

ANNUAL BUDGET OF WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY



2023/24 TO 2025/26 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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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 in the second full year 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 2023/24 Annual Budget, the draft budget must be tabled to council by no later than March 31, 2023. The draft budget that was tabled in council on 31 March 2023 was in response and compliance to the afore-mentioned prescripts. This was followed by the publication on a local newspaper of the draft budget summaries and calling for comments from the public.

The municipality then conducted public consultation sessions to present the budget and solicit comments from the general public during the month of April and May 2023.

The Provincial Treasury as required assessed the municipality's draft budget for compliance and credibility with the results presented in a meeting that was held on the 18th of April 2023. Comments and recommendations of both the public and Provincial Treasury have been considered in getting to the final budget proposals including submission to them before submitting to council structures for them to assess the municipality's funding compliance which will be the major focus in the years to come due to the anticipated municipalities' ability to collect revenue as well as the impact of the recent disaster following heavy rains during the month of April 2022 which continues to require resources to help communities recover.

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
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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 some part of the maintenance of these roads by acquiring two sets of own plant in the past five years. 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 three 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 while lowering community's tolerance levels. The municipality had allocated over R25 million within the next year to support the municipal plant in the maintenance and refurbishment 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 400m² of pothole patching will be completed by the end of the current financial year as the service provider was appointed earlier in the calendar year.

In 2023/24 financial year, 600m² is planned to be maintained using both service providers and internal capacity as indicated earlier in the report.

c) Electrification backlogs and planning

Electricity backlog is currently sitting at 9701 (13%) households pending completion of the current running projects, however, we estimate an additional 16000 growth of households that need electricity due to new households and newly established villages/ extensions

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

2023/24 will be utilized to complete four projects that are currently being implemented by the municipality (Lower Ethrige, Msarhweni, Nomlacu and Zizityaneni villages electrification).

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. The municipality established a Coastal Working Committee which sits quarterly to discuss all coastal management issues.

Integrated Waste Management Plan was completed and adopted by Council submitted to DEDEAT MEC (EC) for approval, however the plan was never endorsed by MEC and it is currently under review for re-submission to MEC. The municipality gazetted reviewed Waste Management by-laws as per the National Environmental Management Waste Act.

The Winnie Madikizela-Mandela Local Municipality has adopted a climate change strategy which has been included in the IDP and is currently being implemented through conducting workshops in various Tribal Authorities and appointment of a climate change project team which will educate communities and remove alien plants where applicable.

Waste management service is being provided in businesses at an interval of 3 -7 days a week utilizing 3 compactor trucks, 2x 1Ton trucks, 1 Skip loader truck, 39 permanent employees and EPWP participants. Total of 523 businesses and 1367 households area billed by the municipality and 730 households who are receiving free refuse collection services as per the Indigent policy

The municipality has also extended waste management services to rural areas along R61, Ward 13, 23 and 24. The service is provided in the form of communal collection point system. And the collection is inclusive of Formal Businesses and Government Institutions.

The municipality has reviewed and adopted its Waste Management Tariff Policy in May 2022. The development of the policy was for the basis of the tariff imposed by the municipality to different users of the service such as Commercial, Residential and NPO'S. Each user/client is placed under specific category depending on production amounts/volumes, frequency of collection, type of waste produced and collection type. Under areas zoned as Businesses, there are 6 categories and each user/client is billed/charged as per that category. For households' clients, the municipality has a total of 9 categories and again each client is billed/charged as per that category. Exemptions to certain types of clients are applied as specified in the policy.

A total of 295 tonnes of waste characterised as domestic is estimated to be collected on a monthly basis.

The municipality is working with a number of registered and unregistered recyclers, which play a huge role in minimising large amounts of waste taken for disposal. Most of these recycling groups focus mainly on Paper, Plastics, glass bottles and scraps industry. The municipality has 1 registered recycling company which focuses mainly on bottle recycling (Laphum'Khwezi Primary Recycling). The company contributes a lot in diverting large quantities of bottles disposed at dumping site, and as such 10 tonnages of crushed bottles are excavated monthly.

Currently the municipality is operating EXT3 Dumping site which will be rehabilitated for closure as soon as the Majazi landfill site is operational

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 & Aluminium	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

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 2021/22 financial period which were implemented: -

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	

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 (2022/23) Winnie Madikizela-Mandela Local Municipality received R 16 400 000 INEP funding allocation to implement four (4) projects as per the table below.

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

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	

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 2023/24:

Project Name	Allocated amount	Funding Source
Electrification of Lower Etheridge Phase 2	R 3 798 000.00	INEP
Electrification of Msarhweni Village Phase 2	R 3 256 000.00	INEP
Electrification of Zizityaneni Village Phase 2	R 6 871 000.00	INEP
Electrification of Nomlacu	R 3 075 000.00	INEP
TOTAL	R 17 000 000.00	

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 2023/24.

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 57 million has been allocated as follows:

NAME OF PROJECT	BUDGETED AMOUNT	
Construction of Sidanga Bridge	R 5,287,999.00	MIG
Upgrading of Mbongwana via Dotye to Greenville Hosp Access Road	R 7,854,887.58	MIG
Construction of Bhukuveni to Ntshikintshane Concrete Slab	R 2,244,550.07	MIG
Construction of Mwilini to Zibanzini Access Road	R 8,686,855.04	MIG
Construction of Ntlanzwe to Sizabonke Access Road	R 9,486,000.00	MIG
Construction of Thaleni Bridge	R 8,447,013.60	MIG
Construction of Mngomazi Access Road	R 4,528,786.85	MIG
Construction of Mhlwazini Access Road	R 4,364,953.90	MIG
Construction of Mgqutsalala Access Road	R 2,653,653.96	MIG

NAME OF PROJECT	BUDGETED AMOUNT	
Construction of Sigingqi to Marina AR with Bridge	R 550,000.00	MIG
Construction of Tshuze to Philisweni AR	R 450,000.00	MIG
	<u>R 54,554,700.00</u>	

The compilation of the 2023/24 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 R25 million. A further R2.8 million has been set aside for the maintenance of municipal buildings and another R4.5 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 R708 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.

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 R2.5 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 R203 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 R209 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.

j) The impact of Load shedding

We must bring to the council's attention the negative effect of the current ongoing load shedding and the interruptions it continues to have on the day to day operations, more especially business operations as most of these take place during the normal working hours. A few things are guaranteed to happen as a result of load shedding:

- People are forced to explore alternative energy sources which will reduce greatly the municipality's revenue generation capacity
- Maintenance and operating costs of backup generators becoming uncontrollable
- Business people having to decide if they can still afford to operate businesses in this environment which will unfortunately result in loss of jobs
- Connectivity issues during load shedding times resulting in the town being unable to be in communication with other parts of the world
- Crimes levels expected to increase as criminals may plan their operations during the load shedding times

We place the report on the Final Budget before the Council and for approval at least 30 days before the start of the budget year as prescribed in law.

1.2 Council Resolutions

The Council of Winnie Madikizela-Mandela Local Municipality met on the 31st of March 2023 to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2023/24 and the Medium-Term Revenue and Expenditure Framework. The council then considers the following resolutions which will become final when the budget is approved.

The council of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- a. The annual budget of the municipality for the financial year 2023/24 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 approved 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) approves the following proposed tariffs with effect from 1 July 2023:
 - 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) approves the proposed tariffs with effect from 1 July 2023 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 approves:

- 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 approves 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

1.3 Executive Summary

The municipality continues to find itself highly dependent 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 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 just over R21 million increase on the equitable share allocation to the municipality in the next year which is less than the over R30 million that was seen last year causing a further strain on the available resources in funding the municipal operations and possibly contribute to capital funding. 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 Audits in 2020/21 and 2021/22 financial years. 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 have a common set of accounts from which to choose from, instead of each municipality having its own chart of accounts. This resulted 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.

Winnie Madikizela-Mandela 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

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.7 was released with MFMA circular 122.

Version 6.7 of the chart will be effective from 2023/24 and has been used to compile the 2023/24 MTREF and is available from 20 December 2022.

In accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply for categories other than the categories in 8(2)(a) to (i). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and
- Residential sectional title garages for Drakenstein Municipality.

These categories were only approved for use by municipalities indicated above. System vendors must therefore block the use of these categories for all other municipalities. The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.7 where applicable.

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 2023/2024 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 National Treasury forecasts real economic growth of 1.9 per cent in 2022, compared with 2.1 per cent projected in the 2022 Budget Review, in response to global and domestic shocks. Growth is projected to average 1.6 per cent from 2023 to 2025. Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness.

The recovery in economic activity that began in 2021 was driven by a strong rebound in global economic activity, high commodity prices and easing COVID-19 restrictions. The scarring impact of the pandemic on employment and investment decisions will likely weigh on the recovery over the medium term. Investment remains well below pre-pandemic levels.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter. The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity.

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

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. 122 and 123. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year	2023 Estimate	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Consumer Price Inflation - CPI	6.9%	5.3%	4.9%	4.7%

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 budget with the guidance of National Treasury, NERSA, and SALGBC –

- a) 15.10% increase on electricity tariffs
- b) 18.65% increase on Electricity Bulk purchases
- c) 5% increase on property rates
- d) 5.4% provision for employee costs which is the projected average CPI percentages for 2023 and 2024.
- e) 4.5% increase on the remuneration of councilors
- f) 5.3% for all other expenses, and
- g) 5.3% 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. It is important to note that the municipal equitable share as a policy instrument is meant to subsidise services to the poorest

of the poor and not to pay municipal creditors. This bad practice by municipalities will have to be addressed as a matter of urgency. Municipal creditors should be advised that municipalities cannot use funds allocated for basic service provision to pay creditors.

Municipalities must ensure that they render basic services, maintain their assets and a clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to strengthen awareness and participation and to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in increased employment.

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.

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 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.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the general valuation roll that are not on the billing system and records on the billing system and vice versa. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (General Valuation Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the general valuation roll system and on the rates billing system. This property identifier must be unique, without duplicates, and must remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title properties defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI and, apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must

ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This will identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

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. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with Section 23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with Section 8(1) of the MPRA in terms of the billing methodology that should be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

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/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

Municipalities are reminded of the need to clearly communicate the GV appeals and objection process to residents to ensure that any disputes are timeously resolved.

Revenue Collection – No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National

Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water.

Municipalities should develop a Wheeling Framework to allow for the transmission of energy across their networks. These wheeling frameworks provide an opportunity for municipalities to generate revenue from their distribution networks. Provincial Treasuries or National Treasury can be approached for support to develop these frameworks.

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.

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The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, has encouraged municipalities to utilise the tool. With effect, from the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format) illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (mSCOA): costing component. Considering, mSCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly.

Tariff-setting – the impact of loadshedding

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and the related functioning of the wastewater reticulation network. The loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained. The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require municipalities to "ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply." Municipalities are also required to "mobilise available resources" and "provide funds for this purpose, subject to affordability." As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality's available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2023/24 MTREF for this purpose, including:

- When planning to pump water/ maintain the wastewater service by way of any alternative solution(s), it is important that the municipality properly plan and budget for the associated capital and operational costs to operate and maintain the solution(s) over the 2023/24 MTREF and longer-term;
- Any additional cost the municipality already incurred in this regard during the period of elevated loadshedding since December 2022 should be projected to continue in 2023/24 i.e. diesel to operate a generator;
- Although a state of emergency has been declared to deal with the continual loadshedding challenges in the country, it is likely that loadshedding will continue during the 2023/24 municipal financial year. It is proposed that municipalities factor in the impact of loadshedding on their electricity revenue projections, considering current experience in terms of loadshedding practices by Eskom;
- The additional costs of prolonged loadshedding should be considered;
- Municipalities are always asked to try to balance full cost recovery on services with affordability for their residents. In practice, this means that where the full increase in the cost of a service is not passed on to consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. Therefore, **reducing/ limiting overall expenditure** is a key part of budgeting for the response to loadshedding. The municipality should stick to its core mandate and functions and carefully review overall expenditure to manage the net effect. Measures should include aggressively cutting costs, frills, and vanity projects, dealing with bloated administrations and structures possibly duplicated across Municipal Manager and Mayoral offices, and applying for exemptions from the annual salary increases if these are not affordable;
- While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding;
- **Reducing/ limiting overall expenditure** – the municipality should stick to its core mandate and functions – it is necessary to carefully look at the overall expenditure side to manage the net effect, including aggressively cutting costs, fancy, frills, vanity projects, deal with bloated admin- and structures possibly duplicated across Municipal Manager and Mayoral offices, and apply for exemptions from the annual salary increases; and

- The cost should be considered and included when setting the tariffs of the service(s) to which it relates.

Municipalities should also budget for reduced bulk purchases and sales to municipal customers based on the same loadshedding assumptions cited above.

Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Eskom has indicated that they will reverse any penalties for exceeding notified maximum demand that results from the implementation of loadshedding. This should be factored into the tariff calculation to ensure that consumers are not overcharged.

Lastly, it is important to note that a municipality may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set-out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007

Eskom Bulk tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2023, NERSA approved tariff increases of 15.10 per cent in 2023/24 and 12.7 per cent increase in 2024/25. For purposes of calculating the free basic energy subsidy in the local government equitable share formula, the National Treasury has added 2 per cent to these increases. This is in anticipation of higher increases than those published in January, for municipalities, due to the difference in the financial years of Eskom customers and municipalities meaning that Eskom only has nine months to collect the allowable revenue from municipalities. R1.1 billion is added to the free basic energy subcomponent of the free basic services component of the local government equitable share formula to fund these higher tariff increases. To this end, the free basic electricity subsidy in the local government equitable share is calculated based on a 20.7 per cent tariff increase in 2023/24 and a 14.7 per cent increase in 2024/25. In the absence of an approved tariff increase in the outer year of the MTEF period, the formula assumes an increase of 17.7 per cent in 2025/26. This is the average of the estimated increases for the first two years of the MTEF period.

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 consulted 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 2023/24 financial year and the MTREF therefore addressed 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 2023/24 financial year and the two outer years. This information has further been detailed more in the draft Service Delivery Budget Implementation Plan for the 2023/24 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 2023/24 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2023/24 MTREF

EC443 Winnie Madikizela Mandela - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
Financial Performance									
Property rates	16,284	20,145	21,163	21,468	21,468	21,468	21,250	22,096	22,976
Service charges	38,374	40,257	42,139	36,680	41,347	41,347	37,904	39,762	41,630
Investment revenue	9,660	7,604	10,784	9,760	19,090	19,090	15,890	16,669	17,452
Transfer and subsidies - Operational	268,843	337,728	295,672	338,352	350,924	350,924	349,897	371,637	364,128
Other own revenue	23,499	16,448	19,284	14,189	15,262	15,262	15,153	16,024	16,928
Total Revenue (excluding capital transfers and contributions)	356,660	422,182	389,042	420,449	448,092	448,092	440,094	466,188	463,114
Employee costs	104,852	105,837	107,129	124,799	122,052	122,052	130,212	136,500	142,503
Remuneration of councillors	23,970	23,964	24,782	27,047	27,047	27,047	28,480	29,876	31,280
Depreciation and amortisation	39,437	40,180	52,653	49,735	49,735	49,735	54,371	57,035	59,716
Finance charges	11	1	-	100	100	100	100	100	100
Inventory consumed and bulk purchases	41,417	39,820	45,684	47,632	46,915	46,915	55,216	61,622	68,814
Transfers and subsidies	1,418	4,499	1,251	3,200	3,349	3,349	3,431	3,589	3,754
Other expenditure	158,537	128,000	176,312	178,804	232,767	232,767	175,887	183,823	196,425
Total Expenditure	369,642	342,301	407,811	431,318	481,966	481,966	447,697	472,544	502,592
Surplus/(Deficit)	(12,982)	79,882	(18,769)	(10,870)	(33,874)	(33,874)	(7,603)	(6,356)	(39,478)
Transfers and subsidies - capital (monetary allocations)	79,423	77,425	80,162	82,288	107,215	107,215	76,295	80,471	82,487
Transfers and subsidies - capital (in-kind)	-	-	79	-	-	-	-	-	-
	66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009
Surplus/(Deficit) after capital transfers & contributions									
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009
Capital expenditure & funds sources									
Capital expenditure	88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121
Transfers recognised - capital	60,628	67,976	64,059	69,945	93,055	93,055	66,343	69,974	71,728
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	27,574	71,519	101,241	38,103	57,769	57,769	56,939	17,987	15,393
Total sources of capital funds	88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121
Financial position									
Total current assets	322,908	367,174	381,881	438,634	425,331	425,331	413,370	461,219	435,680
Total non current assets	680,111	737,528	806,463	797,697	871,215	871,215	875,374	837,389	833,868
Total current liabilities	58,261	70,583	75,515	64,901	102,931	102,931	99,779	104,220	106,266
Total non current liabilities	5,495	5,246	22,484	5,246	22,484	22,484	22,484	22,484	22,484
Community wealth/Equity	939,262	1,028,872	1,090,344	1,166,184	1,171,131	1,171,131	1,166,481	1,171,903	1,140,798
Cash flows									
Net cash from (used) operating	136,790	209,606	178,760	178,444	237,449	237,449	170,828	179,277	150,692
Net cash from (used) investing	(86,608)	(125,089)	(159,813)	(129,968)	(171,246)	(171,246)	(141,376)	(100,930)	(100,189)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	173,644	258,161	277,109	385,302	343,311	343,311	306,560	355,455	327,612
Cash backing/surplus reconciliation									
Cash and investments available	173,644	258,162	277,109	385,303	343,411	343,411	306,560	355,455	327,612
Application of cash and investments	26,826	33,678	31,816	16,521	45,352	45,352	40,970	46,718	47,635
Balance - surplus (shortfall)	146,819	224,484	245,293	368,782	298,060	298,060	265,591	308,737	279,977
Asset management									
Asset register summary (WDV)	680,111	739,453	587,558	705,541	871,215	871,215	875,374	837,389	833,868
Depreciation	39,437	40,180	44,097	49,735	49,735	49,735	54,371	57,035	59,716
Renewal and Upgrading of Existing Assets	22,731	60,478	90,916	12,754	65,738	65,738	23,008	-	-
Repairs and Maintenance	12,873	5,217	13,841	29,975	47,660	47,660	32,267	38,059	43,888
Free services									
Cost of Free Basic Services provided	-	-	-	4,800	4,800	4,800	4,800	5,021	5,252
Revenue cost of free services provided	-	-	-	597	597	597	608	621	633
Households below minimum service level									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	-	6	6	6	6	6	2	2	2
Refuse:	-	48	48	48	48	48	48	48	48

The table above shows the summary of the budget for the 2023/24 financial period with the outer years. The table shows that the expected revenue for the 2023/24 financial year adds up to just above R516 million.

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 82.5% of the municipality's anticipated revenues which is a decrease from 84.3% in the prior year with other sources anticipated to generate only 17.5% 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 decrease in revenue is about 7.7% of the original budget of the current year 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 82.5% of the municipality's anticipated revenues which is a decrease from 84.3% in the prior year with other sources anticipated to generate only 17.5% 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 decrease in revenue is about 7.7% 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 and now the Russian Ukrain invasion. 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 14.5% 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 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 35.9% of the operating budget including non-cash items which then breaches the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the budget.

Municipal Manager

- Monitoring and Evaluation Officer

Corporate Services

- Systems Administrator
- IT Technician
- Fleet Management Officer
- Receptionist

Budget and Treasury Office

- 3 X Financial Management Interns

Development Planning

- Agricultural Development Officer

Community Services

- Security
- Admin Clerk

Refuse Removal

- 8 X General Assistants

Engineering Services

- Data Capturer (MIG)

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.

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 budget includes but not limited to the following allocations:

- R9.5 million for outsourced security services
- R6.5 million for legal services
- R15 million for road maintenance

○ Mfuleni Access Road	Ward 18	R 1.3 million
○ Mabhanqana Access Road	Ward 8	R 1.9 million
○ Mtshawedikazi to Lundini AR	Ward 28	R 1.6 million
○ Ndinizulu Access Road	Ward 22	R 2.8 million
○ Dyifani Access Road	Ward 31	R 1.9 million
○ Mbimba Access Road	Ward 3	R 2.9 million
○ Mabutho Access Road	Ward 4	R 850 thousand
○ Rockville to Komkhulu Access Road	Ward 10	R 178 thousand
○ Gwabeneni Access Road	Ward 7	R 958 thousand
○ Goxe Access Road	Ward 15	R 720 thousand
- R2.5 million for CBD road maintenance
- R3.9 million for maintenance electricity infrastructure
- R2.8 million for maintenance of municipal buildings
- R4.2 million for casual labour for refuse removal
- R2.2 million for security casual labour
- R3.2 million for EPWP implementation
- R1.5 million for maintenance of the landfill site
- R776 thousand 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
- R1.3 million for debt collection services
- R1.3 maintenance of Financial Management Systems (FMG)
- R800 thousand for the review and development of municipal policies
- R4.5 million for maintenance of municipal vehicles
- R4.5 million on catering for various municipal activities which is in line with R4.5 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.

v. 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:

- R5.5 million for compensation of ward committees
- R5.5 million for maintenance of IT systems and rentals thereof
- R5.3 million for License fees
- R1 million for communication in the form of telephone, fax and cellphones
- R5.4 million for external audit fees
- R4.8 million for free basic electricity
- R4.1 million for solar energy subsidy
- R5.3 million for accommodation of Municipal Officials and Councillors which is an increase from R5.2 million in the current year
- R3.7 million for insurance of municipal assets
- R2.3 million for SALGA levies and
- R842 thousand 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 R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	822	-	-	-	-	-	-
Vote 2 - Corporate Services		352	405	483	137	509	509	441	463	485
Vote 3 - Budget Treasury Office		306,248	354,557	316,791	341,189	363,940	363,940	362,652	386,435	376,725
Vote 4 - Community Services		15,605	12,198	11,732	14,517	13,304	13,304	13,502	10,759	11,263
Vote 5 - Development Planning		111	19,267	22,001	44,531	44,481	44,481	28,330	31,652	36,037
Vote 6 - Engineering Services		113,768	113,181	117,454	102,363	133,073	133,073	111,464	117,350	121,091
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	436,083	499,607	469,283	502,737	555,307	555,307	516,389	546,659	545,601
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		69,498	71,616	71,138	84,391	84,186	84,186	88,654	92,106	96,375
Vote 2 - Corporate Services		48,254	38,617	40,512	59,772	57,986	57,986	64,946	68,034	71,182
Vote 3 - Budget Treasury Office		25,842	21,918	24,251	41,521	43,771	43,771	45,747	47,813	50,086
Vote 4 - Community Services		62,453	62,926	59,268	79,012	78,098	78,098	83,784	84,273	88,178
Vote 5 - Development Planning		16,060	15,944	17,008	36,131	36,533	36,533	24,898	25,910	26,782
Vote 6 - Engineering Services		147,535	131,280	195,635	130,491	181,392	181,392	139,669	154,410	169,990
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	369,642	342,301	407,811	431,318	481,966	481,966	447,697	472,544	502,592
Surplus/(Deficit) for the year	2	66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009

a. REVENUE

Anticipated revenues have decreased compared to the 2022/23 budget and this is due to mainly a decrease in grants as may be seen on the table above indicating the grants that have been confirmed for the municipality especially the Disaster Relief Grant.

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.

b. EXPENDITURE**MM's Office and Council expense**

This has considered submissions made during the budget sessions and these have been considered 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 R15 million has been made to cater for external road maintenance made up of the following Access Roads:

ITEM	PROJECT NAME	WARD	ALLOCATION
1	Mfuleni Access Road	18	R 1 300 000.00
2	Mabhanqana Access Road	8	R 1 890 000.00
3	Mtshawedikazi to Lundini Access Road	28	R 1 580 000.00
4	Ndinizulu Access Road	22	R 2 754 000.00
5	Dyifani Access Road (Road to Hub)	31	R 1 890 000.00
6	Mbimba Access Road	3	R 2 880 000.00
7	Mabutho Access Road	4	R 850 000.00
8	Rockville to Komkhulu Access Road	10	R 178 000.00
9	Gwabeni Access Road	9	R 958 000.00
10	Goxe Access Road	15	R 720 000.00

There is also an amount set aside for CBD maintenance of R2.5 million as well as R2.8 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 R3.9 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 and reviewed in 2021 is accompanied by a proposed implementation plan to ensure implementability which was considered to be 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 reduced 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 23/24 MTREF					
	Revised 2022/23	Change	2023/24	2024/25	2025/26
National Allocations					
<i>Operational</i>	398,049,400	-48,652,100	349,397,300	369,137,450	358,605,900
Equitable Share	320,095,000	21,109,000	341,204,000	364,039,000	353,237,000
Financial Management Grant	2,100,000	-	2,100,000	2,100,000	2,238,000
Expanded Public Works Programme	3,687,000	-465,000	3,222,000	-	-
Municipal Infrastructure Grant 5%	2,751,900	119,400	2,871,300	2,998,450	3,130,900
Disaster Management Grant	46,596,000	-46,596,000	-	-	-
Government Support Grant	22,819,500	-22,819,500	-	-	-
<i>Capital</i>	68,686,100	2,868,600	71,554,700	82,470,550	87,487,100
Municipal Infrastructure Grant	52,286,100	2,268,600	54,554,700	56,970,550	59,487,100
Integrated National Electrification	16,400,000	600,000	17,000,000	23,500,000	23,000,000
Neighbourhood Development Partnership Grant (Capital)	-	-	-	2,000,000	5,000,000
Provincial Allocations					
<i>Operational</i>	500,000	-	500,000	500,000	522,000
Library Grant	500,000	-	500,000	500,000	522,000
	-	-	-	-	-
	-	-	-	-	-
TOTAL ALLOCATIONS	467,235,500	-45,783,500	421,452,000	452,108,000	446,615,000

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 R45 million reduction on the grants total compared with the revised budget. The Integrated National Electrification grants which is used to provide electricity in the rural areas of the municipality sees just an increase of R600 thousand which may not be much compared to the level of growth in the households around the area.

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Revenue										
Exchange Revenue										
Service charges - Electricity	2	33,884	35,679	37,937	30,845	36,845	36,845	32,243	33,823	35,412
Service charges - Waste Management	2	4,490	4,578	4,202	5,834	4,502	4,502	5,661	5,939	6,218
Sale of Goods and Rendering of Services		568	197	238	353	303	303	201	211	221
Agency services		1,021	1,291	1,202	1,401	1,521	1,521	1,266	1,328	1,391
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		4,593	3,538	1,941	3,229	3,229	3,229	3,390	3,556	3,723
Interest earned from Current and Non Current Assets		9,660	7,604	10,784	9,760	19,090	19,090	15,890	16,669	17,452
Rental from Fixed Assets		5,097	5,876	7,511	3,893	4,498	4,498	5,282	5,670	6,087
Operational Revenue		392	708	653	167	565	565	471	495	518
Non-Exchange Revenue										
Property rates	2	16,284	20,145	21,163	21,468	21,468	21,468	21,250	22,096	22,976
Fines, penalties and forfeits		2,066	688	386	593	593	593	225	236	247
Licences or permits		2,237	2,343	2,141	2,404	2,404	2,404	2,537	2,662	2,787
Transfer and subsidies - Operational		268,843	337,728	295,672	338,352	350,924	350,924	349,897	371,637	364,128
Interest		-	737	2,750	2,149	2,149	2,149	1,780	1,867	1,955
Operational Revenue		187	-	-	-	-	-	-	-	-
Gains on disposal of Assets		7,339	1,069	2,461	-	-	-	-	-	-
Total Revenue (excluding capital transfers and grants)		356,660	422,182	389,042	420,449	448,092	448,092	440,094	466,188	463,114

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

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	% Change	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	33,884	35,679	37,937	30,845	36,845	36,845	-12%	32,243	33,823	35,412
Service charges - Waste Management	2	4,490	4,578	4,202	5,834	4,502	4,502	26%	5,661	5,939	6,218
Sale of Goods and Rendering of Services		568	197	238	353	303	303	-34%	201	211	221
Agency services		1,021	1,291	1,202	1,401	1,521	1,521	-17%	1,266	1,328	1,391
Interest		-	-	-	-	-	-	0%	-	-	-
Interest earned from Receivables		4,593	3,538	1,941	3,229	3,229	3,229	5%	3,390	3,556	3,723
Interest earned from Current and Non Current Assets		9,660	7,604	10,784	9,760	19,090	19,090	-17%	15,890	16,669	17,452
Rental from Fixed Assets		5,097	5,876	7,511	3,893	4,498	4,498	17%	5,282	5,670	6,087
Operational Revenue		392	708	653	167	565	565	-17%	471	495	518
Non-Exchange Revenue								0%			
Property rates	2	16,284	20,145	21,163	21,468	21,468	21,468	-1%	21,250	22,096	22,976
Fines, penalties and forfeits		2,066	688	386	593	593	593	-62%	225	236	247
Licences or permits		2,237	2,343	2,141	2,404	2,404	2,404	6%	2,537	2,662	2,787
Transfer and subsidies - Operational		268,843	337,728	295,672	338,352	350,924	350,924	0%	349,897	371,637	364,128
Interest		-	737	2,750	2,149	2,149	2,149	-17%	1,780	1,867	1,955
Operational Revenue		187	-	-	-	-	-	0%	-	-	-
Gains on disposal of Assets		7,339	1,069	2,461	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and grants)		356,660	422,182	389,042	420,449	448,092	448,092	-2%	440,094	466,188	463,114

In line with the prescribed budget formats 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		265,766	336,811	295,190	337,852	350,424	350,424	349,397	371,137	363,606
Local Government Equitable Share		260,384	332,422	289,620	320,095	320,095	320,095	341,204	364,039	353,237
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		2,215	2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,238
Municipal Disaster Relief Grant		715	–	–	–	12,790	12,790	–	–	–
Municipal Infrastructure Grant		–	–	–	2,752	2,534	2,534	2,871	2,998	3,131
Neighbourhood Development Partnership Grant		–	–	–	9,218	9,218	9,218	–	2,000	5,000
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		2,452	2,389	3,570	3,687	3,687	3,687	3,222	–	–
Other		–	–	–	–	–	–	–	–	–
Provincial Government:		4,501	773	500	500	500	500	500	500	522
Health subsidy		–	–	–	–	–	–	–	–	–
Capacity Building and Other		500	500	500	500	500	500	500	500	522
Other		4,001	273	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	270,267	337,584	295,690	338,352	350,924	350,924	349,897	371,637	364,128
Capital Transfers and Grants										
National Government:		79,602	75,916	86,447	82,288	111,956	111,956	71,555	80,471	82,487
Municipal Infrastructure Grant (MIG)		48,362	45,459	51,023	52,286	48,148	48,148	54,555	56,971	59,487
Neighbourhood Development Partnership		–	4,255	6,971	13,602	13,602	13,602	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	33,806	33,806	–	–	–
Integrated National Electrification Programme Grant		31,240	26,202	28,453	16,400	16,400	16,400	17,000	23,500	23,000
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	79,602	75,916	86,447	82,288	111,956	111,956	71,555	80,471	82,487
TOTAL RECEIPTS OF TRANSFERS & GRANTS		349,869	413,500	382,137	420,639	462,879	462,879	421,452	452,108	446,615

Table 4 shows the operating grants that the municipality has been allocated for the 2023/24 financial period and the MTREF. The Equitable Share has increased to R341 million and the municipality revenue has grant funding in the excess of R421 million. It is important to note though that the INEP allocation has not seen a significant increase 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 mean to assist in the eradication of electricity infrastructure backlogs in the rural communities.

• **Tariff Setting for the 2023/24 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, 2023 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 and the Russian invasion of Ukraine. 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 approved rates to be levied for the 2023/24 financial year

PROPERTY RATES	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	R/c	R/c	R/c	R/c	R/c
Agriculture Properties	0.0069	0.0070	0.0072	0.0073	0.0075
Residential	0.0069	0.0070	0.0072	0.0073	0.0075
Business	0.0138	0.0144	0.0149	0.0155	0.0161
Government	0.0125	0.0130	0.0135	0.0141	0.0146
Vacant Land	0.0104	0.0108	0.0112	0.0117	0.0122

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 NERSA latest publication, we have therefore applied a 15.10% maximum increase. We have however made a provision of a higher increase of 18.65% 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 HOMELIGHT 20A	2021/2022 @14.59% c/kwh	2022/2023 @7.47% c/kwh	2023/2024 @10% c/kwh	2024/2025 @4.9% c/kwh	2025/2026 @4.7% c/kwh
Block 1 (0-350 KWh)	1.2583	1.3523	1.4875	1.5604	1.6338
Block 2 (>350 KWh)	1.6178	1.7386	1.9125	2.0062	2.1005
DOMESTIC PREPAID TARIFF BLOCK HOMELIGHT 60A	2021/2022 @14.59% c/kwh	2022/2023 @7.47% c/kwh	2023/2024 @15.10% c/kwh	2024/2025 @4.9% c/kwh	2025/2026 @4.7% c/kwh
Block 1 (0-50 KWh)	1.2583	1.3523	1.5565	1.6328	1.7095
Block 2 (51-350 KWh)	1.6178	1.7386	2.0012	2.0992	2.1979
Block 3 (351-600 KWh)	2.2769	2.4470	2.8165	2.9545	3.0933
Block 4 (>600 KWh)	2.6814	2.8817	3.3168	3.4794	3.6429
DOMESTIC CONVENTIONAL (c/KWh) HOMELIGHT 60A	2021/2022 @14.59% c/kwh	2022/2023 @7.47% c/kwh	2023/2024 @15.10% c/kwh	2024/2025 @4.9% c/kwh	2025/2026 @4.7% c/kwh
TARIFF BLOCK					
Block 1 (0-50 KWh)	1.2583	1.3523	1.5565	1.6328	1.7095
Block 2 (51-350 KWh)	1.6178	1.7386	2.0012	2.0992	2.1979
Block 3 (351-600 KWh)	2.2769	2.4470	2.8165	2.9545	3.0933
Block 4 (>600 KWh)	2.6814	2.8817	3.3168	3.4794	3.6429
Basic Charge (R/Month)	R257.00	R276.20	317.90	333.48	349.15

COMMERCIAL TARIFFS					
COMMERCIAL SINGLE PHASE - CONVENTIONAL	2021/2022 @14.59% c/kwh	2022/2023 @7.47% c/kwh	2023/2024 @15.10% c/kwh	2024/2025 @4.9% c/kwh	2025/2026 @4.7% c/kwh
TARIFF DETAIL					
Basic Charge (R/ Month)	R542.86	R583.56	671.68	704.59	737.71
Energy Charge (c/KWh)	2.3814	2.5593	2.9457	3.0901	3.2353
COMMERCIAL SINGLE PHASE - PRE-PAID	2021/2022 @14.59% c/kwh	2022/2023 @7.47% c/kwh	2023/2024 @15.10% c/kwh	2024/2025 @4.9% c/kwh	2025/2026 @4.7% c/kwh
TARIFF DETAIL					
Basic Charge (R/ Month)	R542.86	R583.56	671.68	704.59	737.71
Energy Charge (c/KWh)	2.3814	2.5593	2.9457	3.0901	3.2353
COMMERCIAL THREE PHASE - CONVENTIONAL	2021/2022 @14.59% c/kwh	2022/2023 @7.47% c/kwh	2023/2024 @15.10% c/kwh	2024/2025 @4.9% c/kwh	2025/2026 @4.7% c/kwh
TARIFF DETAIL					
Basic Charge (R/ Month)	R1,016.00	R1,091.90	1,256.77	1,318.35	1,380.32
Energy Charge (c/KWh)	2.2700	2.4396	2.8079	2.9455	3.0840
COMMERCIAL THREE PHASE - PRE-PAID	2021/2022 @14.59% c/kwh	2022/2023 @7.47% c/kwh	2023/2024 @15.10% c/kwh	2024/2025 @4.9% c/kwh	2025/2026 @4.7% c/kwh
TARIFF DETAIL					
Basic Charge (R/ Month)	R1,016.34	R1,084.37	1,248.11	1,309.27	1,370.81
Energy Charge (c/KWh)	2.2700	2.4396	2.8079	2.9455	3.0840

INDUSTRIAL TARIFFS					
LARGE POWER USER (More than 100KVA Maximum Demand)	2021/2022 @14.59% c/kwh	2022/2023 @7.47% c/kwh	2023/2024 @15.10% c/kwh	2024/2025 @4.9% c/kwh	2025/2026 @4.7% c/kwh
TARIFF DETAIL					
Basic Charge (R/ Month)	R1,689.07	R1,815.17	2,089.26	2,191.63	2,294.64
Demand Charge (R/KVA)	R292.12	R313.81	361.20	378.8968	396.7049
Energy Charge (c/KWh)	1.1029	1.1853	1.3643	1.4311	1.4984
**EXCLUDING VAT (15%)					
Security deposit:-	1,500	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 :-					

ELECTRICITY NEW CONNECTION FEES	2021/20 22	2022/20 23	2023/20 24	2024 /2025	2025 / 2026
	R	R	R	R	
20 Amps (Single Phase)	2,381	2,476	2,607	2,735	2,864
60 Amps (Single Phase)	4,682	4,869	5,127	5,379	5,631
100 Amps (3 Phase)	6,223	6,472	6,815	7,149	7,485
Per Kva	6,784	7,055	7,429	7,793	8,160
Inspection and testing of installation:- (new)					
To inspect and/or test consumer's installation for the first test	316	328	345	362	379
Thereafter					
To inspect and/or test consumer's installation per inspection, per visit.	316	328	345	362	379
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	537	563	590
The connection fee / Administration fee in respect of any disconnection and reconnection of services cut-off	491	510	537	563	590
Meter movement fee in respect of meter relocation and redirecting the cable from 1 point to the other	507	527	555	582	609
Meter Hardware costs					
Meter keypad replacement	636	661	696	730	764
Meter replacement :20 Amps (Single Phase)	766	796	838	879	921
Meter replacement :60 Amps (Single Phase)	900	936	986	1,034	1,082
Meter replacement :100 Amps (3 phase)	2,084	2,167	2,282	2,394	2,506
Tampering fine (Illegal connection) (no VAT)	2021/20 22	2022/20 23	2023/20 24	2024 /2025	2025 / 2026
	R	R	R	R	
First temper	17,500	18,500	19,500	20,456	21,417
Second temper	22,500	25,000	27,000	28,323	29,654
Third temper(permanent disconnection)	27,500	30,000	32,000	33,568	35,146
Plus Cost of New meter - Cost + 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>					

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 approved amounts payable from 1 July 2023:

Table 6 Comparison between current waste removal fees and increases

REFUSE - RESIDENTIAL	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	ROUND FIGURE 2023 / 2024
	R	R	R	R		
Category 1	170	177	187	196	205	R190.00
Category 2	341	356	375	393	412	R380.00
Category 3	427	714	752	789	826	R750.00
Category 4	683	300	316	331	347	R320.00
Category 5	768	536	564	592	620	R560.00
Category 6	512	177	187	196	205	R190.00
Category 7	170	336	354	371	389	R350.00
Category 8	322	83	88	92	96	R90.00
Category 9	80	85	90	94	98	R90.00
**EXCLUDING VAT (15%)						
***ALL TARIFFS ARE INCLUSIVE OF 30% BASIC CHARGE PER CATEGORY						

REFUSE - COMMERCIAL	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	ROUND FIGURE 2023 / 2024
	R	R	R	R	R	R
Category 1.1	169	177	186	195	204	R190.00
Category 1.2		new	300	315	329	R300.00
Category 2	458	478	504	528	553	R500.00
Category 3.1	new	600	632	663	694	R630.00
Category 3.2	new	800	842	884	925	R840.00
Category 3.3	new	1,435	1511	1585	1660	R1,510.00
Category 4.1	new	350	369	387	405	R370.00

REFUSE - COMMERCIAL	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	ROUND FIGURE 2023 / 2024
Category 4.2	1,718	1,794	1889	1982	2075	R1,890.00
Category 5.1	4,009	4,186	4408	4624	4841	R4,410.00
Category 5.2	2,864	2,990	3148	3303	3458	R3,150.00
Category 5.3	1,309	1,367	1439	1510	1581	R1,440.00
Category 5.4	655	600	632	663	694	R630.00
Category 5.5	new	683	719	754	790	R720.00
Category 5.6	new	350	369	387	405	R370.00
Category 6	new	150	158	166	173	R160.00
**EXCLUDING VAT (15%)						
***ALL TARIFFS ARE INCLUSIVE OF 30% BASIC CHARGE PER CATEGORY						

DUMPING SITE TARRIFS	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	ROUND FIGURE 2023 / 2024
Disposal	R	R	R	R	R	R
Bakkie per load	82	86	91	95	99	R90.00
Truck per load(4 ton)	143	150	158	166	173	R160.00
Truck per load(8 ton and above)	240	251	264	277	290	R260.00
Clean Rubble (clean Rubble)	0	0	0	0	0	R0.00
Grass Cutting per square meter		new	9	10	10	R10.00
Allien Plant clearing per square meter		new	803	843	882	R800.00
Disposal of Green Waste - Bakkie		new	120	126	132	R120.00
Disposal of Green Waste - 4 Ton		new	86	90	94	R90.00
Disposal of Green Waste - 8 Ton		new	150	157	165	R150.00
RENT A SKIP SERVICE						
Daily	208	217	228	239	251	R230.00
Weekly	677	704	742	778	815	R740.00
Monthly	2,707	2,815	2,964	3,109	3,255	R2,960.00
OTHER CHARGES						
Special collection of waste (per 240l bin)		new	50	52	55	R50.00

DUMPING SITE TARRIFS	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	ROUND FIGURE 2023 / 2024
Disposal	R	R	R	R	R	R
Special event (cleaning and disposal)		new	2,000	2,092	2,188	R2,000.00
safe disposal of products/condemned food stuffs (crushed, burried per ton)		new	450	471	492	R450.00

Hiring of municipal facilities

FACILITIES HIRE	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
HALL HIRE: URBAN AREA	R	R	R			
Daily rate	910	952	1,002	1,052	1,101	R1,000.00
Hourly rate	152	159	167	176	184	R170.00
Monthly rate	22,757	23,804	25,066	26,294	27,530	R25,070.00
IEC Tarrifs Daily	553	578	609	638	668	R610.00
IEC Tarrifs Monthly	13,761	14,353	15,114	15,854	16,600	R15,110.00
Security	1,321	1,382	1,455	1,527	1,598	R1,460.00
HALL HIRE: RURAL AREA						
Daily rate	678	707	745	781	818	R740.00
Hourly rate	152	159	167	176	184	R170.00
Monthly rate	10,276	10,281	10,826	11,357	11,890	R10,830.00
IEC Tarrifs Daily	250	250	264	276	289	R260.00
IEC Tarrifs Monthly	6,503	6,507	6,851	7,187	7,525	R6,850.00
Security	644	674	710	744	779	R710.00
COMMUNITY PARKS AND OPEN SPACE						
Group Entertainment	1,500	1,501	1,580	1,658	1,736	R1,580.00

Taxi rank tarrifs	2021/2023	2022/2023	2023/2024	2024/2025	2025 / 2026	
	R	R	R	R		
Taxi per year at stand A	new	500	527	552	578	R530.00

Taxi rank taffifs	2021/2023	2022/2023	2023/2024	2024/2025	2025 / 2026	
Taxi per year at stand B	new	350	369	387	405	R370.00
Bus per year	new	500	527	552	578	R530.00
Truck per year	new	500	527	552	578	R530.00
Meter Taxi per year	new	150	158	166	173	R160.00
Bakkie per year	new	150	158	166	173	R160.00
Taxi from outside per load	new	50	53	55	58	R50.00

STADIUM /SPORTS FIELD	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
MATCHES - ABC MOTSEPE LEAGUE & SASOL	R	R	R	R	R	R
ABC MOTSEPE LEAGUE/ Seasonal	new	5,317	5,599	5,873	6,150	R5,600.00
Per game	new	275	290	304	318	R290.00
Sasol/seasonal	new	3,300	3,475	3,645	3,817	R3,480.00
Per game	new	404	425	446	467	R420.00
SAB & ABSA League	new	2,200	2,317	2,431	2,545	R2,320.00
Per game	new	275	290	304	318	R290.00
SAB /seasonal						
Womens Regional League						
Seasonal	new	2,750	2,896	3,037	3,180	R2,900.00
Per game	new	275	290	304	318	R290.00
General per match	new	550	580	608	637	R580.00
Tournament(commercial) per match	new	2,750	2,896	3,037	3,180	R2,900.00
Training fee per hour	new	275	290	304	318	R290.00
Floodlights per hour w/o lights	new	110	116	121	127	R120.00
Parking space per day	new	1,375	1,448	1,519	1,590	R1,450.00
ATHLETICS						
PROINCIAL/MAJOR EENTS						
Hire per day	new	1,191	1,255	1,316	1,378	R1,250.00
DISTRICT/DEELOPMENT						
Hire per day	new	643	677	710	743	R680.00

STADIUM /SPORTS FIELD	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
MATCHES - ABC MOTSEPE LEAGUE & SASOL Schools	R	R	R	R	R	R

STADIUM /SPORTS FIELD	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
Hire per day	new	368	387	406	425	R390.00
Filming for commercial use per day	new	8,521	8,973	9,412	9,855	R8,970.00
Filming for non commercial use per day	new	3,192	3,362	3,526	3,692	R3,360.00
NON SPORTING EENTS						
MUSICAL/FESTIAL						
Hire Fee per day	new	23,836	25,099	26,329	27,567	R25,100.00
Floodlights per hour	new	440	464	487	509	R460.00
POLITICAL						
Hire Fee per day	new	1,467	1,544	1,620	1,696	R1,540.00
CHURCHES						
Rental per day	new	4,583	4,826	5,063	5,301	R4,830.00
FUND RAISING EENTS						
e.g.Bazaar,Fetes,concert,ect per day	new	4,583	4,826	5,063	5,301	R4,830.00

Pound Fees

POUND FEES	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
	R	R	R	R	R	R
Cattle, Horses, Donkeys and any other animal of similar size per day	67	70	73	77	81	R70.00
Goats, sheep and other animals of the same size per day	40	42	44	46	48	R40.00
If captured by SAPS(e.g. recovered stolen animals)	40	42	44	46	48	R40.00
Motor vehicles	282	293	309	324	339	R310.00
Other goods	48	50	53	55	58	R50.00
Admission of guilt/Animal (large stock)	265	275	290	304	318	R290.00
Admission of guilt/Animal (small stock)	106	110	116	122	127	R120.00
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.						

Library Services

LIBRARY SERVICES	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
Library membership	R	R	R	R	R	R
Adult	free	free	free	free	free	free
Children (12 years & older) per annum	free	free	free	free	free	free
Photocopy(B&W per page)	1	1	1	1	1	R1
Color (per page)	3	3	3	3	3	R3
Photocopying A3 page: Black and White	3	3	3	4	4	R3
Photocopying A3 page: Colour	4	4	4	4	5	R4
Printing A4: Black and White	5	5	6	6	6	R6
Printing A4: Colour	7	7	8	8	8	R8
Lost book (market value of the book and admin. Fees)	200	209	220	230	241	R220.00
Overdue book returns	81	84	89	93	97	R90.00
Book Tempered with	40	42	44	46	48	R40.00

Cemetery Fees

CEMETERY FEES	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
	R	R	R	R	R	R
Burial site - Adult	741	772	812	852	892	R810.00
Burial site - Children	373	388	409	429	449	R410.00
Burial site - Stillborn	146	152	160	168	175	R160.00
Burial of ashes in existing grave	208	217	228	239	251	R230.00
Exhumation fee (admin. Fees)	208	217	228	239	251	R230.00
Burial site - Non- resident burial	1,041	1,084	1,141	1,197	1,253	R1,140.00

CEMETERY FEES	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
		NEW	402	421	441	R400.00
Burial on reserved grave	371	386	406	426	446	R410.00
Penalty on extending grave	1,666	1,734	1,826	1,915	2,005	R1,830.00

1.6.1.4 Other Municipal Tariffs

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

Development Planning Tariffs

Rezoning Application per m2	2021/2022	2022/2023	2023/2024	2024 /2025	2025 / 2026	ROUND FIGURE 2023 / 2024
**EXCLUDING VAT (15%)	R	R	R	R		
Erven 0 – 2500m2	2,268	2,370	2,496	2,618	2,741	R2,500.00
Erven 2501 – 5000m2	4,220	4,420	4,654	4,882	5,112	R4,650.00
Erven 5001 0 – 1 Ha	8,308	8,700	9,161	9,610	10,062	R9,160.00
Erven 1, 0001Ha – 5Ha	10,927	11,450	12,057	12,648	13,242	R12,060.00
Erven over 5Ha	14,952	15,670	16,500	17,309	18,122	R16,500.00
Special Consent / Temporary Departure Application m2						
Erven 0 – 2500m2	1,842	1,930	2,033	2,132	2,233	R2,030.00
Erven 2501 – 5000m2	3,793	3,970	4,180	4,385	4,591	R4,180.00
Erven 5001 0 – 1 Ha	7,940	8,320	8,761	9,190	9,622	R8,760.00
Erven 1, 0001Ha – 5Ha	10,744	11,260	11,857	12,438	13,022	R11,860.00
Erven over 5Ha	14,159	14,840	15,627	16,392	17,163	R15,630.00
Subdivision Application						
Erven 1-2	2,376	2,490	2,622	2,750	2,880	R2,620.00

Rezoning Application per m2	2021/2022	2022/2023	2023/2024	2024 /2025	2025 / 2026	ROUND FIGURE 2023 / 2024
Erven 1-3	3,169	3,320	3,496	3,667	3,840	R3,500.00
Erven 1-4	3,962	4,150	4,370	4,584	4,800	R4,370.00
Erven 1-5	4,481	4,700	4,949	5,192	5,436	R4,950.00
Erven 1-6	5,545	5,810	6,118	6,418	6,719	R6,120.00
Erven 1-7	6,339	6,640	6,992	7,335	7,679	R6,990.00
Erven 1-8	7,131	7,470	7,866	8,251	8,639	R7,870.00
Erven 1-9	7,924	8,300	8,740	9,168	9,599	R8,740.00
Erven 1-10	8,716	9,130	9,614	10,085	10,559	R9,610.00
Erven more than 10	15,847	16,610	17,490	18,347	19,210	R17,490.00

Rezoning Application per m2	2021/2022	2022/2023	2023/2024	2024 /2025	2025 / 2026	ROUND FIGURE 2023 / 2024
Departure Application from the scheme (Building Lines, height, coverage etc)						
Erven 0 – 530m2	1,492	1,564	1,646	1,727	1,808	R1,650.00
Erven 531– more	2,639	2,766	2,912	3,055	3,199	R2,910.00
Application for the Removal of Restrictions	11,281	11,822	12,449	13,059	13,673	R12,450.00
Zoning Certificate	146	153	161	169	177	R160.00
Clearance Certificate		new	154	161	169	R150.00
Valuation Certificate		146	154	161	169	R150.00
Town Planning Scheme (soft copy)		new	209	219	230	R210.00
Town Planning Scheme	366	384	404	424	444	R400.00
Spatial Development Framework (soft copy)		new	336.58	353	370	R340.00
Spatial Development Framework	610	639	673	706	739	R670.00
Application for Consolidation of Erven	2,439	2,556	2,692	2,823	2,956	R2,690.00

Rezoning Application per m2	2021/2022	2022/2023	2023/2024	2024 /2025	2025 / 2026	ROUND FIGURE 2023 / 2024
SG Diagram (soft copy)		new	40	42	44	R40.00
SG Diagram	1,219	1,278	50	52	55	R50.00
Amendment of the Subdivisional Plan	3,146	3,297	3,472	3,642	3,813	R3,470.00
Extension of Validity	5,375	5,633	5,932	6,222	6,515	R5,930.00
Sale or Lease of Land(Application fees)	5,422	5,682	5,983	6,277	6,572	R5,980.00
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	2,538	2,663	2,788	R2,540.00
General Residential	2,760	2,892	3,046	3,195	3,345	R3,050.00
General Business	2,760	2,892	3,046	3,195	3,345	R3,050.00
Special Business	2,760	2,892	3,046	3,195	3,345	R3,050.00
Commercial	2,760	2,892	3,046	3,195	3,345	R3,050.00
Industrial`	2,760	2,892	3,046	3,195	3,345	R3,050.00
Institutional	3,220	3,375	3,553	3,728	3,903	R3,550.00
Educational	2,760	2,892	3,046	3,195	3,345	R3,050.00
Municipal	2,760	2,892	3,046	3,195	3,345	R3,050.00
Government	3,220	3,375	3,553	3,728	3,903	R3,550.00
Public Garage	2,760	2,892	3,046	3,195	3,345	R3,050.00
Open Space	2,300	2,410	2,538	2,663	2,788	R2,540.00
Agricultural	2,300	2,410	2,538	2,663	2,788	R2,540.00
Special	2,300	2,410	2,538	2,663	2,788	R2,540.00
Undetermined	2,300	2,410	2,538	2,663	2,788	R2,540.00

Rezoning Application per m2	2021/2022	2022/2023	2023/2024	2024 /2025	2025 / 2026	ROUND FIGURE 2023 / 2024
Proposed New Road and	4,600	4,821	5,076	5,325	5,575	R5,080.00
Offences for contravention of Coverage: of the Transkei Standard Town Planning Scheme						
Contravention of section 25	3,680	3,857	4,061	4,260	4,460	R4,060.00
Offences for contravention of Height: of the Transkei Standard Town Planning Scheme						
Contravention of section 26	3,680	3,857	4,061	4,260	4,460	R4,060.00
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	2,538	2,663	2,788	R2,540.00
Business and Commercial Zones	3,680	3,857	4,061	4,260	4,460	R4,060.00
Other zones	3,680	3,857	4,061	4,260	4,460	R4,060.00
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	3,553	3,728	3,903	R3,550.00
Contravention of s(17); (18); (19); (20); (21); (22); (23); (24); (28); (29); (30); (31) and (32)	4,600	4,821	5,076	5,325	5,575	R5,080.00

GIS Tariffs

GIS Tariffs Printing Charges Paper size - Full Ink	2021/22	2022/23	2023/24	2024/25	2025 / 26	ROUND FIGURE 2023 / 2024
A4	R 13.00	R 14.00	15	15	16	R10.00
A3	R 33.00	R 34.00	36	38	39	R40.00
A2	R 53.00	R 54.00	57	60	62	R60.00
A1	R 80.00	R 81.00	85	89	94	R90.00

A0	R 106.00	R 107.00	113	118	124	R110.00
GIS Tariffs Printing Charges Paper size - Line Map	2021/22	2022/23	2023/24	2024/25	2025 / 2026	
A4	R 8.00	R 9.00	9	10	10	R10.00
A3	R 18.00	R 19.00	20	21	22	R20.00
A2	R 28.00	R 29.00	31	32	34	R30.00
A1	R 45.00	R 46.00	48	51	53	R50.00
A0	R 56.00	R 57.00	60	63	66	R60.00

Advertising

BILLBOARD LOCAL	2021/22	2022/23	2023/24	2024/25	2025 / 2026	ROUND FIGURE 2023 / 2024
1m (h) x 1.5m(h) per month	R 442.00	R 542.00	571	599	627	R570.00
1.5m(h) x 2m(w) per month	R 515.00	R 615.00	648	679	711	R650.00
2m(h) x 3m(w) per panel per month	R 560.00	R 660.00	695	729	763	R690.00
3(m) x 4m(w) per structure per month	R 661.00	R 761.00	801	841	880	R800.00
BILLBOARD NATIONAL						
1.5m(h) x 3m(w)	R 1,472.00	R 1,572.00	1,655	1,736	1,818	R1,660.00
3m(h) x 6m(w)	R 2,209.00	R 2,309.00	2,431	2,551	2,670	R2,430.00
6m(h) x 4m(w)	R 2,945.00	R 3,045.00	3,206	3,363	3,522	R3,210.00
9m(h) x 6m(w)	R 7,362.00	R 7,462.00	7,857	8,243	8,630	R7,860.00
BILLBOARD ANNUAL FEES						
Directional Sign (Per sign face)	R 658.00	R 758.00	798	837	877	R800.00
Illuminated sign (per sign face)	R 856.00	R 956.00	1,007	1,056	1,106	R1,010.00
Litter Bins	R 461.00	R 561.00	591	620	649	R590.00

BILLBOARD LOCAL	2021/22	2022/23	2023/24	2024/25	2025 / 2026	ROUND FIGURE 2023 / 2024
Permanent Street Pole Poster	R 625.00	R 725.00	763	801	838	R760.00
Seating Bench	R 725.00	R 825.00	869	911	954	R870.00
Encroaching Sign	R 725.00	R 825.00	869	911	954	R870.00
PERMIT FEES						
Banner	R 462.00	R 562.00	592	621	650	R590.00
Mobile Signs	R 1,582.00	R 1,682.00	1,771	1,858	1,945	R1,770.00
Poster maximum 100	R 1,318.00	R 1,418.00	1,493	1,566	1,640	R1,490.00
Standard signage	R 311.00	R 411.00	433	454	475	R430.00
DEPOSITS						
Banner	R 770.00	R 870.00	916	961	1,006	R920.00
For Sale	R 1,266.00	R 1,366.00	1,438	1,509	1,580	R1,440.00
Poster	R 1,266.00	R 1,366.00	1,438	1,509	1,580	R1,440.00
Election Poster (per party)	R 6,590.00	R 6,690.00	7,045	7,390	7,737	R7,040.00

Town Planning Tariffs

Building Plan Fees Extension 1 and Extension 2	2021/22	2022/23	2023/24	2024/25	2025 / 2026	ROUND FIGURE 2023 / 2024
Fee per 1m ²	R 31.00	R 32.00	34	35	37	R30.00
Swimming Pool	R 493.00	R 503.00	530	556	582	R530.00
Retaining /Boundary wall	R 497.00	R 507.00	534	560	586	R530.00
Building plan elapses after a year	Full Fee	Full Fee	Full Fee	Full Fee	Full Fee	Full Fee
Plan Amendment Fees						
Amendment						
No increase in floor area	R 477.00	R 487.00	513	538	563	R510.00
Temporary Building/Structure Approved by Council						

Building Plan Fees Extension 1 and Extension 2	2021/22	2022/23	2023/24	2024/25	2025 / 2026	ROUND FIGURE 2023 / 2024
Description						
Storage facility per year	R 469.00	R 500.00	527	552	578	R530.00
Container per year	R 469.00	R 500.00	527	552	578	R530.00
Caravan per year	R 469.00	R 500.00	527	552	578	R530.00
Demolitions						
Per first 100 linear meter	R 442.00	R 452.00	476	499	523	R480.00
Thereof every linear meter exceed 100 meters	R 32.00	R 33.00	35	36	38	R30.00

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977						
DESCRIPTION OF OFFENCE	2021/22	2022/23	2023/24	2024/25	2025 / 2026	
Building without approved building plan. S4(4)	R 1,125.00	R 1,500.00	1,580	1,657	1,735	R1,580.00
Building in contravention of a notice prohibiting any building work. S10(2)	R 1,125.00	R 1,500.00	1,580	1,657	1,735	R1,580.00
Failure to demolish, alter or safeguard. S12(6)	R 1,130.00	R 1,400.00	1,474	1,546	1,619	R1,470.00
Submit false certificate or issuing thereof. S14(3)	R 1,135.00	R 1,350.00	1,422	1,491	1,561	R1,420.00
Occupy or use of building without occupation certificate. S14(4)(a)	R 1,125.00	R 1,500.00	1,580	1,657	1,735	R1,580.00
Preventing a building control officer in the execution of his/her duties. S15(2)	R 1,670.00	R 1,800.00	1,895	1,988	2,082	R1,900.00
Prohibition on the use of certain building methods and materials. S19(2)	R 565.00	R 650.00	684	718	752	R680.00
Submit false or misleading information. S(a)(2)(3)(f)	NAG	NAG	NAG	NAG	NAG	NAG
Failure to maintain, safeguard or service installation. S(a)(15)(5)	R 565.00	R 650.00	684	718	752	R680.00
Illegal or withdrawn certificate of identity. S(a)(17)(4)	NAG	NAG	NAG	NAG	NAG	NAG

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977						
DESCRIPTION OF OFFENCE	2021/22	2022/23	2023/24	2024/25	2025 / 2026	ROUND FIGURE 2023 / 2024
Failure to supervise and/or control plumbing work. S(a)(18) (5)	R 565.00	R 650.00	684	718	752	R680.00

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977						
DESCRIPTION OF OFFENCE	2021/22	2022/23	2023/24	2024/25	2025 / 2026	ROUND FIGURE 2023 / 2024
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	1,580	1,657	1,735	R1,580.00
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	1,580	1,657	1,735	R1,580.00
Deviation from approved building plan. S (A)25 (5)	R 1,125.00	R 1,500.00	1,580	1,657	1,735	R1,580.00
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	1,580	1,657	1,735	R1,580.00
Failure to safeguard a swimming pool. D4 (2)	R 1,125.00	R 1,500.00	1,580	1,657	1,735	R1,580.00
Failure to apply for written permission for demolition. E1 (1)	R 1,125.00	R 1,500.00	1,580	1,657	1,735	R1,580.00
Failure to safeguard demolition work. E1 (3)	R 1,700.00	R 1,900.00	2,001	2,099	2,197	R2,000.00
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	2,001	2,099	2,197	R2,000.00
Failure to control dust and noise. F6 (3)	R 570.00	R 650.00	684	718	752	R680.00
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	684	718	752	R680.00
Failure to comply with a notice to remove waste material on site. F8 (2)	R 570.00	R 650.00	684	718	752	R680.00
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	684	718	752	R680.00
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	1,580	1,657	1,735	R1,580.00
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	684	718	752	R680.00
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	684	718	752	R680.00
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	684	718	752	R680.00

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977						
DESCRIPTION OF OFFENCE	2021/22	2022/23	2023/24	2024/25	2025 / 2026	ROUND FIGURE 2023 / 2024
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	1,580	1,657	1,735	R1,580.00
Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections. P5 (4)	R 570.00	R 650.00	684	718	752	R680.00
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	1,580	1,657	1,735	R1,580.00
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	1,580	1,657	1,735	R1,580.00
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	1,580	1,657	1,735	R1,580.00
Obstructing or causing to be obstructed of an escape route. T2 (2)	R 1,125.00	R 1,500.00	1,580	1,657	1,735	R1,580.00

WAYLEAVE	2021/22	2022/23	2023/24	2024/25	2025 / 2026	2023/24
Application	R 2,096.00	R 3,000.00	R 3,500.00	3,661	3,829	R3,500.00
Fine	R 4,192.00	R 5,000.00	R 7,000.00	7,322	7,659	R7,000.00
PROPERTY VALUATION						
Valuation certificate	new	R 153.00	161	169	177	R160.00

Business Licensing and Other Tariffs

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF: VENDING AND HAWKING TARRIFS						
	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
	R	R	R	R	R	R
Registration for permit for hawker with table	160	120	126	133	139	R130.00
Renewal for permit of hawker with table		100	105	110	116	R110.00
Registration of permit for hawker with shelter		300	316	331	347	R320.00
Renewal for hawker with shelter	310	350	369	387	405	R370.00
Registration of permit for bakkies	390	500	527	552	578	R530.00
Renewal of permit for bakkies	650	500	527	552	578	R530.00
Registration hawkers outside of town with table	65	70	74	77	81	R70.00
Renewal of hawkers outside of town with table		70	74	77	81	R70.00
Registration for hawkers with shelter outside town	130	150	158	166	173	R160.00
Renewal for hawkers with shelter outside town	130	150	158	166	173	R160.00
Penalty fee for failure to adhere to by-laws		350	369	387	405	R370.00
Penalty fee for confiscated goods		500	527	552	578	R530.00

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
	R	R	R	R	R	
Registration fee: Sale and supply of meals	150	160	168	177	185	R170.00
Registration fee: Health and entertainment	150	160	168	177	185	R170.00
Registration fee: Mechanical electrical apparatus or devices (games) 3 or more	150	160	168	177	185	R170.00
<i>NOTE: These fees are once off and only for registration fee.</i>						R0.00
						R0.00
Annual License fees (One year fee): Sale and supply of meals	380	400	421	442	463	R420.00
Annual License fees (One year fee): Health and entertainment	380	400	421	442	463	R420.00

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF	2021/2022	2022/2023	2023/2024	2024/2025	2025 / 2026	ROUND FIGURE 2023 / 2024
Annual License fees (One year fee): Mechanical electrical apparatus or devices (games) 3 or more	380	400	421	442	463	R420.00

1.7 Operating Expenditure Framework

The Municipality's expenditure framework for the 2023/24 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 2023/24 budget and MTREF (classified per main type of operating expenditure):

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Expenditure										
Employee related costs	2	104,852	105,837	107,129	124,799	122,052	122,052	130,212	136,500	142,503
Remuneration of councillors		23,970	23,964	24,782	27,047	27,047	27,047	28,480	29,876	31,280
Bulk purchases - electricity	2	33,255	35,022	40,211	40,005	40,005	40,005	47,731	53,792	60,624
Inventory consumed	8	8,162	4,798	5,473	7,627	6,910	6,910	7,485	7,829	8,190
Debt impairment	3	7,103	5,208	822	9,600	9,600	9,600	10,109	10,574	11,060
Depreciation and amortisation		39,437	40,180	52,653	49,735	49,735	49,735	54,371	57,035	59,716
Interest		11	1	-	100	100	100	100	100	100
Contracted services		51,003	41,065	63,499	86,644	99,475	99,475	85,745	89,685	98,017
Transfers and subsidies		1,418	4,499	1,251	3,200	3,349	3,349	3,431	3,589	3,754
Irrecoverable debts written off		549	-	-	-	-	-	-	-	-
Operational costs		44,470	38,020	65,440	82,560	87,357	87,357	80,034	83,563	87,347
Losses on disposal of Assets		55,411	43,413	46,551	-	36,336	36,336	-	-	-
Other Losses		-	293	-	-	-	-	-	-	-
Total Expenditure		369,642	342,301	407,811	431,318	481,966	481,966	447,697	472,544	502,592

The parties, SALGA, IMATU and SAMWU at the executive committee meeting held on 14 March 2023, agreed that the salary and wage increases for the 2023/24 financial year as per the salary and wage collective agreement dated 15 September 2021 shall be 5.4% with effect from 1 July 2023. Therefore, municipalities are advised to consider 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 post COVID-19 recovery and the Russian Invasion of Ukraine, 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 2023/24 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 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 35.9% of the operating budget including non-cash items which then breaches the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the budget.

Municipal Manager

- Monitoring and Evaluation Officer

Corporate Services

- Systems Administrator
- IT Technician
- Fleet Management Officer
- Receptionist

Budget and Treasury Office

- 3 X Financial Management Interns

Development Planning

- Agricultural Development Officer

Community Services

- Security
- Admin Clerk

Refuse Removal

- 8 X General Assistants

Engineering Services

- Data Capturer (MIG)

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.

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.

EC443 Winnie Madikizela Mandela - Table A10 Basic service delivery measurement

Description	Ref	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cost of Free Basic Services provided - Formal Settlements (R'000)							
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		4,800	4,800	4,800	4,800	5,021	5,252
Refuse (removed once a week for indigent households)		-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-
Total cost of FBS provided	8	4,800	4,800	4,800	4,800	5,021	5,252
Revenue cost of subsidised services provided (R'000)	9						
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		597	597	597	608	621	633
Total revenue cost of subsidised services provided		597	597	597	608	621	633

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		306,600	374,115	339,180	362,794	385,917	385,917	391,308	416,429	408,120
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		306,600	374,115	338,358	362,794	385,917	385,917	391,308	416,429	408,120
Internal audit		–	–	822	–	–	–	–	–	–
<i>Community and public safety</i>		5,779	4,828	3,960	4,966	5,086	5,086	4,599	4,800	5,024
Community and social services		328	544	193	623	623	623	605	610	638
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		5,451	4,285	3,768	4,344	4,464	4,464	3,993	4,189	4,386
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		54,440	45,586	51,861	78,100	102,760	102,760	62,281	62,090	67,744
Planning and development		307	127	46,324	25,814	25,547	25,547	2,986	5,119	8,257
Road transport		54,133	45,459	5,537	52,286	77,214	77,214	59,295	56,971	59,487
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		69,264	75,078	74,203	56,876	61,543	61,543	58,201	63,340	64,713
Energy sources		59,438	67,709	66,431	47,325	53,325	53,325	49,298	57,380	58,473
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		9,826	7,369	7,772	9,550	8,218	8,218	8,903	5,960	6,240
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	436,083	499,607	469,204	502,737	555,307	555,307	516,389	546,659	545,601
Expenditure - Functional										
<i>Governance and administration</i>		153,993	144,871	150,782	201,620	202,945	202,945	217,120	226,387	236,923
Executive and council		54,296	55,097	54,350	64,094	64,639	64,639	68,123	70,606	73,879
Finance and administration		96,856	86,322	92,856	132,844	134,124	134,124	144,047	150,595	157,617
Internal audit		2,841	3,452	3,577	4,682	4,182	4,182	4,950	5,185	5,427
<i>Community and public safety</i>		29,327	24,262	26,754	32,667	31,778	31,778	34,348	35,946	37,608
Community and social services		8,044	7,338	9,955	12,936	12,826	12,826	13,748	14,369	15,042
Sport and recreation		7,497	2,079	2,363	2,729	2,269	2,269	2,866	3,001	3,139
Public safety		13,777	14,083	13,617	15,956	15,619	15,619	16,544	17,337	18,140
Housing		9	762	818	1,046	1,064	1,064	1,190	1,239	1,288
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		68,983	67,688	115,864	102,588	129,513	129,513	95,895	104,778	113,727
Planning and development		19,309	21,101	24,701	37,697	37,762	37,762	27,599	28,907	30,246
Road transport		47,085	45,014	89,005	62,240	89,333	89,333	65,786	73,241	80,729
Environmental protection		2,589	1,572	2,159	2,651	2,418	2,418	2,510	2,630	2,752
<i>Trading services</i>		115,120	102,932	111,390	90,304	113,604	113,604	96,035	100,929	109,945
Energy sources		96,848	79,676	96,817	63,408	87,433	87,433	67,303	74,280	82,057
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		18,271	23,256	14,573	26,896	26,171	26,171	28,732	26,650	27,888
<i>Other</i>	4	2,220	2,547	3,021	4,139	4,126	4,126	4,299	4,504	4,389
Total Expenditure - Functional	3	369,642	342,301	407,811	431,318	481,966	481,966	447,697	472,544	502,592
Surplus/(Deficit) for the year		66,441	157,306	61,393	71,418	73,341	73,341	68,692	74,114	43,009

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

EC443 Winnie Madikizela Mandela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Repairs and Maintenance by Expenditure Item	8									
Employee related costs		–	–	–	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)		377	50	52	63	63	63	65	68	71
Contracted Services		12,496	5,167	13,789	29,911	47,597	47,597	32,201	37,991	43,817
Other Expenditure		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9	12,873	5,217	13,841	29,975	47,660	47,660	32,266	38,059	43,888

EC443 Winnie Madikizela Mandela - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Renewal and upgrading of Existing Assets as % of total capex		25.8%	43.4%	55.0%	11.8%	43.6%	43.6%	18.7%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprecn		57.6%	150.5%	206.2%	25.6%	132.2%	132.2%	42.3%	0.0%	0.0%
R&M as a % of PPE		2.0%	0.7%	1.8%	3.9%	5.7%	5.7%	3.9%	4.8%	5.5%
Renewal and upgrading and R&M as a % of PPE		5.0%	9.0%	18.0%	6.0%	13.0%	13.0%	6.0%	5.0%	5.0%

An amount of R32.2 million has been set aside in the 2023/24 financial period for the maintenance of municipal assets. The amount is lower than the recommended treasury percentages, the municipality took a decision to rather purchase municipal plant and machinery which is used to repair road infrastructure. This ensures 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash and investments available										
Cash/cash equivalents at the year end	1	173,644	258,161	277,109	385,302	334,832	334,832	306,560	355,455	327,612
Other current investments > 90 days		0	2	(0)	0	8,579	8,579	-	(0)	(0)
Non current Investments	1	-	-	-	-	-	-	-	-	-
Cash and investments available:		173,644	258,162	277,109	385,303	343,411	343,411	306,560	355,455	327,612
Application of cash and investments										
Unspent conditional transfers		7,575	5,058	7,445	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2									
Other working capital requirements	3	19,251	28,620	24,371	16,521	45,366	45,366	40,970	46,718	47,635
Other provisions										
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5									
Total Application of cash and investments:		26,826	33,678	31,816	16,521	45,366	45,366	40,970	46,718	47,635
Surplus(shortfall)		146,819	224,484	245,293	368,782	298,046	298,046	265,591	308,737	279,977

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:

EC443 Winnie Madikizela Mandela - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		22,483	27,639	66,237	8,988	26,964	26,964	10,125	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	24,787	27,639	66,237	8,988	26,964	26,964	10,125	-	-
Single-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		-	-	30	-	-	-	1,304	-	-
Vote 2 - Corporate Services		2,630	6,269	1,855	12,900	9,403	9,403	9,457	5,674	2,435
Vote 3 - Budget Treasury Office		-	2,096	-	-	-	-	-	-	-
Vote 4 - Community Services		5,164	3,035	306	11,388	5,262	5,262	21,308	11,791	12,437
Vote 5 - Development Planning		-	1,447	597	13,517	15,295	15,295	2,376	522	522
Vote 6 - Engineering Services		55,620	99,009	96,277	61,256	93,900	93,900	78,712	69,974	71,728
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		63,415	111,856	99,064	99,060	123,860	123,860	113,157	87,961	87,121
Total Capital Expenditure - Vote		88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121

Executive and Council

The allocation has catered for the construction and erection of a life size statue of the late Winnie Madikizela-Mandela.

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 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, grass cutting machines, installation of CCTV cameras and Security equipment.

Refuse Removal

The department has budgeted for the construction of Majazi Landfill site, procurement of a refuse truck and skip bins.

Road works and Engineering

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

- Construction of Sidanga Bridge R 4.5 million
- Upgrading of Mbongwana via Dotye to Greenville Hosp AR R 6.8 million
- Construction of Bhukuveni to Ntshikintshane Concrete Slab R 1.9 million
- Construction of Mqonjwana to Greenville AR R 10.8 million
- Construction of Mwilini to Zibanzini Access Road R 7.5 million
- Construction of Ntlanezwe to Sizabonke Access Road R 8.2 million
- Construction of Thaleni Bridge R 7.3 million
- Construction of Mngomazi AR R 3.9 million
- Construction of Mhlwazini AR R 3.7 million
- Construction of Mgqutsalala AR R 2.3 million
- Construction of Siginqini to Marina AR R 478 thousand
- Construction of Tshuze to Philisweni R 391 thousand
- Rehabilitation of Lumphondweni AR R 582 thousand
- Rehabilitation of Zamilizwe AR R 665 thousand
- Rehabilitation of Ntlozelo AR R 320 thousand
- Rehabilitation of Umhlambi sss Langaletu – Dotye R 358 thousand
- Rehabilitation of Monti AR R 274 thousand
- Rehabilitation of Mgomazi AR R 703 thousand
- Rehabilitation of Bazana AR R 254 thousand
- Rehabilitation of Dumazi AR R 497 thousand
- Rehabilitation of Matshezini AR R 468 thousand
- Construction of life size bronze statue R 1.3 million

- Construction of Mbizana Civic Center R 7 million
- Construction of Mputumi Mafumbatha Stadium (OWN) R 3.1 million
- Construction of Ward 13 ECDC R 869 thousand
- Construction of Market Place R 1.7 million
- Paving of ward 4 community hall R 770 thousand
- Beach Infrastructure R 637 thousand

Electricity

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

- Electrification of Lower Etheridge Phase 2 R 3.3 million
- Electrification of Msarhweni Village Phase 2 R 2.8 million
- Electrification of Zizityaneni Village R 2.6 million
- Electrification of Nomlacu Phase 2 R 5.9 million

Table 12 2023/24 Medium-term capital budget by vote, functional classification and funding**EC443 Winnie Madikizela Mandela - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		22,483	27,639	66,237	8,988	26,964	26,964	10,125	-	-
Capital multi-year expenditure sub-total	7	24,787	27,639	66,237	8,988	26,964	26,964	10,125	-	-
Single-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		-	-	30	-	-	-	1,304	-	-
Vote 2 - Corporate Services		2,630	6,269	1,855	12,900	9,403	9,403	9,457	5,674	2,435
Vote 3 - Budget Treasury Office		-	2,096	-	-	-	-	-	-	-
Vote 4 - Community Services		5,164	3,035	306	11,388	5,262	5,262	21,308	11,791	12,437
Vote 5 - Development Planning		-	1,447	597	13,517	15,295	15,295	2,376	522	522
Vote 6 - Engineering Services		55,620	99,009	96,277	61,256	93,900	93,900	78,712	69,974	71,728
Capital single-year expenditure sub-total		63,415	111,856	99,064	99,060	123,860	123,860	113,157	87,961	87,121
Total Capital Expenditure - Vote		88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121
Capital Expenditure - Functional										
Governance and administration		5,265	8,470	1,885	13,240	9,778	9,778	11,109	6,022	2,783
Executive and council		-	-	30	-	-	-	1,304	-	-
Finance and administration		5,265	8,470	1,855	13,240	9,778	9,778	9,804	6,022	2,783
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1,902	2,272	221	1,848	1,895	1,895	907	943	980
Community and social services		160	1,376	221	1,720	1,710	1,710	770	807	844
Sport and recreation		-	-	-	128	185	185	137	137	137
Public safety		1,742	896	-	-	-	-	-	-	-
Economic and environmental services		57,899	93,514	136,787	67,336	119,894	119,894	75,731	50,061	52,250
Planning and development		26,486	41,937	76,744	25,820	42,867	42,867	13,300	522	522
Road transport		31,413	51,577	60,044	41,516	77,027	77,027	62,430	49,540	51,728
Trading services		23,135	35,239	26,408	25,625	19,257	19,257	35,536	30,935	31,109
Energy sources		20,204	34,185	26,323	16,425	16,265	16,265	15,483	20,435	20,000
Waste management		2,932	1,054	85	9,200	2,991	2,991	20,054	10,500	11,109
Total Capital Expenditure - Functional	3	88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121
Funded by:										
National Government		60,628	67,776	64,059	69,945	93,055	93,055	66,343	69,974	71,728
Provincial Government		-	200	-	-	-	-	-	-	-
Transfers recognised - capital	4	60,628	67,976	64,059	69,945	93,055	93,055	66,343	69,974	71,728
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		27,574	71,519	101,241	38,103	57,769	57,769	56,939	17,987	15,393
Total Capital Funding	7	88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121

For the 2023/24 Annual budget, there is a decrease in the capital budget of the municipality compared to the final approved budget of the 2022/23 financial year which should be used as a baseline going forward. This accounts for about R123 million of the budget and this is mainly funded from the MIG for roads, community facilities and Sport facilities, and INEP for electrification. It is important though to note that even though the budget seems to have a gradual decrease over the medium-term, the municipality's own funding of the capital budget decreases. It must be understood though that national government is heading for elections which will see increased pressure and protests for service delivery in communities which are unfortunately served by municipalities.

The above table shows that the municipality's anticipated total capital budget is R123.2 million excluding VAT for the 2023/24 financial year which decreases in the following year as a result of

the anticipated decreases in the own funding allocation for infrastructure development. A summary of proposed allocations is as follows only highlighting the major line items allocated:

- Road infrastructure R 62.4 million Excl. VAT
 - Construction of Sidanga Bridge R 4.5 million
 - Upgrading of Mbongwana via Dotye to Greenville Hosp AR R 6.8 million
 - Construction of Bhukuveni to Ntshikintshane Concrete Slab R 1.9 million
 - Construction of Mqonjwana to Greenville AR R 10.8 million
 - Construction of Mwilini to Zibanzini Access Road R 7.5 million
 - Construction of Ntlanezwe to Sizabonke Access Road R 8.2 million
 - Construction of Thaleni Bridge R 7.3 million
 - Construction of Mngomazi AR R 3.9 million
 - Construction of Mhlwazini AR R 3.7 million
 - Construction of Mgqutsalala AR R 2.3 million
 - Construction of Siginqini to Marina AR R 478 thousand
 - Construction of Tshuze to Philisweni R 391 thousand
 - Rehabilitation of Lumphondweni AR R 582 thousand
 - Rehabilitation of Zamilizwe AR R 665 thousand
 - Rehabilitation of Ntlozelo AR R 320 thousand
 - Rehabilitation of Umhlambi sss Langaletu – Dotye R 358 thousand
 - Rehabilitation of Monti AR R 274 thousand
 - Rehabilitation of Mgomazi AR R 703 thousand
 - Rehabilitation of Bazana AR R 254 thousand
 - Rehabilitation of Dumazi AR R 497 thousand
 - Rehabilitation of Matshezini AR R 468 thousand
- Electricity infrastructure R 14.7 million Excl. VAT
 - Electrification of Lower Ethridge (Phase 2) R 3.3 million
 - Electrification of Msarhweni Village (Phase 2) R 2.8 million
 - Electrification of Zizityaneni Village R 2.6 million
 - Electrification of Nomlacu (Phase 2) R 5.9 million
- Community Facilities R 15.1 million Excl. VAT
 - Construction of life size bronze statue R 1.3 million
 - Construction of Mbizana Civic Center R 7 million
 - Construction of Mputhumi Mafumbatha Stadium (OWN) R 3.1 million
 - Construction of Ward 13 ECDC R 869 thousand
 - Construction of Market Place R 1.7 million

○ Paving of ward 4 community hall	R 770 thousand
○ Beach Infrastructure	R 637 thousand
• Transport Assets	R 6.6 million Excl. VAT
• Furniture and Office Equipment	R 5.6 million Excl. VAT
• Solid Waste Infrastructure (Majazi Landfill Site)	R 16.2 million Excl. VAT
• Machinery and Equipment	R 136 thousand Excl. VAT
• Computer Equipment	R 2 million Excl. VAT
• Other Assets – Buildings (Guard House)	R 191 thousand Excl. VAT
• VAT	R 18 million

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 2023/24 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
Financial Performance									
Property rates	16,284	20,145	21,163	21,468	21,468	21,468	21,250	22,096	22,976
Service charges	38,374	40,257	42,139	36,680	41,347	41,347	37,904	39,762	41,630
Investment revenue	9,660	7,604	10,784	9,760	19,090	19,090	15,890	16,669	17,452
Transfer and subsidies - Operational	268,843	337,728	295,672	338,352	350,924	350,924	349,897	371,637	364,128
Other own revenue	23,499	16,448	19,284	14,189	15,262	15,262	15,153	16,024	16,928
Total Revenue (excluding capital transfers and contributions)	356,660	422,182	389,042	420,449	448,092	448,092	440,094	466,188	463,114
Employee costs	104,852	105,837	107,129	124,799	122,052	122,052	130,212	136,500	142,503
Remuneration of councillors	23,970	23,964	24,782	27,047	27,047	27,047	28,480	29,876	31,280
Depreciation and amortisation	39,437	40,180	52,653	49,735	49,735	49,735	54,371	57,035	59,716
Finance charges	11	1	—	100	100	100	100	100	100
Inventory consumed and bulk purchases	41,417	39,820	45,684	47,632	46,915	46,915	55,216	61,622	68,814
Transfers and subsidies	1,418	4,499	1,251	3,200	3,349	3,349	3,431	3,589	3,754
Other expenditure	158,537	128,000	176,312	178,804	232,767	232,767	175,887	183,823	196,425
Total Expenditure	369,642	342,301	407,811	431,318	481,966	481,966	447,697	472,544	502,592
Surplus/(Deficit)	(12,982)	79,882	(18,769)	(10,870)	(33,874)	(33,874)	(7,603)	(6,356)	(39,478)
Transfers and subsidies - capital (monetary allocations)	79,423	77,425	80,162	82,288	107,215	107,215	76,295	80,471	82,487
Transfers and subsidies - capital (in-kind)	—	—	79	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009
Capital expenditure & funds sources									
Capital expenditure	88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121
Transfers recognised - capital	60,628	67,976	64,059	69,945	93,055	93,055	66,343	69,974	71,728
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	27,574	71,519	101,241	38,103	57,769	57,769	56,939	17,987	15,393
Total sources of capital funds	88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121
Financial position									
Total current assets	322,908	367,174	381,881	438,634	425,331	425,331	413,370	461,219	435,680
Total non current assets	680,111	737,528	806,463	797,697	871,215	871,215	875,374	837,389	833,868
Total current liabilities	58,261	70,583	75,515	64,901	102,931	102,931	99,779	104,220	106,266
Total non current liabilities	5,495	5,246	22,484	5,246	22,484	22,484	22,484	22,484	22,484
Community wealth/Equity	939,262	1,028,872	1,090,344	1,166,184	1,171,131	1,171,131	1,166,481	1,171,903	1,140,798
Cash flows									
Net cash from (used) operating	136,790	209,606	178,760	178,444	237,449	237,449	170,828	179,277	150,692
Net cash from (used) investing	(86,608)	(125,089)	(159,813)	(129,968)	(171,246)	(171,246)	(141,376)	(100,930)	(100,189)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	173,644	258,161	277,109	385,302	343,311	343,311	306,560	355,455	327,612
Cash backing/surplus reconciliation									
Cash and investments available	173,644	258,162	277,109	385,303	343,411	343,411	306,560	355,455	327,612
Application of cash and investments	26,826	33,678	31,816	16,521	45,352	45,352	40,970	46,718	47,635
Balance - surplus (shortfall)	146,819	224,484	245,293	368,782	298,060	298,060	265,591	308,737	279,977
Asset management									
Asset register summary (WDV)	680,111	739,453	587,558	705,541	871,215	871,215	875,374	837,389	833,868
Depreciation	39,437	40,180	44,097	49,735	49,735	49,735	54,371	57,035	59,716
Renewal and Upgrading of Existing Assets	22,731	60,478	90,916	12,754	65,738	65,738	23,008	—	—
Repairs and Maintenance	12,873	5,217	13,841	29,975	47,660	47,660	32,267	38,059	43,888
Free services									
Cost of Free Basic Services provided	—	—	—	4,800	4,800	4,800	4,800	5,021	5,252
Revenue cost of free services provided	—	—	—	597	597	597	608	621	633
Households below minimum service level									
Water:	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—
Energy:	—	6	6	6	6	6	2	2	2
Refuse:	—	48	48	48	48	48	48	48	48

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		306,600	374,115	339,180	362,794	385,917	385,917	391,308	416,429	408,120
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		306,600	374,115	338,358	362,794	385,917	385,917	391,308	416,429	408,120
Internal audit		—	—	822	—	—	—	—	—	—
<i>Community and public safety</i>		5,779	4,828	3,960	4,966	5,086	5,086	4,599	4,800	5,024
Community and social services		328	544	193	623	623	623	605	610	638
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		5,451	4,285	3,768	4,344	4,464	4,464	3,993	4,189	4,386
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		54,440	45,586	51,861	78,100	102,760	102,760	62,281	62,090	67,744
Planning and development		307	127	46,324	25,814	25,547	25,547	2,986	5,119	8,257
Road transport		54,133	45,459	5,537	52,286	77,214	77,214	59,295	56,971	59,487
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		69,264	75,078	74,203	56,876	61,543	61,543	58,201	63,340	64,713
Energy sources		59,438	67,709	66,431	47,325	53,325	53,325	49,298	57,380	58,473
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		9,826	7,369	7,772	9,550	8,218	8,218	8,903	5,960	6,240
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	436,083	499,607	469,204	502,737	555,307	555,307	516,389	546,659	545,601
Expenditure - Functional										
<i>Governance and administration</i>		153,993	144,871	150,782	201,620	202,945	202,945	217,120	226,387	236,923
Executive and council		54,296	55,097	54,350	64,094	64,639	64,639	68,123	70,606	73,879
Finance and administration		96,856	86,322	92,856	132,844	134,124	134,124	144,047	150,595	157,617
Internal audit		2,841	3,452	3,577	4,682	4,182	4,182	4,950	5,185	5,427
<i>Community and public safety</i>		29,327	24,262	26,754	32,667	31,778	31,778	34,348	35,946	37,608
Community and social services		8,044	7,338	9,955	12,936	12,826	12,826	13,748	14,369	15,042
Sport and recreation		7,497	2,079	2,363	2,729	2,269	2,269	2,866	3,001	3,139
Public safety		13,777	14,083	13,617	15,956	15,619	15,619	16,544	17,337	18,140
Housing		9	762	818	1,046	1,064	1,064	1,190	1,239	1,288
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		68,983	67,688	115,864	102,588	129,513	129,513	95,895	104,778	113,727
Planning and development		19,309	21,101	24,701	37,697	37,762	37,762	27,599	28,907	30,246
Road transport		47,085	45,014	89,005	62,240	89,333	89,333	65,786	73,241	80,729
Environmental protection		2,589	1,572	2,159	2,651	2,418	2,418	2,510	2,630	2,752
<i>Trading services</i>		115,120	102,932	111,390	90,304	113,604	113,604	96,035	100,929	109,945
Energy sources		96,848	79,676	96,817	63,408	87,433	87,433	67,303	74,280	82,057
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		18,271	23,256	14,573	26,896	26,171	26,171	28,732	26,650	27,888
<i>Other</i>	4	2,220	2,547	3,021	4,139	4,126	4,126	4,299	4,504	4,389
Total Expenditure - Functional	3	369,642	342,301	407,811	431,318	481,966	481,966	447,697	472,544	502,592
Surplus/(Deficit) for the year		66,441	157,306	61,393	71,418	73,341	73,341	68,692	74,114	43,009

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		–	–	822	–	–	–	–	–	–
Vote 2 - Corporate Services		352	405	483	137	509	509	441	463	485
Vote 3 - Budget Treasury Office		306,248	354,557	316,791	341,189	363,940	363,940	362,652	386,435	376,725
Vote 4 - Community Services		15,605	12,198	11,732	14,517	13,304	13,304	13,502	10,759	11,263
Vote 5 - Development Planning		111	19,267	22,001	44,531	44,481	44,481	28,330	31,652	36,037
Vote 6 - Engineering Services		113,768	113,181	117,454	102,363	133,073	133,073	111,464	117,350	121,091
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	436,083	499,607	469,283	502,737	555,307	555,307	516,389	546,659	545,601
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		69,498	71,616	71,138	84,391	84,186	84,186	88,654	92,106	96,375
Vote 2 - Corporate Services		48,254	38,617	40,512	59,772	57,986	57,986	64,946	68,034	71,182
Vote 3 - Budget Treasury Office		25,842	21,918	24,251	41,521	43,771	43,771	45,747	47,813	50,086
Vote 4 - Community Services		62,453	62,926	59,268	79,012	78,098	78,098	83,784	84,273	88,178
Vote 5 - Development Planning		16,060	15,944	17,008	36,131	36,533	36,533	24,898	25,910	26,782
Vote 6 - Engineering Services		147,535	131,280	195,635	130,491	181,392	181,392	139,669	154,410	169,990
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	369,642	342,301	407,811	431,318	481,966	481,966	447,697	472,544	502,592
Surplus/(Deficit) for the year	2	66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Revenue										
Exchange Revenue										
Service charges - Electricity	2	33,884	35,679	37,937	30,845	36,845	36,845	32,243	33,823	35,412
Service charges - Water	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4,490	4,578	4,202	5,834	4,502	4,502	5,661	5,939	6,218
Sale of Goods and Rendering of Services		568	197	238	353	303	303	201	211	221
Agency services		1,021	1,291	1,202	1,401	1,521	1,521	1,266	1,328	1,391
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		4,593	3,538	1,941	3,229	3,229	3,229	3,390	3,556	3,723
Interest earned from Current and Non Current As		9,660	7,604	10,784	9,760	19,090	19,090	15,890	16,669	17,452
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		5,097	5,876	7,511	3,893	4,498	4,498	5,282	5,670	6,087
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		392	708	653	167	565	565	471	495	518
Non-Exchange Revenue										
Property rates	2	16,284	20,145	21,163	21,468	21,468	21,468	21,250	22,096	22,976
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,066	688	386	593	593	593	225	236	247
Licences or permits		2,237	2,343	2,141	2,404	2,404	2,404	2,537	2,662	2,787
Transfer and subsidies - Operational		268,843	337,728	295,672	338,352	350,924	350,924	349,897	371,637	364,128
Interest		-	737	2,750	2,149	2,149	2,149	1,780	1,867	1,955
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		187	-	-	-	-	-	-	-	-
Gains on disposal of Assets		7,339	1,069	2,461	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and		356,660	422,182	389,042	420,449	448,092	448,092	440,094	466,188	463,114
Expenditure										
Employee related costs	2	104,852	105,837	107,129	124,799	122,052	122,052	130,212	136,500	142,503
Remuneration of councillors		23,970	23,964	24,782	27,047	27,047	27,047	28,480	29,876	31,280
Bulk purchases - electricity	2	33,255	35,022	40,211	40,005	40,005	40,005	47,731	53,792	60,624
Inventory consumed	8	8,162	4,798	5,473	7,627	6,910	6,910	7,485	7,829	8,190
Debt impairment	3	7,103	5,208	822	9,600	9,600	9,600	10,109	10,574	11,060
Depreciation and amortisation		39,437	40,180	52,653	49,735	49,735	49,735	54,371	57,035	59,716
Interest		11	1	-	100	100	100	100	100	100
Contracted services		51,003	41,065	63,499	86,644	99,475	99,475	85,745	89,685	98,017
Transfers and subsidies		1,418	4,499	1,251	3,200	3,349	3,349	3,431	3,589	3,754
Irrecoverable debts written off		549	-	-	-	-	-	-	-	-
Operational costs		44,470	38,020	65,440	82,560	87,357	87,357	80,034	83,563	87,347
Losses on disposal of Assets		55,411	43,413	46,551	-	36,336	36,336	-	-	-
Other Losses		-	293	-	-	-	-	-	-	-
Total Expenditure		369,642	342,301	407,811	431,318	481,966	481,966	447,697	472,544	502,592
Surplus/(Deficit)		(12,982)	79,882	(18,769)	(10,870)	(33,874)	(33,874)	(7,603)	(6,356)	(39,478)
Transfers and subsidies - capital (monetary	6	79,423	77,425	80,162	82,288	107,215	107,215	76,295	80,471	82,487
Transfers and subsidies - capital (in-kind)	6	-	-	79	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	66,441	157,306	61,472	71,418	73,341	73,341	68,692	74,114	43,009

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source**EC443 Winnie Madikizela Mandela - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding**

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	—	—	—	—	—	—	—	—
Vote 4 - Community Services		—	—	—	—	—	—	—	—	—
Vote 5 - Development Planning		—	—	—	—	—	—	—	—	—
Vote 6 - Engineering Services		22,483	27,639	66,237	8,988	26,964	26,964	10,125	—	—
Capital multi-year expenditure sub-total	7	24,787	27,639	66,237	8,988	26,964	26,964	10,125	—	—
Single-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		—	—	30	—	—	—	1,304	—	—
Vote 2 - Corporate Services		2,630	6,269	1,855	12,900	9,403	9,403	9,457	5,674	2,435
Vote 3 - Budget Treasury Office		—	2,096	—	—	—	—	—	—	—
Vote 4 - Community Services		5,164	3,035	306	11,388	5,262	5,262	21,308	11,791	12,437
Vote 5 - Development Planning		—	1,447	597	13,517	15,295	15,295	2,376	522	522
Vote 6 - Engineering Services		55,620	99,009	96,277	61,256	93,900	93,900	78,712	69,974	71,728
Capital single-year expenditure sub-total		63,415	111,856	99,064	99,060	123,860	123,860	113,157	87,961	87,121
Total Capital Expenditure - Vote		88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121
Capital Expenditure - Functional										
Governance and administration		5,265	8,470	1,885	13,240	9,778	9,778	11,109	6,022	2,783
Executive and council		—	—	30	—	—	—	1,304	—	—
Finance and administration		5,265	8,470	1,855	13,240	9,778	9,778	9,804	6,022	2,783
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		1,902	2,272	221	1,848	1,895	1,895	907	943	980
Community and social services		160	1,376	221	1,720	1,710	1,710	770	807	844
Sport and recreation		—	—	—	128	185	185	137	137	137
Public safety		1,742	896	—	—	—	—	—	—	—
Economic and environmental services		57,899	93,514	136,787	67,336	119,894	119,894	75,731	50,061	52,250
Planning and development		26,486	41,937	76,744	25,820	42,867	42,867	13,300	522	522
Road transport		31,413	51,577	60,044	41,516	77,027	77,027	62,430	49,540	51,728
Trading services		23,135	35,239	26,408	25,625	19,257	19,257	35,536	30,935	31,109
Energy sources		20,204	34,185	26,323	16,425	16,265	16,265	15,483	20,435	20,000
Waste management		2,932	1,054	85	9,200	2,991	2,991	20,054	10,500	11,109
Total Capital Expenditure - Functional	3	88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121
Funded by:										
National Government		60,628	67,776	64,059	69,945	93,055	93,055	66,343	69,974	71,728
Provincial Government		—	200	—	—	—	—	—	—	—
Transfers recognised - capital	4	60,628	67,976	64,059	69,945	93,055	93,055	66,343	69,974	71,728
Borrowing	6	—	—	—	—	—	—	—	—	—
Internally generated funds		27,574	71,519	101,241	38,103	57,769	57,769	56,939	17,987	15,393
Total Capital Funding	7	88,202	139,495	165,301	108,048	150,824	150,824	123,282	87,961	87,121

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents		173,644	258,162	277,109	385,303	343,411	343,411	306,560	355,455	327,612
Trade and other receivables from exchange transactions	1	37,398	29,935	28,303	19,654	33,369	33,369	46,746	46,603	45,597
Receivables from non-exchange transactions	1	30,348	36,631	39,455	14,719	17,458	17,458	25,809	24,907	27,581
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–
Inventory	2	2,042	2,046	450	1,878	1,167	1,167	450	450	450
VAT		–	15,609	12,784	–	14,163	14,163	18,042	18,041	18,678
Other current assets		79,474	24,790	23,781	17,080	15,763	15,763	15,763	15,763	15,763
Total current assets		322,908	367,174	381,881	438,634	425,331	425,331	413,370	461,219	435,680
Non current assets										
Investments		–	–	–	–	–	–	–	–	–
Investment property		32,436	36,655	39,090	36,655	39,090	39,090	39,090	39,090	39,090
Property, plant and equipment	3	646,245	699,573	766,069	759,811	830,821	830,821	834,980	796,994	793,474
Biological assets		–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–
Heritage assets		1,231	1,231	1,261	1,231	1,261	1,261	1,261	1,261	1,261
Intangible assets		198	69	43	–	43	43	43	43	43
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–
Total non current assets		680,111	737,528	806,463	797,697	871,215	871,215	875,374	837,389	833,868
TOTAL ASSETS		1,003,018	1,104,702	1,188,344	1,236,331	1,296,546	1,296,546	1,288,744	1,298,607	1,269,548
LIABILITIES										
Current liabilities										
Bank overdraft		–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–	–	–	–
Consumer deposits		503	505	506	505	506	506	506	506	506
Trade and other payables from exchange transactions	4	37,805	44,334	47,257	44,406	82,118	82,118	74,019	78,220	80,023
Trade and other payables from non-exchange transactions	5	–	5,058	7,445	–	–	–	–	–	–
Provision		19,953	20,686	20,308	19,990	20,308	20,308	20,308	20,308	20,308
VAT		–	–	–	–	–	–	4,947	5,186	5,430
Other current liabilities		–	–	–	–	–	–	–	–	–
Total current liabilities		58,261	70,583	75,515	64,901	102,931	102,931	99,779	104,220	106,266
Non current liabilities										
Financial liabilities	6	–	–	–	–	–	–	–	–	–
Provision	7	5,495	5,246	22,484	5,246	22,484	22,484	22,484	22,484	22,484
Long term portion of trade payables		–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–	–	–	–
Total non current liabilities		5,495	5,246	22,484	5,246	22,484	22,484	22,484	22,484	22,484
TOTAL LIABILITIES		63,756	75,829	97,999	70,147	125,415	125,415	122,263	126,704	128,750
NET ASSETS		939,262	1,028,872	1,090,344	1,166,184	1,171,131	1,171,131	1,166,481	1,171,903	1,140,798
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	8	939,262	1,028,872	1,090,344	1,166,184	1,171,131	1,171,131	1,166,481	1,171,903	1,140,798
Reserves and funds	9	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	939,262	1,028,872	1,090,344	1,166,184	1,171,131	1,171,131	1,166,481	1,171,903	1,140,798

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	1	173,644	258,161	277,109	385,302	334,832	334,832	306,560	355,455	327,612
Other current investments > 90 days		0	2	(0)	0	8,579	8,579	-	(0)	(0)
Non current Investments	1	-	-	-	-	-	-	-	-	-
Cash and investments available:		173,644	258,162	277,109	385,303	343,411	343,411	306,560	355,455	327,612
Application of cash and investments										
Unspent conditional transfers		7,575	5,058	7,445	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2									
Other working capital requirements	3	19,251	28,620	24,371	16,521	45,366	45,366	40,970	46,718	47,635
Other provisions										
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5									
Total Application of cash and investments:		26,826	33,678	31,816	16,521	45,366	45,366	40,970	46,718	47,635
Surplus(shortfall)		146,819	224,484	245,293	368,782	298,046	298,046	265,591	308,737	279,977

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 - Total Reserves to be backed by cash/investments excl Valuation reserve

Other working capital requirements

Debtors	11,376	16,219	23,031	27,885	36,752	36,752	33,049	31,502	32,388
Creditors due	30,627	44,839	47,402	44,406	82,118	82,118	74,019	78,220	80,023
Total	(19,251)	(28,620)	(24,371)	(16,521)	(45,366)	(45,366)	(40,970)	(46,718)	(47,635)

Debtors collection assumptions

Balance outstanding - debtors	64,827	75,332	78,995	53,252	57,715	57,715	65,349	64,447	67,121
Estimate of debtors collection rate	17.5%	21.5%	29.2%	52.4%	63.7%	63.7%	50.6%	48.9%	48.3%

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		12,522	15,110	21,235	34,817	34,817	34,817	29,982	31,546	29,613
Service charges		19,588	23,019	43,512	54,588	54,588	54,588	32,606	34,785	37,833
Other revenue		2,142	9,342	7,350	26,570	57,012	57,012	51,616	49,265	52,004
Transfers and Subsidies - Operational	1	270,716	335,485	298,059	338,352	350,924	350,924	349,897	371,637	364,128
Transfers and Subsidies - Capital	1	78,660	77,425	80,162	82,288	111,956	111,956	71,555	80,471	82,487
Interest		14,253	11,879	15,474	9,760	19,090	19,090	15,890	16,669	17,452
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(261,080)	(262,653)	(287,032)	(367,832)	(390,838)	(390,838)	(380,618)	(404,997)	(432,726)
Interest		(11)	(1)	-	(100)	(100)	(100)	(100)	(100)	(100)
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		136,790	209,606	178,760	178,444	237,449	237,449	170,828	179,277	150,692
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		196	276	9	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	(30)	-	-	-	-	-	-
Payments										
Capital assets		(86,804)	(125,365)	(159,792)	(129,968)	(171,246)	(171,246)	(141,376)	(100,930)	(100,189)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(86,608)	(125,089)	(159,813)	(129,968)	(171,246)	(171,246)	(141,376)	(100,930)	(100,189)
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		50,182	84,516	18,947	48,476	66,203	66,203	29,451	78,347	50,503
Cash/cash equivalents at the year begin:	2	123,463	173,644	258,162	336,827	277,109	277,109	277,109	277,109	277,109
Cash/cash equivalents at the year end:	2	173,644	258,161	277,109	385,302	343,311	343,311	306,560	355,455	327,612

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

EC443 Winnie Madikizela Mandela - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
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	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	200	200	287	287	287	318,058	318,058	318,058
Electricity - prepaid (min.service level)		-	22,346	22,346	22,346	22,346	22,346	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	22,546	22,546	22,633	22,633	22,633	318,058	318,058	318,058
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	6,000	6,000	6,000	6,000	6,000	1,890	1,890	1,890
<i>Below Minimum Service Level sub-total</i>		-	6,000	6,000	6,000	6,000	6,000	1,890	1,890	1,890
Total number of households	5	-	28,546	28,546	28,633	28,633	28,633	319,948	319,948	319,948
Refuse:										
Removed at least once a week		-	800	800	800	800	800	800	800	800
<i>Minimum Service Level and Above sub-total</i>		-	800	800	800	800	800	800	800	800
Removed less frequently than once a week		-	157	157	157	157	157	157	157	157
Using communal refuse dump		-	250	250	250	250	250	250	250	250
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	3	3	3	3	3	3	3	3
No rubbish disposal		-	47,480	47,480	47,480	47,480	47,480	47,480	47,480	47,480
<i>Below Minimum Service Level sub-total</i>		-	47,890	47,890	47,890	47,890	47,890	47,890	47,890	47,890
Total number of households	5	-	48,690	48,690	48,690	48,690	48,690	48,690	48,690	48,690
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)		-	-	-	-	-	-	-	-	-
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	4,800	4,800	4,800	4,800	5,021	5,252
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided	8	-	-	-	4,800	4,800	4,800	4,800	5,021	5,252
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 (kwh 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		-	-	-	597	597	597	608	621	633
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	-	-	-	597	597	597	608	621	633

Part 2 – Supporting Documentation

1.10 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 2023/24 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 was tabled to council and adopted on 31 March 2023. This was followed by the publication on a local newspaper of the draft budget summaries and calling for comments from the public.

The municipality then conducted public consultation sessions to present the budget and solicit comments from the general public during the month of April and May 2023.

The Provincial Treasury as required assessed the municipality's draft budget for compliance and credibility with the results presented in a meeting that was held on the 18th of April 2023. Comments and recommendations of both the public and Provincial Treasury have been considered in getting to the final budget proposals including submission to them before submitting to council structures for them to assess the municipality's funding compliance which will be the major focus in the years to come due to the anticipated municipalities' ability to collect revenue as well as the impact of the recent disaster following heavy rains during the month of April 2022 which continues to require resources to help communities recover.

1.11 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.

The policy seeks to ensure compliance with the MFMA and SCM regulations at all times and guiding the municipality's procurement processes and procures.

There has been a number of changes in terms of procurement strategies when it comes to service delivery programs that must be incorporated into the policy to ensure alignment with our procurement mechanisms.

There are a number of procurement recommendations relating to emergency procurement in areas where the municipality struggled to respond over the past years in emergency situations. This has also considered measures to respond to national disasters.

Preferential Procurement Regulations, 2022: On Wednesday, 16 February 2022, the Constitutional Court handed down judgement in the application for leave to appeal against a judgement and order of the Supreme Court of Appeal. This application was brought by the Minister of Finance against Afribusiness NPC, and concerns the validity of the Preferential Procurement Regulations, 2017 promulgated by the Minister on January 2017, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000.

The majority judgement of the Constitutional Court dismissed the appeal against the Supreme Court of Appeal judgement.

Government institutions were informed by National Treasury that the minister would seek urgent guidance as to whether the Procurement Regulations remain valid until 15 March 2023, unless repealed sooner.

While waiting for the outcome, government institutions were advised that:

- Tenders advertised before 16 February 2022 be finalised in terms of the Procurement Regulations;
- Tenders advertised on or after 16 February 2022 be held in abeyance; and
- No new tenders be advertised

Paragraph 6 of the communication issued by National Treasury on the 3rd March 2022 indicated that, until the new regulations take effect or the Constitutional Court's clarity on the suspension of the invalidity of the 2017 Regulations is provided, whichever occurs first, an organ of state may, in terms of section 3(c) of the Act, request an exemption from the provisions of the Act for a specific procurement or a category of procurement requirements.

On the 12th of May 2022 the municipality wrote to National Treasury to request an exemption as indicated above with such exemption being granted on the 23rd of May 2022 (the effective date). The exemption would have allowed for the municipality to proceed with procurement requirements above R30 000 to catch up on the service delivery needs of the community it serves.

On the 30th of May 2022, the Constitutional Court issued a judgement on the clarification that the minister was seeking. On the judgement, the Constitutional Court concluded as follows: -

“the [Supreme Court of Appeal’s] order as a whole was suspended when the Minister applied for leave to appeal to this Court; that the order of suspension by the [Supreme Court of Appeal], once suspended by the application for leave to appeal, did not take effect until this Court dismissed the Minister’s appeal; and that the declaration of invalidity as ordered by the [Supreme Court of Appeal] remains suspended and the period of suspension commenced running again after this Court dismissed the Minister’s appeal on 16 February 2022.”

- For the reasons given, there was no need for this clear legal position to be confirmed.
- With the legal position as plain as it is, the judge did not understand how the confusion they were hearing about from the Minister could have arisen
- In summary, there was no substance in the Minister’s submissions
- Obviously, the decision to halt procurement was the result of a misunderstanding of the law. It had nothing to do with the order of the Court

This then meant that the exemption was no longer effective and government should never have stopped procurement at any stage considering that the regulations were still effective for the next 12 months from the date of the court order.

In response to the above, the minister of finance made public the “**PREFERENTIAL PROCUREMENT REGULATIONS, 2022**” on the 4th of November 2022 through government gazette No. 47452. The regulations are effective from 16 January 2023. Any procurement after this date must comply with these regulations.

The regulations require organs of state to review their SCM policies to determine their specific goals from which to award points during the procurement and awarding of bids.

The regulations define specific goals as “*specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994*”

This therefore requires council to determine how points for specific goals will be awarded and what means of verification will be required including the number of points for each criterion indicated in a manner that will not be exclusionary in the 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.

1.12 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	2023 Estimate	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Consumer Price Inflation - CPI	6.9%	5.3%	4.9%	4.7%

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

- a) 15.10% increase on electricity tariffs
- b) 18.65% increase on Electricity Bulk purchases
- c) 5% increase on property rates
- d) 5.4% provision for employee costs which is the projected average CPI percentages for 2023 and 2024.
- e) 4.5% increase on the remuneration of councilors
- f) 5.3% for all other expenses, and
- g) 5.3% for other revenue municipal Tariffs

1.13 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>	1									
Basic Salaries and Wages		12,740	12,723	13,357	14,390	14,390	14,390	15,153	15,896	16,643
Pension and UIF Contributions		1,062	1,064	1,110	1,199	1,199	1,199	1,263	1,325	1,387
Medical Aid Contributions		1,062	1,064	1,110	1,199	1,199	1,199	1,263	1,325	1,387
Motor Vehicle Allowance		5,309	5,318	5,513	5,996	5,996	5,996	6,314	6,623	6,934
Cellphone Allowance		3,798	3,796	3,691	4,262	4,262	4,262	4,488	4,708	4,930
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		23,970	23,964	24,782	27,047	27,047	27,047	28,481	29,876	31,280
% increase	4		(0.0%)	3.4%	9.1%	-	-	5.3%	4.9%	4.7%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		4,908	4,526	5,172	5,512	5,167	5,167	5,572	5,845	6,120
Pension and UIF Contributions		85	84	92	97	182	182	250	262	274
Medical Aid Contributions		416	416	429	463	463	463	361	379	397
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,517	1,517	1,576	1,689	1,604	1,604	1,630	1,710	1,790
Cellphone Allowance	3	124	124	129	138	138	138	120	124	128
Housing Allowances	3	430	430	445	478	478	478	465	488	510
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7,481	7,097	7,843	8,377	8,032	8,032	8,398	8,808	9,220
% increase	4		(5.1%)	10.5%	6.8%	(4.1%)	-	4.6%	4.9%	4.7%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		63,982	65,302	64,485	73,511	71,161	71,161	76,704	80,425	84,174
Pension and UIF Contributions		8,624	8,885	10,240	12,204	12,339	12,339	12,619	13,238	13,863
Medical Aid Contributions		4,368	4,513	4,888	5,964	5,751	5,751	6,213	6,516	6,822
Overtime		2,488	1,300	1,715	2,888	2,664	2,664	2,925	3,054	3,183
Performance Bonus		4,648	4,833	5,166	5,882	5,882	5,882	6,093	6,390	6,686
Motor Vehicle Allowance	3	5,958	6,533	6,988	7,432	7,754	7,754	8,157	8,557	8,635
Cellphone Allowance	3	612	605	611	891	881	881	875	885	890
Housing Allowances	3	3,232	3,332	3,384	3,945	4,107	4,107	4,403	4,618	4,835
Other benefits and allowances	3	4,799	2,977	1,810	3,704	3,480	3,480	3,825	4,011	4,198
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		98,711	98,279	99,286	116,422	114,019	114,019	121,814	127,693	133,284
% increase	4		(0.4%)	1.0%	17.3%	(2.1%)	-	6.8%	4.8%	4.4%
Total Parent Municipality		130,161	129,340	131,912	151,847	149,099	149,099	158,693	166,377	173,784
			(0.6%)	2.0%	15.1%	(1.8%)	-	6.4%	4.8%	4.5%
TOTAL SALARY, ALLOWANCES & BENEFITS		130,161	129,340	131,912	151,847	149,099	149,099	158,693	166,377	173,784
% increase	4		(0.6%)	2.0%	15.1%	(1.8%)	-	6.4%	4.8%	4.5%
TOTAL MANAGERS AND STAFF	5,7	106,191	105,376	107,129	124,799	122,052	122,052	130,213	136,501	142,504

a. Employee costs

Below are vacant positions that are included in the calculations of these 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 35.9% of the operating budget including non-cash items which then breaches the maximum limit permitted of 40% when we exclude non-cash items. Below are the details of vacant positions included in the budget.

Municipal Manager

- Monitoring and Evaluation Officer

Corporate Services

- Systems Administrator
- IT Technician
- Fleet Management Officer
- Receptionist

Budget and Treasury Office

- 3 X Financial Management Interns

Development Planning

- Agricultural Development Officer

Community Services

- Security
- Admin Clerk

Refuse Removal

- 8 X General Assistants

Engineering Services

- Data Capturer (MIG)

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	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	507,708	84,626	302,477			894,811
Chief Whip		1	475,976	79,330	286,612			841,918
Executive Mayor		1	634,637	105,764	365,942			1,106,343
Deputy Executive Mayor		—	—	—	—			—
Executive Committee		9	3,693,600	615,602	2,352,004			6,661,206
Total for all other councillors		52	9,841,129	1,640,196	7,495,054			18,976,379
Total Councillors	8	64	15,153,050	2,525,518	10,802,089			28,480,657
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1,079,105	116,887	442,221			1,638,213
Chief Finance Officer		1	833,540	2,238	556,947			1,392,725
Senior Manager - Engineering		1	867,803	122,731	348,090			1,338,624
Senior Manager - Corporate Services		1	915,511	113,761	312,479			1,341,751
Senior Manager - Community Services		1	856,478	2,238	229,512			1,088,228
Senior Manager - Development Planning		1	915,511	253,423	325,867			1,494,801
Total Senior Managers of the Municipality	8, 10	6	5,467,948	611,278	2,215,116	—		8,294,342
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	70	20,620,998	3,136,796	13,017,205	—		36,774,999

1.14 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		265,935	336,816	295,190	337,852	350,424	350,424	349,397	371,137	363,606
Local Government Equitable Share		260,606	332,421	289,620	320,095	320,095	320,095	341,204	364,039	353,237
Energy Efficiency and Demand Side Management		–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		2,452	2,389	3,570	3,687	3,687	3,687	3,222	–	–
Local Government Financial Management Grant		2,167	2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,238
Municipal Disaster Relief Grant		710	5	–	–	12,790	12,790	–	–	–
Municipal Infrastructure Grant		–	–	–	2,752	2,534	2,534	2,871	2,998	3,131
Neighbourhood Development Partnership Grant		–	–	–	9,218	9,218	9,218	–	2,000	5,000
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Provincial Government:		2,908	912	482	500	500	500	500	500	522
Health subsidy		–	–	–	–	–	–	–	–	–
Capacity Building and Other		246	511	144	500	500	500	500	500	522
Other		2,662	402	339	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants		268,843	337,728	295,672	338,352	350,924	350,924	349,897	371,637	364,128
Capital expenditure of Transfers and Grants										
National Government:		79,423	77,425	80,162	82,288	107,215	107,215	71,555	80,471	82,487
Municipal Disaster Recovery Grant		–	–	–	–	29,066	29,066	–	–	–
Municipal Infrastructure Grant		53,947	45,459	51,023	52,286	48,148	48,148	54,555	56,971	59,487
Neighbourhood Development Partnership Grant		–	–	686	13,602	13,602	13,602	–	–	–
Integrated National Electrification Programme Grant		25,476	31,966	28,453	16,400	16,400	16,400	17,000	23,500	23,000
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		79,423	77,425	80,162	82,288	107,215	107,215	71,555	80,471	82,487
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		348,266	415,153	375,834	420,639	458,139	458,139	421,452	452,108	446,615

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		265,766	337,089	295,529	337,852	350,424	350,424	349,397	371,137	363,606
Conditions met - transferred to revenue		265,713	337,089	295,529	337,852	350,424	350,424	349,397	371,137	363,606
Conditions still to be met - transferred to liabilities		53	–	–	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		560	814	804	1,160	1,160	1,160	–	–	–
Current year receipts		3,786	500	500	500	500	500	500	500	522
Conditions met - transferred to revenue		3,130	511	144	1,660	1,660	1,660	500	500	522
Conditions still to be met - transferred to liabilities		1,216	804	1,160	–	–	–	–	–	–
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		268,843	337,599	295,672	339,511	352,084	352,084	349,897	371,637	364,128
Total operating transfers and grants - CTBM	2	1,269	804	1,160	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		6,127	6,305	4,255	–	–	–	4,740	–	–
Current year receipts		79,602	75,374	86,447	82,288	111,956	111,956	71,555	80,471	82,487
Conditions met - transferred to revenue		79,423	77,425	84,417	82,288	107,215	107,215	76,295	80,471	82,487
Conditions still to be met - transferred to liabilities		6,305	4,255	6,285	–	4,740	4,740	–	–	–
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		79,423	77,425	84,417	82,288	107,215	107,215	76,295	80,471	82,487
Total capital transfers and grants - CTBM	2	6,305	4,255	6,285	–	4,740	4,740	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		348,266	415,024	380,089	421,799	459,299	459,299	426,192	452,108	446,615
TOTAL TRANSFERS AND GRANTS - CTBM		7,575	5,058	7,445	–	4,740	4,740	–	–	–

Table 24 MBRR SA24 – Summary of personnel numbers

EC443 Winnie Madikizela Mandela - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
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	64		64
Board Members of municipal entities	4		–	–	–	–	–	–	–	–
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	6	–	6	6	–	6	6	–
Other Managers	7	20	20	–	19	19	–	21	21	–
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	104	–	104	104	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		–	9	4	5	5	–	5	5	–
Elementary Occupations		118	112	–	118	118	–	118	118	–
TOTAL PERSONNEL NUMBERS	9	348	272	78	352	278	74	344	280	64
% increase					1.1%	2.2%	(5.1%)	(2.3%)	0.7%	(13.5%)
Total municipal employees headcount	6, 10	77	75	2	70	68	2	70	68	2
Finance personnel headcount	8, 10	32	31	1	30	29	1	31	30	1
Human Resources personnel headcount	8, 10	45	44	1	40	39	1	40	39	1

1.15 Monthly targets for revenue, expenditure and cash flow

EC443 Winnie Madikizela Mandela - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source													1		
Property rates	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	29,982	31,546	29,613
Service charges - electricity revenue	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	26,893	30,798	33,302
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	476	476	476	476	476	476	476	476	476	476	476	476	5,712	3,987	4,531
Rental of facilities and equipment	440	440	440	440	440	440	440	440	440	440	440	440	5,282	5,670	6,087
Interest earned - external investments	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	15,890	16,669	17,452
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	4	4	4	4	4	4	4	4	4	4	4	4	50	95	85
Licences and permits	211	211	211	211	211	211	211	211	211	211	211	211	2,537	2,662	2,787
Agency services	106	106	106	106	106	106	106	106	106	106	106	106	1,266	1,328	1,391
Transfers and Subsidies - Operational	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	349,897	371,637	364,128
Other revenue	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	4,213	42,480	39,510	41,655
Cash Receipts by Source	39,938	39,938	39,938	39,938	39,938	39,938	39,938	39,938	39,938	39,938	39,938	40,672	479,991	503,903	501,031
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	71,555	80,471	82,487
Transfers and subsidies - capital (monetary allocations) (Local / Prov / Deparm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ 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	45,941	45,941	45,941	45,941	45,941	45,941	45,941	45,941	45,941	45,941	45,941	46,675	551,545	584,373	583,518
Cash Payments by Type															
Employee related costs	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	15,630	162,256	170,108	177,688
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	8	8	8	8	8	8	8	8	8	8	8	8	100	100	100
Bulk purchases - electricity	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	47,731	53,792	60,624
Acquisitions - water & other inventory	599	599	599	599	599	599	599	599	599	599	599	599	7,192	7,523	7,870
Contracted services	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	83,615	90,128	99,320
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	7,177	7,177	7,177	7,177	7,177	7,177	7,177	7,177	7,177	7,177	7,177	877	79,823	83,445	87,224
Cash Payments by Type	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	28,060	380,718	405,097	432,826
Other Cash Flows/Payments by Type															
Capital assets	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	23,565	141,376	100,930	100,189
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flow s/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	51,625	522,094	506,027	533,015
NET INCREASE/(DECREASE) IN CASH HELD	3,171	3,171	3,171	3,171	3,171	3,171	3,171	3,171	3,171	3,171	3,171	(4,950)	29,451	78,347	50,503
Cash/cash equivalents at the month/year begin:	277,109	280,280	283,452	286,623	289,794	292,966	296,137	299,308	302,480	305,651	308,823	311,994	277,109	277,109	277,109
Cash/cash equivalents at the month/year end:	280,280	283,452	286,623	289,794	292,966	296,137	299,308	302,480	305,651	308,823	311,994	307,044	306,560	355,455	327,612

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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	2,687	32,243	33,823	35,412
Service charges - Water		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Management		472	472	472	472	472	472	472	472	472	472	472	472	5,661	5,939	6,218
Sale of Goods and Rendering of Services		17	17	17	17	17	17	17	17	17	17	17	17	201	211	221
Agency services		106	106	106	106	106	106	106	106	106	106	106	106	1,266	1,328	1,391
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		282	282	282	282	282	282	282	282	282	282	282	282	3,390	3,556	3,723
Interest earned from Current and Non Current As		1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	15,890	16,669	17,452
Dividends		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		440	440	440	440	440	440	440	440	440	440	440	440	5,282	5,670	6,087
Licence and permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		39	39	39	39	39	39	39	39	39	39	39	39	471	495	518
Non-Exchange Revenue																
Property rates		1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771	21,250	22,096	22,976
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	—	—	—	—	—	—	—	—	—	—	—	225	236	247
Licences or permits		19	19	19	19	19	19	19	19	19	19	19	2,331	2,537	2,662	2,787
Transfer and subsidies - Operational		211	211	211	211	211	211	211	211	211	211	211	347,572	349,897	371,637	364,128
Interest		29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	(318,959)	1,780	1,867	1,955
Fuel Levy		148	148	148	148	148	148	148	148	148	148	148	(1,632)	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and		36,675	36,675	36,675	36,675	36,675	36,675	36,675	36,675	36,675	36,675	36,675	36,675	440,094	466,188	463,114
Expenditure																
Employee related costs		10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,851	10,849	130,212	136,500	142,503
Remuneration of councillors		2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	28,480	29,876	31,280
Bulk purchases - electricity		3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	47,731	53,792	60,624
Inventory consumed		599	599	599	599	599	599	599	599	599	599	599	599	7,485	7,829	8,190
Debt impairment		842	842	842	842	842	842	842	842	842	842	842	842	10,109	10,574	11,060
Depreciation and amortisation		4,531	4,531	4,531	4,531	4,531	4,531	4,531	4,531	4,531	4,531	4,531	4,531	54,371	57,035	59,716
Interest		8	8	8	8	8	8	8	8	8	8	8	8	100	100	100
Contracted services		6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	9,097	85,745	89,685	98,017
Transfers and subsidies		286	286	286	286	286	286	286	286	286	286	286	286	3,431	3,589	3,754
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational costs		6,663	6,663	6,663	6,663	6,663	6,663	6,663	6,663	6,663	6,663	6,663	6,739	80,034	83,563	87,347
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	39,596	447,697	472,544	502,592
Surplus/(Deficit)		(426)	(426)	(426)	(426)	(426)	(426)	(426)	(426)	(426)	(426)	(426)	(2,921)	(7,603)	(6,356)	(39,478)
Transfers and subsidies - capital (monetary allocations)		5,963	5,963	5,963	5,963	5,963	5,963	5,963	5,963	5,963	5,963	5,963	10,703	76,295	80,471	82,487
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	7,782	68,692	74,114	43,009
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	7,782	68,692	74,114	43,009
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	7,782	68,692	74,114	43,009
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	7,782	68,692	74,114	43,009

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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Revenue by Vote																
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		37	37	37	37	37	37	37	37	37	37	37	37	441	463	485
Vote 3 - Budget Treasury Office		30,369	30,369	30,369	30,369	30,369	30,369	30,369	30,369	30,369	30,369	30,369	28,589	362,652	386,435	376,725
Vote 4 - Community Services		1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	13,502	10,759	11,263
Vote 5 - Development Planning		2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	2,212	3,992	28,330	31,652	36,037
Vote 6 - Engineering Services		8,894	8,894	8,894	8,894	8,894	8,894	8,894	8,894	8,894	8,894	8,894	13,634	111,464	117,350	121,091
Total Revenue by Vote		42,637	42,637	42,637	42,637	42,637	42,637	42,637	42,637	42,637	42,637	42,637	47,378	516,389	546,659	545,601
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		7,388	7,388	7,388	7,388	7,388	7,388	7,388	7,388	7,388	7,388	7,388	7,387	88,654	92,106	96,375
Vote 2 - Corporate Services		5,412	5,412	5,412	5,412	5,412	5,412	5,412	5,412	5,412	5,412	5,412	5,411	64,946	68,034	71,182
Vote 3 - Budget Treasury Office		3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	45,747	47,813	50,086
Vote 4 - Community Services		6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,981	83,784	84,273	88,178
Vote 5 - Development Planning		2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,074	24,898	25,910	26,782
Vote 6 - Engineering Services		11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431	11,431	13,930	139,669	154,410	169,990
Total Expenditure by Vote		37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	39,596	447,697	472,544	502,592
Surplus/(Deficit) before assoc.		5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	7,782	68,692	74,114	43,009
Income Tax														–	–	–
Share of Surplus/Deficit attributable to Minorities														–	–	–
Intercompany/Parent subsidiary transactions														–	–	–
Surplus/(Deficit)	1	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	7,782	68,692	74,114	43,009

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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Revenue - Functional																
Governance and administration		32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	391,308	416,429	408,120
Executive and council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Finance and administration		32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	32,609	391,308	416,429	408,120
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		383	383	383	383	383	383	383	383	383	383	383	383	4,599	4,800	5,024
Community and social services		50	50	50	50	50	50	50	50	50	50	50	50	605	610	638
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		333	333	333	333	333	333	333	333	333	333	333	333	3,993	4,189	4,386
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		4,795	4,795	4,795	4,795	4,795	4,795	4,795	4,795	4,795	4,795	4,795	9,536	62,281	62,090	67,744
Planning and development		249	248,858.33	249	249	249	249	249	249	249	249	249	249	2,986	5,119	8,257
Road transport		4,546	4,546	4,546	4,546	4,546	4,546	4,546	4,546	4,546	4,546	4,546	9,287	59,295	56,971	59,487
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	4,850	58,201	63,340	64,713
Energy sources		4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	4,108	49,298	57,380	58,473
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		742	742	742	742	742	742	742	742	742	742	742	742	8,903	5,960	6,240
Other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue - Functional		42,637	42,637	42,637	42,637	42,637	42,637	42,637	42,637	42,637	42,637	42,637	47,378	516,389	546,659	545,601
Expenditure - Functional																
Governance and administration		18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,075	18,297	217,120	226,387	236,923
Executive and council		5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,679	5,656	68,123	70,606	73,879
Finance and administration		11,985	11,985	11,985	11,985	11,985	11,985	11,985	11,985	11,985	11,985	11,985	12,208	144,047	150,595	157,617
Internal audit		411	411	411	411	411	411	411	411	411	411	411	433	4,950	5,185	5,427
Community and public safety		2,862	2,862	2,862	2,862	2,862	2,862	2,862	2,862	2,862	2,862	2,862	2,862	34,348	35,946	37,608
Community and social services		1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,145	13,748	14,369	15,042
Sport and recreation		239	239	239	239	239	239	239	239	239	239	239	239	2,866	3,001	3,139
Public safety		1,379	1,379	1,379	1,379	1,379	1,379	1,379	1,379	1,379	1,379	1,379	1,378	16,544	17,337	18,140
Housing		99	99	99	99	99	99	99	99	99	99	99	99	1,190	1,239	1,288
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		7,802	7,802	7,802	7,802	7,802	7,802	7,802	7,802	7,802	7,802	7,802	10,076	95,895	104,778	113,727
Planning and development		2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,319	2,093	27,599	28,907	30,246
Road transport		5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	5,274	7,774	65,786	73,241	80,729
Environmental protection		209	209	209	209	209	209	209	209	209	209	209	209	2,510	2,630	2,752
Trading services		8,003	8,003	8,003	8,003	8,003	8,003	8,003	8,003	8,003	8,003	8,003	8,003	96,035	100,929	109,945
Energy sources		5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,609	5,608	67,303	74,280	82,057
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		2,394	2,394	2,394	2,394	2,394	2,394	2,394	2,394	2,394	2,394	2,394	2,394	28,732	26,650	27,888
Other		358	358	358	358	358	358	358	358	358	358	358	358	4,299	4,504	4,389
Total Expenditure - Functional		37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	37,100	39,596	447,697	472,544	502,592
Surplus/(Deficit) before assoc.		5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	7,782	68,692	74,114	43,009
Intercompany/Parent subsidiary transactions														—	—	—
Surplus/(Deficit)	1	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	7,782	68,692	74,114	43,009

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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		669	669	669	669	669	669	669	669	669	669	669	2,769	10,125	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	669	669	669	669	669	669	669	669	669	669	669	2,769	10,125	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		109	109	109	109	109	109	109	109	109	109	109	109	1,304	-	-
Vote 2 - Corporate Services		705	705	705	705	705	705	705	705	705	705	705	1,705	9,457	5,674	2,435
Vote 3 - Budget Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	1,776	21,308	11,791	12,437
Vote 5 - Development Planning		198	198	198	198	198	198	198	198	198	198	198	198	2,376	522	522
Vote 6 - Engineering Services		6,163	6,163	6,163	6,163	6,163	6,163	6,163	6,163	6,163	6,163	6,163	10,914	78,712	69,974	71,728
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	8,951	8,951	8,951	8,951	8,951	8,951	8,951	8,951	8,951	8,951	8,951	14,701	113,157	87,961	87,121
Total Capital Expenditure	2	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	17,470	123,282	87,961	87,121

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 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		842	842	842	842	842	842	842	842	842	842	842	1,842	11,109	6,022	2,783
Executive and council		109	109	109	109	109	109	109	109	109	109	109	109	1,304	–	–
Finance and administration		734	734	734	734	734	734	734	734	734	734	734	1,734	9,804	6,022	2,783
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		76	76	76	76	76	76	76	76	76	76	76	76	907	943	980
Community and social services		64	64	64	64	64	64	64	64	64	64	64	64	770	807	844
Sport and recreation		11	11	11	11	11	11	11	11	11	11	11	11	137	137	137
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		5,798	5,798	5,798	5,798	5,798	5,798	5,798	5,798	5,798	5,798	5,798	11,949	75,731	50,061	52,250
Planning and development		939	939	939	939	939	939	939	939	939	939	939	2,968	13,300	522	522
Road transport		4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	8,981	62,430	49,540	51,728
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		2,903	2,903	2,903	2,903	2,903	2,903	2,903	2,903	2,903	2,903	2,903	3,603	35,536	30,935	31,109
Energy sources		1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,232	1,932	15,483	20,435	20,000
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		1,671	1,671	1,671	1,671	1,671	1,671	1,671	1,671	1,671	1,671	1,671	1,671	20,054	10,500	11,109
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	17,470	123,282	87,961	87,121
Funded by:																
National Government		5,185	5,185	5,185	5,185	5,185	5,185	5,185	5,185	5,185	5,185	5,185	9,307	66,343	69,974	71,728
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		5,185	5,185	5,185	5,185	5,185	5,185	5,185	5,185	5,185	5,185	5,185	9,307	66,343	69,974	71,728
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	4,434	8,163	56,939	17,987	15,393
Total Capital Funding		9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	9,619	17,470	123,282	87,961	87,121

Table 30 MBRR SA30 – Budgeted monthly cash flow

EC443 Winnie Madikizela Mandela - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Receipts By Source													1		
Property rates	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	2,498	29,982	31,546	29,613
Service charges - electricity revenue	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	2,241	26,893	30,798	33,302
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	476	476	476	476	476	476	476	476	476	476	476	476	5,712	3,987	4,531
Rental of facilities and equipment	440	440	440	440	440	440	440	440	440	440	440	440	5,282	5,670	6,087
Interest earned - external investments	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	1,324	15,890	16,669	17,452
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	4	4	4	4	4	4	4	4	4	4	4	4	50	95	85
Licences and permits	211	211	211	211	211	211	211	211	211	211	211	211	2,537	2,662	2,787
Agency services	106	106	106	106	106	106	106	106	106	106	106	106	1,266	1,328	1,391
Transfers and Subsidies - Operational	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	29,158	349,897	371,637	364,128
Other revenue	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	3,479	42,480	39,510	41,655
Cash Receipts by Source	39,938	39,938	39,938	39,938	39,938	39,938	39,938	39,938	39,938	39,938	39,938	40,672	479,991	503,903	501,031
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	6,003	71,555	80,471	82,487
Transfers and subsidies - capital (monetary allocations) (local / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ 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	45,941	45,941	45,941	45,941	45,941	45,941	45,941	45,941	45,941	45,941	45,941	46,675	551,545	584,373	583,518
Cash Payments by Type															
Employee related costs	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	13,330	15,630	162,256	170,108	177,688
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	8	8	8	8	8	8	8	8	8	8	8	8	100	100	100
Bulk purchases - electricity	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	3,978	47,731	53,792	60,624
Acquisitions - water & other inventory	599	599	599	599	599	599	599	599	599	599	599	599	7,192	7,523	7,870
Contracted services	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	83,615	90,128	99,320
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	7,177	7,177	7,177	7,177	7,177	7,177	7,177	7,177	7,177	7,177	7,177	877	79,823	83,445	87,224
Cash Payments by Type	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	32,060	28,060	380,718	405,097	432,826
Other Cash Flows/Payments by Type															
Capital assets	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	23,565	141,376	100,930	100,189
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	42,770	51,625	522,094	506,027	533,015
NET INCREASE/(DECREASE) IN CASH HELD	3,171	3,171	3,171	3,171	3,171	3,171	3,171	3,171	3,171	3,171	3,171	(4,950)	29,451	78,347	50,503
Cash/cash equivalents at the month/year begin:	277,109	280,280	283,452	286,623	289,794	292,966	296,137	299,308	302,480	305,651	308,823	311,994	277,109	277,109	277,109
Cash/cash equivalents at the month/year end:	280,280	283,452	286,623	289,794	292,966	296,137	299,308	302,480	305,651	308,823	311,994	307,044	306,560	355,455	327,612

1.16 Contracts having future budgetary implications

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

Vote Description R thousand	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
Capital expenditure	1							
Vote 1 - Executive and Council		1,304	–	–				
Vote 2 - Corporate Services		9,457	5,674	2,435				
Vote 3 - Budget Treasury Office		–	–	–				
Vote 4 - Community Services		21,308	11,791	12,437				
Vote 5 - Development Planning		2,376	522	522				
Vote 6 - Engineering Services		88,837	69,974	71,728				
Vote 7 - [NAME OF VOTE 7]		–	–	–				
Vote 8 - [NAME OF VOTE 8]		–	–	–				
Vote 9 - [NAME OF VOTE 9]		–	–	–				
Vote 10 - [NAME OF VOTE 10]		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		123,282	87,961	87,121	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Executive and Council		1,200						
Vote 2 - Corporate Services		100	104	108				
Vote 3 - Budget Treasury Office		2,986	3,105	3,230				
Vote 4 - Community Services		9,773	10,164	10,571				
Vote 5 - Development Planning		300	889	924				
Vote 6 - Engineering Services		1,909	2,168	2,257				
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		16,269	16,431	17,090	–	–	–	–
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
Rental of facilities and equipment		5,282	5,670	6,087	6,447	6,959	7,489	
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		5,282	5,670	6,087	6,447	6,959	7,489	–
Net Financial Implications		134,269	98,722	98,124	(6,447)	(6,959)	(7,489)	–

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.

1.17 Detailed Capital budget

[illegible]

1.18 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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		51,369	64,579	61,748	61,890	54,968	54,968	82,532	79,474	81,228
Roads Infrastructure		31,165	31,539	35,302	38,090	38,013	38,013	51,478	49,540	51,728
Roads		31,165	31,539	35,302	38,090	37,144	37,144	42,181	24,770	25,864
Road Structures		–	–	–	–	869	869	9,297	24,770	25,864
Electrical Infrastructure		20,204	32,643	26,289	15,725	15,565	15,565	14,783	20,435	20,000
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	20,435	20,000
MV Networks		20,204	30,937	25,565	13,940	14,261	14,261	14,783	–	–
LV Networks		–	1,707	724	1,785	1,304	1,304	–	–	–
Solid Waste Infrastructure		–	397	158	8,075	1,390	1,390	16,271	9,500	9,500
Landfill Sites		–	–	–	8,075	1,390	1,390	16,271	9,500	9,500
Waste Drop-off Points		–	397	158	–	–	–	–	–	–
Community Assets		4,003	2,803	9,910	5,950	5,248	5,248	3,754	1,328	1,365
Community Facilities		4,003	2,803	9,910	5,355	4,640	4,640	3,117	807	844
Halls		4,003	1,356	6,168	1,020	846	846	770	807	844
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	3,743	2,975	935	935	607	–	–
Markets		–	1,447	–	1,360	2,859	2,859	1,739	–	–
Sport and Recreation Facilities		–	–	–	595	609	609	637	522	522
Outdoor Facilities		–	–	–	595	609	609	637	522	522
Heritage assets		–	–	30	–	–	–	1,304	–	–
Historic Buildings		–	–	–	–	–	–	1,304	–	–
Other Heritage		–	–	30	–	–	–	–	–	–
Other assets		1,289	736	660	11,562	11,828	11,828	–	–	–
Operational Buildings		1,289	736	660	11,562	11,828	11,828	–	–	–
Yards		1,289	736	63	–	–	–	–	–	–
Manufacturing Plant		–	–	597	11,562	11,828	11,828	–	–	–
Computer Equipment		3,400	5,784	1,834	2,125	4,440	4,440	2,000	2,000	2,000
Computer Equipment		3,400	5,784	1,834	2,125	4,440	4,440	2,000	2,000	2,000
Furniture and Office Equipment		1,170	1,154	84	7,140	3,308	3,308	3,870	3,522	2,391
Furniture and Office Equipment		1,170	1,154	84	7,140	3,308	3,308	3,870	3,522	2,391
Machinery and Equipment		2,625	1,987	119	128	217	217	137	137	137
Machinery and Equipment		2,625	1,987	119	128	217	217	137	137	137
Transport Assets		1,614	1,974	–	6,500	5,077	5,077	6,678	1,500	–
Transport Assets		1,614	1,974	–	6,500	5,077	5,077	6,678	1,500	–
Total Capital Expenditure on new assets	1	65,471	79,017	74,385	95,294	85,086	85,086	100,275	87,961	87,121

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	16,495	24,090	3,426	38,405	38,405	4,122	–	–
Roads Infrastructure		–	16,495	24,090	3,426	38,405	38,405	4,122	–	–
Roads		–	16,495	24,090	3,426	38,405	38,405	4,122	–	–
Community Assets		541	12,588	26,700	1,360	5,843	5,843	–	–	–
Community Facilities		541	12,588	26,700	1,360	5,843	5,843	–	–	–
Taxi Ranks/Bus Terminals		541	12,588	26,700	1,360	5,843	5,843	–	–	–
Other assets		–	–	(63)	340	350	350	191	–	–
Operational Buildings		–	–	(63)	340	350	350	191	–	–
Municipal Offices		–	–	(63)	340	350	350	191	–	–
Total Capital Expenditure on renewal of existing	1	541	29,083	50,726	5,126	44,598	44,598	4,313	–	–
Renewal of Existing Assets as % of total capex		0.6%	20.8%	30.7%	4.7%	29.6%	29.6%	3.5%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		1.4%	72.4%	115.0%	10.3%	89.7%	89.7%	7.9%	0.0%	0.0%

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		7,707	(1,227)	6,845	21,346	37,132	37,132	22,656	28,009	33,377
Roads Infrastructure		6,196	(1,566)	3,845	17,582	33,368	33,368	18,716	23,886	29,065
Roads		259	3	191	640	640	640	666	697	729
Road Structures		5,877	(2,068)	3,357	16,421	32,283	32,283	17,583	22,702	27,827
Road Furniture		59	500	297	520	445	445	466	487	510
Electrical Infrastructure		1,511	339	3,000	3,764	3,764	3,764	3,941	4,122	4,312
MV Networks		1,511	339	3,000	3,764	3,764	3,764	3,941	4,122	4,312
Community Assets		20	515	482	619	819	819	864	902	941
Community Facilities		20	515	482	619	819	819	864	902	941
Halls		20	27	–	250	450	450	262	274	287
Libraries			281	69	155	155	155	350	366	383
Cemeteries/Crematoria				–	100	100	100	105	110	115
Police				–	–	–	–	–	–	–
Parks			207	413	114	114	114	148	152	157
Other assets		3,963	3,646	3,472	4,274	3,133	3,133	3,279	3,430	3,587
Operational Buildings		3,963	3,646	3,472	4,274	3,133	3,133	3,279	3,430	3,587
Municipal Offices		3,963	3,498	3,328	4,125	2,984	2,984	3,123	3,266	3,417
Yards		–	149	143	149	149	149	156	163	171
Computer Equipment		27	72	35	50	50	50	30	31	33
Computer Equipment		27	72	35	50	50	50	30	31	33
Furniture and Office Equipment		–	–	–	210	190	190	199	208	218
Furniture and Office Equipment		–	–	–	210	190	190	199	208	218
Machinery and Equipment		1,082	324	256	500	620	620	693	724	758
Machinery and Equipment		1,082	324	256	500	620	620	693	724	758
Transport Assets		74	1,886	2,753	2,976	5,716	5,716	4,546	4,755	4,974
Transport Assets		74	1,886	2,753	2,976	5,716	5,716	4,546	4,755	4,974
Total Repairs and Maintenance Expenditure	1	12,873	5,217	13,841	29,975	47,660	47,660	32,267	38,059	43,888
R&M as a % of PPE		2.0%	423.9%	1097.8%	2435.4%	3780.1%	3780.1%	3.9%	4.8%	5.5%
R&M as % Operating Expenditure		3.5%	1.5%	3.4%	6.9%	9.9%	9.9%	7.2%	8.1%	8.7%

Table 34 MBRR SA34d – Depreciation by asset class

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

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		29,533	29,666	30,983	32,624	32,624	32,624	34,353	36,037	37,731
Roads Infrastructure		28,729	29,499	29,635	31,239	31,239	31,239	32,894	34,506	36,128
Roads		28,729	29,499	12,902	13,524	13,524	13,524	14,241	14,939	15,641
Road Structures		–	–	16,295	17,251	17,251	17,251	18,165	19,055	19,951
Road Furniture		–	–	438	463	463	463	488	512	536
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		93	–	543	558	558	558	588	617	646
Drainage Collection		93	–	204	210	210	210	221	232	243
Storm water Conveyance		–	–	338	348	348	348	366	384	402
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		545	–	638	656	656	656	691	725	759
HV Transmission Conductors		181	–	–	–	–	–	–	–	–
MV Substations		18	–	51	53	53	53	55	58	61
MV Switching Stations		31	–	–	–	–	–	–	–	–
MV Networks		251	–	432	444	444	444	467	490	513
LV Networks		65	–	155	160	160	160	168	176	185
Solid Waste Infrastructure		167	167	167	172	172	172	181	190	199
Landfill Sites		167	167	167	172	172	172	181	190	199
<u>Community Assets</u>		2,233	2,371	2,881	7,176	6,732	6,732	9,089	9,534	9,983
Community Facilities		2,233	2,371	2,110	5,075	5,075	5,075	6,344	6,655	6,968
Halls		1,092	2,371	1,616	3,574	3,574	3,574	4,764	4,997	5,232
Centres		1,128	–	–	–	–	–	–	–	–
Crèches		–	–	295	304	304	304	320	335	351
Cemeteries/Crematoria		13	–	13	14	14	14	14	15	16
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	101	1,014	1,014	1,014	1,068	1,121	1,173
Public Ablution Facilities		–	–	27	108	108	108	114	119	125
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	58	61	61	61	64	68	71
Sport and Recreation Facilities		–	–	772	2,101	1,657	1,657	2,745	2,880	3,015
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	772	2,101	1,657	1,657	2,745	2,880	3,015
<u>Other assets</u>		727	722	674	693	693	693	730	765	801
Operational Buildings		727	722	661	680	680	680	716	751	786
Municipal Offices		727	722	357	366	366	366	386	405	424
Pay/Enquiry Points		–	–	3	3	3	3	4	4	4
Yards		–	–	77	79	79	79	83	87	91
Stores		–	–	115	118	118	118	125	131	137
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	110	113	113	113	119	124	130
Housing		–	–	13	13	13	13	14	15	15
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	13	13	13	13	14	15	15
<u>Intangible Assets</u>		131	129	26	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		131	129	26	–	–	–	–	–	–
Computer Software and Applications		131	129	26	–	–	–	–	–	–
<u>Computer Equipment</u>		315	186	2,278	2,223	2,667	2,667	2,809	2,946	3,085
Computer Equipment		315	186	2,278	2,223	2,667	2,667	2,809	2,946	3,085
<u>Furniture and Office Equipment</u>		2,636	2,797	2,174	1,274	1,274	1,274	1,342	1,407	1,473
Furniture and Office Equipment		2,636	2,797	2,174	1,274	1,274	1,274	1,342	1,407	1,473
<u>Machinery and Equipment</u>		2,497	2,856	2,894	4,321	4,321	4,321	4,550	4,773	4,998
Machinery and Equipment		2,497	2,856	2,894	4,321	4,321	4,321	4,550	4,773	4,998
<u>Transport Assets</u>		1,365	1,452	2,187	1,423	1,423	1,423	1,499	1,572	1,646
Transport Assets		1,365	1,452	2,187	1,423	1,423	1,423	1,499	1,572	1,646
Total Depreciation	1	39,437	40,180	44,097	49,735	49,735	49,735	54,371	57,035	59,716

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	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		248	4,152	652	–	522	522	6,830	–	–
Roads Infrastructure		248	3,543	652	–	522	522	6,830	–	–
Roads		248	3,543	652	–	522	522	6,830	–	–
Electrical Infrastructure		–	609	–	–	–	–	–	–	–
LV Networks		–	609	–	–	–	–	–	–	–
Community Assets		21,941	27,243	39,537	7,628	20,617	20,617	11,864	–	–
Community Facilities		16,058	17,310	19,960	7,628	11,037	11,037	8,744	–	–
Halls		16,058	17,310	19,960	7,628	11,037	11,037	8,744	–	–
Sport and Recreation Facilities		5,884	9,933	19,577	–	9,580	9,580	3,120	–	–
Outdoor Facilities		5,884	9,933	19,577	–	9,580	9,580	3,120	–	–
Total Capital Expenditure on upgrading of existing a	1	22,189	31,395	40,189	7,628	21,139	21,139	18,695	–	–
Upgrading of Existing Assets as % of total capex		25.2%	22.5%	24.3%	7.1%	14.0%	14.0%	15.2%	0.0%	0.0%
Upgrading of Existing Assets as % of deprecn"		56.3%	78.1%	91.1%	15.3%	42.5%	42.5%	34.4%	0.0%	0.0%

1.19 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 was tabled to the municipal council by 25 January 2023 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 5 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 29 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 budget to ensure alignment of these plans.

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2023/24 MTREF in May 2023 directly aligned and informed by the 2023/24 MTREF.

6. Financial Misconduct Disciplinary Board

The municipality established the financial misconduct disciplinary board in 2019 with its term ending 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 procurement plans are developed together with the 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 31st March 2023 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.

1.20 Municipal manager's quality certificate

I, 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 _____

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

Signature _____

Date _____