1 903	1 593	2 005	1 715	1 855
<b>Infrastructure</b>	<b>3 143</b>	<b>5 308</b>	<b>5 431</b>	<b>11 055</b>	<b>7 945</b>	<b>12 747</b>	<b>10 420</b>	<b>13 887</b>
Community Facilities	1 655	2 233	1 686	2 101	2 200	2 024	1 844	2 378
Sport and Recreation Facilities	188	375	166	330	330	446	412	581
<b>Community Assets</b>	<b>1 843</b>	<b>2 608</b>	<b>1 851</b>	<b>2 430</b>	<b>2 530</b>	<b>2 470</b>	<b>2 255</b>	<b>2 959</b>
Non-revenue Generating	-	-	-	218	218	438	397	409
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218</b>	<b>218</b>	<b>438</b>	<b>397</b>	<b>409</b>
Operational Buildings	617	1 268	613	1 974	1 841	2 385	2 322	3 019
<b>Other Assets</b>	<b>617</b>	<b>1 268</b>	<b>613</b>	<b>1 974</b>	<b>1 841</b>	<b>2 385</b>	<b>2 322</b>	<b>3 019</b>
Furniture and Office Equipment	372	356	458	615	780	924	714	1 006
Machinery and Equipment	2 015	1 905	1 135	2 106	2 021	2 363	2 213	2 031
Transport Assets	2 287	2 533	2 131	2 595	5 550	6 151	4 009	6 147
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>28 826</b>	<b>31 062</b>	<b>28 925</b>	<b>39 825</b>	<b>39 576</b>	<b>47 101</b>	<b>42 937</b>	<b>51 093</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	31.7%	50.8%	59.4%	64.3%	42.3%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	139.6%	361.5%	432.6%	358.0%	123.9%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>	2.1%	2.7%	2.2%	3.3%	3.2%	3.6%	2.6%	3.3%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>	2.1%	2.7%	2.2%	7.5%	13.6%	14.6%	11.2%	6.2%



Currently the municipality is not achieving the target of 8% for Repairs and Maintenance as a % of PPE & Investment Property. It should however be noted that the municipality is currently not allocating items such as employee related cost utilised in repairs and maintenance projects to the repairs and maintenance line items. This is mainly due to a lack of a costing system to provide for such allocations. It is anticipated that the full implementation of mSCOA will correct this deficiency.

### Repairs and maintenance per expenditure item

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b>Repairs and Maintenance by Expenditure Item</b>					
Employee related costs	-	-	-	-	-
Inventory Consumed (Project Maintenance)	6 182	6 016	8 336	6 899	9 096
Contracted Services	14 553	14 570	18 659	15 069	19 986
Operational Costs	257	297	482	364	375
<b>Total Repairs and Maintenance Expenditure</b>	<b>20 992</b>	<b>20 883</b>	<b>27 477</b>	<b>22 331</b>	<b>29 458</b>

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality self and largely by utilizing the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act.

Tariffs for indigent households are set out below:

- Rates free of charge to the value based on the market value of the property to the maximum of R60 000
- 50 kWh free electricity per month
- Free refuse x 4 removals per month

The cost associated with indigent subsidies amounts to R22,97 million in 2024/25 and increase to R24,12 million and R25,33 million in the 2 outer years respectively. These figures are disclosed under operating expenditure projects and include items such as Bulk purchases, Contracted services, Inventory consumed and Operational cost expenditure in table A4 of the budget schedules. This do not include the Property rates rebates, the 50 kWh electricity and the refuse removal provided to indigents. These amounts are disclosed in table A10 of the budget schedules.



### 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

#### 2024/25 Medium-term capital budget per vote

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>								
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be appropriated</b>								
Vote 3 - Corporate Services	1 565	218	-	-	-	800	-	-
Vote 5 - Road Transport	7 496	4 947	10 649	30 000	40 523	96 217	74 181	28 345
Vote 6 - Waste Water Management	-	-	771	7 200	2 230	2 444	25 152	-
Vote 9 - Community & Social Services	1 869	6 645	9 032	9 340	5 805	6 000	2 625	5 001
Vote 10 - Sport & Recreation	-	-	310	-	4 855	12 710	1 229	-
Vote 11 - Public Safety	-	-	197	1 080	1 080	408	369	-
Vote 12 - Electricity	2 041	-	-	-	-	1 839	2 870	4 331
Vote 13 - Waste Management	3 871	16 473	11 226	5 400	4 456	-	1 026	18 400
<b>Capital multi-year expenditure sub-total</b>	<b>16 842</b>	<b>28 284</b>	<b>32 185</b>	<b>53 020</b>	<b>58 949</b>	<b>120 418</b>	<b>107 453</b>	<b>56 077</b>
<b>Single-year expenditure to be appropriated</b>								
Vote 1 - Executive & Council	24	20	776	2 605	215	656	126	-
Vote 2 - Planning & Development	-	-	-	-	-	-	-	178
Vote 3 - Corporate Services	173	3 748	1 034	11 581	5 470	11 352	1 751	1 700
Vote 4 - Budget & Treasury	860	640	1 307	1 561	2 961	1 898	2 035	872
Vote 5 - Road Transport	236	494	-	380	46 720	850	195	2 201
Vote 9 - Community & Social Services	-	859	-	100	-	730	181	178
Vote 10 - Sport & Recreation	-	-	-	-	-	-	-	178
Vote 11 - Public Safety	-	-	-	400	-	600	181	711
Vote 12 - Electricity	606	1 201	130	1 865	1 265	5 533	2 651	1 175
Vote 13 - Waste Management	415	233	147	11 370	17 334	953	229	178
<b>Capital single-year expenditure sub-total</b>	<b>2 316</b>	<b>7 194</b>	<b>3 395</b>	<b>29 861</b>	<b>73 965</b>	<b>22 572</b>	<b>7 349</b>	<b>7 371</b>
<b>Total Capital Expenditure - Vote</b>	<b>19 158</b>	<b>35 477</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>

The following table provides more information on the breakdown of the capital budget.





### Asset Management

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Total Capital Expenditure</b>	19 158	35 477	35 579	82 881	132 913	142 990	114 802	63 448
<i>Roads Infrastructure</i>	7 732	3 267	8 558	20 665	57 262	81 877	74 181	30 345
<i>Storm water Infrastructure</i>	-	2 160	-	7 200	2 230	2 444	25 152	-
<i>Electrical Infrastructure</i>	2 254	1 173	130	1 800	1 200	7 304	5 459	5 443
<i>Solid Waste Infrastructure</i>	3 871	16 473	11 226	5 400	4 456	-	1 026	18 400
<b>Infrastructure</b>	<b>13 857</b>	<b>23 073</b>	<b>19 914</b>	<b>35 065</b>	<b>65 149</b>	<b>91 626</b>	<b>105 818</b>	<b>54 188</b>
Community Facilities	1 869	6 070	5 013	10 820	6 885	7 008	3 175	5 890
Sport and Recreation Facilities	-	-	310	-	4 855	12 710	1 229	178
<b>Community Assets</b>	<b>1 869</b>	<b>6 070</b>	<b>5 323</b>	<b>10 820</b>	<b>11 740</b>	<b>19 718</b>	<b>4 405</b>	<b>6 067</b>
Operational Buildings	1 565	1 652	7 540	10 450	20 176	15 774	-	-
Housing	-	-	-	-	-	2 400	-	-
<b>Other Assets</b>	<b>1 565</b>	<b>1 652</b>	<b>7 540</b>	<b>10 450</b>	<b>20 176</b>	<b>18 174</b>	<b>-</b>	<b>-</b>
Licences and Rights	103	-	262	2 070	280	714	646	190
<b>Intangible Assets</b>	<b>103</b>	<b>-</b>	<b>262</b>	<b>2 070</b>	<b>280</b>	<b>714</b>	<b>646</b>	<b>190</b>
Computer Equipment	772	316	1 454	1 300	2 520	910	1 141	782
Furniture and Office Equipment	183	290	292	466	556	1 691	728	634
Machinery and Equipment	38	4 076	147	16 311	27 494	7 903	666	419
Transport Assets	771	-	646	6 400	5 000	2 253	1 398	1 167
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>19 158</b>	<b>35 477</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>

With roads being one of the main economic drivers within the region, an amount of R81,88 million were budgeted for 2024/25 for road- and bridge projects and R186,40 million over the MTREF period. A total of R27,60 million over the MTREF is allocated to Storm water infrastructure projects and R18,21 million for electrical infrastructure projects.

A total of R19,43 million has been provided for Solid Waste Infrastructure projects over the MTREF.

The allocation to community assets amounts to R19,72 million for 2024/25 of which R1,10 million is allocated to cemeteries, R4,90 million towards community halls and facilities, R12,71 million towards Sports fields and R1,01 million towards other community facilities.

R15,75 million was allocated to municipal buildings for the 2024/25 financial year.



## 1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 budget and MTREF to be approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

### MBRR Table A1 - Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	12 830	15 497	17 331	17 048	17 048	17 901	18 617	19 361
Service charges	52 933	57 104	53 643	71 789	69 815	73 306	76 658	80 491
Investment revenue	16 040	17 806	32 209	23 819	33 167	31 509	32 769	34 080
Transfer and subsidies - Operational	199 215	179 409	188 852	200 984	201 863	214 655	207 044	201 395
Other own revenue	9 210	10 235	17 663	11 931	13 536	14 024	14 612	15 209
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>290 227</b>	<b>280 052</b>	<b>309 696</b>	<b>325 572</b>	<b>335 429</b>	<b>351 394</b>	<b>349 700</b>	<b>350 535</b>
Employee costs	99 860	112 976	124 616	130 324	139 519	146 669	153 418	160 459
Remuneration of councillors	12 663	12 761	12 976	17 055	13 939	14 776	15 441	16 136
Depreciation and amortisation	18 548	17 084	17 306	18 833	18 693	19 624	20 606	21 636
Interest	2 197	2 660	5 397	3 802	5 476	6 106	12 231	12 821
Inventory consumed and bulk purchases	49 487	54 788	55 638	80 357	83 072	80 722	82 220	88 383
Transfers and subsidies	-	42	42	36	46	49	44	45
Other expenditure	58 164	67 899	80 057	112 289	119 245	146 178	135 018	140 319
<b>Total Expenditure</b>	<b>240 918</b>	<b>268 210</b>	<b>296 032</b>	<b>362 697</b>	<b>379 990</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>
<b>Surplus/(Deficit)</b>	<b>49 309</b>	<b>11 842</b>	<b>13 664</b>	<b>(37 125)</b>	<b>(44 561)</b>	<b>(62 730)</b>	<b>(69 278)</b>	<b>(89 265)</b>
Transfers and subsidies - capital (monetary allocations)	14 803	24 572	34 366	37 575	44 349	55 783	41 588	46 249
<b>Surplus/(Deficit) for the year</b>	<b>64 111</b>	<b>36 414</b>	<b>48 030</b>	<b>450</b>	<b>(212)</b>	<b>(6 946)</b>	<b>(27 690)</b>	<b>(43 015)</b>
<b>Capital expenditure &amp; funds sources</b>								
Capital expenditure	19 158	35 986	35 579	82 881	132 913	142 990	114 802	63 448
Transfers recognised - capital	13 583	24 572	29 883	37 575	44 349	55 783	41 588	46 249
Borrowing	-	-	-	-	-	-	55 000	-
Internally generated funds	5 575	11 414	5 696	45 307	88 565	87 207	18 213	17 198
<b>Total sources of capital funds</b>	<b>19 158</b>	<b>35 986</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>
<b>Financial position</b>								
Total current assets	469 702	484 445	526 781	369 890	419 270	286 844	228 388	154 060
Total non current assets	485 527	513 251	537 674	632 664	649 894	771 159	863 151	902 647
Total current liabilities	63 916	58 642	68 893	53 028	63 930	54 003	54 906	56 578
Total non current liabilities	32 579	35 621	50 641	42 950	55 575	61 288	121 610	128 122
Community wealth/Equity	858 734	903 434	944 920	906 574	949 659	942 712	915 023	872 008



Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>								
<b>Cash flows</b>								
Net cash from (used) operating	110 487	52 284	76 251	20 877	26 181	10 584	1 816	(10 490)
Net cash from (used) investing	(19 158)	(35 986)	(35 579)	(82 881)	(132 813)	(142 990)	(114 802)	(63 448)
Net cash from (used) financing	(769)	(833)	(852)	(802)	(810)	(842)	53 602	(1 471)
<b>Cash/cash equivalents at the year end</b>	<b>442 039</b>	<b>457 504</b>	<b>497 323</b>	<b>333 979</b>	<b>390 389</b>	<b>257 141</b>	<b>197 757</b>	<b>122 349</b>
<b>Cash backing/surplus reconciliation</b>								
Cash and investments available	442 039	457 504	497 323	333 979	390 389	257 141	197 757	122 349
Application of cash and investments	282 752	294 350	321 423	326 477	367 810	250 830	193 405	118 968
<b>Balance - surplus (shortfall)</b>	<b>159 287</b>	<b>163 154</b>	<b>175 900</b>	<b>7 501</b>	<b>22 580</b>	<b>6 312</b>	<b>4 353</b>	<b>3 381</b>
<b>Asset management</b>								
Asset register summary (WDV)	483 940	511 428	536 120	632 664	649 894	771 159	863 151	902 647
Depreciation	18 548	17 084	17 306	18 833	18 693	19 624	20 606	21 636
Renewal and Upgrading of Existing Assets	-	-	-	26 300	67 573	84 892	73 774	26 807
Repairs and Maintenance	10 278	13 978	11 619	20 992	20 883	27 477	22 331	29 458
<b>Free services</b>								
Cost of Free Basic Services provided	3 179	3 024	3 534	5 102	5 088	5 342	5 605	5 885
Revenue cost of free services provided	3 978	5 352	7 702	5 863	5 863	6 156	6 403	6 659
<b>Households below minimum service level</b>								
Energy:	9	-	-	8	8	9	9	10
Refuse:	44	-	-	50	50	53	56	59

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality’s budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality’s commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The accumulated surplus is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality’s cash flow remains positive indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows a sharp decline over the MTREF. This will in turn result in a sharp decline in the CRR.



**MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Functional Classification Description R thousand	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>								
<b>Governance and administration</b>	222 196	202 094	232 997	161 188	170 427	175 931	177 205	175 477
Executive and council	48	11	264	7 167	7 167	7 550	7 490	7 231
Finance and administration	222 148	202 083	232 733	154 021	163 260	168 381	169 715	168 246
<b>Community and public safety</b>	4 769	4 870	4 688	5 278	5 295	5 481	5 658	5 826
Community and social services	1 566	1 576	1 567	1 664	1 681	1 690	1 698	1 708
Sport and recreation	2	2	1	2	2	2	2	2
Public safety	3 201	3 291	3 120	3 613	3 613	3 789	3 957	4 116
<b>Economic and environmental services</b>	20 302	32 771	42 417	48 336	56 105	68 088	46 977	50 856
Planning and development	4 000	5 631	6 386	9 556	9 157	11 209	8 246	8 924
Road transport	16 302	27 140	36 031	38 780	46 947	56 879	38 731	41 931
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	57 761	60 379	63 391	148 014	147 906	157 631	161 398	164 573
Energy sources	46 505	49 580	50 113	98 671	96 697	103 756	107 506	111 212
Waste management	11 256	10 799	13 277	49 343	51 209	53 875	53 892	53 362
<b>Other</b>	2	4 509	569	331	45	48	50	52
<b>Total Revenue - Functional</b>	<b>305 030</b>	<b>304 623</b>	<b>344 062</b>	<b>363 147</b>	<b>379 778</b>	<b>407 178</b>	<b>391 288</b>	<b>396 785</b>
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>	83 673	97 702	112 718	136 517	145 056	161 981	157 858	165 465
Executive and council	23 719	25 146	31 003	35 985	38 133	37 737	38 588	40 307
Finance and administration	57 579	69 906	78 474	97 009	103 142	118 914	113 971	120 344
Internal audit	2 375	2 651	3 241	3 523	3 781	5 330	5 299	4 814
<b>Community and public safety</b>	17 950	26 064	26 891	28 870	30 561	32 026	32 953	35 315
Community and social services	11 390	17 463	18 595	18 977	20 038	20 862	21 338	23 012
Sport and recreation	1 346	1 658	1 462	1 652	2 760	2 998	3 082	3 375
Public safety	5 214	6 944	6 833	8 242	7 763	8 166	8 533	8 928
<b>Economic and environmental services</b>	40 412	39 187	43 432	57 952	61 067	71 407	76 271	78 353
Planning and development	17 145	16 551	19 006	25 727	26 959	33 993	33 344	31 008
Road transport	23 250	22 595	24 373	32 040	34 053	36 956	42 550	47 282
Environmental protection	17	40	53	185	55	458	377	63
<b>Trading services</b>	97 855	99 637	110 984	137 710	141 134	144 738	148 664	158 139
Energy sources	61 685	62 644	66 636	88 735	85 684	90 811	94 477	100 997
Waste water management	4 166	5 549	7 354	8 319	5 377	6 249	6 696	7 035
Waste management	32 003	31 444	36 995	40 656	50 073	47 678	47 491	50 107
<b>Other</b>	1 029	5 620	2 007	1 648	2 172	3 973	3 231	2 528
<b>Total Expenditure - Functional</b>	<b>240 918</b>	<b>268 210</b>	<b>296 032</b>	<b>362 697</b>	<b>379 990</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>
<b>Surplus/(Deficit) for the year</b>	<b>64 111</b>	<b>36 414</b>	<b>48 030</b>	<b>450</b>	<b>(212)</b>	<b>(6 946)</b>	<b>(27 690)</b>	<b>(43 015)</b>



**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
3. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.



**MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>								
Vote 1 - Executive & Council	48	11	264	7 167	7 167	7 550	7 490	7 231
Vote 2 - Planning & Development	3 992	10 121	6 953	9 874	9 185	11 238	8 277	8 957
Vote 3 - Corporate Services	1 375	2 469	2 663	1 874	1 764	1 851	1 934	2 019
Vote 4 - Budget & Treasury	220 781	199 618	230 071	152 158	161 508	166 542	167 795	166 241
Vote 5 - Road Transport	19 456	30 389	39 091	42 309	50 401	60 505	42 519	45 870
Vote 9 - Community & Social Services	1 568	1 592	1 569	1 665	1 686	1 695	1 704	1 714
Vote 10 - Sport & Recreation	2	2	1	2	2	2	2	2
Vote 11 - Public Safety	47	43	59	83	158	163	170	178
Vote 12 - Electricity	46 505	49 580	50 113	98 671	96 697	103 756	107 506	111 212
Vote 13 - Waste Management	11 256	10 799	13 277	49 343	51 209	53 875	53 892	53 362
<b>Total Revenue by Vote</b>	<b>305 030</b>	<b>304 623</b>	<b>344 062</b>	<b>363 147</b>	<b>379 778</b>	<b>407 178</b>	<b>391 288</b>	<b>396 785</b>
<b>Expenditure by Vote to be appropriated</b>								
Vote 1 - Executive & Council	28 262	31 114	38 185	44 365	46 999	44 428	45 310	46 609
Vote 2 - Planning & Development	17 719	21 685	20 495	26 599	27 897	36 340	35 176	32 339
Vote 3 - Corporate Services	22 770	27 760	33 510	45 278	48 622	64 012	59 780	63 750
Vote 4 - Budget & Treasury	32 647	38 852	41 045	46 911	49 458	53 564	52 793	55 133
Vote 5 - Road Transport	28 418	29 280	30 999	39 202	39 926	43 157	49 040	54 075
Vote 6 - Waste Water Management	4 166	5 549	7 354	8 319	5 377	6 249	6 696	7 035
Vote 9 - Community & Social Services	11 856	17 966	19 144	19 901	21 304	22 922	23 089	24 247
Vote 10 - Sport & Recreation	1 346	1 658	1 462	1 652	2 760	2 998	3 082	3 375
Vote 11 - Public Safety	45	259	207	1 080	1 890	1 964	2 043	2 134
Vote 12 - Electricity	61 685	62 644	66 636	88 735	85 684	90 811	94 477	100 997
Vote 13 - Waste Management	32 003	31 444	36 995	40 656	50 073	47 678	47 491	50 107
<b>Total Expenditure by Vote</b>	<b>240 918</b>	<b>268 210</b>	<b>296 032</b>	<b>362 697</b>	<b>379 990</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>
<b>Surplus/(Deficit) for the year</b>	<b>64 111</b>	<b>36 414</b>	<b>48 030</b>	<b>450</b>	<b>(212)</b>	<b>(6 946)</b>	<b>(27 690)</b>	<b>(43 015)</b>

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.



**MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>								
<b>Exchange Revenue</b>								
Service charges - Electricity	44 115	48 684	44 526	61 638	59 664	62 647	65 466	68 740
Service charges - Waste Management	8 818	8 420	9 117	10 151	10 151	10 658	11 191	11 751
Sale of Goods and Rendering of Services	256	162	110	128	277	291	305	320
Agency services	1 481	1 200	1 204	1 540	1 465	1 538	1 615	1 680
Interest earned from Receivables	3 011	3 075	4 752	4 419	5 442	5 659	5 886	6 121
Interest earned from Current and Non Current Assets	16 040	17 806	32 209	23 819	33 167	31 509	32 769	34 080
Rent on Land	511	-	0	3	3	3	3	3
Rental from Fixed Assets	49	1 482	1 475	1 778	1 668	1 751	1 830	1 912
Licence and permits	1 392	1 256	1 301	1 433	1 437	1 508	1 569	1 632
Operational Revenue	649	551	549	767	767	805	837	871
<b>Non-Exchange Revenue</b>								
Property rates	12 830	15 497	17 331	17 048	17 048	17 901	18 617	19 361
Fines, penalties and forfeits	112	476	915	74	589	589	613	637
Transfer and subsidies - Operational	199 215	179 409	188 852	200 984	201 863	214 655	207 044	201 395
Interest	820	1 201	1 720	1 791	1 791	1 880	1 955	2 034
Gains on disposal of Assets	12	-	-	-	100	-	-	-
Other Gains	917	832	5 635	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>290 227</b>	<b>280 052</b>	<b>309 696</b>	<b>325 572</b>	<b>335 429</b>	<b>351 394</b>	<b>349 700</b>	<b>350 535</b>
<b>Expenditure</b>								
Employee related costs	99 860	112 976	124 616	130 324	139 519	146 669	153 418	160 459
Remuneration of councillors	12 663	12 761	12 976	17 055	13 939	14 776	15 441	16 136
Bulk purchases - electricity	39 533	44 034	45 499	61 537	61 537	55 383	58 153	61 060
Inventory consumed	9 953	10 754	10 139	18 820	21 535	25 339	24 067	27 323
Debt impairment	11 951	12 679	16 641	14 562	17 222	15 983	16 782	17 621
Depreciation and amortisation	18 548	17 084	17 306	18 833	18 693	19 624	20 606	21 636
Interest	2 197	2 660	5 397	3 802	5 476	6 106	12 231	12 821
Contracted services	21 606	30 847	31 251	59 044	58 993	72 726	64 682	67 927
Transfers and subsidies	-	42	42	36	46	49	44	45
Irrecoverable debts written off	-	-	-	-	-	2 100	2 205	2 315
Operational costs	19 666	23 637	31 329	36 682	41 030	53 270	49 145	50 141
Losses on disposal of Assets	3 042	389	833	2 000	2 000	2 100	2 205	2 315
Other Losses	1 899	348	3	-	-	-	-	-
<b>Total Expenditure</b>	<b>240 918</b>	<b>268 210</b>	<b>296 032</b>	<b>362 697</b>	<b>379 990</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>
<b>Surplus/(Deficit)</b>	<b>49 309</b>	<b>11 842</b>	<b>13 664</b>	<b>(37 125)</b>	<b>(44 561)</b>	<b>(62 730)</b>	<b>(69 278)</b>	<b>(89 265)</b>
Transfers and subsidies - capital (monetary allocations)	14 803	24 572	34 366	37 575	44 349	55 783	41 588	46 249
<b>Surplus/(Deficit) for the year</b>	<b>64 111</b>	<b>36 414</b>	<b>48 030</b>	<b>450</b>	<b>(212)</b>	<b>(6 946)</b>	<b>(27 690)</b>	<b>(43 015)</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures in the annual financial statements of the municipality.



**MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>								
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be appropriated</b>								
Vote 3 - Corporate Services	1 565	218	-	-	-	800	-	-
Vote 5 - Road Transport	7 496	4 947	10 649	30 000	40 523	96 217	74 181	28 345
Vote 6 - Waste Water Management	-	-	771	7 200	2 230	2 444	25 152	-
Vote 9 - Community & Social Services	1 869	6 645	9 032	9 340	5 805	6 000	2 625	5 001
Vote 10 - Sport & Recreation	-	-	310	-	4 855	12 710	1 229	-
Vote 11 - Public Safety	-	-	197	1 080	1 080	408	369	-
Vote 12 - Electricity	2 041	-	-	-	-	1 839	2 870	4 331
Vote 13 - Waste Management	3 871	16 473	11 226	5 400	4 456	-	1 026	18 400
<b>Capital multi-year expenditure sub-total</b>	<b>16 842</b>	<b>28 284</b>	<b>32 185</b>	<b>53 020</b>	<b>58 949</b>	<b>120 418</b>	<b>107 453</b>	<b>56 077</b>
<b>Single-year expenditure to be appropriated</b>								
Vote 1 - Executive & Council	24	20	776	2 605	215	656	126	-
Vote 2 - Planning & Development	-	-	-	-	-	-	-	178
Vote 3 - Corporate Services	173	3 748	1 034	11 581	5 470	11 352	1 751	1 700
Vote 4 - Budget & Treasury	860	640	1 307	1 561	2 961	1 898	2 035	872
Vote 5 - Road Transport	236	494	-	380	46 720	850	195	2 201
Vote 9 - Community & Social Services	-	859	-	100	-	730	181	178
Vote 10 - Sport & Recreation	-	-	-	-	-	-	-	178
Vote 11 - Public Safety	-	-	-	400	-	600	181	711
Vote 12 - Electricity	606	1 201	130	1 865	1 265	5 533	2 651	1 175
Vote 13 - Waste Management	415	233	147	11 370	17 334	953	229	178
<b>Capital single-year expenditure sub-total</b>	<b>2 316</b>	<b>7 194</b>	<b>3 395</b>	<b>29 861</b>	<b>73 965</b>	<b>22 572</b>	<b>7 349</b>	<b>7 371</b>
<b>Total Capital Expenditure - Vote</b>	<b>19 158</b>	<b>35 477</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>
<b>Capital Expenditure - Functional</b>								
<b>Governance and administration</b>	<b>2 622</b>	<b>4 625</b>	<b>3 117</b>	<b>15 746</b>	<b>8 646</b>	<b>14 706</b>	<b>3 913</b>	<b>2 572</b>
Executive and council	24	20	776	535	215	656	126	-
Finance and administration	2 598	4 605	2 341	13 861	8 431	14 050	3 786	2 572
Internal audit	-	-	-	1 350	-	-	-	-
<b>Community and public safety</b>	<b>1 869</b>	<b>7 504</b>	<b>9 539</b>	<b>20 470</b>	<b>31 515</b>	<b>34 892</b>	<b>4 586</b>	<b>6 067</b>
Community and social services	1 869	7 504	9 032	9 340	5 805	6 200	2 806	5 178
Sport and recreation	-	-	310	-	4 855	12 710	1 229	178
Public safety	-	-	197	11 130	20 856	15 982	550	711
<b>Economic and environmental services</b>	<b>7 732</b>	<b>5 950</b>	<b>10 649</b>	<b>20 730</b>	<b>67 467</b>	<b>82 093</b>	<b>74 376</b>	<b>30 546</b>
Road transport	7 732	5 950	10 649	20 730	67 467	82 093	74 376	30 546
<b>Trading services</b>	<b>6 933</b>	<b>17 907</b>	<b>12 275</b>	<b>25 835</b>	<b>25 285</b>	<b>10 769</b>	<b>31 927</b>	<b>24 084</b>
Energy sources	2 647	1 201	130	1 865	1 265	7 372	5 520	5 506
Waste water management	-	-	771	7 200	2 230	2 444	25 152	-
Waste management	4 286	16 706	11 373	16 770	21 789	953	1 255	18 578
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>530</b>	<b>-</b>	<b>178</b>
<b>Total Capital Expenditure - Functional</b>	<b>19 158</b>	<b>35 986</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>
<b>Funded by:</b>								
National Government	13 583	24 572	29 883	37 575	35 062	47 100	41 588	46 249
Provincial Government	-	-	-	-	9 287	8 684	-	-
<b>Transfers recognised - capital</b>	<b>13 583</b>	<b>24 572</b>	<b>29 883</b>	<b>37 575</b>	<b>44 349</b>	<b>55 783</b>	<b>41 588</b>	<b>46 249</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55 000</b>	<b>-</b>
<b>Internally generated funds</b>	<b>5 575</b>	<b>11 414</b>	<b>5 696</b>	<b>45 307</b>	<b>88 565</b>	<b>87 207</b>	<b>18 213</b>	<b>17 198</b>
<b>Total Capital Funding</b>	<b>19 158</b>	<b>35 986</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>



**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from National, Provincial and Other grants and transfers and internally generated funds from current and prior year surpluses.



**MBRR Table A6 - Budgeted Financial Position**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>								
<b>ASSETS</b>								
<b>Current assets</b>								
Cash and cash equivalents	442 039	458 013	497 832	333 979	390 389	257 141	197 757	122 349
Trade and other receivables from exchange transactions	15 508	16 650	13 955	27 625	13 979	17 230	20 568	24 062
Receivables from non-exchange transactions	7 023	4 033	7 581	4 177	7 488	5 740	3 942	2 081
Inventory	1 177	751	608	551	608	608	608	608
VAT	3 946	4 999	6 805	3 558	6 805	6 125	5 512	4 961
Other current assets	9	-	0	-	-	-	-	-
<b>Total current assets</b>	<b>469 702</b>	<b>484 445</b>	<b>526 781</b>	<b>369 890</b>	<b>419 270</b>	<b>286 844</b>	<b>228 388</b>	<b>154 060</b>
<b>Non current assets</b>								
Investment property	45 488	46 309	47 272	46 309	47 272	47 272	47 272	47 272
Property, plant and equipment	438 266	464 991	488 518	584 283	602 097	722 738	814 177	853 581
Intangible assets	186	128	330	2 072	525	1 149	1 702	1 794
Other non-current assets	1 586	1 823	1 554	-	-	-	-	-
<b>Total non current assets</b>	<b>485 527</b>	<b>513 251</b>	<b>537 674</b>	<b>632 664</b>	<b>649 894</b>	<b>771 159</b>	<b>863 151</b>	<b>902 647</b>
<b>TOTAL ASSETS</b>	<b>955 229</b>	<b>997 697</b>	<b>1 064 454</b>	<b>1 002 553</b>	<b>1 069 163</b>	<b>1 058 004</b>	<b>1 091 538</b>	<b>1 056 707</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Financial liabilities	887	904	923	943	943	964	1 581	1 666
Consumer deposits	1 766	1 821	1 885	2 136	1 998	2 098	2 203	2 313
Trade and other payables from exchange transactions	9 927	10 295	12 010	16 655	15 571	16 297	15 211	15 324
Trade and other payables from non-exchange transaction	35 013	23 655	27 075	12 769	23 776	11 785	11 785	11 785
Provision	16 323	21 967	27 001	20 526	21 642	22 859	24 125	25 490
<b>Total current liabilities</b>	<b>63 916</b>	<b>58 642</b>	<b>68 893</b>	<b>53 028</b>	<b>63 930</b>	<b>54 003</b>	<b>54 906</b>	<b>56 578</b>
<b>Non current liabilities</b>								
Financial liabilities	7 748	6 844	5 920	4 978	4 978	4 014	56 894	55 228
Provision	24 831	28 777	27 489	37 973	29 832	32 319	34 950	37 680
Other non-current liabilities	-	-	17 231	-	20 764	24 955	29 765	35 214
<b>Total non current liabilities</b>	<b>32 579</b>	<b>35 621</b>	<b>50 641</b>	<b>42 950</b>	<b>55 575</b>	<b>61 288</b>	<b>121 610</b>	<b>128 122</b>
<b>TOTAL LIABILITIES</b>	<b>96 495</b>	<b>94 262</b>	<b>119 534</b>	<b>95 979</b>	<b>119 504</b>	<b>115 291</b>	<b>176 516</b>	<b>184 699</b>
<b>NET ASSETS</b>	<b>858 734</b>	<b>903 434</b>	<b>944 920</b>	<b>906 574</b>	<b>949 659</b>	<b>942 712</b>	<b>915 023</b>	<b>872 008</b>
<b>COMMUNITY WEALTH/EQUITY</b>								
Accumulated surplus/(deficit)	781 410	817 823	579 266	505 135	520 197	621 049	645 591	672 876
Reserves and funds	77 324	85 611	365 654	401 439	429 462	321 663	269 432	199 132
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>858 734</b>	<b>903 434</b>	<b>944 920</b>	<b>906 574</b>	<b>949 659</b>	<b>942 712</b>	<b>915 023</b>	<b>872 008</b>



### **Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Trade and other receivables from exchange transactions;
  - Receivables from non-exchange transactions;
  - Inventory;
  - Property, plant and equipment;
  - Financial liabilities;
  - Trade and other payables from exchange transactions;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



**MBRR Table A7 - Budgeted Cash Flow Statement**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates	10 150	12 446	13 342	13 029	15 785	14 030	14 593	15 179
Service charges	48 196	49 493	48 290	54 863	61 456	57 456	60 088	63 103
Other revenue	10 390	12 570	5 606	5 302	5 905	6 106	6 376	6 641
Transfers and Subsidies - Operational	201 714	171 501	184 102	199 394	200 396	211 348	207 044	201 395
Transfers and Subsidies - Capital	31 846	36 541	41 916	37 575	47 467	47 100	41 588	46 249
Interest	16 040	17 806	32 980	30 029	33 167	39 048	40 610	42 235
<b>Payments</b>								
Suppliers and employees	(207 254)	(247 484)	(249 334)	(315 476)	(332 474)	(358 348)	(356 208)	(372 424)
Interest	(595)	(545)	(610)	(3 802)	(5 476)	(6 106)	(12 231)	(12 821)
Transfers and Subsidies	-	(42)	(42)	(36)	(46)	(49)	(44)	(45)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>110 487</b>	<b>52 284</b>	<b>76 251</b>	<b>20 877</b>	<b>26 181</b>	<b>10 584</b>	<b>1 816</b>	<b>(10 490)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	-	100	-	-	-
<b>Payments</b>								
Capital assets	(19 158)	(35 986)	(35 579)	(82 881)	(132 913)	(142 990)	(114 802)	(63 448)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(19 158)</b>	<b>(35 986)</b>	<b>(35 579)</b>	<b>(82 881)</b>	<b>(132 813)</b>	<b>(142 990)</b>	<b>(114 802)</b>	<b>(63 448)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Borrowing long term/refinancing	-	-	-	-	-	-	55 000	-
Increase (decrease) in consumer deposits	101	54	64	121	113	100	105	110
<b>Payments</b>								
Repayment of borrowing	(871)	(887)	(917)	(923)	(923)	(942)	(1 503)	(1 581)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(769)</b>	<b>(833)</b>	<b>(852)</b>	<b>(802)</b>	<b>(810)</b>	<b>(842)</b>	<b>53 602</b>	<b>(1 471)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>90 560</b>	<b>15 465</b>	<b>39 819</b>	<b>(62 807)</b>	<b>(107 442)</b>	<b>(133 248)</b>	<b>(59 384)</b>	<b>(75 409)</b>
Cash/cash equivalents at the year begin:	351 479	442 039	457 504	396 785	497 832	390 389	257 141	197 757
Cash/cash equivalents at the year end:	442 039	457 504	497 323	333 979	390 389	257 141	197 757	122 349

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The investment in capital infrastructure, which is much higher than the cash generated by operations, is the main reason for the annual decline in cash resources.



**MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	442 039	457 504	497 323	333 979	390 389	257 141	197 757	122 349
<b>Cash and investments available:</b>	<b>442 039</b>	<b>457 504</b>	<b>497 323</b>	<b>333 979</b>	<b>390 389</b>	<b>257 141</b>	<b>197 757</b>	<b>122 349</b>
<b>Application of cash and investments</b>								
Unspent conditional transfers	35 013	23 655	27 075	12 769	23 776	11 785	11 785	11 785
Other working capital requirements	(12 308)	(9 916)	(7 284)	(9 029)	(7 843)	(2 281)	(4 614)	(5 821)
Other provisions	16 323	21 967	27 001	20 526	21 642	22 859	24 125	25 490
Reserves to be backed by cash/investments	243 725	258 644	274 632	302 212	330 235	218 467	162 108	87 514
<b>Total Application of cash and investments:</b>	<b>282 752</b>	<b>294 350</b>	<b>321 423</b>	<b>326 477</b>	<b>367 810</b>	<b>250 830</b>	<b>193 405</b>	<b>118 968</b>
<b>Surplus(shortfall)</b>	<b>159 287</b>	<b>163 154</b>	<b>175 900</b>	<b>7 501</b>	<b>22 580</b>	<b>6 312</b>	<b>4 353</b>	<b>3 381</b>

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”. The municipality’s budget is cash-funded and thus in compliance with the requirements of the MFMA.
4. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.



**MBRR Table A9 - Asset Management**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>								
<b>CAPITAL EXPENDITURE</b>								
<b><u>Total New Assets</u></b>	<b>19 158</b>	<b>35 477</b>	<b>35 579</b>	<b>56 581</b>	<b>65 340</b>	<b>58 098</b>	<b>41 028</b>	<b>36 641</b>
<i>Roads Infrastructure</i>	7 732	3 267	8 558	315	-	785	588	4 427
<i>Storm water Infrastructure</i>	-	2 160	-	7 200	2 230	2 444	25 152	-
<i>Electrical Infrastructure</i>	2 254	1 173	130	1 800	1 200	7 304	5 459	5 443
<i>Solid Waste Infrastructure</i>	3 871	16 473	11 226	2 700	350	-	1 026	18 400
<b>Infrastructure</b>	<b>13 857</b>	<b>23 073</b>	<b>19 914</b>	<b>12 015</b>	<b>3 780</b>	<b>10 534</b>	<b>32 225</b>	<b>28 270</b>
Community Facilities	1 869	6 070	5 013	8 370	1 080	6 408	2 994	5 178
Sport and Recreation Facilities	-	-	310	-	4 855	12 710	1 229	-
<b>Community Assets</b>	<b>1 869</b>	<b>6 070</b>	<b>5 323</b>	<b>8 370</b>	<b>5 935</b>	<b>19 118</b>	<b>4 224</b>	<b>5 178</b>
Operational Buildings	1 565	1 652	7 540	9 650	19 776	14 974	-	-
<b>Other Assets</b>	<b>1 565</b>	<b>1 652</b>	<b>7 540</b>	<b>9 650</b>	<b>19 776</b>	<b>14 974</b>	<b>-</b>	<b>-</b>
Licences and Rights	103	-	262	2 070	280	714	646	190
<b>Intangible Assets</b>	<b>103</b>	<b>-</b>	<b>262</b>	<b>2 070</b>	<b>280</b>	<b>714</b>	<b>646</b>	<b>190</b>
Computer Equipment	772	316	1 454	1 300	2 520	910	1 141	782
Furniture and Office Equipment	183	290	292	466	556	1 691	728	634
Machinery and Equipment	38	4 076	147	16 311	27 494	7 903	666	419
Transport Assets	771	-	646	6 400	5 000	2 253	1 398	1 167
<b><u>Total Renewal of Existing Assets</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 050</b>	<b>46 042</b>	<b>71 084</b>	<b>54 000</b>	<b>-</b>
<i>Roads Infrastructure</i>	-	-	-	-	40 237	68 684	54 000	-
<b>Infrastructure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40 237</b>	<b>68 684</b>	<b>54 000</b>	<b>-</b>
Community Facilities	-	-	-	2 050	5 805	-	-	-
<b>Community Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 050</b>	<b>5 805</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing	-	-	-	-	-	2 400	-	-
<b>Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 400</b>	<b>-</b>	<b>-</b>
<b><u>Total Upgrading of Existing Assets</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 250</b>	<b>21 531</b>	<b>13 809</b>	<b>19 774</b>	<b>26 807</b>
<i>Roads Infrastructure</i>	-	-	-	20 350	17 025	12 409	19 592	25 918
<i>Solid Waste Infrastructure</i>	-	-	-	2 700	4 106	-	-	-
<b>Infrastructure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 050</b>	<b>21 131</b>	<b>12 409</b>	<b>19 592</b>	<b>25 918</b>
Community Facilities	-	-	-	400	-	600	181	711
Sport and Recreation Facilities	-	-	-	-	-	-	-	178
<b>Community Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>600</b>	<b>181</b>	<b>889</b>
Operational Buildings	-	-	-	800	400	800	-	-
<b>Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>400</b>	<b>800</b>	<b>-</b>	<b>-</b>
<b><u>Total Capital Expenditure</u></b>	<b>19 158</b>	<b>35 477</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>
<i>Roads Infrastructure</i>	7 732	3 267	8 558	20 665	57 262	81 877	74 181	30 345
<i>Storm water Infrastructure</i>	-	2 160	-	7 200	2 230	2 444	25 152	-
<i>Electrical Infrastructure</i>	2 254	1 173	130	1 800	1 200	7 304	5 459	5 443
<i>Solid Waste Infrastructure</i>	3 871	16 473	11 226	5 400	4 456	-	1 026	18 400
<b>Infrastructure</b>	<b>13 857</b>	<b>23 073</b>	<b>19 914</b>	<b>35 065</b>	<b>65 149</b>	<b>91 626</b>	<b>105 818</b>	<b>54 188</b>
Community Facilities	1 869	6 070	5 013	10 820	6 885	7 008	3 175	5 890
Sport and Recreation Facilities	-	-	310	-	4 855	12 710	1 229	178
<b>Community Assets</b>	<b>1 869</b>	<b>6 070</b>	<b>5 323</b>	<b>10 820</b>	<b>11 740</b>	<b>19 718</b>	<b>4 405</b>	<b>6 067</b>
Operational Buildings	1 565	1 652	7 540	10 450	20 176	15 774	-	-
Housing	-	-	-	-	-	2 400	-	-
<b>Other Assets</b>	<b>1 565</b>	<b>1 652</b>	<b>7 540</b>	<b>10 450</b>	<b>20 176</b>	<b>18 174</b>	<b>-</b>	<b>-</b>
Licences and Rights	103	-	262	2 070	280	714	646	190
<b>Intangible Assets</b>	<b>103</b>	<b>-</b>	<b>262</b>	<b>2 070</b>	<b>280</b>	<b>714</b>	<b>646</b>	<b>190</b>
Computer Equipment	772	316	1 454	1 300	2 520	910	1 141	782
Furniture and Office Equipment	183	290	292	466	556	1 691	728	634
Machinery and Equipment	38	4 076	147	16 311	27 494	7 903	666	419
Transport Assets	771	-	646	6 400	5 000	2 253	1 398	1 167
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>19 158</b>	<b>35 477</b>	<b>35 579</b>	<b>82 881</b>	<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>



Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	483 940	511 428	536 120	632 664	649 894	771 159	863 151	902 647
<i>Roads Infrastructure</i>	119 935	116 123	117 774	136 036	166 800	240 030	305 130	325 941
<i>Storm water Infrastructure</i>	48 892	49 795	48 599	56 917	49 074	50 199	73 967	72 513
<i>Electrical Infrastructure</i>	25 249	25 033	23 752	26 154	22 991	27 712	30 458	33 052
<i>Solid Waste Infrastructure</i>	34 274	50 076	60 231	70 947	64 730	63 144	62 505	79 156
<b>Infrastructure</b>	<b>228 351</b>	<b>241 027</b>	<b>250 356</b>	<b>290 054</b>	<b>303 595</b>	<b>381 085</b>	<b>472 060</b>	<b>510 662</b>
<b>Community Assets</b>	52 869	56 659	59 698	80 493	68 963	86 082	87 757	90 959
<b>Investment properties</b>	<b>45 488</b>	<b>46 309</b>	<b>47 272</b>	<b>46 309</b>	<b>47 272</b>	<b>47 272</b>	<b>47 272</b>	<b>47 272</b>
<b>Other Assets</b>	104 505	113 247	124 987	128 810	144 104	161 167	160 000	158 775
<b>Intangible Assets</b>	186	128	330	2 072	525	1 149	1 702	1 794
<b>Computer Equipment</b>	<b>1 906</b>	<b>1 517</b>	<b>2 263</b>	<b>2 689</b>	<b>4 065</b>	<b>4 224</b>	<b>4 576</b>	<b>4 529</b>
<b>Furniture and Office Equipment</b>	<b>1 142</b>	<b>1 064</b>	<b>997</b>	<b>1 597</b>	<b>1 153</b>	<b>2 425</b>	<b>2 714</b>	<b>2 886</b>
<b>Machinery and Equipment</b>	<b>13 638</b>	<b>16 351</b>	<b>14 965</b>	<b>34 329</b>	<b>40 784</b>	<b>46 929</b>	<b>45 748</b>	<b>44 229</b>
<b>Transport Assets</b>	<b>6 080</b>	<b>5 350</b>	<b>5 066</b>	<b>16 534</b>	<b>9 247</b>	<b>10 641</b>	<b>11 137</b>	<b>11 356</b>
<b>Land</b>	<b>29 776</b>	<b>29 776</b>	<b>30 185</b>	<b>29 776</b>	<b>30 185</b>	<b>30 185</b>	<b>30 185</b>	<b>30 185</b>
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>483 940</b>	<b>511 428</b>	<b>536 120</b>	<b>632 664</b>	<b>649 894</b>	<b>771 159</b>	<b>863 151</b>	<b>902 647</b>
<b>EXPENDITURE OTHER ITEMS</b>	<b>28 826</b>	<b>31 062</b>	<b>28 925</b>	<b>39 825</b>	<b>39 576</b>	<b>47 101</b>	<b>42 937</b>	<b>51 093</b>
<u>Depreciation</u>	18 548	17 084	17 306	18 833	18 693	19 624	20 606	21 636
<u>Repairs and Maintenance by Asset Class</u>	<b>10 278</b>	<b>13 978</b>	<b>11 619</b>	<b>20 992</b>	<b>20 883</b>	<b>27 477</b>	<b>22 331</b>	<b>29 458</b>
<i>Roads Infrastructure</i>	2 100	3 710	4 593	7 704	5 194	7 726	5 907	7 564
<i>Storm water Infrastructure</i>	289	404	184	442	12	464	420	433
<i>Electrical Infrastructure</i>	600	821	548	1 007	1 147	2 552	2 378	4 035
<i>Solid Waste Infrastructure</i>	155	373	106	1 903	1 593	2 005	1 715	1 855
<b>Infrastructure</b>	<b>3 143</b>	<b>5 308</b>	<b>5 431</b>	<b>11 055</b>	<b>7 945</b>	<b>12 747</b>	<b>10 420</b>	<b>13 887</b>
Community Facilities	1 655	2 233	1 686	2 101	2 200	2 024	1 844	2 378
Sport and Recreation Facilities	188	375	166	330	330	446	412	581
<b>Community Assets</b>	<b>1 843</b>	<b>2 608</b>	<b>1 851</b>	<b>2 430</b>	<b>2 530</b>	<b>2 470</b>	<b>2 255</b>	<b>2 959</b>
Non-revenue Generating	-	-	-	218	218	438	397	409
<b>Investment properties</b>	-	-	-	<b>218</b>	<b>218</b>	<b>438</b>	<b>397</b>	<b>409</b>
Operational Buildings	617	1 268	613	1 974	1 841	2 385	2 322	3 019
<b>Other Assets</b>	<b>617</b>	<b>1 268</b>	<b>613</b>	<b>1 974</b>	<b>1 841</b>	<b>2 385</b>	<b>2 322</b>	<b>3 019</b>
<b>Furniture and Office Equipment</b>	<b>372</b>	<b>356</b>	<b>458</b>	<b>615</b>	<b>780</b>	<b>924</b>	<b>714</b>	<b>1 006</b>
<b>Machinery and Equipment</b>	<b>2 015</b>	<b>1 905</b>	<b>1 135</b>	<b>2 106</b>	<b>2 021</b>	<b>2 363</b>	<b>2 213</b>	<b>2 031</b>
<b>Transport Assets</b>	<b>2 287</b>	<b>2 533</b>	<b>2 131</b>	<b>2 595</b>	<b>5 550</b>	<b>6 151</b>	<b>4 009</b>	<b>6 147</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>28 826</b>	<b>31 062</b>	<b>28 925</b>	<b>39 825</b>	<b>39 576</b>	<b>47 101</b>	<b>42 937</b>	<b>51 093</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	31.7%	50.8%	59.4%	64.3%	42.3%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	139.6%	361.5%	432.6%	358.0%	123.9%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>	2.1%	2.7%	2.2%	3.3%	3.2%	3.6%	2.6%	3.3%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>	2.1%	2.7%	2.2%	7.5%	13.6%	14.6%	11.2%	6.2%

**Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal and upgrade of existing assets, as well as spending on repairs and maintenance by asset class in line with the mSCOA classifications.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality does not meet the target of 8 per cent for Repairs and Maintenance as a % of PPE, as discussed in section 1.5.1 of this report.



**MBRR Table A10 - Basic Service Delivery Measurement**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Household service targets</b>								
<b>Energy:</b>								
Electricity (at least min.service level)	37 949	-	-	46 051	46 051	48 814	51 743	54 847
Electricity - prepaid (min.service level)	1 450	-	-	3 663	3 663	3 883	4 116	4 363
<i>Minimum Service Level and Above sub-total</i>	39 399	-	-	49 714	49 714	52 697	55 859	59 211
Other energy sources	8 967	-	-	8 303	8 303	8 801	9 329	9 889
<i>Below Minimum Service Level sub-total</i>	8 967	-	-	8 303	8 303	8 801	9 329	9 889
<b>Total number of households</b>	<b>48 366</b>	<b>-</b>	<b>-</b>	<b>58 017</b>	<b>58 017</b>	<b>61 498</b>	<b>65 188</b>	<b>69 099</b>
<b>Refuse:</b>								
Removed at least once a week	6 223	-	-	8 251	8 251	8 746	9 271	9 827
<i>Minimum Service Level and Above sub-total</i>	6 223	-	-	8 251	8 251	8 746	9 271	9 827
Using communal refuse dump	43 565	-	-	49 929	49 929	52 924	56 100	59 466
<i>Below Minimum Service Level sub-total</i>	43 565	-	-	49 929	49 929	52 924	56 100	59 466
<b>Total number of households</b>	<b>49 788</b>	<b>-</b>	<b>-</b>	<b>58 180</b>	<b>58 180</b>	<b>61 670</b>	<b>65 371</b>	<b>69 293</b>
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>								
Electricity/other energy (50kwh per indigent household per	-	-	-	867	853	896	936	983
Refuse (removed once a week for indigent households)	3 179	3 024	3 534	4 235	4 235	4 446	4 669	4 902
<b>Total cost of FBS provided</b>	<b>3 179</b>	<b>3 024</b>	<b>3 534</b>	<b>5 102</b>	<b>5 088</b>	<b>5 342</b>	<b>5 605</b>	<b>5 885</b>
<b>Highest level of free service provided per household</b>								
Property rates (R value threshold)	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50
Refuse (average litres per week)	140	140	140	140	140	140	140	140
<b>Revenue cost of subsidised services provided (R'000)</b>								
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	3 978	5 352	7 702	5 863	5 863	6 156	6 403	6 659
<b>Total revenue cost of subsidised services provided</b>	<b>3 978</b>	<b>5 352</b>	<b>7 702</b>	<b>5 863</b>	<b>5 863</b>	<b>6 156</b>	<b>6 403</b>	<b>6 659</b>





## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### **2.1.1 IDP and Service Delivery and Budget Implementation Plan**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2023) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in July 2023

Key dates applicable to the process were:



**IDP and Service Delivery and Budget Implementation Plan**

Time Frames	Mayor and Council	Administration - Municipality
<p><b>July 2023 – December 2023</b></p>	<p>Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53</p> <p>IDP &amp; Budget Steering Committee Meeting to discuss draft IDP &amp; Budget process plan <b>14 July 2023</b></p> <p>Integrated Participatory Planning Forum to discuss process plan and review analysis <b>27 June 2023</b></p> <p>Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year <b>28 July 2023</b> MFMA s 21,22, 23; MSA s 34, Ch 4 as amended</p> <p>Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75</p>	<p>Accounting officers and senior officials of municipality begin planning for next three-year budget MFMA s 68, 77</p> <p>Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements by <b>21 December 2023</b></p>
<p><b>January 2024</b></p>		<p>Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36. Municipal Manager writes to sector departments to get their draft budget proposals..</p>
<p><b>February 2024</b></p>	<p>IDP and Budget Steering Committee <b>23 February 2024</b></p>	<p>Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report</p> <p>Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year MFMA s 37(2)</p>
<p><b>March 2024</b></p>	<p>IPPF to discuss draft IDP <b>26 March 2024</b></p> <p>IDP &amp; Budget Steering Committee meeting to develop draft high level SDBIP <b>20 March 2024</b></p> <p>Mayor tables municipality budget, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34 <b>28 March 2024</b></p>	<p>Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42</p>



Time Frames	Mayor and Council	Administration - Municipality
<p><b>April – May 2024</b></p>	<p>Public hearings on the budget <b>8 April to 10 May 2024</b>, and Council debate. Council considers views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration MFMA s 23, 24; MSA Ch 4 as amended</p> <p>IDP &amp; Budget Steering Committee meeting to conclude SDBIP and budget submissions <b>17 May 2024</b></p> <p>IPPF to discuss high level SDBIP <b>21 May 2024</b></p> <p>Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc <b>MFMA s 21</b></p> <p>Council to consider approval of budget and plans at least 30 days before start of budget year, <b>31 May 2024</b>. MFMA s 23, 24; MSA Ch 4 as amended</p> <p>Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year <b>31 May 2024</b> MFMA s 16, 24, 26, 53</p> <p>IDP submitted to Mec of Local Government <b>10 June 2024</b></p>	<p>Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 &amp; 37; MSA Ch 4 as amended</p> <p>Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year</p> <p>Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature</p> <p>Accounting officers of Municipality publishes adopted budget and plans <b>10 June 2024</b> MFMA s 75, 87</p>
<p><b>June – July 2024</b></p>	<p>Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. <b>28 June 2023</b>.</p> <p>The Mayor submits the approved SDBIP and performance agreements to Council <b>28 July 2022</b>, MEC for local government and makes public within 14 days after approval <b>7 August 2023</b>. MFMA s 53; MSA s 38-45, 57(2)</p> <p>Council must finalise a system of delegations. MFMA s 59, 79, 82; MSA s 59-65</p>	<p>Accounting officer submits to the Mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1)(b) of the MSA (<b>14 June 2023</b>). MFMA s 69; MSA s 57</p>



The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2024/25 MTREF, based on the approved 2023/24 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

### **2.1.2 Community Consultation**

A full consultation process was carried out during April 2024. During this process, members of the community were given the opportunity to provide inputs and comments on the draft budget presented to them. The comments and inputs were reviewed and where viable, the proposed changes were incorporated into the final budget to be approved by Council in May 2024.

## **2.2 Overview of alignment of annual budget with IDP**

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.



The 2024/25 MTREF has therefore been directly informed by the IDP process and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	3 454	3 627	3 787	3 939
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE	BSD02	46 947	56 879	38 731	41 931
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	136	143	150	156
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	26	27	29	30
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	2	2	2	2
To provide library services to all residents	LIBRARIES	BSD06	1 518	1 519	1 520	1 521
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMALS	BSD08	164	168	176	184
To improve the quality of life for residents by increasing the % of households receiving basic refuse collection/ To reduce waste through awareness campaigns/To effectively manage and reduce waste	WASTE MANAGEMENT	BSD09	51 209	53 875	53 892	53 362
That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES	BSD10	(5 863)	(6 156)	(6 403)	(6 659)
To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance/To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	ELECTRICITY AND STREET LIGHTING	BSD11	96 697	103 756	107 506	111 212
To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report / To ensure that Council and ExCo meetings are held quarterly and to track Council resolutions taken / To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	OVERSIGHT	GGPP03	7 167	7 550	7 490	7 231
To promote interactive communication with customers around service delivery issues / To ensure regular participation of the public and interaction with the public through the public participation plan, Imbizos and meetings such as IPPF etc	CUSTOMER CARE & PUBLIC PARTICIPATION	GGPP04	12	12	13	14



Strategic Objective	Goal	Goal Code	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>						
To promote responsible tourism and arts and heritage through continued support to local initiatives	TOURISM	LED01	40	42	44	46
To ensure the financial viability of the municipality by applying the Cogta prescribed ratios for debt coverage, outstanding service debtors to revenue and cost coverage / To expand and protect the municipal revenue base by providing accurate bills for services rendered / To annually report on the % of the Municipality's budget actually spent on capital projects identified a particular financial year in terms of the Municipality's IDP	FINANCIAL MANAGEMENT	MFMV03	167 330	172 656	174 153	172 853
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	41	42	44	46
To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements / To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	RECRUITMENT, SELECTION AND EMPLOYEE MANAGEMENT	MTID03	198	208	217	225
To ensure that municipal buildings and assets are maintained and secured/To provide office space and parking by building new offices and renovating existing buildings	BUILDINGS	MTID09	1 538	1 615	1 687	1 763
To ensure that Municipal information is kept secure and filed and archived according to legislation	RECORDS MANAGEMENT	MTID10	15	16	16	17
To develop a new SDF and implement SPLUMA regulations / To ensure adherence to town planning and building control legislation /To manage urbanisation of existing urban areas	SPATIAL PLANNING	MTID12	1 764	1 668	82	86
To ensure capital Infrastructure management and reporting	PMU REPORTING	MTID14	7 381	9 529	8 151	8 825
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>379 778</b>	<b>407 178</b>	<b>391 288</b>	<b>396 785</b>



**MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	9 037	9 496	9 952	10 429
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE	BSD02	35 229	38 352	42 931	47 687
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	15 212	15 724	16 138	17 499
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	1 995	2 095	2 031	2 201
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	2 689	2 923	3 003	3 292
To provide library services to all residents	LIBRARIES	BSD06	2 802	3 013	3 137	3 278
To create a healthy and sustainable environment by maintaining and developing public open spaces	PARKS AND PUBLIC OPEN SPACES	BSD07	127	533	456	146
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMALS	BSD08	3 242	3 713	3 571	3 467
To improve the quality of life for residents by increasing the % of households receiving basic refuse collection/ To reduce waste through awareness campaigns/To effectively manage and reduce waste	WASTE MANAGEMENT	BSD09	37 587	34 488	33 642	35 564
That all registered indigent households receive free basic electricity and refuse removal	FREE BASIC SERVICES	BSD10	24 087	22 972	24 121	25 327
To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance/To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	ELECTRICITY AND STREET LIGHTING	BSD11	67 210	73 656	76 465	82 084
To undertake risk assessments and develop risk plans to combat or mitigate risk where possible / To implement the fraud prevention policy	RISK & FRAUD PREVENTION	GGPP01	1 188	1 278	1 336	1 397
To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report / To ensure that Council and ExCo meetings are held quarterly and to track Council resolutions taken / To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	OVERSIGHT	GGPP03	41 789	42 821	43 665	44 888
To promote interactive communication with customers around service delivery issues / To ensure regular participation of the public and interaction with the public through the public participation plan, Imbizos and meetings such as IPPF etc	CUSTOMER CARE & PUBLIC PARTICIPATION	GGPP04	5 533	9 790	9 200	9 537
To ensure that the HIV & Aids strategy is implemented through HIV & Aids Council meetings and public participation / To ensure that targeted groups such as the elderly, people with disabilities, youth and women are developed and included in government activities / To increase the participation of youth in government activities through the Mayoral Cup and youth festival	MAINSTREAMING	GGPP05	1 895	2 815	2 548	3 559
To promote responsible tourism and arts and heritage through continued support to local initiatives	TOURISM	LED01	920	2 302	1 805	1 302
To promote and attract development in the local economy through implementation of the LED strategy	LOCAL ECONOMIC DEVELOPMENT	LED02	11 201	13 865	15 148	14 903



Strategic Objective	Goal	Goal Code	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>						
To promote the growth of BBEE and local contractors through supply chain management processes / To ensure that bid committees function in accordance with scm legislation / To comply with the MFMA prescriptions of supply chain management	SUPPLY CHAIN MANAGEMENT (ADMINISTRATION AND REPORTING)	MFMV01	3 013	3 201	3 323	3 476
To ensure monitoring of Municipal Assets per Department through regular asset checks and reporting / To ensure compliance by developing and maintaining a fully GRAP compliant asset register	ASSET MANAGEMENT	MFMV02	2 986	3 153	3 295	3 444
To ensure the financial viability of the municipality by applying the Cogta prescribed ratios for debt coverage, outstanding service debtors to revenue and cost coverage / To expand and protect the municipal revenue base by providing accurate bills for services rendered / To annually report on the % of the Municipality's budget actually spent on capital projects identified a particular financial year in terms of the Municipality's IDP	FINANCIAL MANAGEMENT	MFMV03	31 228	33 816	33 122	34 637
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	2 129	2 090	1 892	1 951
To develop and submit S 71 reports as per MFMA guidelines and prescripts	REPORTING	MFMV06	2 367	4 486	2 439	2 536
To ensure an continually secure, effective and efficient ICT service through implementation of ICT policies and plans and upgrading of ICT equipment	IT	MFMV07	9 188	10 472	10 286	10 706
To develop and implement an effective HR strategy / To develop, adopt and implement the workplace skills plan (WSDP)	SKILLS DEVELOPMENT	MTID01	2 425	2 765	2 598	2 728
To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements / To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	RERUITMENT, SELECTION AND EMPLOYEE MANAGEMENT	MTID03	9 031	8 956	8 814	10 159
To ensure the physical and mental well being of employees through the implantation of an employee wellness programme	EMPLOYEE WELLNESS PROGRAMME	MTID04	468	988	712	454
To ensure that all Senqu buildings and staff adhere to and implement OHS legislation	OCCUPATIONAL HEALTH AND SAFETY	MTID05	754	802	717	901
To ensure that the Municipality implements sound management controls in order to mitigate against unnecessary litigation	LEGAL SERVICES	MTID07	3 836	4 950	4 512	4 639
To review and implement departmental policies, procedures, procedure manuals and bylaws annually	POLICIES AND BY	MTID08	303	368	333	-
To ensure that municipal buildings and assets are maintained and secured/To provide office space and parking by building new offices and renovating existing buildings	BUILDINGS	MTID09	15 738	17 174	16 227	17 480
To ensure that Municipal information is kept secure and filed and archived according to legislation	RECORDS MANAGEMENT	MTID10	11 595	12 701	13 245	13 402
To ensure that a system of departmental and individual performance management system is implemented	PERFORMANCE MANAGEMENT AND REPORTING	MTID11	9 284	11 033	11 631	11 697
To develop a new SDF and implement SPLUMA regulations / To ensure adherence to town planning and building control legislation /To manage urbanisation of existing urban areas	SPATIAL PLANNING	MTID12	9 764	12 736	11 918	9 514
To ensure capital Infrastructure management and reporting	PMU REPORTING	MTID14	4 140	4 596	4 762	5 516
<b>Total Expenditure</b>			<b>379 990</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>





**MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	Goal Code	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
			Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>						
To ensure that the traffic section operates effectively and efficiently	TRAFFIC	BSD01	19 776	14 974	-	-
To provide sustainable infrastructure development by building and maintaining access roads, bridges and storm water	ROADS BRIDGES AND TRANSPORT INFRASTRUCTURE	BSD02	67 467	82 093	74 376	30 546
To ensure effective management and maintenance of indoor recreational community facilities	INDOOR RECREATIONAL COMMUNITY FACILITIES	BSD03	5 805	5 100	1 901	178
To ensure effective management, construction and maintenance of cemeteries and pauper burials	CEMETRIES AND PAUPER BURIAL	BSD04	-	1 100	905	5 001
To construct, maintain, identify, establish and upgrade existing urban sportsfields	SPORTS	BSD05	4 855	12 710	1 229	178
To maintain and control the municipal commonage / To maintain and effectively operate the pounds	LICENSING AND CONTROL OF ANIMALS	BSD08	1 080	1 538	550	711
To improve the quality of life for residents by increasing the % of households receiving basic refuse collection/ To reduce waste through awareness campaigns/To effectively manage and reduce waste	WASTE MANAGEMENT	BSD09	21 789	953	1 255	18 578
To maintain the existing electrical infrastructure through replacement of outdated equipment and installation of new equipment in order to reduce losses and ensure compliance/To reduce Senqu electricity backlogs by assisting Eskom with electrification of rural areas as identified by Council.	ELECTRICITY AND STREET LIGHTING	BSD11	1 265	7 372	5 520	5 506
To ensure quarterly sittings of MPAC and the Audit and Performance Committee and the annual preparation of an annual oversight report / To ensure that Council and ExCo meetings are held quarterly and to track Council resolutions taken / To ensure good governance through the monitoring of the implementation of the OPCAR and Audit action plan	OVERSIGHT	GGPP03	215	656	126	-
To promote responsible tourism and arts and heritage through continued support to local initiatives	TOURISM	LED01	-	-	-	178
To promote and attract development in the local economy through implementation of the LED strategy	LOCAL ECONOMIC DEVELOPMENT	LED02	2 230	2 444	25 152	-
To ensure compliance with the MFMA and MSA requirements regarding the adjustment budget and annual budget development and submission requirements	BUDGET COMPILATION	MFMV05	2 961	1 898	2 035	872
To develop and submit S 71 reports as per MFMA guidelines and prescripts	REPORTING	MFMV06	5 000	2 253	1 398	1 167
To develop and implement an effective HR strategy / To develop, adopt and implement the workplace skills plan (WSDP)	SKILLS DEVELOPMENT	MTID01	-	-	-	444
To ensure that the organisational structure of the Municipality is aligned to its present and future staffing needs and requirements / To ensure effective management of staff and policy and procedure processes through job descriptions, leave management and clock in systems	RERUITMENT, SELECTION AND EMPLOYEE MANAGEMENT	MTID03	-	575	68	-
To ensure that municipal buildings and assets are maintained and secured/To provide office space and parking by building new offices and renovating existing buildings	BUILDINGS	MTID09	-	7 700	174	-
To ensure that Municipal information is kept secure and filed and archived according to legislation	RECORDS MANAGEMENT	MTID10	470	1 624	112	89
<b>Total Capital Expenditure</b>			<b>132 913</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>



**Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee’s performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

**Table 32 MBRR Table SA7 - Measurable performance objectives**

Description	Unit of measurement	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Vote 3 - Corporate Services</b>					
<b>Function 1 - Buildings</b>					
<b>Sub-function 1 - Other Buildings</b>					
Construction of Change rooms - Lady Grey	Completion of project	400	800	-	-
<b>Sub-function 2 - Staff Housing</b>					
Renovation of the Mayoral House	Completion of project	-	1 200	-	-
Renovation of the MM's House	Completion of project	-	1 200	-	-
<b>Vote5 - Road Transport</b>					
<b>Function 1 - Roads</b>					
<b>Sub-function 2 - Surfaced Roads</b>					
New Rest Construction - Paving	Completion of project to the specification of the engineers	-	-	16 684	23 918
Construction of interlock paved streets in Khewzi Naledi (Steve Tswete) W 14	Completion of project to the specification of the engineers	17 025	12 409	2 908	-
Resurface of existing paved roads (asphalt) & upgrade of storm water in Barkly East.	Completion of project to the specification of the engineers	-	-	-	538
Reconstruction of Roads in Ward 3 - Upper Tele, Mabele and Makhumsha Roads	Completion of project to the specification of the engineers	2 957	-	-	-
Reconstruction of Roads in Ward 9 - Lepota Village	Completion of project to the specification of the engineers	2 609	-	-	-
Rehabilitation of Roads & Stormwater in Mokhesi Ward 8	Completion of project to the specification of the engineers	6 335	15 000	13 500	-
Rehabilitation of Roads & Stormwater in Ward 10	Completion of project to the specification of the engineers	7 700	15 000	13 500	-
Rehabilitation of Roads & Stormwater in Lady Grey Ward 14	Completion of project to the specification of the engineers	7 700	15 000	13 500	-
Rehabilitation of Roads & Stormwater in Barkly East Ward 15 & 16	Completion of project to the specification of the engineers	7 650	15 000	13 500	-
Reconstruction of 4,5 km gravel roads and stormwater channels in Zava, Mdlokovana and Thaba Koloi (Ward 13)	Completion of project to the specification of the engineers	1 006	2 346	-	-
Reconstruction of Roads_KwaNtoyi, Zwelitsha - Ward 12	Completion of project to the specification of the engineers	1 151	2 686	-	-
Reconstruction of Roads_Ntabamhlophe - Ward 05	Completion of project to the specification of the engineers	1 565	3 652	-	-
Paved Roads - Sterkspruit	Completion of project to the specification of the engineers	-	-	-	2 000



Description	Unit of measurement	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Function 2 - Road Structures</b>					
<b>Sub-function 1 - Bridges</b>					
<i>Construction of a pedestrian bridge between Esilindini and Frans (W12)</i>	Completion of project to the specification of the engineers	-	650	588	3 445
<b>Function 3 - Road and Traffic Regulation</b>					
<b>Sub-function 1 - Municipal Offices</b>					
<i>Driving Licence and Testing Centre Sterkspruit</i>	Completion of project to the specification of the engineers	19 776	14 474	-	-
<b>Vote 6 - Waste Water Management</b>					
<b>Function 1 - Storm water</b>					
<b>Sub-function 1 - Storm water Conveyance</b>					
<i>Lining, fencing and upgrading of primary storm water channel through Khwezi Naledi and upgrade of two motor bridges..</i>	Completion of project to the specification of the engineers	2 230	2 444	25 152	-
<b>Vote9 - Community &amp; Social Services</b>					
<b>Function 1 - Community Halls</b>					
<b>Sub-function 1 - Buildings</b>					
<i>Renovations (Barkly East Town Hall)</i>	Renovation of the hall to specifications	5 805	-	-	-
<b>Function 2 - Cemeteries</b>					
<b>Sub-function 1 - Cemeteries</b>					
<i>Fencing of existing cemeteries at Joveleni, Hinana and Voyizana</i>	Completion of project to the specification of the engineers	720	900	-	-
<i>Lady Grey and Herschel Cemetery Layout Plans (EIA) (W13 &amp; 14)</i>	Completion of project to the specification of the engineers	720	200	905	5 001
<b>Vote10 - Sport &amp; Recreation</b>					
<b>Function 1 - Sport Facilities</b>					
<b>Sub-function 1 - Sport Facilities</b>					
<i>Construction of Blue-Gums Sportsfield</i>	Fully functional sport facilities	4 855	12 710	1 229	-
<b>Vote11 - Public Safety</b>					
<b>Function 1 - Public Safety</b>					
<b>Sub-function 1 - Pounds</b>					
<i>Construction of Animal Pound in Lady Grey Ward 14</i>	Fully functional animal pound	-	400	-	-
<i>Upgrade Animal Holding Facilities</i>	Fully functional animal pound	-	200	181	711
<b>Vote12 - Electricity</b>					
<b>Function 1 - Electricity distribution</b>					
<b>Sub-function 1 - Infrastructure</b>					
<i>Pre-Paid Electricity Meters</i>	Completion of project to the specification of the engineers	1 200	3 115	1 096	667
<i>Electrification of Households at Mountain View Ward 10</i>	Completion of project to the specification of the engineers	-	1 839	2 870	4 331
<i>Auto reclosers and metering Transformers.</i>	Completion of project to the specification of the engineers	-	-	724	-
<i>Commissioning and installation of breaker</i>	Completion of project to the specification of the engineers	-	-	769	-



Description	Unit of measurement	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Function 2 - Street lights</b>					
<b>Sub-function 1 - Infrastructure</b>					
<i>High Mast Lights - New Rest</i>	Completion of project to the specification of the engineers	-	1 500	-	-
<b>Vote13 - Waste Management</b>					
<b>Function 1 - Refuse</b>					
<b>Sub-function 1 - Waste sites Infrastructure</b>					
<i>Solid Waste Site - Sterkspruit</i>	Completion of project to satisfy specifications of the engineers	-	-	310	18 400
<i>Upgrading of Existing Solid Waste Site in Lady Grey</i>	Completion of project to satisfy specifications of the engineers	4 106	-	-	-
<b>Function 1 - Refuse</b>					
<b>Sub-function 1 - Waste sites Infrastructure</b>					
<i>Construction of Transfer Station in Rhodes</i>	Completion of project to satisfy specifications of the engineers	350	-	716	-

The following table sets out the municipalities main performance objectives and benchmarks for the 2024/25 MTREF. (Derived from the National Treasury formats)



**MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
		Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b><u>Borrowing Management</u></b>					
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.7%	1.7%	3.3%	3.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.9%	2.0%	3.9%	4.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	302.0%	0.0%
<b><u>Safety of Capital</u></b>					
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>					
Current Ratio	Current assets/current liabilities	6.6	5.3	4.2	2.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	6.6	5.3	4.2	2.7
Liquidity Ratio	Monetary Assets/Current Liabilities	6.3	5.1	4.0	2.6
<b><u>Revenue Management</u></b>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	110.2%	110.2%	97.1%	97.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		110.2%	97.1%	97.0%	96.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.5%	17.0%	16.4%	15.7%
<b><u>Creditors Management</u></b>					
Creditors to Cash and Investments		2.6%	4.4%	5.4%	9.2%
<b><u>Other Indicators</u></b>					
Employee costs	Employee costs/(Total Revenue - capital revenue)	41.6%	41.7%	43.9%	45.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	45.7%	45.9%	48.3%	50.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.2%	7.8%	6.4%	8.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.2%	7.3%	9.4%	9.8%
<b><u>IDP regulation financial viability indicators</u></b>					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	9.8	8.3	8.0	8.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	20.8%	16.6%	12.8%	9.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	14.6	9.0	6.8	4.0



## Performance indicators and benchmarks

### 2.2.1.1 *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Senqu Municipality's borrowing strategy is primarily informed by the affordability of debt repayments.

The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2024/25 MTREF:

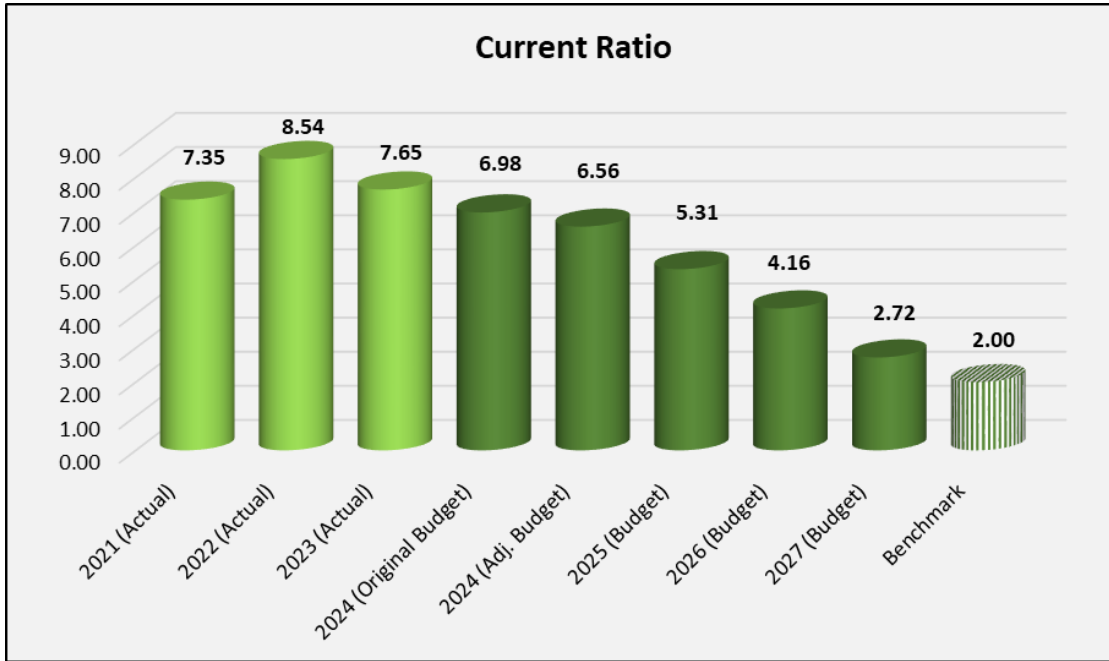
- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. The cost of borrowing increased from 1,7 per cent to 3,3 per cent after the inclusion of the R55 million annuity loan in the 2025/26 financial year.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The municipality intend to borrow an amount of R55 million in the 2025/26 financial year.

### 2.2.1.2 *Safety of Capital*

- The *gearing ratio* is a measure of the total long term borrowings over funds and reserves.

### 2.2.1.3 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2. This ratio is above this norm set for the entire MTREF as depicted on the graph on the next page. There is however a decline as a result of the declining cash resources over the MTREF at the Senqu Municipality. This could significantly impact on the long term sustainability of the entity, as discussed earlier in this report.



- The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2024/25 financial year the ratio is 5,3 and this ratio is projected to decline to 2,7 in 2026/27. Although these ratios are still considered to be healthy, the municipality should put in place measures to stem the downward trend in the liquidity ratio.

**2.2.1.4 Revenue Management**

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Payment levels and credit control is considered to be favorable.

**2.2.1.5 Creditors Management**

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.



### 2.2.1.6 Other Indicators

- Employee costs as a percentage of operating revenue increase from 41,7 per cent to 45,8 per cent over the MTREF. As discussed previously in this report, the employee related costs at the municipality is slightly above the industry norms and the room for any upward adjustments are very restricted.
- Repairs and maintenance as percentage of operating revenue is increasing slightly over the MTREF. The expenditure on repairs and maintenance is well below acceptable levels, but the actual cost will only be determined when a costing system is implemented.

## 2.3 Overview of budget related-policies and municipal by-laws

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies as well as by-laws. As per section 21 of the MFMA, all budget related policies were reviewed and in certain cases amended. Municipal by-laws were also reviewed during the year, but no amendments were made.

### List of all budget related policies

<u>Policy Name</u>	<u>Date Reviewed</u>	<u>Amendments Made</u>
Asset Management and Insurance Policy	March 2024	No
Borrowing & Funding & Reserves Policy	March 2024	No
Cash Management Banking Investment Policy	March 2024	No
Credit Control & Debt Collection Policy	March 2024	No
Free Basic Services & Indigent Subsidy Support Policy	March 2024	No
Property Rates & Valuation Policy	March 2024	Yes
Supply Chain Management Policy	March 2024	Yes
Tariff & Services Policy	March 2024	No





<u>Policy Name</u>	<u>Date Reviewed</u>	<u>Amendments Made</u>
Virement Policy	March 2024	Yes
Cost Containment Policy	March 2024	No
Liquidity Policy	March 2024	No
Debt Incentive Scheme Policy	March 2024	No
Debt Write-off Policy	March 2024	No
Municipal Corporate ICT Governance Framework Policy	March 2024	No
ICT Strategic Plan	March 2024	No
Vehicle Allowance Policy	March 2024	No
Subsistence and Travelling Policy	March 2024	Yes
Fleet Management Policy	March 2024	No
Budget & IDP Policy	March 2024	No
Revenue Enhancement Strategy	March 2024	No
Strategic Procurement Framework	March 2024	No
Long term Financial Planning Policy	March 2024	New

### 2.3.1 Challenges

Potential Service Delivery inefficiencies may result if proposed amendments are not adopted.

### 2.3.2 Financial Implications

Potential Financial losses may occur if policies are not amended due to inefficiencies left unaddressed.



### 2.3.3 Legal Implications

To comply with Section 21 (1) (b) (ii) of the Municipal Finance Management Act 56 of 2003

### 2.3.4 Recommendations

That the Committee Members take note of the Review of all the Budget Related Policies and that the amendments (if any) be adopted with the approval of the 2024/25 MTREF.

## 2.4 Overview of budget assumptions

### 2.4.1 External factors

The National Treasury estimates real economic growth of 0.6 per cent in 2023. This is a decrease from growth of 0.8 per cent projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023, resulting in downward revisions to household spending growth and spending on gross fixed investment.

GDP growth is projected to average 1.6 per cent from 2024 to 2026 as the frequency of power cuts declines, lower inflation supports household consumption, and employment and credit extensions recover gradually. New energy projects will improve fixed investments and business sentiment. GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

### 2.4.2 General inflation outlook and its impact on the municipal activities

The inflation outlook for South Africa is indicated below and has been taken into consideration in the compilation of the 2024/25 MTREF.

**Table 1: Macroeconomic performance and projections, 2022 – 2027**

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Forecast		
CPI Inflation	6.9%	6.0%	4.9%	4.6%	4.6%

Source: 2024 budget review.

### 2.4.3 Credit rating outlook

Fitch's credit rating for South Africa was last reported at BB- with a stable outlook. In general, a credit rating is used by sovereign wealth funds, pension funds, and other investors to gauge the creditworthiness of South Africa, thus having a significant impact on the country's borrowing costs. Standard & Poor's credit rating for South Africa stands at BB- with stable outlook.



## **Interest rates for borrowing and investment of funds**

In South Africa, the official interest rate, also known as the repo rate, currently stands at 8.25%. The South African Reserve Bank (SARB) made a unanimous decision to maintain this rate on January 25th, 2024, as widely anticipated. This rate keeps borrowing costs at their highest since 2009

### **2.4.4 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as 80 per cent of annual billings. The performance of any increased collections or arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.4.5 Growth or decline in tax base of the municipality**

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### **2.4.6 Salary increases**

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 has come to an end and a new agreement is under consultation, which is anticipated to consider the current fiscal constraints faced by government. Therefore, in the absence of any information in this regard from the South African Local Government Bargaining Council (SALGBC), municipalities were advised to consider their financial sustainability when considering salary increases. An increase of 5 per cent was applied to the Basic Salaries and wages for the 2024/2025 budget year.



#### **2.4.7 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

#### **2.4.8 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 87 per cent is achieved on operating expenditure and 46 per cent on the capital programme for the 2022/23 MTREF of which performance has been factored into the cash flow budget.



## 2.5 Overview of budget funding

### 2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

#### Operating revenue over medium-term

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework					
	Adjusted	%	Budget Year	%	Budget Year	%	Budget Year	%
	Budget		2024/25		2025/26		2026/27	
<b>Revenue</b>								
<b>Exchange Revenue</b>								
Service charges - Electricity	59 664	17.8%	62 647	17.8%	65 466	18.7%	68 740	19.6%
Service charges - Waste Management	10 151	3.0%	10 658	3.0%	11 191	3.2%	11 751	3.4%
Sale of Goods and Rendering of Services	277	0.1%	291	0.1%	305	0.1%	320	0.1%
Agency services	1 465	0.4%	1 538	0.4%	1 615	0.5%	1 680	0.5%
Interest earned from Receivables	5 442	1.6%	5 659	1.6%	5 886	1.7%	6 121	1.7%
Interest earned from Current and Non Current Assets	33 167	9.9%	31 509	9.0%	32 769	9.4%	34 080	9.7%
Rent on Land	3	0.0%	3	0.0%	3	0.0%	3	0.0%
Rental from Fixed Assets	1 668	0.5%	1 751	0.5%	1 830	0.5%	1 912	0.5%
Licence and permits	1 437	0.4%	1 508	0.4%	1 569	0.4%	1 632	0.5%
Operational Revenue	767	0.2%	805	0.2%	837	0.2%	871	0.2%
<b>Non-Exchange Revenue</b>								
Property rates	17 048	5.1%	17 901	5.1%	18 617	5.3%	19 361	5.5%
Fines, penalties and forfeits	589	0.2%	589	0.2%	613	0.2%	637	0.2%
Transfer and subsidies - Operational	201 863	60.2%	214 655	61.1%	207 044	59.2%	201 395	57.5%
Interest	1 791	0.5%	1 880	0.5%	1 955	0.6%	2 034	0.6%
Gains on disposal of Assets	100	0.0%	–	0.0%	–	0.0%	–	0.0%
Other Gains	–	0.0%	–	0.0%	–	0.0%	–	0.0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>335 429</b>	<b>100%</b>	<b>351 394</b>	<b>100%</b>	<b>349 700</b>	<b>100%</b>	<b>350 535</b>	<b>100%</b>
<b>Total Revenue from Rates and Service Charges</b>	<b>86 863</b>	<b>25.9%</b>	<b>91 206</b>	<b>26.0%</b>	<b>95 274</b>	<b>27.2%</b>	<b>99 852</b>	<b>28.5%</b>

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal, property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).



Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detailed investment information and investment particulars by maturity.

### MBRR SA15 – Detail Investment Information

Investment type	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand				
<b>Parent municipality</b>				
Deposits - Bank	373 689	221 998	116 724	113 076
<b>Total:</b>	<b>373 689</b>	<b>221 998</b>	<b>116 724</b>	<b>113 076</b>

### MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>Parent municipality</b>					
Standard Bank 38 848 973 1 - 005	84 398	6 994	–	–	91 392
Standard Bank 38 848 606 6 - 001	8 842	737	–	–	9 580
Standard Bank 38 848 916 2 - 002	280 450	23 777	(380 260)	197 060	121 027
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>373 689</b>		<b>(380 260)</b>	<b>197 060</b>	<b>221 998</b>

## 2.5.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).



**MBRR Table A7 - Budget cash flow statement**

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Property rates	13 029	15 785	14 030	14 593	15 179
Service charges	54 863	61 456	57 456	60 088	63 103
Other revenue	5 302	5 905	6 106	6 376	6 641
Transfers and Subsidies - Operational	199 394	200 396	211 348	207 044	201 395
Transfers and Subsidies - Capital	37 575	47 467	47 100	41 588	46 249
Interest	30 029	33 167	39 048	40 610	42 235
<b>Payments</b>					
Suppliers and employees	(315 476)	(332 474)	(358 348)	(356 208)	(372 424)
Interest	(3 802)	(5 476)	(6 106)	(12 231)	(12 821)
Transfers and Subsidies	(36)	(46)	(49)	(44)	(45)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>20 877</b>	<b>26 181</b>	<b>10 584</b>	<b>1 816</b>	<b>(10 490)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	-	100	-	-	-
<b>Payments</b>					
Capital assets	(82 881)	(132 913)	(142 990)	(114 802)	(63 448)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(82 881)</b>	<b>(132 813)</b>	<b>(142 990)</b>	<b>(114 802)</b>	<b>(63 448)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Borrowing long term/refinancing	-	-	-	55 000	-
Increase (decrease) in consumer deposits	121	113	100	105	110
<b>Payments</b>					
Repayment of borrowing	(923)	(923)	(942)	(1 503)	(1 581)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(802)</b>	<b>(810)</b>	<b>(842)</b>	<b>53 602</b>	<b>(1 471)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(62 807)</b>	<b>(107 442)</b>	<b>(133 248)</b>	<b>(59 384)</b>	<b>(75 409)</b>
Cash/cash equivalents at the year begin:	396 785	497 832	390 389	257 141	197 757
Cash/cash equivalents at the year end:	333 979	390 389	257 141	197 757	122 349

**2.5.3 Cash Backed Reserves/Accumulated Surplus Reconciliation**

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?



A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality’s budget must be ‘funded’. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b>Cash and investments available</b>					
Cash/cash equivalents at the year end	333 979	390 389	257 141	197 757	122 349
<b>Cash and investments available:</b>	<b>333 979</b>	<b>390 389</b>	<b>257 141</b>	<b>197 757</b>	<b>122 349</b>
<b>Application of cash and investments</b>					
Unspent conditional transfers	12 769	23 776	11 785	11 785	11 785
Other working capital requirements	(9 029)	(7 843)	(2 281)	(4 614)	(5 821)
Other provisions	20 526	21 642	22 859	24 125	25 490
Reserves to be backed by cash/investments	302 212	330 235	218 467	162 108	87 514
<b>Total Application of cash and investments:</b>	<b>326 477</b>	<b>367 810</b>	<b>250 830</b>	<b>193 405</b>	<b>118 968</b>
<b>Surplus(shortfall)</b>	<b>7 501</b>	<b>22 580</b>	<b>6 312</b>	<b>4 353</b>	<b>3 381</b>

From the above table it can be seen that the cash and investments available over the MTREF will be sufficient to cover all commitments. Commitments include the following:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors.

High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month’s operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be at least 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations. The municipality’s levels are currently for 13 months.





- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the Capital Replacement Reserve, Employee Benefits Reserves and the Valuation Roll Reserve.

### 2.5.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

#### MBRR SA10 – Funding compliance measurement

Description	MFMA section	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Funding measures</b>						
Cash/cash equivalents at the year end - R'000	18(1)b	333 979	390 389	257 141	197 757	122 349
Cash + investments at the yr end less applications - R'000	18(1)b	7 501	22 580	6 312	4 353	3 381
Cash year end/monthly employee/supplier payments	18(1)b	13.0	14.6	9.0	6.8	4.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	450	(212)	(6 946)	(27 690)	(43 015)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	19.2%	(8.2%)	(1.0%)	(1.5%)	(1.2%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	72.6%	82.9%	80.9%	80.9%	80.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	16.4%	19.8%	17.5%	17.6%	17.6%
Capital payments % of capital expenditure	18(1)c,19	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	75.1%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a			104.6%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	47.7%	(32.5%)	7.0%	6.7%	6.7%
Long term receivables % change - incr(decr)	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	3.3%	3.2%	2.6%	3.3%	0.0%
Asset renewal % of capital budget	20(1)(vi)	2.5%	34.6%	49.7%	47.0%	0.0%

#### 2.5.4.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.



If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable. This could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2024/25 MTREF shows R257,14 million, R197,76 million and R122,35 million for each respective financial year.

#### *2.5.4.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in the previous page. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.5.4.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. The ratio is at 9 for 2024/25, well above the benchmark indicators.

#### *2.5.4.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus or deficit does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.5.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.



The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

#### *2.5.4.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on an 80 per cent performance target, the cash flow statement has been conservatively determined. However, the percentage in the above table includes direct receipts for services being paid in cash such as agency services and permits. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *2.5.4.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

#### *2.5.4.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent payments has been factored into the cash position forecasted over the entire financial year.

#### *2.5.4.9 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers and therefore no percentage is being shown as outstanding.

#### *2.5.4.10 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors' accounts within 30 days.



#### *2.5.4.11 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained elsewhere in this report.

#### *2.5.4.12 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.



## 2.6 Expenditure on grants and reconciliations of unspent funds

### MBRR SA19 - Expenditure on transfers and grant programmes

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b>EXPENDITURE:</b>					
<b><u>Operating expenditure of Transfers and Grants</u></b>					
<b>National Government:</b>	<b>198 064</b>	<b>197 535</b>	<b>210 348</b>	<b>205 544</b>	<b>199 895</b>
Local Government Equitable Share	179 593	179 593	189 174	187 672	181 189
Finance Management	1 700	1 700	1 700	1 800	2 000
Nat Gov: Councillor Remuneration	7 167	7 167	7 550	7 490	7 231
Municipal Infrastructure Grant (MIG)	7 910	7 381	9 529	8 151	8 825
EPWP Incentive	1 194	1 194	1 620	-	-
Neighbourhood Development Grant	500	500	500	-	-
Integrated National Electrification Programme	-	-	276	430	650
<b>Provincial Government:</b>	<b>2 920</b>	<b>4 327</b>	<b>4 307</b>	<b>1 500</b>	<b>1 500</b>
Libraries	1 500	1 500	1 500	1 500	1 500
EPWP	330	-	-	-	-
Greenest Municipality	-	344	414	-	-
Herschel Housing Grant	1 090	1 090	1 090	-	-
Municipal Disaster Relief Grant	-	1 393	1 303	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>200 984</b>	<b>201 863</b>	<b>214 655</b>	<b>207 044</b>	<b>201 395</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>					
<b>National Government:</b>	<b>37 575</b>	<b>35 062</b>	<b>47 100</b>	<b>41 588</b>	<b>46 249</b>
Municipal Infrastructure Grant (MIG)	37 575	35 062	45 260	38 719	41 918
Integrated National Electrification Programme	-	-	1 839	2 870	4 331
<b>Provincial Government:</b>	<b>-</b>	<b>9 287</b>	<b>8 684</b>	<b>-</b>	<b>-</b>
Municipal Disaster Relief Grant	-	9 287	8 684	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>37 575</b>	<b>44 349</b>	<b>55 783</b>	<b>41 588</b>	<b>46 249</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>238 559</b>	<b>246 211</b>	<b>270 438</b>	<b>248 632</b>	<b>247 644</b>



**MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b><u>Operating transfers and grants:</u></b>					
<b>National Government:</b>					
Balance unspent at beginning of the year	1 510	2 010	1 510	1 010	1 010
Current year receipts	197 564	197 035	209 848	205 544	199 895
<b>Conditions met - transferred to revenue</b>	<b>197 564</b>	<b>197 535</b>	<b>210 348</b>	<b>205 544</b>	<b>199 895</b>
Conditions still to be met - transferred to liabilities	1 510	1 510	1 010	1 010	1 010
<b>Provincial Government:</b>					
Balance unspent at beginning of the year	12 295	14 549	13 582	10 775	10 775
Current year receipts	1 830	3 361	1 500	1 500	1 500
<b>Conditions met - transferred to revenue</b>	<b>2 867</b>	<b>4 327</b>	<b>4 307</b>	<b>1 500</b>	<b>1 500</b>
Conditions still to be met - transferred to liabilities	11 259	13 582	10 775	10 775	10 775
<b>Total operating transfers and grants revenue</b>	<b>200 431</b>	<b>201 863</b>	<b>214 655</b>	<b>207 044</b>	<b>201 395</b>
<b>Total operating transfers and grants - CTBM</b>	<b>12 769</b>	<b>15 092</b>	<b>11 785</b>	<b>11 785</b>	<b>11 785</b>
<b><u>Capital transfers and grants:</u></b>					
<b>National Government:</b>					
Balance unspent at beginning of the year	-	-	-	-	-
Current year receipts	37 575	35 062	47 100	41 588	46 249
<b>Conditions met - transferred to revenue</b>	<b>37 575</b>	<b>35 062</b>	<b>47 100</b>	<b>41 588</b>	<b>46 249</b>
Conditions still to be met - transferred to liabilities	-	-	-	-	-
<b>Provincial Government:</b>					
Balance unspent at beginning of the year	-	9 287	8 684	-	-
Current year receipts	-	12 405	-	-	-
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>13 008</b>	<b>8 684</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities	-	8 684	-	-	-
<b>Total capital transfers and grants revenue</b>	<b>37 575</b>	<b>48 070</b>	<b>55 783</b>	<b>41 588</b>	<b>46 249</b>
<b>Total capital transfers and grants - CTBM</b>	<b>-</b>	<b>8 684</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>238 006</b>	<b>249 933</b>	<b>270 438</b>	<b>248 632</b>	<b>247 644</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>12 769</b>	<b>23 776</b>	<b>11 785</b>	<b>11 785</b>	<b>11 785</b>



## 2.7 Allocations and Grants made by the municipality

The following cash allocations are provided for in the proposed budget of the municipality:

### Allocations and Grants made by the municipality

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>					
<b>Cash Transfers to Organisations</b>					
<i>Grants and donations in aid</i>	36	46	49	44	45
<b>Total Cash Transfers To Organisations</b>	<b>36</b>	<b>46</b>	<b>49</b>	<b>44</b>	<b>45</b>
<b>TOTAL TRANSFERS AND GRANTS</b>	<b>36</b>	<b>46</b>	<b>49</b>	<b>44</b>	<b>45</b>



## 2.8 Councilor and employee benefits

### MBRR SA22 - Summary of councilor and staff benefits

Summary of Employee and Councilor remuneration R thousand	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b><u>Councillors (Political Office Bearers plus Other)</u></b>					
Basic Salaries and Wages	15 057	12 360	13 101	13 691	14 307
Cellphone Allowance	1 766	1 580	1 674	1 750	1 829
Other benefits and allowances	231	–	–	–	–
<b>Sub Total - Councillors</b>	<b>17 055</b>	<b>13 939</b>	<b>14 776</b>	<b>15 441</b>	<b>16 136</b>
<b>% increase</b>	<b>31.4%</b>	<b>(18.3%)</b>	<b>6.0%</b>	<b>4.5%</b>	<b>4.5%</b>
<b><u>Senior Managers of the Municipality</u></b>					
Basic Salaries and Wages	11 943	10 452	10 974	11 468	11 984
Pension and UIF Contributions	16	12	13	14	14
Performance Bonus	2 365	2 269	2 382	2 490	2 602
Motor Vehicle Allowance	–	784	823	860	899
Cellphone Allowance	175	299	314	328	343
Housing Allowances	–	230	241	252	263
Other benefits and allowances	–	0	–	–	–
Payments in lieu of leave	206	282	296	310	324
<b>Sub Total - Senior Managers of Municipality</b>	<b>14 705</b>	<b>14 327</b>	<b>15 044</b>	<b>15 721</b>	<b>16 428</b>
<b>% increase</b>	<b>(23.7%)</b>	<b>(2.6%)</b>	<b>5.0%</b>	<b>4.5%</b>	<b>4.5%</b>
<b><u>Other Municipal Staff</u></b>					
Basic Salaries and Wages	86 923	88 940	93 406	97 609	102 001
Pension and UIF Contributions	12 686	14 249	14 964	15 638	16 341
Medical Aid Contributions	8 079	7 601	7 982	8 341	8 716
Overtime	85	2 851	2 993	3 128	3 269
Performance Bonus	958	1 954	2 052	2 144	2 241
Motor Vehicle Allowance	–	2 730	2 867	2 996	3 131
Cellphone Allowance	1 227	1 098	1 153	1 205	1 259
Housing Allowances	379	247	259	271	283
Other benefits and allowances	181	40	42	44	46
Payments in lieu of leave	2 841	2 824	2 965	3 099	3 238
Long service awards	419	389	432	475	518
Post-retirement benefit obligations	1 842	1 670	1 880	2 090	2 300
Acting and post related allowance	–	599	629	657	687
<b>Sub Total - Other Municipal Staff</b>	<b>115 620</b>	<b>125 192</b>	<b>131 625</b>	<b>137 697</b>	<b>144 031</b>
<b>% increase</b>	<b>9.8%</b>	<b>8.3%</b>	<b>5.1%</b>	<b>4.6%</b>	<b>4.6%</b>
<b>Total Parent Municipality</b>	<b>147 379</b>	<b>153 458</b>	<b>161 445</b>	<b>168 859</b>	<b>176 595</b>
	<b>7.1%</b>	<b>4.1%</b>	<b>5.2%</b>	<b>4.6%</b>	<b>4.6%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>147 379</b>	<b>153 458</b>	<b>161 445</b>	<b>168 859</b>	<b>176 595</b>
<b>% increase</b>	<b>7.1%</b>	<b>4.1%</b>	<b>5.2%</b>	<b>4.6%</b>	<b>4.6%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>130 324</b>	<b>139 519</b>	<b>146 669</b>	<b>153 418</b>	<b>160 459</b>



**MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	Total Package
<b>Rand per annum</b>					
<b><u>Councillors</u></b>					
Speaker	812 276	–	49 365	–	861 641
Chief Whip	426 368	–	49 365	–	475 733
Executive Mayor	1 014 539	–	49 365	–	1 063 904
Deputy Executive Mayor	–	–	–	–	–
Executive Committee	1 705 469	–	197 458	–	1 902 927
Total for all other councillors	9 142 702	–	1 328 876	–	10 471 579
<b>Total Councillors</b>	<b>13 101 354</b>	<b>–</b>	<b>1 674 430</b>		<b>14 775 784</b>
<b><u>Senior Managers of the Municipality</u></b>					
Municipal Manager (MM)	2 262 474	66 984	233 835	408 811	2 972 105
Chief Finance Officer	1 350 742	100 974	–	336 960	1 788 676
Technical Services	1 657 960	53 246	411 593	433 980	2 556 779
Community and Social Services	1 963 258	19 916	59 551	434 511	2 477 236
Corporate and Support Services	1 679 205	19 497	363 680	433 017	2 495 399
Development and Town Planning Services	2 060 472	48 798	308 956	335 126	2 753 352
<b>Total Senior Managers of the Municipality</b>	<b>10 974 113</b>	<b>309 415</b>	<b>1 377 615</b>	<b>2 382 405</b>	<b>15 043 548</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>24 075 467</b>	<b>309 415</b>	<b>3 052 045</b>	<b>2 382 405</b>	<b>29 819 332</b>



**MBRR SA24 – Summary of personnel numbers**

Summary of Personnel Numbers Number	2022/23			Current Year 2023/24			Budget Year 2024/25		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus Other Councillors)	-	-	34	-	-	34	-	-	34
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	-	-	5	-	2	4	-	2	4
Other Managers	-	16	1	-	18	2	-	18	2
Professionals	-	35	-	-	36	2	-	36	2
<i>Finance</i>	-	11	-	-	15	-	-	15	-
<i>Other</i>	-	24	-	-	23	2	-	23	2
Technicians	-	21	-	-	21	-	-	21	-
<i>Spatial/town planning</i>	-	2	-	-	2	-	-	2	-
<i>Information Technology</i>	-	2	-	-	2	-	-	2	-
<i>Roads</i>	-	1	-	-	1	-	-	1	-
<i>Electricity</i>	-	3	-	-	4	-	-	4	-
<i>Refuse</i>	-	6	-	-	4	-	-	4	-
<i>Other</i>	-	7	-	-	6	-	-	6	-
Clerks (Clerical and administrative)	-	59	-	-	59	-	-	59	-
Service and sales workers	-	7	-	-	7	2	-	7	2
Plant and Machine Operators	-	23	-	-	22	3	-	22	3
Elementary Occupations	-	115	-	-	108	-	-	108	-
<b>TOTAL PERSONNEL NUMBERS</b>	-	<b>276</b>	<b>40</b>	-	<b>273</b>	<b>47</b>	-	<b>273</b>	<b>47</b>
<b>% increase</b>					(1.1%)	17.5%			
<b>Total municipal employees headcount</b>									
Finance personnel headcount	-	-	-	-	40	-	-	40	-
Human Resources personnel headcount	-	37	1	-	5	-	-	5	-

**2.9 Monthly targets for revenue, expenditure and cash flow**



**MBRR SA25 - Budgeted monthly revenue and expenditure**

Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>															
<b>Revenue</b>															
<b>Exchange Revenue</b>															
Service charges - Electricity	5 221	5 221	5 221	5 221	5 221	5 221	5 221	5 221	5 221	5 221	5 221	5 221	62 647	65 466	68 740
Service charges - Waste Management	888	888	888	888	888	888	888	888	888	888	888	888	10 658	11 191	11 751
Sale of Goods and Rendering of Services	24	24	24	24	24	24	24	24	24	24	24	24	291	305	320
Agency services	128	128	128	128	128	128	128	128	128	128	128	128	1 538	1 615	1 680
Interest earned from Receivables	472	472	472	472	472	472	472	472	472	472	472	472	5 659	5 886	6 121
Interest earned from Current and Non Current Assets	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	31 509	32 769	34 080
Rent on Land	0	0	0	0	0	0	0	0	0	0	0	0	3	3	3
Rental from Fixed Assets	146	146	146	146	146	146	146	146	146	146	146	146	1 751	1 830	1 912
Licence and permits	126	126	126	126	126	126	126	126	126	126	126	126	1 508	1 569	1 632
Operational Revenue	67	67	67	67	67	67	67	67	67	67	67	67	805	837	871
<b>Non-Exchange Revenue</b>															
Property rates	7 746	923	923	923	923	923	923	923	923	923	923	923	17 901	18 617	19 361
Fines, penalties and forfeits	7	7	7	7	7	7	7	7	7	7	7	507	589	613	637
Transfer and subsidies - Operational	78 375	835	3 652	125	706	60 403	125	125	64 817	325	1 253	3 914	214 655	207 044	201 395
Interest	157	157	157	157	157	157	157	157	157	157	157	157	1 880	1 955	2 034
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>95 983</b>	<b>11 620</b>	<b>14 436</b>	<b>10 910</b>	<b>11 491</b>	<b>71 187</b>	<b>10 910</b>	<b>10 910</b>	<b>75 602</b>	<b>11 110</b>	<b>12 038</b>	<b>15 199</b>	<b>351 394</b>	<b>349 700</b>	<b>350 535</b>
<b>Expenditure</b>															
Employee related costs	10 840	10 840	10 840	10 840	17 420	10 840	10 840	10 840	10 840	10 840	10 840	20 848	146 669	153 418	160 459
Remuneration of councillors	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	14 776	15 441	16 136
Bulk purchases - electricity	4 615	4 615	4 615	4 615	4 615	4 615	4 615	4 615	4 615	4 615	4 615	4 615	55 383	58 153	61 060
Inventory consumed	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	25 339	24 067	27 323
Debt impairment	-	-	-	-	-	7 991	-	-	-	-	-	7 991	15 983	16 782	17 621
Depreciation and amortisation	-	-	-	-	-	9 812	-	-	-	-	-	9 812	19 624	20 606	21 636
Interest	-	-	285	-	-	-	-	-	285	-	-	5 536	6 106	12 231	12 821
Contracted services	6 040	6 040	6 165	6 165	6 040	6 040	6 040	6 040	6 040	6 040	6 040	6 040	72 726	64 682	67 927
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	49	-	49	44	45
Irrecoverable debts written off	-	-	-	-	-	1 050	-	-	-	-	-	1 050	2 100	2 205	2 315
Operational costs	4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	4 439	53 270	49 145	50 141
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	2 100	2 100	2 205	2 315
<b>Total Expenditure</b>	<b>29 277</b>	<b>29 277</b>	<b>29 687</b>	<b>29 402</b>	<b>35 857</b>	<b>48 131</b>	<b>29 277</b>	<b>29 277</b>	<b>29 562</b>	<b>29 277</b>	<b>29 326</b>	<b>65 774</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>
<b>Surplus/(Deficit)</b>	<b>66 706</b>	<b>(17 657)</b>	<b>(15 251)</b>	<b>(18 492)</b>	<b>(24 366)</b>	<b>23 057</b>	<b>(18 367)</b>	<b>(18 367)</b>	<b>46 039</b>	<b>(18 167)</b>	<b>(17 288)</b>	<b>(50 576)</b>	<b>(62 730)</b>	<b>(69 278)</b>	<b>(89 265)</b>
Transfers and subsidies - capital (monetary allocations)	2 895	4 734	16 477	-	9 237	6 858	-	-	6 858	-	-	8 725	55 783	41 588	46 249
<b>Surplus/(Deficit) for the year</b>	<b>69 600</b>	<b>(12 924)</b>	<b>1 226</b>	<b>(18 492)</b>	<b>(15 128)</b>	<b>29 915</b>	<b>(18 367)</b>	<b>(18 367)</b>	<b>52 897</b>	<b>(18 167)</b>	<b>(17 288)</b>	<b>(41 851)</b>	<b>(6 946)</b>	<b>(27 690)</b>	<b>(43 015)</b>



**MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>															
<b>Revenue by Vote</b>															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	7 550	-	-	-	7 550	7 490	7 231
Vote 2 - Planning & Development	10	10	2 392	10	10	2 392	10	10	2 392	10	805	3 187	11 238	8 277	8 957
Vote 3 - Corporate Services	154	154	154	154	154	154	154	154	154	154	154	154	1 851	1 934	2 019
Vote 4 - Budget & Treasury	57 222	3 710	4 015	3 710	4 291	38 279	3 710	3 710	36 443	3 910	3 835	3 710	166 542	167 795	166 241
Vote 5 - Road Transport	3 632	3 632	17 620	303	9 541	7 566	303	303	7 566	303	303	9 433	60 505	42 519	45 870
Vote 9 - Community & Social Services	141	141	141	141	141	141	141	141	141	141	141	141	1 695	1 704	1 714
Vote 10 - Sport & Recreation	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Vote 11 - Public Safety	14	14	14	14	14	14	14	14	14	14	14	14	163	170	178
Vote 12 - Electricity	20 880	7 432	5 317	5 317	5 317	16 778	5 317	5 317	16 128	5 317	5 317	5 317	103 756	107 506	111 212
Vote 13 - Waste Management	16 824	1 261	1 261	1 261	1 261	12 721	1 261	1 261	12 072	1 261	1 468	1 968	53 875	53 892	53 362
<b>Total Revenue by Vote</b>	<b>98 877</b>	<b>16 353</b>	<b>30 914</b>	<b>10 910</b>	<b>20 728</b>	<b>78 045</b>	<b>10 910</b>	<b>10 910</b>	<b>82 459</b>	<b>11 110</b>	<b>12 038</b>	<b>23 924</b>	<b>407 178</b>	<b>391 288</b>	<b>396 785</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Executive & Council	3 512	3 512	3 512	3 512	4 154	3 600	3 512	3 512	3 512	3 512	3 512	5 064	44 428	45 310	46 609
Vote 2 - Planning & Development	2 828	2 828	2 828	2 828	3 602	2 890	2 828	2 828	2 828	2 828	2 877	4 346	36 340	35 176	32 339
Vote 3 - Corporate Services	4 896	4 896	5 087	4 896	6 102	5 975	4 896	4 896	5 087	4 896	4 896	7 490	64 012	59 780	63 750
Vote 4 - Budget & Treasury	3 726	3 726	3 726	3 726	5 031	6 539	3 726	3 726	3 726	3 726	3 726	8 458	53 564	52 793	55 133
Vote 5 - Road Transport	2 631	2 631	2 631	2 631	3 121	7 076	2 631	2 631	2 631	2 631	2 631	9 284	43 157	49 040	54 075
Vote 6 - Waste Water Management	299	299	299	299	299	959	299	299	299	299	299	2 296	6 249	6 696	7 035
Vote 9 - Community & Social Services	1 612	1 612	1 737	1 737	2 285	2 464	1 612	1 612	1 612	1 612	1 612	3 413	22 922	23 089	24 247
Vote 10 - Sport & Recreation	184	184	184	184	392	442	184	184	184	184	184	507	2 998	3 082	3 375
Vote 11 - Public Safety	160	160	160	160	160	160	160	160	160	160	160	202	1 964	2 043	2 134
Vote 12 - Electricity	6 162	6 162	6 257	6 162	6 824	12 586	6 162	6 162	6 257	6 162	6 162	15 753	90 811	94 477	100 997
Vote 13 - Waste Management	3 266	3 266	3 266	3 266	3 886	5 440	3 266	3 266	3 266	3 266	3 266	8 963	47 678	47 491	50 107
<b>Total Expenditure by Vote</b>	<b>29 277</b>	<b>29 277</b>	<b>29 687</b>	<b>29 402</b>	<b>35 857</b>	<b>48 131</b>	<b>29 277</b>	<b>29 277</b>	<b>29 562</b>	<b>29 277</b>	<b>29 326</b>	<b>65 774</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>
<b>Surplus/(Deficit)</b>	<b>69 600</b>	<b>(12 924)</b>	<b>1 226</b>	<b>(18 492)</b>	<b>(15 128)</b>	<b>29 915</b>	<b>(18 367)</b>	<b>(18 367)</b>	<b>52 897</b>	<b>(18 167)</b>	<b>(17 288)</b>	<b>(41 851)</b>	<b>(6 946)</b>	<b>(27 690)</b>	<b>(43 015)</b>



**MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>															
<i>Governance and administration</i>	57 375	3 863	4 168	3 863	4 444	38 432	3 863	3 863	44 146	4 063	3 989	3 863	175 931	177 205	175 477
Executive and council	-	-	-	-	-	-	-	-	7 550	-	-	-	7 550	7 490	7 231
Finance and administration	57 375	3 863	4 168	3 863	4 444	38 432	3 863	3 863	36 596	4 063	3 989	3 863	168 381	169 715	168 246
<i>Community and public safety</i>	457	457	457	457	457	457	457	457	457	457	457	457	5 481	5 658	5 826
Community and social services	141	141	141	141	141	141	141	141	141	141	141	141	1 690	1 698	1 708
Sport and recreation	0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Public safety	316	316	316	316	316	316	316	316	316	316	316	316	3 789	3 957	4 116
<i>Economic and environmental services</i>	3 337	3 337	19 707	9	9 246	9 653	9	9	9 653	9	804	12 316	68 088	46 977	50 856
Planning and development	8	8	2 390	8	8	2 390	8	8	2 390	8	803	3 185	11 209	8 246	8 924
Road transport	3 330	3 330	17 318	1	9 238	7 264	1	1	7 264	1	1	9 131	56 879	38 731	41 931
<i>Trading services</i>	37 704	8 693	6 578	6 578	6 578	29 499	6 578	6 578	28 200	6 578	6 785	7 285	157 631	161 398	164 573
Energy sources	20 880	7 432	5 317	5 317	5 317	16 778	5 317	5 317	16 128	5 317	5 317	5 317	103 756	107 506	111 212
Waste management	16 824	1 261	1 261	1 261	1 261	12 721	1 261	1 261	12 072	1 261	1 468	1 968	53 875	53 892	53 362
<i>Other</i>	4	4	4	4	4	4	4	4	4	4	4	4	48	50	52
<b>Total Revenue - Functional</b>	<b>98 877</b>	<b>16 353</b>	<b>30 914</b>	<b>10 910</b>	<b>20 728</b>	<b>78 045</b>	<b>10 910</b>	<b>10 910</b>	<b>82 459</b>	<b>11 110</b>	<b>12 038</b>	<b>23 924</b>	<b>407 178</b>	<b>391 288</b>	<b>396 785</b>
<b>Expenditure - Functional</b>															
<i>Governance and administration</i>	12 135	12 135	12 325	12 135	15 287	16 114	12 135	12 135	12 325	12 135	12 135	20 988	161 981	157 858	165 465
Executive and council	2 996	2 996	2 996	2 996	3 437	3 071	2 996	2 996	2 996	2 996	2 996	4 267	37 737	38 588	40 307
Finance and administration	8 722	8 722	8 913	8 722	11 298	12 616	8 722	8 722	8 913	8 722	8 722	16 121	118 914	113 971	120 344
Internal audit	417	417	417	417	552	427	417	417	417	417	417	600	5 330	5 299	4 814
<i>Community and public safety</i>	2 273	2 273	2 273	2 273	3 259	3 542	2 273	2 273	2 273	2 273	2 273	4 769	32 026	32 953	35 315
Community and social services	1 474	1 474	1 474	1 474	2 123	2 326	1 474	1 474	1 474	1 474	1 474	3 150	20 862	21 338	23 012
Sport and recreation	184	184	184	184	392	442	184	184	184	184	184	507	2 998	3 082	3 375
Public safety	615	615	615	615	744	775	615	615	615	615	615	1 113	8 166	8 533	8 928
<i>Economic and environmental services</i>	4 852	4 852	4 852	4 852	5 959	9 197	4 852	4 852	4 852	4 852	4 852	12 580	71 407	76 271	78 353
Planning and development	2 643	2 643	2 643	2 643	3 389	2 702	2 643	2 643	2 643	2 643	2 643	4 116	33 993	33 344	31 008
Road transport	2 176	2 176	2 176	2 176	2 537	6 462	2 176	2 176	2 176	2 176	2 176	8 373	36 956	42 550	47 282
Environmental protection	33	33	33	33	33	33	33	33	33	33	33	91	458	377	63
<i>Trading services</i>	9 727	9 727	9 822	9 727	11 010	18 984	9 727	9 727	9 822	9 727	9 727	27 012	144 738	148 664	158 139
Energy sources	6 162	6 162	6 257	6 162	6 824	12 586	6 162	6 162	6 257	6 162	6 162	15 753	90 811	94 477	100 997
Waste water management	299	299	299	299	299	959	299	299	299	299	299	2 296	6 249	6 696	7 035
Waste management	3 266	3 266	3 266	3 266	3 886	5 440	3 266	3 266	3 266	3 266	3 266	8 963	47 678	47 491	50 107
<i>Other</i>	290	290	415	415	343	293	290	290	290	290	339	426	3 973	3 231	2 528
<b>Total Expenditure - Functional</b>	<b>29 277</b>	<b>29 277</b>	<b>29 687</b>	<b>29 402</b>	<b>35 857</b>	<b>48 131</b>	<b>29 277</b>	<b>29 277</b>	<b>29 562</b>	<b>29 277</b>	<b>29 326</b>	<b>65 774</b>	<b>414 124</b>	<b>418 977</b>	<b>439 800</b>
<b>Surplus/(Deficit)</b>	<b>69 600</b>	<b>(12 924)</b>	<b>1 226</b>	<b>(18 492)</b>	<b>(15 128)</b>	<b>29 915</b>	<b>(18 367)</b>	<b>(18 367)</b>	<b>52 897</b>	<b>(18 167)</b>	<b>(17 288)</b>	<b>(41 851)</b>	<b>(6 946)</b>	<b>(27 690)</b>	<b>(43 015)</b>



**MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
<b>Multi-year expenditure to be appropriated</b>																
Vote 3 - Corporate Services	400	400	-	-	-	-	-	-	-	-	-	-	800	-	-	
Vote 5 - Road Transport	11 695	9 995	12 019	6 800	7 996	7 500	7 050	6 750	7 313	6 450	6 000	6 650	96 217	74 181	28 345	
Vote 6 - Waste Water Management	-	-	-	244	-	-	-	1 100	500	600	-	-	2 444	25 152	-	
Vote 9 - Community & Social Services	1 200	1 150	950	1 500	1 100	100	-	-	-	-	-	-	6 000	2 625	5 001	
Vote 10 - Sport & Recreation	1 090	1 250	1 300	1 800	2 050	1 300	1 020	1 250	1 650	-	-	-	12 710	1 229	-	
Vote 11 - Public Safety	100	90	90	50	-	78	-	-	-	-	-	-	408	369	-	
Vote 12 - Electricity	-	-	-	350	500	400	-	589	-	-	-	-	1 839	2 870	4 331	
Vote 13 - Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	1 026	18 400	
<b>Capital multi-year expenditure sub-total</b>	<b>14 485</b>	<b>12 885</b>	<b>14 359</b>	<b>10 744</b>	<b>11 646</b>	<b>9 378</b>	<b>8 070</b>	<b>9 689</b>	<b>9 463</b>	<b>7 050</b>	<b>6 000</b>	<b>6 650</b>	<b>120 418</b>	<b>107 453</b>	<b>56 077</b>	
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Executive & Council	130	200	-	-	200	-	-	126	-	-	-	-	656	126	-	
Vote 2 - Planning & Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	178	
Vote 3 - Corporate Services	500	2 015	6 053	1 300	940	-	-	294	250	-	-	-	11 352	1 751	1 700	
Vote 4 - Budget & Treasury	-	-	490	50	200	-	360	500	298	-	-	-	1 898	2 035	872	
Vote 5 - Road Transport	135	-	-	100	550	-	-	65	-	-	-	-	850	195	2 201	
Vote 9 - Community & Social Services	-	730	-	-	-	-	-	-	-	-	-	-	730	181	178	
Vote 10 - Sport & Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	178	
Vote 11 - Public Safety	200	200	-	-	-	-	-	100	100	-	-	-	600	181	711	
Vote 12 - Electricity	1 500	400	415	1 575	1 643	-	-	-	-	-	-	-	5 533	2 651	1 175	
Vote 13 - Waste Management	-	-	-	200	300	123	130	-	-	-	200	-	953	229	178	
<b>Capital single-year expenditure sub-total</b>	<b>2 465</b>	<b>3 545</b>	<b>6 958</b>	<b>3 225</b>	<b>3 833</b>	<b>123</b>	<b>490</b>	<b>1 085</b>	<b>648</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>22 572</b>	<b>7 349</b>	<b>7 371</b>	
<b>Total Capital Expenditure</b>	<b>16 950</b>	<b>16 430</b>	<b>21 317</b>	<b>13 969</b>	<b>15 479</b>	<b>9 501</b>	<b>8 560</b>	<b>10 774</b>	<b>10 111</b>	<b>7 050</b>	<b>6 200</b>	<b>6 650</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>	



**MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital Expenditure - Functional</b>															
<i>Governance and administration</i>	1 030	2 615	6 543	1 350	1 340	-	360	920	548	-	-	-	14 706	3 913	2 572
Executive and council	130	200	-	-	200	-	-	126	-	-	-	-	656	126	-
Finance and administration	900	2 415	6 543	1 350	1 140	-	360	794	548	-	-	-	14 050	3 786	2 572
<i>Community and public safety</i>	3 790	3 390	4 664	3 850	5 450	2 778	2 370	2 200	2 950	800	1 000	1 650	34 892	4 586	6 067
Community and social services	1 200	1 350	950	1 500	1 100	100	-	-	-	-	-	-	6 200	2 806	5 178
Sport and recreation	1 090	1 250	1 300	1 800	2 050	1 300	1 020	1 250	1 650	-	-	-	12 710	1 229	178
Public safety	1 500	1 790	2 414	550	2 300	1 378	1 350	950	1 300	800	1 000	1 650	15 982	550	711
<i>Economic and environmental services</i>	10 630	9 495	9 695	6 400	6 246	6 200	5 700	5 965	6 113	5 650	5 000	5 000	82 093	74 376	30 546
Road transport	10 630	9 495	9 695	6 400	6 246	6 200	5 700	5 965	6 113	5 650	5 000	5 000	82 093	74 376	30 546
<i>Trading services</i>	1 500	400	415	2 369	2 443	523	130	1 689	500	600	200	0	10 769	31 927	24 084
Energy sources	1 500	400	415	1 925	2 143	400	-	589	-	-	-	-	7 372	5 520	5 506
Waste water management	-	-	-	244	-	-	-	1 100	500	600	-	-	2 444	25 152	-
Waste management	-	-	-	200	300	123	130	-	-	-	200	-	953	1 255	18 578
<i>Other</i>	-	530	-	-	-	-	-	-	-	-	-	-	530	-	178
<b>Total Capital Expenditure - Functional</b>	<b>16 950</b>	<b>16 430</b>	<b>21 317</b>	<b>13 969</b>	<b>15 479</b>	<b>9 501</b>	<b>8 560</b>	<b>10 774</b>	<b>10 111</b>	<b>7 050</b>	<b>6 200</b>	<b>6 650</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>
<b>Funded by:</b>															
National Government	6 090	4 150	6 024	4 750	6 446	4 200	2 450	4 689	4 250	1 400	1 000	1 650	47 100	41 588	46 249
Provincial Government	2 895	2 895	2 895	-	-	-	-	-	-	-	-	-	8 684	-	-
<b>Transfers recognised - capital</b>	<b>8 985</b>	<b>7 045</b>	<b>8 919</b>	<b>4 750</b>	<b>6 446</b>	<b>4 200</b>	<b>2 450</b>	<b>4 689</b>	<b>4 250</b>	<b>1 400</b>	<b>1 000</b>	<b>1 650</b>	<b>55 783</b>	<b>41 588</b>	<b>46 249</b>
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	55 000	-
<b>Internally generated funds</b>	7 965	9 385	12 398	9 219	9 033	5 301	6 110	6 085	5 861	5 650	5 200	5 000	87 207	18 213	17 198
<b>Total Capital Funding</b>	<b>16 950</b>	<b>16 430</b>	<b>21 317</b>	<b>13 969</b>	<b>15 479</b>	<b>9 501</b>	<b>8 560</b>	<b>10 774</b>	<b>10 111</b>	<b>7 050</b>	<b>6 200</b>	<b>6 650</b>	<b>142 990</b>	<b>114 802</b>	<b>63 448</b>



**MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	6 071	724	724	724	724	724	724	724	724	724	724	724	14 030	14 593	15 179
Service charges - electricity revenue	4 092	4 092	4 092	4 092	4 092	4 092	4 092	4 092	4 092	4 092	4 092	4 092	49 102	51 316	53 890
Service charges - refuse revenue	696	696	696	696	696	696	696	696	696	696	696	696	8 354	8 772	9 212
Rental of facilities and equipment	114	114	114	114	114	114	114	114	114	114	114	114	1 372	1 434	1 499
Interest earned - external investments	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	31 509	32 769	34 080
Interest earned - outstanding debtors	628	628	628	628	628	628	628	628	628	628	628	628	7 540	7 841	8 155
Fines, penalties and forfeits	7	7	7	7	7	7	7	7	7	7	7	507	589	613	637
Licences and permits	126	126	126	126	126	126	126	126	126	126	126	126	1 508	1 569	1 632
Agency services	128	128	128	128	128	128	128	128	128	128	128	128	1 538	1 615	1 680
Transfers and Subsidies - Operational	77 168	822	3 595	123	695	59 472	123	123	63 819	320	1 234	3 854	211 348	207 044	201 395
Other revenue	91	91	91	91	91	91	91	91	91	91	91	91	1 098	1 145	1 194
<b>Cash Receipts by Source</b>	<b>91 748</b>	<b>10 055</b>	<b>12 828</b>	<b>9 356</b>	<b>9 928</b>	<b>68 705</b>	<b>9 356</b>	<b>9 356</b>	<b>73 051</b>	<b>9 553</b>	<b>10 466</b>	<b>13 587</b>	<b>327 988</b>	<b>328 710</b>	<b>328 552</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 444	3 997	13 912	-	7 799	5 790	-	-	5 790	-	-	7 367	47 100	41 588	46 249
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	55 000	-
Increase (decrease) in consumer deposits	8	8	8	8	8	8	8	8	8	8	8	8	100	105	110
<b>Total Cash Receipts by Source</b>	<b>94 200</b>	<b>14 060</b>	<b>26 749</b>	<b>9 364</b>	<b>17 736</b>	<b>74 503</b>	<b>9 364</b>	<b>9 364</b>	<b>78 850</b>	<b>9 561</b>	<b>10 475</b>	<b>20 962</b>	<b>375 188</b>	<b>425 404</b>	<b>374 911</b>
<b>Cash Payments by Type</b>															
Employee related costs	10 404	10 404	10 404	10 404	16 720	10 404	10 404	10 404	10 404	10 404	10 404	20 010	140 775	146 710	152 917
Remuneration of councillors	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	14 776	15 441	16 136
Interest	-	-	285	-	-	-	-	-	285	-	-	5 536	6 106	12 231	12 821
Bulk purchases - electricity	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	55 039	58 325	60 893
Acquisitions - water & other inventory	2 098	2 098	2 098	2 098	2 098	2 098	2 098	2 098	2 098	2 098	2 098	2 098	25 181	24 139	27 248
Contracted services	6 002	6 002	6 126	6 126	6 002	6 002	6 002	6 002	6 002	6 002	6 002	6 002	72 273	64 873	67 740
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	49	-	49	44	45
Other expenditure	4 192	4 192	4 192	4 192	4 192	4 192	4 192	4 192	4 192	4 192	4 192	4 192	50 305	46 720	47 490
<b>Cash Payments by Type</b>	<b>28 515</b>	<b>28 515</b>	<b>28 924</b>	<b>28 639</b>	<b>34 830</b>	<b>28 515</b>	<b>28 515</b>	<b>28 515</b>	<b>28 800</b>	<b>28 515</b>	<b>28 564</b>	<b>43 657</b>	<b>364 503</b>	<b>368 483</b>	<b>385 291</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	16 950	16 430	21 317	13 969	15 479	9 501	8 560	10 774	10 111	7 050	6 200	6 650	142 990	114 802	63 448
Repayment of borrowing	-	-	471	-	-	-	-	-	471	-	-	-	942	1 503	1 581
<b>Total Cash Payments by Type</b>	<b>45 465</b>	<b>44 944</b>	<b>50 713</b>	<b>42 609</b>	<b>50 310</b>	<b>38 015</b>	<b>37 075</b>	<b>39 289</b>	<b>39 382</b>	<b>35 565</b>	<b>34 764</b>	<b>50 307</b>	<b>508 436</b>	<b>484 787</b>	<b>450 320</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>48 736</b>	<b>(30 884)</b>	<b>(23 964)</b>	<b>(33 244)</b>	<b>(32 574)</b>	<b>36 488</b>	<b>(27 711)</b>	<b>(29 925)</b>	<b>39 468</b>	<b>(26 004)</b>	<b>(24 289)</b>	<b>(29 345)</b>	<b>(133 248)</b>	<b>(59 384)</b>	<b>(75 409)</b>
Cash/cash equivalents at the month/year begin:	390 389	439 125	408 241	384 277	351 033	318 459	354 947	327 236	297 311	336 779	310 775	286 486	390 389	257 141	197 757
Cash/cash equivalents at the month/year end:	439 125	408 241	384 277	351 033	318 459	354 947	327 236	297 311	336 779	310 775	286 486	257 141	257 141	197 757	122 349





## **2.10 Contracts having future budgetary implications**

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## **2.11 Capital expenditure details**

The following five tables present details of the Municipality's capital expenditure program, firstly on new assets, then the renewal of assets, then the repair and maintenance of assets, then the depreciation per asset class and finally the upgrade of assets.



**MBRR SA34a - Capital expenditure on new assets by asset class**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>								
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>13 857</b>	<b>23 073</b>	<b>19 914</b>	<b>12 015</b>	<b>3 780</b>	<b>10 534</b>	<b>32 225</b>	<b>28 270</b>
Roads Infrastructure	7 732	3 267	8 558	315	-	785	588	4 427
Roads	7 384	3 267	8 558	315	-	135	-	982
Road Structures	349	-	-	-	-	650	588	3 445
Storm water Infrastructure	-	2 160	-	7 200	2 230	2 444	25 152	-
Storm water Conveyance	-	2 160	-	7 200	2 230	2 444	25 152	-
Electrical Infrastructure	2 254	1 173	130	1 800	1 200	7 304	5 459	5 443
MV Networks	2 041	1 173	130	-	-	1 839	4 363	4 331
LV Networks	213	-	-	1 800	1 200	5 465	1 096	1 111
Solid Waste Infrastructure	3 871	16 473	11 226	2 700	350	-	1 026	18 400
Landfill Sites	3 871	16 473	11 226	1 350	-	-	310	18 400
Waste Transfer Stations	-	-	-	1 350	350	-	716	-
<b>Community Assets</b>	<b>1 869</b>	<b>6 070</b>	<b>5 323</b>	<b>8 370</b>	<b>5 935</b>	<b>19 118</b>	<b>4 224</b>	<b>5 178</b>
Community Facilities	1 869	6 070	5 013	8 370	1 080	6 408	2 994	5 178
Halls	133	-	-	5 850	-	4 900	1 720	-
Cemeteries/Crematoria	1 737	6 070	4 816	1 440	-	1 100	905	5 001
Public Open Space	-	-	197	1 080	1 080	408	369	178
Sport and Recreation Facilities	-	-	310	-	4 855	12 710	1 229	-
Outdoor Facilities	-	-	310	-	4 855	12 710	1 229	-
<b>Other assets</b>	<b>1 565</b>	<b>1 652</b>	<b>7 540</b>	<b>9 650</b>	<b>19 776</b>	<b>14 974</b>	<b>-</b>	<b>-</b>
Operational Buildings	1 565	1 652	7 540	9 650	19 776	14 974	-	-
Municipal Offices	1 565	1 652	7 540	9 650	19 776	14 974	-	-
<b>Intangible Assets</b>	<b>103</b>	<b>-</b>	<b>262</b>	<b>2 070</b>	<b>280</b>	<b>714</b>	<b>646</b>	<b>190</b>
Licences and Rights	103	-	262	2 070	280	714	646	190
Computer Software and Applications	103	-	262	2 070	280	714	646	190
<b>Computer Equipment</b>	<b>772</b>	<b>316</b>	<b>1 454</b>	<b>1 300</b>	<b>2 520</b>	<b>910</b>	<b>1 141</b>	<b>782</b>
Computer Equipment	772	316	1 454	1 300	2 520	910	1 141	782
<b>Furniture and Office Equipment</b>	<b>183</b>	<b>290</b>	<b>292</b>	<b>466</b>	<b>556</b>	<b>1 691</b>	<b>728</b>	<b>634</b>
Furniture and Office Equipment	183	290	292	466	556	1 691	728	634
<b>Machinery and Equipment</b>	<b>38</b>	<b>4 076</b>	<b>147</b>	<b>16 311</b>	<b>27 494</b>	<b>7 903</b>	<b>666</b>	<b>419</b>
Machinery and Equipment	38	4 076	147	16 311	27 494	7 903	666	419
<b>Transport Assets</b>	<b>771</b>	<b>-</b>	<b>646</b>	<b>6 400</b>	<b>5 000</b>	<b>2 253</b>	<b>1 398</b>	<b>1 167</b>
Transport Assets	771	-	646	6 400	5 000	2 253	1 398	1 167
<b>Total Capital Expenditure on new assets</b>	<b>19 158</b>	<b>35 477</b>	<b>35 579</b>	<b>56 581</b>	<b>65 340</b>	<b>58 098</b>	<b>41 028</b>	<b>36 641</b>



**MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>								
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	-	-	-	-	40 237	68 684	54 000	-
Roads Infrastructure	-	-	-	-	40 237	68 684	54 000	-
Roads	-	-	-	-	40 237	68 684	54 000	-
<b>Community Assets</b>	-	-	-	2 050	5 805	-	-	-
Community Facilities	-	-	-	2 050	5 805	-	-	-
Halls	-	-	-	2 050	5 805	-	-	-
<b>Other assets</b>	-	-	-	-	-	2 400	-	-
Housing	-	-	-	-	-	2 400	-	-
Staff Housing	-	-	-	-	-	2 400	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	-	-	-	2 050	46 042	71 084	54 000	-
<b>Renewal of Existing Assets as % of total capex</b>	0.0%	0.0%	0.0%	2.5%	34.6%	49.7%	47.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>	0.0%	0.0%	0.0%	10.9%	246.3%	362.2%	262.1%	0.0%



**MBRR SA34c - Repairs and maintenance expenditure by asset class**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>								
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>3 143</b>	<b>5 308</b>	<b>5 431</b>	<b>11 055</b>	<b>7 945</b>	<b>12 747</b>	<b>10 420</b>	<b>13 887</b>
Roads Infrastructure	2 100	3 710	4 593	7 704	5 194	7 726	5 907	7 564
Roads	2 100	3 710	4 593	7 704	5 194	7 726	5 907	7 564
Storm water Infrastructure	289	404	184	442	12	464	420	433
Storm water Conveyance	289	404	184	442	12	464	420	433
Electrical Infrastructure	600	821	548	1 007	1 147	2 552	2 378	4 035
MV Networks	408	391	86	550	540	1 160	1 050	1 153
LV Networks	192	429	462	457	607	1 392	1 328	2 882
Solid Waste Infrastructure	155	373	106	1 903	1 593	2 005	1 715	1 855
Landfill Sites	77	177	106	1 629	1 589	1 884	1 596	1 735
Waste Transfer Stations	78	196	-	274	4	121	119	120
<b>Community Assets</b>	<b>1 843</b>	<b>2 608</b>	<b>1 851</b>	<b>2 430</b>	<b>2 530</b>	<b>2 470</b>	<b>2 255</b>	<b>2 959</b>
Community Facilities	1 655	2 233	1 686	2 101	2 200	2 024	1 844	2 378
Halls	832	1 164	768	957	968	730	667	1 047
Centres	-	4	56	41	41	43	39	40
Libraries	-	-	-	5	5	5	5	5
Cemeteries/Crematoria	823	869	832	1 013	1 101	1 156	1 046	1 168
Parks	-	15	-	15	15	16	16	17
Public Open Space	-	169	29	30	30	32	29	30
Public Ablution Facilities	-	12	-	27	27	28	26	54
Taxi Ranks/Bus Terminals	-	-	-	14	14	15	15	16
Sport and Recreation Facilities	188	375	166	330	330	446	412	581
Outdoor Facilities	188	375	166	330	330	446	412	581
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218</b>	<b>218</b>	<b>438</b>	<b>397</b>	<b>409</b>
Non-revenue Generating	-	-	-	218	218	438	397	409
Improved Property	-	-	-	218	218	438	397	409
<b>Other assets</b>	<b>617</b>	<b>1 268</b>	<b>613</b>	<b>1 974</b>	<b>1 841</b>	<b>2 385</b>	<b>2 322</b>	<b>3 019</b>
Operational Buildings	617	1 268	613	1 974	1 841	2 385	2 322	3 019
Municipal Offices	435	1 096	373	1 679	1 531	2 207	1 999	2 738
Stores	183	172	240	295	310	177	323	281
<b>Furniture and Office Equipment</b>	<b>372</b>	<b>356</b>	<b>458</b>	<b>615</b>	<b>780</b>	<b>924</b>	<b>714</b>	<b>1 006</b>
Furniture and Office Equipment	372	356	458	615	780	924	714	1 006
<b>Machinery and Equipment</b>	<b>2 015</b>	<b>1 905</b>	<b>1 135</b>	<b>2 106</b>	<b>2 021</b>	<b>2 363</b>	<b>2 213</b>	<b>2 031</b>
Machinery and Equipment	2 015	1 905	1 135	2 106	2 021	2 363	2 213	2 031
<b>Transport Assets</b>	<b>2 287</b>	<b>2 533</b>	<b>2 131</b>	<b>2 595</b>	<b>5 550</b>	<b>6 151</b>	<b>4 009</b>	<b>6 147</b>
Transport Assets	2 287	2 533	2 131	2 595	5 550	6 151	4 009	6 147
<b>Total Repairs and Maintenance Expenditure</b>	<b>10 278</b>	<b>13 978</b>	<b>11 619</b>	<b>20 992</b>	<b>20 883</b>	<b>27 477</b>	<b>22 331</b>	<b>29 458</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>	2.1%	2.7%	2.2%	3.3%	3.2%	3.6%	2.6%	3.3%
<b>R&amp;M as % Operating Expenditure</b>	4.3%	5.2%	3.9%	5.8%	5.5%	7.2%	5.4%	7.0%



**MBRR SA34d - Depreciation by asset class**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>								
<b>Depreciation by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>11 466</b>	<b>10 714</b>	<b>10 917</b>	<b>11 812</b>	<b>11 463</b>	<b>12 036</b>	<b>12 638</b>	<b>13 270</b>
Roads Infrastructure	8 361	7 079	6 892	7 804	7 236	7 598	7 978	8 377
<i>Roads</i>	8 361	7 079	6 892	7 804	7 236	7 598	7 978	8 377
Storm water Infrastructure	1 218	1 257	1 196	1 386	1 256	1 319	1 385	1 454
<i>Storm water Conveyance</i>	1 218	1 257	1 196	1 386	1 256	1 319	1 385	1 454
Electrical Infrastructure	1 130	1 330	1 391	1 466	1 461	1 534	1 610	1 691
<i>MV Networks</i>	904	1 105	1 169	1 218	1 227	1 288	1 353	1 420
<i>LV Networks</i>	226	225	222	248	233	245	257	270
Solid Waste Infrastructure	757	1 048	1 439	1 155	1 511	1 586	1 665	1 749
<i>Landfill Sites</i>	757	1 048	1 439	1 155	1 511	1 586	1 665	1 749
<b>Community Assets</b>	<b>2 159</b>	<b>2 197</b>	<b>2 358</b>	<b>2 422</b>	<b>2 475</b>	<b>2 599</b>	<b>2 729</b>	<b>2 866</b>
Community Facilities	1 719	1 758	1 918	1 937	2 014	2 114	2 220	2 331
<i>Halls</i>	812	851	872	938	916	962	1 010	1 060
<i>Cemeteries/Crematoria</i>	460	460	599	507	629	660	693	728
<i>Public Open Space</i>	60	60	60	67	63	67	70	73
<i>Taxi Ranks/Bus Terminals</i>	386	386	386	426	405	426	447	469
Sport and Recreation Facilities	440	439	440	484	462	485	509	535
<i>Outdoor Facilities</i>	440	439	440	484	462	485	509	535
<b>Other assets</b>	<b>974</b>	<b>916</b>	<b>1 008</b>	<b>1 010</b>	<b>1 059</b>	<b>1 111</b>	<b>1 167</b>	<b>1 225</b>
Operational Buildings	974	916	1 008	1 010	1 059	1 111	1 167	1 225
<i>Municipal Offices</i>	974	916	1 008	1 010	1 059	1 111	1 167	1 225
<b>Intangible Assets</b>	<b>91</b>	<b>58</b>	<b>61</b>	<b>64</b>	<b>85</b>	<b>89</b>	<b>94</b>	<b>98</b>
Licences and Rights	91	58	61	64	85	89	94	98
<i>Computer Software and Applications</i>	91	58	61	64	85	89	94	98
<b>Computer Equipment</b>	<b>762</b>	<b>660</b>	<b>683</b>	<b>728</b>	<b>717</b>	<b>751</b>	<b>789</b>	<b>828</b>
Computer Equipment	762	660	683	728	717	751	789	828
<b>Furniture and Office Equipment</b>	<b>511</b>	<b>389</b>	<b>381</b>	<b>429</b>	<b>400</b>	<b>419</b>	<b>440</b>	<b>462</b>
Furniture and Office Equipment	511	389	381	429	400	419	440	462
<b>Machinery and Equipment</b>	<b>2 257</b>	<b>1 771</b>	<b>1 595</b>	<b>1 953</b>	<b>1 675</b>	<b>1 759</b>	<b>1 847</b>	<b>1 939</b>
Machinery and Equipment	2 257	1 771	1 595	1 953	1 675	1 759	1 847	1 939
<b>Transport Assets</b>	<b>328</b>	<b>377</b>	<b>303</b>	<b>416</b>	<b>819</b>	<b>859</b>	<b>902</b>	<b>947</b>
Transport Assets	328	377	303	416	819	859	902	947
<b>Total Depreciation</b>	<b>18 548</b>	<b>17 084</b>	<b>17 306</b>	<b>18 833</b>	<b>18 693</b>	<b>19 624</b>	<b>20 606</b>	<b>21 636</b>



**MBRR SA34e - Capital expenditure on the upgrade of existing assets by asset class**

Description	2020/21	2021/22	2022/23	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	-	-	-	23 050	21 131	12 409	19 592	25 918
Roads Infrastructure	-	-	-	20 350	17 025	12 409	19 592	25 918
Roads	-	-	-	20 350	17 025	12 409	19 592	25 918
Solid Waste Infrastructure	-	-	-	2 700	4 106	-	-	-
Landfill Sites	-	-	-	2 700	4 106	-	-	-
<b>Community Assets</b>	-	-	-	400	-	600	181	889
Community Facilities	-	-	-	400	-	600	181	711
Centres	-	-	-	400	-	600	181	711
Sport and Recreation Facilities	-	-	-	-	-	-	-	178
Outdoor Facilities	-	-	-	-	-	-	-	178
<b>Other assets</b>	-	-	-	800	400	800	-	-
Operational Buildings	-	-	-	800	400	800	-	-
Municipal Offices	-	-	-	800	400	800	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	-	-	-	24 250	21 531	13 809	19 774	26 807
<i>Upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	29.3%	16.2%	9.7%	17.2%	42.3%
<i>Upgrading of Existing Assets as % of deprecn"</i>	0.0%	0.0%	0.0%	128.8%	115.2%	70.4%	96.0%	123.9%

**MBRR SA35 - Future financial implications of the capital budget**

Full detail with regards to the future implications identified on the capital budget beyond the MTREF period is available in Table SA 35 accompanying this report.

**MBRR SA36 - Detailed capital budget per municipal vote**

Full detail with regards to the capital budget is available in Table SA 36 accompanying this report.

**MBRR SA37 - Projects delayed from previous financial year/s**

No projects delayed from previous financial years were identified on the capital budget over the MTREF period.

**MBRR SA38 - Consolidated detailed operational projects**

Full detail with regards to the Consolidated detailed operational is available in Table SA 38 accompanying this report.



## 2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and employs on average seven interns every year, undergoing training in various divisions of the Financial Services Department, Risk management and Internal audit unit.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detailed SDBIP document will be finalised after approval of the 2024/25 MTREF in May 2024, directly aligned and informed by the 2024/25 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies  
Budget related policies were reviewed and updated, if so required, for final submission with the approval of the 2024/25 MTREF.



## **2.13 Other supporting documents**

All other supporting schedules are included in the A-Schedules accompanying this report.

## **2.14 Service Delivery Standards**

Below is the Schedule of Service Delivery Standards for Senqu Municipality.





### Schedule of Service Delivery Standards

Standard	Description	Ref	Year C-2	Year C-1	Year C-0	Current year			Service Level
			Actual Outcome	Actual Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
<b>Solid Waste Removal</b>									
	Premise based removal (Residential Frequency)								
	Premise based removal (Business Frequency)								
	Bulk Removal (Frequency)								
	Removal Bags provided(Yes/No)								
	Garden refuse removal Included (Yes/No)								
	Street Cleaning Frequency in CBD								
	Street Cleaning Frequency in areas excluding CBD								
	How soon are public areas cleaned after events (24hours/48hours/longer)								
	Clearing of illegal dumping (24hours/48hours/longer)								
	Recycling or environmentally friendly practices(Yes/No)								
	Licensed landfill site(Yes/No)								
<b>Electricity Service</b>									
	What is your electricity availability percentage on average per month?								
	Do your municipality have a ripple control in place that is operational? (Yes/No)								
	How much do you estimate is the cost saving in utilizing the ripple control system?								
	What is the frequency of meters being read? (per month, per year)								
	Are estimated consumption calculated at consumption over (two month's/three month's/longer period)								
	On average for how long does the municipality use estimates before reverting back to actual readings? (months)								
	Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)								
	Are accounts normally calculated on actual readings? (Yes/no)								
	Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)								
	How long does it take to replace faulty meters? (days)								
	Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)								
	How effective is the action plan in curbing line losses? (Good/Bad)								
	How soon does the municipality provide a quotation to a customer upon a written request? (days)								
	How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)								
	How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)								
	How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)								
<b>Road Infrastructure Services</b>									
	Time taken to repair a single pothole on a major road? (Hours)								
	Time taken to repair a single pothole on a minor road? (Hours)								
	Time taken to repair a road following an open trench service crossing? (Hours)								
	Time taken to repair walkways? (Hours)								
<b>Property valuations</b>									
	How long does it take on average from completion to the first account being issued? (one month/three months or longer)								
	Do you have any special rating properties? (Yes/No)								



Standard	Description	Ref	Year C-2	Year C-1	Year C-0	Current year			Service Level
			Actual Outcome	Actual Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	
<b>Financial Management</b>									
	Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)								
	Are the financial statement outsourced? (Yes/No)								
	Are there Council adopted business process restructuring the flow and management of documentation feeding to Trial Balance?								
	How long does it take for an Tax/Invoice to be paid from the date it has been received?								
	Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?								
<b>Administration</b>									
	Reaction time on enquiries and requests?								
	Time to respond to a verbal customer enquiry or request? (working days)								
	Time to respond to a written customer enquiry or request? (working days)								
	Time to resolve a customer enquiry or request? (working days)								
	What percentage of calls are not answered? (5%,10% or more)								
	How long does it take to respond to voice mails? (hours)								
	Does the municipality have control over locked enquiries? (Yes/No)								
	Is there a reduction in the number of complaints or not? (Yes/No)								
	How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)								
	How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?								
<b>Community safety and licensing services</b>									
	How long does it take to register a vehicle? (minutes)								
	How long does it take to renew a vehicle license? (minutes)								
	How long does it take to issue a duplicate registration certificate vehicle? (minutes)								
	How long does it take to de-register a vehicle? (minutes)								
	How long does it take to renew a drivers license? (minutes)								
	What is the average reaction time of the fire service to an incident? (minutes)								
	What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)								
	What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)								
<b>Economic development</b>									
	How many economic development projects does the municipality drive?								
	How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?								
	What percentage of the projects have created sustainable job security?								
	Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)								
<b>Other Service delivery and communication</b>									
	Is a information package handed to the new customer? (Yes/No)								
	Does the municipality have training or information sessions to inform the community? (Yes/No)								
	Are customers treated in a professional and humanly manner? (Yes/No)								



## 2.15 Municipal Manager’s quality certificate

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

Print Name \_\_\_\_\_

Municipal Manager of Senqu Municipality

Signature \_\_\_\_\_

Date \_\_\_\_\_



## **Part 3 – Appendices**

### **3.1 Appendix A – A-schedules**

Attached

### **3.2 Appendix B – Annual Procurement Plan**

Attached