

DRAFT ANNUAL BUDGET OF WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY



2022/23 TO 2024/25 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- **In the Mayor's office**
- **Office of the Municipal Manager**
- **Municipal library**
- **At www.mbizana.gov.za**

Table of Contents

PART 1 – ANNUAL BUDGET	3
1.1 MAYOR’S REPORT	3
1.2 COUNCIL RESOLUTIONS	11
1.3 EXECUTIVE SUMMARY	13
1.4 OPERATING REVENUE FRAMEWORK	27
1.5 OPERATING EXPENDITURE FRAMEWORK	52
1.6 CAPITAL EXPENDITURE	57
1.7 ANNUAL BUDGET TABLES	62
2 PART 2 – SUPPORTING DOCUMENTATION	75
2.1 OVERVIEW OF BUDGET RELATED-POLICIES	75
2.2 COUNCILLOR AND EMPLOYEE BENEFITS	79
2.3 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	83
2.4 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	87
2.5 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	94
2.6 CAPITAL EXPENDITURE DETAILS	95
2.7 LEGISLATION COMPLIANCE STATUS	98
2.8 MUNICIPAL MANAGER’S QUALITY CERTIFICATE	103

List of Tables

Table 1 Consolidated Overview of the 2020/21 MTREF	22
Table 2 Summary of revenue classified by main revenue source	29
• Table 3 Percentage growth in revenue by main revenue source	29
Table 4 Operating Transfers and Grant Receipts	31
Table 5 Comparison of proposed rates to be levied for the 2020/21 financial year	33
Table 6 Comparison between current waste removal fees and increases	38

List of Figures

No table of figures entries found.

Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

The council of Winnie Madikizela-Mandela Local Municipality, as elected during the 2021 Local Government Elections and now at the beginning of its term, has a responsibility of ensuring that basic service delivery is provided for all within its jurisdiction. This is the provision of the Constitution of the Republic of South Africa which is the supreme law of the land. The Municipal Finance Management Act No. 56 of 2003, section 16, provides that a municipality must compile an annual budget before the start of the financial year. A draft budget must be tabled 90 days before the start of the budget year, which means that for a 2022/23 Annual Budget, the draft budget must be tabled to council by March 31, 2022. This draft budget is in response and compliance to the afore-mentioned prescripts. This budget will then be taken to communities for consultation where comments will be solicited and incorporated when the final budget is being prepared for council to approve at least 30 days before the start of the budget year.

The municipality's development priorities are basic service delivery (Roads, storm water management, electrification, housing, land use management, educational facilities, community services, recreational facilities and related matters) and Local Economic Development (agriculture, farming, forestry, tourism development, SMME support, Business, trade and manufacturing).

a) Water and sanitation backlogs

The estimated backlog for water service delivery is 25 577 households with no access to clean water resulting in a 42% backlog in the provision of water. The estimated backlog for sanitation service delivery is 25 741 households with no access to sanitation resulting in a 42% backlog in the provision of sanitation services.

The Alfred Nzo District Municipality as reported in the previous budgets has taken proactive action to develop a strategy and plan for water and sanitation backlog eradication. The success of this strategy relies largely on active participation of all stakeholders to achieve its intended objectives.

The Alfred Nzo District Municipality is currently implementing a number of projects to eradicate water and sanitation backlog within the District which also affects Winnie Madikizela-Mandela Local Municipality.

The following table illustrates the projects that are currently on feasibility and implementation stage in order to eradicate water and sanitation backlogs.

Funding	Project Name	Status	Comments
MIG	Mbizana Town Sewer	Implementation Phase	
MIG	Mbizana Wards 13	Project Approved but not funded (funding constraints)	Detailed Designs Completed
MIG	Mbizana Ward 27	Implementation Phase	
MIG	Mbizana Wards 21,23 & 24	Planning stage	Technical Reports submitted to DWS
MIG	Mbizana Wards 11,14 & 16	Planning stage	Technical Reports submitted to DWS

MIG	Mbizana Wards 29 & 30	Planning stage	Technical Reports submitted to DWS
-----	-----------------------	----------------	------------------------------------

The Greater Mbizana Water Supply project is divided into 17 supply zones. The estimated cost for the bulk water supply (including secondary bulk) for the entire Mbizana is R 3.5 billion. The estimated Phase 1 reticulation cost is R 848 million, broken down into Phase 1 A at R 353 Million and Phase 1 B at R 495 Million. Phase 1 reticulation will cover 9 supply zones out of 17 supply zones.

b) Road Maintenance backlogs

Due the bad conditions of access roads in the entire municipal area, the municipality moved towards insourcing the maintenance of these roads by acquiring two sets of own plant. This was an attempt to maximize the available resources to ensure we maintain as much roads as possible while creating enough capacity within the municipality. Over the past two years the municipality has received substantial amounts of rains which have also caused more damage on our gravel access roads. This has increased the demand whole lowering community's tolerance levels. The municipality has allocated over R18.7 million within the next year to support the municipal plant in the maintenance of road infrastructure.

EPWP contract labourers to maintain the storm water drainage and also to fix the small to medium potholes within our CBD roads are being utilized with the municipality supplying the necessary equipment and material.

It is planned that a total of 200m² of pothole patching will be completed by the end of the current financial year as the service provider was appointed earlier in the month.

In 2022/23 financial year, 400m² is planned to be maintained using both service providers and internal plant.

c) Electrification backlogs and planning

The electricity backlog has decreased to 1836 with the completion of 2019/20 electrification projects which consisted of 1 667 households on both Schedule 6B and 5B. This backlog figure will further decrease to 679 on completion of the 2020/21 6B & 5B project schedules. The municipality and Eskom did a 5-year electrification master plan which when completed the municipality would have reached universal access within its area of Jurisdiction.

The municipality and Eskom did a 5-year electrification master plan which when completed the municipality would have reached universal access within its area of Jurisdiction.

There is a general increase of electricity demand in Mbizana as new households are constructed at a rapid pace than would have been anticipated. It is against this that the INEP Allocation for 2021/22 will be utilized to complete two projects that are currently being implemented by the municipality (Mabhenguteni and Bhekela to Mdatya villages electrification). The balance of the allocation will be utilised to implement Xolobeni village which is planned to be completed in the next financial year. Electrification of Lower Ethridge, Msarhweni, Zizityaneni and Nomlacu is planned to commence in the next financial year.

d) Environmental, coastal and waste management

The municipality as a coastal municipality has a responsibility to develop an Integrated Coastal Management Program (ICMP) which has been developed and adopted by the councils, both Winnie Madikizela-Mandela Local Municipality and Alfred Nzo District Municipality.

Integrated Waste Management Plan was completed and adopted by Council and was sent to MEC for approval. The municipality gazetted refuse Removal & sanitary by-laws which are currently being reviewed as per the NEMWA.

The Winnie Madikizela-Mandela Local Municipality has adopted a climate change strategy which has been included in the IDP and is currently being reviewed through the services of a professional service provider.

Waste management service is being provided in businesses at an interval of 4 days a week utilising 3 compactor trucks, two 1Ton trucks, 1 Skip truck, permanent employees and EPWP and a total 557 billed businesses and households as well as 989 households receiving our free refuse collection services.

The municipality provides refuse removal service to 1546 households in town, 204 small businesses and 52 big businesses including government departments. The services has also been extended outside the CBD i.e in Governmental institutions and businesses such as Greenville hospital, Mzamba Police Station, Ku bha Service Station, Wild Coast taxi rank, Red Hub Business Emagusheni centre, Zamokuhle Special school, Nompumalanga Special School, Vukuzenzela Special School, Siteto TVET, Seaview business hub Some of the institutions like clinics have hired private service providers for collection but they are obliged to use a municipal dumping site for disposal Planned projects programmes. There is 1 licensed landfill site (GSB type) which is still under construction.

1 Dumping site which will be rehabilitated for closure as soon as the Majazi landfill site is operational which is still under construction after some delays due to contractual disagreements between the implementing agent and the service provider appointed. That process has since been finalized and a new service provider was appointed and introduced to the municipality, however the construction has not commenced due to social issues within the area that are still being attended to. The municipality has since resolved to allocate funds to take over the project and ensure completion which will assist the municipality comply with the legislative requirements on waste management.

The municipality supports recycling initiatives in town while the refuse and sanitary by-laws are under review in preparation for the 2022/23 budget year.

e) Local economic development

The following plans were developed, adopted by council and are being implemented:

- LED strategy
- Tourism Plan
- Agricultural Plan
- Spatial Development Framework.

The municipality initiated and implemented a Contractor Development programme in the previous years which proved to be fruitful and helpful to the emerging contractors even though the project

was discontinued due to a number of teething challenges identified. There is however a plan to revive the programme or similar, while addressing the issues that lead to it being discontinued.

A total of 16 enrolled contractors were provided with job opportunities, 12 contractors graduated from Grade 1 to different grades up to Grade 6, 40 contractors were trained on Project Management, Tendering Processes, Quality Management Systems, Occupational Health and Safety, and Contracts Management

LED Success stories

- O. R. Tambo Garden of Remembrance Construction Project Completed
- Khananda Hill Grave Site completed
- Received General Budget Support Grant from National Treasury for Manufacturing Hub
- Agric -park programme about 28 projects benefited
- 30 New cooperatives registered
- Boat launching site approved
- 35 cooperatives assisted with production inputs
- 50 Cooperative and SMMEs have been trained on basic financial management and cooperative governance by SANAMI
- 20 Enterprises benefited in the Business Incubation Programme
- Dept. of Sport, Recreation Arts & Culture (DSRAC) sponsored Artist with a Complete set of Music system
- 15 crafters benefited from Resident Fashion Designer Program facilitated by Alfred Nzo District Municipality (ANDM) working with Alfred Nzo Development Agency (ANDA)

LED CHALLENGES HINDERING ECONOMIC DEVELOPMENT

- Infrastructure
- Access to market opportunities
- Land tenure
- Financial Constrains

RED HUB:

This was funded by ECRDA and Facilitated by Mbizana Local Municipality and Alfred Nzo District Municipality. The RED HUB has planted 638ha from the 2020/2021 planting season and each farmer contributed R1500 per hectares.

This is an Agro-processing business that has 14 primary Cooperatives and one secondary with 759 Beneficiaries and has employed 54 people in various Departments.

The CWP programme is implemented in 19 wards with 1564 participants and the funding allocated for this programme was R16 518 296.00.

The following wards (04,05,06,07,08,12,13,15,17,18,19,20,22,23,26,27,29,30 and 31) have Agriculture, construction and social sectors.

f) Tourism and Agriculture

The tourism plan was developed, executed and is currently being reviewed to ensure relevance with the current tourism trends and opportunities.

Mbizana Municipality in partnership with ECPTA, Wild Coast Sun and South Coast Tourism have signed a MOU for the promotion and marketing of tourism.

The Municipality purchased paddle boats and mountain bikes for Mzamba Ndikini tours which is operating in Mzamba area as part of tourism development.

On an annual basis the municipality identifies a number of projects in the area with the potential to grow the local economy and create employment. These are assessed to identify the support that the municipality may be able to provide to ensure they are sustainable. Below is the list of projects and activities identified and are currently being assisted by the municipality.

AGRICULTURAL MUNICIPAL FUNDED PROJECTS

No.	Project Name	Ward	Activities
01	Ndunge Soycoop Cooperative	7	Soya milk
02	Moonlight Glass & Alluminium	01	Aluminium products
03	Blatter's Panel beaters	20	Mechanic
04	Mcmiya (Pty) LTD	24	Mechanic
05	Njilo Kabalisa Agric Co-op	08	Vegetable & Maize Production
06	Lecolin Green	04	Potatoes & Vegetable production
07	Slimdo Pty Ltd	18	Poultry
08	Fula's elect and welding	22	Vegetable Production
09	Masiqhubekeni Project	23	Poultry
10	Amahomba Co-op	05	Vegetable production
11	Mzamba Pig & Poultry co-op	24	Piggery and Poultry
12	Sigidi Development	28	Vegetable production & Small stock
13	Mbizana Wool Growers association	all wards	Sheep and Wool Production
14	Mbizana Fruit & Veg Secondary Co-op (association)	all wards	Potatoes, Maize & Vegetable production
15	Mbizana Poultry farmers (association)	all wards	Poultry Production
	TOTAL EXPENDITURE		R1 935 295.00

g) Land use and spatial planning

Settlement patterns in Mbizana still reflect, to a large extent, spatial planning of the Apartheid past.

The current structure and spread of rural settlements and households therein makes it difficult for the municipality to provide services in an effective and efficient manner.

The municipality has made strides in redressing the imbalances of Apartheid spatial planning in identifying and providing basic services in those areas that were ignored in the past

Land claims still poses a challenge in development of some areas in town but municipality is in talks with CPAs to resolve those issues.

h) Electrification of villages

The Winnie Madikizela-Mandela Local Municipality has contributed to ensuring that electricity is rolled out to a number of villages within the jurisdiction of the municipality working with Eskom through the INEP grant supplemented by the municipality's own funds. This has seen the electrification of the following villages in the 2020/21 financial period which were implemented: -

Project Name	Allocated amount	Funding Source
Electrification of Mabhenguteni	R 10 139 008.82	INEP/OWN FUNDING
Electrification of Sigidi (Bhekela to Mdatya)	R 14 757 000.00	INEP/OWN FUNDING
Electrification of Mabhenguteni Village	R 11 639 008.82	INEP/OWN FUNDING
8 MVa Backbone line	R 2 054 368.44	INEP
TOTAL	R 38 589 386.08	

This was still however less than the amounts required to complete projects with the municipality topping up with its own resources to ensure these are completed within stipulated times.

This resulted in the electrification of 1250 households when the projects were completed.

In the current financial year (2021/22) Winnie Madikizela-Mandela Local Municipality received R 28 453 000 INEP funding allocation to implement three (3) projects as per the table below.

Project Name	Allocated Amount	Funding Source
Mabhenguteni Electrification	R 8 291 637.00	INEP
Bhekela/Mdatya Electrification	R 4 569 454.17	INEP
Xholobeni Mgungundlovu Dumasi Village	R 24 150 000.00	INEP/OWN FUNDING
TOTAL	R 37 011 091.47	

For the next three years the municipality will continue to depend on the INEP electrification grant to implement the projects prioritized to strive towards universal access within the municipality. The allocations for the next budget year have been prioritized according to the following projects which are all anticipated to be completed by the end of 2022/23:

Project Name	Allocated amount	Funding Source
Electrification of Lower Etheridge	R 2 100 000.00	INEP
Electrification of Msarhweni Village	R 2 100 000.00	INEP
Xolobeni, Mgungundlovu and Dumasi village	R 8 000 000.00	INEP
Electrification of Zizityaneni Village	R 2 100 000.00	INEP
Electrification of Nomlacu	R 2 100 000.00	INEP
TOTAL	R 16 400 000.00	

The implementation of these projects in conjunction with Eskom projects is expected to reduce the backlogs drastically bringing the municipality close to universal access which is anticipated to be achieved by 2022/23.

i) Infrastructure development

The municipality also receives a Municipal Infrastructure Grant for the construction of infrastructure assets that enhance service delivery to all communities. The total amount to be received of just above R 55 million has been allocated as follows:

NAME OF PROJECT	BUDGETED AMOUNT	
Construction of Sidanga Bridge	R 6 495 967.10	MIG
Construction of Sigingqi to Marina AR with Bridge	R 10 600 000.00	MIG
Construction of Tshongweni AR	R 8 500 000.00	MIG
Construction of Sixhaseni AR	R 6 655 000.00	MIG
Construction of Tshuze to Philisweni AR	R 11 060 927.45	MIG
Construction of Mbizana Town Hall	R 8 974 205.45	MIG

R 52 286 100

The compilation of the 2022/23 annual budget has also taken into consideration the following key considerations that impact directly to our communities:-

Repairs and Maintenance of Infrastructure and other municipal assets: The municipality has the understanding that at least 8% of its budget must be set aside for the repairs and maintenance of the existing infrastructure. As part of its drive to ensure that road infrastructure assets are maintained adequately, earthmoving plant has been acquired over the past three years so that the municipality would be able to carry out its own repairs and maintenance. Planned maintenance of rural roads and CBD roads has also been planned to be done internally using labor intensive methods while budgeting for procurement of materials and tools to carry out this task. There is however an additional allocation to supplement the internal mechanisms to fast track rural and CBD road maintenance of up to R20.4 million. A further R3.9 million has been set aside for the maintenance of municipal buildings and another R2.8 million for the maintenance of municipal vehicles and plant.

Legacy programmes : The municipality prides itself of being the home of the legendary struggle icons for the freedom of the people of South Africa, Oliver Reginald Tambo and Winnie Madikizela-Mandela. It is a live conviction of this council to ensure that their legacy lives for the generations to come. It is not the wish of this council to only celebrate through events but tangible legacy projects that will ensure that our claim and ownership of these international icons is validated. A budget allocation of R877 thousand has been provided for these important activities.

Public participation: Municipality will continue to embark on community education programs in all wards in order to capacitate our communities on their role during public participation/ hearings on municipal documents. Capacitation of ward committees will also continue getting attention in an attempt to ensure coordinated servicing of our communities as structures closer to people. Program of revival and support of ward war rooms will continue this financial year as part of strengthening community and stakeholder involvement on government programs. An amount of R6.9 million has been set aside for this.

IDP and performance management: Council will continue to ensure that our IDP maintains its high credibility status through enhancing maximum public participation of all role players. We will continue to ensure that our mission of promoting and ensuring a culture of performance excellence is achieved at all costs. Although resources are very limited, these important planning and monitoring tools have been budgeted for at R1.1 million.

Special Programs and youth Development: Council will always contribute in changing lives of our special groups, our focus will be towards improving education in our region through supporting educational improving initiatives, we will also be strengthening capacity to community based structures that assist particularly in fighting violence and crimes targeting our elderly, children and women. We will continue to ensure that our council educates our communities on rights of people with disabilities and support initiatives that combats discrimination against them. An amount of just above R2.7 million has been set aside for these special groups.

Implementation of SPLUMA: Implementation of the act and running of the municipal tribunal and payment of the members to sit in the tribunal. The municipal council taken a decision to continue utilizing the district tribunal. The tribunal will consider development applications that will in turn increase the revenue base. We trust that the R140 thousand set aside as well for this purpose will be sufficient.

Geographic Information System (GIS): Acquisition tool to assist to improve the immovable asset. It is the compliance issue for spatial analysis. This will also assist in the identification of municipal assets and their locations. An amount of just above R300 thousand has been set aside for this.

The Annual Budget as compiled by the municipality seeks to address the imperatives as set out in the Integrated Development Plan and the indicated Delivery Agreement – outcome 9, which is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;

- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The Winnie Madikizela-Mandela Local Municipality annual budget and the Integrated Development Plan therefore seeks to ensure that the service delivery priorities as mandated by the constitution like electricity, roads, solid waste removal are provided to the communities. This is done at the same time whilst ensuring co-ordination of other organs of state like the District Municipality for the provision of water and sanitation and other provincial departments for respective services to the communities.

1.2 Council Resolutions

The Council of Winnie Madikizela-Mandela Local Municipality met on the 29th of March 2022 to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2022/23 and the Medium Term Revenue and Expenditure Framework. The council must then consider the following resolutions which will become final when the budget is adopted.

The Mayor of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 16(2)(1) of the Municipal Finance Management Act, (Act 56 of 2003) tabled the draft budget in a council meeting which adopts:

- a. The draft annual budget of the municipality for the financial year 2022/23 and the multi-year and single-year capital appropriations as set out in the following tables:
 - i) Budgeted Financial Performance (revenue and expenditure by functional classification);
 - ii) Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - iii) Budgeted Financial Performance (revenue by source and expenditure by type); and
 - iv) Multi-year and single-year capital appropriations by municipal vote and functional classification and associated funding by source.
- b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables:
 - i. Budgeted Financial Position;
 - ii. Budgeted Cash Flows;
 - iii. Cash backed reserves and accumulated surplus reconciliation;
 - iv. Asset management; and
 - v. Basic service delivery measurement.

- c. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) adopts the following proposed tariffs with effect from 1 July 2022:
 - i) the tariffs for property rates
 - ii) the tariffs for electricity
 - iii) the tariffs for solid waste services
 - iv) Other municipal charges
- d. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) adopts the proposed tariffs with effect from 1 July 2022 the tariffs for other services, as set out in the paragraphs on tariffs;
- e. To give proper effect to the municipality's annual budget, the Council of Winnie Madikizela-Mandela Local Municipality adopts:
 - i) 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.
- f. To enable the proper implementation of the municipality's budget, the council of Winnie Madikizela-Mandela Local Municipality adopts the following budget related policies;
 - i) The IDP and Budget Policy
 - ii) Credit control and debt collection policy
 - iii) Property Rates Policy
 - iv) Supply Chain Management Policy
 - v) Tariff Policy
 - vi) Asset Management Policy
 - vii) Supply Chain Policy for Infrastructure Procurement and Delivery Management
 - viii) Cash Management and Investment Policy
 - ix) Contract Management policy
 - x) Debtors write-off policy
 - xi) Indigent policy
 - xii) Contract Management policy
 - xiii) Retention policy
 - xiv) Cost Containment Management policy
 - xv) Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy
 - xvi) Petty Cash policy
 - xvii) Accounts payable policy

1.3 Executive Summary

The municipality continues to find itself highly dependant on grants from the national fiscus which makes it impossible to contribute with the development and service delivery needs as it wishes as these allocations do not depend on the municipality. Despite the municipality having implemented a number of incentives for property rates within the past five years where property rates tariffs remained unchanged, collection levels on household and business debt have not improved putting a strain on the limited resources required to deliver services. Monthly reports continue to show growth in the amounts owed to the municipality while resources are required to deliver services in the town area to keep it attractive for business investments. This unfortunately means that the municipality continues to utilise the grants allocated to assist the poor to deliver services in areas that are expected to be able to fund their own development. The report shows over R30 million increase on the equitable share allocation to the municipality in the next year which will assist in funding the municipal operations and possibly contribute to capital funding, however little. This coupled with debt collection efforts by the municipality with its appointed debt collector is expected to bring in the much-needed financial resources to assist the municipality in the implementation of its programmes and plans. This then requires a serious balancing act that is coupled with realistic analysis of affordability levels before any decision is taken.

Previous years audit outcomes

The municipality has, in the recent years, ensured that there are improved audit outcomes. This has been a concerted effort between the municipality's council and the management in ensuring that there are improved internal controls, historical issues and disparities in the reported information are dealt with and cleared, and that accounting records and procedures are carried out at appropriate intervals. This has seen the municipality receiving unqualified audit opinions since 2015/16 to 2019/20 financial years and a Clean Audit in 2020/21 financial year. The municipality seeks to improve on these achievements and avoid regression at all costs including the formation of a clean audit committee that is tasked with monitoring the implementation of the audit action plan as proposed by management and adopted by council.

mSCOA Implementation

The National Treasury issued a government gazette in 2014, directing that a Municipal Standard Chart of Accounts – mSCOA – would be used by all municipalities from July 01, 2017. This meant that all municipalities will have a common set of accounts from which to choose from, instead of each municipality having its own chart of accounts. This will result in a seamless reporting regime where information from all municipalities can be compared. The introduction of the business reform has meant that management needed to acquaint itself with the requirements and legislations that were meant to ensure implementation of mSCOA by July 01, 2017. The municipality complied with this requirement and the migration from the old system to the new system was done seamlessly with the assistance of the municipality's system vendors.

It is important to note that this did not represent a new system, but rather an introduction of a more detailed and streamlined way of doing business, starting from planning, where it guides you to do proper planning, informed by adequate costing. mSCOA also encourages revenue and expenditure items to be identified for what they really are and not grouped together with no detailed planning and calculation behind. We will now be able to identify the true cost of the

projects that the municipality engages on, and be able to identify, from early on, the communities that stand to benefit from those projects.

Mbizana Local Municipality is no different and has ensured that measures are put in place to ensure compliance. It is therefore important to note that we have made all efforts to ensure that the budget that will be approved is mSCOA compliant.

The impact of mSCOA on the virement policy

Earlier treasury circulars highlighted the principles that must be incorporated into municipal virement policies. Those principles are still applicable and relevant. The only difference is that a transaction in mSCOA relates to six regulated segments, therefore all segments must be considered when making a virement. As a result of this we have had to review and update our reference to “vote” to align to the function segment and indicate the funding applicable to the item being transferred in relation to the funding segment. This therefore means that with the implementation of mSCOA, virements can only take place within a function or sub-function and the same source of funding. The creation of new projects and savings across functions can only take place through an adjustment budget. Virements are not permitted from the repairs and maintenance project in the project segment.

Clarification of core and non-core functions

Core functions provides for the matters in terms of section 156 (1) of the Constitution. These are functions performed by local government and constitutionally assigned to local government in terms of Part B of Schedule 4 and Part B of Schedule 5. Non-core functions performed by local government that are constitutionally assigned to provincial government in terms of section 156(4) of the Constitution. Local government are compensated for delivering these functions on behalf of provincial government and typically receive a management fee from the provincial department.

Version changes

Version 6.6.1 of the chart will be released through a patch to accommodate the following changes/conditions published in the 2022 Division of Revenue (DoR) Bill:

- The capital leg of the Local Government Financial Management (FMG) grant that was retired in chart version 6.2 of the chart. As per the conditions published in the 2022 DoR Bill, the grant may be used, inter alia, for the acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service; delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the mSCOA,
- Allocation-in-kind for the MIG grant to make provision for the indirect grant portion of the grant; and
- The name change from Municipal Disaster relief grant to Municipal Disaster Response Grant. Municipalities should take note of this change when they report on COVID-19 in terms of mSCOA Circular No. 9.

By now, all municipalities should:

Have acquired, upgraded and maintain the hardware, software and licences required to be and remain mSCOA compliant;

Budget, transact and report on all six (6) legislated mSCOA segments and directly on the core financial system and submit the required data strings directly from this system to the LG Portal;

Lock down the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the LG portal;

Closed the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the LGportal; and

Generate regulated Schedules (A, B, C) directly from the core municipal financial systems.

Municipality that have not achieved the above level of implementation as yet, should do the following:

A road map must be provided to the National and respective provincial treasury to indicate how the municipality will become mSCOA compliant;

The municipality's mSCOA Project Steering Committee (chaired by the Accounting Officer) must meet at least monthly (if not more often) to track the progress against the road map and take corrective action where required;

Provincial treasury should be invited to the mSCOA Project Steering Committee meeting; and

Progress against the road map should be presented at the Mid-Year Budget and Performance and Budget Benchmark engagements.

Municipalities are reminded to follow the required due diligence processes in terms of MFMA Circulars No. 80 and 93 and mSCOA Circulars No. 5 and 6 when they procure a core financial system. If the procured system will impose financial obligations on the municipality beyond the three years covered in the MTREF budget, then the provisions of Section 33 of the MFMA should be adhered to.

SLAs with system vendors must also be managed properly.

The NT conducted independent audits on all municipal core financial systems in 2020 to determine to what extent these systems comply with the functionality requirements and 15 business processes required in terms of mSCOA. These results will also inform the new transversal tender for the procurement of municipal financial and internal control systems

Balance sheet and Cashflow budgeting

A budgeted balance sheet is a report that management uses to predict the levels of assets, liabilities and equity based on the planned revenue and expenditure the current accounting period. The budgeted balance sheet shows where all of the accounts would be at the end of the period if actual performance matched the budgeted estimates. All revenue and expenditure impacts on the Financial Position of the municipality.

Accurate cash flow information will assist the municipality to calculate the cash available using the historical trends.

The following should be considered when preparing estimations for balance sheet budgeting:

- The estimated revenue billings per month. Importantly, assumptions must be based on historical performance, projected growth, cost drivers and economic factors;
- Information on outstanding debtors, debt impairment and actual debt write offs;
- The roll forward movement accounts to establish opening balances; and
- Historical trends the sale of bulk electricity and water inform the estimation for bulk purchases.

Municipalities must not spend what they do not have available in the bank. It is important to link all revenue and expenditure to a funding source through the Fund segment when budgeting and transacting. The Fund segment must be used correctly for cash receipts and payments (i.e. FD001 and FD002). This will enable budgeting, transacting and reporting on the same data string and the identification of the actual cash available per funding source that can be utilised for service delivery. Non funding should not be used.

Furthermore, budgeting, transacting and reporting must be done directly in and from the integrated ERP system solution on the relevant posting levels to ensure that the built-in controls are triggered to prevent unauthorised expenditure. The high levels of unauthorised expenditure reported by the Auditor-General is evident that a number of municipalities are still working outside of their ERP systems and bypassing budget control functionality.

Municipalities are required to implement balance sheet budgeting and movement accounting to ensure that the cash flow for the 2022/2023 MTREF is populated correctly. If the cash flow is not budgeted correctly, transactions will be a challenge.

Depreciation and asset impairment budgeting

In terms of MFMA circular no 115, from the analysis of the mSCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates. When depreciation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ringfenced, municipalities will not be in a financial position to fund future infrastructure assets.

The above indicates that the municipality must have revenues that are not allocated for spending in its budget to achieve this goal.

1.4 The South African Economy and Inflation Targets

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year.

Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

The National Treasury projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades.

Pressures on the government wage bill ceiling, including the implementation of the nonpensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.

Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests.

Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

Medium-term priorities include: reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism

Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates, but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

Budget Assumptions

As the municipality provides services to the communities, a significant amount of costs are incurred and these must be recovered somehow from the consumers. This is where the issue of tariff setting comes in, and we have in this regard been guided by the municipality's performance in the previous financial years, and the guidelines set by the National Treasury in numerous circulars, last of which was MFMA Treasury Circular No. 112 and 115. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year	2022 Estimate	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Consumer Price Inflation - CPI	4.5%	4.8%	4.4%	4.5%

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving its own revenue collection, working more efficiently and implementing cost-containment measures.

The following are the key budget assumptions used to prepare the draft budget with the guidance of National Treasury, NERSA, and SALGBC –

- a) 6% increase on electricity tariffs
- b) 9.6% increase on Electricity Bulk purchases
- c) 4% increase on property rates
- d) 4.9% provision for employee costs which is in line with the SALGB Circular No.: 1/2022
- e) 4.5% increase on the remuneration of councilors
- f) 4.8% for all other expenses, and
- g) 6% for other revenue municipal Tariffs

Revenue budgeting

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have

managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band; therefore, municipalities are required to justify all increases in excess of the projected inflation target for 2022/23 in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their 2022/23 MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the valuation roll to the billing system to the National Treasury on a quarterly basis.

Setting Cost reflective Tariffs

The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate.

Eskom Bulk tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

The Public Consultations

Municipalities are advised to refer to the guidance (refer to the email sent by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to all municipalities on 20 October 2021) provided through the joint South African Local Government Association (SALGA)/ Department of Cooperative Governance (DCoG) and National Treasury (NT) Joint Circular No.1 on the transitional measures in relation to the integrated development plan (IDP) consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act 2000. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

As detailed in the later paragraphs, the municipality will consult with the communities in relation to this budget and their inputs incorporated before finalization and final approval by council. The draft annual budget as compiled for the 2022/23 financial year and the MTREF therefore addresses priorities as per the IDP consultation processes, bearing in mind the limited resources that the municipality has at its disposal. As indicated in earlier paragraphs, the leading need by the communities is electrification and access roads, the budget is biased towards these. The budget also endeavors to allocate resources for construction and maintenance of access roads that ensure communities have access to schools, clinics and other basic necessities. Sport development is crucial for social cohesion, and central to this is the construction of infrastructure that would ensure that youths in the communities have access to sporting facilities. The budget therefore allocates resources to such, as prioritized by communities.

Policy Review

The municipal council has reviewed a number of policies, proposing amendments to these policies and these are detailed in the later paragraphs in more detail. Most of the adjustments that have been proposed are necessitated by developments and changes in the requirements of key regulatory institutions like the National Treasury and the South African Revenue Services.

The preparation of the budget has relied mainly on the statistics as provided in the Community Survey of 2016 and the recent release. Although this has been the basis, we have kept in mind the growth of communities we serve within the municipality through recent community surveys. The assumptions utilized in the compilation of this budget have also been based on the guidance provided by the National Treasury on the inflationary indicators to be utilized. The guidance has also touched on the requirements and expectations from the National Energy Regulator of South Africa (NERSA) on the percentage increase that can be effected on electricity tariffs.

Measureable Performance Objectives and Indicators

As part of the IDP and budget compilation process, management has identified the strategic objectives and performance indicators that would enable the municipality to achieve on the mandated powers and functions. These have been set out in the IDP with measureable performance indicators, and the budgeted amounts for the 2022/23 financial year and the two outer years. This information has further been detailed more in the draft Service Delivery Budget Implementation Plan for the 2022/23 financial year which must be approved by the Mayor at least 28 days after the adoption of the budget. The objectives have further been provided with projects that will be implemented to achieve the set targets and these projects have been supported by project implementation plans for each of the projects.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2022/23 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2022/23 MTREF

EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	18,967	16,284	20,145	26,171	21,283	21,283	17,354	21,468	22,323	23,212
Service charges - electricity revenue	2	31,229	33,884	35,679	38,809	38,810	38,810	15,154	30,845	32,203	33,652
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	4,456	4,490	4,578	4,665	4,671	4,671	1,860	5,834	6,096	6,371
Rental of facilities and equipment		2,224	5,097	5,876	3,093	3,452	3,452	1,596	3,893	4,419	4,864
Interest earned - external investments		8,772	9,660	7,604	10,047	10,047	10,047	4,649	8,760	9,146	9,557
Interest earned - outstanding debtors		4,047	4,593	4,275	5,133	5,133	5,133	1,765	5,378	5,613	5,864
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,038	2,066	688	938	938	938	27	593	619	647
Licences and permits		2,257	2,237	2,343	2,756	1,879	1,879	862	2,404	2,510	2,623
Agency services		1,271	1,021	1,291	1,265	1,337	1,337	566	1,401	1,463	1,528
Transfers and subsidies		235,075	268,843	338,001	295,690	298,973	298,973	133,151	335,600	342,397	363,947
Other revenue	2	1,537	960	781	1,466	982	982	255	520	537	556
Gains		19,024	7,526	1,069	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		329,895	356,660	422,331	390,032	387,505	387,505	177,239	416,697	427,325	452,820
Expenditure By Type											
Employee related costs	2	102,675	104,852	105,837	126,854	119,529	119,529	45,114	124,615	129,995	135,718
Remuneration of councillors		23,244	23,970	23,964	26,007	26,007	26,007	9,757	27,047	28,129	29,254
Debt impairment	3	4,266	7,652	5,208	9,600	9,600	9,600	-	9,600	9,984	10,383
Depreciation & asset impairment	2	41,890	39,437	40,180	52,682	52,682	52,682	17,854	49,735	50,730	51,744
Finance charges		66	11	1	150	150	150	-	100	104	108
Bulk purchases - electricity	2	30,025	33,255	35,022	40,777	40,777	40,777	15,682	40,005	46,006	50,607
Inventory consumed	8	5,250	8,162	4,798	7,663	7,863	7,863	1,610	7,867	8,181	8,509
Contracted services		55,491	51,003	41,065	98,848	102,070	102,070	39,573	94,342	64,263	66,911
Transfers and subsidies		702	1,418	4,499	5,907	5,623	5,623	273	3,550	3,692	3,840
Other expenditure	4, 5	51,022	44,470	38,313	65,042	75,364	75,364	15,277	82,176	76,143	78,973
Losses		7,462	55,411	43,425	-	38,718	38,718	-	-	-	-
Total Expenditure		322,093	369,642	342,313	433,529	478,383	478,383	145,140	439,038	417,228	436,047
Surplus/(Deficit)		7,802	(12,982)	80,018	(43,497)	(90,878)	(90,878)	32,100	(22,341)	10,097	16,773
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		85,899	79,423	77,425	99,296	96,175	96,175	23,293	85,040	85,433	89,241
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		93,702	66,441	157,443	55,799	5,296	5,296	55,393	62,699	95,530	106,014
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		93,702	66,441	157,443	55,799	5,296	5,296	55,393	62,699	95,530	106,014
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		93,702	66,441	157,443	55,799	5,296	5,296	55,393	62,699	95,530	106,014
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		93,702	66,441	157,443	55,799	5,296	5,296	55,393	62,699	95,530	106,014

The table above shows the summary of the draft budget for the 2022/23 financial period with the outer years. The table shows that the expected revenue for the 2022/23 financial year adds up to just above R501 million.

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 84% of the municipality's anticipated revenues which is an increase

from 81.2% in the prior year with other sources anticipated to generate only 16% which means the municipality has very little resources to spend without prescribed conditions. This has a potential to limit the municipality in terms of the programmes it would like to implement to improve the lives of the people of Mbizana. The overall increase in revenue is around 2% taking the tune from the national performance as well where the country has seen slow to no growth in some sectors. This will unfortunately continue as the world at large continues to experience situations that have a potential of collapsing economies due to the outbreak of Covid-19 and its continued surge.

a. Revenue

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 84% of the municipality's anticipated revenues which is an increase from 82% in the prior year with other sources anticipated to generate only 16% which means the municipality has very little resources to spend without prescribed conditions. This has a potential to limit the municipality in terms of the programmes it would like to implement to improve the lives of the people of Mbizana. The overall increase in revenue is just above 3.5% taking the tune from the national performance as well where the country has seen slight improvements from no growth and negative in some sectors after the outbreak of Covid-19. This will unfortunately continue as the world at large continues to experience situations that have a potential of collapsing economies due to the outbreak of Covid-19 variants and its continued surge as well as the recent Russian invasion of Ukraine.

b. Operating expenditure

i. Non-cash items

These are expenditure items where no cash will be required to flow as these relate to the accounting for wear and tear of the municipal assets and impairment of portions of debtors considered to be irrecoverable based on the behaviour of individual debtors and their credit profile. These make up 13.48% of the municipality's operating expenditure.

ii. Depreciation and asset impairment

In terms of MFMA circular no 115, from the analysis of the mSCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates. When depreciation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ringfenced, municipalities will not be in a financial position to fund future infrastructure assets.

The above indicates that the municipality must have revenues that are not allocated for spending in its budget to achieve this goal.

iii. Employee Related Cost

Below are vacant positions that are included in the calculations of these draft budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then reaches the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

Municipal Manager

- Public Participation Officer
- Legal Officer
- Monitoring and Evaluation Officer
- VIP Protector/Driver

Corporate Services

- IT Technician
- Human Resource Officer: IPMS
- Human Resource Officer: Recruitment

Community Services

- Security
- Cashier
- 2 X Examiners

Refuse Removal

- 8 X General Assistants
- Driver

Engineering Services

- Truck Driver
- Metering Technician
- Artisan
- General Assistant

The above positions include those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. This is to ensure that all these are catered for in the municipal budget.

No new positions are proposed to be added on the municipality's organisational structure for the next three financial years.

iv. Remuneration of councilors

An increase of 4.5% was used to accommodate any adjustments that might need to be implemented during the year once a new gazette on the remuneration of office bearers has been issued and also ensuring that we have catered for the grade 4 position of the municipality. The formula for the allocation of the Equitable share includes an allocation to support councillor remuneration and ward committees. This allocation for the budget year is R14.2 million requiring the municipality to also fund the remuneration of councillors from revenues internally generated.

v. Contracted Services

This item relates to services and goods that can only be provided through the use of external service providers such as catering, hiring of transport, consultants, prepaid electricity vendors, professional services etc. This draft budget includes but not limited to the following allocations:

- R8.3 million for outsourced security services
- R6.3 million for legal services

- R4.1 million for maintenance of Hlalanathi to Dawede Access Road
- R3.2 million for maintenance of Clinic to Mahaha Access Road
- R3 million for maintenance of Khotsho Access Road
- R2.2 million for maintenance of Vuyisile Access Road
- R2.2 million for maintenance of Sizabonke to Ndinomntu Access Road
- R1.7 million for maintenance of Dutyini to Dunga Access Road
- R1 million for maintenance of Andile to Mbongweni Access road
- R1.7 million for CBD road maintenance
- R3.9 million for maintenance of municipal buildings
- R4.2 million for casual labour for refuse removal
- R2 million for security casual labour
- R3.6 million for EPWP implementation
- R1.5 million for maintenance of the landfill site
- R1.2 million for waste management services
- R1.2 million for Internal Audit fees
- R1.6 million for the maintenance and review of the Infrastructure Fixed Asset Register
- R1.1 million for the review and development of municipal policies
- R2.8 million for maintenance of municipal vehicles
- R909 thousand for maintenance of Giniswayo Access Road
- R4.5 million on catering for various municipal activities which is a reduction from R4.8 million in the current year

There are other municipal programmes included as road marking, survey of municipal land, servicing of Skip bins, and all other programmes planned for the municipality.

vi. Other Expenditure

These are all other operational expenses of the municipality such as advertising, travel and subsidies, seminar and workshops etc. The following are some of the items that may require special mention when it comes to these expenditures even though the list does not mean these are the only allocated expenditures:

- R9 million for training of manufacturing hubs
- R5.3 million for compensation of ward committees
- R5.5 million for maintenance of IT systems and rentals thereof
- R3.4 million for License fees
- R2.8 million for communication in the form of telephone, fax and cellphones
- R5.2 million for external audit fees
- R4.8 million for free basic electricity
- R4 million for solar energy subsidy
- R5.2 million for accommodation of Municipal Officials and Councillors which is an increase from R4.2 million in the current year
- R4.2 million for insurance of municipal assets and Workman's compensation
- R2.3 million for SALGA levies and
- R1.1 million for tuitions fees for training and development

There are other smaller items budgeted for that are not included on the explanations above due to their values being small individually.

EC443 Winnie Madikizela Mandela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 1 - Executive and Council		150	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		288	352	405	293	293	293	137	143	149
Vote 3 - Budget Treasury Office		286,287	306,248	354,705	309,070	309,235	309,235	340,189	361,040	383,680
Vote 4 - Community Services		11,387	15,605	12,198	13,743	12,943	12,943	14,517	11,283	11,783
Vote 5 - Development Planning		316	111	19,267	46,467	41,579	41,579	44,531	22,573	23,468
Vote 6 - Engineering Services		117,367	113,768	113,181	119,755	119,630	119,630	102,363	117,719	122,980
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	415,795	436,083	499,756	489,328	483,680	483,680	501,737	512,758	542,061
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		75,333	69,498	71,489	83,323	82,105	82,105	84,391	86,141	89,704
Vote 2 - Corporate Services		44,200	48,254	38,505	59,154	63,472	63,472	59,665	61,819	64,055
Vote 3 - Budget Treasury Office		25,305	25,842	21,935	37,982	39,379	39,379	41,521	43,073	44,706
Vote 4 - Community Services		54,695	62,453	62,815	78,225	76,867	76,867	79,162	78,604	81,927
Vote 5 - Development Planning		17,546	16,060	15,969	29,061	31,046	31,046	36,194	28,011	29,099
Vote 6 - Engineering Services		105,014	147,535	131,601	145,783	185,513	185,513	138,105	119,579	126,556
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	322,093	369,642	342,313	433,529	478,383	478,383	439,038	417,228	436,047
Surplus/(Deficit) for the year	2	93,702	66,441	157,443	55,799	5,296	5,296	62,699	95,530	106,014

b. REVENUE

Anticipated revenues have slightly increased compared to the 2021/22 budget and this is due to mainly an increase in grants as may be seen on the table above indicating the grants that have been confirmed for the municipality especially the Equitable share.

This is a worrying picture though considering that the municipality's demands have grown more than the anticipated resources. This is probably one of the most challenging budgets that the municipality will ever produce in the current economic climate.

a. EXPENDITURE

MM's Office and Council expense

This has taken into account submissions made during the budget sessions and these have been taken into account using the set limits for the overall expenditures and then using those to reprioritise.

Budget and Treasury

The major contributors are depreciation, external audit fees. Significant projects in the department are those of the review of the infrastructure fixed assets register, implementation of the contract management findings and action plan thereof.

Corporate Services

The major expenditures relate to repairs of municipal vehicles, fuel and oil, ICT licenses, SALGA levies, website maintenance, insurance for municipal assets and employees including councillors, telephone and fax as well as other operational expenses.

Development Planning

The department has made provisions for valuation services, Spluma, Tourism, agricultural events and development of SMME's including any support that is provided by the municipality to those. There are also provisions for surveying of municipal properties including the legal fees involved in the process.

Community and Social Services

The department has made provision for the rehabilitation of the landfill site, provision of security services, public safety awareness campaigns, the operation and maintenance of the municipal pound, provision of free basic energy, protective clothing and other uniforms. The department on top of the EPWP grant funded casuals has made a provision for more casual labour to assist in the refuse removal services of the municipality. They have also requested overtime to be allocated more funds to cater for public holidays and other special events.

Road Engineering

The allocations made relate to the day to day operations of the department. There are also allocations for fuel and oil for the municipal plant which will be used to maintain some of the roads within the municipality. A provision of R20.4 million has been made to cater for external road maintenance and CBD maintenance, and R3.9 million for maintenance of municipal buildings.

Electricity

The department's biggest allocation has gone to the electricity purchases which is paid to Eskom for the supply of electricity. There are also allocations of over R4.2 million that are made for purchase of electrical material and maintenance of electrical infrastructure.

1.5 Operating Revenue Framework

Winnie Madikizela-Mandela Local Municipality strives to provide its communities with the required services and for it to succeed in doing that, it has to ensure that it has an operating revenue framework that ensures that it is able to fund its operations. This talks to the fact that there must be strategies in place to maximize the collection of revenue from the streams that already exist, but as well identify new revenue streams to augment the existing ones. A revenue enhancement strategy that was approved by the council in 2014 has been reviewed and is accompanied by a proposed implementation plan to ensure implementability which was a big miss on the initial strategy.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipal area and continued economic development;
- Efficient revenue management;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);

- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) as amended;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

In preparing the budgets, realistically anticipated revenues have been considered, and as has been indicated several times earlier, the tough economic conditions reflect on the reduces anticipated revenues. Electricity and refuse removal show a slight increase and the main consideration has been the declining trend over the past few years, coupled with the weak performance of the said items in terms of revenue collection.

1.6 Reconciliation of grants allocations

Reconciliation of Winnie Madikizela-Mandela Local Municipality allocations for 22/23 MTREF					
	Revised 2021/22	Change	2022/23	2023/24	2024/25
National Allocations					
Operational	317,560,650	33,892,750	351,453,400	344,768,650	366,424,200
Equitable Share	289,620,000	30,475,000	320,095,000	339,797,000	361,325,000
Financial Management Grant	2,000,000	100,000	2,100,000	2,100,000	2,100,000
Expanded Public Works Programme	3,570,000	117,000	3,687,000	-	-
Municipal Infrastructure Grant 5%	2,551,150	200,750	2,751,900	2,871,650	2,999,200
Government Support Grant	19,819,500	3,000,000	22,819,500	-	-
Capital	76,924,850	-8,238,750	68,686,100	82,561,350	86,241,800
Municipal Infrastructure Grant	48,471,850	3,814,250	52,286,100	54,561,350	56,984,800
Integrated National Electrification	28,453,000	-12,053,000	16,400,000	28,000,000	29,257,000
		-			
Provincial Allocations					
Operational	500,000	-	500,000	500,000	522,000
Library Grant	500,000	-	500,000	500,000	522,000
		-	-	-	-
		-	-	-	-
TOTAL ALLOCATIONS	394,985,500	25,654,000	420,639,500	427,830,000	453,188,000

The above table shows the total of both conditional and unconditional grants to the municipality as confirmed on the Division of Revenue Bill and the Provincial Treasury Gazette. From the table we see a R12 million reduction in the Integrated National Electrification grants which is used to provide electricity in the rural areas of the municipality, this is an unprecedented 42% reduction in the grant.

Table 2 Summary of revenue classified by main revenue source**EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	18,967	16,284	20,145	26,171	21,283	21,283	17,354	21,468	22,323	23,212
Service charges - electricity revenue	2	31,229	33,884	35,679	38,809	38,810	38,810	15,154	30,845	32,203	33,652
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4,456	4,490	4,578	4,665	4,671	4,671	1,860	5,834	6,096	6,371
Rental of facilities and equipment		2,224	5,097	5,876	3,093	3,452	3,452	1,596	3,893	4,419	4,864
Interest earned - external investments		8,772	9,660	7,604	10,047	10,047	10,047	4,649	8,760	9,146	9,557
Interest earned - outstanding debtors		4,047	4,593	4,275	5,133	5,133	5,133	1,765	5,378	5,613	5,864
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1,038	2,066	688	938	938	938	27	593	619	647
Licences and permits		2,257	2,237	2,343	2,756	1,879	1,879	862	2,404	2,510	2,623
Agency services		1,271	1,021	1,291	1,265	1,337	1,337	566	1,401	1,463	1,528
Transfers and subsidies		235,075	268,843	338,001	295,690	298,973	298,973	133,151	335,600	342,397	363,947
Other revenue	2	1,537	960	781	1,466	982	982	255	520	537	556
Gains		19,024	7,526	1,069	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		329,895	356,660	422,331	390,032	387,505	387,505	177,239	416,697	427,325	452,820

- Table 3 Percentage growth in revenue by main revenue source**

EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				% Growth	2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1											
Revenue By Source												
Property rates	2	18,967	16,284	20,145	26,171	21,283	21,283	17,354	1%	21,468	22,323	23,212
Service charges - electricity revenue	2	31,229	33,884	35,679	38,809	38,810	38,810	15,154	-21%	30,845	32,203	33,652
Service charges - water revenue	2	-	-	-	-	-	-	-	0%	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	0%	-	-	-
Service charges - refuse revenue	2	4,456	4,490	4,578	4,665	4,671	4,671	1,860	25%	5,834	6,096	6,371
									0%			
Rental of facilities and equipment		2,224	5,097	5,876	3,093	3,452	3,452	1,596	13%	3,893	4,419	4,864
Interest earned - external investments		8,772	9,660	7,604	10,047	10,047	10,047	4,649	-13%	8,760	9,146	9,557
Interest earned - outstanding debtors		4,047	4,593	4,275	5,133	5,133	5,133	1,765	5%	5,378	5,613	5,864
Dividends received		-	-	-	-	-	-	-	0%	-	-	-
Fines, penalties and forfeits		1,038	2,066	688	938	938	938	27	-37%	593	619	647
Licences and permits		2,257	2,237	2,343	2,756	1,879	1,879	862	28%	2,404	2,510	2,623
Agency services		1,271	1,021	1,291	1,265	1,337	1,337	566	5%	1,401	1,463	1,528
Transfers and subsidies		235,075	268,843	338,001	295,690	298,973	298,973	133,151	12%	335,600	342,397	363,947
Other revenue	2	1,537	960	781	1,466	982	982	255	-47%	520	537	556
Gains		19,024	7,526	1,069	-	-	-	-	0%	-	-	-
Total Revenue (excluding capital transfers and contributions)		329,895	356,660	422,331	390,032	387,505	387,505	177,239	8%	416,697	427,325	452,820

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.

The own revenue generation of the municipality is pillared mainly by electricity distribution and levying of property rates. Although the municipality to a larger extent relies on grants, these own

revenue sources remain very important and all efforts need to be made to ensure that maximum returns are realized on them.

Property Rates depend on the availability of the updated valuation roll to be levied. A valuation roll that has been finalized is coming to an end of its validity although it is under constant challenge from the rate payers. The availability of the valuation roll has meant that a detailed and involved process is followed to determine the tariff to be levied instead of using unreliable methods of calculations. The latest valuation roll, updated with the supplementary valuations was utilized in arriving at the possible amounts that can be raised out of property rates.

Electricity distribution forms a significant part of the own funding by the municipality. The performance of this stream of revenue has been under considerable strain over the past few years, and it has become difficult to expect an immediate change out of it, however measures implemented over the past financial year and during the year have begun to show some positive results which still need to be monitored closely.

Table 4 Operating Transfers and Grant Receipts

EC443 Winnie Madikizela Mandela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		267,685	296,291	363,013	323,643	326,764	326,764	351,500	369,897	392,682
Local Government Equitable Share		230,525	260,384	332,422	289,620	289,620	289,620	320,095	339,797	361,325
Integrated National Electrification Programme		32,610	31,240	26,202	28,453	28,453	28,453	16,400	28,000	29,257
EPWP Incentive		2,335	2,452	2,389	3,570	3,570	3,570	3,687	-	-
Local Government Financial Management Grant		2,215	2,215	2,000	2,000	2,000	2,000	2,100	2,100	2,100
General Budget Support Grant						3,121	3,121	9,218		
Provincial Government:		448	4,501	773	500	500	500	500	500	522
		-	-	-	-	-	-	-	-	-
Sport and Recreation		448	500	500	500	500	500	500	500	522
Other			4,001	273						
District Municipality:		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Other			-							
Other grant providers:		-	-	-	-	-	-	-	-	-
Other										
Total Operating Transfers and Grants	5	268,133	300,792	363,786	324,143	327,264	327,264	352,000	370,397	393,204
Capital Transfers and Grants										
National Government:		59,416	48,362	49,714	70,843	67,722	67,722	68,640	57,433	59,984
Municipal Infrastructure Grant (MIG)		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)		59,416	48,362	45,459	51,023	51,023	51,023	55,038	57,433	59,984
Neighbourhood Development Partnership		-	-	4,255	19,820	16,699	16,699	13,602	-	-
Other										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other										
District Municipality:		-	-	-	-	-	-	-	-	-
Other										
Other grant providers:		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	59,416	48,362	49,714	70,843	67,722	67,722	68,640	57,433	59,984
TOTAL RECEIPTS OF TRANSFERS & GRANTS		327,549	349,154	413,500	394,986	394,986	394,986	420,639	427,830	453,188

Table 4 shows the operating grants that the municipality has been allocated for the 2022/23 financial period and the MTREF. The Equitable Share has increased to R320 million and the municipality revenue has grant funding in the excess of R420 million. It is important to note though that the INEP allocation has also decreased putting more pressure on the municipal resources when it comes to funding of the capital budget.

- **Financial Management Grant (FMG):** This grant is meant to assist in ensuring that financial management systems of the municipality are functioning and that the staff complement at the Budget and Treasury Office is adequately capacitated in terms of skill and understanding of accounting and municipal finance.
- **Municipal Infrastructure Grant (MIG) (Operational):** The MIG is meant for the development of infrastructure within the municipality, but then 5% of that is utilized for project management, payment of salaries of specific staff members and planning for those infrastructure projects.

- **Department of Sport and Culture – Library:** The grant is meant to assist in the running of the library, including ensuring that the library is appropriately stocked with books.
- **Expanded Public Works Program Grants:** This is meant to assist municipalities and the government to create labour intensive employment opportunities for the previously disadvantaged communities.
- **Integrated National Electrification Program Grant:** This is meant to assist in the eradication of electricity infrastructure backlogs in the rural communities.

- **Tariff Setting for the 2022/23 and MTREF Period**

As part of generating own revenue, the municipality needs to set tariffs for the revenue streams for which it has been made responsible for in terms of various legislations. For example the Municipal Property Rates Act empowers the municipality to levy rates on all ratable properties.

A number of considerations have been taken into consideration in setting up the tariffs to be utilized from July 01, 2022 as indicated in earlier paragraphs. The municipality has not been immune to the adverse economic conditions that are currently experienced throughout the country and more so as a result of Covid-19 economic disruptions. These conditions have been taken into consideration as the tariffs were being set and all the input costs that go into providing the specific services.

1.6.1.1 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. In determining the tariff, the municipality has considered the values of properties on which the municipality will levy rates, the amounts desirable from rates for budget purposes, and the historic tariffs of the previous financial years.

The Property Rates policy is one of the most important documents that we utilise in the determination of property rates. It should be kept in mind though that the Municipal Property Rates Act remains the reference point for this policy.

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). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy. This is maintained from the previous financial year as there has not been any significant changes to the values of the properties;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

The tariff structure has basically changed for residential properties as shown in the table below. However, it was brought into our attention by the National CoGTA that we had in the previous financial years unfairly charge government departments a higher rate than all other properties whilst these are not in the business of making profits. The vacant land has been raised higher to discourage hoarding of pieces of land that have not been developed. We have therefore taken these into consideration in arriving at the tariff as shown below

Table 5 Comparison of proposed rates to be levied for the 2022/23 financial year

PROPERTY RATES	2021/2022	2022/2023	2023/2024	2024/2025
	R/c	R/c	R/c	R/c
Agriculture Properties	0.0069	0.0070	0.0072	0.0073
Residential	0.0069	0.0070	0.0072	0.0073
Business	0.0138	0.0144	0.0149	0.0155
Government	0.0125	0.0130	0.0135	0.0141
Vacant Land	0.0104	0.0108	0.0112	0.0117

1.6.1.2 Sale of Electricity and Impact of Tariff Increases

The municipality distributes electricity in the town area of Mbizana and to do this, a service charge must be levied in order to recover the costs incurred. There has been a noticeable increase in the revenue generated from electricity as a result of projects undertaken that has seen losses reduced. However there is still a lot of work to be done to ensure that this service is at least able to sustain itself, and at some point be able to provide enough revenue for other service delivery imperatives.

As guided by National Treasury Circular 112 & 113, there has been very minimal increase in the electricity tariffs and this is informed by the percentage increase that has been considered for all other services while a decision is awaited from NERSA. We have therefore applied a 6% maximum increase. We have however made a provision of a higher increase of 9.6% increase on electricity purchases budget. This is what has been factored in and the tariffs are as follows:-

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

ELECTRICITY TARIFFS				
DOMESTIC PREPAID				
TARIFF BLOCK	TARIFF 2021/2022 @14.59% c/kwh	DRAFT TARIFF 2022/2023 @9.6% c/kwh	DRAFT TARIFF 2023/2024 @4.4% c/kwh	DRAFT TARIFF 2024/2025 @4.5% c/kwh
Block 1 (0-50 KWh)	1.2583	1.3791	1.4398	1.5046
Block 2 (51-350 KWh)	1.6178	1.7731	1.8511	1.9344
Block 3 (351-600 KWh)	2.2769	2.4955	2.6053	2.7225
Block 4 (>600 KWh)	2.6814	2.9388	3.0681	3.2062
DOMESTIC CONVENTIONAL (c/KWh)	PROPOSE D TARIFF 2021/2022 @14.59% c/kwh	DRAFT TARIFF 2022/2023 @9.6% c/kwh	DRAFT TARIFF 2023/2024 @4.4% c/kwh	DRAFT TARIFF 2024/2025 @4.5% c/kwh
TARIFF BLOCK				
Block 1 (0-50 KWh)	1.2583	1.3791	1.4398	1.5046
Block 2 (51-350 KWh)	1.6178	1.7731	1.8511	1.9344
Block 3 (351-600 KWh)	2.2769	2.4955	2.6053	2.7225
Block 4 (>600 KWh)	2.6814	2.9388	3.0681	3.2062
Basic Charge (R/Month)	R257.00	R281.67	294.07	307.30
COMMERCIAL TARIFFS				

COMMERCIAL SINGLE PHASE - CONVENTIONAL	TARIFF 2021/2022 @14.59% c/kwh	DRAFT TARIFF 2022/2023 @9.6% c/kwh	DRAFT TARIFF 2023/2024 @4.4% c/kwh	DRAFT TARIFF 2024/2025 @4.5% c/kwh
TARIFF DETAIL				
Basic Charge (R/ Month)	R542.86	R595.13	621.31	649.27
Energy Charge (c/KWh)	2.3814	2.6100	2.7249	2.8475
COMMERCIAL SINGLE PHASE - PRE-PAID	TARIFF 2021/2022 @14.59% c/kwh	DRAFT TARIFF 2022/2023 @9.6% c/kwh	DRAFT TARIFF 2023/2024 @4.4% c/kwh	DRAFT TARIFF 2024/2025 @4.5% c/kwh
TARIFF DETAIL				
Basic Charge (R/ Month)	R542.86	R595.13	621.31	649.27
Energy Charge (c/KWh)	2.3814	2.6100	2.7249	2.8475
COMMERCIAL THREE PHASE - CONVENTIONAL	TARIFF 2021/2022 @14.59% c/kwh	DRAFT TARIFF 2022/2023 @9.6% c/kwh	DRAFT TARIFF 2023/2024 @4.4% c/kwh	DRAFT TARIFF 2024/2025 @4.5% c/kwh
TARIFF DETAIL				
Basic Charge (R/ Month)	R1,009.03	R1,105.86	1154.52	1206.48
Energy Charge (c/KWh)	2.2700	2.4879	2.5974	2.7143
COMMERCIAL THREE PHASE - PRE-PAID	TARIFF 2021/2022 @14.59% c/kwh	DRAFT TARIFF 2022/2023 @9.6% c/kwh	DRAFT TARIFF 2023/2024 @4.4% c/kwh	DRAFT TARIFF 2024/2025 @4.5% c/kwh
TARIFF DETAIL				
Basic Charge (R/ Month)	R1,016.34	R1,105.86	1154.52	1206.48
Energy Charge (c/KWh)	2.2700	2.4879	2.5974	2.7143
INDUSTRIAL TARIFFS				

LARGE POWER USER (More than 100KVA Maximum Demand)	TARIFF 2021/2022 @14.59% c/kwh	DRAFT TARIFF 2022/2023 @9.6% c/kwh	DRAFT TARIFF 2023/2024 @4.4% c/kwh	DRAFT TARIFF 2024/2025 @4.5% c/kwh
TARIFF DETAIL				
Basic Charge (R/ Month)	R1,689.07	R1,851.14	1,932.59	2,019.56
Demand Charge (R/KVA)	R2.92	R3.20	3.34	3.49
Energy Charge (c/KWh)	1.1029	1.2088	1.26	1.32
**EXCLUDING VAT (15%)				
Security deposit:-	1,500	1,500	1,500	1,500
Every applicant for the supply of electricity within the Municipality shall pay a deposit sufficient to cover the estimated cost of three months supply of electricity to the premises concerned with a minimum deposit of :-				
NEW CONNECTION FEES	2021/2022	2022/2023	2023/2024	2024 /2025
	R	R	R	R
20 Amps (Single Phase)	2,381	2,476	2,575	2,691
60 Amps (Single Phase)	4,682	4,869	5,064	5,292
100 Amps (3 Phase)	6,223	6,472	6,472	6,763
Per Kva	6,784	7,055	7,337	7,667
Inspection and testing of installation:- (new)				
To inspect and/or test consumer's installation for the first test	316	328	341	356
Thereafter				
To inspect and/or test consumer's installation per inspection, per visit.	316	328	341	356
Testing of meters:-				
For the testing of a meter at the consumer's request, per meter, and a refund should the meter prove to be faulty				
Connection fee:-				
The connection fee in respect of any temporary supply, per connection	491	510	530	554
The connection fee / Administration fee in respect of any disconnection and reconnection of services cutt-offs	491	510	530	554

Meter movement fee in respect of meter relocation and redirecting the cable from 1 point to the other	507	527	548	573
Meter Hardware costs				
Meter keypad replacement	636	661	687	718
Meter replacement :20 Amps (Single Phase)	766	796	827	864
Meter replacement :60 Amps (Single Phase)	900	936	973	1,017
Meter replacement :100 Amps (3 phase)	2,084	2,167	2,253	2,354
Tampering fine (Illegal connection) (no VAT)	2021/2022	2022/2023	2023/2024	2024 /2025
	R	R	R	R
First temper	17,500	18,500	20,000	20,900
Second temper	22,500	25,000	27,500	28,700
Third temper(permanent disconnection)	27,500	30,000	32,500	33,900
Plus Cost of New meter - Cost + 10% Admin Fee + vat				
<i>Any additional offence will constitute the removal of the supply to the premises concerned inclusive of cable and meters to be replaced at cost + 10% + vat payable in advance provided that any reconnection fee or penalty has to be paid prior to the supply being reconnected. The offences mentioned above will be deemed to be from date of application to date of termination of the electrical supply to the premises in question</i>				
<i>Any additional offence will constitute the removal of the supply to the premises concerned inclusive of cable and meters to be replaced at cost + 10% + vat payable in advance provided that any reconnection fee or penalty has to be paid prior to the supply being reconnected.</i>				

1.6.1.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

The following table compares current and proposed amounts payable from 1 July 2022:

Table 6 Comparison between current waste removal fees and increases

REFUSE - RESIDENTIAL	2021/2022	2022/2023	2023/2024	2024/2025
	R	R	R	R
Category 1	170	177	185	194
Category 2	341	356	372	389
Category 3	427	445	466	486
Category 4	683	714	746	779
Category 5	768	802	838	875
Category 6	512	535	559	584
Category 7	170	177	185	194
Category 8	322	336	351	367
Category 9	80	83	87	91
Category 10	469	490	512	535
Category 11	658	687	718	750
Category 12	655	683	714	746
**EXCLUDING VAT (15%)				
***ALL TARIFFS ARE INCLUSIVE OF 30% BASIC CHARGE PER CATEGORY				

REFUSE - COMMERCIAL	2021/2022	2022/2023	2023/2024	2024/2025
	R	R	R	R
Category 1	169	177	184	194
Category 2	458	478	500	522
Category 3.1	1,375	1,435	1,500	1,567
Category 3.2	new	590	617	645
Category 4	1,718	1,794	1,875	1,959

REFUSE - COMMERCIAL	2021/2022	2022/2023	2023/2024	2024/2025
Category 5.1	4,009	4,186	4,374	4,571
Category 5.2	2,864	2,990	3,124	3,265
Category 5.3	1,309	1,367	1,428	1,493
Category 5.4	655	683	714	746
Category 6	677	704	733	766
**EXCLUDING VAT (15%)				
***ALL TARIFFS ARE INCLUSIVE OF 30% BASIC CHARGE PER CATEGORY				

DUMPING SITE TARRIFS	2021/2022	2022/2023	2023/2024	2024/2025
Disposal	R	R	R	R
Bakki per load	82	86	90	91
Truck per load(4 ton)	143	150	156	157
Truck per load(8 ton and above)	240	251	261	263
Clean Rubble (clean Rubble)	0	0	0	-
RENT A SKIP SERVICE				
Daily	208	217	226	227
Weekly	677	704	733	736
Monthly	2,707	2,815	2,930	2,942

Hiring of municipal facilities

FACILITIES HIRE	2021/2022	2022/2023	2023/2024	2024/2025
HALL HIRE: URBAN AREA	R	R	R	
Daily rate	910	952	994	1,039
Hourly rate	152	159	166	173
Monthly rate	22,757	23,804	24,851	25,970
IEC Tariffs Daily	553	578	603	631

IEC Tariffs Monthly	13,761	14,353	14,970	15,644
Security	1,321	1,382	1,443	1,508
HALL HIRE: RURAL AREA				
Daily rate	678	707	738	771
Hourly rate	152	159	166	173
Monthly rate	10,276	10,281	10,734	11,217
IEC Tariffs Daily	250	250	261	273
IEC Tariffs Monthly	6,503	6,507	6,793	7,098
Security	644	674	704	735
COMMUNITY PARKS AND OPEN SPACE				
Group Entertainment	1,500	1,501	1,567	1,637

Pound Fees

POUND FEES	2021/2022	2022/2023	2023/2024	2024/2025
	R	R	R	
Cattle, Horses, Donkeys and any other animal of similar size per day	67	70	73	75.92
Goats, sheep and other animals of the same size per day	40	42	44	45.76
If captured by SAPS(e.g. recovered stolen animals)	40	42	44	45.76
Motor vehicles	282	293	294	305.76
Other goods	48	50	52	54.08
Admission of guilt/Animal (large stock)	265	275	276	287.04
Admission of guilt/Animal (small stock)	106	110	114	118.56
<i>Where there are more than five animals impounded, from the sixth animal, 50% of the daily rate will be charged. This charge will apply for animals belonging to one owner.</i>				

Library Services

LIBRARY SERVICES	2021/2022	2022/2023	2023/2024	2024/2025
Library membership	R	R	R	R
Adult	free	free	free	free
Children (12 years & older) per annum	free	free	free	free
Photocopy (B&W per page)	1	1	1	1
Color (per page)	3	3	3	2.65
Photocopying A3 page: Black and White	3	3	3	3.2
Photocopying A3 page: Colour	4	4	4	4
Printing A4: Black and White	5	5	6	5.5
Printing A4: Colour	7	7	8	7.7
Lost book (market value of the book and admin. Fees)	200	209	218	217.56
Overdue book returns	81	84	88	87.88
Book Tempered with	40	42	44	43.66

Cemetery Fees

CEMETERY FEES	2021/2022	2022/2023	2023/2024	2024/2025
	R	R	R	R
Burial site - Adult	741	772	803	803.2
Burial site - Children	373	388	404	403.84
Burial site - Stillborn	146	152	158	157.93
Burial of ashes in existing grave	208	217	226	225.61
Exhumation fee (admin. Fees)	208	217	226	225.61
Burial site - Non- resident burial	1,041	1,084	1,128	1128.11
Burial on reserved grave	371	386	402	401.59
Pernalty on extending grave	1,666	1,734	1,805	1804.96

1.6.1.4 Other Municipal Tariffs

The municipality has other tariffs that are proposed to increase as follows:

Development Planning Tariffs

DEVELOPMENT AND PLANNING SERVICES				
**EXCLUDING VAT (15%)	2021/2022	2022/2023	2023/2024	2024 /2025
Rezoning Application per m2	R	R	R	R
Erven 0 – 2500m2	2,268	2,370	2,470	2,580
Erven 2501 – 5000m2	4,220	4,420	4,610	4,820
Erven 5001 0 – 1 Ha	8,308	8,700	9,080	9,490
Erven 1, 0001Ha – 5Ha	10,927	11,450	11,950	12,490
Erven over 5Ha	14,952	15,670	16,460	17,200
Special Consent / Temporary Departure Application m2				
Erven 0 – 2500m2	1,842	1,930	2,010	2,100
Erven 2501 – 5000m2	3,793	3,970	4,140	4,330
Erven 5001 0 – 1 Ha	7,940	8,320	4,690	4,900
Erven 1, 0001Ha – 5Ha	10,744	11,260	11,750	12,280
Erven over 5Ha	14,159	14,840	15,500	16,200
Subdivision Application				
Erven 1-2	2,376	2,490	2,600	2,717
Erven 1-3	3,169	3,320	3,466	3,622
Erven 1-4	3,962	4,150	4,333	4,528
Erven 1-5	4,481	4,700	4,907	5,128
Erven 1-6	5,545	5,810	6,066	6,339
Erven 1-7	6,339	6,640	6,932	7,244
Erven 1-8	7,131	7,470	7,799	8,150
Erven 1-9	7,924	8,300	8,665	9,055

DEVELOPMENT AND PLANNING SERVICES				
**EXCLUDING VAT (15%)	2021/2022	2022/2023	2023/2024	2024 /2025
Erven 1-10	8,716	9,130	9,532	9,961
Erven more than 10	15,847	16,610	17,341	18,121
Departure Application from the scheme (Building Lines, height, coverage etc)				
Erven 0 – 530m2	1,492	1,564	1,632	1,706
Erven 531– more	2,639	2,766	2,887	3,017
Application for the Removal of Restrictions	11,281	11,822	12,343	12,898
Zoning Certificate	146	153	160	167
Town Planning Scheme	366	384	400	418
Spatial Development Framework	610	639	667	697
Application for Consolidation of Erven	2,439	2,556	2,669	2,789
SG Diagram	1,219	1,278	1,334	1,394
Amendment of the Subdivisional Plan	3,146	3,297	3,442	3,597
Extension of Validity	5,375	5,633	5,881	6,145
Sale or Lease of Land(Application fees)	5,422	5,682	5,932	6,199
Contravention Fines and Penalties				
Newspaper(s) and government gazette Advertising Daily dispatch or Gov Gazette Tariff to be borne by the applicant				
Offences for contravention of Zoning: Uses not under Primary Use in terms of section 3 of the WMM Municipality Land Use Scheme Regulations and Uses not in column 2 of the WMM Land Use Scheme Regulations				
Special Residential	2,300	2,410	2,516	2,630
General Residential	2,760	2,892	3,020	3,156
General Business	2,760	2,892	3,020	3,156
Special Business	2,760	2,892	3,020	3,156
Commercial	2,760	2,892	3,020	3,156
Industrial`	2,760	2,892	3,020	3,156

DEVELOPMENT AND PLANNING SERVICES				
**EXCLUDING VAT (15%)	2021/2022	2022/2023	2023/2024	2024 /2025
Institutional	3,220	3,375	3,523	3,682
Educational	2,760	2,892	3,020	3,156
Municipal	2,760	2,892	3,020	3,156
Government	3,220	3,375	3,523	3,682
Public Garage	2,760	2,892	3,020	3,156
Open Space	2,300	2,410	2,516	2,630
Agricultural	2,300	2,410	2,516	2,630
Special	2,300	2,410	2,516	2,630
Undetermined	2,300	2,410	2,516	2,630
Proposed New Road and	4,600	4,821	5,033	5,259
Offences for contravention of Coverage: of the Transkei Standard Town Planning Scheme				
Contravention of section 25	3,680	3,857	4,026	4,208
Offences for contravention of Height: of the Transkei Standard Town Planning Scheme				
Contravention of section 26	3,680	3,857	4,026	4,208
Offences for contravention of Parking: Contravention of section 4 of the WMM Municipality Land Use Scheme read with section 4.12 of the WMM Spatial Planning Bylaw				
Special and General Residential	2,300	2,410	2,516	2,630
Business and Commercial Zones	3,680	3,857	4,026	4,208
Other zones	3,680	3,857	4,026	4,208
Offences for contravention of Building Lines: of the Transkei Standard Town Planning Scheme				
Offences for contravention:				
Contravention of s(10)& s(11)	3,220	3,375	3,523	3,682
Contravention of s(17); (18); (19); (20); (21); (22); (23); (24); (28); (29); (30); (31) and (32)	4,600	4,821	5,033	5,259

Town Planning Tariffs

Building Plan Fees	2021/22	2022/23	2023/24	2024/25
Extension 1 and Extension 2				
Fee per 1m ²	R 31.00	R 32.00	R 33.00	R34.00
Swimming Pool	R 493.00	R 503.00	R 513.00	R523.00
Retaining /Boundary wall	R 497.00	R 507.00	R 517.00	R527.00
Building plan elapses after a year	Full Fee	Full Fee	Full Fee	Full Fee

Plan Amendment Fees	2021/22	2022/23	2023/24	2024/25
Amendment				
No increase in floor area	R 477.00	R 487.00	R 497.00	R507.00

Temporary Building/Structure Approved by Council				
	2021/22	2022/23	2023/24	2024/25
Description				
Storage facility per year	R 469.00	R 500.00	R 550.00	R600.00
Container per year	R 469.00	R 500.00	R 550.00	R600.00
Caravan per year	R 469.00	R 500.00	R 550.00	R600.00

Demolitions				
	2021/22	2022/23	2023/24	2024/25
Per first 100 linear meter	R 442.00	R 452.00	R 462.00	R672.00
Thereof every linear meter exceed 100 meters	R 32.00	R 33.00	R 34.00	R35.00

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977				
DESCRIPTION OF OFFENCE	2021/22	2022/23	2023/24	2024/25
Building without approved building plan. S4(4)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Building in contravention of a notice prohibiting any building work. S10(2)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to demolish, alter or safeguard. S12(6)	R 1,130.00	R 1,400.00	R 1,600.00	R1,800.00
Submit false certificate or issuing thereof. S14(3)	R 1,135.00	R 1,350.00	R 1,500.00	R1,650.00
Occupy or use of building without occupation certificate. S14(4)(a)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Preventing a building control officer in the execution of his/her duties. S15(2)	R 1,670.00	R 1,800.00	R 2,000.00	R2,200.00

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977				
DESCRIPTION OF OFFENCE	2021/22	2022/23	2023/24	2024/25
Prohibition on the use of certain building methods and materials. S19(2)	R 565.00	R 650.00	R 700.00	R750.00
Submit false or misleading information. S(a)(2)(3)(f)	NAG	NAG	NAG	NAG
Failure to maintain, safeguard or service installation. S(a)(15)(5)	R 565.00	R 650.00	R 700.00	R750.00
Illegal or withdrawn certificate of identity. S(a)(17)(4)	NAG	NAG	NAG	NAG
Failure to supervise and/or control plumbing work. S(a)(18) (5)	R 565.00	R 650.00	R 700.00	R750.00
Failure to give notice of intention to commence erection or demolition of a building. S(a)22 (4)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Use of a building for a purpose other than the purpose shown on approved plans. S(a)25 (2)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Deviation from approved building plan. S (A)25 (5)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to comply with any provision of or any notice issued in terms of Regulation A25 General Enforcement. A25 (11)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to safeguard a swimming pool. D4 (2)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to apply for written permission for demolition. E1 (1)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to safeguard demolition work. E1 (3)	R 1,700.00	R 1,900.00	R 2,100.00	R2,300.00
Failure to comply with any provision of or any notice issued in terms of Regulation F1 Protection of the public. F1 (6)	R 1,700.00	R 1,900.00	R 2,100.00	R2,300.00
Failure to control dust and noise. F6 (3)	R 570.00	R 650.00	R 700.00	R750.00
Failure to comply with any provision of or any notice issued in terms of Regulation F6 regarding the Cutting into, laying open and demolishing certain work. F7 (5)	R 570.00	R 650.00	R 700.00	R750.00
Failure to comply with a notice to remove waste material on site. F8 (2)	R 570.00	R 650.00	R 700.00	R750.00

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977				
DESCRIPTION OF OFFENCE	2021/22	2022/23	2023/24	2024/25
Failure to comply with any provision of or any notice issued in terms of Regulation F9 Cleaning of site. F9 (2)	R 570.00	R 650.00	R 700.00	R750.00
Failure to comply with any provision of or any notice issued in terms of Regulation F10 Builder's sheds. F10 (7)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to comply with any provision of or any notice issued terms if Regulation F11 Sanitary facilities. F11 (2)	R 570.00	R 650.00	R 700.00	R750.00
Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building. P1 (5)	R 570.00	R 650.00	R 700.00	R750.00
Failure to comply with any provision of or any notice issued in terms off Regulation P3 Control of objectionable discharge. P3 (5)	R 570.00	R 650.00	R 700.00	R750.00
Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent. P4 (2)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections. P5 (4)	R 570.00	R 650.00	R 700.00	R750.00
Failure to comply with any provision of or any notice issued in terms of Regulation P6 Unauthorized drainage work. P6 (2)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to comply with any provision of or any notice issued in terms of Regulations P7 Inspection and testing of drainage installations. P7 (4)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Failure to make and maintain adequate provision in terms of the requirements of Regulation T1 (1) (e) or failure to comply with relevant SABS specifications. T2 (1)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00
Obstructing or causing to be obstructed of an escape route. T2 (2)	R 1,125.00	R 1,500.00	R 1,700.00	R1,900.00

WAYLEAVE				
	2021/22	2022/23	2023/24	2024/25
Application	R 2,096.00	R 3,000.00	R 3,500.00	R4,000

Fine	R 4,192.00	R 5,000.00	R 7,000.00	R9,000
------	------------	------------	------------	--------

PROPERTY VALUATION				
	2021/22	2022/23	2023/24	2024/25
Valuation certificate	new	R 153.00	R 160.00	R170.00

GIS Tariffs

GIS Tariffs Printing Charges Paper size - Full Ink	2021/22	2022/23	2023/24	2024/25
A4	R 13.00	R 14.00	R 15.00	R 16.00
A3	R 33.00	R 34.00	R 35.00	R 36.00
A2	R 53.00	R 54.00	R 55.00	R 56.00
A1	R 80.00	R 81.00	R 82.00	R 83.00
A0	R 106.00	R 107.00	R 108.00	R 109.00

GIS Tariffs Printing Charges Paper size - Line Map	2021/22	2022/23	2023/24	2024/25
A4	R 8.00	R 9.00	R10.00	R11.00
A3	R 18.00	R 19.00	R20.00	R21.00
A2	R 28.00	R 29.00	R30.00	R31.00
A1	R 45.00	R 46.00	R47.00	R48.00
A0	R 56.00	R 57.00	R58	R59.00

Business Licensing and Other Tariffs

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF: VENDING AND HAWKING TARRIFS				
	2021/2022	2022/2023	2023/2024	2024/2025
	R	R	R	R
Registration for permit for hawker with table	160	120	124	128
Renewal for permit of hawker with table		100	104	108
Registration of permit for hawker with shelter		300	312	324
Renewal for hawker with shelter	310	350	364	378
Registration of permit for bakkies	390	500	520	540
Renewal of permit for bakkies	650	500	520	540
Registration hawkers outside of town with table	65	70	72	75
Renewal of hawkers outside of town with table		70	72	75
Registration for hawkers with shelter outside town	130	150	156	162
Renewal for hawkers with shelter outside town	130	150	156	162

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF: VENDING AND HAWKING TARRIFS				
	2021/2022	2022/2023	2023/2024	2024/2025
	R	R	R	R
Penalty fee for failure to adhere to by-laws		350	364	379
Penalty fee for confiscated goods		500	520	541

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF				
	2021/2022	2022/2023	2023/2024	2024/2025
	R	R	R	R
Registration fee: Sale and supply of meals	150	160	166	173
Registration fee: Health and entertainment	150	160	166	173
Registration fee: Mechanical electrical apparatus or devices (games) 3 or more	150	160	166	173
<i>NOTE: These fees are once off and only for registration fee.</i>				
Annual License fees (One year fee): Sale and supply of meals	380	400	416	433
Annual License fees (One year fee): Health and entertainment	380	400	416	433
Annual License fees (One year fee): Mechanical electrical apparatus or devices (games) 3 or more	380	400	416	433

Taxi rank taffifs	2021/2023	2022/2023	2023/2024	2024/2025
	R	R	R	R
Taxi per year at stand A	new	500	520	541
Taxi per year at stand B	new	350	364	379
Bus per year	new	500	520	541
Truck per year	new	500	520	541
Meter Taxi per year	new	150	156	162
Bakkie per year	new	150	156	162
Taxi from outside per load	new	50	52	54

BILLBOARD LOCAL	2021/22	2022/23	2023/24	2024/25
1m (h) x 1.5m(h) per month	R 442.00	R 542.00	R 642.00	R742.00
1.5m(h) x 2m(w) per month	R 515.00	R 615.00	R 715.00	R815.00
2m(h) x 3m(w) per panel per month	R 560.00	R 660.00	R 760.00	R860.00

3(m) x 4m(w) per structure per month	R 661.00	R 761.00	R 861.00	R961.00
--------------------------------------	----------	----------	----------	---------

BILLBOARD NATIONAL	2021/22	2022/23	2023/24	2024/25
1.5m(h) x 3m(w)	R 1,472.00	R 1,572.00	R 1,672.00	R1,772.00
3m(h) x 6m(w)	R 2,209.00	R 2,309.00	R 2,409.00	R2,509.00
6m(h) x 4m(w)	R 2,945.00	R 3,045.00	R 3,145.00	R3,245.00
9m(h) x 6m(w)	R 7,362.00	R 7,462.00	R 7,562.00	R7,662.00

BILLBOARD ANNUAL FEES	2021/22	2022/23	2023/24	2024/25
Directional Sign (Per sign face)	R 658.00	R 758.00	R 858.00	R959.00
Illuminated sign (per sign face)	R 856.00	R 956.00	R 1,056.00	R1,156.00
Litter Bins	R 461.00	R 561.00	R 661.00	R761
Permanent Street Pole Poster	R 625.00	R 725.00	R 825.00	R925.00
Seating Bench	R 725.00	R 825.00	R 925.00	R1,025
Encroaching Sign	R 725.00	R 825.00	R 925.00	R1,025.00

PERMIT FEES	2021/22	2022/23	2023/24	2024/25
Banner	R 462.00	R 562.00	R 662.00	R762.00
Mobile Signs	R 1,582.00	R 1,682.00	R 1,782.00	R1,882.00
Poster maximum 100	R 1,318.00	R 1,418.00	R 1,518.00	R1,618.00
Standard signage	R 311.00	R 411.00	R 511.00	R611.00

DEPOSITS	2021/22	2022/23	2023/24	2024/25
Banner	R 770.00	R 870.00	R 970.00	R1,070.00
For Sale	R 1,266.00	R 1,366.00	R 1,466.00	R1,566.00
Poster	R 1,266.00	R 1,366.00	R 1,466.00	R1,566.00
Election Poster (per party)	R 6,590.00	R 6,690.00	R 6,790.00	R7,790.00

1.7 Operating Expenditure Framework

The Municipality's expenditure framework for the 2022/23 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2022/23 budget and MTREF (classified per main type of operating expenditure):

EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Table 1: Medium Term Revenue & Expenditure Framework (2022/23 and beyond)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Expenditure By Type											
Employee related costs	2	102,675	104,852	105,837	126,854	119,529	119,529	45,114	124,615	129,995	135,718
Remuneration of councillors		23,244	23,970	23,964	26,007	26,007	26,007	9,757	27,047	28,129	29,254
Debt impairment	3	4,266	7,652	5,208	9,600	9,600	9,600	–	9,600	9,984	10,383
Depreciation & asset impairment	2	41,890	39,437	40,180	52,682	52,682	52,682	17,854	49,735	50,730	51,744
Finance charges		66	11	1	150	150	150	–	100	104	108
Bulk purchases - electricity	2	30,025	33,255	35,022	40,777	40,777	40,777	15,682	40,005	46,006	50,607
Inventory consumed	8	5,250	8,162	4,798	7,663	7,863	7,863	1,610	7,867	8,181	8,509
Contracted services		55,491	51,003	41,065	98,848	102,070	102,070	39,573	94,342	64,263	66,911
Transfers and subsidies		702	1,418	4,499	5,907	5,623	5,623	273	3,550	3,692	3,840
Other expenditure	4, 5	51,022	44,470	38,313	65,042	75,364	75,364	15,277	82,176	76,143	78,973
Losses		7,462	55,411	43,425	–	38,718	38,718	–	–	–	–
Total Expenditure		322,093	369,642	342,313	433,529	478,383	478,383	145,140	439,038	417,228	436,047

The parties, SALGA, IMATU and SAMWU at the executive committee meeting held on 7 March 2022, agreed that the salary and wage increases for the 2022/23 financial year as per the salary and wage collective agreement dated 15 September 2021 shall be 4.9% with effect from 1 July 2022. Therefore, municipalities are advised to take into account their financial sustainability when considering salary increases. It has been observed over the previous years that salary increases were above inflation. In addition, municipalities that could not afford such increases did not apply for exemption as provided by SALGBC.

Given the current economic condition exacerbated by the COVID-19 pandemic, municipalities are urged to consider projecting increases to wage that would reflect their affordability. Some municipalities are already not able to afford the current wage cost and would indeed have to apply no more than a zero per cent increase in the 2022/23 MTREF and exercise the option for exemption for any negotiated increase above the level of their affordability.

Therefore, should accounting officers fail to consider salary increases within the ambit of the municipality's available resources and financial position, such failure will constitute an act of financial misconduct as defined in section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings

Below are vacant positions that are included in the calculations of these draft budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then reaches the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

Municipal Manager

- Public Participation Officer
- Legal Officer
- Monitoring and Evaluation Officer
- VIP Protector/Driver

Corporate Services

- IT Technician
- Human Resource Officer: IPMS
- Human Resource Officer: Recruitment

Community Services

- Security
- Cashier
- 2 X Examiners

Refuse Removal

- 8 X General Assistants
- Driver

Engineering Services

- Truck Driver
- Metering Technician
- Artisan
- General Assistant

The above positions include those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. This is to ensure that all these are catered for in the municipal budget.

No new positions are proposed to be added on the municipality's organisational structure for the next three financial years.

- **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.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

Table 9 Summary of operating expenditure by functional classification item

EC443 Winnie Madikizela Mandela - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional										
<i>Governance and administration</i>		286,725	306,600	374,264	335,534	330,811	330,811	361,794	383,507	407,042
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		286,725	306,600	374,264	335,534	330,811	330,811	361,794	383,507	407,042
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		4,597	5,779	4,828	5,479	4,673	4,673	4,966	5,158	5,384
Community and social services		135	328	544	681	681	681	623	623	645
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		4,463	5,451	4,285	4,798	3,992	3,992	4,344	4,535	4,739
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		53,646	54,440	45,586	71,475	71,348	71,348	78,100	57,682	60,240
Planning and development		357	307	127	20,452	20,325	20,325	23,062	249	256
Road transport		53,289	54,133	45,459	51,023	51,023	51,023	55,038	57,433	59,984
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		70,825	69,264	75,078	76,840	76,847	76,847	56,876	66,411	69,395
Energy sources		64,036	59,438	67,709	68,576	68,577	68,577	47,325	60,286	62,996
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		6,789	9,826	7,369	8,264	8,270	8,270	9,550	6,125	6,400
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	415,795	436,083	499,756	489,328	483,680	483,680	501,737	512,758	542,061
Expenditure - Functional										
<i>Governance and administration</i>		151,698	153,993	144,640	195,801	200,566	200,566	201,712	207,838	215,974
Executive and council		56,846	54,296	54,961	62,138	61,135	61,135	64,094	65,154	67,832
Finance and administration		91,957	96,856	86,227	127,983	134,083	134,083	132,936	137,806	143,056
Internal audit		2,894	2,841	3,452	5,679	5,348	5,348	4,682	4,878	5,086
<i>Community and public safety</i>		25,959	29,327	24,150	31,625	30,690	30,690	32,316	33,641	35,064
Community and social services		6,825	8,044	7,338	11,967	11,789	11,789	12,944	13,437	13,976
Sport and recreation		7,723	7,497	1,968	2,853	2,558	2,558	2,369	2,471	2,581
Public safety		11,295	13,777	14,083	15,769	15,372	15,372	15,956	16,641	17,368
Housing		116	9	762	1,037	971	971	1,046	1,091	1,139
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		75,511	68,983	67,912	105,923	117,631	117,631	105,502	79,978	82,559
Planning and development		21,194	19,309	21,005	31,356	32,901	32,901	37,697	29,584	30,747
Road transport		50,453	47,085	45,335	72,029	82,151	82,151	65,153	47,631	48,929
Environmental protection		3,863	2,589	1,572	2,539	2,578	2,578	2,651	2,764	2,883
<i>Trading services</i>		65,992	115,120	102,932	96,328	125,216	125,216	95,515	91,607	98,109
Energy sources		51,464	96,848	79,676	68,375	98,132	98,132	68,108	66,893	72,346
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		14,528	18,271	23,256	27,952	27,084	27,084	27,406	24,715	25,764
<i>Other</i>	4	2,934	2,220	2,678	3,853	4,279	4,279	3,994	4,162	4,340
Total Expenditure - Functional	3	322,093	369,642	342,313	433,529	478,383	478,383	439,038	417,228	436,047
Surplus/(Deficit) for the year		93,702	66,441	157,443	55,799	5,296	5,296	62,699	95,530	106,014

The table above gives an overview of the operational expenditure per functional classification or by functional areas within the municipality.

- **Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2022/23 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Repairs and Maintenance by Expenditure Item	8									
Employee related costs		–	–	–	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)		12	377	50	63	63	63	63	66	68
Contracted Services		5,796	12,496	5,564	34,208	33,601	33,601	33,092	14,869	15,469
Other Expenditure		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9	5,809	12,873	5,614	34,271	33,664	33,664	33,155	14,935	15,537
Inventory Consumed										
Inventory Consumed - Water		–	–	–	–	–	–	–	–	–
Inventory Consumed - Other		5,250	8,162	4,798	7,663	7,863	7,863	7,867	8,181	8,509
Total Inventory Consumed & Other Material		5,250	8,162	4,798	7,663	7,863	7,863	7,867	8,181	8,509
Renewal and upgrading of Existing Assets as % of total capex		24%	26%	44%	35%	55%	55%	10%	43%	10%
Renewal and upgrading of Existing Assets as % of deprecn		59%	58%	156%	78%	196%	196%	22%	126%	22%
R&M as a % of PPE		1%	2%	1%	5%	4%	4%	4%	2%	2%
Renewal and upgrading and R&M as a % of PPE		4%	5%	9%	11%	21%	21%	6%	11%	3%

An amount of R33.1 million has been set aside in the 2022/23 financial period for the maintenance of municipal assets. The amount is lower than the recommended treasury percentages, the municipality has taken a decision to rather purchase municipal plant and machinery which will be used to repair road infrastructure. This will ensure that there is improved access to all the wards in the municipality. There is also an increased need to repair other infrastructure assets like the municipal offices, community halls and the municipal vehicles.

Table 11 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Winnie Madikizela Mandela - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	123,463	173,644	258,161	191,598	201,887	201,887	369,850	381,408	286,379	255,189
Other current investments > 90 days		–	0	–	(0)	(0)	(0)	(167,962)	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	(99,999)	–	–	–
Cash and investments available:		123,463	173,644	258,161	191,598	201,887	201,887	101,888	381,408	286,379	255,189
Application of cash and investments											
Unspent conditional transfers		6,687	7,575	5,058	0	0	0	(3,814)	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(53,759)	(8,309)	(21,184)	(65,830)	(34,276)	(34,276)	(85,478)	(18,675)	(5,934)	(14,223)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		(47,072)	(735)	(16,126)	(65,830)	(34,276)	(34,276)	(89,292)	(18,675)	(5,934)	(14,223)
Surplus(shortfall)		170,535	174,379	274,286	257,428	236,163	236,163	191,180	400,084	292,313	269,412
References											
1. Must reconcile with Budgeted Cash Flows											
2. For example: VAT, taxation											
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)											
4. For example: sinking fund requirements for borrowing											
5. Council approval required for each reserve created and basis of cash backing of reserves											
Other working capital requirements											
Debtors		79,438	38,540	65,538	94,758	88,894	88,894	109,192	59,195	56,222	64,748
Creditors due		25,679	30,231	44,354	28,928	54,618	54,618	23,714	40,520	50,288	50,525
Total		53,759	8,309	21,184	65,830	34,276	34,276	85,478	18,675	5,934	14,223
Debtors collection assumptions											
Balance outstanding - debtors		79,869	79,474	104,452	83,910	74,014	74,014	117,003	61,053	66,397	75,215
Estimate of debtors collection rate		99.5%	48.5%	62.7%	112.9%	120.1%	120.1%	93.3%	97.0%	84.7%	86.1%

The table above shows the budgeted cash reserves and these are based on the current cash reserves in the municipality. As indicated by the table, there is a need to ensure that these reserves are preserved and built up again. This is after these reserves have been made available for infrastructure development within the municipality.

1.8 Capital expenditure

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 3 - Budget Treasury Office		-	2,304	-	-	-	-	8,974	16,000	1,200
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		23,458	22,483	29,576	29,902	86,505	86,505	-	-	-
Capital multi-year expenditure sub-total	7	23,458	24,787	29,576	29,902	86,505	86,505	8,974	16,000	1,200
Single-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		4,295	2,630	6,269	7,028	9,298	9,298	11,900	10,500	2,500
Vote 3 - Budget Treasury Office		-	-	2,096	-	-	-	-	-	-
Vote 4 - Community Services		926	5,164	3,035	3,150	4,278	4,278	13,000	12,100	2,600
Vote 5 - Development Planning		-	-	1,447	21,420	19,030	19,030	15,702	3,640	2,700
Vote 6 - Engineering Services		70,178	55,620	99,009	56,227	69,573	69,573	59,512	106,011	98,742
Capital single-year expenditure sub-total		75,399	63,415	111,856	87,825	102,178	102,178	100,114	132,251	106,542
Total Capital Expenditure - Vote		98,857	88,202	141,432	117,727	188,684	188,684	109,088	148,251	107,742

Corporate services

The department has budgeted for the purchase of Municipal Vehicles, IT equipment, cabling and wifi installation as well as office furniture including that for the Civic Center.

Development Planning

The department has budgeted for the construction of manufacturing hubs, a market place to assist with the cleaning and regulation of trading in the town area as well as beach infrastructure.

Community & Social Services

The department has budgeted for fencing of recreational facilities, purchase of Disaster Bakkie, installation of CCTV cameras and Security equipment.

Refuse Removal

The department has budgeted for the construction of Majazi Landfill site.

Road works and Engineering

The following are the projects budgeted for implementation based on the available resources:

- Construction of Tshuze to Luphilisweni AR R 11 million
- Construction of Singingqi to Marina with a bridge R 10.6 million

- | | |
|--|----------------|
| • Construction of Tshongweni AR | R 8.5 million |
| • Construction of Sixhaseni AR | R 6.6 million |
| • Construction of Manufacturing Hubs | R 13.6 million |
| • Construction of Mbizana Civic Center | R 8.9 million |
| • Construction of Ward 13 ECDC | R 3.5 million |
| • Buildings (Municipal Building renewal) | R 2 million |

Electricity

Included in the electricity budget are the following projects as per the available resources for the next financial year:

- | | |
|--|---------------|
| • Electrification of Xholobeni Mgungundlovu Dumasi Village | R 8 million |
| • Supply and Installation of High Mast | R 2.3 million |
| • Electrification of Lower Etheridge | R 2.1 million |
| • Electrification of Msarhweni Village | R2.1 million |
| • Electrification of Zizityaneni Village | R 2.1 million |
| • Electrification of Nomlacu | R 2.1 million |

Table 12 2022/23 Medium-term capital budget by vote, functional classification and funding

Vote Description R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 3 - Budget Treasury Office		–	2,304	–	–	–	–	8,974	16,000	1,200
Vote 6 - Engineering Services		23,458	22,483	29,576	29,902	86,505	86,505	–	–	–
Capital multi-year expenditure sub-total	7	23,458	24,787	29,576	29,902	86,505	86,505	8,974	16,000	1,200
Single-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		4,295	2,630	6,269	7,028	9,298	9,298	11,900	10,500	2,500
Vote 3 - Budget Treasury Office		–	–	2,096	–	–	–	–	–	–
Vote 4 - Community Services		926	5,164	3,035	3,150	4,278	4,278	13,000	12,100	2,600
Vote 5 - Development Planning		–	–	1,447	21,420	19,030	19,030	15,702	3,640	2,700
Vote 6 - Engineering Services		70,178	55,620	99,009	56,227	69,573	69,573	59,512	106,011	98,742
Capital single-year expenditure sub-total		75,399	63,415	111,856	87,825	102,178	102,178	100,114	132,251	106,542
Total Capital Expenditure - Vote		98,857	88,202	141,432	117,727	188,684	188,684	109,088	148,251	107,742
Capital Expenditure - Functional										
Governance and administration		9,277	5,265	8,470	7,028	9,498	9,498	12,300	10,900	2,900
Finance and administration		9,277	5,265	8,470	7,028	9,498	9,498	12,300	10,900	2,900
Community and public safety		2,408	1,902	1,875	2,450	2,258	2,258	1,900	1,500	2,000
Community and social services		2,408	160	980	1,650	1,358	1,358	1,900	1,500	2,000
Sport and recreation		–	–	–	–	100	100	–	–	–
Public safety		–	1,742	896	800	800	800	–	–	–
Economic and environmental services		22,397	57,899	95,848	85,891	147,508	147,508	73,488	95,251	70,885
Planning and development		–	26,486	44,271	72,822	115,735	115,735	30,176	24,640	13,900
Road transport		22,397	31,413	51,577	13,070	31,773	31,773	43,312	70,611	56,985
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		64,775	23,135	35,239	22,357	29,420	29,420	21,400	40,600	31,957
Energy sources		64,775	20,204	34,185	21,657	27,600	27,600	10,700	30,400	31,757
Waste management		–	2,932	1,054	700	1,820	1,820	10,700	10,200	200
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	98,857	88,202	141,432	117,727	188,684	188,684	109,088	148,251	107,742
Funded by:										
National Government		69,652	60,628	67,776	86,399	80,762	80,762	74,288	82,561	86,242
Provincial Government		–	–	200	–	–	–	–	–	–
Transfers recognised - capital	4	69,652	60,628	67,976	86,399	80,762	80,762	74,288	82,561	86,242
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		29,205	27,574	73,456	31,328	107,921	107,921	34,800	65,690	21,500
Total Capital Funding	7	98,857	88,202	141,432	117,727	188,684	188,684	109,088	148,251	107,742

For the 2022/23 Annual budget, there is a decrease in the capital budget of the municipality. This accounts for about R109 million of the budget and this is mainly funded from the MIG for roads, community facilities and Sport facilities, GBS grant for Manufacturing Hubs and INEP for electrification. It is important though to note that even though the budget seems to have a gradual increase over the medium-term, the municipality's own funding of the capital budget decreases. It must be understood though that local government is heading for elections which will see new five year plans being developed and implemented.

The above table shows that the municipality's anticipated total capital budget is R109 million for the 2022/23 financial year which increases in the following year as a result of the increases in the grants allocation for infrastructure development. A summary of proposed allocations is as follows only highlighting the major line items allocated:

- Road infrastructure

R 43 million

- Construction of Tshuze to Luphilisweni AR R 11 million
- Construction of Sigingqi to Marina with a bridge R 10.6 million
- Construction of Tshongweni AR R 8.5 million
- Construction of Sixhaseni AR R 6.6 million
- Construction of Sidanga bridge R 6.4 million
- Electricity infrastructure R 18.7 million
 - Electrification of Xholobeni Mgungundlovu Dumasi Village R 8 million
 - Supply and Installation of High Mast R 2.3 million
 - Electrification of Lower Etheridge R 2.1 million
 - Electrification of Msarhweni Village R2.1 million
 - Electrification of Zizityaneni Village R 2.1 million
 - Electrification of Nomlacu R 2.1 million
- Community Facilities R 29.3 million
 - Construction of Manufacturing Hubs R 13.6 million
 - Construction of Mbizana Civic Center R 8.9 million
 - Construction of Ward 13 ECDC R 3.5 million
 - Construction of Market Place R 1.6 million
 - Fencing of Recreational Facilities R 1.2 million
 - Beach Infrastructure R 500 thousand
- Transport Assets R 3.3 million
- Furniture and Office Equipment R 7.7 million
- Solid Waste Infrastructure (Majazi Landfill Site) R 10 million
- Buildings (Municipal Building renewal) R 2 million
- Computer Equipment R 2.5 million
- Security Equipment R200 thousand

These are funded from conditional grants and internal funds which shows the municipality's commitment into delivering services.

1.9 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2022/23 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory adopts* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

EC443 Winnie Madikizela Mandela - Table A1 Budget Summary										
Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	18,967	16,284	20,145	26,171	21,283	21,283	17,354	21,468	22,323	23,212
Service charges	35,685	38,374	40,257	43,474	43,481	43,481	17,014	36,680	38,299	40,022
Investment revenue	8,772	9,660	7,604	10,047	10,047	10,047	4,649	8,760	9,146	9,557
Transfers recognised - operational	235,075	268,843	338,001	295,690	298,973	298,973	133,151	335,600	342,397	363,947
Other own revenue	31,397	23,499	16,324	14,651	13,721	13,721	5,072	14,189	15,160	16,081
Total Revenue (excluding capital transfers and contributions)	329,895	356,660	422,331	390,032	387,505	387,505	177,239	416,697	427,325	452,820
Employee costs	102,675	104,852	105,837	126,854	119,529	119,529	45,114	124,615	129,995	135,718
Remuneration of councillors	23,244	23,970	23,964	26,007	26,007	26,007	9,757	27,047	28,129	29,254
Depreciation & asset impairment	41,890	39,437	40,180	52,682	52,682	52,682	17,854	49,735	50,730	51,744
Finance charges	66	11	1	150	150	150	-	100	104	108
Inventory consumed and bulk purchases	35,276	41,417	39,820	48,440	48,640	48,640	17,292	47,872	54,188	59,115
Transfers and grants	702	1,418	4,499	5,907	5,623	5,623	273	3,550	3,692	3,840
Other expenditure	118,240	158,537	128,012	173,490	225,752	225,752	54,849	186,110	150,382	156,258
Total Expenditure	322,093	369,642	342,313	433,529	478,383	478,383	145,140	439,029	417,219	436,038
Surplus/(Deficit)	7,802	(12,982)	80,018	(43,497)	(90,878)	(90,878)	32,100	(22,333)	10,106	16,782
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	85,899	79,423	77,425	99,296	96,175	96,175	23,293	85,040	85,433	89,241
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	93,702	66,441		55,799	5,296	5,296	55,393	62,707	95,539	106,023
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	93,702	66,441	-	55,799	5,296	5,296	55,393	62,707	95,539	106,023
Capital expenditure & funds sources										
Capital expenditure	98,857	88,202	141,432	117,727	188,684	188,684	35,538	109,088	148,251	107,742
Transfers recognised - capital	69,652	60,628	67,976	86,399	80,762	80,762	21,460	74,288	82,561	86,242
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	29,205	27,574	73,456	31,328	107,921	107,921	14,078	34,800	65,690	21,500
Total sources of capital funds	98,857	88,202	141,432	117,727	188,684	188,684	35,538	109,088	148,251	107,742
Financial position										
Total current assets	204,603	255,161	364,659	277,032	277,878	277,878	319,348	438,634	348,854	326,337
Total non current assets	675,090	680,111	739,453	789,359	836,767	836,767	657,067	798,736	883,059	956,654
Total current liabilities	51,366	58,261	69,907	49,384	75,113	75,113	58,691	55,301	64,840	64,840
Total non current liabilities	3,920	5,495	5,246	5,495	5,246	5,246	-	5,246	5,246	5,246
Community wealth/Equity	824,407	871,515	1,028,958	1,011,512	1,034,286	1,034,286	1,080,441	1,176,824	1,161,826	1,212,904
Cash flows										
Net cash from (used) operating	121,501	136,790	209,606	129,537	126,155	126,155	152,105	148,553	148,698	165,995
Net cash from (used) investing	(92,567)	(86,608)	(125,089)	(119,176)	(182,428)	(182,428)	(40,416)	(119,428)	(197,357)	(107,742)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	123,463	173,644	258,161	191,598	201,887	201,887	369,850	385,303	336,644	394,897
Cash backing/surplus reconciliation										
Cash and investments available	123,463	173,644	258,161	191,598	201,887	201,887	101,888	385,303	290,429	259,401
Application of cash and investments	(47,072)	(735)	(16,126)	(65,830)	(34,276)	(34,276)	(89,292)	(34,941)	(6,906)	(18,731)
Balance - surplus (shortfall)	170,535	174,379	274,286	257,428	236,163	236,163	191,180	420,244	297,335	278,132
Asset management										
Asset register summary (WDV)	678,643	680,111	739,453	682,761	661,231	661,231	661,231	703,348	745,908	852,012
Depreciation	39,506	39,437	40,180	52,682	52,682	52,682	52,682	49,735	50,730	51,744
Renewal and Upgrading of Existing Assets	23,458	22,731	62,811	40,902	103,405	103,405	103,405	10,974	64,105	11,200
Repairs and Maintenance	5,809	12,873	5,614	34,271	33,664	33,664	33,664	33,155	14,935	15,537
Free services										
Cost of Free Basic Services provided	1,561	1,819	1,373	1,156	1,156	1,156	4,800	4,800	4,992	5,192
Revenue cost of free services provided	-	-	-	408	408	408	597	597	608	621
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	6	6	6	6	6	6	5	5	4	3
Refuse:	48	48	48	48	48	48	49	49	49	51

Explanatory adopts 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 for possible approval 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 operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized 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 is 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, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Efforts have been made in compiling the budget to ensure that the budget is cash backed. This is reflected by the positive cash flows that the municipality has. This requires the municipality to maintain its prudence to ensure that positive cash flows are maintained over the long term whilst ensuring that there is spending on projects that make a difference to people's livelihoods.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

EC443 Winnie Madikizela Mandela - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional										
Governance and administration		286,725	306,600	374,264	335,534	330,811	330,811	361,794	383,507	407,042
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		286,725	306,600	374,264	335,534	330,811	330,811	361,794	383,507	407,042
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		4,597	5,779	4,828	5,479	4,673	4,673	4,966	5,158	5,384
Community and social services		135	328	544	681	681	681	623	623	645
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		4,463	5,451	4,285	4,798	3,992	3,992	4,344	4,535	4,739
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		53,646	54,440	45,586	71,475	71,348	71,348	78,100	57,682	60,240
Planning and development		357	307	127	20,452	20,325	20,325	23,062	249	256
Road transport		53,289	54,133	45,459	51,023	51,023	51,023	55,038	57,433	59,984
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		70,825	69,264	75,078	76,840	76,847	76,847	56,876	66,411	69,395
Energy sources		64,036	59,438	67,709	68,576	68,577	68,577	47,325	60,286	62,996
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		6,789	9,826	7,369	8,264	8,270	8,270	9,550	6,125	6,400
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	415,795	436,083	499,756	489,328	483,680	483,680	501,737	512,758	542,061
Expenditure - Functional										
Governance and administration		151,698	153,993	144,640	195,801	200,566	200,566	201,712	207,838	215,974
Executive and council		56,846	54,296	54,961	62,138	61,135	61,135	64,094	65,154	67,832
Finance and administration		91,957	96,856	86,227	127,983	134,083	134,083	132,936	137,806	143,056
Internal audit		2,894	2,841	3,452	5,679	5,348	5,348	4,682	4,878	5,086
Community and public safety		25,959	29,327	24,150	31,625	30,690	30,690	32,307	33,633	35,055
Community and social services		6,825	8,044	7,338	11,967	11,789	11,789	12,936	13,429	13,967
Sport and recreation		7,723	7,497	1,968	2,853	2,558	2,558	2,369	2,471	2,581
Public safety		11,295	13,777	14,083	15,769	15,372	15,372	15,956	16,641	17,368
Housing		116	9	762	1,037	971	971	1,046	1,091	1,139
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		75,511	68,983	67,912	105,923	117,631	117,631	105,502	79,978	82,559
Planning and development		21,194	19,309	21,005	31,356	32,901	32,901	37,697	29,584	30,747
Road transport		50,453	47,085	45,335	72,029	82,151	82,151	65,153	47,631	48,929
Environmental protection		3,863	2,589	1,572	2,539	2,578	2,578	2,651	2,764	2,883
Trading services		65,992	115,120	102,932	96,328	125,216	125,216	95,515	91,607	98,109
Energy sources		51,464	96,848	79,676	68,375	98,132	98,132	68,108	66,893	72,346
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		14,528	18,271	23,256	27,952	27,084	27,084	27,406	24,715	25,764
Other	4	2,934	2,220	2,678	3,853	4,279	4,279	3,994	4,162	4,340
Total Expenditure - Functional	3	322,093	369,642	342,313	433,529	478,383	478,383	439,029	417,219	436,038
Surplus/(Deficit) for the year		93,702	66,441	157,443	55,799	5,296	5,296	62,707	95,539	106,023

Explanatory adopts to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

The above table shows the allocations made by the municipality to the different classes or functions within the municipality and the contributions that will be made per standard class. It is pleasing to note that the table shows that the municipality's bigger share is allocated to service deliver functions as well as governance and administration. These are complementary in nature hence the allocations.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC443 Winnie Madikizela Mandela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote	1									
Vote 1 - Executive and Council		150	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		288	352	405	293	293	293	137	143	149
Vote 3 - Budget Treasury Office		286,287	306,248	354,705	309,070	309,235	309,235	340,189	361,040	383,680
Vote 4 - Community Services		11,387	15,605	12,198	13,743	12,943	12,943	14,517	11,283	11,783
Vote 5 - Development Planning		316	111	19,267	46,467	41,579	41,579	44,531	22,573	23,468
Vote 6 - Engineering Services		117,367	113,768	113,181	119,755	119,630	119,630	102,363	117,719	122,980
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	415,795	436,083	499,756	489,328	483,680	483,680	501,737	512,758	542,061
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		75,333	69,498	71,489	83,323	82,105	82,105	84,391	86,141	89,704
Vote 2 - Corporate Services		44,200	48,254	38,505	59,154	63,472	63,472	59,665	61,819	64,055
Vote 3 - Budget Treasury Office		25,305	25,842	21,935	37,982	39,379	39,379	41,521	43,073	44,706
Vote 4 - Community Services		54,695	62,453	62,815	78,225	76,867	76,867	79,162	78,604	81,927
Vote 5 - Development Planning		17,546	16,060	15,969	29,061	31,046	31,046	36,186	28,003	29,090
Vote 6 - Engineering Services		105,014	147,535	131,601	145,783	185,513	185,513	138,105	119,579	126,556
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	322,093	369,642	342,313	433,529	478,383	478,383	439,029	417,219	436,038
Surplus/(Deficit) for the year	2	93,702	66,441	157,443	55,799	5,296	5,296	62,707	95,539	106,023

Listed in the table above are the revenue and expenditure classifications for all the departments within the municipality.

Explanatory adopts 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.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source											
Property rates	2	18,967	16,284	20,145	26,171	21,283	21,283	17,354	21,468	22,323	23,212
Service charges - electricity revenue	2	31,229	33,884	35,679	38,809	38,810	38,810	15,154	30,845	32,203	33,652
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	4,456	4,490	4,578	4,665	4,671	4,671	1,860	5,834	6,096	6,371
Rental of facilities and equipment		2,224	5,097	5,876	3,093	3,452	3,452	1,596	3,893	4,419	4,864
Interest earned - external investments		8,772	9,660	7,604	10,047	10,047	10,047	4,649	8,760	9,146	9,557
Interest earned - outstanding debtors		4,047	4,593	4,275	5,133	5,133	5,133	1,765	5,378	5,613	5,864
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,038	2,066	688	938	938	938	27	593	619	647
Licences and permits		2,257	2,237	2,343	2,756	1,879	1,879	862	2,404	2,510	2,623
Agency services		1,271	1,021	1,291	1,265	1,337	1,337	566	1,401	1,463	1,528
Transfers and subsidies		235,075	268,843	338,001	295,690	298,973	298,973	133,151	335,600	342,397	363,947
Other revenue	2	1,537	960	781	1,466	982	982	255	520	537	556
Gains		19,024	7,526	1,069	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		329,895	356,660	422,331	390,032	387,505	387,505	177,239	416,697	427,325	452,820
Expenditure By Type											
Employee related costs	2	102,675	104,852	105,837	126,854	119,529	119,529	45,114	124,615	129,995	135,718
Remuneration of councillors		23,244	23,970	23,964	26,007	26,007	26,007	9,757	27,047	28,129	29,254
Debt impairment	3	4,266	7,652	5,208	9,600	9,600	9,600	-	9,600	9,984	10,383
Depreciation & asset impairment	2	41,890	39,437	40,180	52,682	52,682	52,682	17,854	49,735	50,730	51,744
Finance charges		66	11	1	150	150	150	-	100	104	108
Bulk purchases - electricity	2	30,025	33,255	35,022	40,777	40,777	40,777	15,682	40,005	46,006	50,607
Inventory consumed	8	5,250	8,162	4,798	7,663	7,863	7,863	1,610	7,867	8,181	8,509
Contracted services		55,491	51,003	41,065	98,848	102,070	102,070	39,573	94,339	64,260	66,907
Transfers and subsidies		702	1,418	4,499	5,907	5,623	5,623	273	3,550	3,692	3,840
Other expenditure	4, 5	51,022	44,470	38,313	65,042	75,364	75,364	15,277	82,171	76,137	78,967
Losses		7,462	55,411	43,425	-	38,718	38,718	-	-	-	-
Total Expenditure		322,093	369,642	342,313	433,529	478,383	478,383	145,140	439,029	417,219	436,038
Surplus/(Deficit)		7,802	(12,982)	80,018	(43,497)	(90,878)	(90,878)	32,100	(22,333)	10,106	16,782
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		85,899	79,423	77,425	99,296	96,175	96,175	23,293	85,040	85,433	89,241
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		93,702	66,441	157,443	55,799	5,296	5,296	55,393	62,707	95,539	106,023
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		93,702	66,441	157,443	55,799	5,296	5,296	55,393	62,707	95,539	106,023
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		93,702	66,441	157,443	55,799	5,296	5,296	55,393	62,707	95,539	106,023
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		93,702	66,441	157,443	55,799	5,296	5,296	55,393	62,707	95,539	106,023

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 3 - Budget Treasury Office		–	2,304	–	–	–	–	8,974	16,000	1,200
Vote 6 - Engineering Services		23,458	22,483	29,576	29,902	86,505	86,505	–	–	–
Capital multi-year expenditure sub-total	7	23,458	24,787	29,576	29,902	86,505	86,505	8,974	16,000	1,200
Single-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		4,295	2,630	6,269	7,028	9,298	9,298	11,900	10,500	2,500
Vote 3 - Budget Treasury Office		–	–	2,096	–	–	–	–	–	–
Vote 4 - Community Services		926	5,164	3,035	3,150	4,278	4,278	13,000	12,100	2,600
Vote 5 - Development Planning		–	–	1,447	21,420	19,030	19,030	15,702	3,640	2,700
Vote 6 - Engineering Services		70,178	55,620	99,009	56,227	69,573	69,573	59,512	106,011	98,742
Capital single-year expenditure sub-total		75,399	63,415	111,856	87,825	102,178	102,178	100,114	132,251	106,542
Total Capital Expenditure - Vote		98,857	88,202	141,432	117,727	188,684	188,684	109,088	148,251	107,742
Capital Expenditure - Functional										
Governance and administration		9,277	5,265	8,470	7,028	9,498	9,498	12,300	10,900	2,900
Finance and administration		9,277	5,265	8,470	7,028	9,498	9,498	12,300	10,900	2,900
Community and public safety		2,408	1,902	1,875	2,450	2,258	2,258	1,900	1,500	2,000
Community and social services		2,408	160	980	1,650	1,358	1,358	1,900	1,500	2,000
Sport and recreation		–	–	–	–	100	100	–	–	–
Public safety		–	1,742	896	800	800	800	–	–	–
Economic and environmental services		22,397	57,899	95,848	85,891	147,508	147,508	73,488	95,251	70,885
Planning and development		–	26,486	44,271	72,822	115,735	115,735	30,176	24,640	13,900
Road transport		22,397	31,413	51,577	13,070	31,773	31,773	43,312	70,611	56,985
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		64,775	23,135	35,239	22,357	29,420	29,420	21,400	40,600	31,957
Energy sources		64,775	20,204	34,185	21,657	27,600	27,600	10,700	30,400	31,757
Waste management		–	2,932	1,054	700	1,820	1,820	10,700	10,200	200
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	98,857	88,202	141,432	117,727	188,684	188,684	109,088	148,251	107,742
Funded by:										
National Government		69,652	60,628	67,776	86,399	80,762	80,762	74,288	82,561	86,242
Provincial Government		–	–	200	–	–	–	–	–	–
Transfers recognised - capital	4	69,652	60,628	67,976	86,399	80,762	80,762	74,288	82,561	86,242
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		29,205	27,574	73,456	31,328	107,921	107,921	34,800	65,690	21,500
Total Capital Funding	7	98,857	88,202	141,432	117,727	188,684	188,684	109,088	148,251	107,742

Explanatory adopts to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

The table above shows capital expenditure by vote and functional classification as well as funding for the expenditure forecasted.

This shows how the municipality's capital budget funding is highly dependent on grant funding.

Table 18 MBRR Table A6 - Budgeted Financial Position

EC443 Winnie Madikizela Mandela - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
ASSETS										
Current assets										
Cash		3,962	3,611	9,353	12,892	9,353	9,353	19,720	14,494	10,338
Call investment deposits	1	119,501	170,033	248,808	178,706	192,534	192,534	365,583	275,935	249,063
Consumer debtors	1	35,907	47,615	56,547	46,512	41,771	41,771	19,654	24,311	32,710
Other debtors		43,963	31,859	47,905	37,398	32,244	32,244	31,799	32,102	32,122
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–
Inventory	2	1,271	2,042	2,046	1,524	1,976	1,976	1,878	2,012	2,104
Total current assets		204,603	255,161	364,659	277,032	277,878	277,878	438,634	348,854	326,337
Non current assets										
Long-term receivables		–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–
Investment property		25,097	32,436	36,655	32,436	36,655	36,655	36,655	36,655	36,655
Investment in Associate		–	–	–	–	–	–	–	–	–
Property , plant and equipment	3	648,433	646,245	701,498	755,509	798,882	798,882	760,851	845,173	918,768
Biological		–	–	–	–	–	–	–	–	–
Intangible		329	198	69	73	–	–	–	–	–
Other non-current assets		1,231	1,231	1,231	1,341	1,231	1,231	1,231	1,231	1,231
Total non current assets		675,090	680,111	739,453	789,359	836,767	836,767	798,736	883,059	956,654
TOTAL ASSETS		879,693	935,272	1,104,112	1,066,391	1,114,645	1,114,645	1,237,371	1,231,913	1,282,990
LIABILITIES										
Current liabilities										
Bank overdraft	1	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	–	–	–	–	–	–	–
Consumer deposits		529	503	505	503	505	505	505	505	505
Trade and other payables	4	32,366	37,805	49,412	28,928	54,618	54,618	34,806	44,345	44,345
Provisions		18,471	19,953	19,990	19,953	19,990	19,990	19,990	19,990	19,990
Total current liabilities		51,366	58,261	69,907	49,384	75,113	75,113	55,301	64,840	64,840
Non current liabilities										
Borrowing		–	–	–	–	–	–	–	–	–
Provisions		3,920	5,495	5,246	5,495	5,246	5,246	5,246	5,246	5,246
Total non current liabilities		3,920	5,495	5,246	5,495	5,246	5,246	5,246	5,246	5,246
TOTAL LIABILITIES		55,286	63,756	75,153	54,879	80,359	80,359	60,547	70,086	70,086
NET ASSETS	5	824,407	871,515	1,028,958	1,011,512	1,034,286	1,034,286	1,176,824	1,161,826	1,212,904
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		824,407	871,515	1,028,958	1,011,512	1,034,286	1,034,286	1,176,824	1,161,826	1,212,904
Reserves	4	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	824,407	871,515	1,028,958	1,011,512	1,034,286	1,034,286	1,176,824	1,161,826	1,212,904

Explanatory adopts 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. 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.
4. 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.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Winnie Madikizela Mandela - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	123,463	173,644	258,161	191,598	201,887	201,887	369,850	385,303	336,644	394,897
Other current investments > 90 days		-	0	-	(0)	(0)	(0)	(167,962)	0	(46,215)	(135,496)
Non current assets - Investments	1	-	-	-	-	-	-	(99,999)	-	-	-
Cash and investments available:		123,463	173,644	258,161	191,598	201,887	201,887	101,888	385,303	290,429	259,401
Application of cash and investments											
Unspent conditional transfers		6,687	7,575	5,058	0	0	0	(3,814)	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(53,759)	(8,309)	(21,184)	(65,830)	(34,276)	(34,276)	(85,478)	(34,941)	(6,906)	(18,731)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(47,072)	(735)	(16,126)	(65,830)	(34,276)	(34,276)	(89,292)	(34,941)	(6,906)	(18,731)
Surplus(shortfall)		170,535	174,379	274,286	257,428	236,163	236,163	191,180	420,244	297,335	278,132
References											
1. Must reconcile with Budgeted Cash Flows											
2. For example: VAT, taxation											
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)											
4. For example: sinking fund requirements for borrowing											
5. Council approval required for each reserve created and basis of cash backing of reserves											
Other working capital requirements											
Debtors		79,438	38,540	65,538	94,758	88,894	88,894	109,192	69,747	51,251	63,076
Creditors due		25,679	30,231	44,354	28,928	54,618	54,618	23,714	34,806	44,345	44,345
Total		53,759	8,309	21,184	65,830	34,276	34,276	85,478	34,941	6,906	18,731
Debtors collection assumptions											
Balance outstanding - debtors		79,869	79,474	104,452	83,910	74,014	74,014	117,003	51,453	56,413	64,831
Estimate of debtors collection rate		99.5%	48.5%	62.7%	112.9%	120.1%	120.1%	93.3%	135.6%	90.9%	97.3%

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

The above table shows how the municipality's funding will be applied and the targets set for cash backed reserves over the medium. This is informed by anticipated year end targets as well as the plans to be implemented over the medium-term, especially on the revenue management, debt collection as well as expenditure management.

Table 19 MBRR Table A7 – Budgeted Cash Flows

EC443 Winnie Madikizela Mandela - Table A7 Budgeted Cash Flows											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		13,841	12,522	15,110	56,951	56,951	56,951	16,158	34,817	19,285	22,310
Service charges		29,464	19,588	23,019	29,346	29,346	29,346	17,404	54,588	40,481	45,128
Other revenue		23,357	2,142	9,342	8,896	7,966	7,966	3,245	8,650	9,082	9,731
Transfers and Subsidies - Operational	1	243,983	270,716	335,485	295,690	295,853	295,853	224,068	335,600	342,397	363,947
Transfers and Subsidies - Capital	1	83,685	78,660	77,425	99,296	99,296	99,296	28,513	85,040	85,433	89,241
Interest		12,820	14,253	11,879	10,047	10,047	10,047	80	8,760	9,146	9,557
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(285,583)	(261,080)	(262,653)	(370,638)	(373,254)	(373,254)	(137,363)	(378,802)	(357,022)	(373,811)
Finance charges		(66)	(11)	(1)	(50)	(50)	(50)	-	(100)	(104)	(108)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		121,501	136,790	209,606	129,537	126,155	126,155	152,105	148,553	148,698	165,995
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		96	196	276	-	-	-	-	-	-	-
Decrease (increase) in non-current receiv ables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current inv estments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(92,663)	(86,804)	(125,365)	(119,176)	(182,428)	(182,428)	(40,416)	(119,428)	(197,357)	(107,742)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(92,567)	(86,608)	(125,089)	(119,176)	(182,428)	(182,428)	(40,416)	(119,428)	(197,357)	(107,742)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		28,935	50,182	84,516	10,361	(56,273)	(56,273)	111,689	29,125	(48,659)	58,253
Cash/cash equivalents at the year begin:	2	94,528	123,463	173,644	181,236	258,161	258,161	258,161	356,178	385,303	336,644
Cash/cash equivalents at the year end:	2	123,463	173,644	258,161	191,598	201,887	201,887	369,850	385,303	336,644	394,897

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

EC443 Winnie Madikizela Mandela - Table A10 Basic service delivery measurement										
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5									
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5									
Energy:										
Electricity (at least min.service level)		200	200	200	287	287	287	290	325	330
Electricity - prepaid (min.service level)		22,346	22,346	22,346	22,346	22,346	22,346	23,886	25,531	27,290
Minimum Service Level and Above sub-total		22,546	22,546	22,546	22,633	22,633	22,633	24,176	25,856	27,620
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		6,000	6,000	6,000	6,000	6,000	6,000	5,000	4,200	3,150
Below Minimum Service Level sub-total		6,000	6,000	6,000	6,000	6,000	6,000	5,000	4,200	3,150
Total number of households	5	28,546	28,546	28,546	28,633	28,633	28,633	29,176	30,056	30,770
Refuse:										
Removed at least once a week		800	800	800	800	800	800	850	880	900
Minimum Service Level and Above sub-total		800	800	800	800	800	800	850	880	900
Removed less frequently than once a week		157	157	157	157	157	157	169	172	180
Using communal refuse dump		250	250	250	250	250	250	260	280	290
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		3	3	3	3	3	3	3	3	3
No rubbish disposal		47,480	47,480	47,480	47,480	47,480	47,480	48,480	48,499	50,123
Below Minimum Service Level sub-total		47,890	47,890	47,890	47,890	47,890	47,890	48,912	48,954	50,596
Total number of households	5	48,690	48,690	48,690	48,690	48,690	48,690	49,762	49,834	51,496
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		1,561	1,819	1,373	1,156	1,156	1,156	4,800	4,992	5,192
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		1,561	1,819	1,373	1,156	1,156	1,156	4,800	4,992	5,192
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kw h per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	408	408	408	597	608	621
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	-	-	-	408	408	408	597	608	621

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

A budget and IDP process plan was tabled to the municipal council 10 months before the start of the 2022/23 financial year as required by the Municipal Finance Management Act. The process plan sets out a road map with timeframes and tasks clearly set with responsible officials or institutions. The process plan in part of the IDP document and efforts have been made to ensure that these timelines are adhered to the latter.

A draft budget has been tabled to council on 29 March 2022. Inputs will then be sought from all stakeholders within the communities and therefore community consultations will be carried out in April and May 2022. The final budget adoption will have to take into consideration these inputs.

Other inputs will be received from the Provincial Treasury after having received the draft, and an engagement between the Provincial Treasury and the Municipality that will take place. A review document will be produced by the Provincial Treasury and concerns raised in this document and the engagement will, as far as possible, be taken into consideration in the final compilation.

2.2 Overview of budget related-policies

The budget preparation process cannot be separated from the review of related policies that enable the implementation of the budget. The following is a brief look at the budget related policies and where applicable, changes that have been proposed during the budget review:-

2.2.1 Review of credit control and debt collection policy

- It is vital to the long term financial viability of the Winnie Madikizela-Mandela Local Municipality that it collects the revenues (such as service charges, rates and taxes) due to it for services rendered. In terms of s96 of the Systems Act, a municipality:
- must collect all money that is due and payable to it subject to this Act and any other applicable legislation; and
- For this purpose, must adopt, maintain and implement a credit control and debt collection policy, which is consistent with rates and tariff policies and complies with the provisions of this Act. This means that appropriate credit control and debtors mechanisms must be maintained. The services provided by the Winnie Madikizela-Mandela Local Municipality include electricity, refuse removal and other municipal services.

2.2.2 Supply Chain Management Policy

The SCM policy aims to ensure that Winnie Madikizela-Mandela Local Municipality procures goods and services in a manner that is efficient, timely and cost-effective, ensures customer satisfaction, pursues socio-economic objectives through a preference system and demonstrates compliance with the constitution and all relevant legislation.

A few changes have been proposed to the SCM Policy and these have been necessitated mainly by changes introduced by the National Treasury as well as the South African Revenue Services.

Central Supplier Database: The National Treasury has introduced a requirement that all service provider purporting to do business with government institutions must be registered in a central database maintained by the National Treasury. Important information that relates to the registration of all companies and compliance with various requirements of various institutions is monitored through this database. Our policy should therefore make reference to this.

SARS Pin: The SARS has in the past made use of the tax clearance certificate, valid for a year, to confirm the good standing of companies that do business with the municipality. All companies have now been issued with a SARS pin which enables organs of state to directly enquire on the status of the companies at any given time. This has made the submission of the tax certificate not compulsory, but that of the SARS Pin. This development must again be reflected in the SCM policy of the municipality.

Preferential Procurement Regulations, 2017: The Minister of Finance, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000, made the regulations set out in the schedule, and issued in terms of a government gazette in January 2017. The Preferential Procurement Regulations 2017 therefore set out a number of regulations that must be implemented by all organs of the state from April 01, 2017. Some of the regulations set out affect the municipality's Supply Chain Management policy, and as such the policy must be amended to give effect to those.

The following are some of the major changes that the regulations present:-

- **Pre-qualification criteria for preferential procurement:** Where an organ of state decides to apply pre-qualification criteria to advance certain designated groups, an organ of state must advertise the tender with specific tendering condition that one or more of the type of tenderers may respond. These include amongst others:-
 - A tenderer having a stipulated minimum B-BBEE status level of contributor;
 - An EME (exempt micro enterprise) or QSE (qualifying small business);
 - A tenderer subcontracting a minimum of 30% to:-
 - An EME or QSE which is at least 51% owned by black people;
 - An EME or QSE which is at least 51% owned by black people who are youth;
 - An EME or QSE which is at least 51% owned by black people who are women; and a number of other criteria as stated in the regulations.
- **80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million:** This point scoring system is now applicable to all procurement from R30 000 to R50 million where as it before only up to R1 million.
- **90/10 preference point system for acquisition of goods or services for Rand value above R50 million:** The point scoring system that used to be applicable from the Rand value of R1 million is now only applicable from a Rand value of more than R50 million.
- **Subcontracting after award of tender:** The regulations make specific considerations relating to subcontracting after the award and the following points are important:
 - A person awarded a contract may only enter into a subcontracting arrangement with the approval of the state;
 - A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.
- Emergency procurement

- This is to facilitate a standard approach in procurement processes to respond to emergency situations including saving of lives
- To assist formalize the processes followed especially in the municipality's fleet maintenance processes

2.2.3 Budget Policy

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget, and
- To establish and maintain procedures to ensure adherence to Mbizana's IDP review and budget processes.

This policy also needs to see a number of changes which are necessitated by the introduction of mSCOA. The various segments introduced with mSCOA have meant that the levels of authority cannot be left unchanged as some transfers and virements require a higher level of authorization, up to a level where council must take a decision.

2.2.4 Cash Management and Investment Policy

An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Effective cash management and competitive investment ensures both short-term and long-term viability and sustainability of the municipality. Hence, it is critical for the Winnie Madikizela-Mandela Local Municipality to have its own Cash Management and Investment Policy located within the local government legislative framework.

The primary and ultimate goal of the investment of funds is to secure the safety, integrity and wholeness of the invested capital, managing liquidity requirements and ensuring the earning of the highest possible return on invested capital at minimum risk (i.e. whilst not risking the partial or total loss of invested capital), within the parameters of authorised instruments as per the MFMA.

The policy ensures the municipality's cash and cash equivalents are managed in a manner that is in line with the MFMA and other regulations governing the municipal cash management and should also take into account comments made by the National Treasury through the Financial Maturity model assessments performed on the municipality. The revisions also relating to the banks the municipality may make investments with

2.2.5 Tariff Policies

In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.

In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

2.2.6 Property rates policy

This policy guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various

property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

2.2.7 Asset management policy

The objective of this Asset Management Policy is to ensure that the municipality:

- has consistent application of asset management principles;
- implements accrual accounting;
- complies with the MFMA and other related legislation;
- correctly accounts for Assets under the GRAP accounting framework;
- safeguards and controls the assets of the municipality; and
- Optimizes asset usage.

During the review it was identified that the Asset Management committee did not include the councilors responsible for asset management and this was the proposed change to the policy.

2.2.8 SCM Policy for Infrastructure Procurement and Delivery Management

The National Treasury issued a circular in October 2015 in relation to the introduction of this policy. The intention of the circular was to a policy that would enable a municipality to separate the supply chain management requirements for general goods and services from those for infrastructure delivery. The infrastructure delivery encompasses a whole range of competencies including planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

2.2.9 Accounts Payable policy

The policy ensures that services providers are paid within 30 days which includes setting of procedures and processes to ensure that is realized.

2.2.10 Indigent policy

The municipality being a rural municipality has a big number of people living below the poverty line which means that there is a number of people requiring free basic services and this policy governs that part.

2.2.11 Debt Impairment Policy

The policy seeks to give guidelines on how to treat long outstanding debtors including making provisions for impairment of those debtors when it is not probable that the municipality will recover.

2.2.12 Inventory Management policy

This is a policy introduced to regulate the management of the municipality's consumable stores and also ensure adequate stock levels are kept at all times.

2.3 Overview of budget assumptions

The budget compilation has been driven by a few assumptions based on the information available to the municipality. As indicated in the earlier paragraphs, the MFMA Treasury Budget Circulars have been used as a basis for the assumptions made. The inflationary outlook as per the circulars is as follows:

Fiscal year	2022 Estimate	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Consumer Price Inflation - CPI	4.5%	4.8%	4.4%	4.5%

The following are the key budget assumptions used to prepare the draft budget with the guidance of National Treasury, NERSA, and SALGBC –

- a) 6% increase on electricity tariffs
- b) 9.6% increase on Electricity Bulk purchases
- c) 4% increase on property rates
- d) 4.9% provision for employee costs which is in line with SALGBC Circular No: 1/2022.
- e) 4.5% increase on the remuneration of councilors
- f) 4.8% for all other expenses, and
- g) 6% for other revenue municipal Tariffs

2.4 Councilor and employee benefits

Table 21 MBRR SA22 - Summary of councilor and staff benefits

EC443 Winnie Madikizela Mandela - Supporting Table SA22 Summary councilor and staff benefits

Summary of Employee and Councilor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		12,290	12,740	12,723	13,837	13,837	13,837	14,390	14,966	15,565
Pension and UIF Contributions		1,024	1,062	1,064	1,153	1,153	1,153	1,199	1,247	1,297
Medical Aid Contributions		1,025	1,062	1,064	1,153	1,153	1,153	1,199	1,247	1,297
Motor Vehicle Allowance		5,121	5,309	5,318	5,765	5,765	5,765	5,996	6,236	6,485
Cellphone Allowance		3,764	3,798	3,796	4,098	4,098	4,098	4,262	4,433	4,610
Sub Total - Councillors		23,223	23,970	23,964	26,007	26,007	26,007	27,047	28,129	29,254
% increase	4		3.2%	(0.0%)	8.5%	-	-	4.0%	4.0%	4.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4,030	4,908	4,526	5,261	5,261	5,261	5,728	5,976	6,241
Pension and UIF Contributions		-	85	84	91	93	93	97	102	106
Medical Aid Contributions		-	416	416	441	441	441	463	483	504
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,365	1,517	1,517	1,608	1,608	1,608	1,689	1,762	1,840
Cellphone Allowance	3	-	124	124	131	131	131	138	144	150
Housing Allowances	3	-	430	430	456	456	456	478	499	521
Other benefits and allowances	3	1,226	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6,621	7,481	7,097	7,987	7,989	7,989	8,593	8,966	9,363
% increase	4		13.0%	(5.1%)	12.5%	0.0%	-	7.6%	4.3%	4.4%
Other Municipal Staff										
Basic Salaries and Wages		62,091	63,982	65,302	77,216	69,893	69,893	73,295	76,484	79,848
Pension and UIF Contributions		6,969	8,624	8,885	11,108	11,109	11,109	12,204	12,733	13,296
Medical Aid Contributions		4,427	4,368	4,513	5,685	5,685	5,685	5,964	6,223	6,499
Overtime		1,833	2,488	1,300	3,048	3,048	3,048	2,811	2,934	3,065
Performance Bonus		4,633	4,648	4,833	5,653	5,653	5,653	5,882	6,137	6,409
Motor Vehicle Allowance	3	5,932	5,958	6,533	7,469	7,469	7,469	7,432	7,756	8,101
Cellphone Allowance	3	399	612	605	958	953	953	891	900	940
Housing Allowances	3	3,099	3,232	3,332	4,118	4,118	4,118	3,945	4,116	4,297
Other benefits and allowances	3	2,308	4,799	2,977	3,611	3,611	3,611	3,597	3,745	3,900
Payments in lieu of leave		8,305	-	-	-	-	-	-	-	-
Long service awards		638	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		100,634	98,711	98,279	118,867	111,539	111,539	116,022	121,029	126,355
% increase	4		(1.9%)	(0.4%)	20.9%	(6.2%)	-	4.0%	4.3%	4.4%
Total Parent Municipality		130,479	130,161	129,340	152,861	145,536	145,536	151,662	158,124	164,972
			(0.2%)	(0.6%)	18.2%	(4.8%)	-	4.2%	4.3%	4.3%
TOTAL SALARY, ALLOWANCES & BENEFITS		130,479	130,161	129,340	152,861	145,536	145,536	151,662	158,124	164,972
% increase	4		(0.2%)	(0.6%)	18.2%	(4.8%)	-	4.2%	4.3%	4.3%
TOTAL MANAGERS AND STAFF	5,7	107,255	106,191	105,376	126,854	119,529	119,529	124,615	129,995	135,718

a. Employee costs

Below are vacant positions that are included in the calculations of these draft budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then reaches the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

Municipal Manager

- Public Participation Officer
- Legal Officer
- Monitoring and Evaluation Officer
- VIP Protector/Driver

Corporate Services

- IT Technician
- Human Resource Officer: IPMS
- Human Resource Officer: Recruitment

Community Services

- Security
- Cashier
- 2 X Examiners

Refuse Removal

- 8 X General Assistants
- Driver

Engineering Services

- Truck Driver
- Metering Technician
- Artisan
- General Assistant

The above positions include those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. This is to ensure that all these are catered for in the municipal budget.

No new positions are proposed to be added on the municipality's organisational structure for the next three financial years.

b. Remuneration of councillors and Senior Managers

An increase of 4.5% was used to accommodate any adjustments that might need to be implemented during the year once a new gazette on the remuneration of office bearers has been

issued and also ensuring that we have catered for the grade 4 position of the municipality. The formula for the allocation of the Equitable share includes an allocation to support councillor remuneration and ward committees. This allocation for the budget year is R14.2 million requiring the municipality to also fund the remuneration of councillors from revenues internally generated.

EC443 Winnie Madikizela Mandela - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	482,154	80,368	287,254			849,776
Chief Whip		1	452,019	75,338	272,187			799,544
Executive Mayor		1	602,694	100,442	347,524			1,050,660
Deputy Executive Mayor		–						–
Executive Committee		10	3,507,692	584,618	2,233,622			6,325,932
Total for all other councillors		50	9,345,802	1,557,642	7,117,810			18,021,254
Total Councillors	8	63	14,390,361	2,398,408	10,258,397			27,047,166
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1,087,063	117,665	445,161			1,649,889
Chief Finance Officer		1	806,375	2,253	539,085			1,347,713
Senior Manager - Engineering		1	870,552	123,548	350,406			1,344,506
Senior Manager - Corporate Services		1	915,076	114,517	314,557			1,344,150
Senior Manager - Community Services		1	913,294	101,040	328,034			1,342,368
Senior Manager - Development Planning		1	919,709	101,040	328,034			1,348,783
Total Senior Managers of the Municipality	8,10	6	5,512,069	560,063	2,305,277	–		8,377,409
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	69	19,902,430	2,958,471	12,563,674	–		35,424,575

2.5 Expenditure on grants and reconciliations of unspent funds

Table 22 MBRR SA19 – Expenditure on transfers and grant programmes

EC443 Winnie Madikizela Mandela - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		267,685	291,411	368,781	323,643	326,764	326,764	351,500	369,897	392,682
Local Government Equitable Share		230,525	260,606	332,421	289,620	289,620	289,620	320,095	339,797	361,325
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		2,335	2,452	2,389	3,570	3,570	3,570	3,687	-	-
Local Government Financial Management Grant		2,215	2,167	2,000	2,000	2,000	2,000	2,100	2,100	2,100
Municipal Disaster Relief Grant		-	710	5	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
Municipal Demarcation Transition Grant		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	3,121	3,121	9,218	-	-
Public Transport Network Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		32,610	25,476	31,966	28,453	28,453	28,453	16,400	28,000	29,257
Municipal Rehabilitation Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Provincial Government:		175	3,130	1,185	500	500	500	500	500	522
Infrastructure		-	-	-	-	-	-	-	-	-
Capacity Building and Other		175	246	511	500	500	500	500	500	522
Other		-	2,884	675	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisation		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		267,860	294,541	369,967	324,143	327,264	327,264	352,000	370,397	393,204
Capital expenditure of Transfers and Grants										
National Government:		53,289	53,947	45,459	70,843	67,722	67,722	68,640	57,433	59,984
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
Municipal Demarcation Transition Grant		-	-	-	-	-	-	-	-	-
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		53,289	53,947	45,459	51,023	51,023	51,023	55,038	57,433	59,984
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	19,820	16,699	16,699	13,602	-	-
Public Transport Network Grant		-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Rehabilitation Grant		-	-	-	-	-	-	-	-	-
Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Capacity Building and Other		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Departmental Agencies and Accounts		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisation		-	-	-	-	-	-	-	-	-
Households		-	-	-	-	-	-	-	-	-
Non-profit Institutions		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Higher Educational Institutions		-	-	-	-	-	-	-	-	-
Parent Municipality		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		53,289	53,947	45,459	70,843	67,722	67,722	68,640	57,433	59,984
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		321,149	348,488	415,426	394,986	394,986	394,986	420,639	427,830	453,188

Table 23 MBRR SA20 – Reconciliation of transfers, grant receipts and unspent funds

EC443 Winnie Madikizela Mandela - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		235,075	265,766	337,089	295,190	298,473	298,473	335,100	341,897	363,425
Conditions met - transferred to revenue		235,075	265,713	337,089	295,190	298,473	298,473	335,100	341,897	363,425
Conditions still to be met - transferred to liabilities		–	53	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		112	560	1,216	–	–	–	–	–	–
Current year receipts		448	3,786	500	500	500	500	500	500	522
Conditions met - transferred to revenue		–	3,130	912	500	500	500	500	500	522
Conditions still to be met - transferred to liabilities		560	1,216	804	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		235,075	268,843	338,001	295,690	298,973	298,973	335,600	342,397	363,947
Total operating transfers and grants - CTBM	2	560	1,269	804	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	6,127	6,305	–	–	–	–	–	–
Current year receipts		75,779	79,602	75,374	86,399	80,762	80,762	74,288	82,561	86,242
Conditions met - transferred to revenue		69,652	79,423	77,425	86,399	80,762	80,762	74,288	82,561	86,242
Conditions still to be met - transferred to liabilities		6,127	6,305	4,255	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		69,652	79,423	77,425	86,399	80,762	80,762	74,288	82,561	86,242
Total capital transfers and grants - CTBM	2	6,127	6,305	4,255	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		304,727	348,266	415,426	382,089	379,736	379,736	409,888	424,958	450,189
TOTAL TRANSFERS AND GRANTS - CTBM		6,687	7,575	5,058	–	–	–	–	–	–

Table 24 MBRR SA24 – Summary of personnel numbers

EC443 Winnie Madikizela Mandela - Supporting Table SA24 Summary of personnel numbers										
Summary of Personnel Numbers	Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		74		74	74		74	74		74
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	6	–	6	6	–	6	6	–
Other Managers	7	19	19	–	20	20	–	19	19	–
Professionals		8	8	–	8	8	–	8	8	–
Finance		3	3	–	3	3	–	3	3	–
Spatial/town planning										
Information Technology		1	1	–	1	1	–	1	1	–
Roads		2	2	–	2	2	–	2	2	–
Electricity		1	1	–	1	1	–	1	1	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		1	1	–	1	1	–	1	1	–
Other		–	–	–	–	–	–	–	–	–
Technicians		18	18	–	18	18	–	18	18	–
Finance		7	7	–	7	7	–	7	7	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		2	2	–	2	2	–	2	2	–
Roads		5	5	–	5	5	–	5	5	–
Electricity		2	2	–	2	2	–	2	2	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		2	2	–	2	2	–	2	2	–
Other		–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)		104	99	–	104	99	–	104	104	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators			9	4		9	4	5	5	–
Elementary Occupations		118	112	–	118	112	–	118	118	–
TOTAL PERSONNEL NUMBERS	9	347	271	78	348	272	78	352	278	74
% increase					0.3%	0.4%	–	1.1%	2.2%	(5.1%)
Total municipal employees headcount	6, 10				77	75	2	70	68	2
Finance personnel headcount	8, 10				32	31	1	30	29	1
Human Resources personnel headcount	8, 10				45	44	1	40	39	1

EC443 Winnie Madikizela Mandela - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12,290	12,740	12,723	13,837	13,837	13,837	14,390	14,966	15,565
Pension and UIF Contributions		1,024	1,062	1,064	1,153	1,153	1,153	1,199	1,247	1,297
Medical Aid Contributions		1,025	1,062	1,064	1,153	1,153	1,153	1,199	1,247	1,297
Motor Vehicle Allowance		5,121	5,309	5,318	5,765	5,765	5,765	5,996	6,236	6,485
Cellphone Allowance		3,764	3,798	3,796	4,098	4,098	4,098	4,262	4,433	4,610
Sub Total - Councillors		23,223	23,970	23,964	26,007	26,007	26,007	27,047	28,129	29,254
% increase	4		3.2%	(0.0%)	8.5%	-	-	4.0%	4.0%	4.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4,030	4,908	4,526	5,261	5,261	5,261	5,728	5,976	6,241
Pension and UIF Contributions		-	85	84	91	93	93	97	102	106
Medical Aid Contributions		-	416	416	441	441	441	463	483	504
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,365	1,517	1,517	1,608	1,608	1,608	1,689	1,762	1,840
Cellphone Allowance	3	-	124	124	131	131	131	138	144	150
Housing Allowances	3	-	430	430	456	456	456	478	499	521
Other benefits and allowances	3	1,226	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6,621	7,481	7,097	7,987	7,989	7,989	8,593	8,966	9,363
% increase	4		13.0%	(5.1%)	12.5%	0.0%	-	7.6%	4.3%	4.4%
Other Municipal Staff										
Basic Salaries and Wages		62,091	63,982	65,302	77,216	69,893	69,893	73,295	76,484	79,848
Pension and UIF Contributions		6,969	8,624	8,885	11,108	11,109	11,109	12,204	12,733	13,296
Medical Aid Contributions		4,427	4,368	4,513	5,685	5,685	5,685	5,964	6,223	6,499
Overtime		1,833	2,488	1,300	3,048	3,048	3,048	2,811	2,934	3,065
Performance Bonus		4,633	4,648	4,833	5,653	5,653	5,653	5,882	6,137	6,409
Motor Vehicle Allowance	3	5,932	5,958	6,533	7,469	7,469	7,469	7,432	7,756	8,101
Cellphone Allowance	3	399	612	605	958	953	953	891	900	940
Housing Allowances	3	3,099	3,232	3,332	4,118	4,118	4,118	3,945	4,116	4,297
Other benefits and allowances	3	2,308	4,799	2,977	3,611	3,611	3,611	3,597	3,745	3,900
Payments in lieu of leave		8,305	-	-	-	-	-	-	-	-
Long service awards		638	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		100,634	98,711	98,279	118,867	111,539	111,539	116,022	121,029	126,355
% increase	4		(1.9%)	(0.4%)	20.9%	(6.2%)	-	4.0%	4.3%	4.4%
Total Parent Municipality		130,479	130,161	129,340	152,861	145,536	145,536	151,662	158,124	164,972
			(0.2%)	(0.6%)	18.2%	(4.8%)	-	4.2%	4.3%	4.3%
TOTAL SALARY, ALLOWANCES & BENEFITS		130,479	130,161	129,340	152,861	145,536	145,536	151,662	158,124	164,972
% increase	4		(0.2%)	(0.6%)	18.2%	(4.8%)	-	4.2%	4.3%	4.3%
TOTAL MANAGERS AND STAFF	5,7	107,255	106,191	105,376	126,854	119,529	119,529	124,615	129,995	135,718

2.6 Monthly targets for revenue, expenditure and cash flow

EC443 Winnie Madikizela Mandela - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand															
Cash Receipts By Source															
Property rates	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	34,817	19,285	22,310
Service charges - electricity revenue	3	3	3	3	3	3	3	3	3	3	3	44,323	44,351	32,711	38,180
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	853	853	853	853	853	853	853	853	853	853	853	853	10,237	7,770	6,948
Rental of facilities and equipment	324	324	324	324	324	324	324	324	324	324	324	324	3,893	4,419	4,864
Interest earned - external investments	730	730	730	730	730	730	730	730	730	730	730	730	8,760	9,146	9,557
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	38	38	38	38	38	38	38	38	38	38	38	39	462	185	193
Licences and permits	200	200	200	200	200	200	200	200	200	200	200	200	2,404	2,510	2,623
Agency services	117	117	117	117	117	117	117	117	117	117	117	117	1,401	1,463	1,528
Transfers and Subsidies - Operational	133,373	3,022	500		1,659	106,698		1,106	80,024			9,218	335,600	342,397	363,947
Other revenue	41	41	41	41	41	41	41	41	41	41	41	41	490	506	523
Cash Receipts by Source	138,581	8,230	5,708	5,208	6,867	111,906	5,208	6,314	85,232	5,208	5,208	58,746	442,415	420,391	450,673
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	16,290	5,705	16,995	9,128	4,611	14,837		6,025	11,450			-	85,040	85,433	89,241
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	154,871	13,935	22,703	14,335	11,478	126,744	5,208	12,339	96,681	5,208	5,208	58,746	527,455	505,824	539,914
Cash Payments by Type															
Employee related costs	12,495	12,495	12,724	12,724	12,724	12,724	12,724	12,724	12,724	12,724	12,724	13,133	152,643	159,148	166,041
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	8	8	8	8	8	8	8	8	8	8	8	8	100	104	108
Bulk purchases - electricity	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	40,005	46,006	50,607
Acquisitions - water & other inventory	656	656	656	656	656	656	656	656	656	656	656	656	7,867	8,181	8,509
Contracted services	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	86,342	64,876	66,911
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	6,533	6,533	7,666	7,666	7,666	7,666	7,666	7,666	7,666	7,666	7,666	9,883	91,945	78,811	81,744
Cash Payments by Type	30,221	30,221	31,584	31,584	31,584	31,584	31,584	31,584	31,584	31,584	31,584	34,209	378,902	357,126	373,919
Other Cash Flows/Payments by Type															
Capital assets	9,886	9,886	9,886	9,886	9,886	9,886	9,886	9,886	9,886	9,886	9,886	10,686	119,428	197,357	107,742
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	40,106	40,106	41,469	41,469	41,469	41,469	41,469	41,469	41,469	41,469	41,469	44,895	498,330	554,483	481,661
NET INCREASE/(DECREASE) IN CASH HELD	114,764	(26,171)	(18,767)	(27,134)	(29,992)	85,274	(36,261)	(29,130)	55,212	(36,261)	(36,261)	13,852	29,125	(48,659)	58,253
Cash/cash equivalents at the month/year begin:	356,178	470,942	444,771	426,004	398,870	368,879	454,153	417,892	388,762	443,974	407,712	371,451	356,178	385,303	336,644
Cash/cash equivalents at the month/year end:	470,942	444,771	426,004	398,870	368,879	454,153	417,892	388,762	443,974	407,712	371,451	385,303	385,303	336,644	394,897

Table 25 MBRR SA25 – Budgeted monthly revenue and expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue By Source																
Property rates		1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	1,789	21,468	22,323	23,212
Service charges - electricity revenue		2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	30,845	32,203	33,652
Service charges - water revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue		486	486	486	486	486	486	486	486	486	486	486	486	5,834	6,096	6,371
Rental of facilities and equipment		324	324	324	324	324	324	324	324	324	324	324	324	3,893	4,419	4,864
Interest earned - external investments		730	730	730	730	730	730	730	730	730	730	730	730	8,760	9,146	9,557
Interest earned - outstanding debtors		448	448	448	448	448	448	448	448	448	448	448	448	5,378	5,613	5,864
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		49	49	49	49	49	49	49	49	49	49	49	49	593	619	647
Licences and permits		200	200	200	200	200	200	200	200	200	200	200	200	2,404	2,510	2,623
Agency services		117	117	117	117	117	117	117	117	117	117	117	117	1,401	1,463	1,528
Transfers and subsidies		27,967	27,967	27,967	27,967	27,967	27,967	27,967	27,967	27,967	27,967	27,967	27,967	335,600	342,397	363,947
Other revenue		43	43	43	43	43	43	43	43	43	43	43	43	520	537	556
Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		34,725	34,725	34,725	34,725	34,725	34,725	34,725	34,725	34,725	34,725	34,725	34,725	416,697	427,325	452,820
Expenditure By Type																
Employee related costs		10,385	10,385	10,385	10,385	10,385	10,385	10,385	10,385	10,385	10,385	10,385	10,385	124,615	129,995	135,718
Remuneration of councillors		2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	2,254	27,047	28,129	29,254
Debt impairment		800	800	800	800	800	800	800	800	800	800	800	800	9,600	9,984	10,383
Depreciation & asset impairment		4,145	4,145	4,145	4,145	4,145	4,145	4,145	4,145	4,145	4,145	4,145	4,145	49,735	50,730	51,744
Finance charges		8	8	8	8	8	8	8	8	8	8	8	8	100	104	108
Bulk purchases - electricity		3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	40,005	46,006	50,607
Inventory consumed		656	656	656	656	656	656	656	656	656	656	656	656	7,867	8,181	8,509
Contracted services		7,862	7,862	7,862	7,862	7,862	7,862	7,862	7,862	7,862	7,862	7,862	7,859	94,339	64,260	66,907
Transfers and subsidies		296	296	296	296	296	296	296	296	296	296	296	296	3,550	3,692	3,840
Other expenditure		6,848	6,848	6,848	6,848	6,848	6,848	6,848	6,848	6,848	6,848	6,848	6,843	82,171	76,137	78,967
Losses		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,578	439,029	417,219	436,038
Surplus/(Deficit)		(1,862)	(1,862)	(1,862)	(1,862)	(1,862)	(1,862)	(1,862)	(1,862)	(1,862)	(1,862)	(1,862)	(1,854)	(22,333)	10,106	16,782
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		7,087	7,087	7,087	7,087	7,087	7,087	7,087	7,087	7,087	7,087	7,087	7,087	85,040	85,433	89,241
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,233	62,707	95,539	106,023
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,233	62,707	95,539	106,023

Table 26 MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)

EC443 Winnie Madikizela Mandela - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote																
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		11	11	11	11	11	11	11	11	11	11	11	11	137	143	149
Vote 3 - Budget Treasury Office		28,349	28,349	28,349	28,349	28,349	28,349	28,349	28,349	28,349	28,349	28,349	28,349	340,189	361,040	383,680
Vote 4 - Community Services		1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	14,517	11,283	11,783
Vote 5 - Development Planning		3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711	44,531	22,573	23,468
Vote 6 - Engineering Services		8,530	8,530	8,530	8,530	8,530	8,530	8,530	8,530	8,530	8,530	8,530	8,530	102,363	117,719	122,980
Vote 7 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	501,737	512,758	542,061
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		7,033	7,033	7,033	7,033	7,033	7,033	7,033	7,033	7,033	7,033	7,033	7,033	84,391	86,141	89,704
Vote 2 - Corporate Services		4,972	4,972	4,972	4,972	4,972	4,972	4,972	4,972	4,972	4,972	4,972	4,972	59,665	61,819	64,055
Vote 3 - Budget Treasury Office		3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	41,521	43,073	44,706
Vote 4 - Community Services		6,597	6,597	6,597	6,597	6,597	6,597	6,597	6,597	6,597	6,597	6,597	6,597	79,162	78,604	81,927
Vote 5 - Development Planning		3,016	3,016	3,016	3,016	3,016	3,016	3,016	3,016	3,016	3,016	3,016	3,008	36,186	28,003	29,090
Vote 6 - Engineering Services		11,509	11,509	11,509	11,509	11,509	11,509	11,509	11,509	11,509	11,509	11,509	11,509	138,105	119,579	126,556
Vote 7 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Null		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,578	439,029	417,219	436,038
Surplus/(Deficit) before assoc.		5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,233	62,707	95,539	106,023
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,233	62,707	95,539	106,023

Table 27 MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)

EC443 Winnie Madikizela Mandela - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional																
Governance and administration		30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,149	361,794	383,507	407,042
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,150	30,149	361,794	383,507	407,042
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		414	414	414	414	414	414	414	414	414	414	414	414	4,966	5,158	5,384
Community and social services		52	52	52	52	52	52	52	52	52	52	52	52	623	623	645
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		362	362	362	362	362	362	362	362	362	362	362	362	4,344	4,535	4,739
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		6,508	6,508	6,508	6,508	6,508	6,508	6,508	6,508	6,508	6,508	6,508	6,508	78,100	57,682	60,240
Planning and development		1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922	1,922	23,062	249	256
Road transport		4,587	4,587	4,587	4,587	4,587	4,587	4,587	4,587	4,587	4,587	4,587	4,587	55,038	57,433	59,984
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	4,740	56,876	66,411	69,395
Energy sources		3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944	3,944	47,325	60,286	62,996
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		796	796	796	796	796	796	796	796	796	796	796	796	9,550	6,125	6,400
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	41,811	501,737	512,758	542,061
Expenditure - Functional																
Governance and administration		16,809	16,809	16,809	16,809	16,809	16,809	16,809	16,809	16,809	16,809	16,809	16,809	201,712	207,838	215,974
Executive and council		5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341	5,341	64,094	65,154	67,832
Finance and administration		11,078	11,078	11,078	11,078	11,078	11,078	11,078	11,078	11,078	11,078	11,078	11,078	132,936	137,806	143,056
Internal audit		390	390	390	390	390	390	390	390	390	390	390	390	4,682	4,878	5,086
Community and public safety		2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,693	2,685	32,307	33,633	35,055
Community and social services		1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,070	12,936	13,429	13,967
Sport and recreation		197	197	197	197	197	197	197	197	197	197	197	197	2,369	2,471	2,581
Public safety		1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	15,956	16,641	17,368
Housing		87	87	87	87	87	87	87	87	87	87	87	87	1,046	1,091	1,139
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	8,792	105,502	79,978	82,559
Planning and development		3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141	3,141	37,697	29,584	30,747
Road transport		5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	5,429	65,153	47,631	48,929
Environmental protection		221	221	221	221	221	221	221	221	221	221	221	221	2,651	2,764	2,883
Trading services		7,960	7,960	7,960	7,960	7,960	7,960	7,960	7,960	7,960	7,960	7,960	7,960	95,515	91,607	98,109
Energy sources		5,676	5,676	5,676	5,676	5,676	5,676	5,676	5,676	5,676	5,676	5,676	5,676	68,108	66,893	72,346
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	2,284	27,406	24,715	25,764
Other		333	333	333	333	333	333	333	333	333	333	333	333	3,994	4,162	4,340
Total Expenditure - Functional		36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,586	36,578	439,029	417,219	436,038
Surplus/(Deficit) before assoc.		5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,233	62,707	95,539	106,023
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,225	5,233	62,707	95,539	106,023

Table 28 MBRR SA28 – Budgeted monthly capital expenditure (municipal vote)

EC443 Winnie Madikizela Mandela - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget Treasury Office		748	748	748	748	748	748	748	748	748	748	748	748	8,974	16,000	1,200
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	748	748	748	748	748	748	748	748	748	748	748	748	8,974	16,000	1,200
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		992	992	992	992	992	992	992	992	992	992	992	992	11,900	10,500	2,500
Vote 3 - Budget Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	1,083	13,000	12,100	2,600
Vote 5 - Development Planning		1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	15,702	3,640	2,700
Vote 6 - Engineering Services		4,959	4,959	4,959	4,959	4,959	4,959	4,959	4,959	4,959	4,959	4,959	4,959	59,512	106,011	98,742
Vote 7 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	100,114	132,251	106,542
Total Capital Expenditure	2	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	109,088	148,251	107,742

Table 29 MBRR SA29 – Budgeted monthly capital expenditure (functional classification)

EC443 Winnie Madikizela Mandela - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional	1															
Governance and administration		53	53	53	53	53	53	53	53	53	53	53	11,713	12,300	10,900	2,900
Executive and council																
Finance and administration		53	53	53	53	53	53	53	53	53	53	53	11,713	12,300	10,900	2,900
Internal audit																
Community and public safety		69	69	69	69	69	69	69	69	69	69	69	1,145	1,900	1,500	2,000
Community and social services		84	84	84	84	84	84	84	84	84	84	84	980	1,900	1,500	2,000
Sport and recreation																
Public safety		(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	(15)	165			
Housing																
Health																
Economic and environmental services		3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	39,169	73,488	95,251	70,885
Planning and development		2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	2,143	6,605	30,176	24,640	13,900
Road transport		977	977	977	977	977	977	977	977	977	977	977	32,564	43,312	70,611	56,985
Environmental protection																
Trading services		1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	2,385	21,400	40,600	31,957
Energy sources		837	837	837	837	837	837	837	837	837	837	837	1,493	10,700	30,400	31,757
Water management																
Waste water management																
Waste management		892	892	892	892	892	892	892	892	892	892	892	892	10,700	10,200	200
Other																
Total Capital Expenditure - Functional	2	4,971	4,971	4,971	4,971	4,971	4,971	4,971	4,971	4,971	4,971	4,971	54,412	109,088	148,251	107,742
Funded by:																
National Government		6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	74,288	82,561	86,242
Provincial Government																
District Municipality																
Transfers and subsidies - capital (monetary allocations) (National / Provincial																
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public																
Transfers recognised - capital		6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	6,191	74,288	82,561	86,242
Borrowing																
Internally generated funds		2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	34,800	65,690	21,500
Total Capital Funding		9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	109,088	148,251	107,742

Table 30 MBRR SA30 – Budgeted monthly cash flow

EC443 Winnie Madikizela Mandela - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand															
Cash Receipts By Source															
Property rates	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	2,901	34,817	19,285	22,310
Service charges - electricity revenue	3	3	3	3	3	3	3	3	3	3	3	44,323	44,351	32,711	38,180
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	853	853	853	853	853	853	853	853	853	853	853	853	10,237	7,770	6,948
Rental of facilities and equipment	324	324	324	324	324	324	324	324	324	324	324	324	3,893	4,419	4,864
Interest earned - external investments	730	730	730	730	730	730	730	730	730	730	730	730	8,760	9,146	9,557
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	38	38	38	38	38	38	38	38	38	38	38	39	462	185	193
Licences and permits	200	200	200	200	200	200	200	200	200	200	200	200	2,404	2,510	2,623
Agency services	117	117	117	117	117	117	117	117	117	117	117	117	1,401	1,463	1,528
Transfers and Subsidies - Operational	133,373	3,022	500		1,659	106,698		1,106	80,024			9,218	335,600	342,397	363,947
Other revenue	41	41	41	41	41	41	41	41	41	41	41	41	490	506	523
Cash Receipts by Source	138,581	8,230	5,708	5,208	6,867	111,906	5,208	6,314	85,232	5,208	5,208	58,746	442,415	420,391	450,673
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	16,290	5,705	16,995	9,128	4,611	14,837		6,025	11,450			–	85,040	85,433	89,241
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	154,871	13,935	22,703	14,335	11,478	126,744	5,208	12,339	96,681	5,208	5,208	58,746	527,455	505,824	539,914
Cash Payments by Type															
Employee related costs	12,495	12,495	12,724	12,724	12,724	12,724	12,724	12,724	12,724	12,724	12,724	13,133	152,643	159,148	166,041
Remuneration of councillors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance charges	8	8	8	8	8	8	8	8	8	8	8	8	100	104	108
Bulk purchases - electricity	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	3,334	40,005	46,006	50,607
Acquisitions - water & other inventory	656	656	656	656	656	656	656	656	656	656	656	656	7,867	8,181	8,509
Contracted services	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	7,195	86,342	64,876	66,911
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	6,533	6,533	7,666	7,666	7,666	7,666	7,666	7,666	7,666	7,666	7,666	9,883	91,945	78,811	81,744
Cash Payments by Type	30,221	30,221	31,584	31,584	31,584	31,584	31,584	31,584	31,584	31,584	31,584	34,209	378,902	357,126	373,919
Other Cash Flows/Payments by Type															
Capital assets	9,886	9,886	9,886	9,886	9,886	9,886	9,886	9,886	9,886	9,886	9,886	10,686	119,428	197,357	107,742
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	40,106	40,106	41,469	41,469	41,469	41,469	41,469	41,469	41,469	41,469	41,469	44,895	498,330	554,483	481,661
NET INCREASE/(DECREASE) IN CASH HELD	114,764	(26,171)	(18,767)	(27,134)	(29,992)	85,274	(36,261)	(29,130)	55,212	(36,261)	(36,261)	13,852	29,125	(48,659)	58,253
Cash/cash equivalents at the month/year begin:	356,178	470,942	444,771	426,004	398,870	368,879	454,153	417,892	388,762	443,974	407,712	371,451	356,178	385,303	336,644
Cash/cash equivalents at the month/year end:	470,942	444,771	426,004	398,870	368,879	454,153	417,892	388,762	443,974	407,712	371,451	385,303	385,303	336,644	394,897

2.7 Contracts having future budgetary implications

EC443 Winnie Madikizela Mandela - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		–	–	–				
Vote 2 - Corporate Services		11,900	10,500	2,500				
Vote 3 - Budget Treasury Office		8,974	16,000	1,200				
Vote 4 - Community Services		13,000	12,100	2,600				
Vote 5 - Development Planning		15,702	3,640	2,700				
Vote 6 - Engineering Services		59,512	106,011	98,742				
Vote 7 - Null		–	–	–				
Vote 8 - Null		–	–	–				
Vote 9 - Null		–	–	–				
Vote 10 - Null		–	–	–				
Vote 11 - Null		–	–	–				
Vote 12 - Null		–	–	–				
Vote 13 - Null		–	–	–				
Vote 14 - Null		–	–	–				
Vote 15 - Null		–	–	–				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		109,088	148,251	107,742	–	–	–	–

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 management comments and budget confirmation from the Budget and Treasury office.

2.8 Detailed Capital budget

EC443 Winnie Madikizela Mandela - Supporting Table SA36 Detailed capital budget

thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude		Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast	2022/23 Medium Term Revenue & Expenditure Framework		
																Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality: List all capital projects grouped by Function																		
Community and Social Services																		
Fencing of Recreational Facilities																		
Disaster Bakkie																		
New																		
accountable, effective and efficient local																		
Growth																		
to protect the municipal buildings																		
Community Facilities																		
Halls																		
Inclusion and access																		
Ward 27 Admin																		
1,875																		
2,258																		
1,200																		
1,500																		
2,000																		
Energy Sources																		
MV Networks:Electrification of Nontlacu																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Electrical Infrastructure																		
MV Networks																		
Ward 26																		
34,185																		
27,600																		
2,100																		
6,000																		
–																		
LV Networks:Supply and Installation of High Master																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Electrical Infrastructure																		
LV Networks																		
Ward 1																		
2,300																		
2,400																		
2,500																		
HV Substations:Construction of Substation																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Electrical Infrastructure																		
MV Networks																		
Ward 1																		
–																		
–																		
29,257																		
MV Networks:Electrification of Lower Etheridge																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Electrical Infrastructure																		
MV Networks																		
Ward 20																		
2,100																		
6,000																		
–																		
MV Networks:Electrification of Msaahweni																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Electrical Infrastructure																		
MV Networks																		
Ward 22																		
2,100																		
6,000																		
–																		
MV Networks:Electrification of Ziziyani																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Electrical Infrastructure																		
MV Networks																		
Ward 31																		
2,100																		
10,000																		
–																		
Finance and Administration																		
Computer Equipment:Computer Equipment																		
New																		
accountable, effective and efficient local																		
Governance																		
to perform and improve service																		
Computer Equipment																		
Unspecified																		
admin																		
8,470																		
9,498																		
2,500																		
–																		
–																		
Halls:Mbizana Town Hall in Ward1																		
New																		
accountable, effective and efficient local																		
Governance																		
working conditions for all employees																		
Furniture and Office Equipment																		
Unspecified																		
admin																		
Furniture and Office Equipment:Mbizana Civic Centre																		
New																		
accountable, effective and efficient local																		
Governance																		
working conditions for all employees																		
Furniture and Office Equipment																		
Unspecified																		
admin																		
Furniture and Office Equipment:Office Equipment																		
New																		
accountable, effective and efficient local																		
Governance																		
working conditions for all employees																		
Furniture and Office Equipment																		
Unspecified																		
admin																		
Cabling and WiFi Network																		
New																		
accountable, effective and efficient local																		
Governance																		
working conditions for all employees																		
Furniture and Office Equipment:Security Equipment																		
New																		
accountable, effective and efficient local																		
Governance																		
Safety of the municipal assets																		
Furniture and Office Equipment																		
Unspecified																		
admin																		
Furniture and Office Equipment:CCTV cameras																		
New																		
accountable, effective and efficient local																		
Governance																		
Safety of the municipal assets																		
Furniture and Office Equipment																		
Unspecified																		
admin																		
Transport Assets:Transport Assets																		
New																		
accountable, effective and efficient local																		
Governance																		
better service delivery																		
Transport Assets																		
Unspecified																		
admin																		
44,271																		
115,735																		
3,500																		
–																		
–																		
Planning and Development																		
Crèches:ECDC Ward 13																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Community Facilities																		
Crèches																		
Ward 13																		
Municipal Offices:Buildings																		
Upgrading																		
effective and development-oriented public																		
Governance																		
to protect the municipal buildings																		
Operational Buildings																		
Municipal Offices																		
Ward 1																		
Outdoor Facilities:Beach Infrastructure Development																		
New																		
long and healthy life for all South Africans																		
Growth																		
to protect the municipal buildings																		
Community Facilities																		
Public Abolition Facilities																		
Ward 24																		
Outdoor Facilities:Mpuhumi Mafumbatha Stadium																		
Upgrading																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Community Facilities																		
Outdoor Facilities																		
Ward 1																		
Manufacturing Plant:Construction of Hubs																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Community Facilities																		
Manufacturing Plant																		
Ward 4																		
13,602																		
–																		
16,000																		
1,200																		
Markets:Market Place																		
New																		
South Africa and contribute to a better Africa																		
Growth																		
to protect the municipal buildings																		
Community Facilities																		
Markets																		
Ward 1																		
1,600																		
2,600																		
2,700																		
Halls:Mbizana Town Hall in Ward1																		
Upgrading																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Community Facilities																		
Halls																		
Ward 1																		
8,974																		
–																		
Road Transport																		
Roads:Upgrade of Mhlwazini Access Road																		
Upgrading																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 16																		
51,577																		
31,773																		
–																		
3,955																		
–																		
Roads:Upgrade of Mqgubalala Access Road																		
Upgrading																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 18																		
Roads:Upgrade of Mbongwana via Dolye to Greenville Hospital Access Road																		
Upgrading																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 21																		
Road Structures:Construction of Bhukuveni to Nthikinkhane Concrete Slab																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 8																		
Road Structures:Tholeni Bridge																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 27																		
Roads:Rehabilitation of Ndolohi to Tholeni AR(Sizindeni)																		
Renewal																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 27																		
Roads:Rehabilitation of Emthini Emikhulu to section C AR																		
Renewal																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 1																		
Roads:Rehabilitation of Mdeni AR																		
Renewal																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 4																		
Roads:Rehabilitation of R61 to Malola AR																		
Renewal																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 26																		
Roads:Upgrade of Mgomazi Access Road- Phase 2																		
Upgrading																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 14																		
Roads:Sidanga Bridge																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 28																		
Roads:Sigingqi to Marina AR with bridge																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 23																		
Roads:Tshongweni Access Road																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 16																		
Roads:Sixhaseni Access Road																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 31																		
Roads:Tshuze to Philiweni Access Road																		
New																		
South Africa and contribute to a better Africa																		
Inclusion and access																		
to protect the municipal buildings																		
Roads Infrastructure																		
Roads																		
Ward 9																		
11,061																		
–																		
Waste Management																		
Landfill Sites:Landfill																		
New																		
to enhance our environmental assets and nature																		
Inclusion and access																		
to protect the municipal buildings																		
Solid Waste Infrastructure																		
Landfill Sites																		
Ward 7																		
1,054																		
1,820																		
10,000																		
10,000																		
Machinery and Equipment:Grass cutting Machine																		
New																		
effective and development-oriented public																		
Governance																		
the grass cutting is being done																		
Machinery and Equipment																		
Unspecified																		
whole																		
Transport Assets:Transport Assets																		
New																		
effective and development-oriented public																		
Governance																		
portation of refuse from different																		
Transport Assets																		
Unspecified																		
admin																		
700																		
–																		
–																		
Parent Capital expenditure																		
141,432																		
188,684																		
109,088																		
148,251																		
107,742																		
Entities: List all capital projects grouped by Entity																		
Entity A																		
Water project A																		
Entity B																		
Electricity project B																		
Entity Capital expenditure																		
Total Capital expenditure																		
–																		
–																		
141,432																		
188,684																		
109,088																		
148,251																		
107,742																		

2.9 Capital Expenditure details

Table 31 MBRR SA34a – Capital expenditure on new assets by asset class

EC443 Winnie Madikizela Mandela - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		63,714	51,369	64,182	34,277	41,901	41,901	64,012	73,907	88,742
Roads Infrastructure		22,397	31,165	31,539	13,070	14,843	14,843	43,312	33,507	56,985
Roads		22,397	31,165	31,539	13,070	14,843	14,843	43,312	25,000	28,492
Electrical Infrastructure		41,317	20,204	32,643	20,957	26,900	26,900	10,700	30,400	31,757
HV Substations		–	–	–	–	–	–	–	–	29,257
MV Networks		41,317	20,204	30,937	18,107	24,150	24,150	8,400	28,000	–
LV Networks		–	–	1,707	2,850	2,750	2,750	2,300	2,400	2,500
Solid Waste Infrastructure		–	–	–	250	158	158	10,000	10,000	–
Landfill Sites		–	–	–	–	–	–	10,000	10,000	–
Waste Drop-off Points		–	–	–	250	158	158	–	–	–
Community Assets		2,408	4,003	2,803	13,500	13,731	13,731	6,800	5,140	4,700
Community Facilities		2,408	4,003	2,803	13,500	13,000	13,000	6,300	4,100	4,700
Halls		–	4,003	1,356	8,400	8,200	8,200	1,200	1,500	2,000
Centres		–	–	–	–	–	–	–	–	–
Crèches		2,408	–	–	3,500	3,200	3,200	3,500	–	–
Markets		–	–	1,447	1,600	1,600	1,600	1,600	2,600	2,700
Sport and Recreation Facilities		–	–	–	–	731	731	500	1,040	–
Outdoor Facilities		–	–	–	–	731	731	500	1,040	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	1,289	736	19,820	16,699	16,699	13,602	–	–
Operational Buildings		–	1,289	736	19,820	16,699	16,699	13,602	–	–
Yards		–	1,289	736	–	–	–	–	–	–
Manufacturing Plant		–	–	–	19,820	16,699	16,699	13,602	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		1,762	3,400	5,784	1,248	5,598	5,598	2,500	–	–
Computer Equipment		1,762	3,400	5,784	1,248	5,598	5,598	2,500	–	–
Furniture and Office Equipment		785	1,170	1,154	6,280	2,940	2,940	7,900	4,900	900
Furniture and Office Equipment		785	1,170	1,154	6,280	2,940	2,940	7,900	4,900	900
Machinery and Equipment		3,933	2,625	1,987	300	360	360	–	200	200
Machinery and Equipment		3,933	2,625	1,987	300	360	360	–	200	200
Transport Assets		2,796	1,614	1,974	1,400	4,050	4,050	3,300	–	2,000
Transport Assets		2,796	1,614	1,974	1,400	4,050	4,050	3,300	–	2,000
Total Capital Expenditure on new assets	1	75,399	65,471	78,620	76,825	85,278	85,278	98,114	84,147	96,542

Table 32 MBRR SA34b – Capital Expenditure on Renewal of Existing Assets by asset class

EC443 Winnie Madikizela Mandela - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	16,495	-	16,000	16,000	-	16,050	-
Roads Infrastructure		-	-	16,495	-	16,000	16,000	-	16,050	-
Roads		-	-	16,495	-	16,000	16,000	-	16,050	-
Community Assets		-	541	12,588	11,000	27,815	27,815	-	-	-
Community Facilities		-	541	12,588	11,000	27,815	27,815	-	-	-
Taxi Ranks/Bus Terminals		-	541	12,588	11,000	27,815	27,815	-	-	-
Other assets		-	-	-	-	-	-	2,000	5,000	10,000
Operational Buildings		-	-	-	-	-	-	2,000	5,000	10,000
Municipal Offices		-	-	-	-	-	-	2,000	5,000	10,000
Total Capital Expenditure on renewal of existing assets	1	-	541	29,083	11,000	43,815	43,815	2,000	21,050	10,000
Renewal of Existing Assets as % of total capex		0.0%	0.6%	20.6%	9.3%	23.2%	23.2%	1.8%	14.2%	9.3%
Renewal of Existing Assets as % of deprecn"		0.0%	1.4%	72.4%	20.9%	83.2%	83.2%	4.0%	41.5%	19.3%

Table 33 MBRR SA34c – Repairs and maintenance by asset class

EC443 Winnie Madikizela Mandela - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		3,530	7,707	(1,227)	24,763	24,593	24,593	25,876	7,386	7,681
Roads Infrastructure		3,378	6,196	(1,566)	20,663	20,493	20,493	21,612	2,951	3,069
Roads		271	259	3	616	616	616	640	666	692
Road Structures		2,879	5,877	(2,068)	19,548	19,378	19,378	20,452	1,745	1,815
Road Furniture		228	59	500	500	500	500	520	541	562
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		152	1,511	339	4,100	4,100	4,100	4,264	4,435	4,612
MV Networks		152	1,511	339	4,100	4,100	4,100	4,264	4,435	4,612
Community Assets		383	20	515	903	1,090	1,090	519	516	539
Community Facilities		383	20	515	903	1,090	1,090	519	516	539
Halls		383	20	27	300	400	400	250	260	270
Libraries		-	-	281	183	270	270	155	138	146
Parks		-	-	207	420	420	420	114	118	123
Heritage assets		-	-	-	-	-	-	-	-	-
Other assets		1,330	3,963	4,043	4,439	4,375	4,375	4,274	4,445	4,623
Operational Buildings		1,330	3,963	4,043	4,439	4,375	4,375	4,274	4,445	4,623
Municipal Offices		1,330	3,963	3,894	4,231	4,231	4,231	4,125	4,290	4,462
Yards		-	-	149	208	144	144	149	155	161
Computer Equipment		102	27	72	100	50	50	50	52	54
Computer Equipment		102	27	72	100	50	50	50	52	54
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		464	1,082	324	570	530	530	500	522	546
Machinery and Equipment		464	1,082	324	570	530	530	500	522	546
Transport Assets		-	74	1,886	3,496	3,026	3,026	1,936	2,013	2,094
Transport Assets		-	74	1,886	3,496	3,026	3,026	1,936	2,013	2,094
Total Repairs and Maintenance Expenditure	1	5,809	12,873	5,614	34,271	33,664	33,664	33,155	14,935	15,537
R&M as a % of PPE		0.9%	2.0%	0.8%	4.5%	4.2%	4.2%	4.6%	2.0%	1.8%
R&M as % Operating Expenditure		1.8%	3.5%	1.6%	7.9%	7.0%	7.0%	22.8%	3.4%	3.7%

Table 34 MBRR SA34d – Depreciation by asset class

EC443 Winnie Madikizela Mandela - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		31,106	29,533	29,666	39,754	39,754	39,754	32,624	33,277	33,942
Roads Infrastructure		30,449	28,729	29,499	38,934	38,934	38,934	31,239	31,863	32,501
Roads		30,449	28,729	29,499	38,934	38,934	38,934	13,524	13,795	14,071
Road Structures		–	–	–	–	–	–	17,251	17,596	17,948
Road Furniture		–	–	–	–	–	–	463	473	482
Storm water Infrastructure		97	93	–	121	121	121	558	569	581
Drainage Collection		97	93	–	121	121	121	210	214	219
Storm water Conveyance		–	–	–	–	–	–	348	355	362
Electrical Infrastructure		390	545	–	488	488	488	656	669	683
HV Transmission Conductors		189	181	–	235	235	235	–	–	–
MV Substations		19	18	–	24	24	24	53	54	55
MV Switching Stations		32	31	–	43	43	43	–	–	–
MV Networks		82	251	–	102	102	102	444	453	462
LV Networks		68	65	–	84	84	84	160	163	166
Solid Waste Infrastructure		171	167	167	212	212	212	172	175	179
Landfill Sites		171	167	167	212	212	212	172	175	179
Community Assets		2,108	2,233	2,371	2,755	2,755	2,755	7,176	7,320	7,466
Community Facilities		2,108	2,233	2,371	2,755	2,755	2,755	5,075	5,177	5,280
Halls		1,117	1,092	2,371	1,358	1,358	1,358	3,574	3,646	3,719
Centres		977	1,128	–	1,379	1,379	1,379	–	–	–
Crèches		–	–	–	–	–	–	304	310	316
Cemeteries/Crematoria		14	13	–	17	17	17	14	14	14
Parks		–	–	–	–	–	–	1,014	1,035	1,055
Public Ablution Facilities		–	–	–	–	–	–	108	110	112
Stalls		–	–	–	–	–	–	61	62	64
Sport and Recreation Facilities		–	–	–	–	–	–	2,101	2,143	2,186
Outdoor Facilities		–	–	–	–	–	–	2,101	2,143	2,186
Other assets		862	727	722	1,128	1,128	1,128	693	707	721
Operational Buildings		862	727	722	1,128	1,128	1,128	680	693	707
Municipal Offices		862	727	722	1,128	1,128	1,128	366	374	381
Pay/Enquiry Points		–	–	–	–	–	–	3	3	4
Yards		–	–	–	–	–	–	79	80	82
Stores		–	–	–	–	–	–	118	121	123
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	113	115	117
Housing		–	–	–	–	–	–	13	14	14
Social Housing		–	–	–	–	–	–	13	14	14
Intangible Assets		445	131	129	100	100	100	–	–	–
Licences and Rights		445	131	129	100	100	100	–	–	–
Computer Software and Applications		445	131	129	100	100	100	–	–	–
Computer Equipment		335	315	186	400	400	400	2,223	2,268	2,313
Computer Equipment		335	315	186	400	400	400	2,223	2,268	2,313
Furniture and Office Equipment		2,359	2,636	2,797	3,174	3,174	3,174	1,274	1,299	1,325
Furniture and Office Equipment		2,359	2,636	2,797	3,174	3,174	3,174	1,274	1,299	1,325
Machinery and Equipment		846	2,497	2,856	3,179	3,179	3,179	4,321	4,408	4,496
Machinery and Equipment		846	2,497	2,856	3,179	3,179	3,179	4,321	4,408	4,496
Transport Assets		1,444	1,365	1,452	2,191	2,191	2,191	1,423	1,452	1,481
Transport Assets		1,444	1,365	1,452	2,191	2,191	2,191	1,423	1,452	1,481
Total Depreciation	1	39,506	39,437	40,180	52,682	52,682	52,682	49,735	50,730	51,744

Table 34 MBRR SA34e – Capital Expenditure on upgrading of existing assets by asset class

EC443 Winnie Madikizela Mandela - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	248	4,152	–	900	900	–	21,055	–
Roads Infrastructure		–	248	3,543	–	900	900	–	21,055	–
Roads		–	248	3,543	–	900	900	–	21,055	–
Electrical Infrastructure		–	–	609	–	–	–	–	–	–
LV Networks		–	–	609	–	–	–	–	–	–
Community Assets		23,458	21,941	29,576	29,902	58,690	58,690	8,974	22,000	1,200
Community Facilities		10,901	16,058	19,643	28,402	28,402	28,402	8,974	6,000	–
Halls		10,901	16,058	19,643	28,402	28,402	28,402	8,974	6,000	–
Sport and Recreation Facilities		12,557	5,884	9,933	1,500	30,288	30,288	–	16,000	1,200
Outdoor Facilities		12,557	5,884	9,933	1,500	30,288	30,288	–	16,000	1,200
Total Capital Expenditure on upgrading of existing assets	1	23,458	22,189	33,728	29,902	59,590	59,590	8,974	43,055	1,200
Upgrading of Existing Assets as % of total capex		0.0%	25.2%	23.8%	25.4%	31.6%	31.6%	8.2%	29.0%	1.1%
Upgrading of Existing Assets as % of deprecn"		59.4%	56.3%	83.9%	56.8%	113.1%	113.1%	18.0%	84.9%	2.3%

2.10 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 through the submission of Section 71 reports to the Mayor, National Treasury, Provincial Treasury and other stakeholders within 10 working days of the end of each month.

Quarterly reports in terms of s52d have been tabled to the municipal council by the Mayor within 30 days of the end of each quarter and further submitted to all relevant stakeholders as required by law.

The municipality's mid-year assessment report has been tabled to the municipal council by 25 January 2022 and further submitted to the relevant stakeholders as required by s72 of the MFMA

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the interns trained over the years 12 were absorbed within the municipality's budget and treasury office while 4 have found employment in other municipality's and are now at managerial level. Since the introduction of the Internship programme the Municipality has successfully employed and trained 24 interns through this programme.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA headed by the Chief Financial Officer. The department has the following sections, each with its own head:

- Supply Chain Management
- Revenue and Management
- Budgeting and Reporting
- Asset Management and stores management

4. Audit Committee

The new municipal has extended the term of the current Audit Committee that was established by the previous due to the fact that it was considered to be fully functional. Even though the Audit Committee had resignations in the previous year, an appointment of the new member has been made.

5. Service Delivery and Implementation Plan

The municipality has run concurrently the process of developing a detailed SDBIP together with the draft budget to ensure alignment of these plans.

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2022/23 MTREF in May 2022 directly aligned and informed by the 2022/23 MTREF.

6. Financial Misconduct Disciplinary Board

The municipality established the financial misconduct disciplinary board in 2019 with its term coming to an end on 30 June 2021. The council, in a council meeting held on 28 February 2022 took a resolution to re-establish the disciplinary board to assist council in dealing with possible acts of financial misconduct within the municipality.

7. Procurement plans

The municipality has also made sure draft procurement plans are developed together with the draft budget to ensure full alignment of this plan as well. The procurement plan will be reviewed and revised where necessary to ensure that it assists the municipality in delivering services within planned timeframes.

8. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Reduction Plans and Strategy

National Treasury has instructed municipalities to develop and adopt plans to reduce UIFW&E over the five year period. Even though the municipality had already cleared these expenditures a reduction strategy was developed and adopted by the municipal council on the 28th February 2022 to ensure the municipality continues to find ways to prevent these expenditures from happening.

9. Annual Report

Annual report has been compiled in terms of the MFMA and National Treasury requirements and an oversight report has also been presented to council on the 29th March 2022 after an extensive exercise by the MPAC and consultations with communities.

10. mSCOA

The municipality has been implementing mSCOA like all municipalities in the country as a business reform since its introduction from 1 July 2017. This was introduced to address among other things ensuring standardisation of treatment of transactions and reporting across all municipalities, to encourage proper planning and put controls in terms of revenue and expenditure management. Introduction of new and improved versions of the mSCOA chart has proven to present problems that sometimes make it impossible to operate normally requiring some extra effort to be put into the operations of the municipality to fulfil its service delivery mandate.

The municipality is in the process of making sure that all mSCOA structures are function through replacement of members who have since left the municipality and developing a schedule of meetings for these structures.

11. Budget steering committee

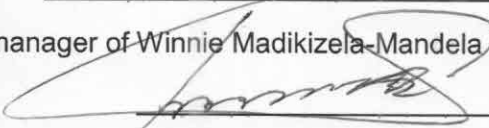
The Mayor of the municipality appointed members of the executive committee chaired by the Budget and Treasury Portfolio head together with members of Senior management as well as the managers responsible for IDP and Budget within the municipality.

2.11 Municipal manager's quality certificate

I Luvuyo Mahlaka, municipal manager of Winnie Madikizela-Mandela Local 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 Luvuyo Mahlaka

Municipal manager of Winnie Madikizela-Mandela Local Municipality (EC443)

Signature 

Date 29 March 2022